City of Ramsey
Agenda
Special City Council
Tuesday September 27, 2011
Immediately Following HRA
Council Chamber, 7550 Sunwood Drive NW

1. Call to Order

2. Citizen Input

3. Approve Agenda

4. Council Business

1. Adopt Resolution Approving Purchase and Development Agreements – The Residence at The COR

2. Adopt Amended and Restated Parking Use and Maintenance Agreement (PUMA) for Parking District A

5. Mayor/Council/Staff Input

6. Adjournment

CC Special Session **4. 1.**

Meeting Date: 09/27/2011

By: Darren Lazan, Housing & Redevelopment Authority

Title:

Adopt Resolution Approving Purchase and Development Agreements – The Residence at The COR

Background:

At it's December 14, 2010 meeting, the City Council approved the purchase agreement and development agreement for The Residence at The COR, a 230 unit market rate apartment project to be constructed on HRA property described as Lot 3, Block 1, COR ONE, to be recorded at the time of closing. This project would connect to, and utilize the existing and newly expanded Municipal Parking Ramp, and in conjunction with the Municipal Center and the new Northstar Station represent full utilization of the completed parking structure.

Subsequent to that agreement, the buyer/developer encountered difficulties obtaining adequate private financing based on a number of issues related predominantly to the history of RTC, and the lack of projects in the area comparable to The Residence project, and what the community has envisioned for The COR.

Over the last six months, the development management team has worked with the developer, their primary lender, and our financial and legal consultants to structure a financing option that allows the HRA to participate in the construction financing, closing the gap between the private lender and the costs of construction. This 'gap financing' would run alongside the private lender and allow the project to commence in the spring of 2012. The HRA loan would be funded with TIF Revenue Bonds and be backed with a variety of corporate, personal, and development entity guarantees.

The attachments herein outline the proposed amended and restated Purchase and Development Agreements in both summary and detailed fashion. The development management team will provide an overview of the package and be available to answer any questions the HRA may have.

Notification:

Observations:

Recommendation:

The development team recommends the City Council adapt the resolution approving the amended and restated purchase agreement

The development team recommends the City Council direct counsel to prepare final documents for execution incorporating changes discussed, and delivery to the buyer.

Funding Source:

Existing TIF Funds, TIF Revenue Bonds, Land Sale Proceeds

Council Action:

Motion to adopt Resolution #11-09-XXX approving the amended and restated purchase agreement

- and -

Motion that the City Council direct counsel to prepare final documents for execution incorporating changes discussed, and deliver to the buyer.

Attachments

Revised Deal Summary
Development Agreement - Blacklined
Development Agreement - Clean
Bray Memo outlining Approvals
Purchase Agreement - Clean
Purchase Agreement - Blacklined
Resolution

Form Review

Inbox	Reviewed By	Date
Heidi Nelson	Jo Thieling	09/22/2011 06:12 PM
Darren Lazan (Originator)	Jo Thieling	09/27/2011 04:37 PM
Form Started By: Darren Lazan		Started On: 09/22/2011

Final Approval Date: 09/27/2011

Summary of September 2011 Revised Deal

Flaherty and Collins - The Residence at The COR

Item	Current Proposal	Comments
Units		
Studio	22	
1 - bedroom	122	
2 - bedroom	79	
Townhome	7	
TOTAL	230	Subject to final plans
Total Square footage	219,240	
Stories	4	
Internal and Surface Parking	32	Townhome Garages and surface stalls
Structured Parking	275 d / 25 a	275 dedicated, 25 allocated in Ramp A, PUMA A
Land Sale Proceeds	$ 750,000	
Parcel	3 acres +/-	
Development Fees	$0	Paid from existing TIF (incl SAC/WAC) (est. $1.5-2.4m)
Building Permit Fees	?	Paid by Developer
Earnest Monies	$ 250,000	Due after CTIB meeting - Applies to Land Sale
Liquidated Damages	Actual Costs Sep 27- Close	Paid to F&C if City fails to deliver train start - capped at $750k
TIF	85% of increment/25 yrs	Note sized whenl increment can be calculated, issued at takeout of City Note #2 Fixed between $2m and $3m
Retail Area	3000sf	
City Backstop	$ -	No City Backstop
City Note #1	$ 1,300,000	10yr term, paid from cashflow - may be included in larger note
Fee to City	$ 120,000	fixed fee
Sources for Note/Fees		
Development Fees	$1.5m - $2.4m	Existing TIF Balances (estimate prior to final plans)
City Note #1	$ 1,420,000	Existing TIF Balances
City Note #2	$ 6,825,000	GO TIF Revenue Bonds, will include capitalized Interest and cost of issuance Backing: 1 Project Revenues 2 $2m TIF Note 3 Project LLC 4 F&C Development 5 David Flaherty (Personal Guarantee) 6 TIF 14 Proceeds 7 Other TIF Districts 8 Other Funds Available 9 Tax Levy
City Note #2	$ 6,825,000	36 month term - 6.27% capitalized interest - 8.27% default interest rate (equity calls)
Interest and Cost of Issuance	$ 1,260,000	Varies with Cap Interest equation - 6% annual Payments due at 18mos. as available, capitalized for 36mos.
Developers equity	$1,000,000+	at closing
	$ 2,000,000	at 12months
	$ 1,000,000	at 18 months
	$ 4,000,000	TOTAL
Principal reduction for additional equity puts	$ 250,000	If equity payment is made at 12 months - principal reduction in City Note #2
Default interest if addl equity payment is not made	$ 240,000	2.0% addl interest over last 18 months of term.

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA,

THE CITY OF RAMSEY, MINNESOTA

AND

F & C RAMSEY, LLC

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DEVELOPMENT AGREEMENT

The parties to this Development Agreement (the "Agreement") are The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota a public body politic and corporate under the laws of the State of Minnesota (the "HRA"); the City of Ramsey, Minnesota (the "City"), a home rule charter city organized and existing under the constitution and laws of the State of Minnesota and F & C Ramsey, LLC, an Indiana limited liability company ("Developer"). This Development Agreement is dated, for reference purposes, and is effective as of _____, 2011 (the "Effective Date"). This Agreement replaces the Development Agreement between the HRA, the City and Developer dated January 31, 2011, and the January 31, 2011 Development Agreement is hereby terminated and of no further force or effect.

ARTICLE I

RECITALS

WHEREAS, the HRA owns the "Development Property," as defined below.

WHEREAS, the Development Property is located in the Development District. The City established the Development District on August 27, 1985 pursuant to Minnesota Statutes, Sections 469.124 through 469.134. The City adopted the Development Program for the Development District on August 27, 1985, and the City has amended it from time to time. The most recent amendments to the Development Program were adopted on or about December 14, 2010.

WHEREAS, Developer wants to acquire the Development Property from the HRA and construct the Minimum Improvements on the Development Property, but Developer has determined that it cannot acquire the Development Property and construct the Minimum Improvements on the Development Property without financial assistance from the City and the HRA.

WHEREAS, the HRA and the City are entering into this Development Agreement with Developer to further the objectives of the Development Program and, particularly, to make the Development Property available for development by private enterprise in conformance with the Development Program**.**

WHEREAS, the HRA had determined that 50% of the Minimum Improvements constitutes a Housing Development Project pursuant to the Act.

WHEREAS, the HRA has adopted a housing program in connection with the Housing Development Project.

WHEREAS, pursuant to the Act and the Tax Increment Act the City has the authority to issue bonds to finance all or a portion of the cost of the Housing Development Project.

WHEREAS, the City believes that the Project and the fulfillment of this Agreement are in the best interests of the City and further the health, safety, morals and welfare of residents of

the City and that the Project has been undertaken and is being assisted in accordance with a public purpose and the provisions of the applicable state and local laws and requirements.

