

ASSESSMENT AGREEMENT

THIS ASSESSMENT AGREEMENT (this "Agreement") is made this 20th day of May, 2011, by and between **City of Ramsey**, a Minnesota municipal corporation (the "City") with offices at 7550 Sunwood Drive N.W., Ramsey, Minnesota 55303, and **Hageman Holdings, LLC**, a Minnesota limited liability company ("Owner") having an address of 13200 43rd St. NE, St. Michael, MN 55376, and is based on the following facts:

A. Owner is the owner of fee title the Property, as defined in the Development Contract.

B. Owner has applied to the City for approval of a subdivision of the Property into Lot 1, Block 1, and Outlots A, B, C and D, Alpha Development, Anoka County, Minnesota, pursuant to the plat of Alpha Development (the "Plat").

C. The City has approved the Plat subject to certain conditions as specified in that certain Development Contract between the City and Owner, dated May 19, 2011 (the "Development Contract").

D. The Development Contract contemplates that the City and Owner will enter into this Agreement.

NOW, THEREFORE, in consideration of the facts stated above, the mutual promises and agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the City and Owner, the parties hereby agree as follows:

1. Recitals Incorporated. The facts stated above are hereby incorporated into this Agreement and made a part of this Agreement by this reference.

2. Definitions. Capitalized terms used but not defined in this Agreement are defined as provided in the Development Contract.

3. Assessment. A special assessment (the "Assessment") is hereby levied against the Property under Minnesota Statutes Chapter 429 in an amount (the "Aggregate Assessment Amount") equal to the amount of the "Project Costs" of the Stage I City Improvements as defined in the Development Contract. For purposes of this Agreement, "Project Costs" means the actual total cost of the Stage I City Improvements including: 1) 5% contingency, 2) 16% for construction engineering and administration fees, and; 3) trunk fees. The Aggregate Assessment Amount shall not exceed \$1,701,077.34, and the assessment shall be allocated to and levied against portions of the Property created by the Plat as follows:

Parcel Description	Area	Allocation %	Assessment Amount
Lot 1, Block 1	86.436 acres	60%	\$1,014,006.34
Outlot B	45.196 acres	33%	\$563,751.00
Outlot D	9.621 acres	7%	<u>\$123,320.00</u>
Total			\$1,701,077.34

The composition of the maximum amount of Project Costs is set forth as listed below:

<u>Estimated Improvement Costs</u>		
Street and Trail Improvement - Bunker Lake Extension		\$429,133.32
Drainage Improvements - Bunker Lake		\$113,176.31
Sanitary Sewer - Bunker Lake		\$135,096.73
Watermain Extension - Bunker Lake Blvd.		\$246,717.05
Puma Street Surfacing & Trail		<u>\$247,351.74</u>
	Sub-total	\$1,171,475.15
5% Contingency		\$58,573.76
	Sub-total	\$1,230,048.91
<u>Engineering Costs</u>		
Developer Construction Engineering Fee		\$64,363.59
Design Engineering Fee		\$85,000.00
3% for City Construction Administration		\$35,144.25
	Sub-total	\$184,507.84
<u>Allocation of Development Fees</u>		
Sanitary Sewer Trunk Fee		\$70,374.44
Stormwater Trunk Fee		\$103,137.15
Water Trunk Fee		\$215,497.27
Trail Development Fee		<u>\$58,043.00</u>
	Sub-total	\$447,051.86
Dirt Road Elimination Program		<u>(\$160,531.28)</u>
	Grand Total	\$1,701,077.34

4. Waiver by Owner. The Assessments levied under Section 3 above shall be deemed adopted on the date this Agreement is signed by the City. Owner, by signing this Agreement, acknowledges that the Property is benefited by the Stage I City Improvements in an amount at least equal to the amount of the Project Costs, and hereby unconditionally waives all procedural and substantive objections to the Assessment, including without limitation any right to a hearing and any right to appeal the levying of the Assessment.

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2011, by Bob Ramsey and Kurtis G. Ulrich, the Mayor and City Administrator, respectively, of City of Ramsey, a Minnesota municipal corporation pursuant to the authority granted by its City Council.

Notary Public

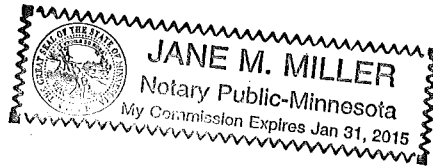
HAGEMAN HOLDINGS, LLC

By: [Signature]
Its: Chief manager

STATE OF MINNESOTA)
) SS.
COUNTY OF Wright)

On this 20 day of May, 2011, before me a Notary Public within and for said County, personally Mike Hageman, to me personally known, who each by me duly sworn, did say that he is the Chief Manager of Hageman Holdings, LLC, a limited liability corporation under the laws of the State of Minnesota, acknowledged said instrument to be the free act and deed of said corporation.

[Signature]
Notary Public



THIS INSTRUMENT WAS DRAFTED BY:
Moss & Barnett (JLW)
A Professional Association
4800 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-4129