

City of Ramsey
Agenda
Economic Development Authority (EDA)
Thursday, July 11, 2019
7:30 am
Council Chambers, 7550 Sunwood Drive NW

- 1. Call to Order**
- 2. Approve Agenda**
- 3. Approve Minutes**
 1. Approve Meeting Minutes for June 13, 2019
- 4. EDA Business**
 1. Consider Approving First Amendment to Purchase Agreement for Lots 1, 2 and 3, Block 1, COR TWO; Case of RGH RAMSEY LLC (Portions may be closed to the public)
 2. Consider Approving Amended Right of Re-Entry Agreement for Cottages at the COR: Case of Centra North
 3. Anoka Area Chamber of Commerce: Manufacture Cohort: 2019 Partnership Subscription Renewal
- 5. Member/Staff Input**
- 6. Adjournment**

Economic Development Authority (EDA)

3. 1.

Meeting Date: 07/11/2019

By: Wendy Schlueter, Community
Development

Title:

Approve Meeting Minutes for June 13, 2019

Purpose/Background:

Purpose: The purpose is to approve the meeting minutes for the EDA meeting held the prior months.

Background: The meeting minutes are attached for review and approval.

Notification:

Observations/Alternatives:

Funding Source:

Recommendation:

Approval of June 13, 2019 meeting minutes

Action:

Motion to approve June 13, 2019 EDA meeting minutes

Attachments

June Meeting Minutes

Form Review

| Inbox | Reviewed By | Date |
|----------------------------------|--------------------|---------------------------------|
| Sean Sullivan | Sean Sullivan | 06/18/2019 04:19 PM |
| Tim Gladhill | Tim Gladhill | 06/20/2019 08:03 AM |
| Form Started By: Wendy Schlueter | | Started On: 06/18/2019 02:03 PM |
| Final Approval Date: 06/20/2019 | | |

**ECONOMIC DEVELOPMENT AUTHORITY
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The City of Ramsey Economic Development Authority (EDA) conducted a regular meeting on Thursday, June 13, 2019, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Member Glen Hardin
 Member Dominic Kanaventi
 Member Mark Kuzma
 Member Chris Riley

Members Absent: Member Shang Berg
 Member Brian Burandt

Also Present: Sean Sullivan, Economic Development Manager
 Tim Gladhill, Community Development Director
 Kurt Ulrich, City Administrator

1. CALL TO ORDER

Chairperson Steffen called the Economic Development Authority meeting to order at 7:30 a.m.

2. APPROVE AGENDA

Motion by Member Hardin, seconded by Member Kanaventi, to approve the agenda.

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Kanaventi, Kuzma, and Riley. Voting No: None. Absent: Members Berg and Burandt.

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated April 11, 2019 and May 9, 2019

Motion by Member Hardin, seconded by Member Kuzma, to approve the April 11, 2019 and May 9, 2019 minutes as presented.

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Kuzma, Kanaventi, and Riley. Voting No: None. Absent: Members Berg and Burandt.

Motion by Member Hardin, seconded by Member Kuzma, to approve the April 11, 2019 and May 9, 2019 minutes as presented.

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Kuzma, Kanaventi, and Riley. Voting No: None. Absent: Members Berg and Burandt.

4. EDA BUSINESS

4.01: Consider Recommendation to Establish TIF District 17, Adopt TIF Plan and Approve TIF Agreement for Delta Mod Tech; Case of SLP EX, LLC and AMP EX LLC

Economic Development Manager Sullivan presented the staff report.

Jason Aarsvold, Ehlers, stated that he worked with the Developer and City to determine the amount of TIF that could be available for this project. He noted that the original assistance request was for \$1,500,000. Based on negotiations with the Developer, the amount of \$972,000 is being brought forth for consideration by the EDA. He noted that the provision TIF was a deciding factor in selecting this site in Ramsey, compared to sites reviewed in other communities. He indicated that the analysis conducted by Ehler's meets the "But For" test. He provided details on the cash on cost analysis that was completed, noting that generally he would like to see seven to nine percent within this industry. He noted that with the \$972,000 in assistance the rate would be rate of return of 8.42 percent and falls within the suggested range. He stated that providing this assistance will help facilitate the project on this site and would not unduly enrich the applicant.

Chairperson Steffen stated that this seems to be three tenths of a percent annually and asked if that would be enough to "move the needle" for a business.

Mr. Aarsvold stated that for a business this can help level the playing field in choosing between this site and a site in another community.

Chairperson Steffen noted that a statement was made that the applicant would not have chosen this site but for the TIF and asked for additional details.

Mr. Aarsvold noted that the incentive was the driving factor in choosing this site over sites in other communities.

Chairperson Steffen referenced the plat, which shows additional pads and asked for details.

Community Development Director Gladhill stated that would be future development by the ownership group. He noted that ultimately Delta Mod Tech would be a tenant from the two investment companies.

Chairperson Steffen asked if a future expansion for Delta Mod Tech would be connected to the building or it would occur to the north.

Evan Schiebout stated that they have built in the ability to expand office and manufacturing onto the proposed 210,000 square foot building to the east. He provided details on the expansions that

have occurred on their site in Coon Rapids, noting that should they have a continued need they would mimic that development pattern. He estimated a ten month build cycle, noting that they would like to begin construction in August. He confirmed that the existing employees and new employees would occupy the site.

Member Riley stated that this discussion is regarding TIF and asked if TIF is being used for the construction of this building or to purchase the additional land for future development.

Economic Development Manager Sullivan stated that the total land purchase has a cost of \$3,600,000, but the TIF is prorated based on the size of the lot with construction and is not spread across the entire parcel purchased.

Member Hardin referenced the business assistance application, which requested \$1,500,000, and asked if the gap has been identified between the requested amount and amount proposed to be provided by the City.

Mr. Schiebout stated that the gap would be covered by the Developer. He noted that although the TIF is not the amount requested, it was still enough to tip the scale to choose this site.

Member Kanaventi asked the estimated length of time for the 15 additional jobs to be created.

Mr. Schiebout replied that the timeline is within two years but estimated that time period would be shorter based on their current demands.

Economic Development Manager Sullivan stated that the job creation can begin once the agreement is approved by the City Council and executed. Any jobs added after that point would count towards the 15 required by the proposed agreement.

Member Hardin asked for details on the benefit date.

Economic Development Manager Sullivan clarified that the benefit date is the completion of construction.

Chairperson Steffen stated that this is a great project that he is excited about.

Councilmember Riley stated that the proposed assistance is pay-as-you-go, which does not cost the City money upfront and is a benefit. He noted that this project fits well within the EDA mission and priorities of the City Council. He stated that this would bring jobs and is the first business being developed in the business park (north of Bunker Lake Boulevard). He noted that there are unpaid special assessments on the parcel relating to development of the Bunker Lake Business Park that would be paid with if this project moves forward. He stated that he is supportive of this project based on those reasons.

Motion by Member Hardin, seconded by Member Kuzma, to recommend to City Council to adopt a resolution approving the modification to the Development Program for Development

District No. 1, Establishing Tax Increment Financing District No. 17, and approving the Tax Increment Financing Plan, subject to City Attorney Review.

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Kuzma, Kanaventi, and Riley. Voting No: None. Absent: Members Berg and Burandt.

Motion by Member Hardin, seconded by Member Kanaventi, to recommend to City Council to adopt a resolution authorizing execution of a Tax Increment Financing (TIF) Agreement awarding a business subsidy of \$972,000 and requiring the creation of 15 new jobs with minimum wages of \$22 per hour, subject to City Attorney review.

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Kanaventi, Kuzma, and Riley. Voting No: None. Absent: Members Berg and Burandt.

4.02: Review Real Estate Management Strategy for City Owned Land

Economic Development Manager Sullivan presented the staff report. He stated the listing agreement with CBRE under consideration includes only parcels within The COR.

Chairperson Steffen asked if any properties west of Armstrong would be included.

Economic Development Manager Sullivan noted that those parcels would not be included and only parcels within The COR would be included in the CBRE agreement. Parcel 45 is west of Armstrong but is currently under contract.

Chairperson Steffen asked if individual parcels could be removed if desired.

Economic Development Manager Sullivan confirmed that individual parcels could be removed if desired with a 30-day notice. He noted that he is proposing a six-month contract and would give the City time to evaluate how the new contract is working. He stated that under the current proposal the commission rate would be reduced from five percent to three percent if the City brings forward the lead.

Councilmember Kuzma noted that Ramsey is competing with other cities for land sales and development and did not want to drive the commission down too low, as the broker or developers would most likely go where they can earn commission. He noted that this is a competitive market and the City should be mindful of the going rates for commission.

Economic Development Manager Sullivan stated that the commission rate would remain at five percent for CBRE involved sales, while the reduced rate would only come into play for staff generated leads. He noted that even on staff generated leads, CBRE has put effort into marketing prior to that time.

Brian Pankratz, CBRE, provided input on how commission is split when two brokers are involved. He noted that CBRE splits the commission rate 50/50.

Member Hardin asked if there is any situation where the City would pay more than seven percent when there is a second broker involved.

Mr. Pankratz stated that the agreement specifies five percent when only CBRE is involved or seven percent if two brokers are involved. He stated that if a second broker requested additional commission, that request would need to go before the City.

Economic Development Manager Sullivan stated that he would not recommend paying additional revenue above the seven percent and therefore that additional request would need to be added to the purchase price.

Member Hardin noted that a second broker could actually come within CBRE and in that situation the seven percent is being split by two CBRE brokers. He noted that under this contract a longtime developer within the City would need to contact CBRE to negotiate and asked if that is the intent of the City.

Economic Development Manager Sullivan stated that would not be the intent. He explained that although the City is paying CBRE for those services, the City can still generate leads.

Mr. Pankratz explained that the intent is to allow the City to utilize the market knowledge and resources of CBRE for all negotiations.