ARTICLE II

DEFINITIONS

Section 2.1 Definitions. Capitalized word and phrases used in this Development Agreement have the following meanings:

Act means collectively, Minnesota Statutes 469 and 462C;

Affiliate means a natural person, trust, trustee, corporation, limited liability company, partnership or limited partnership that: controls Developer, is controlled by Developer or is controlled by the same individuals and entities that control Developer. A person or entity "controls" an entity if the person or entity, directly or indirectly or acting in or through one or more subsidiaries, owns, controls or holds with power to vote, more than 50 percent of the voting interest in the entity. An entity is "controlled by" a person or entity if that person or entity, directly or indirectly or acting in or through one or more subsidiaries, owns, controls or holds with power to vote, more than 50 percent of the voting interests in the entity. Control does not exist if the powers described in this subsection are held solely as a security interest and have not been exercised;

Agreement means this Development Agreement, as the same may be modified, amended or supplemented from time to time;

Amended PUMA means the Amended and Restated Parking Improvement Use and Maintenance Agreement for Parking District A that is attached to the Purchase Agreement as Exhibit A and that the Purchase Agreement obligates the City and the HRA to execute and record prior to or contemporaneously with the HRA's conveyance of the Development Property to Developer;

Assessment Agreement means an Assessment Agreement pursuant to Minnesota Statues, Section 469.177, Subd. 8 specifying minimum market values for the Development Property as of January 2, 2013 and each January 2 thereafter through and including January 2, 2036 which minimum market values will be used for the calculation of real property taxes due and payable with respect to the Development Property. The form of Assessment Agreement is attached as Exhibit F;

Business Day means any day other than a Saturday, Sunday or a state or federal holiday that financial institutions or post offices in the state of Minnesota close to observe;

Certificate of Completion means a certificate in the form attached as Exhibit A;

City means the City of Ramsey, Minnesota;

Commencement Date means the date 90 days after the date the HRA and the Developer close on the Developer's purchase of the Development Property from the HRA pursuant to the Purchase Agreement;

Completion Date means the date two years after the Commencement Date;

Construction Plans means the plans, specifications, drawings and related documents for the construction of the Minimum Improvements that Developer submits to the City pursuant to Section 5.2;

Corporate Guarantor means Flaherty & Collins Construction, Inc., an Indiana Corporation;

Corporate Guaranty means the guaranty that the Corporate Guarantor executes in favor of the HRA to provide security for the performance of Developer's obligations under the Note No. 1. The form of Corporate Guaranty is attached as Exhibit E-1;

Cost of Issuance means all costs and expenses the City and the HRA will incur and any underwriter's discount the HRA will give in connection with the issuance of the Temporary Tax Increment Bonds including but not limited to: rating agency fees, financial advisor's fees, bond attorney's fees, county fees, up to a maximum of $91,000.00. The City will not have issued the Temporary Tax Increment Bonds as of the Date of Closing, so Costs of Issuance will be determined based on the City's reasonable estimate;

County means Anoka County, Minnesota;

Date of Closing means the "Date of Closing" as defined in the Purchase Agreement;

Developer means F & C Ramsey, LLC, an Indiana limited liability company and any successor in title to all or any portion of the Development Property;

Development District means the City's Development District No. 1;

Development Fees means the fees and charges payable to the City pursuant to Chapter 117 of the City's Ordinances in connection with City's approval of the plat of COR ONE. The categories of the "Development Fees" and the City's current estimate of the amounts of the various "Development Fees" are specifically identified on Exhibit G;

Development Program means the development program the City has approved for the Development District;

Development Property means the portion of Lot 1, Block 1, Lot 2, Block 1 and Outlot A, RAMSEY TOWN CENTER 5TH ADDITION, Anoka County, Minnesota depicted as Lot 3, Block 1 on the Preliminary Plat of COR ONE, Anoka County, Minnesota that the City approved on November 23, 2010 and all improvements currently located or subsequently constructed thereon;

Eligible Costs means 50% of the actual costs the Developer incurs to acquire the Developer Property and construct the Minimum Improvements; provided, however, that any costs that Developer pays with the proceeds of Loan No. 1 are not Eligible Costs and provided further that any costs that Developer pays with the proceeds of the Loan No. 2 are not Eligible Costs unless and until Loan No. 2 is repaid in full in accordance with the terms of this Agreement;

Event of Default means any of the events described in Section 13.1;

Existing Parking Ramp means the approximately 590 stall public parking ramp located at 7650 Sunwood Drive, Ramsey, Minnesota;

Final Construction Plans means construction plans that the City has approved pursuant to Section 5.3;

Housing Development Project means 50% of the Minimum Improvements which are intended for occupancy by persons of moderate income and their families;

HRA means The Housing and Redevelopment Authority in and for the city of Ramsey, Minnesota, a public body politic incorporated under the laws of the State of Minnesota;

Loan Agreement means the loan agreement between the HRA and Developer which establishes the HRA's and Developer's rights and obligations with respect to Loan No. 1 and Loan No. 2. The form of the Loan Agreement is attached as Exhibit C;

Loan No. 1 means the $1,420,000.00 loan the HRA makes to Developer for the Housing Development Project pursuant to Article VII;

Loan No. 2 means the loan the HRA makes to Developer for the Housing Development Project pursuant to Article VIII. The original principal amount of Loan No. 2 will be equal to the sum of (i) $6,825,000; and (ii) the Costs of Issuance;

Minimum Improvements means the improvements described on Exhibit I until the City approves the Construction Plans and means the improvements described and depicted on the Final Construction Plans, after the City approves the Construction Plans;

Net Cash Flow means, for any calendar year, Net Operating Income for that calendar year less the scheduled debt service payments due on the Project Loan in that calendar year and less reasonable contributions to replacement reserves;

Net Operating Income. means, for any calendar year, all income Developer derives from the Development Property, including, but not limited to rents received from the rental of residential apartments, parking stalls or non-residential space, in the Development Property less Operating Expenses actually incurred in that calendar year;

Note No. 1 means the $1,420,000.00 Promissory Note that Developer executes and delivers to the HRA to evidence Developer's obligation to repay the Loan No. 1. The form of the Note No. 1 is attached as Exhibit D-1;

Note No. 2 means the Promissory Note that Developer executes and delivers to the HRA to evidence Developer's obligation to repay the Loan No. 2. The form of the Note No. 2 is attached as Exhibit D-2. Prior to Developer's execution of Note No. 2 pursuant to Section 8.2, the HRA will determine the Costs of Issuance and to notify Developer of the original principal amount of Loan No. 2;

Operating Expenses. means the reasonable and customary expenses Developer incurs to operate and maintain the Development Property. Operating Expenses do not include (i) debt service payments on any loans to Developer; (ii) expenses Developer incurs to make improvements, repairs or replacements to the Development Property, the cost of which Developer is obligated to capitalize rather than expense under generally accepted accounting principles, consistently applied; or contributions to replacement reserves;

Parking Ramp Addition means the approximately 200 stall addition to the Existing Parking Ramp that the Purchase Agreement obligates the City to construct on the Parking Ramp Property;

Parking Ramp means the Existing Parking Ramp and the Parking Ramp Addition which will be located on the Parking Ramp Property;

Parking Ramp Property means the portion of Lot 1, Block 1, RAMSEY TOWN CENTER 5TH ADDITION, Anoka County, Minnesota depicted as Lot 2, Block 1, COR ONE, Ramsey County, Minnesota;

Personal Guarantor means David M. Flaherty;

Personal Guaranty means the guaranty that the Personal Guarantor executes in favor of the HRA to provide security for the performance of Developer's obligations under the Note No. 2. The form of Personal Guaranty is attached as Exhibit E-1;

Project Loan. means (1) the credit facility described in the Proposal Letter dated August 4, 2011 and executed by PNC Bank, National Association and Flaherty & Collins Properties and the Summary of Terms and Conditions attached thereto; and (2) a loan that a third party makes to a Developer if (a) all or a portion of the proceeds of the loan are used to fully satisfy a prior Project Loan; and (b) the loan is secured by a first lien mortgage on the Development Property;

Project Mortgage means a first lien mortgage on the Development Property that Developer grants to a third party to secure the repayment of a Project Loan;

Purchase Agreement means the Purchase Agreement between the HRA and Developer of even date herewith that sets forth the terms and conditions under which the HRA will convey the Development Property to Developer;

Project means Developer's acquisition of the Development Property and construction of the Minimum Improvements in accordance with the terms of this Agreement;

