

City of Ramsey
Agenda
Economic Development Authority (EDA)
Thursday, November 12, 2020
7:30 am
Council Chambers, 7550 Sunwood Drive NW

This meeting is being held in accordance with Minnesota Statutes 13D.021. Due to the COVID-19 Pandemic, it is not practical and prudent for all members of this board to attend in person. Current Minnesota law requires certain social distancing standards that impacts the capacity of the Council Chambers. For those at highest risk, it is advised to isolate themselves from the general public. For these reasons, it is not practical and prudent to have this meeting exclusively in person. Members of the public are welcome to attend in person or remotely.

Remote Attendance available at www.cityoframsey.com/meetings. To maximize social distancing due to the COVID-19 Pandemic, those that can join remotely are encouraged to do so. Those joining remotely and requesting to speak are asked to use a webcam when speaking.

- 1. Call to Order**
- 2. Approve Agenda**
- 3. Approve Minutes**
 1. Approve Meeting Minutes for October 8, 2020
- 4. EDA Business**
 1. Consider Approval of Third 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 Lease Agreement for 6701 Hwy 10 NW: Case of Potter's House Christian Community Church (Portions of the meeting may be closed to the public)
 3. Consider Purchase Agreement for 6590 141st Avenue NW; Case of City Moving and Storage (portions of the meeting could be closed to the public)
- 5. Member/Staff Input**
 - Receive Update on Major Development Projects
- 6. Adjournment**

Economic Development Authority (EDA)

3. 1.

Meeting Date: 11/12/2020

By: Wendy Schlueter, Community
Development

Title:

Approve Meeting Minutes for October 8, 2020

Purpose/Background:

Purpose: The purpose is to approve the meeting minutes for the EDA meeting held the prior month. Background: The meeting minutes are attached for review and approval.

Notification:

Observations/Alternatives:

Funding Source:

Recommendation:

Approval of October 8, 2020 meeting minutes

Action:

Motion to approve October 8, 2020 EDA meeting minutes.

Attachments

Oct 8 2020 Meeting Minutes

Form Review

Inbox	Reviewed By	Date
Sean Sullivan	Sean Sullivan	10/20/2020 12:43 PM
Tim Gladhill	Tim Gladhill	11/05/2020 07:46 AM
Form Started By: Wendy Schlueter		Started On: 10/12/2020 12:44 PM
Final Approval Date: 11/05/2020		

**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, October 8, 2020, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Member Scott Cords
 Member Ryan Heineman
 Member Mark Kuzma
 Member Chris Riley

Members Absent: Member Brian Burandt

Also Present: Sean Sullivan, Economic Development Manager
 Tim Gladhill, Deputy 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 Cords, seconded by Member Kuzma, to approve the agenda.

Motion carried. Voting Yes: Chairperson Steffen, Members Cords, Kuzma, Heineman, and Riley. Voting No: None. Absent: Member Burandt.

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated September 10, 2020

Motion by Member Riley, seconded by Member Cords, to approve the September 10, 2020, minutes as presented.

Motion carried. Voting Yes: Chairperson Steffen, Members Riley, Cords, Heineman, and Kuzma. Voting No: None. Absent: Member Burandt.

4. EDA BUSINESS

4.01: Consider Lease Agreement of 6701 Highway 10 NW to Mille Lacs Motor Sports II (Power Lodge) (Portions of the meeting may be closed to the public)

Economic Development Manager Sullivan presented the staff report.

Chairperson Steffen asked if that space has been leased to anyone else prior to this spring.

Economic Development Manager Sullivan stated that perhaps PACT used that space when they were in the area but could not recall any official lease of that space aside from the temporary one by Mille Lacs Motor Sports in the Spring. He confirmed that the total amount for the three different periods would be paid up front.

Chairperson Steffen asked if it is unusual for a lease of three time periods to be done without leasing the space for the entire year.

Economic Development Manager Sullivan replied that this space is not being used for another purpose and therefore did not see a reason this space should not be allowed to be used for this purpose.

Chairperson Steffen asked if the Highway 10 project would impact this property.

Economic Development Manager Sullivan stated that the alignment for Highway 10 has changed from previous plan iterations and it will remain in its current alignment. The building will remain but some of the parcel might be needed for a future frontage road. He said some of these properties were acquired through the RALF program, and with the uncertainty of the Hwy 10 plan, the City is holding all properties acquired with those funds until the Highway 10 project moves forward.

Deputy City Administrator Gladhill stated that this is the third rendition of the Highway 10 project and therefore it does not seem prudent to sell the property at this time.

Motion by Member Cords, seconded by Member Riley, to recommend to City Council to approve the Lease of 6701 Highway 10 NW to Mille Lacs Motor Sports II: subject to final lease area calculation and review by the City Attorney.

Motion carried. Voting Yes: Chairperson Steffen, Members Cords, Riley, Heineman, and Kuzma. Voting No: None. Absent: Member Burandt.

4.02: Consider Purchase Agreement for Outlot B, Alpha Development 2nd Addition; Case of U.S. Home Corporation (Portions of the meeting may be closed to the public)

Economic Development Manager Sullivan presented the staff report. Sullivan noted that this Purchase Agreement did not include a Right of Re-Entry Agreement provision.

Motion by Chairperson Steffen, seconded by Member Cords, to recommend to City Council to approve the Purchase Agreement for Outlot B, Alpha Development 2nd Addition, subject to City Attorney approval.

Motion carried. Voting Yes: Chairperson Steffen, Members Cords, Heineman, Kuzma, and Riley. Voting No: None. Absent: Member Burandt.

**4.03: Consider Lease Agreement for 6701 Highway 10 NW: Case of Connections Church
(Portions of the meeting may be closed to the public)**

Economic Development Manager Sullivan presented the staff report.

Chairperson Steffen asked if there has been any interest in the space within the past year that it has been vacant.

Economic Development Manager Sullivan replied that there was interest from a thrift store, but they declined to even submit a proposal of lease. He stated that there was some lukewarm interest from a fitness use, but the building air filtration and parking would not support that use.

Member Kuzma asked if parking would be an issue for the church.

Economic Development Manager Sullivan replied that parking could potentially be problematic but there is no competition from adjacent uses on Sundays, so there is potential for shared parking. He stated that if parking issues arise, the City can handle that through the normal processes. He commented that the potential tenant believes this space will work and is aware of the available parking.

Member Riley stated that he would like to see the space rented out but would be concerned with the perception of fairness because the previous church tenant paid a higher rate.

Chairperson Steffen asked if there is a policy that states that the City cannot lease space for under market rate.

Economic Development Manager Sullivan replied that there is not such a policy. He stated that the current market for office space of this type is depressed and therefore it not unreasonable to accept a lower rate. He acknowledged that this would be below market rate and the group should acknowledge that, noting that his staff report included a list of reasons this could be considered.

Member Cords agreed that the concept of market rate is arbitrary, and property is only worth what someone is willing to pay. He stated that he would rather see a tenant paying something rather than continuing to look for someone that may pay slightly more. He asked how the year period of the lease aligns with the construction plans of the church.

Economic Development Manager Sullivan replied that there is nothing within the lease that ties to the construction of the church.

Craig Norenberg, Connections Church, stated that they should be closing on their land in October 2020 and will then begin a building campaign to raise funds for the construction of the building, which he estimated could happen in two or three years. He was uncertain the plans of the church after the year lease expires. He stated that they plan to begin construction within three to five years.

Chairperson Steffen stated that it is certain that the new building will not be completed in one year. He asked if there is language included for the rate for a potential lease extension.

Economic Development Manager Sullivan stated that there is not language related to an extension and he would not recommend including those options. He noted that this lease is necessary because the applicant is not able to lease the space in Ramsey Elementary due to COVID-19, and therefore that opportunity may present itself in the future.

Member Heineman asked if there is information showing the savings the City would receive by not having to complete the upkeep, noting that perhaps that would make up the difference in the below market rate rent rate.

Economic Development Manager Sullivan stated that when a RALF property is rented that revenue is then put back into the RALF account for upkeep of the properties purchased with RALF funds. He stated that having an available revenue/balance in that account ensures that the City can fund those upkeep expenses.

Chairperson Steffen stated that if this were not a church or nonprofit, he would perhaps look at it differently. He stated that he would support this request.

Motion by Member Kuzma, seconded by Member Cords, to recommend to City Council to approve the Lease as presented, subject to City Attorney review.

Motion carried. Voting Yes: Chairperson Steffen, Members Kuzma, Cords, Heineman, and Riley. Voting No: None. Absent: Member Burandt.

4.04: Consider Purchase Agreement for Outlot B, COR Stone Brook Academy; Case of Stories Foundation (Portions of the meeting may be closed to the public)

Manager Heineman stated that he will be abstaining from this discussion because he has a personal connection to the organization.

Economic Development Manager Sullivan presented the staff report. Sullivan highlighted the fact that this was a mixed-use project, the offer was within the City deal range and that it would involve the sale of a challenging remnant parcel.

Mark Thurston, representing the applicant, provided background information on the creation of Stories Foundation which aims to raise awareness on human trafficking and sex trafficking. He stated that their desire has been to have a brick and mortar building with a café with a small store component and apartments.

Chairperson Steffen asked if the project is being funded through donations and fundraising.

Mr. Thurston stated that it would be a combination of financing and donations/fundraising. He stated that the land would be paid for in cash. He provided details on the potential leasing of the apartment components.

Chairperson Steffen stated that loves the concept of mixed use with retail on the bottom and apartments on the top. He recognized that this remnant parcel is challenging and commented that this seems to be great use of that space.

Motion by Chairperson Steffen, seconded by Member Riley, to recommend to City Council to approve the Purchase Agreement for Outlot B, COR Stone Brook Academy, subject to City Attorney approval.

Motion carried. Voting Yes: Chairperson Steffen, Members Riley, Cords, and Kuzma. Voting No: None. Absent: Member Burandt. Abstain: Member Heineman.

4.05: Consider Recommendation of Support for Telecommuter Forward! Certification

Economic Development Manager Sullivan presented the staff report.