Member Hardin stated that if that is not the intent perhaps the language should be changed. He stated that he met with staff following the last meeting to express his concerns but was frustrated that his concerns did not appear to be addressed.

Economic Development Manager Sullivan stated that following the discussion with Commissioner Hardin he informed him that his concerns should be brought forward at this meeting in a public forum to support transparency in the process. That is why the changes were not incorporated into the proposed listing agreement. He noted that he appreciated that comments and suggestions that Commissioner Hardin had made.

Chairperson Steffen stated that it appears this language would be standard in most CBRE contracts.

Mr. Pankratz confirmed that this is standard contract language, with some items specific to Ramsey. He noted that CBRE is working with the City as a team in attempt to market and sell land and thought the relationship has ran smoothly.

Economic Development Manager Sullivan referenced parcel 45, which has a sales price of \$600,000. He stated that the City is completing a land swap on the properties, which will still result in a loss of \$15,000 for the City. He noted that technically CBRE could take a commission on that transaction but is not requesting a commission. He stated that the willingness to add language to call out City generated leads is not something in a typical contract.

Community Development Director Gladhill stated that if that paragraph is of concern, the EDA could make a recommendation to correct that paragraph and staff would work with the City Attorney prior to this moving forward to the City Council.

Chairperson Steffen stated that most likely that paragraph has remained in the contract for the past five years.

Member Kuzma stated that CBRE has put a lot of work in during the past five years and there has been success with the growth of The COR. He attributed a lot of that success to what CBRE brings to the table. He stated that he will support extending the contract for an additional six months.

Member Riley stated that a few years ago this got off to a slow start and the City perhaps paid commission on City generated sales. He noted that changes have been made over time to address that issue. He stated that the City should be willing to pay for services rendered when there is a need. He stated that selling land is a huge priority for him. He believed that this agreement meets all the needs of the City.

Chairperson Steffen agreed that he also likes the split of CBRE handling COR properties and the City handling properties outside The COR. He noted that he believes the six-month contract provides flexibility.

Motion by Member Kanaventi, seconded by Member Kuzma, to recommend to City Council to approve the draft contract dated May 2, 2019.

Further discussion: Economic Development Manager Sullivan noted that he would ensure the contract language is changed to specify six months. Mr. Pankratz stated that the contract could be structured for six months or could be written that after six months the contract could be canceled with 30-day notice but could run through one year. Economic Development Manager Sullivan stated that he would recommend a six-month period. Member Riley asked if the paragraph 6 in question should be restructured. Economic Development Manager Sullivan noted that he could have the City Attorney review that language to ensure that the concerns were addressed relating to City generated leads.

Motion by Member Riley, seconded by Member Kuzma, to amend the motion to recommend to City Council to approve the draft contract dated May 2, 2019, pending a review of the language related to exclusive clause 6, pending City Attorney review.

Motion carried. Voting Yes: Chairperson Steffen, Members Riley, Kuzma, and Kanaventi.
Voting No: Member Hardin. Absent: Members Berg and Burandt.

5. MEMBER / STAFF UPDATE

Economic Development Manager Sullivan provided an update on a recent conference that he attended. He indicated he made many contacts with restaurant and retailers. He received positive feedback from retailers and restaurants he met with regarding the City marketing materials.

6. ADJOURNMENT

Motion by Member Hardin, seconded by Member Steffen, to adjourn the meeting.

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Kanaventi, Kuzma, and Riley. Voting No: None. Absent: Members Berg and Burandt.

The regular meeting of the Economic Development Authority adjourned at 8:27 a.m.

Respectfully submitted,

Sean Sullivan
Economic Development Manager

ATTEST:

Wendy Schlueter
Economic Development Administrative Assistant

Draft by Amanda Staple
TimeSaver Off Site Secretarial, Inc.

Economic Development Authority (EDA)

4. 1.

Meeting Date: 07/11/2019

By: Sean Sullivan, Community
Development

Title:

Consider Approving First Amendment to Purchase Agreement for Lots 1, 2 and 3, Block 1, COR TWO; Case of RGH RAMSEY LLC (Portions may be closed to the public)

Purpose/Background:

RGH RAMSEY, LLC made an offer on three City-owned parcels at the southwest intersection of Armstrong Boulevard and Sunwood Drive NW and has executed the attached purchase agreement dated February 12, 2019. RGH RAMSEY, LLC has requested to amend the purchase agreement according to the general terms and conditions outlined in the attached redlined Term Sheet. The proposed purchase price is within the City's approved deal range for this parcel; however, it would require site plan approval compliant with COR zoning and vision.

The proposed purchase agreement includes a conceptual development concept for review. The developer has expressed the need to have more time to secure tenants and has asked for a longer time period to close. In return, the Developer has agreed to make the entire \$30,000 Additional Earnest Money immediately non-refundable.

Notification:

Notification is not required.

Observations/Alternatives:

Proposed Amendments to Purchase Agreement Terms:

- Extend the final Closing Date from February 15, 2020 to June 15, 2020 (120 days)
- Upon Notice to Proceed or execution of the First Amendment to Purchase Agreement, the Additional Earnest Money of \$30,000 becomes non-refundable. Currently, the Developer has the ability to extend the Closing Date 6 times for the cost of \$5,000 each.
- Extend the requirement for a Certificate of Occupancy on Building 1 from July 15, 2020 to November 15, 2020.

Site Plan:

This site plan has not yet gone through site plan review and shall not be considered as any indication of compliance with Zoning Code. This is being shown for illustrative purposes only. Official site plan review might result in required amendments to the attached site plan.

Funding Source:

This case is being handled as part of normal Staff duties.

Recommendation:

Staff recommends approval of the First Amendment to Purchase Agreement, which also provides flexibility in the final determination of the site layout; subject to City Attorney approval.

Action:

Motion to recommend approval of the First Amendment to Purchase Agreement the the City Council, which also provides flexibility in the final determination of the site layout; subject to City Attorney approval.

Attachments

Site Location Map

Revised Term Sheet with Redline

Draft First Amendment to R of RE Agreement Redline

Draft First Amendment to R of RE Agreement Clean

Concept Plan

Original PA RGH Ramsey LLC

Form Review

Inbox

Sean Sullivan (Originator)
Tim Gladhill
Sean Sullivan (Originator)
Tim Gladhill
Form Started By: Sean Sullivan
Final Approval Date: 07/05/2019

Reviewed By

Sean Sullivan
Sean Sullivan
Sean Sullivan
Tim Gladhill

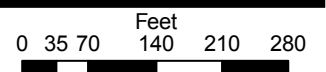
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Started On: 07/01/2019 12:09 PM

Site Location Map (RGH Ramsey)



LOGIS, Anoka County



CHANGES TO THE ORIGINAL TERM SHEET IN RED

Real Estate Tax ID Numbers 28-32-25-23-0011, 28-32-25-23-0012 and 28-32-25-23-0013
Acreage Approximately 3.97 acres or 172,933 SF
Offer Price \$1,383,464 (\$8.00 / SF)
Earnest Money \$10,000 Non-refundable

Additional Earnest Money (For Extensions) \$30,000, Non-refundable after each extension is exercised.

The change requested is that the entire \$30,000.00 of non-refundable earnest money is received by the City immediately instead of monthly extension payments of \$5,000.00 over a six month period.

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Inspection Period INITIAL PERIOD: February 12, 2019-July 15, 2019 (city requires plat/ site plan. approval before sale)

Closing Within 30 days of notice to proceed. Can be extended six times in one month increments.

The change requested is to include a date certain for the Closing Date on the land transaction, The original agreement provided for the Closing to occur on or before Feb. 15th 2020. This amendment would extend the Closing Date by 120 days to June 15th 2020.

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Extensions Developer will deposit \$30,000 in escrow to be drawn down by City in \$5,000 increments per month extended starting on July 15, 2019. Once City draws down each monthly \$5,000.00 extension it becomes non-refundable.

This paragraph would be deleted as there are no extensions beyond the Closing Date (i.e. June 15th, 2020).

Deleted: date certain COE

City take care of ALTA Survey and Title Work.

Performance

City to require construction of Building 1 and a Certificate of Occupancy to be issued by July 15, 2020. If this is not done, the City may exercise the Right of Re-Entry. City to require Building 2 to be constructed and a Certificate of Occupancy to be issued by July 15, 2021. If this is not done, the City may require the developer to make penalty payment in the amount of \$150,000 (or as negotiated) to the City. (construction deadlines)

The change requested would simply extend the requirement for the issuance of a Building 1 permit and Certificate of Occupancy by an additional 120 days (i.e. on or before Nov 15th 2020 vs July 15th 2020).

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Assignment

Requires city approval if not same owners/ company.

Review

EDA (Sean): Land Transaction/ Purchase Agreement/ Right of Re-Entry
Planning Commission (Tim): Land Use, Development Agreement, Site Plan, Plat
Council: Final Approval on both items

FIRST AMENDMENT TO PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **RGH RAMSEY LLC**, a Minnesota Limited Liability Company (“Buyer”).

In consideration of the Earnest Money, the mutual covenants set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **EFFECTIVE DATE.** The effective date of this Agreement is _____, **2019** (the “Effective Date”).

Deleted: February 12

2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller 3.97 acres of vacant land, legally described as follows:

Lots 1, 2 and 3, Block 1 COR TWO subject to easements as shown on Plat), Anoka County, Minnesota. (the “Property”)

Addresses: 7990, 7994 and 7992 Sunwood Drive Northwest, Ramsey, MN 55303

Anoka County Property Identification: 28-32-25-23-0011, 28-32-25-23-0012, 28-32-25-23-0012;

3. **PURCHASE PRICE.** The purchase price for the Property is \$1,383,464.00 (the “Purchase Price”).