Sale of the Development Property means a voluntary or involuntary conveyance of all or any undivided interest in Developer's fee title to all or any material portion of the Development

Property to an entity other than an Affiliate; a lease of all or any material portion of the Development Property to an entity other than an Affiliate for a term (including any rights to renew or extend) that exceeds twenty (20) years; or a voluntary or involuntary transfer of any membership interests in Developer to an entity other than an Affiliate;

State means the State of Minnesota;

Tax Increments means 85% of the tax increments derived from the Development Property as determined by the City in its sole discretion, which have been paid to the City between January 1, 2015 and February 1, 2038 and which the City is entitled to retain pursuant to the provisions of the Tax Increment Act;

Tax Increment Act means the Tax Increment Financing Act, Minnesota Statutes, Sections 469.174 through 469.1799, as amended;

Tax Increment District means the City's Tax Increment District No. 14;

Tax Increment Financing Plan means the plan for the Tax Increment District that the City adopted, by resolution, on December 14, 2010;

Temporary Tax Increment Bonds means the Temporary Tax Increment Bonds the City issues pursuant to the Tax Increment Act, the proceeds of which the City will make available to the HRA and a portion of which proceeds the HRA will use to fund Loan No. 2;

Termination Date means the earlier of (i) the date Developer has completed construction of the Minimum Improvements; Developer has repaid the Loan No. 1 in full; Developer has repaid the Loan No. 2 in full; and the City has paid the TIF Note in full; or (ii) the last TIF Note Payment Date;

TIF Note means a Tax Increment Revenue Note, in the form attached as Exhibit B;

TIF Note Payment Date means October 1, 2015 and each February 1 and August 1 thereafter through and including February 1, 2038; provided, that if any such TIF Note Payment Date is not a Business Day, the TIF Note Payment Date is the next succeeding Business Day; and

Unavoidable Delay means a delay in Developer's commencement or completion of the Minimum Improvements that is the direct result of an act of God, other than weather related conditions or events that are reasonably foreseeable both in terms of the likelihood of their occurrence and their severity; war, riots, or civil disorder; labor strikes or labor shortages; shortages of necessary materials; or litigation commenced by third parties that, either by injunction or other similar judicial action or by the exercise of reasonable discretion, directly results in delays.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 3.1 Representations and Warranties of the City and the HRA. The City and the HRA make the following representations and warranties:

(a) The City represents and warrants that the City is a municipal corporation and political subdivision organized under the provisions of the constitution and laws of the State of Minnesota and has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The City represents and warrants that the development of the Development Property contemplated in this Agreement conforms with the development objectives of the Development Program.

(c) On or about December 14, 2010, the City approved and adopted the Tax Increment Financing Plan and established the Tax Increment District which includes the Development Property and that qualifies as a redevelopment district under the Tax Increment Act.

(d) The HRA represents and warrants that the HRA is a body politic and corporate under the laws of the State of Minnesota and has the power to enter into this Agreement and carry out its obligations hereunder.

(e) The HRA represents and warrants that at a public hearing held on September 27, 2011 after published notice, the HRA's Board approved this Development Agreement and approved the HRA's conveyance of the Development Property to Developer pursuant to this Development Agreement and without public bidding, all as required by Minnesota Statutes Section 469.029, Subd. 2.

Section 3.2 Representations, Warranties and Covenants of Developer. Developer makes the following representations, warranties and covenants:

(a) Developer represents and warrants that it is a limited liability company organized, validly existing and in good standing under the laws of the State of Indiana, that it has the power to enter into this Agreement and to perform its obligations hereunder and by entering into and performing its obligations under this Agreement Developer will not be in violation of the its articles or bylaws.

(b) Developer represents that Developer would not undertake the Project and in Developer's opinion, the Project would not be economically feasible within the reasonably foreseeable future without the assistance and benefit provided for in this Agreement.

(c) Developer represents and warrants that neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provision of any

contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(d) Developer agrees that Developer will cooperate fully with the City and the HRA with respect to any litigation a third party may commence with respect to the Development Property; provided, however, that Developer shall not be obligated to settle any litigation to which it is a party unless it approves such settlement in its sole discretion. This covenant shall survive the termination of this Agreement.

(e) Developer agrees that Developer will cooperate fully with the City in resolution of any traffic, parking, trash removal or public safety problems which may arise in connection with the construction and operation of the Project.

ARTICLE IV

PURCHASE AGREEMENT

Section 4.1 Purchase Agreement. The HRA and Developer are executing the Purchase Agreement and delivering it to one another contemporaneously with the execution and delivery of this Agreement.

Section 4.2 Relationship Between this Agreement and the Purchase Agreement. In the event of a conflict between the terms of this Agreement and the terms of the Purchase Agreement, the terms of this Agreement control. If the HRA or Developer terminate the Purchase Agreement, this Agreement automatically terminates except as to terms and provisions that this Agreement expressly states survive a termination of this Agreement. The Purchase Agreement provides that if the City, HRA or Developer terminate this Agreement, the Purchase Agreement automatically terminates except as to terms and provisions that the Purchase Agreement expressly states survive a termination of this Agreement.

Section 4.3 Right of Reverter. The Purchase Agreement provides for the HRA's conveyance of the Development Property to Developer subject to a right of reverter. The Right of Reverter shall provide that (a) if Developer does not commence construction of the Minimum Improvements on or before the Commencement Date, as the same may be extended pursuant to Section 5.4 as a result of an Unavoidable Delay; (b) if Developer fails to substantially complete the construction of the Minimum Improvements in accordance with the Final Construction Plans on or before the Completion Date, as the same may be extended pursuant to Section 5.4 as a result of an Unavoidable Delay; or (c) if the holder of a Project Mortgage commences proceedings to foreclose the Project Mortgage prior to Developer's substantial completion of the Minimum Improvements, the HRA may commence an action in Anoka County District Court seeking an order that re-vests title to the Development Property in the HRA and grants the HRA immediate possession of the Development Property. In the Purchase Agreement, the HRA agrees that the HRA will subject the HRA's interest in the Development Property pursuant to the Right of Reverter to the lien of any Project Mortgage provided the holder of the Project Mortgage acknowledges, in writing, that if the Project Mortgage is foreclosed and if the HRA obtains a District Court Order re-vesting title to the Development Property in the HRA, the HRA

shall be entitled to redeem the Development Property from foreclosure, as an owner, pursuant to Minnesota Statutes Sections 580 or 581, as applicable.

ARTICLE V

DEVELOPER'S CONSTRUCTION OF THE MINIMUM IMPROVEMENTS

Section 5.1 Required Approvals. Developer must obtain, in a timely manner, any governmental permits, licenses, approvals, consents or authorizations that are legally required in connection with the construction of the Minimum Improvements.

Section 5.2 Submission of Construction Plans. Developer must submit construction plans to the City for review and approval or disapproval. The Construction Plans must (a) provide for the construction of the Minimum Improvements on the Development Property and (b) must include at least the following: (1) a site plan; (2) a foundation plan; (3) a basement plan; (4) a floor plan for each floor; (5) cross sections of each floor (length and width); (6) elevations (all sides); (7) grading and drainage plans; and (8) a landscape plan.