Matt Woestehoff, 16078 Uraninite St NW, stated that he is a Director of Technology and has worked from home for the past few months. He stated that it can increase the digital divide, with people working from home and children distancing learning. He noted that Ramsey is in a good position in terms of internet access. He stated that the certification is fairly simple and that more people will continue to work from home even after COVID. He stated that the historic focus of the EDA has been to draw businesses to the community, but this would also help to bring additional residents and provide access for those residents.

Member Riley asked the amount of staff time that would be necessary.

Mr. Woestehoff commented that it would depend upon the staff member. He did not imagine it would take much time because of availability of high quality broadband in Ramsey. He noted that it could simply be an annual report to the EDA or Council related to broadband access.

Economic Development Manager Sullivan stated that he spoke with other participants and those staff members have experienced a very little demand on staff time. He stated that this program would help the City from a grant position to make necessary investments but did not believe that would be applicable to Ramsey because there are other areas that have a much higher demand. He stated that he views this as a marketing element and estimated that minimal staff time would be necessary. He stated that he could be the contact for the program and did not feel that it would add much to his duties.

Member Cords stated that it would seem there are some operational costs in terms of staff time but asked if there are capital costs.

Mr. Woestehoff commented that he is not aware of capital costs as it would simply involve designating a contact person to DEED and a resolution of approval. He agreed that for Ramsey it would be more of a marketing tool, whereas in Nowthen it would be a bigger endeavor because of their lacking infrastructure. He noted that the program began this year and therefore Ramsey would join those communities that have chosen to participate early in the process.

Member Heineman asked if there would be any other cost to the City outside of the staff time.

Mr. Woestehoff stated that from his understanding it is just time and the ability to be a resource to the community.

Economic Development Manager Sullivan agreed that this would simply be a marketing item for the City as he already has contacts at DEED. He stated that the State has been working hard to map the communities and show the broadband connection. He stated that it will be helpful to better understand the position of the City in terms of broadband access through that mapping tool. He did not foresee a capital cost to the program and noted that if the program changes, the City could opt out at any time.

Member Riley stated that this sounds like a new program that can be used to help market the City. He agreed that the trend for telecommuting will most likely continue to increase. He noted that if there is a capital cost, the EDA could review the program and discuss whether to continue participation.

Chairperson Steffen agreed.

Member Cords stated that while he likes the concept, he views the marketing idea as fluffy and believes there could be an increased cost in the future.

Member Heineman asked if there is a marketing tool kit, signage, or stickers that comes with participation that would assist the City in marketing.

Mr. Woestehoff commented that he has not researched the specifics but is aware of the graphic that identifies the City as a participant in the program. He believed that DEED would also help to publicize the City's participation. He stated that this decision is not time sensitive and DEED is happy to respond to the questions. He commented that this is an opportunity for Ramsey to be a forward-thinking community in this realm.

Member Heineman asked how Mr. Woestehoff became aware of this program.

Mr. Woestehoff replied that he heard about the program on Twitter from other IT specialists.

Member Heineman commented that he likes the idea but shared the concerns of Member Cords and would be willing to delay the decision.

Deputy City Administrator Gladhill recognized that there are some questions that staff could look into. He noted that this could be similar to the DEED Shovel Ready Certification, which means something in the development community. He stated that the intent today was to present this to the EDA and gain input on whether staff should spend the additional time researching this program. He explained that staff did not want to invest the time researching the program specifics without first knowing if the EDA would be interested in the program.

Chairperson Steffen commented that it is a new program and the concept is well intentioned. He commented that it seems that anyone can join the program, whether your community is well connected or not which is different than the Shovel Ready program. He confirmed the consensus

of the EDA to delay decision and direct staff to look into the details of the program and questions that arose today.

The EDA suggested that staff look into the following questions:

- The percentage of an FTE that would be necessary to manage the activities of this program.
- Whether there is sufficient staff time to handle that duty.
- Whether capital costs could arise from infrastructure demand.
- Concrete examples of a media tool kit, how the program is used and marketed, and whether there is a return of investment (ROI) from the program.
- Discussion with another city that is a member of the program to gauge their ROI.

Economic Development Manager Sullivan noted that staff will look into those questions and bring additional information back to the EDA.

5. MEMBER / STAFF UPDATE

No comments.

6. ADJOURNMENT

Motion by Member Cords, seconded by Chairperson Steffen, to adjourn the meeting.

Motion carried. Voting Yes: Chairperson Steffen, Members Cords, Heineman, Kuzma, and Riley. Voting No: None. Absent: Member Burandt.

The regular meeting of the Economic Development Authority adjourned at 8:23 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: 11/12/2020

Submitted For: Sean Sullivan, Community Development

By: Sean Sullivan, Community Development

Title:

Consider Approval of Third 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:

Purpose:

The purpose of this case is to consider a request by the Buyer to extend the Closing Date and Certificate(s) of Occupancy dates due to the Covid-19 Pandemic and its impact on the commercial/retail sector.

Background:

RGH RAMSEY, LLC and the City of Ramsey have entered into a Purchase Agreement and a First Amendment to Purchase Agreement and Second Amendment to Purchase Agreement to acquire and develop Lots 1, 2 and 3, Block 1, COR TWO. 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 Buyer has been marketing the property to many end users and has developed a revised site concept plan. Due to the Covid-19 Pandemic, the proposed convenience store user has put a hold on all new projects in Ramsey. The request by the Buyer is to allow for more time to negotiate a deal with the first end user and to close once a LOI is received. To date the City has received \$40,000 in Non-refundable Earnest Money and has approved a Conditional Use permit for a 75 foot sign on the Development site. It is standard process to have the Planning Commission weigh in on any concept that is associated with a City Purchase Agreement. With that in mind, the revised PA should also be routed to the Planning Commission prior to final action by the City Council. The deadlines in the current PA will allow sufficient time to accomplish this. The Buyer has not provided any "up-front" additional Earnest Money.

Notification:

Notification is not required.

Observations/Alternatives:

Proposed Amendments to Purchase Agreement Terms:

- Extend the final Closing Date from January 15, 2021 to July 15, 2021 (6 months)
- Extend Certificate of Occupancy Date for Building 1 from July 15, 2021 to January 15, 2022 (6 months)
- Extend Certificate of Occupancy Date for Building 2 from February 15, 2022 to August 15, 2022 (6 months)
- There is no "up-front" Additional Earnest money being provided as part of this request for Extension
- Buyer is offering to provide \$5,000 in Non-refundable Earnest Money on a monthly basis (up to 6 months, or \$30,000) to extend the Building 2, February 15, 2022 certificate of occupancy date.

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. The draft PA will be reviewed by the Planning Commission in terms of concept plan layout prior to action by the City Council.

Funding Source:

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

Recommendation:

Staff recommends approval of Third Amendment to Purchase Agreement for Lots 1, 2, and 3 Block 1, COR TWO; subject to City Attorney review. This agreement provides flexibility in the final determination of the site layout.

Action:

Motion to recommend approval of Third Amendment to Purchase Agreement for Lots 1, 2, and 3 Block 1, COR TWO; subject to City Attorney review as to legal form.

Attachments

Site Location Map

DRAFT Third Amendment to PA

Revised Site Concept

Letter and Signed PA

Second Amendment to PA

First Amendment to PA

Original PA RGH Ramsey LLC

Form Review

Inbox

Sean Sullivan (Originator)

Tim Gladhill

Form Started By: Sean Sullivan

Final Approval Date: 11/05/2020

Reviewed By

Sean Sullivan

Tim Gladhill

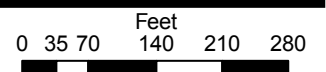
Date

10/30/2020 12:04 PM

11/05/2020 11:39 AM

Started On: 10/29/2020 10:52 AM

Site Location Map (RGH Ramsey)



**PURCHASE AGREEMENT
THIRD AMENDMENT**

This is the Third Amendment is to the Purchase Agreement by and between RGH RAMSEY LLC, a Minnesota Limited Liability Company (“Buyer”), and the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), with an effective date of June _____, 2020.

Recitals

1. Pursuant to the terms of the original Purchase Agreement and First Amendment to Purchase Agreement and Second Amendment to Purchase Agreement, the Closing Date is to be no later than January 15, 2021.
2. Buyer seeks to move the Closing Date to be no later than July 15, 2021.
3. Pursuant to the terms of the Original Purchase Agreement, First Amendment to Purchase Agreement and Second Amendment to Purchase Agreement the 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, 2021 and the construction of Building 2 by February 15, 2022.
4. Buyer seeks to move certificate(s) of occupancy dates for construction of Building 1 to January 15, 2022 and for the construction of Building 2 to August 15, 2022.
5. Buyer completed its inspection during the Inspection Period, which is expired, and Buyer also completed its examination of title and has formally given a Notice to Proceed to Seller.
6. Buyer has cited the impact of Covid-19 on the commercial/retail sector as reason to ask for additional time to complete project.
7. Buyer is offering to provide \$5,000 in Non-refundable Earnest Money on a monthly basis (up to 6 months, or \$30,000) to extend the construction of Building 2, August 15, 2022 certificate of occupancy date.
8. The Seller has received \$40,000 in non-refundable Earnest Money from the Buyer.
9. Seller is willing to extend the Closing Date and Certificate(s) of Occupancy Dates due to the impacts of COVID-19 on the commercial/retail sector in accordance with the terms set forth below.
10. The legal description of the subject property in the Purchase Agreement and First Amendment to Purchase Agreement is Lots 1, 2 and 3, Block 1 COR TWO subject to easements as shown on Plat), Anoka County, Minnesota. (the “Property”) and is not being modified.

Agreement

In consideration for the mutual promises set forth below, the parties agree as follows:

1. The above recitals are incorporated into the Agreement.
2. The Closing Date is hereby extended from January 15, 2021 to July 15, 2021.
3. The certificate(s) of occupancy dates are extended for construction of Building 1 to January 15, 2022 and for construction of Building 2 to August 15, 2022. The required certificate of occupancy date for the construction of Building 2 can be extended in one month increments with provision of \$5,000 in Non-refundable Earnest Money for each additional month beyond August 15, 2022, up to 6 months, or \$30,000. The required construction of Building 2 certificate of occupancy date will not be extended past February 15, 2023. The penalty provision of \$150,000 remains in place if Building 2 is not constructed according to the terms and conditions of set forth herein.
4. Buyer acknowledges that the Inspection Period expired on July 15, 2019 and that a Notice to Proceed was provided to the Seller.
5. All other terms of the Original Purchase Agreement and First Amendment to Purchase Agreement and Second Amendment to Purchase Agreement remain unchanged except to the extent inconsistent with this Third Amendment to Purchase Agreement.