4. **EARNEST MONEY AND ADDITIONAL EARNEST MONEY.** Within (5) business days after the Effective Date, Buyer must deposit the sum of \$10,000 (the “Earnest Money”) and \$30,000.00 (the “Additional Earnest Money”) with Commercial Partners Title Company, 200 South 6th Street, #1300, Minneapolis, MN 55402 (“Escrow Agent”), via wire transfer or delivery of a certified check payable to Escrow Agent.

Deleted:

- a. If Buyer does not deposit the Earnest Money and Additional Earnest Money with Escrow Agent as required above, then Seller may terminate this Agreement by written notice to Buyer; provided, however, if Buyer deposits the Earnest Money with Escrow Agent before Seller exercises Seller’s right to terminate, Seller’s right to terminate is extinguished.

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- b. Upon Seller's receipt of a Notice to Proceed from Buyer in accordance with Section 9(b), all of the Earnest Money and Additional Earnest Money becomes non-refundable (except in accordance with Section 22 as a result of a default by Seller).
 - c. If Buyer does not provide a Notice to Proceed to Seller in accordance with Section 9(b), this Agreement automatically terminates and Escrow Agent must disburse all Additional Earnest Money Escrow Agent holds to Buyer.
 - d. At Closing, Escrow Agent shall disburse to Seller any Earnest Money and Additional Earnest Money not previously disbursed to Seller, and Buyer shall receive a credit against the Purchase Price owing at Closing in an amount equal to the amount of the Earnest Money and Additional Earnest Money.
5. **SURVEY.** Seller shall, at Seller's expense, obtain an ALTA/NSPS 2016 survey (Table A, items 1-4 and 6, 8, and 11) (the "Survey") from a duly licensed surveyor and deliver it to Buyer within thirty (30) days after the Effective Date. Buyer may arrange with the surveyor to include additional information on the Survey at Buyer's expense.

6. TITLE COMMITMENT.

- a. Seller makes no representations or warranties with respect to the status of title to the Property. Within thirty (30) business days after the Effective Date, Seller shall, at Seller's expense, obtain a commitment from Escrow Agent to issue an owner's policy of title insurance insuring Buyer's title to the Property (the "Title Commitment") and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.
- b. Buyer shall have until the date thirty (30) days after the receipt of the Title Commitment and the Survey (collectively, "**Title/Survey**") to review Title/Survey and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller's title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a "**Title Objection Notice**"). Any defects in or encumbrances on Seller's title that Buyer does not identify in a timely Title Objection Notice are each a "**Permitted Exception**." Within three (3) business days after Seller's receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions ("**Seller's Title Notice**"). If Seller's Title Notice indicates that Seller unconditionally agrees to make Seller's title to the Property marketable on or before the closing date established pursuant to Section 10, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller's Title Notice indicates that Seller does not unconditionally agree to make Seller's Title

to the Property marketable on or before the closing date established in Section 10, Buyer may, at any time with three (3) business days after Buyer's receipt of Seller's Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated and Escrow Agent must disburse any Earnest Money to Buyer ("**Buyer's Title Termination Notice**"). If Buyer does not deliver a Buyer's Title Termination Notice to Seller within the three (3) business days after Buyer's receipt of Seller's Title Notice, then Seller must perform in accordance with Seller's Title Notice, Buyer shall be deemed to have waived Buyer's objections to the extent Seller has not agreed to address them in Seller's Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller's Title Notice.

7. **RIGHT OF ENTRY.** At all times after Buyer has deposited the Earnest Money with Seller and before the Closing, Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and additional survey work, subject to the following conditions:
- a. Within one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
 - b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all "Claims," as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or Buyer's employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.
 - c. Buyer must comply with and shall cause it employees, agents, and contractors to comply with all applicable laws, while on the Property.
 - d. Other than a standard Phase 1 environmental assessment, Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller's approval of a work plan.

e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer's geotechnical and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.

f. The cost of any test or additional survey work will be borne solely by Buyer.

8. PROPERTY SOLD AS IS. Subject to Buyer's right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an "AS-IS" and with "ALL FAULTS" condition. Buyer's payment of the Purchase Price at Closing constitutes Buyer's acknowledgment and agreement that:

- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
- b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
- c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
- d. The condition of the Property is fit for Buyer's intended use.
- e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or unanticipated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

9. INSPECTION PERIOD.

- a. Except as otherwise provided in Section 6, Buyer shall have from the date that Buyer deposits the Earnest Money with Escrow Agent to **July 15, 2019** (the "**Inspection Period**") to investigate the Property and determine, in Buyer's sole judgment, whether (i) the condition of the Property is suitable to Buyer's intended use; and (ii) Buyer will be able to obtain all governmental approvals (including, but not limited to, approvals necessary to subdivide and re-plot the Property) and

utilities necessary for Buyer's intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer's ability to obtain governmental approvals from the City of Ramsey or any other governmental entity. The City of Ramsey will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.

- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer's determination, in Buyer's sole and absolute discretion, that the condition of the Property is not suitable for Buyer's intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer's intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer's intention to proceed (a "**Notice to Proceed**") to Seller.
- c. If, pursuant to Section 9(b) either Buyer terminates this Agreement or this Agreement is automatically terminated, the Escrow Agent must disburse to Buyer any Earnest Money Escrow Agent holds.

10. DEFINITIONS. As used in this Agreement:

"**Claim**" or "**Claims**" means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgments, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney's fees, consultant's fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

"**Environmental Law**" means the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

"**Hazardous Substance**" or "**Hazardous Substances**" means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

11. RELEASE. By accepting the deed to the Property, Buyer, for itself, its directors, officers, stockholders, divisions, agents, affiliates, subsidiaries, predecessors, successors, and assigns and anyone acting on its behalf or their behalf hereby fully releases and

forever discharges Seller from any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation), past, present and future, known and unknown, existing and contingent, arising out of, resulting from, or relating to the condition of the Property, and Buyer hereby waives any and all causes of action (including without limitation any right of contribution) Buyer had, has or may have against Seller and anyone acting on its behalf with respect to the condition of the Property, whether arising at common law, in equity or under a federal, state or local statute, rule or regulation. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

12. NOTICES. Notices permitted or required by this Agreement must be in writing and shall be deemed given when delivered in legible form to the party to whom addressed. Notices may be sent by certified mail or e-mail. Notices are effective two business days after they are mailed via certified mail, return receipt requested or, if sent by email, upon email transmission (provided that any email transmission that occurs after 5:00 pm Pacific Time will be deemed provided on the following day). If delivered at the Closing, a notice shall be deemed given when hand-delivered to the party's representative at the Closing. The business addresses of the parties are as follows:

Seller: City Administrator
City of Ramsey
7550 Sunwood Drive N.W.
Ramsey, MN 55303
Email: kulrich@cityoframsey.com

Buyer: RGH RAMSEY, LLC
Rob Hardy
3024 Hermosa Road
Santa Barbara, CA 93105
Email: rhardy@ipg-us.com

Notices not given in the manner or within the time limits set forth in this Agreement are of no effect and may be disregarded by the party to whom they are directed.

13. CLOSING. This transaction shall close ~~no later than June 15, 2020~~ after Buyer delivers a Notice to Proceed to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement. The Closing shall take place at the offices of the Escrow Agent, or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be deposited with the Escrow Agent and disbursed by the Escrow Agent pursuant to avoid the necessity for a Closing at which the Parties are present.

Deleted: within

Deleted: 30 days

Deleted: ; provided, however, Buyer may extend the Closing a total of six (6) times, each time for a period of thirty (30) days at a cost of Five Thousand and 00/100's Dollars (\$5,000.00), by providing written permission to the Seller to draw \$5,000.00 for each extension from the Additional Earnest Money with Escrow Agent. Each \$5,000.00 extension payment to the City shall be non-refundable, but applicable to the Purchase Price. The Buyer will be refunded balance of

- a. **Seller's Obligations at Closing.** At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:
- i. A limited warranty deed, duly executed and acknowledged on behalf of the City and with the City's seal affixed, conveying title to the Property, subject to (A) the lien of real estate taxes, if any, not yet due and payable and any installments of special assessments certified for payment therewith; (B) Building, Subdivision and Zoning Ordinances; (C) Matters that would be disclosed by an accurate survey of the Property; and (D) matters that constitute Permitted Exceptions pursuant to Section 6;
 - ii. A certified copy of a duly adopted City Ordinance and Resolution authorizing Seller's sale of the Property to Buyer; and
 - iii. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.
- b. **Buyer's Obligations at Closing.** At Closing, Buyer must:
- i. Wire Transfer (or deliver a certified check in) an amount equal to the amount of the Purchase Price adjusted for to reflect Buyer's prior payment of the Earnest Money and to reflect amounts Buyer must pay or will receive pursuant to Section 14(c), to Escrow Agent for disbursement to Seller and others pursuant to this Agreement and the Settlement Statement; and
 - ii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value, if required and necessary.
- c. **Closing Costs.**
- i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:
 1. Seller's portion of the prorated property taxes.
 2. Seller's own attorney's fees.
 3. One-half the cost of any closing fees.
 4. The cost of real estate broker commission fees as prescribed in Section 15.
 - ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:
 1. Buyer's portion of prorated property taxes.

2. Buyer's own attorney's fees.
3. One-half the cost of any closing fees.
4. Documentary and recording fees for the deed(s).
5. The cost of the owner's title insurance policy, if Buyer elects to purchase an Owner's title insurance policy.
6. State deed tax.

d. **Possession.** Seller must deliver possession of the Property to Buyer at Closing.

14. REAL ESTATE BROKERS. Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction, other than CBRE, Inc. ("Buyer's Broker"), which represents the Seller and the Buyer. Seller shall pay Broker as required by their agreement (5% of final sale price). Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

15. ASSIGNMENT. This Agreement may not be assigned without the written consent of the non-assigning Party. The Seller recognizes the Buyer intends to assign this Agreement to an affiliated special purpose entity that will be registered officially with the State of Minnesota.