Section 5.3 Review of the Construction Plans. The City must approve the Construction Plans in writing if: (a) the Construction Plans conform to the terms and conditions of this Agreement; (b) the Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations; (c) the Construction Plans are adequate for purposes of this Agreement to provide for the construction of the Minimum Improvements; and (d) no Event of Default under the terms of this Agreement has occurred; provided, however, that any such approval of the Construction Plans pursuant to this Section 5.3 constitutes approval for the purposes of this Agreement only and shall not be deemed to constitute approval or waiver by the City with respect to any building, zoning or other ordinances or regulations of the City. If the City rejects the Construction Plans the City must notify Developer, in writing, within thirty (30) days after Developer's submission of Construction Plans that satisfy the requirements of Section 5.2 or the City shall be deemed to have been approved the Construction Plans as submitted. If the City notifies Developer that the City is rejecting the Construction Plans, the notice must include a written statement specifying the respects in which the Construction Plans submitted by Developer fail to conform to the requirements of this Section 5.3. If the City rejects the Construction Plans in whole or in part, Developer must submit new or corrected Construction Plans within thirty (30) days after Developer's receipt of the City's rejection notice. The provisions of this Section 5.3 relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the City approves the Construction Plans; provided, however, Developer may not commence construction of the Minimum Improvements until the City has approved or is deemed to have approved the Construction Plans. Approval of the Construction Plans by the City shall not relieve Developer of any obligation to comply with the terms and provisions of this Agreement or the provision of applicable federal, state and local laws, ordinances and regulations, nor shall the City's approval of the Construction Plans constitute a waiver of any Event of Default. If Developer desires to make any material modification to the scope, size, appearance, value or use of the Minimum Improvements or to the Final Construction Plans after the City has approved the Construction Plans and before Developer has substantially completed the Minimum Improvements, Developer must submit a description of the proposed modification(s) and revised Construction Plans showing the

proposed modification(s) to the City for its approval. If such material change in the Construction Plans conforms to the approval criteria listed in this Section 5.3 with respect to the original Construction Plans, the revised Construction Plans shall be deemed approved unless the City notifies Developer that the City rejects the revised Construction Plans in writing within thirty (30) days after submission. If Developer desires to make any change which does not materially modify the scope, size, appearance, value or use of the Minimum Improvements, Developer is not obligated to resubmit the Construction Plans to the City for approval.

Section 5.4 Commencement and Completion of Construction of the Minimum Improvements. Developer must commence construction of the Minimum Improvements on or before the Commencement Date. Developer is deemed to have commenced construction when Developer has: (a) obtained all building permits from the City necessary for the construction of the Minimum Improvements on the Development Property; and (b) Buyer has commenced the construction of the footings and foundations for the Minimum Improvements. Developer must substantially complete the construction of the Minimum Improvements in accordance with the Final Construction Plans on or before the Completion Date. For purposes of this Agreement, the Minimum Improvements are substantially complete when they are eligible to receive a certificate of occupancy from the City. If Developer's commencement or completion of construction of the Minimum Improvements is delayed as a result of an Unavoidable Delay, Developer gives the City and the HRA notice of the Unavoidable Delay within thirty (30) days after the onset of the Unavoidable Delay and Developer uses all commercially reasonable efforts to commence and complete the construction of the Minimum Improvements as promptly as reasonably possible given the conditions causing the Unavoidable Delay, the Commencement Date and the Completion Date will be extend for a period of time equal to the duration of the condition causing the Unavoidable Delay plus a reasonable time for recovery and restoration following the cessation of such condition.

Section 5.5 Certificate of Completion. Developer shall notify the City when Developer has substantially completed construction of the Minimum Improvements. If the City determines that the Minimum Improvements have been constructed in substantial conformity with the Final Construction Plans and all uniformly applied local, state and federal laws and regulations (including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations), the City shall furnish to Developer a Certificate of Completion. Such Certificate of Completion shall be a conclusive determination of satisfaction and termination of Developer's obligation to construct the Minimum Improvements as set forth in Section 5.4. If Developer has completed the Minimum Improvements on or before the Completion Date, as the same may be extended pursuant to Section 5.4, the HRA will expressly acknowledge and agree in the Certificate of Completion that Developer has satisfied the conditions subsequent described in the Right of Reverter and that the Right of Reverter is terminated and is of no further force or effect.

ARTICLE VI

TIF FINANCING

Section 6.1 Issuance of the TIF Note. When, and only when, Developer: (i) acquired the Development Property; (ii) substantially completed the construction of Minimum

Improvements in accordance with the Final Construction Plans; (iii) notified the City that Developer has substantially completed the Minimum Improvements and is entitled to receive the Certificate of Completion described in Section 5.5; (iv) submitted to the City invoices showing the Eligible Costs Developer actually incurred and for which Developer is seeking reimbursement; (v) submitted to the City evidence, reasonably acceptable to the City, that Developer paid those invoices from a source or sources other than the proceeds of the Loan No. 1; and (vi) repaid Loan No. 2, in full, prior to or when due; and if, at that time, Developer is not in default in the performance of Developer's obligations under this Agreement, the City will execute and date the TIF Note and deliver the TIF Note to Developer.

Section 6.2 Amount of the TIF Note. If the City is obligated to issue the TIF Note pursuant to Section 6.1, the TIF Note shall be for an amount equal to the least of:

(a) $3,000,000.00; or

(b) the sum of all Eligible Costs Developer has actually incurred and paid; or

(c) an amount equal to the City's estimate of 85% of the tax increment that will be derived from Development Property and paid to the City between January 1, of the year that is two years following the City's issuance of Certificate of Completion and February 1, 2038 and that the City will be entitled to retain pursuant to the terms of the Tax Increment Act, as in effect at the time of the City's estimate, assuming that during each year between the year following the year in which the City issues the Certificate of Completion and 2036 the Development Property will have an assessed value for purposes of calculating ad valorum real estate taxes that is equal to the assessed value that the Anoka County Assessor establishes for the Development Property for purposes of ad valorum real estate taxes assessed in the year following the year in which the City issues the Certificate of Completion and due in payable in the following year;

provided, however, the amount of the TIF Note shall not be less than $2,000,000.00.

Section 6.3 Interest. As set forth in the TIF Note, the unpaid principal amount of the TIF Note shall bear simple, non-compounding interest from the date of issuance of the TIF Note at 6.25% per annum. Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

Section 6.4 Payments. The principal amount of the TIF Note and the interest thereon shall be payable solely from Tax Increments the City receives in 2015 and thereafter. On each TIF Note Payment Date and subject to the provisions of this Section 6.4 and the TIF Note, the City shall pay, against the principal and interest outstanding on the TIF Note, the Tax Increments the City actually received since January 1, 2015, in the case of the first TIF Note Payment Date and since the immediately preceding TIF Note Payment Date in the case of subsequent TIF Note Payment Dates. All such payments shall be applied first to pay accrued, unpaid interest and then to reduce the principal of the TIF Note.

Section 6.5 TIF Note Shall Be a Limited Obligation of the City. The TIF Note shall be a special and limited obligation of the City and not a general obligation of the City, and only

Tax Increments the City receives on or after June 1, 2015 shall be used to pay the principal of and interest accruing on the TIF Note.

Section 6.6 Conditions Subsequent. The City's obligation to make payments on the TIF Note on any TIF Note Payment Date or any date thereafter is conditioned upon the requirements that (i) there shall not be, at the time payment is due, any Event of Default that has occurred and is continuing; and (ii) the City shall not have canceled and rescinded the TIF Note pursuant to Section 13.2(d).

Section 6.7 Terms of the TIF Note. The TIF Note shall be governed by and payable pursuant to the additional terms thereof, as set forth in Exhibit B. In the event of any conflict between the terms of the TIF Note and the terms of this Article VI, the terms of the TIF Note shall govern. The issuance of the TIF Note pursuant and subject to the terms of this Agreement, and the taking by the City of such additional actions as bond counsel for the TIF Note may require in connection therewith, are hereby authorized and approved by the City.

Section 6.8 Developer's Prepayment of Loan No. 2. If Developer prepays Loan No. 2 in full, the City will, prior to the issuance of the TIF Note, revise the TIF Note so that the first TIF Note Payment Date is the first February 1 or August 1 following Developer's payment of Note No. 2 in full and to make the TIF Note payable from Tax Increments the City receives on or after the date Developer has repaid Loan No. 2 in full.

ARTICLE VII

LOAN NO. 1

Section 7.1 Loan No. 1. To assist Developer with the construction of the Housing Development Project, the HRA proposes to make a $1,420,000.00 loan to Developer pursuant to the terms of the Loan Agreement and Note No. 1. The HRA proposes to fund Loan No. 1 with tax increments the City has collected from the City's Tax Increment District No. 1, which the City will make available to the HRA.