SELLER: The City of Ramsey, a Minnesota municipal corporation

By: _____
John LeTourneau, Mayor

Dated: _____, 2020

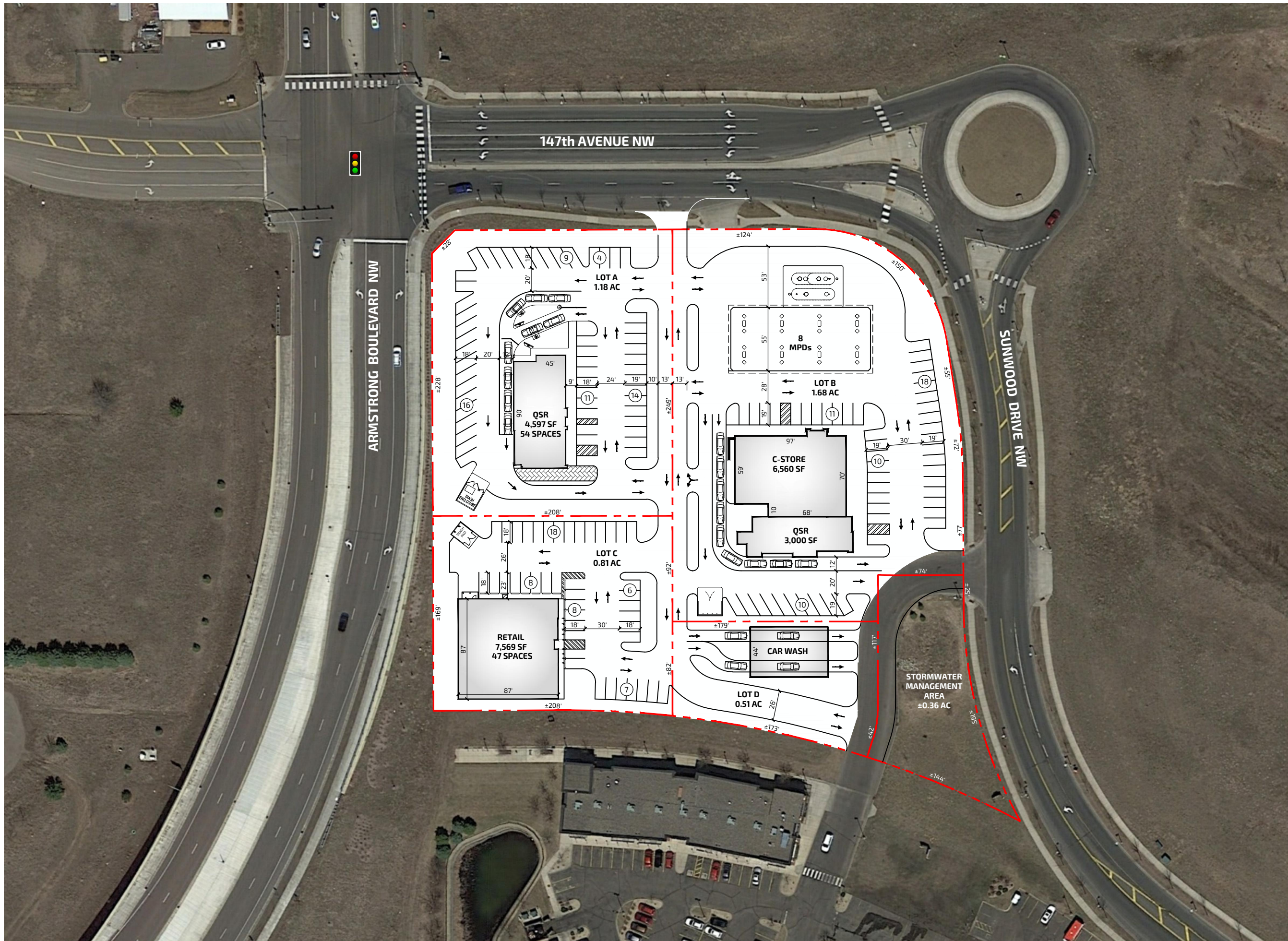
By: _____
Kurt Ulrich, City Administrator

Dated: _____, 2020

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

By: _____
Robert C. Hardy, Chief Manager

Dated: _____, 2020



SITE DATA

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

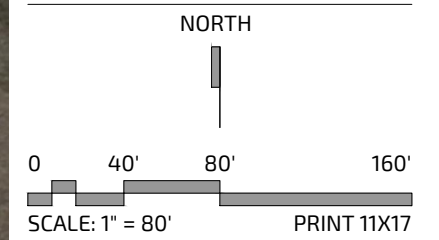
LOT B
 LOT AREA ±1.80 AC
 BUILDING 6,560 SF - C STORE
 PARKING 3,000 SF - QSR
 49 SPACES

LOT C
 LOT AREA ±0.81 AC
 BUILDING 7,569 SF - RETAIL
 PARKING 46 SPACES

LOT D
 LOT AREA ±0.40 AC
 BUILDING CAR WASH

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.
09.15.2020	1.9

29 Oct 2020

City of Ramsey

Attn: Sean Sullivan

Economic Development Manager

7550 Sunwood Drive NW

Ramsey, MN 55303

RE: Formal Request for an Extension to Close Escrow

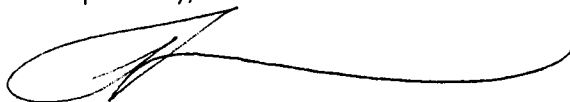
Mr. Sullivan,

Due to the impact of the Covid pandemic on the retail/commercial sector of the economy, I require additional time to complete the project. As such, I hereby formally request extension to the purchase agreement to acquire Lots 1, 2 & 3, Block 1 COR TWO from the current closing date of Jan 15th, 2021 to July 15th 2021.

Should said request be approved I have attached an executed copy of the third amendment to the original purchase agreement.

Thank you for your time, interest, consideration and professional courtesy.

Respectfully,

A handwritten signature in black ink, appearing to read 'Rob Hardy', with a long, sweeping horizontal flourish extending to the right.

Rob Hardy

Chief Manager

RGH RAMSEY, LLC

ENC: one

**PURCHASE AGREEMENT
THIRD AMENDMENT**

This is the Third Amendment is to the Purchase Agreement by and between RGH RAMSEY LLC, a Minnesota Limited Liability Company (“Buyer”), and the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), with an effective date of June 9th, 2020.

Recitals

1. Pursuant to the terms of the original Purchase Agreement and First Amendment to Purchase Agreement and Second Amendment to Purchase Agreement, the Closing Date is to be no later than January 15, 2021.
2. Buyer seeks to move the Closing Date to be no later than July 15, 2021.
3. Pursuant to the terms of the Original Purchase Agreement, First Amendment to Purchase Agreement and Second Amendment to Purchase Agreement the 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, 2021 and the construction of Building 2 by February 15, 2022.
4. Buyer seeks to move certificate(s) of occupancy dates for construction of Building 1 to January 15, 2022 and for the construction of Building 2 to August 15, 2022.
5. Buyer completed its inspection during the Inspection Period, which is expired, and Buyer also completed its examination of title and has formally given a Notice to Proceed to Seller.
6. Buyer has cited the impact of Covid-19 on the commercial/retail sector as reason to ask for additional time to complete project.
7. Buyer is offering to provide \$5,000 in Non-refundable Earnest Money on a monthly basis (up to 6 months, or \$30,000) to extend the construction of Building 2, August 15, 2022 certificate of occupancy date.
8. The Seller has received \$40,000 in non-refundable Earnest Money from the Buyer.
9. Seller is willing to extend the Closing Date and Certificate(s) of Occupancy Dates due to the impacts of COVID-19 on the commercial/retail sector in accordance with the terms set forth below.
10. The legal description of the subject property in the Purchase Agreement and First Amendment to Purchase Agreement is Lots 1, 2 and 3, Block 1 COR TWO subject to easements as shown on Plat), Anoka County, Minnesota. (the “Property”) and is not being modified.

Agreement

In consideration for the mutual promises set forth below, the parties agree as follows:

1. The above recitals are incorporated into the Agreement.
2. The Closing Date is hereby extended from January 15, 2021 to July 15, 2021.
3. The certificate(s) of occupancy dates are extended for construction of Building 1 to January 15, 2022 and for construction of Building 2 to August 15, 2022. The required certificate of occupancy date for the construction of Building 2 can be extended in one month increments with provision of \$5,000 in Non-refundable Earnest Money for each additional month beyond August 15, 2022, up to 6 months, or \$30,000. The required construction of Building 2 certificate of occupancy date will not be extended past February 15, 2023. The penalty provision of \$150,000 remains in place if Building 2 is not constructed according to the terms and conditions of set forth herein.
4. Buyer acknowledges that the Inspection Period expired on July 15, 2019 and that a Notice to Proceed was provided to the Seller.
5. All other terms of the Original Purchase Agreement and First Amendment to Purchase Agreement and Second Amendment to Purchase Agreement remain unchanged except to the extent inconsistent with this Third Amendment to Purchase Agreement.

SELLER: The City of Ramsey, a Minnesota municipal corporation

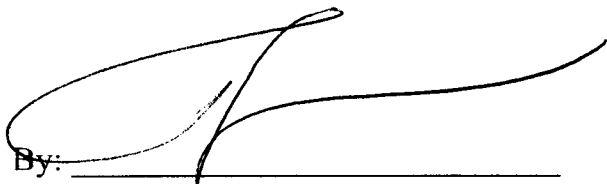
By: _____
John LeTourneau, Mayor

Dated: _____, 2020

By: _____
Kurt Ulrich, City Administrator

Dated: _____, 2020

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



By: _____

Robert C. Hardy, Chief Manager

Dated: Oct 29th, 2020

PURCHASE AGREEMENT SECOND AMENDMENT

This is the Second Amendment is to the Purchase Agreement by and between RGH RAMSEY LLC, a Minnesota Limited Liability Company (“Buyer”), and the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), with an effective date of June 9Th, 2020.