16. THIRD PARTY BENEFICIARY. There are no third party beneficiaries of this Agreement, intended or otherwise.

17. JOINT VENTURE. Seller and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint venturers or partners.

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 / 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 modification of any of its terms will be effective unless in 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 is made under the laws of the State of Minnesota and such laws will control its interpretation.

22. REMEDIES.

- a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, unless Buyer defaults under Section 7 or 12 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Anoka County District Court to recover its actual damages arising from the default.
- b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated in which case Escrow Agent and, if applicable, Seller, shall refund the Earnest Money (both the Initial Disbursement and the Remaining Earnest Money) to Buyer, or, in the alternative, Buyer may have this Agreement specifically enforced and recover any incidental damages. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.

23. WAIVER. Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.

24. SURVIVAL OF TERMS AND CONDITIONS. The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed, and shall not be deemed to have merged therein.

25. SEVERABILITY. Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.

26. CONSTRUCTION. The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.

27. COUNTERPARTS; DIGITAL COPIES. This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.

FIRST AMENDMENT TO PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **RGH RAMSEY LLC**, a Minnesota Limited Liability Company (“Buyer”).

In consideration of the Earnest Money, the mutual covenants set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

- 1. EFFECTIVE DATE.** The effective date of this Agreement is _____, **2019** (the “Effective Date”).
- 2. SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller 3.97 acres of vacant land, legally described as follows:

Lots 1, 2 and 3, Block 1 COR TWO subject to easements as shown on Plat), Anoka County, Minnesota. (the “Property”)

Addresses: 7990, 7994 and 7992 Sunwood Drive Northwest, Ramsey, MN 55303

Anoka County Property Identification: 28-32-25-23-0011, 28-32-25-23-0012, 28-32-25-23-0012;

- 3. PURCHASE PRICE.** The purchase price for the Property is \$1,383,464.00 (the “Purchase Price”).
- 4. EARNEST MONEY AND ADDITIONAL EARNEST MONEY.** Within (5) business days after the Effective Date, Buyer must deposit the sum of \$10,000 (the “Earnest Money”) and \$30,000.00 (the “Additional Earnest Money”) with Commercial Partners Title Company, 200 South 6th Street, #1300, Minneapolis, MN 55402 (“Escrow Agent”), via wire transfer or delivery of a certified check payable to Escrow Agent.
 - a. If Buyer does not deposit the Earnest Money and Additional Earnest Money with Escrow Agent as required above, then Seller may terminate this Agreement by written notice to Buyer; provided, however, if Buyer deposits the Earnest Money with Escrow Agent before Seller exercises Seller’s right to terminate, Seller’s right to terminate is extinguished.

- b. Upon Seller's receipt of a Notice to Proceed from Buyer in accordance with Section 9(b), all of the Earnest Money and Additional Earnest Money becomes non-refundable (except in accordance with Section 22 as a result of a default by Seller).
 - c. If Buyer does not provide a Notice to Proceed to Seller in accordance with Section 9(b), this Agreement automatically terminates and Escrow Agent must disburse all Additional Earnest Money Escrow Agent holds to Buyer.
 - d. At Closing, Escrow Agent shall disburse to Seller any Earnest Money and Additional Earnest Money not previously disbursed to Seller, and Buyer shall receive a credit against the Purchase Price owing at Closing in an amount equal to the amount of the Earnest Money and Additional Earnest Money.
5. **SURVEY.** Seller shall, at Seller's expense, obtain an ALTA/NSPS 2016 survey (Table A, items 1-4 and 6, 8, and 11) (the "Survey") from a duly licensed surveyor and deliver it to Buyer within thirty (30) days after the Effective Date. Buyer may arrange with the surveyor to include additional information on the Survey at Buyer's expense.

6. **TITLE COMMITMENT.**

- a. Seller makes no representations or warranties with respect to the status of title to the Property. Within thirty (30) business days after the Effective Date, Seller shall, at Seller's expense, obtain a commitment from Escrow Agent to issue an owner's policy of title insurance insuring Buyer's title to the Property (the "Title Commitment") and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.
- b. Buyer shall have until the date thirty (30) days after the receipt of the Title Commitment and the Survey (collectively, "**Title/Survey**") to review Title/Survey and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller's title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a "**Title Objection Notice**"). Any defects in or encumbrances on Seller's title that Buyer does not identify in a timely Title Objection Notice are each a "**Permitted Exception.**" Within three (3) business days after Seller's receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions ("**Seller's Title Notice**"). If Seller's Title Notice indicates that Seller unconditionally agrees to make Seller's title to the Property marketable on or before the closing date established pursuant to Section 10, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller's Title Notice indicates that Seller does not unconditionally agree to make Seller's Title

to the Property marketable on or before the closing date established in Section 10, Buyer may, at any time with three (3) business days after Buyer's receipt of Seller's Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated and Escrow Agent must disburse any Earnest Money to Buyer ("**Buyer's Title Termination Notice**"). If Buyer does not deliver a Buyer's Title Termination Notice to Seller within the three (3) business days after Buyer's receipt of Seller's Title Notice, then Seller must perform in accordance with Seller's Title Notice, Buyer shall be deemed to have waived Buyer's objections to the extent Seller has not agreed to address them in Seller's Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller's Title Notice.

- 7. RIGHT OF ENTRY.** At all times after Buyer has deposited the Earnest Money with Seller and before the Closing, Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and additional survey work, subject to the following conditions:
- a. Within one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
 - b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all "Claims," as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or Buyer's employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.
 - c. Buyer must comply with and shall cause it employees, agents, and contractors to comply with all applicable laws, while on the Property.
 - d. Other than a standard Phase 1 environmental assessment, Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller's approval of a work plan.

- e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer's geotechnical and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.
- f. The cost of any test or additional survey work will be borne solely by Buyer.

8. PROPERTY SOLD AS IS. Subject to Buyer's right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an "AS-IS" and with "ALL FAULTS" condition. Buyer's payment of the Purchase Price at Closing constitutes Buyer's acknowledgment and agreement that:

- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
- b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
- c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
- d. The condition of the Property is fit for Buyer's intended use.
- e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

9. INSPECTION PERIOD.

- a. Except as otherwise provided in Section 6, Buyer shall have from the date that Buyer deposits the Earnest Money with Escrow Agent to **July 15, 2019** (the "**Inspection Period**") to investigate the Property and determine, in Buyer's sole judgment, whether (i) the condition of the Property is suitable to Buyer's intended use; and (ii) Buyer will be able to obtain all governmental approvals (including, but not limited to, approvals necessary to subdivide and re-plat the Property) and

utilities necessary for Buyer's intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer's ability to obtain governmental approvals from the City of Ramsey or any other governmental entity. The City of Ramsey will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.

- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer's determination, in Buyer's sole and absolute discretion, that the condition of the Property is not suitable for Buyer's intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer's intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer's intention to proceed (a "**Notice to Proceed**") to Seller.
- c. If, pursuant to Section 9(b) either Buyer terminates this Agreement or this Agreement is automatically terminated, the Escrow Agent must disburse to Buyer any Earnest Money Escrow Agent holds.

10. DEFINITIONS. As used in this Agreement:

"**Claim**" or "**Claims**" means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgments, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney's fees, consultant's fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

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"**Hazardous Substance**" or "**Hazardous Substances**" means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

- 11. RELEASE.** By accepting the deed to the Property, Buyer, for itself, its directors, officers, stockholders, divisions, agents, affiliates, subsidiaries, predecessors, successors, and assigns and anyone acting on its behalf or their behalf hereby fully releases and

forever discharges Seller from any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation), past, present and future, known and unknown, existing and contingent, arising out of, resulting from, or relating to the condition of the Property, and Buyer hereby waives any and all causes of action (including without limitation any right of contribution) Buyer had, has or may have against Seller and anyone acting on its behalf with respect to the condition of the Property, whether arising at common law, in equity or under a federal, state or local statute, rule or regulation. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

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Seller: City Administrator
City of Ramsey
7550 Sunwood Drive N.W.
Ramsey, MN 55303
Email: kulrich@cityoframsey.com

Buyer: RGH RAMSEY, LLC
Rob Hardy
3024 Hermosa Road
Santa Barbara, CA 93105
Email: rhardy@ipg-us.com

Notices not given in the manner or within the time limits set forth in this Agreement are of no effect and may be disregarded by the party to whom they are directed.

13. CLOSING. This transaction shall close no later than June 15, 2020 after Buyer delivers a Notice to Proceed to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement. The Closing shall take place at the offices of the Escrow Agent, or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be deposited with the Escrow Agent and disbursed by the Escrow Agent pursuant to avoid the necessity for a Closing at which the Parties are present.

- a. **Seller's Obligations at Closing.** At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:
- i. A limited warranty deed, duly executed and acknowledged on behalf of the City and with the City's seal affixed, conveying title to the Property, subject to (A) the lien of real estate taxes, if any, not yet due and payable and any installments of special assessments certified for payment therewith; (B) Building, Subdivision and Zoning Ordinances; (C) Matters that would be disclosed by an accurate survey of the Property; and (D) matters that constitute Permitted Exceptions pursuant to Section 6;
 - ii. A certified copy of a duly adopted City Ordinance and Resolution authorizing Seller's sale of the Property to Buyer; and
 - iii. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.
- b. **Buyer's Obligations at Closing.** At Closing, Buyer must:
- i. Wire Transfer (or deliver a certified check in) an amount equal to the amount of the Purchase Price adjusted for to reflect Buyer's prior payment of the Earnest Money and to reflect amounts Buyer must pay or will receive pursuant to Section 14(c), to Escrow Agent for disbursement to Seller and others pursuant to this Agreement and the Settlement Statement; and
 - ii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value, if required and necessary.
- c. **Closing Costs.**
- i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:
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26. CONSTRUCTION. The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.