Section 7.2 Loan Agreement, Note No. 1 and Corporate Guaranty. Contemporaneous with the HRA's conveyance of the Development Property to Developer: the HRA and Developer must each execute the Loan Agreement and must each deliver an original, executed Loan Agreement to the other party; Developer must execute Note No. 1 and deliver Note No. 1 to the HRA; and Developer must cause the Corporate Guarantor to execute the Corporate Guaranty and deliver the Corporate Guaranty to the HRA. In the event of a conflict between the terms of Note No. 1 and the terms of this Development Agreement, the terms of Note No. 1 control. In the event of a conflict between the terms of this Agreement and the terms of the Loan Agreement, the terms of the Loan Agreement control.

Section 7.3 Fee in Lieu of Interest and Default Interest Rate. Note No. 1 does not obligate Developer to pay interest on the outstanding principal of Loan No. 1 provided Developer is not in default in the timely payment of any amounts due under Note No. 1. In lieu of non-default interest and as consideration for the extension of credit, the HRA will charge Developer and Developer agrees to pay a one-time fee of $120,000.00. As set forth in the Loan

Agreement, the HRA will be deemed to have made a $120,000.00 "Advance," to itself from the available proceeds of Loan No. 1 in full payment of this fee contemporaneously with the first "Advance" of the proceeds of Loan No. 1 that the HRA makes pursuant to the terms of the Loan Agreement. If, at any time after the execution of the Loan Agreement, Developer defaults in the timely payment of any amounts due under Note No. 1, the HRA gives Developer "Written Notice" of the default, as provided for in the Loan Agreement, and Developer does not cure the default within ten (10) days of the effective date of the HRA's notice, interest shall accrue on the outstanding principal balance of Note No. 1 from the date of the default through the date Developer cures all defaults under Note No. 1 at the rate of twelve percent (12%) per annum.

Section 7.4 Repayment Terms. Commencing on April 1, 2015 and continuing on each April 1 thereafter until April 1, 2025, Developer must pay to the HRA, in certified or wire transferred funds and for application to the outstanding principal and interest, if any, due under Note No. 1, an amount equal to 20% of the Net Cash Flow for the immediately preceding calendar year. If, prior to April 1, 2025, Developer refinances a Project Loan, Developer must make an additional payment to the HRA, for application to the outstanding principal due under Note No. 1, in an amount equal to 20% of the difference between the principal amount of the new Project Loan and the amount of the outstanding principal and accrued, unpaid interest under the Project Loan that is being refinanced. The preceding sentence applies each time Developer refinances a Project Loan. Notwithstanding anything else in this Section 7.4, if Developer refinances a Project Loan to obtain additional funds that are necessary to complete the initial construction of the Minimum Improvements, Developer is not obligated to pay to the HRA 20% of the amount of the new loan that Developer uses to pay costs of completing the initial construction of the Minimum Improvements. The entire outstanding principal amount of Loan No. 1 and all accrued interest, if any, is due and payable in full upon the earlier of April 1, 2025 or a Sale of the Development Property. Upon the occurrence of an Event of Default, the entire outstanding principal balance of Loan No. 1 and all accrued interest and other amounts due under Note No. 1 shall, at the option of the HRA and subject to the notice and cure provisions set forth in Section 13.1(c) and the Loan Agreement, become immediately due and payable, in full; provided, however that if an Event of Default described in Section 13.1 (i) or (j) occurs, all sums outstanding under Note No. 1 shall become immediately due and payable in full without notice or demand whatsoever.

Section 7.5 Prepayments. Developer may prepay Note No. 1, in whole or in part, at any time and, if in part, from time to time, during the term of Note No. 1. All payments shall be applied first to the payment of accrued, unpaid late charges, then to accrued, unpaid interest, if any, with the balance, if any, applied to the reduction of principal.

Section 7.6 Submission of Financial Information. On or before April 1, 2015 and on or before each April 1 thereafter until April 1, 2025, Developer must provide the HRA with a statement from a certified public accountant setting forth the "Net Cash Flow," "Net Operating Expenses" and "Operating Expenses," as defined in the Development Agreement, for the immediately preceding calendar year and with such back-up documentation regarding income, expenses and debt service as the HRA may reasonably request to confirm the certified public accountant's calculation of "Net Cash Flow," "Net Operating Income" and "Operating Expenses." The certified public accountant who prepares the statement may be an employee of Borrower or an Affiliate of Borrower.

ARTICLE VIII

LOAN NO. 2

Section 8.1 Loan No. 2. To further assist Developer with the construction of the Housing Development Project, the HRA proposes to make a loan to Developer in an original principal amount equal to the sum of (i) $6,825,000.00 and (ii) the Costs of Issuance pursuant to the terms of the Loan Agreement and the Note No. 2. The HRA will fund Loan No. 2 with the proceeds of the Temporary TIF Bonds. Immediately prior to the HRA's conveyance of the Development Property to Developer and the HRA's and Developer's execution of the Loan Agreement and Note No. 2 pursuant to Section 8.2 below, the City will provide the HRA and Developer with the City's reasonable estimate of the Costs of Issuance and the HRA will complete the Loan Agreement, Note No. 2 and the Personal Guaranty with the original principal amount of Loan No. 2.

Section 8.2 Loan Agreement, Note No. 2, and Personal Guaranty. Contemporaneous with the HRA's conveyance of the Development Property to Developer: the HRA and Developer must each execute the Loan Agreement and must each deliver an original, executed Loan Agreement to the other party; Developer must execute Note No. 2 and deliver Note No. 2 to the HRA; and Developer must cause the Personal Guarantor to execute the Personal Guaranty and deliver the Personal Guaranty to the HRA. In the event of a conflict between the terms of Note No. 2 and the terms of this Development Agreement, the terms of Note No. 2 control. In the event of a conflict between the terms of this Agreement and the terms of the Loan Agreement, the terms of the Loan Agreement control.

Section 8.3 Initial Interest Rate, Interest Rate Increase and Default Interest Rate. Simple interest will accrue on the unpaid principal balance of Note No. 2 from the date funds are advanced until Note No. 2 is paid in full at the rate of 6.27% per annum unless the rate is increased pursuant to this Section 8.3. If the Developer prepays a total of $3,000,000.00 or more of the outstanding balance of Loan No. 2 on or before the date 18 months after the date of the first disbursement of proceeds of Loan No. 2, the interest rate remains at 6.27% per annum until the maturity date as established pursuant to Section 8.4. If Developer does not prepay a total of $3,000,000.00 or more on or before the date 18 months after the date of the first disbursement of proceeds of Loan No. 2, the interest rate increases on the date 18 months from the date of the first disbursement of proceeds of Loan No. 2 to 8.27% per annum and remains at 8.27% per annum until the earlier of the date Developer prepays a total of $3,000,000.00 or more or the maturity date. If after the date 18 months after the date of the first disbursement of proceeds of Loan No. 2 and prior to the maturity date of Note No. 2, Developer prepays a total of $3,000,000.00, the interest rate will be reduced to 6.27% per annum from and after the date Developer has prepaid a total of $3,000,000.00 If an Event of Default occurs under the Loan Agreement, the HRA gives Developer notice of the Event of Default and Developer does not cure the default within the cure period, if any, provided for in the Loan Agreement the interest rate then in affect is increased by 5% per annum.

Section 8.4 Repayment Terms. The entire outstanding principal balance and all accrued, unpaid interest under Note No. 2 is due and payable in full upon the earlier of (i) June 1, 2015 or (ii) a Sale of the Development Property. Upon the occurrence of an Event of Default,

the entire outstanding principal balance hereof and all accrued interest and other amounts due hereon shall, at the option of the HRA and subject to the notice and cure provisions set forth in Section 13.1(c) and the Loan Agreement, become immediately due and payable, in full, provided, however that if an Event of Default described in Section 13.1 (i) or (j) occurs, all sums outstanding under Note No. 2 shall become immediately due and payable in full without notice or demand whatsoever.

Section 8.5 Prepayments. Developer may prepay Note No. 2, in whole or in part, at any time and, if in part, from time to time, during the term of Note No. 2. All payments shall be applied first to the payment of accrued, unpaid late charges, then to accrued, unpaid interest, if any, with the balance, if any, applied to the reduction of principal. If Developer prepays $2,000,000.00 or more on or before the date 12 months after the date of the first disbursement of proceeds of Loan No. 2, the HRA shall forgive $250,000.00 of the principal amount of Loan No. 2, such forgiveness to be effective as of the date Developer has prepaid at least $2,000,000.00.