Recitals

1. Pursuant to the terms of the original Purchase Agreement and First Amendment to Purchase Agreement, the Closing Date is to be no later than June 15, 2020.
2. Buyer seeks to move the Closing Date to be no later than January 15, 2021.
3. Pursuant to the terms of the Original Purchase Agreement and First Amendment to Purchase Agreement the 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 the construction of Building 2 by July 15, 2021.
4. Buyer seeks to move certificate(s) of occupancy dates for construction of Building 1 to July 15, 2021 and for the construction of Building 2 to February 15, 2022.
5. Buyer completed its inspection during the Inspection Period, which is expired, and Buyer also completed its examination of title and has formally given a Notice to Proceed to Seller.
6. Buyer has cited the impact of Covid-19 on the commercial/retail sector as reason to ask for additional time to complete project.
7. Buyer is offering to provide \$5,000 in Non-refundable Earnest Money on a monthly basis (up to 6 months, or \$30,000) to extend the construction of Building 2, February 15, 2022 certificate of occupancy date.
8. The Seller has received \$40,000 in non-refundable Earnest Money from the Buyer.
9. Seller is willing to extend the Closing Date and Certificate(s) of Occupancy Dates due to the impacts of COVID-19 on the commercial/retail sector in accordance with the terms set forth below.
10. The legal description of the subject property in the Purchase Agreement and First Amendment to Purchase Agreement is Lots 1, 2 and 3, Block 1 COR TWO subject to easements as shown on Plat), Anoka County, Minnesota. (the “Property”) and is not being modified.

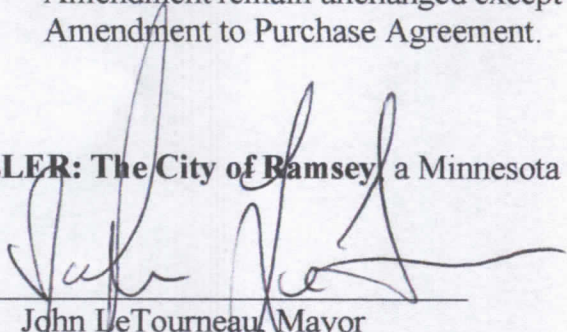
Agreement

In consideration for the mutual promises set forth below, the parties agree as follows:

1. The above recitals are incorporated into the Agreement.
2. The Closing Date is hereby extended from June 15, 2020 to January 15, 2021.
3. The certificate(s) of occupancy dates are extended for construction of Building 1 to July 15, 2021 and for construction of Building 2 to February 15, 2022. The required certificate of occupancy date for the construction of Building 2 can be extended in one month increments with provision of \$5,000 in Non-refundable Earnest Money for each additional month beyond February 15, 2022, up to 6 months, or \$30,000. The required construction of Building 2 certificate of occupancy date will not be extended past August 15, 2022. The penalty provision of \$150,000 remains in place if Building 2 is not constructed according to the terms and conditions of set forth herein.
4. Buyer acknowledges that the Inspection Period expired on July 15, 2019 and that a Notice to Proceed was provided to the Seller.
5. All other terms of the Purchase Agreement and Purchase Agreement First Amendment remain unchanged except to the extent inconsistent with this Second Amendment to Purchase Agreement.

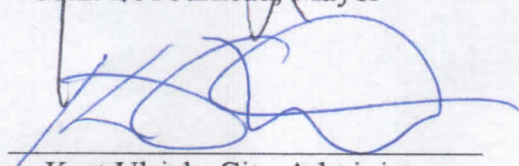
SELLER: The City of Ramsey, a Minnesota municipal corporation

By:


John LeTourneau, Mayor

Dated: 6-23, 2020


By:


Kurt Ulrich, City Administrator

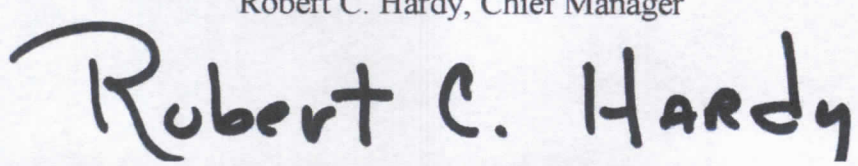
Dated: 6-23, 2020

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

By:


Robert C. Hardy, Chief Manager

Dated: 10 June, 2020



PURCHASE AGREEMENT SECOND AMENDMENT

This is the Second Amendment is to the Purchase Agreement by and between RGH RAMSEY LLC, a Minnesota Limited Liability Company (“Buyer”), and the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), with an effective date of June 9th, 2020.

Recitals

1. Pursuant to the terms of the original Purchase Agreement and First Amendment to Purchase Agreement, the Closing Date is to be no later than June 15, 2020.
2. Buyer seeks to move the Closing Date to be no later than January 15, 2021.
3. Pursuant to the terms of the Original Purchase Agreement and First Amendment to Purchase Agreement the 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 the construction of Building 2 by July 15, 2021.
4. Buyer seeks to move certificate(s) of occupancy dates for construction of Building 1 to July 15, 2021 and for the construction of Building 2 to February 15, 2022.
5. Buyer completed its inspection during the Inspection Period, which is expired, and Buyer also completed its examination of title and has formally given a Notice to Proceed to Seller.
6. Buyer has cited the impact of Covid-19 on the commercial/retail sector as reason to ask for additional time to complete project.
7. Buyer is offering to provide \$5,000 in Non-refundable Earnest Money on a monthly basis (up to 6 months, or \$30,000) to extend the construction of Building 2, February 15, 2022 certificate of occupancy date.
8. The Seller has received \$40,000 in non-refundable Earnest Money from the Buyer.
9. Seller is willing to extend the Closing Date and Certificate(s) of Occupancy Dates due to the impacts of COVID-19 on the commercial/retail sector in accordance with the terms set forth below.
10. The legal description of the subject property in the Purchase Agreement and First Amendment to Purchase Agreement is Lots 1, 2 and 3, Block 1 COR TWO subject to easements as shown on Plat), Anoka County, Minnesota. (the “Property”) and is not being modified.

Agreement

In consideration for the mutual promises set forth below, the parties agree as follows:

1. The above recitals are incorporated into the Agreement.
2. The Closing Date is hereby extended from June 15, 2020 to January 15, 2021.
3. The certificate(s) of occupancy dates are extended for construction of Building 1 to July 15, 2021 and for construction of Building 2 to February 15, 2022. The required certificate of occupancy date for the construction of Building 2 can be extended in one month increments with provision of \$5,000 in Non-refundable Earnest Money for each additional month beyond February 15, 2022, up to 6 months, or \$30,000. The required construction of Building 2 certificate of occupancy date will not be extended past August 15, 2022. The penalty provision of \$150,000 remains in place if Building 2 is not constructed according to the terms and conditions of set forth herein.
4. Buyer acknowledges that the Inspection Period expired on July 15, 2019 and that a Notice to Proceed was provided to the Seller.
5. All other terms of the Purchase Agreement and Purchase Agreement First Amendment remain unchanged except to the extent inconsistent with this Second Amendment to Purchase Agreement.

SELLER: The City of Ramsey, a Minnesota municipal corporation

By: _____

John LeTourneau, Mayor

Dated: _____, 2020

6-23

By: _____

Kurt Ulrich, City Administrator

Dated: _____, 2020

6-23

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

By: _____

Robert C. Hardy, Chief Manager

Dated: _____, 2020

10 June

Robert C. Hardy

Agreement

It is the intention for the mutual promises set forth below, the parties agree as

The above recitals are incorporated into the Agreement

The Closing Date is hereby extended from June 15, 2020 to January 15,

of the term(s) of occupancy dates are extended for construction to
January 15, 2021 and for completion of Building 3 construction
to January 15, 2022. The parties agree that the extension of the
Closing Date can be extended in one month increments with provision of
\$25,000 Non-refundable Earnest Money for each additional month
of extension up to 6 months by 2/15/2022. The parties agree that the
extension of Building 3 certificate of occupancy date will be
extended to June 15, 2022. The parties agree that the extension of the
Closing Date is not restricted according to the terms
and conditions set forth herein.

Buyer acknowledges that the inspection period expired on July 15, 2020 and that
no further proceeds were provided to the Seller.

All other terms of the Purchase Agreement and Purchase Agreement Addendum
A remain in full force and effect except to the extent inconsistent with the above
provisions of this Purchase Agreement.

Seller: The City of Ramsey, a Minnesota limited liability corporation

John LaTourneau, Mayor

City Administrator

BUYER: ROY KAMMEY, LLC, a Minnesota limited liability company

Robert C. Hardy, Chief Manager

Robert C. Hardy

10 June 2020

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 July 23, 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, 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 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, 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 14.
 - 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.

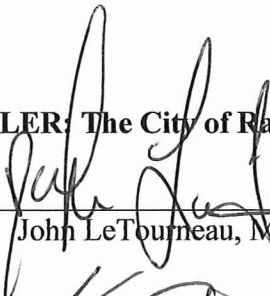
27. COUNTERPARTS; DIGITAL COPIES. This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy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

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: 2-12, 2019

By: 
Kurt Ulrich, City Administrator

Dated: 4-2, 2019

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

By: 
Robert C. Hardy, Chief Manager

Dated: July, 2019

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.
- 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.

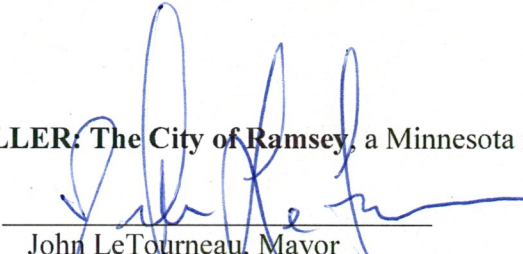
27. COUNTERPARTS; DIGITAL COPIES. This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy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

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.