27. COUNTERPARTS; DIGITAL COPIES. This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.

28. CONSTRUCTION DEADLINE. Buyer shall obtain a certificate(s) of occupancy from the City of Ramsey for the construction of Building 1(to be further defined) by November 15, 2020 and Building 2 by July 15, 2021. At Closing, a “Right of Re-Entry Agreement” must be executed and recorded to the Property providing that, in the event the above deadline is not met, Seller has the right to reclaim title to the parcel(s) for which a certificate of occupancy was not obtained or in the alternative, and at Seller’s sole discretion, Buyer shall pay Seller a \$150,000 penalty. In the event the penalty is not paid within 30 days of receipt of notice, Seller may certify the penalty to Anoka County as an assessment against the Property.

29. TIME PERIODS. The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. Pacific Time on the last day of the applicable time period provided for in this Agreement. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

30. PLATTING & DEVELOPMENT AGREEMENT. Buyer must obtain an approved final plat, development agreement, and building exterior visual renderings with the City of Ramsey for its intended project before Closing. The Development Agreement and Site Plan must comply with all local zoning ordinances and design standards, including The COR Design Standards.

SELLER: The City of Ramsey, a Minnesota municipal corporation

By: _____
John LeTourneau, Mayor

Dated: _____, 2019

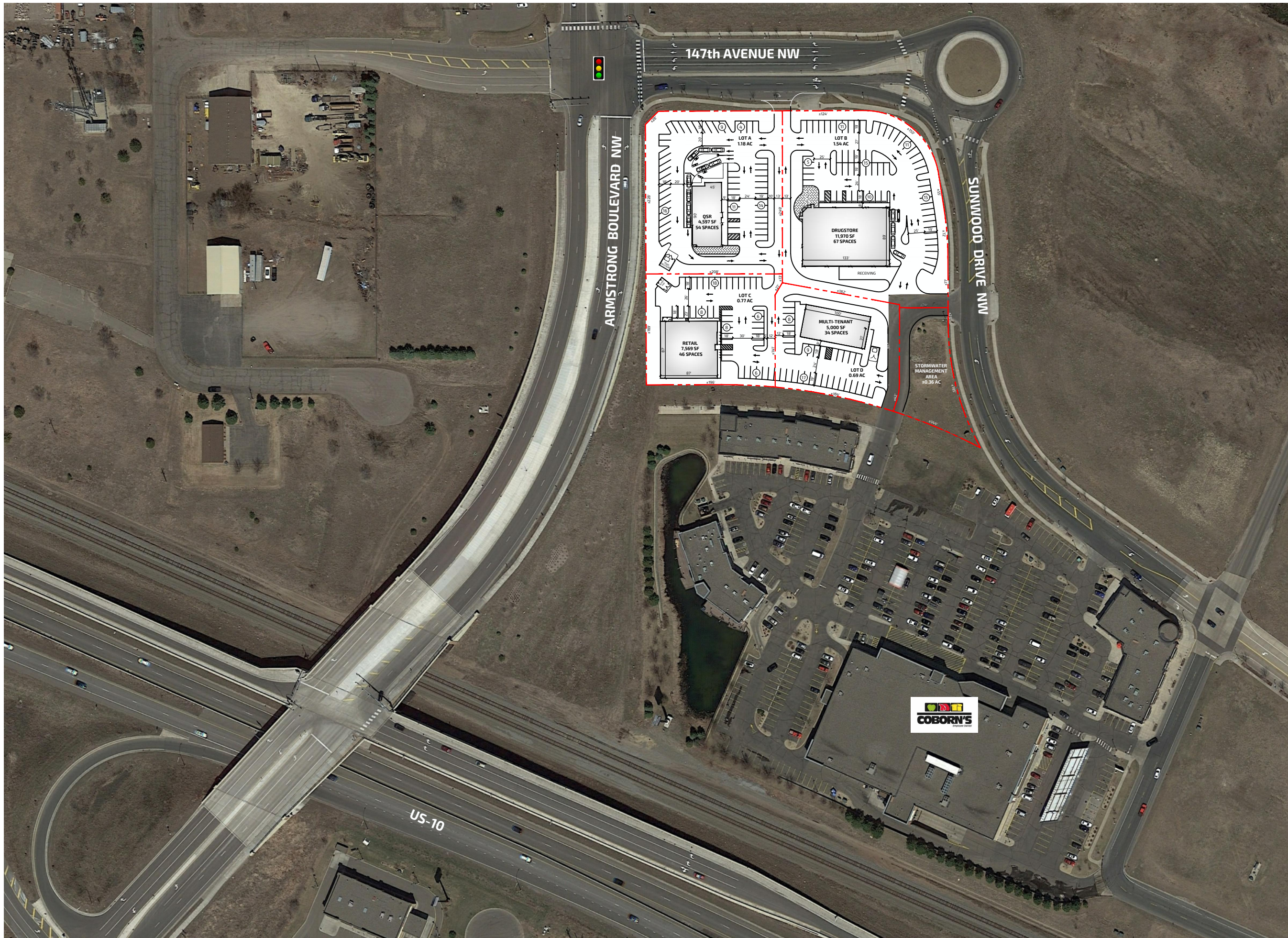
By: _____
Kurt Ulrich, City Administrator

Dated: _____, 2019

BUYER: RGH RAMSEY, LLC, a Minnesota Limited Liability Company.

By: _____
Robert C. Hardy, Chief Manager

Dated: _____, 2019



SITE DATA

LOT A
 LOT AREA ±1.18 AC
 BUILDING 4,597 SF - QSR
 PARKING 54 SPACES

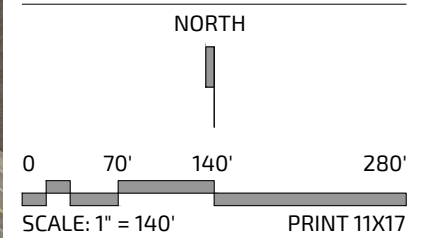
LOT B
 LOT AREA ±1.54 AC
 BUILDING 11,970 SF - DRUGSTORE
 PARKING 67 SPACES

LOT C
 LOT AREA ±0.77 AC
 BUILDING 7,569 SF - RETAIL
 PARKING 46 SPACES

LOT D
 LOT AREA ±0.69 AC
 BUILDING 5,000 SF - MTB
 PARKING 34 SPACES

POND
 LOT AREA ±0.36 AC

DEVELOPER
 ROB HARDY
 REAL ESTATE ADVISORY GROUP
 ACQUISITION/DEVELOPMENT
 SPECIALISTS



PROJECT NAME:
COR COMMONS

project
**RAMSEY,
 MINNESOTA**
 ARMSTRONG BOULEVARD NW AND
 147TH AVENUE NW

drawing title

**PROPOSED
 SITE PLAN**

| | |
|------------|-------------|
| date | drawing no. |
| 01.24.2019 | 1.5A |

PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation ("Seller"), and **RGH RAMSEY LLC**, a Minnesota Limited Liability Company ("Buyer").

In consideration of the Earnest Money, the mutual covenants set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **EFFECTIVE DATE.** The effective date of this Agreement is **February 12, 2019** (the "Effective Date").
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller 3.97 acres of vacant land, legally described as follows:

Lots 1, 2 and 3, Block 1 COR TWO subject to easements as shown on Plat), Anoka County, Minnesota. (the "Property")

Addresses: 7990, 7994 and 7992 Sunwood Drive Northwest, Ramsey, MN 55303

Anoka County Property Identification: 28-32-25-23-0011, 28-32-25-23-0012, 28-32-25-23-0012;

3. **PURCHASE PRICE.** The purchase price for the Property is \$1,383,464.00 (the "Purchase Price").
4. **EARNEST MONEY AND ADDITIONAL EARNEST MONEY.** Within (5) business days after the Effective Date, Buyer must deposit the sum of \$10,000 (the "Earnest Money") and \$30,000.00 (the "Additional Earnest Money") with Commercial Partners Title Company, 200 South 6th Street, #1300, Minneapolis, MN 55402 ("Escrow Agent"), via wire transfer or delivery of a certified check payable to Escrow Agent.
 - a. If Buyer does not deposit the Earnest Money and Additional Earnest Money with Escrow Agent as required above, then Seller may terminate this Agreement by written notice to Buyer; provided, however, if Buyer deposits the Earnest Money with Escrow Agent before Seller exercises Seller's right to terminate, Seller's right to terminate is extinguished.

- b. Upon Seller's receipt of a Notice to Proceed from Buyer in accordance with Section 9(b), all of the Earnest Money becomes non-refundable (except in accordance with Section 22 as a result of a default by Seller).
 - c. If Buyer does not provide a Notice to Proceed to Seller in accordance with Section 9(b), this Agreement automatically terminates and Escrow Agent must disburse all Earnest Money Escrow Agent holds to Buyer.
 - d. At Closing, Escrow Agent shall disburse to Seller any Earnest Money not previously disbursed to Seller, and Buyer shall receive a credit against the Purchase Price owing at Closing in an amount equal to the amount of the Earnest Money.
5. **SURVEY.** Seller shall, at Seller's expense, obtain an ALTA/NSPS 2016 survey (Table A, items 1-4 and 6, 8, and 11) (the "Survey") from a duly licensed surveyor and deliver it to Buyer within thirty (30) days after the Effective Date. Buyer may arrange with the surveyor to include additional information on the Survey at Buyer's expense.