Section 8.6 Limitations on Disbursements and Disbursement of Costs of Issuance. As set forth in the Loan Agreement, the HRA is not obligated to advance proceeds of Loan No. 2 before the later of: the date thirty (30) days after the date the HRA conveys the Development Property to Developer, the date Developer commences construction of the Minimum Improvements, as defined in Section 4.8 of the Loan Agreement or June 1, 2012; the HRA is only obligated to advance up to $1,000,000.00 of the proceeds of Loan No. 2 between the 31st day and 60th day following the HRA's conveyance of the Development Property to Developer; and the HRA is only obligated to advance up to an additional $1,000,000.00 of the proceeds of Loan No. 2 between the 61st day and 90th day following the HRA's conveyance of the Development Property to Developer. As additional consideration for Loan No. 2, Developer has agreed to pay the HRA, out of the proceeds of Loan No. 2, an amount equal to the City's Costs of Issuance. Immediately upon Developer's execution and delivery of Note No. 2 to Developer, Developer will be deemed to have authorized the HRA to, and the HRA shall make an "advance," as defined in the Development Agreement, to itself from the proceeds of Loan No. 2 in an amount equal to the Costs of Issuance. The HRA's advance to itself of an amount equal to the Costs of Issuance shall not be subject to or count against the limitations on advances set forth in this Section 8.6.

Section 8.7 Credit Against Interest. Developer shall receive a credit against the interest accruing on Note No. 2 pursuant to Section 8.3 in an amount equal to 85% of any tax increments that are derived from the Development Property and paid to the City in 2014.

ARTICLE IX

PARKING RAMP IMPROVEMENTS

Section 9.1 Parking Ramp Improvements. As a part of the City's construction of the Parking Ramp Addition pursuant to the Purchase Agreement, the City will cause its contractors to construct and install the additional improvements described on Exhibit H. Upon the City's completion of the additional improvements described on Exhibit H, Developer must reimburse the City for all costs and expenses the City incurs to construct and install the additional improvements described on Exhibit H.

ARTICLE X

REAL ESTATE TAX PAYMENTS AND ASSESSMENT AGREEMENT

Section 10.1 Real Property Taxes. Developer agrees that prior to December 31, 2038:

(a) It will not seek administrative review or judicial review of the applicability of any tax statute relating to the taxation of all or any portion of the Development Property determined by any tax official to be applicable to the Development Property or Developer or raise the inapplicability of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(b) It will not seek administrative review or judicial review of the constitutionality of any tax statute relating to the taxation of all or any portion of the Development Property determined by any tax official to be applicable to the Development Property or Developer or raise the unconstitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(c) It will not seek any tax deferral or abatement, either presently or prospectively authorized under any other State or federal law, of the taxation of all or any portion of the Development Property;

(d) It will not ask the County Assessor for or commence or participate in any legal or administrative process seeking a reduction in the assessed value of the Development Property for purposes of the ad valorum real estate taxes except that if, in any given year, the assessed value exceeds the assessed value set forth for that year in the Assessment Agreement, Developer may seek a reduction in the assessed value of the Development Property to any amount equal to or greater than the assessed value set forth for that year in the Assessment Agreement. If Developer seeks a reduction in the assessed value of the Development Property to any amount equal to or greater than the assessed value set forth for that year in the Assessment Agreement, Developer must first provide not less than thirty (30) days written notice to the City. In that event, the City will continue to make Tax Increment payments to Developer on the TIF Note Payment Dates, but the payments will be based on 85% of the tax increments that would have been derived from the Development Property based on the minimum market values set forth in the Assessment Agreement for the applicable time periods rather than on the Tax Increments, and the City will withhold the difference until such time as the City can determine the actual Tax Increments for the year in question based on the assessed value of the Development Property as finally determined upon the conclusion of Developer's attempts to have the assessed value reduced.

(e) It will pay, when due, all real property taxes due and payable with respect to the Development Property.

Section 10.2 Assessment Agreement. Contemporaneously with the HRA's conveyance of the Development Property to Developer, Developer must execute the Assessment Agreement,

deliver the Assessment Agreement to the City and record the Assessment Agreement in the Anoka County land records. The schedule of minimum market values attached to the Assessment Agreement as Exhibit B is based on the City's estimate. Prior to the City's and Developer's execution of the Assessment Agreement, the schedule of minimum market values attached to the Assessment Agreement as Exhibit B may be modified as follows:

(a) The Tax Increment Act requires that the Anoka County Assessor certify that the minimum market values set forth in the Assessment Agreement are reasonable. After Developer submits Construction Plans to the City pursuant to Section 5.2, the City will provide the Anoka County Assessor with copies of the Construction Plans and request that the County Assessor execute the certification attached to the Assessment Agreement. The City and Developer agree that if the County Assessor requires modifications to the schedule of minimum market values attached as Exhibit B to the Assessment Agreement as a condition of the County Assessors execution of the required certification, the City and Developer will modify the schedule of minimum market values to the minimum extent necessary to obtain the County Assessors Certification; and

(b) If the amount of the TIF Note is determined pursuant to Section 6.2(c), the City and Developer will amend Exhibit B of the Assessment Agreement so that the minimum market values for the years 2014 – 2036 are equal to the assessed value that the Anoka County Assessor establishes for the Development Property for purposes for real property taxes assessed in the year following the year of which the City issues the Certificate of Completion, and the minimum market value for 2013 is 30% of the minimum market value for 2014. ***DEVELOPER MUST RECORD THE ASSESSMENT AGREEMENT AGAINST TITLE TO THE DEVELOPMENT PROPERTY PRIOR TO THE RECORDING OF ANY MORTGAGE OR OTHER LIEN ON THE DEVELOPMENT PROPERTY THAT DEVELOPER GRANTS TO THIRD PARTY OR, IF SUCH THIRD PARTY MORTGAGE OR LIEN IS RECORDED FIRST, MUST OBTAIN AND RECORD AN INSTRUMENT WHEREBY THE HOLDERS OF SUCH MORTGAGE OR LIEN ACKNOWLEDGE AND AGREE THAT THEY AND THEIR SUCCESSORS AND ASSIGNS ARE SUBJECT TO THE RIGHTS OF THE CITY UNDER THE ASSESSMENT AGREEMENT. IF THE ASSESSMENT AGREEMENT IS AMENDED PURSUANT TO SECTION 10.2(B) ABOVE, DEVELOPER MUST CAUSE ANY PARTIES HOLDING LIENS ON THE DEVELOPMENT PROPERTY TO EXECUTE A CONSENT TO THE ASSESSMENT AGREEMENT AMENDMENT SUFFICIENT TO CAUSE THE LIEN HOLDERS INTEREST IN THE PROPERTY TO BE SUBJECT TO THE ASSESSMENT AGREEMENT, AS AMENDED.***

ARTICLE XI

RESTRICTIONS ON ASSIGNMENTS AND TRANSFERS, SUBORDINATION AND RENTAL RESTRICTIONS

Section 11.1 Prohibition against Transfer of the Development Property; Assignment of Development Agreement and Assignment of the TIF Note. Prior to Developer's substantial completion of the Minimum Improvements and the City's issuance of the Certificate of Completion described in Section 5.5, Developer may not, except as set forth in Section 11.2, convey; mortgage; lease, other than in the ordinary course of Developer's business; or otherwise

transfer the Development Property or any part thereof or interest therein; may not assign its rights or obligations under this Development Agreement; and may not assign the TIF Note, without the prior written approval of the City, which approval the City may grant, withhold or condition in the City's sole and absolute discretion.

Section 11.2 Permitted Collateral Assignments. The City expressly approves Developer's granting of a Project Mortgage and Developer's collateral assignment of Developer's rights and obligations under this Development Agreement and the TIF Note to the holder of the Project Mortgage as additional security for the repayment of the Project Loan; provided the holder of the collateral assignment of Developer's rights and obligations under this Development Agreement and the TIF Note agrees, in the collateral assignment, that upon enforcement of the collateral assignment and the assignees acquisition of Developer's rights and obligations under either this Development Agreement, the TIF Note or both, the assignee will be subject to and liable for the performance of each of Developer's obligations under this Development Agreement.