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

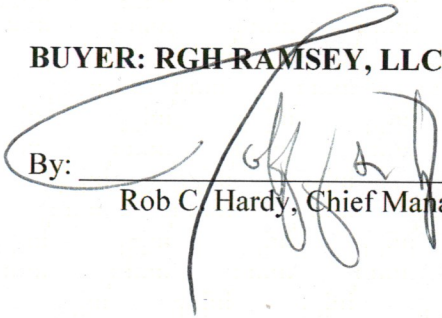
By: 
John LeTourneau, Mayor

Dated: 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: 11/12/2020

Submitted For: Sean Sullivan, Community Development

By: Sean Sullivan, Community Development

Title:

Consider Lease Agreement for 6701 Hwy 10 NW: Case of Potter's House Christian Community Church (Portions of the meeting may be closed to the public)

Purpose/Background:

Potter's House Christian Community Church has presented an offer to lease the west 4,820 square feet of 6701 Highway 10 NW for 5 years. Staff, along with Premier Commercial Properties (property manager), has been negotiating with the proposed tenant over the past few weeks. Potter's House Christian Community Church currently leases space in New Hope and their lease expires in December 2020. The west 4,820 square feet of 6701 is currently vacant and has been used sporadically by Youth First over the past summer.

This space was previously occupied by Northern Light Church. During the last lease period from 11/1/18-10/31/19, Northern Light Church paid \$2,962 / month. The offer from Potter's House Christian Community Church is \$3,500 / month for year one with inflationary increases of approximately 2.5% over the next five years. The offered rate is \$8.71/SF with market rate being around \$12.00/SF.

Notification:

N/A

Observations/Alternatives:

The offer of \$3,500 / month by Potter's House Christian Community Church is the offer that is on the table for consideration. Staff and the property manager have negotiated a lease that is closer to market rate. Even though the rate of \$3,500 / month (\$8.71 / SF) is slightly below market but much higher than what was previously approved for Connections Church (\$6.22/SF). There is value to having a tenant in the building and maintaining it. Staff and the Property Manager support accepting the offer with the key terms below.

Key Lease Terms

Location: 6701 Hwy 10 (West 4,820 SF)

Lease Duration: December 1, 2020 - November 30, 2025

Lease Rate (2.5% inflator):

Year 1 (12/1/20 through 11/30/21): \$3,500.00

Year 2 (12/1/21 through 11/30/22): \$3,587.00

Year 3 (12/1/22 through 11/30/23): \$3,677.00

Year 4 (12/1/23 through 11/30/24): \$3,769.00

Year 5 (12/1/24 through 11/30/25): \$3,863.00

Utilities: Tenant paid

Snow Plowing / Sidewalks: Tenant paid (Tenant has agreed to paying "pro-rata" share)

Alternatives:

1. Recommend to City Council to approve Lease as presented; subject to City Attorney review.
2. Direct staff to continue negotiations with proposed tenant.
3. Recommend to City Council something else.

Funding Source:

This item is being handled under normal Staff duties

Recommendation:

Staff recommends a recommendation to City Council for approval the Lease as presented; subject to City Attorney review.

Action:

Motion to recommend to City Council approval of the Lease as presented; subject to City Attorney review.

Attachments

Site Location Map

Draft Lease Agreement - Potters Church

Form Review

Inbox

Sean Sullivan (Originator)
Tim Gladhill
Form Started By: Sean Sullivan
Final Approval Date: 11/05/2020

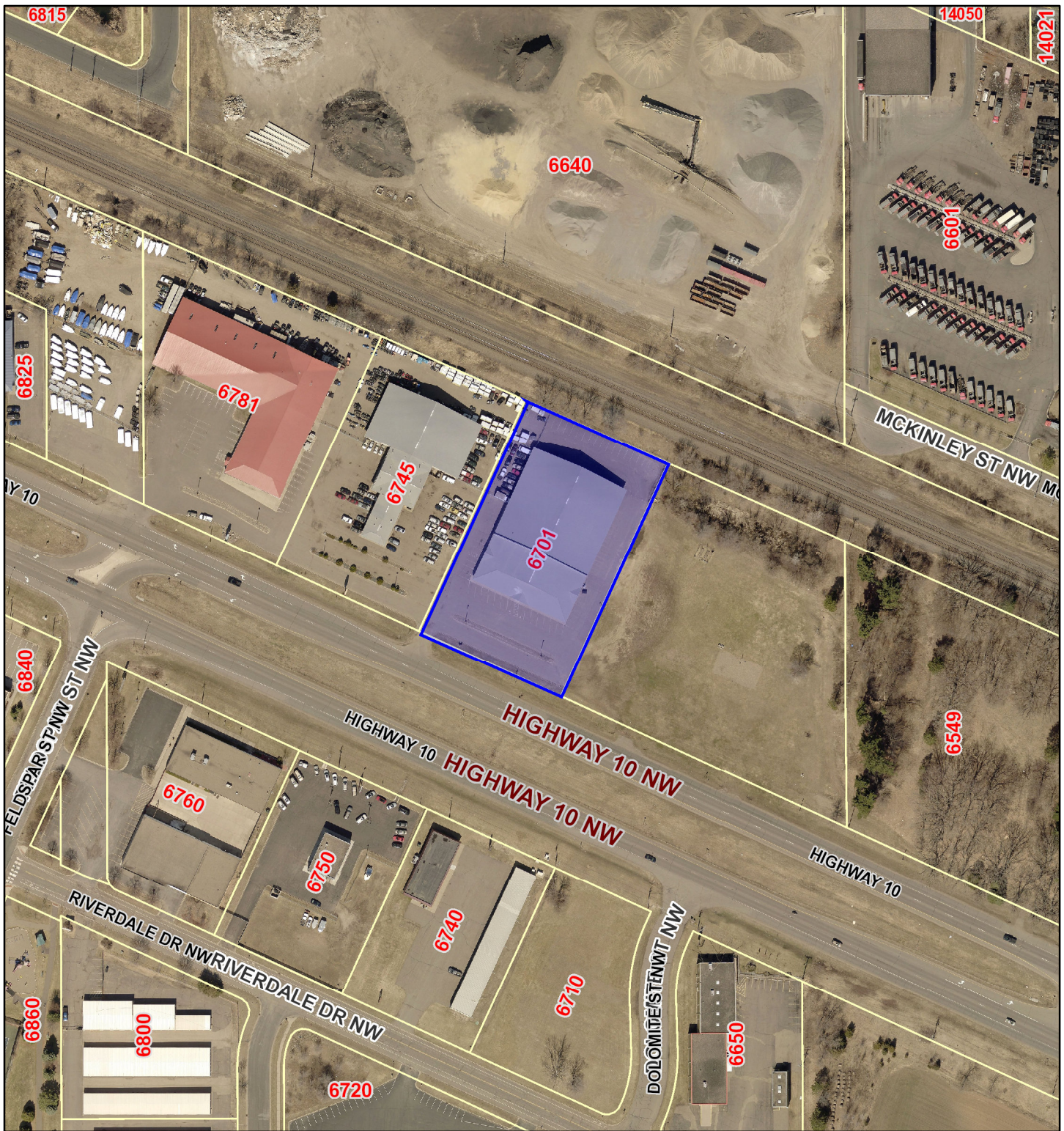
Reviewed By

Sean Sullivan
Tim Gladhill

Date

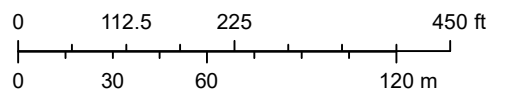
11/03/2020 11:34 AM
11/05/2020 11:41 AM
Started On: 11/02/2020 11:17 AM

Site Location Map - 6701 Hwy 10 NW



September 28, 2020

1:2,400



LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter “Lease”) made as of this ____ day of _____, 2020, is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation, 7550 Sunwood Drive, Ramsey, Minnesota 55303 (“Landlord”) and **Potter’s House Christian Community Church, Inc.**, a non-profit corporation organized under the laws of the State of Minnesota, 4000 Winnetka Ave N, New Hope, MN 55427, Minnesota (“Tenant”). The Landlord and the Tenant are hereinafter collectively referred to as “the parties” and individually as a “party.”

IN CONSIDERATION OF the mutual agreements expressed herein, the parties agree as follows:

1. **Purpose.** Landlord is the fee owner of the Premises described in Paragraph 2 of this Agreement. Tenant desires to rent the Premises from Landlord for Tenant’s use as a place of worship and related uses. Landlord is willing to lease the Premises to Tenant pursuant to the terms and conditions of this Lease.

2. **Premises.** The “Premises” consists of the Westerly 4,820 square feet of the office area located in the building located at 6701 Highway 10 Northwest, in Ramsey, Minnesota and which building (“Building”) is located on the following legally described property:

Lot 3, Block 1, DEAL INDUSTRIAL PARK, Anoka County, Minnesota.

The Premises also include the nonexclusive use of the paved parking areas adjacent to the Building, excluding the fenced in area. The Tenant’s employees and invitees shall not be permitted to the use of those parking areas which interfere with the reasonable use of other tenants located within the Building.

The Premises is depicted on the attached Exhibit A hereto, and is labeled “4,820 sf Office Space” and “Parking.” Exhibit A is incorporated herein as if fully set forth in this Lease.

3. **Term.** The term of this Lease is for a period of five years, commencing on December 1, 2020 (the “Commencement Date”) and ending at midnight on November 30, 2025, unless extended by written agreement of both parties or sooner terminated as provided herein (“Lease Term”). If Tenant desires to end this Lease after a period of one year, Tenant may do so by providing Landlord with 90 days prior written notice. However, in no event may Tenant terminate this Lease earlier than November 30, 2021. Notwithstanding the Lease Term, Landlord may terminate this Lease at any time at Landlord’s sole option upon 90 days prior written notice to Tenant.

