

ENGINEERING REIMBURSEMENT AGREEMENT

This Engineering Reimbursement Agreement (“Agreement”) is made effective as of January ___, 2011 (the “Effective Date”), by and between **City of Ramsey** (“City”), a municipal corporation, and **Hageman Holdings, LLC** (“Developer”), a Minnesota limited liability company, and is based on the following facts:

A. The City has received proposals for Consulting Engineering Services (“Consultant”) in connection with the design and engineering of certain infrastructure improvements (the “Project”) related to the Alpha Development Plat approved by the City of Ramsey on December 14, 2010 (“Plat Approval”).

B. Pursuant to the Plat Approval, City and Developer desire to engage the Consultant in order to advance the Project.

C. Pursuant to the proposal of the Consultant, City and Developer desire to agree to certain terms for the Developer’s reimbursement of costs incurred by the City in the engagement of the Consultant for the Project.

NOW, THEREFORE, in consideration of the facts stated above and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by City and Developer, the parties hereby agree as follows:

1. **Estimated Cost of Services.** The cost of services for the Consultant and related design and construction administration is estimated not-to-exceed \$106,000, broken down as follows:

- a. _____
- b. _____
- c. _____
- d. TOTAL _____

2. **Reimbursement.** City shall submit to Developer invoices for actual work performed by Consultant and City, which shall include a description of the work performed

along with hours, hourly rates and personnel charging time for Services. Unless prior execution of the Development Agreement has occurred, in which case, cost of Services shall be incorporated into the Project as defined in the Development Agreement and Section 3 below, Developer will submit reimbursement within thirty (30) days of receipt of such invoices. City shall provide Developer a statement of actual costs incurred to date within two (2) business days of such request.

3. **Development Agreement.** Upon the City and Developer's execution of the Development Agreement, all invoiced and paid amounts, if any, shall be returned to the Developer, as such amounts are calculated and part of the total estimated assessment for improvements and development fees presently estimated at not-to-exceed \$1,801,764, less Trail Fee credit estimated at \$12,000 (actual assessment and trail fee credit to be based on final construction bids).

4. **Termination of Agreement.** This Agreement may be terminated by Developer upon written notice to City. Upon receipt of such written notice, City shall promptly discontinue and notify Consultant to discontinue work on the project. Within seven (7) days of notice of termination, City shall issue a final invoice for work performed to the date of notice of Termination and Developer shall promptly pay such invoices. Upon payment, the parties will have no further obligations to one another with respect to this Agreement or the Project.

IN WITNESS WHEREOF, City and Developer have caused this Agreement to be duly executed on their behalf, effective as of the day and year first above written.

CITY:
City of Ramsey

DEVELOPER:
Hageman Holdings, LLC

By: _____

By: _____

Its: _____

Its: _____