Section 11.3 Subordination of Development Agreement to Project Mortgage and Extension of Time to Cure. The City and the HRA will, upon the request of the holder of a Project Mortgage, execute and record a subordination agreement pursuant to which the City and the HRA agree that, upon a default by Developer under a Project Mortgage, the holder of the Project Mortgage may elect, in an instrument to be recorded in the Anoka County land records and delivered to the City and the HRA before the commencement of proceedings to foreclose the Project Mortgage, to either (1) treat this Development Agreement as being subordinate to the lien of the Project Mortgage such that the foreclosure of the Project Mortgage and the failure of any owner to redeem the Development Property from such foreclosure will terminate this Development Agreement and the TIF Note (but not the Assessment Agreement); or (2) to treat this Development Agreement as having priority over the Project Mortgage in which case this Development Agreement and the TIF Note will survive the foreclosure of the Project Mortgage and this Development Agreement will be binding upon the holder of the Sheriff's Certificate issued in conjunction with the foreclosure of the Project Mortgage. If the holder of the Project Mortgage fails to notify the City and the HRA of its election under this Section 11.3 on or before the commencement of foreclosure proceedings, the holder of the Project Mortgage shall be deemed to have elected to treat this Development Agreement as being subordinate to the lien of the Project Mortgage such that the foreclosure of the Project Mortgage and the failure of any owner to redeem the Development Property from such foreclosure will terminate this Development Agreement and the TIF Note (but not the Assessment Agreement). The City further agrees that if the holder of the Project Mortgage elects to treat this Development Agreement as having priority over the Project Mortgage and the City will, upon the completion of the foreclosure without redemption by Developer or any junior creditor, amend this Development Agreement to extend the time for the completion of the Minimum Improvements to a date 12 months following the expiration of all applicable redemption period.

Section 11.4 Rental Restrictions. Developer covenants and agrees that at all times prior to the Termination Date, Developer will lease not less than _____% of the apartment units in the Project to tenants whose family income is equal to or less than _____% of the median family income as established by the United States Department of Housing and Urban Development for Anoka County. From and after the date Developer pays the HRA all amounts due and owning to

the HRA pursuant to Note No. 2, the City's and the HRA's sole remedy for a breach of this Section 11.4 shall be to be to terminate TIF Note pursuant to Section 13.1 (g) and 13.2 (d).

ARTICLE XII

INDEMNIFICATION OF THE CITY AND THE HRA

Section 12.1 Indemnification of the City and the HRA. Developer agrees to defend the City, the HRA, their governing body members, officers, agents, including independent contractors, consultants and legal counsel, servants and employees (hereinafter, for purposes of this Section, collectively the "Indemnified Parties"); to hold the Indemnified Parties harmless from; and to indemnify the Indemnified Parties against any third party claims, demands, suits, actions or other proceedings ("Claims") arising or purportedly arising from the actions or inactions of Developer (or if other persons acting on its behalf or under its direction or control) (i) pursuant to this Development Agreement or (ii) in connection with the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Development Property. The provisions of this Section 12.1 are intended to survive the termination of this Agreement.

ARTICLE XIII

DEVELOPER EVENTS OF DEFAULT

Section 13.1 Events of Default Defined. The following shall each be an "Event of Default" under this Agreement:

(a) Developer's default in the performance of one or more of Developer's obligations under the Purchase Agreement if the HRA gives any notice of default provided for in the Purchase Agreement and Developer fails to cure the default within any applicable cure period provided for in the Purchase Agreement.

(b) Developer's failure to commence or to substantially complete the construction of the Minimum Improvements pursuant to the terms and conditions of and within the time frame set forth in Section 5.5 of this Development Agreement, as the same may be extended pursuant to Section 11.3 of this Agreement.

(c) Developer's default in the performance of one or more of Developer's obligations under the Loan Agreement, Note No. 1 or Note No. 2, if the City gives Developer any notice of default provided for in the Loan Agreement and Developer fails to cure the default within any applicable cure period provided for in the Loan Agreement.

(d) Developer's default in the timely payment of any amounts due under Article IX within thirty (30) days after the City notifies Developer that Developer is delinquent in the payment thereof.

(e) Developer's failure to pay any ad valorem real property taxes or installments of special assessments due and payable with respect to the Development Property

within thirty (30) business days after the City or the HRA notifies Developer that Developer is delinquent in the payment thereof.

(f) Developer's breach of one or more of the restrictions set forth in Section 11.1;

(g) Developer's failure to perform Developer's obligations under Section 11.4, Section 12.1 or Section 14.14 if the City or the HRA gives Developer notice of the default and Developer fails to cure the default within thirty (30) days after the effective date of the notice.

(h) The holder of any mortgage on the Development Property, or any portion thereof, commencing foreclosure proceedings.

(i) Developer's;

(i) Filing of any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended or under any similar federal or state law; or

(ii) making an assignment for the benefit of its creditors; or

(iii) admission, in writing, that it is unable to pay its debts generally as they become due; or

(iv) being adjudicated a bankrupt or insolvent;

(j) The filing of a petition or answer proposing the adjudication of Developer as bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law in any court and such petition or answer not being discharged or denied within ninety (90) days after the filing thereof; or

(k) The appointment of a receiver, trustee or liquidator of Developer or of the Development Property, or part thereof, in any proceeding brought against Developer, and said receiver, trustee or liquidator not being discharged within ninety (90) days after such appointment.

Section 13.2 Remedies on Default. At any time after the occurrence of an Event of Default as defined in Section 13.1 the City and the HRA may, in addition to any other rights the City or the HRA may have at law or in equity, take any one or more of the following actions:

(a) The City and the HRA may suspend their performance under this Development Agreement and the Loan Agreement until they

(i) receive assurances from Developer, deemed adequate by the City and the HRA, that Developer will cure the default and continue its performance under this Development Agreement, the Loan Agreement, Note No. 1 and Note No. 2; or

(ii) receive assurance from the holder of a Project Mortgage, deemed adequate by the City and the HRA, that the holder of the Project Mortgage will cure the default or, if the holder of the Project Mortgage cannot cure the default without first obtaining possession of the Development Property, will foreclose the Project Mortgage, elect, pursuant to Section 11.3, to treat this Development Agreement as having priority over the Project Mortgage and, upon the completion of the foreclosure proceedings and the expiration of all applicable redemption periods, cure the default and perform the obligations of Developer under this Agreement, the Loan Agreement, Note No. 1 and Note No. 2;

(b) The City or the HRA may terminate this Development Agreement;

(c) The HRA may terminate the Loan Agreement and declare the entire amount of the outstanding principal due and payable under Loan No. 1 and Loan No. 2 immediately due and payable, in full; or

(d) If the Event of Default is an Event of Default under Section 13.1 (a), (b), (c), (d), (e), (f) or (g), the City may refuse to issue or cancel and rescind the TIF Note.

ARTICLE XIV

ADDITIONAL PROVISIONS

Section 14.1 Conflicts of Interest. No member of the governing body or other official of the City shall participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the City shall be personally liable to the City in the event of any default or breach by Developer or successor or on any obligations under the terms of this Agreement.