4. **Use.** The Premises shall be used by Tenant as a commercial use for worship, educational and outreach purpose programs as directed by Connections Church. Tenant will not make or suffer any unlawful or offensive use of the Premises or any use or occupancy thereof contrary to any federal law, state law or ordinance of the City of Ramsey now or subsequently hereto made. Tenant will not conduct or permit to be conducted any activity, or place any equipment in or about the Premises, which will in any way increase the rate of fire insurance or other insurance on the Premises; and if any increase in the in the rate of fire insurance or other insurance is stated by any insurance company or by the applicable Insurance Rating Bureau to be due to activity or equipment of Tenant in or about the Premises, such statement shall be conclusive evidence that such increase in such rate is due to such activity or equipment and, as a result thereof, Tenant shall be liable for such increase and shall reimburse Landlord therefore and further, shall discontinue or cause the discontinuance of such conduct or shall remove such equipment upon Landlord's demand made at any time thereafter.

5. **Rent.** Tenant covenants and agrees to pay to Landlord at the Landlord's office without demand, monthly rent in the following amounts:

Year 1 (12/1/20 through 11/30/21): \$3,500.00
Year 2 (12/1/21 through 11/30/22): \$3,587.00
Year 3 (12/1/22 through 11/30/23): \$3,677.00
Year 4 (12/1/23 through 11/30/24): \$3,769.00
Year 5 (12/1/24 through 11/30/25): \$3,863.00

All Rent shall be payable on the first day of each month during the Lease Term. If Landlord does not receive the Rent by the fifth day of the month, Tenant must pay a late fee equal to five percent of the overdue rent payment as an additional rent. Rent is "paid" when Landlord receives it, not when mailed or sent by Tenant.

Tenant contemporaneously with the execution of this Lease shall deposit with Landlord the sum of Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00) as first month's gross rent, receipt which is hereby acknowledged by the Landlord.

6. **Additional Rent.** In addition to the Rent set forth in Paragraph 5 of this Lease, Tenant covenants and agrees to pay as additional rent all monies required to be paid by Tenant as set forth in the balance of this Lease. Specifically, but not by way of limitation, the reasonable value of any action taken or materials used by Landlord to correct or mitigate any violations of this Lease by the Tenant shall be deemed additional rent and charged to Tenant payable with the Rent as set forth in Paragraph 5.

7. **Utilities and Trash Removal.** Tenant is solely responsible for paying for all utilities servicing the Premises, including but not limited to, water, natural gas and

electricity. Tenant is also responsible for paying for the removal of all trash and recycling materials generated as a result of Tenant's use of the Premises. Landlord is not responsible for any interruption in such services beyond the reasonable control of Landlord.

8. **Real Estate Taxes and Special Assessments.** Landlord is responsible for the payment of all real estate taxes and special assessments pertaining to the Premises during the Lease Term.

9. **Repair and Maintenance.** Tenant shall keep in good order and repair all glass, including plate glass, and the interior of the Premises, and heating, sprinkler, water and electric fixtures in and upon the Premises, ordinary wear and tear excepted. Tenant shall protect such systems against freezing and damage due to neglect of Tenant, and Tenant shall keep the abutting sidewalks and parking areas free of ice and snow. Tenant shall pay all costs and expenses necessary to maintain the plumbing, heating, air conditioning and electrical systems in and upon the Premises in good order and repair. Landlord shall have the plumbing, heating, air conditioning, and electrical systems in working order on the Commencement Date. Tenant shall be responsible to keep sidewalks adjacent to the Premises neat and clean and in sanitary condition, free from ice and snow, waste or debris and shall neither commit or permit and waste or nuisance thereon. Tenant shall arrange for all necessary maintenance of the Premises, including but not limited to snow removal, except that Landlord shall be responsible for all lawn (grass) maintenance on the grassy areas around the Building. Tenant shall also be responsible for any flower, shrubbery plantings, and or tree pruning it may choose on the front and east side of the Building. Except for lawn (grass) maintenance above referenced, Tenant shall pay 100% of all costs and expenses for such maintenance of any plantings it chooses and/or tree pruning. Tenant shall be solely and exclusively responsible for any and all costs and expenses of any nature or kind whatsoever attributable to the Premises except as herein otherwise provided. Tenant agrees to and shall maintain and keep the interior and exterior areas of the Premises in the same high degree of maintenance and upkeep as when the Tenant takes possession. Provided, however, that Landlord shall be responsible for repair of the foundation, the exterior walls excluding glass and doors, the roof and any defect that is pre-existing as of the date hereof.

10. **Tenant's Improvements, Alterations and Remodeling.** Tenant shall be permitted to perform improvements, alterations or remodeling on or to the Premises consistent with its intended use thereof; provided however, that such improvements shall be done at the sole expense of Tenant and provided that any single improvement reasonably expected to exceed \$2,500.00 in cost may be done only with Landlord's prior written consent. Notwithstanding the above, Tenant shall not make any alterations to the

structure, plumbing, electrical, or HVAC systems of the Building without the prior written consent of Landlord.

11. **Signage.** Tenant is permitted signage above the Premises. Costs for signage to be at that expense of the Tenant and must be compliant with sign code and obtain required City approvals.

12. **Assignment or Subletting.** Tenant may not assign, transfer, mortgage or encumber this Lease, and may not sublet, rent or permit occupancy or use of the Premises, or any part thereof, by any third party; no assignment or transfer of this Lease shall be effectuated voluntarily, by operation of law, or otherwise. Any of the foregoing will hereinafter be referred to as an "Assignment" for purposes of this Lease.

13. **Destruction of Premises.** If the Premises are totally destroyed (or so substantially damaged as to be wholly untenable) by storm, fire, earthquake or other casualty, this Lease shall terminate as of the date of such destruction or damage, and Rent shall be accounted for between Landlord and Tenant as of that date. If the Premises are damaged but not rendered wholly untenable and the damage can be fully repaired within 90 days from the date of the damage, Rent shall abate in proportion as the Premises have been damaged, and Landlord shall restore within said 90 day time limit, whereupon payment of full Rent shall re-commence. In the event Landlord fails or refuses to fully repair the Premises within said 90 days, Tenant may terminate this Lease.

14. **Removal of Fixtures.** Unless otherwise approved by Landlord, Tenant must, prior to the termination of this Lease, remove all fixtures and equipment which Tenant has placed in the Premises. Tenant must repair all damage caused by removal of fixtures or equipment.

15. **Entry by Landlord.** Landlord or its agents or representatives may enter the Premises at all reasonable hours to inspect the same, clean, make repairs, alterations and additions thereto or exhibit the Premises to prospective tenants, purchasers or others, or for other reasonable purposes as Landlord may deem necessary or desirable, and Tenant shall not be entitled to any abatement or reduction of Rent, or any other sums due. Tenant waives any claim for damages or for any injury or inconvenience or for interference with Tenant's business, and any other loss occasioned thereby.

16. **Default.** If Tenant defaults for 10 days after written notice from Landlord in paying any Rent, including additional rent, or if Tenant shall be declared bankrupt or insolvent according to law or if Tenant shall make an assignment for the benefit of its creditors or if Tenant shall violate or default in any other covenants, agreements, stipulations or conditions herein and such violation or default shall continue for ten 10 days after written notice from Landlord of such violation or default, then and in such case

Landlord lawfully may immediately, or at any time thereafter, and without notice or demand, enter into and upon the Premises, or any part thereof, in the name of the whole, and repossess the same and expel Tenant and those claiming under it and remove their effects, forcibly if necessary, without being taken or deemed to be guilty of any manner of trespass, and prejudice, and Landlord shall have all remedies and recourse which might otherwise be used by Landlord for arrears of Rent or any breach of covenants contained in this Lease.

17. **Quiet Enjoyment.** Landlord covenants and agrees to allow Tenant to peacefully have, hold and enjoy the Premises during the Lease Term, provided that Tenant pays the Rent set forth herein and performs all of Tenant's other agreements and obligations set forth herein.

18. **Nuisance.** Tenant shall conduct its business and control its agents, employees, invitees and visitors in such a manner as not to create waste, odors, nuisance, or interfere with, annoy or disturb any other tenant of Landlord in its operation of the Building or the Premises.

19. **Hold Harmless and Liability Insurance.** Except in the case of the negligence of Landlord, its agents or its employees, Tenant agrees to indemnify, save, hold harmless and defend Landlord against all claims, losses or liabilities for injury or death to any person or for damage to or loss of use of any property arising or resulting from the occupancy or use by Tenant of the Premises. Landlord shall not be liable to Tenant, its agents, employees, representatives, customers or invitees for any personal injury, death or damage to property caused by theft, burglary, water, gas, electricity, fire or for any other cause occurring on or about the Premises. All property kept, stored or maintained in the Premises shall be so kept, stored or maintained at the sole risk of the Tenant. Tenant further agrees to indemnify, defend and hold harmless Landlord from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease. Further, in no event shall Landlord be liable for damages caused by Tenant or Tenant's employees or agents. The provisions of this Paragraph shall survive the expiration or termination of this Lease with respect to any damage, injury, death, breach or default occurring prior to such expiration or termination.

During the Lease Term and any extension thereof, Tenant shall at all times have in full force and effect a policy of general public liability insurance in the amount of the greater of \$2,000,000.00 or the maximum liability for tort liability pursuant to Minnesota Statutes Section 466.04 and any amendments thereto, which insurance shall insure Landlord and Tenant against liability for acts of Landlord and Tenant.

20. **Hazard Insurance.** It shall be the responsibility of Landlord to keep the Premises and its interest therein covered by hazard insurance against loss or damage by fire and other perils. Landlord shall provide to Tenant copies of such insurance policies upon reasonable request of Tenant.

21. **Time of the Essence.** Time is of the essence with regard to this Lease and the terms therein.

22. **Relationship of Parties.** This Lease shall create the relationship of Landlord and Tenant between the parties and none other.