6. **TITLE COMMITMENT.**

- a. Seller makes no representations or warranties with respect to the status of title to the Property. Within thirty (30) business days after the Effective Date, Seller shall, at Seller's expense, obtain a commitment from Escrow Agent to issue an owner's policy of title insurance insuring Buyer's title to the Property (the "Title Commitment") and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.
- b. Buyer shall have until the date thirty (30) days after the receipt of the Title Commitment and the Survey (collectively, "**Title/Survey**") to review Title/Survey and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller's title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a "**Title Objection Notice**"). Any defects in or encumbrances on Seller's title that Buyer does not identify in a timely Title Objection Notice are each a "**Permitted Exception.**" Within three (3) business days after Seller's receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions ("**Seller's Title Notice**"). If Seller's Title Notice indicates that Seller unconditionally agrees to make Seller's title to the Property marketable on or before the closing date established pursuant to Section 10, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller's Title Notice indicates that Seller does not unconditionally agree to make Seller's Title to the Property marketable on or before the closing date established in Section 10,

Buyer may, at any time with three (3) business days after Buyer's receipt of Seller's Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated and Escrow Agent must disburse any Earnest Money to Buyer ("**Buyer's Title Termination Notice**"). If Buyer does not deliver a Buyer's Title Termination Notice to Seller within the three (3) business days after Buyer's receipt of Seller's Title Notice, than Seller must perform in accordance with Seller's Title Notice, Buyer shall be deemed to have waived Buyer's objections to the extent Seller has not agreed to address them in Seller's Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller's Title Notice.

7. **RIGHT OF ENTRY.** At all times after Buyer has deposited the Earnest Money with Seller and before the Closing, Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and additional survey work, subject to the following conditions:
- a. Within one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
 - b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all "Claims," as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or Buyer's employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.
 - c. Buyer must comply with and shall cause it employees, agents, and contractors to comply with all applicable laws, while on the Property.
 - d. Other than a standard Phase 1 environmental assessment, Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller's approval of a work plan.
 - e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer's geotechnical

and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.

f. The cost of any test or additional survey work will be borne solely by Buyer.

8. PROPERTY SOLD AS IS. Subject to Buyer's right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an "AS-IS" and with "ALL FAULTS" condition. Buyer's payment of the Purchase Price at Closing constitutes Buyer's acknowledgment and agreement that:

- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
- b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
- c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
- d. The condition of the Property is fit for Buyer's intended use.
- e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

9. INSPECTION PERIOD.

- a. Except as otherwise provided in Section 6, Buyer shall have from the date that Buyer deposits the Earnest Money with Escrow Agent to **July 15, 2019** (the "**Inspection Period**") to investigate the Property and determine, in Buyer's sole judgment, whether (i) the condition of the Property is suitable to Buyer's intended use; and (ii) Buyer will be able to obtain all governmental approvals (including, but not limited to, approvals necessary to subdivide and re-plat the Property) and utilities necessary for Buyer's intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties

regarding Buyer's ability to obtain governmental approvals from the City of Ramsey or any other governmental entity. The City of Ramsey will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.

- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer's determination, in Buyer's sole and absolute discretion, that the condition of the Property is not suitable for Buyer's intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer's intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer's intention to proceed (a "**Notice to Proceed**") to Seller.
- c. If, pursuant to Section 9(b) either Buyer terminates this Agreement or this Agreement is automatically terminated, the Escrow Agent must disburse to Buyer any Earnest Money Escrow Agent holds.

10. DEFINITIONS. As used in this Agreement:

"Claim" or **"Claims"** means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgments, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney's fees, consultant's fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

"Environmental Law" means the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

"Hazardous Substance" or **"Hazardous Substances"** means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

- 11. RELEASE.** By accepting the deed to the Property, Buyer, for itself, its directors, officers, stockholders, divisions, agents, affiliates, subsidiaries, predecessors, successors, and assigns and anyone acting on its behalf or their behalf hereby fully releases and forever discharges Seller from any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or

under a federal, state or local statute, rule or regulation), past, present and future, known and unknown, existing and contingent, arising out of, resulting from, or relating to the condition of the Property, and Buyer hereby waives any and all causes of action (including without limitation any right of contribution) Buyer had, has or may have against Seller and anyone acting on its behalf with respect to the condition of the Property, whether arising at common law, in equity or under a federal, state or local statute, rule or regulation. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

- 12. NOTICES.** Notices permitted or required by this Agreement must be in writing and shall be deemed given when delivered in legible form to the party to whom addressed. Notices may be sent by certified mail or e-mail. Notices are effective two business days after they are mailed via certified mail, return receipt requested or, if sent by email, upon email transmission (provided that any email transmission that occurs after 5:00 pm Pacific Time will be deemed provided on the following day). If delivered at the Closing, a notice shall be deemed given when hand-delivered to the party's representative at the Closing. The business addresses of the parties are as follows:

Seller: City Administrator
City of Ramsey
7550 Sunwood Drive N.W.
Ramsey, MN 55303
Email: kulrich@cityoframsey.com

Buyer: RGH RAMSEY, LLC
Rob Hardy
3024 Hermosa Road
Santa Barbara, CA 93105
Email: rhardy@ipg-us.com

Notices not given in the manner or within the time limits set forth in this Agreement are of no effect and may be disregarded by the party to whom they are directed.

- 13. CLOSING.** This transaction shall close within 30 days after Buyer delivers a Notice to Proceed to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement; provided, however, Buyer may extend the Closing a total of six (6) times, each time for a period of thirty (30) days at a cost of Five Thousand and 00/100's Dollars (\$5,000.00), by providing written permission to the Seller to draw \$5,000.00 for each extension from the Additional Earnest Money with Escrow Agent. Each \$5,000.00 extension payment to the City shall be non-refundable, but applicable to the Purchase Price. The Buyer will be refunded balance of The Closing shall take place at the offices of the Escrow Agent, or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price

and closing costs may be deposited with the Escrow Agent and disbursed by the Escrow Agent pursuant to avoid the necessity for a Closing at which the Parties are present.

- a. **Seller's Obligations at Closing.** At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:
 - i. A limited warranty deed, duly executed and acknowledged on behalf of the City and with the City's seal affixed, conveying title to the Property, subject to (A) the lien of real estate taxes, if any, not yet due and payable and any installments of special assessments certified for payment therewith; (B) Building, Subdivision and Zoning Ordinances; (C) Matters that would be disclosed by an accurate survey of the Property; and (D) matters that constitute Permitted Exceptions pursuant to Section 6;
 - ii. A certified copy of a duly adopted City Ordinance and Resolution authorizing Seller's sale of the Property to Buyer; and
 - iii. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.

- b. **Buyer's Obligations at Closing.** At Closing, Buyer must:
 - i. Wire Transfer (or deliver a certified check in) an amount equal to the amount of the Purchase Price adjusted for to reflect Buyer's prior payment of the Earnest Money and to reflect amounts Buyer must pay or will receive pursuant to Section 14(c), to Escrow Agent for disbursement to Seller and others pursuant to this Agreement and the Settlement Statement; and
 - ii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value, if required and necessary.

- c. **Closing Costs.**
 - i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:
 1. Seller's portion of the prorated property taxes.
 2. Seller's own attorney's fees.
 3. One-half the cost of any closing fees.
 4. The cost of real estate broker commission fees as prescribed in Section 15.

ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:

1. Buyer's portion of prorated property taxes.
2. Buyer's own attorney's fees.
3. One-half the cost of any closing fees.
4. Documentary and recording fees for the deed(s).
5. The cost of the owner's title insurance policy, if Buyer elects to purchase an Owner's title insurance policy.
6. State deed tax.

d. **Possession.** Seller must deliver possession of the Property to Buyer at Closing.

14. REAL ESTATE BROKERS. Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction, other than CBRE, Inc. ("Buyer's Broker"), which represents the Seller and the Buyer. Seller shall pay Broker as required by their agreement (5% of final sale price). Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

15. ASSIGNMENT. This Agreement may not be assigned without the written consent of the non-assigning Party. The Seller recognizes the Buyer intends to assign this Agreement to an affiliated special purpose entity that will be registered officially with the State of Minnesota.

16. THIRD PARTY BENEFICIARY. There are no third party beneficiaries of this Agreement, intended or otherwise.

17. JOINT VENTURE. Seller and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint venturers or partners.

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 / 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 modification of any of its terms will be effective unless in 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 is made under the laws of the State of Minnesota and such laws will control its interpretation.
- 22. REMEDIES.**
- a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, unless Buyer defaults under Section 7 or 12 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Anoka County District Court to recover its actual damages arising from the default.
 - b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated in which case Escrow Agent and, if applicable, Seller, shall refund the Earnest Money (both the Initial Disbursement and the Remaining Earnest Money) to Buyer, or, in the alternative, Buyer may have this Agreement specifically enforced and recover any incidental damages. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.
- 23. WAIVER.** Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.
- 24. SURVIVAL OF TERMS AND CONDITIONS.** The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed, and shall not be deemed to have merged therein.
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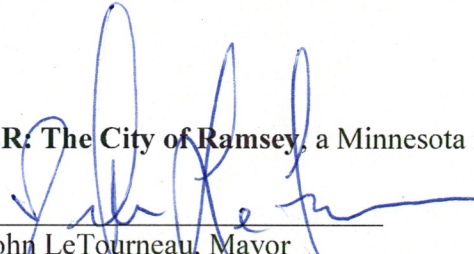
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28. CONSTRUCTION DEADLINE. Buyer shall obtain a certificate(s) of occupancy from the City of Ramsey for the construction of Building 1(to be further defined) by July 15, 2020 and Building 2 by July 15, 2021. At Closing, a "Right of Re-Entry Agreement" must be executed and recorded to the Property providing that, in the event the above deadline is not met, Seller has the right to reclaim title to the parcel(s) for which a certificate of occupancy was not obtained or in the alternative, and at Seller's sole discretion, Buyer shall pay Seller a \$150,000 penalty. In the event the penalty is not paid within 30 days of receipt of notice, Seller may certify the penalty to Anoka County as an assessment against the Property.