23. **Holding Over.** If Tenant remains in possession of the Premises, or any part thereof, after the expiration or termination of the Lease Term with the express written consent of Landlord, Tenant shall be deemed to be occupying the Premises as a Tenant at will, subject to all the conditions, provisions and obligation of this Lease insofar as the same can be applicable to a tenant at will; provided, however, that the Rent required to be paid by Tenant during any holdover period shall be a minimum of 1.5 times the monthly Rent which Tenant was obligated to pay for the month immediately preceding the end of the Lease Term, for each month or any part thereof, of any such holdover period. In the event of holding over by Tenant after expiration or termination of this Lease without the written consent of Landlord, Tenant shall be in breach of this Lease and Landlord shall be entitled to all of its rights and remedies under this Lease, in law, or in equity. No holding over by Tenant after the Lease Term shall operate to extend the Lease Term or renew this Lease. In the event of any unauthorized holding over, Tenant shall indemnify Landlord against all claims for damages by any other tenant to whom Landlord may have leased all or any part of the Premises covered hereby effective upon the expiration or termination of the Lease.

24. **Surrender of Premises.** At the termination of this Lease, Tenant shall surrender the Premises and all keys thereof to Landlord.

25. **Eminent Domain.** If the entire Premises are taken by any public authority under the power or threat of eminent domain, then the term of this Lease shall cease as of the day possession shall be taken by such public authority, and the Landlord shall make a pro rata refund of any Rent that has been paid in advance by Tenant for a period beyond the date of the taking. In the event that less than the entire Premises is so taken and provided the Premises are not rendered untenable thereby, then this Lease shall terminate only at the option of the Landlord. In the event that only a part of the Premises is so taken and that this Lease does not so terminate, there shall be a pro rata reduction in Rent to the extent that such taking interferes in any way with Tenant's use of the Premises, and all other terms and provisions of this Lease shall remain in full force and effect. All

damages awarded for such taking shall belong to and be the property of the Landlord, irrespective of the basis on which they were awarded.

26. **Subordination.** Tenant agrees that, at the Landlord's election, this Lease shall be subordinate to any land Lease or mortgage now on or to be placed in the future on the Premises or Building and to any and all advances to be made thereunder and to the interest thereon and to all renewals, replacements and extensions thereof, provided that such subordination shall not materially affect either party's obligations under this Lease. Tenant hereby appoints Landlord as its attorney-in-fact to execute such documents as may be required to accomplish such subordination.

27. **No Waiver.** No reference to any specific right or remedy shall preclude Landlord from exercising any other right or from having any other remedy or from maintaining any action to which it may otherwise be entitled either at law or in equity. Landlord's failure to insist upon a strict performance of any covenant of this Lease or to exercise any option or right herein contained shall not be a waiver or relinquishment for the future of such covenant, right or option; but the same shall remain in full force and effect.

28. **Captions.** The captions and headings herein are for convenience and reference only.

29. **Brokers.** Each of the parties represents and warrants to the other that there are no claims for brokerage commission or finder's fees in connection with the execution of this Lease, and agrees to indemnify the other against, and hold it harmless from, all liabilities arising from any such claim including, without limitation, reasonable attorney's fees in connection therewith.

30. **No Partnership.** This Lease does not create a joint venture or partnership relation between the parties hereto.

31. **Notices.** All communications, demands, notices or objections permitted or required to be given or served under this Lease shall be in writing and shall be deemed to have been duly given or served if delivered in person to the other party or its duly authorized agent or if deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, and addressed to the other party to this Lease at the addresses set forth below for each party, or if to a person not a party to this Lease, to the address designated by a party to this Lease in the foregoing manner.

Landlord: City Administrator
City of Ramsey
7550 Sunwood Drive

Ramsey, Minnesota 55303

Tenant: Adolphus D.W. Summerville
Potter's House Christian Community Church, Inc.
7841 Kentucky Ave N
Brooklyn Park, MN 55428
Greaterglory90@yahoo.com

Either party may, by written notice to the other party, designate a different address to which notices must be sent. Such written notice designating a different address must state the party's newly designated address, and must be provided by following the above notice requirements. Commencing on the 10th day after a party gives notice designating a new address to which notices must be sent, the newly designated address shall be the party's address for the purpose of all communication, demands, notices or objections permitted or required to be given or served under this Lease.

32. **Force Majeure.** The time within which any of the parties hereto shall be required to perform any act or acts under this Lease, except for the payment of monies, shall be extended to the extent that the performance of such act or acts shall be delayed by acts of God, fire, windstorm, flood, explosion, collapse or structures, riot, war, labor and/or legal disputes, delays or restrictions by government bodies, inability to obtain or use necessary materials or any cause beyond the reasonable control of such party, provided however that the party entitled to such extension hereunder shall give prompt notice to the other party of the occurrence causing such delay.

33. **Minnesota Law.** This Lease shall be construed and enforced in accordance with the laws of the State of Minnesota. The parties agree that the Minnesota state courts will have exclusive jurisdiction over any dispute arising out of this Lease.

34. **Entire Agreement.** This Lease constitutes the entire agreement between the parties relating to the subject matter described herein. The terms of this Lease are contractual and are intended to be legally binding. This Lease supersedes any and all prior agreements between the parties relating to the subject matter described herein. No party has relied upon any statements, representations, or promises that are not set forth in this Lease. No changes to this Lease will be valid or enforceable unless they are in writing and signed by all of the parties.

35. **Equal Drafting.** In the event any party asserts a provision of this Lease is ambiguous, this Lease must be construed to have been drafted equally by the parties.

36. **Savings Clause.** Each provision of this Lease is separate and distinct and individually enforceable. In the event any provision hereof or the application of any such provision under any circumstance is declared to be unlawful or invalid, the enforceability of all the other provisions shall not be affected.

37. **Counterparts.** This Lease may be executed in multiple counterparts, each of which shall be an original, but all of which together shall constitute a single agreement.

38. **Security And Damage Deposit.** Tenant contemporaneously with the execution of this Lease, has deposited with Landlord the sum of Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00), receipt of which is hereby acknowledged by Landlord, which deposit is to be held by Landlord, as a security and damage deposit for the faithful performance by Tenant during the term hereof or any extension hereof. Prior to the time when Tenant shall be entitled to the return of this security deposit, Landlord may commingle such deposit with Landlord's own funds and to use such security deposit for such purpose as Landlord may determine. In the event of the failure of Tenant to keep and perform any of the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the term hereof or any extension hereof, then Landlord, either with or without terminating this Lease may (but shall not be required to) apply such portion of said deposit as may be necessary to compensate or repay Landlord for all losses or damages sustained or to be sustained by Landlord due to such breach on the part of Tenant, including, but not limited to overdue and unpaid rent, any other sum payable by Tenant to Landlord pursuant to the provisions of this Lease, damages or deficiencies in the reletting of the Leased Property, and reasonable attorney's fees incurred by Landlord. Should the entire deposit or any portion thereof, be appropriated and applied by Landlord, in accordance with the provisions of this paragraph, Tenant upon written demand by landlord, shall remit forthwith to Landlord a sufficient amount of cash to restore said security deposit to the original sum deposited, and tenant's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this Lease. Said security deposit shall be returned to Tenant, less any depletion thereof as the result of the provisions of this paragraph, at the termination of this Lease. Tenant shall have no right to anticipate return of said deposit by withholding any amount required to be paid pursuant to the provision of this Lease or otherwise.

EXHIBIT A



Economic Development Authority (EDA)

4. 3.

Meeting Date: 11/12/2020

Submitted For: Sean Sullivan, Community Development

By: Sean Sullivan, Community Development

Title:

Consider Purchase Agreement for 6590 141st Avenue NW; Case of City Moving and Storage (portions of the meeting could be closed to the public)

Purpose/Background:

PURPOSE:

The purpose of this case is to consider approval the attached purchase agreement. Property (PID# 27-32-25-44-0003) 6590 141st Avenue NW Ramsey, MN 55303.

BACKGROUND:

The City of Ramsey acquired the property on July 12, 2006 for \$211,200 for redevelopment and removal of blight purposes. At the time of purchase there was a building onsite that was demolished as part of the project. The city is currently listing the property for \$105,000 (\$2.53 / SF). Over the past few years the City has been approached by numerous parties but has been unable to find a project that works for the site. Staff has worked with adjacent owners in the past (All Seasons and 24 Restore) but has been unable to find a solution that works financially for the site up until this point. The site is limited as to how it could be developed due to its small size. The property has been marketed for nearly 12 years and the City has not been able to find a viable project. Ordinance #15-05 has been adopted authorizing the sale of this parcel.

The Buyer is an existing Ramsey business and is currently leasing space at 6230 McKinley Street, STE C. Based on an existing lease term ending, the Buyer would like to move into a new building on May of 2021 if possible. Staff understands this is an aggressive timeline but is doing what we can to work with the Buyer to get this project to the finish line.

Notification:

Notification is not required.

Observations/Alternatives:

Staff has been negotiating pricing with the Buyer over the past week. Staff and the Buyer have agreed to a purchase price of \$85,000 which is within the City approved deal range. A summary of the pertinent items in the purchase agreement are below:

Listing Price: \$105,000 (\$2.53 / SF)

Purchase Price: \$85,000 (\$2.05 / SF)

Anoka County Taxable Market Value: \$105,900

Earnest Money: This PA does include earnest money (\$8,500.00, 10%). Earnest money will become hard if a Notice to Proceed is received from the Buyer.

Minimum Improvements: The Buyer is proposing to build a building at least 9,000 SF (depending on site setbacks/configuration)

Right of Re-Entry Agreement: Required as part of PA

Broker Commission: None. This was a City generated lead and is not part of a listing contract

Closing Date: 30 days after the City received a **Notice to Proceed** from Buyer unless extended per terms of the attached PA.

The City process includes review of the site concept plan by the Planning Commission. Due to the timing of the letter of intent the earliest that the Planning Commission could review this item is December 3. Due to this timing the earliest the City Council could consider approval for the Purchase Agreement is December 8.

Funding Source:

No funding is required.

Recommendation:

Staff recommends approval of the attached Purchase Agreement; subject to Planning Commission review of site concept plan and City Attorney review.

Action:

Motion to recommend the City Council approve the attached purchase agreement with City Moving and Storage LLC for roughly .95 acres of city owned land located at 6590 141st Avenue NW; subject to Planning Commission Review of site concept plan and City Attorney review.

Attachments

Site Location Map

Draft PA City Moving 11.6.20

Term Sheet

Letter of Intent

Form Review

Inbox

Kurt Ulrich

Form Started By: Sean Sullivan

Final Approval Date: 11/09/2020

Reviewed By

Tim Gladhill

Date

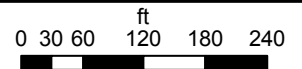
11/09/2020 11:48 AM

Started On: 11/06/2020 02:30 PM

Site Location Map - City Moving and Storage



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NEC, © OpenStreetMap contributors, and the GIS User Community, LCCS



PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **City Moving and Storage 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 _____ (the “Effective Date”).
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller approximately +/- .95 acres (41,382 square feet) of vacant land, legally described on the Attached Exhibit A:

Anoka County PID Number: 27-32-25-44-0003 (the “Property”)
3. **PURCHASE PRICE.** The purchase price for the Property is \$85,000 (the “Purchase Price”).
4. **EARNEST MONEY AND ADDITIONAL EARNEST MONEY.** Within five business days after the Effective Date, Buyer must deposit the sum of \$8,500.00 (the “Earnest Money”) with Commercial Partners Title Company (“Escrow Agent”), via wire transfer or delivery of a certified check payable to Escrow Agent.
 - a. If Buyer does not deposit the Earnest Money 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, 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. The payment and indemnification provisions of this Section 7 shall survive any termination or cancellation of this Agreement and are referred to herein as the "Surviving Obligations."

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 [REDACTED] **Date to be inserted based on 180 days from Effective Date)** (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: City Moving and Storage LLC
Bob Fearing
4327 Parkview Circle
Anoka, MN 55303
Email: bobfearing@gmail.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 two (2) times, each time for a period of Sixty (60) days, by depositing an additional Five Thousand and 00/100 Dollars (\$5,000.00) earnest money with Escrow Agent for each extension. Each \$5,000 extension payment shall be non-refundable, but applicable to the Purchase Price. 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;
 - iii. The Right of Re-Entry Agreement provided for in Section 28 below; and
 - iv. 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;
 - ii. Execute and deliver the Right of Re-Entry Agreement provided for in Section 28 below; and
 - iii. 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 shall pay all outstanding property taxes, including but not limited to, Payable 2021 for the Property.
 2. Seller shall pay all special assessments levied or pending against the Property as of the Closing Date.
 3. Seller's own attorney's fees.
 4. One-half the cost of any closing fees.

5. The cost of real estate broker commission fees as prescribed in Section 14.
6. State Deed Tax

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.

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. 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, 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 ventures 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 11 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.

28. CONSTRUCTION DEADLINE. Within one year from the Closing Date, Buyer shall construct and obtain a certificate of occupancy from the City of Ramsey for a minimum 9,000 SF building compliant with City Code and Zoning requirements to be further defined by an approved Site Plan.. At Closing, a “Right of Re-Entry Agreement” shall be executed and recorded against 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.

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. Central 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 be in the process of obtaining 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.

SELLER: The City of Ramsey, a Minnesota municipal corporation

By: _____
John LeTourneau, Mayor

Dated: _____, 2020

By: _____
Kurt Ulrich, City Administrator

Dated: _____, 2020

BUYER: CITY MOVING AND STORAGE LLC

By: _____
Bob Fearing, Owner

Dated: _____, 2020

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

UNPLATTED CITY OF RAMSEY ALL THAT PART OF THE N 200 FT OF THE S 233 FT OF THE S1/2 OF SE1/4 OF SEC 27-32-25 ANOKA CNTY, MN LYING W OF THE E 1146 FT THEREOF & LYING E OF A LINE PRLN WITH THE E LINE OF SAID S1/2 OF SE1/4 DRAWN NLY FROM A POINT ON THE S LINE OF SAID S1/2 OF SE1/4 A DIST OF 266.00 FT E OF THE NW CORNER OF LOT 1 OF THE DULY RECORDED PLAT OF AUD SUB NO 30 SAID ANOKA CNTY SAID 266 FT BEING MEAS AT RIGHT ANGLES TO THE W LINE OF SAID LOT 1 TOG WITH AN EASE FOR RD PURP OFVER THE S 33 FT OF THE E 1146 FT OF THE S1/2 OF SE1/4

Anoka County PID Number: 27-32-25-44-0003 (the "Property")

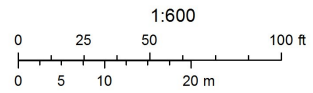
NOTE: The precise legal description of the Land is to be confirmed by the Title Evidence. It is the intent of the parties that the Land consists of the real property owned by Seller commonly known as 6590 14¹/₅ Avenue NW in Ramsey, Minnesota. In the event that the correct description of the Land established in the Title Evidence should differ from the description of the Land set forth above in this *Exhibit A*, the description set forth in the Title Evidence shall be deemed to govern and replace the description set forth above.

EXHIBIT B

Site Graphic of Property



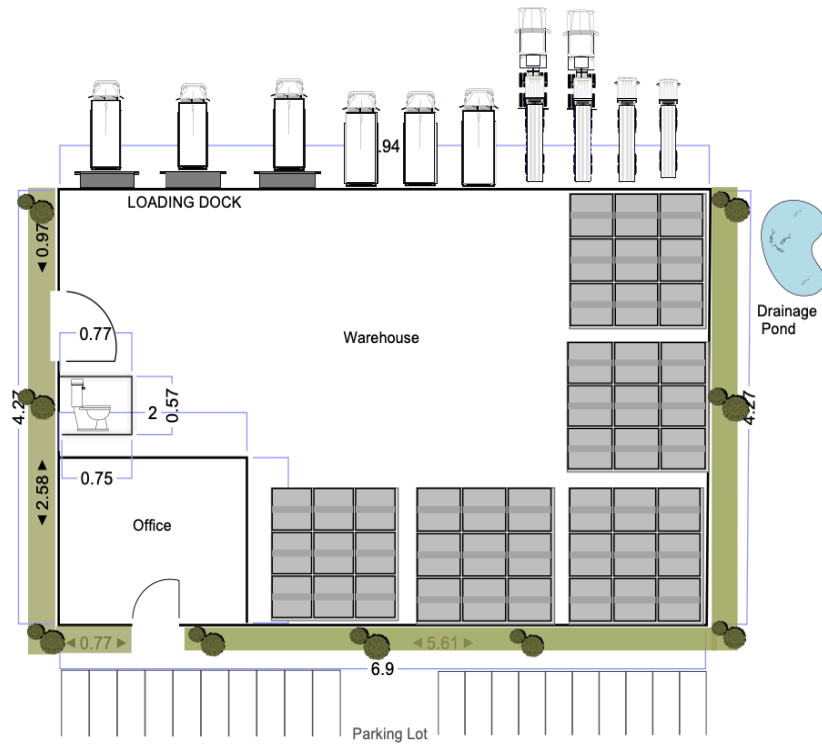
December 18, 2018



Disclaimer: Map and parcel data are believed to be accurate, but accuracy is not guaranteed. This is not a legal document and should not be substituted for a title search, appraisal, survey, or for zoning verification.

EXHIBIT C

Site Concept



TERM SHEET FOR City Moving and Storage LLC – 11.6.20

Real Estate	Tax ID Number: 27-32-25-44-0003. UNPLATTED CITY OF RAMSEY ALL THAT PART OF THE N 200 FT OF THE S 233 FT OF THE S1/2 OF SE1/4 OF SEC 27-32-25 ANOKA CNTY, MN LYING W OF THE E 1146 FT THEREOF & LYING E OF A LINE PRLN WITH THE E LINE OF SAID S1/2 OF SE1/4 DRAWN NLY FROM A POINT ON THE S LINE OF SAID S1/2 OF SE1/4 A DIST OF 266.00 FT E OF THE NW CORNER OF LOT 1 OF THE DULY RECORDED PLAT OF AUD SUB NO 30 SAID ANOKA CNTY SAID 266 FT BEING MEAS AT RIGHT ANGLES TO THE W LINE OF SAID LOT 1 TOG WITH AN EASE FOR RD PURP OFVER THE S 33 FT OF THE E 1146 FT OF THE S1/2 OF SE1/4. (Parcel 28)
Acreage	Approximately .95 acres or 41,382 SF
Asking Price	\$105,000 (\$2.53 / SF)
Offer Price	\$85,000 (\$2.05 / SF)
Earnest Money	\$8,500 Non-refundable upon Notice to Proceed being executed.
Inspection Period	180 days from Effective Date (Date City Council approves) (city requires plat/site plan approval before sale)
Closing	Within 30 days of Notice to Proceed.
Commission	This was a City generated lead for a CBRE Listed property. Per the terms of the listing agreement, the City will not pay any commission for the sale of the Property.
Extensions to Close	Developer will deposit \$5,000 in escrow for each 60 day extension (2 extensions allowed) Once extensions are made the money becomes non-refundable.
City take care of	Provide existing ALTA Survey and updated Title Work. The Developer will contract to plat the property as part of the site plan process.
Performance	City to require construction of a minimum 9,000 SF commercial/industrial building compliant with City Code and Zoning requirements and obtain a Certificate of Occupancy one year after Closing. If this is not done, the City may exercise the Right of Re-Entry.
Assignment	Requires city approval if not same owners / company.
Contingencies	None at this time
Review	EDA (Sean): Land Transaction/ Purchase Agreement/ Right of Re-Entry Planning Commission (Tim/Chloe): Land Use, Development Agreement, Site Plan, Plat

City Council: Final Approval on both items



City Moving & Storage

6230 McKinlet St Nw, Suite C, Ramsey MN 55303

Tel: 612.616.2888 Email: bobfearing@gmail.com

Website: cmsmoving.com

Date: 11.06.2020

LETTER OF INTENT TO PURCHASE

My name is Bob Fearing the owner of City Moving & Storage, I am interested in purchasing the land located at 6590 141st Ave Nw, Ramsey MN.

We have been a member of this community since we founded our business in 2010 we are a family owned and operated local moving and storage company. We would love to keep running our business out of Ramsey. I am offering \$75,000 for the purchase of this property. Please see the attached site plan.

I believe this land development will contribute to the community positively.

Sincerely,
Bob Fearing
Owner/Manager