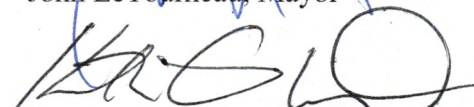
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SELLER: The City of Ramsey, a Minnesota municipal corporation

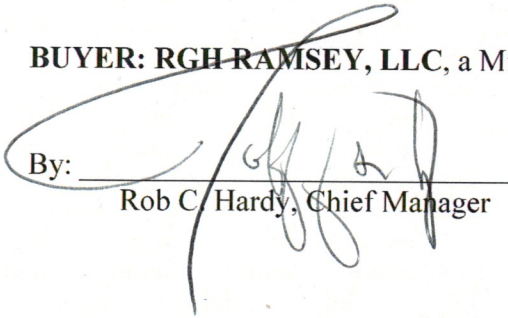
By: 
John LeTourneau, Mayor

Dated: 2/20/19, 2019

By: 
Kurt Ulrich, City Administrator

Dated: 2/13/19, 2019

BUYER: RGH RAMSEY, LLC, a Minnesota Limited Liability Company.

By: 
Rob C. Hardy, Chief Manager

Dated: 12 Feb, 2019

Economic Development Authority (EDA)

4. 2.

Meeting Date: 07/11/2019

By: Sean Sullivan, Community
Development

Title:

Consider Approving Amended Right of Re-Entry Agreement for Cottages at the COR: Case of Centra North

Purpose/Background:

As the EDA may recall, the City sold a piece of real property at the southwest intersection of Ramsey Boulevard and Bunker Lake Boulevard for the Cottages at The COR development. Included in that transaction was the City's typical Right of Re-Entry Agreement, allowing the City to take back the property in the event development did not commence. The City is interested in selling to Developers with immediate plans for development and not on real estate speculation.

Centra Homes North has requested the Certificate of Occupancy date for the first five homes be extended from October 1, 2019 to December 31, 2019. Centra Homes has provided a written request to amend the agreement which is included in this case. The property transaction closed on November 28, 2018. Site grading was delayed and the cold weather and snow set in before utilities could be installed this winter. Due to these items, construction started late and Centra North is asking for an 3 month extension.

Notification:

Notification is not required.

Observations/Alternatives:

An Amended Right of Re-Entry Agreement has been drafted reflecting the change to the Certificate of Occupancy date for the first five homes extending it to December 31, 2019. The terms and conditions of the rest of the agreement and subsequent years remain the same. The City Attorney has reviewed the attached agreement.

The EDA can consider the following actions:

- 1) Approve the proposed Amendment to the Right of Re-entry Agreement and recommend approval to the City Council
- 2) Deny the proposed Amendment to the Right of Re-Entry Agreement and recommend denial to the City Council
- 3) Propose another alternative.

Funding Source:

This case is being handled as part of normal Staff duties.

Recommendation:

Staff recommends approval of the proposed Amended Right of Re-entry Agreement, subject to City Attorney review and approval.

Action:

Motion to recommend that the City Council approve the proposed Amended Right of Re-entry Agreement, subject to City Attorney review as to legal form.

Attachments

Site Location Map

Amended Right of ReEntry Redline

Amended Right of ReEntry Clean

Original Right of ReEntry Agreement

Centra North Request for Extension

Form Review

Inbox

Sean Sullivan (Originator)

Tim Gladhill

Form Started By: Sean Sullivan

Final Approval Date: 07/05/2019

Reviewed By

Sean Sullivan

Tim Gladhill

Date

07/03/2019 10:52 AM

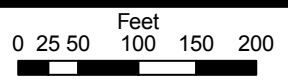
07/05/2019 08:24 AM

Started On: 07/02/2019 01:51 PM

Site Location Map (Cottages at the COR)



LOGIS, Anoka County



[Reserved for Recording Data]

AMENDED RIGHT OF RE-ENTRY AGREEMENT

This Amended Right of Re-entry Agreement is entered into on _____, 2019, by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **Centra North, LLC**, a Minnesota Limited Liability Company (“Buyer”).

Deleted: 2018

Recitals

A. On November 28, 2018, Seller conveyed title of the following Property to Buyer:

Deleted: _____.

Lots 1 through 10, Block 1, Lots 1 through 6, Block 2, Lots 1 through 9, Block 3, Lots 1 through 6, Block 4, Lots 1 through 9, Block 5, and Outlots A, B and C, COTTAGES AT THE COR

B. Title to the Property was conveyed subject to Buyer fulfilling certain Conditions as set forth below.

C. As indicated in the Purchase Agreement between the City of Ramsey and Centra Homes LLC, dated February 13, 2018, Section 29, it is the intent of the parties to create and set forth a right to impose a penalty or a right of re-entry in favor of Seller in the event Buyer fails to satisfy the Conditions.

D. Buyer requested a 90-day extension to obtain the certificates of occupancy for the first five homes.

Agreement

1. The recitals are incorporated herein as if fully set forth.

2. Seller shall have the right, but not the obligation, to either impose a penalty against the Property pursuant to Paragraph 3, or to re-enter and take possession of the Property pursuant to Paragraph 4, in the event that any of the following Conditions are not satisfied by Buyer:

a. Buyer must obtain certificates of occupancy for the construction of fifteen (15) single family homes pursuant to the following schedule:

Construction Deadline Schedule:

Five (5) certificates of occupancy by December 31, 2019

Five (5) certificates of occupancy by October 1, 2020

Five (5) certificates of occupancy by October 1, 2021

Deleted: October 1

Once a certificate of occupancy is issued for a lot comprising part of the Property, the Right of Re-Entry shall automatically be released by the Seller as to such lot.

b. For each year depicted within the Construction Deadline Schedule, three (3) of the five (5) certificates of occupancy shall be for lots located immediately adjacent to, and fronting, either Ramsey Boulevard or Bunker Lake Boulevard.

3. Seller may impose a separate penalty of \$20,000.00 against the Property if the certificate of occupancy is not obtained, for each of the 15 single family homes, pursuant to the deadline set forth above. The penalty is due upon written notice to Buyer from Seller of the failure to satisfy a contingency. In the event the penalty is not paid within 30 days of receipt of the notice, Seller may, but is not required to, certify the penalty to Anoka County as an assessment against the Property. Buyer waives any and all rights under Minnesota Statutes, chapter 429, and any other applicable law, including any right to notice of hearing and hearing, the right to object, and the right to appeal the assessment. Buyer further waives any requirements of the City Charter that may apply to said assessment.

4. As an alternative to imposition of a financial penalty and not in addition thereto, Seller may re-enter and take physical possession of the Property. Title to the Property shall be restored in Seller, and Buyer shall execute whatever documents and undertake whatever steps are necessary to establish and confirm Seller's fee simple interest in the Property free of any claims or encumbrances, including mechanic's liens.

The Seller agrees to waive the right to re-enter and take physical possession of the Property upon satisfactory completion and inspection by the Seller of the Stage I Improvements as follows:

- a. Trunk and lateral sanitary sewer.
- b. Trunk and lateral water main.
- c. Storm drainage facilities (when specified).

- d. Stormwater maintenance through 90 percent buildout.
- e. Streets (excluding the final bituminous lift)
- f. Concrete curb and gutter (urban).
- g. Street traffic control signals.
- h. Lot grading.
- i. Trail development.
- j. Sidewalks.
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- m. Natural gas (within one-fourth mile).
- n. Boulevard sodding.
- o. Water shut off boxes.
- p. Landscaping

(the "Stage I Improvements").

5. Upon satisfaction of the terms set forth in Section 4 above, the right of re-entry only set forth in Section 4 herein shall be released in a recordable writing executed by the Seller's Mayor and City Administrator.
6. This document constitutes the entire Right of Re-entry Agreement between the parties. Any modifications or amendments to this Agreement must be in writing and signed by both parties.
7. This Amended Right of Re-entry Agreement supersedes the Right of Re-entry Agreement dated November 28, 2018, and recorded with the Anoka County Recorder as document number 215051.007.

CITY OF RAMSEY

By: _____
John LeTourneau, Mayor

By: _____
Kurtis G. Ulrich, City Administrator

This instrument was acknowledged before me on _____, 2019,
by John LeTourneau and Kurtis G. Ulrich as Mayor and City Administrator, respectively,
of the City of Ramsey, Minnesota.

Deleted: 8

Notary Public

BUYER: Centra North, LLC, a Minnesota Limited Liability Company.

By: _____
Dale Wills, Managing Member

This instrument was acknowledged before me on _____, 2019,
by Dale Wills, Managing Member of Centra North, LLC.

Deleted: 8

Notary Public

This instrument drafted by:
Ratwik, Roszak & Maloney, P.A.
730 Second Ave. S., Suite 300
Minneapolis, MN 55402
(612) 339-0060
(JLL)

[Reserved for Recording Data]

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- f. Concrete curb and gutter (urban).
- g. Street traffic control signals.
- h. Lot grading.
- i. Trail development.
- j. Sidewalks.
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CITY OF RAMSEY

By: _____
John LeTourneau, Mayor

By: _____
Kurtis G. Ulrich, City Administrator

This instrument was acknowledged before me on _____, 2019,
by John LeTourneau and Kurtis G. Ulrich as Mayor and City Administrator, respectively,
of the City of Ramsey, Minnesota.

Notary Public

BUYER: Centra North, LLC, a Minnesota Limited Liability Company.

By: _____
Dale Wills, Managing Member

This instrument was acknowledged before me on _____, 2019,
by Dale Wills, Managing Member of Centra North, LLC.

Notary Public

This instrument drafted by:
Ratwik, Roszak & Maloney, P.A.
730 Second Ave. S., Suite 300
Minneapolis, MN 55402
(612) 339-0060
(JLL)



2215051.007

[Reserved for Recording Data]

RIGHT OF RE-ENTRY AGREEMENT

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RETURN TO: 569198
LAND TITLE, INC.

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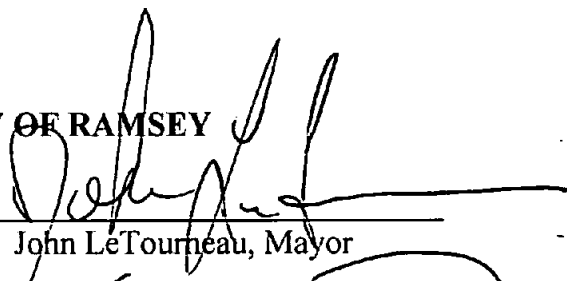
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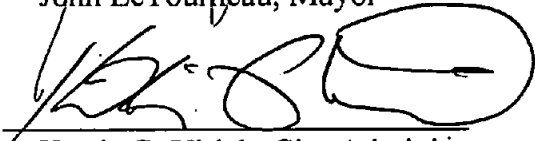
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(the "Stage I Improvements").

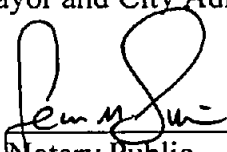
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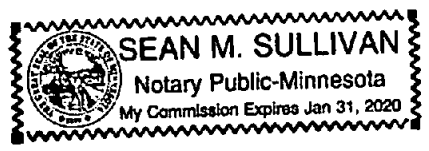
CITY OF RAMSEY

By: 
John LeTourneau, Mayor


By: 
Kurtis G. Ulrich, City Administrator

This instrument was acknowledged before me on November 27th, 2018,
by John LeTourneau and Kurtis G. Ulrich as Mayor and City Administrator, respectively,
of the City of Ramsey, Minnesota.



Notary Public



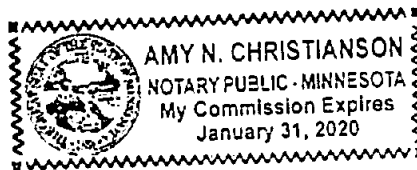
BUYER: Centra North, LLC, a Minnesota Limited Liability Company.

By: 
Dale Wills, Managing Member

This instrument was acknowledged before me on November 28, 2018,
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Notary Public

This instrument drafted by:
Ratwik, Roszak & Maloney, P.A.
730 Second Ave. S., Suite 300
Minneapolis, MN 55402
(612) 339-0060
(JL)



ANOKA COUNTY MINNESOTA

Document No.: 2215051.007 ABSTRACT

I hereby certify that the within instrument was filed in
this office for record on: 11/29/2018 11:17:00 AM

Fees/Taxes In the Amount of \$46.00

JONELL M. SAWYER

Anoka County Property Tax

Administrator/Recorder/Registrar of Titles

JMD, Deputy

Record ID: 4164836

From: [Dale Wills](#)
To: [Sean Sullivan](#)
Subject: Right of Re-entry
Date: Monday, July 01, 2019 3:33:49 PM

Sean,

We have been making great progress in building Cottages at the COR. We have a model under construction and hope to have it open by late August 2019. We have also submitted for an additional five building permits for construction and anticipate starting all five of those homes in the month of July.

Unfortunately, we got a much later start on the project than we had hoped. We were able to get the grading completed in the Fall of 2018 and the cold weather set in before we were able to get the utilities completed. This caused us to start construction of the homes much later than we had originally anticipated.

We are requesting the city to move the requirement to have five certificates of occupancy issued from October 1, 2019 to December 31, 2019. We are confident we will have 6 or more homes completed by this date. We are also confident that for the future dates and completions we will exceed the plans of the number of units completed.

Thank you for consideration on this matter.

Dale R Wills



CentraHomes.com
11460 Robinson Drive NW
Coon Rapids, MN 55433
763-772-1032 Direct

Economic Development Authority (EDA)

4. 3.

Meeting Date: 07/11/2019

By: Sean Sullivan, Community
Development

Title:

Anoka Area Chamber of Commerce: Manufacture Cohort: 2019 Partnership Subscription Renewal

Purpose/Background:

Chamber Background

The City of Ramsey is a member of the Anoka Area Chamber of Commerce. The Anoka Area Chamber of Commerce has a rich history of success in catering to the needs of retail, food, and professional service industries. The Chamber specializes in events, marketing, and networking.

Manufacturing Coalition/ Manufacture Cohort Background

In 2015, the Chamber identified the need to better serve the large "manufacturing" sector physically located in the Chamber's service territory. Commonly, the Chamber's standard "events/ marketing/ networking" opportunities do not provide significant value to manufacturers. NOTE: the Cities of Ramsey and Anoka share a roughly 1,000 acre business park that includes over 10,000 jobs--most of said jobs are manufacturing (or related to manufacturing).

With this in mind, the Chamber began a new "sub-group" known as the "Manufacturing Coalition" about five years ago. Here is a link to their website: <http://www.anokaareachambermanufacture.com/>). The group has now self identified as the Manufacture Cohort. The mission of the Manufacture Cohort is to: become a catalyst for strengthening community manufacturing; accelerating transformation into a more efficient and powerful engine of innovation, job creation and economic growth.

In summary, the Manufacture Cohort is a group of leaders from local manufacturers that meet periodically to discuss and address issues unique to their industry and identify an ongoing topic list. In some cases, meetings are purely the exchange of best practices. In other cases, the Manufacture Cohort asks the Chamber to implement and develop a service or product to help the group. Currently, the #1 topic is addressing is workforce needs and shortages.

Staff attended a Manufacturing Signing Day event held at Anoka Technical College in February 2019. This event was well attended by both businesses and high school students. The event is geared to educate potential future workforce about the manufacturing field and the demand for workers. Staff also attended a another Cohort event in May 2019. At this event, Mike Mulrooney gave a presentation on the state of manufacturing industry and trends. The businesses in attendance seemed engaged and the event was well attended.

Lastly, the Manufacture Cohort, through Chamber Staff, has routinely facilitated outreach with Legislators, businesses, and school districts to drive initiatives developed by this group.

Although the Chamber does receive some funding for the Manufacture Cohort via subscriptions from manufacturing businesses, this initiative needs financial support to keep running. The purpose of this case is to consider continued support of the Manufacture Cohort by providing \$5,000 for the 2019 program. These dollars would be utilized for "facilitation/ operation" expenses related to the Manufacturing Cohort (meetings/communications/ etc.). NOTE: the City has supported the program in 2016, 2017 and 2018. Other municipalities participate as well.

Mayor John LeTourneau facilitates this cohort and will be in attendance of this meeting to provide information and to answer questions.

Notification:

Observations/Alternatives:

Attached is a summary of activity, and a work plan for 2019.

Funding Source:

2019 EDA Budget is being asked to consider funding \$5,000.00.

Other Trusted Sponsors that support the Manufacture Cohort include: Anoka Technical College, Connexus Energy, Anoka Public Utility (City of Anoka), Anoka County, Stepping Stone and Rapid Packaging.

Recommendation:

Considering Ramsey's limited internal resources (staff time) to pro-actively and effectively address large regional issues that effect our manufactures, the Anoka Area Chamber Manufacture Cohort provides the City an efficient opportunity to get involved. The group has a focus on workforce development and this is a pressing issue in today's economy and our local businesses. Staff would consider supporting sponsorship of this program again in 2019 as it appears this group is making good strides and is providing a service to our local businesses/manufactures (i.e. Building Fasteners, Minnesota Tool and Die, Connexus Energy and others).

With the above in mind, staff would suggest an EDA discussion to evaluate the effectiveness of this investment.

Action:

Motion to recommend the continued support of the Anoka Area Chamber Manufacture Cohort in 2019 including \$5,000 in funding.

Attachments

2019 2020 WorkPlan

2019 Activity

Form Review

Inbox

Sean Sullivan (Originator)
Tim Gladhill
Form Started By: Sean Sullivan
Final Approval Date: 07/05/2019

Reviewed By

Sean Sullivan
Tim Gladhill

Date

07/02/2019 04:02 PM
07/05/2019 08:07 AM
Started On: 07/01/2019 10:54 AM

This Letter outlines the Work Plan Direction for the CoHort in the next number of months and beyond:

An outcome from the May 17 Anoka Area Chamber Manufacture CoHort meeting was to review the discussion points on “new” areas for discovery in support of regional Manufacturing. These potential new topics would allow for additional value to be gathered from our effort and would run concurrently with the continuing effort we have in the workforce planning from the past few years. Here is a recap of the top scoring topics.

Top Scoring Item:

ALTERNATE WORKFORCE OPTIONS - This CoHort needs to understand alternate resources addressing workforce. What are the available pools of workforce and how does this CoHort get access to these groups?

The Next Three Scored Equal:

NEXT LEVEL SKILL SETS - The CoHort should collectively work on broad opportunities addressing "skill sets to take to the next level" impacting manufacturing. Both internal and external.

TECHONOLOGY TRENDS - You believe that understanding new applications and trends with Technology would be valuable to the CoHort.

AUTOMATION - You believe that Automation would be an important area to explore.

The Third Highest Scoring item:

NEW HR COHORT - I would believe that the creation of an HR CoHort facilitated by the Anoka Area Chamber would be a valuable addition to Chamber members.

The Last Four Rounded Out The Questions:

FORECASTING - The CoHort should collectively work on broad forecasting questions impacting manufacturing.

COST OF GOODS - The CoHort peer to peer meeting would be a great way to identify common elements addressing Cost of Goods and ways to manage this issue.

TARRIFS - We need to understand how Tariffs impact Manufacturing.

LENDING RESOURCES - You may be or may not be in need of lending resources; but understanding and having a lending process in place would serve our current or future plans.

The moving forward plan will be to introduce the top sets of items in the next number of CoHort meetings.

Anoka Area Chamber Of Commerce
MANUFACTURE COHORT

- ❖ Design and Fabrication
- ❖ Mathematics Foundation
- ❖ STEAM
- ❖ Career Intent Signing Day

PIPELINE FLOW