Section 14.2 No Remedy Exclusive. No remedy herein conferred upon or reserved to any party intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Development Agreement or now or hereafter existing at law or in equity or by statute to the extent provided herein. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 14.3 No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 14.4 Titles of Articles and Sections. Any titles of the several parts, articles and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 14.5 Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered the day following the day if it is dispatched by overnight courier; two business days after it is mailed, via registered or certified mail, postage prepaid, return receipt requested; or the day it is delivered personally, and

(a) in the case of Developer is addressed to or delivered personally to:

F & C Ramsey, LLC
8900 Keystone Crossing #1200
Indianapolis, IN 46240
Attn: David M. Flaherty
Telephone No.: (317) 816-9300
Facsimile No.: (317) 816-9301
Email: dflaherty@flahertycollins.com

With a copy to:

Barnes & Thornburg
11 S. Meridian St.
Indianapolis, IN 46204
Attn: Stephen Lee
Telephone No.: (317) 231-7200
Facsimile No.: (317) 231-7433
Email:stephen.lee@BTLaw.com

(b) in the case of the City is addressed to or delivered personally to the City at:

City of Ramsey, Minnesota
Ramsey Municipal Center
7550 Sunwood Drive
Ramsey, MN 55303
Attn: City Administrator
Telephone No.: (763) 427-1410
Facsimile No.: (763) 433-9888
Email: kulrich@ci.ramsey.mn.us

With a copy to:

Briggs and Morgan, PA
2200 IDS Center
80 South 8th Street
Minneapolis, Minnesota 55402-2157
Attn: Thomas L. Bray
Telephone No. 612-977-8285
Facsimile No. 612-977-8650

(c) in the case of the HRA is addressed to or delivered personally to the HRA at:

The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota
Ramsey Municipal Center
7550 Sunwood Drive
Ramsey, MN 55303
Attn: Executive Director
Telephone No.: (763) 427-1410
Facsimile No.: (763) 427-5543
Email: hnelson@ci.ramsey.mn.us

With a copy to:

Briggs and Morgan, PA
2200 IDS Center
80 South 8th Street
Minneapolis, Minnesota 55402-2157
Attn: Thomas L. Bray
Telephone No. 612-977-8285
Facsimile No. 612-977-8650

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other, as provided in this Section.

Section 14.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 14.7 Law Governing. This Agreement will be governed and construed in accordance with the laws of the State of Minnesota.

Section 14.8 Covenants to Run with Title. The rights and obligations of Developer under this Agreement run with title to the Development Property and are binding on Developer and Developers successors in title to all or any portion of the Development Property.

Section 14.9 Time is of the Essence. Developers timely performance of its obligations under this Agreement is an essential term of this Agreement.

Section 14.10 Enforceability. If any provision of this Agreement is adjudged to be invalid or unenforceable by a court of competent jurisdiction, this Agreement should be construed as if such invalid or unenforceable provision had not been inserted herein and should not affect the validity or enforceability of the remainder of this Agreement.

Section 14.11 No Third Party Beneficiaries. Nothing in this Agreement, expressed or implied, is intended to confirm any rights or remedies under or by reason of this Agreement on any person other than the parties to it and their respective permitted successors and assigns.

Section 14.12 Termination. This Agreement shall terminate and be of no further force and effect as of the Termination Date.

Section 14.13 Business Days. If the date this Agreement establishes for a party's performance of an obligation or delivery of a notice is not a Business Day, the date for such performance or for the delivery of such notice is automatically extended to the next Business Day.

Section 14.14 Agreement to Pay Attorney's Fees and Expenses. Whenever a party defaults in the performance of the party's obligations under this Agreement and one or both of the other parties to this Agreement employs one or more attorneys to advise and represent it in connection with such default or incurs other expenses in connection with or as a result of the default, the defaulting party must, upon demand therefore, reimburse the non-defaulting parties their reasonable fees of such attorneys and such other reasonable expenses as the non-defaulting parties may incur.

IN WITNESS WHEREOF, the City, the HRA and Developer have caused this Agreement to be duly executed and on its behalf, on or as of the date first above written.

CITY OF RAMSEY, MINNESOTA

By_____
Its Mayor

By_____
Its City Administrator

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by _____ and _____, the Mayor and the City Administrator, respectively, of the City of Ramsey, a Minnesota home rule charter City.

_____
Notary Public

This is a signature page to the Development Agreement by and between the City of Ramsey, Minnesota, The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota and F & C Ramsey, LLC.

THE HOUSING AND
REDEVELOPMENT AUTHORITY IN
AND FOR THE CITY OF RAMSEY,
MINNESOTA

By_____
Its Chair

By_____
Its Executive Secretary

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by _____ and _____, the Chair and the Executive Secretary, respectively, of The Housing and Redevelopment Authority in and for The City of Ramsey, a body politic and corporate under the laws of the State of Minnesota.

_____
Notary Public

This is a signature page to the Development Agreement by and between the City of Ramsey, Minnesota, The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota and F & C Ramsey, LLC.

F & C RAMSEY, LLC.

By_____
Its_____

STATE OF _____)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____ _____, 2011, by _____ _____, as _____ of _____ _____, a _____.

_____
Notary Public

DRAFTED BY:
Briggs and Morgan, P.A.
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
(612) 977-8400

This is a signature page to the Development Agreement by and between the City of Ramsey, Minnesota The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota and F & C Ramsey, LLC.

EXHIBIT A

CERTIFICATE OF COMPLETION

CERTIFICATE OF COMPLETION AND RELEASE OF FORFEITURE

The City Ramsey, a home rule city organized and existing under the constitution and laws of the State of Minnesota (the "City") and The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the State of Minnesota (the "HRA"), hereby acknowledge that F & C Ramsey, LLC, an Indiana limited liability company ("Developer"), has substantially has completed the construction of the "Minimum Improvements" as defined in that certain Development Agreement by and between the HRA, the City of Ramsey and Developer, dated as of _____, 2011, and recorded in the office of the Anoka County Registrar of Titles on _____ , 2011 as Document No. _____ as the same may be amended from time to time (the "Development Agreement") and has fully satisfied Developer's obligations to commence and complete construction of the Minimum Improvements under Section 5.4 of the Development Agreement. The HRA further expressly acknowledges and agrees that Developer has satisfied all of the conditions subsequent of the Right of Reverter that is described in Section 4.3 of the Development Agreement and reserved in the Limited Warranty Deed from the HRA to Developer dated _____, 2011 and recorded in the office of the Anoka County Registrar of Titles on _____, 2011 as Document No. _____ and that said Right of Reverter has terminated and is of no further force or effect.

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA

By_____
Its Chair

By_____
Its Secretary

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by _____ and _____, the Chair and the Secretary, respectively, of The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate organized and existing under the laws of the State of Minnesota.

_____
Notary Public

CITY OF RAMSEY, a Minnesota municipal corporation

By_____
Its Mayor

By_____
Its City Administrator

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by _____ and _____, the Mayor and the City Administrator of the City of Ramsey, Minnesota municipal corporation on behalf of the corporation .

_____
Notary Public

DRAFTED BY:
Briggs and Morgan, P.A. (TLB)
2200 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402-2157

EXHIBIT B

FORM OF TIF NOTE

No. _____ $_____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF ANOKA
CITY OF RAMSEY

TAX INCREMENT REVENUE NOTE
(F & C DEVELOPMENT, INC. PROJECT)

The City of Ramsey, Minnesota (the "City"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the "Payment Amounts") to F & C Ramsey, LLC, an Indiana limited liability company ("Developer") or any Successor Holder (as defined below), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided. This Note is being issued pursuant to the terms of that certain Development Agreement by and between the Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota (the "HRA"), the City and Developer dated _____, 2011 (the "Development Agreement"). All capitalized terms used in this Note that are not expressly defined in this Note have the meanings given to such terms in the Development Agreement.

The principal amount of this Note is $_____, as reduced to the extent that principal shall have been paid in whole or in part pursuant to the terms hereof. The unpaid principal amount of this Note shall bear simple, non-compounding interest from the date of issuance of this Note at 6.25% per annum Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

The amounts due under this Note shall be payable on October 1, 2015, February 1, 2016 and on each August 1 and February 1 thereafter through and including February 1, 2038, or, if such date is not a Business Day (as defined in the Development Agreement), the next succeeding Business Day (each a "Payment Date" and collectively the "Payment Dates"). On each Payment Date the City shall pay by check or draft mailed to the person that was Developer or a Successor Holder of this Note at the close of the last business day of the City preceding such Payment Date an amount equal to the sum of the Tax Increments (as defined in the Development Agreement) received by the City since January 1, 2015, in the case of the first Payment Date, and since the prior Payment Date in the case of subsequent Payment Dates. All payments made by the City under this Note shall be applied first to pay accrued, unpaid interest and then to principal.

The Payment Amounts due hereon shall be payable solely from Tax Increments (as defined in the Development Agreement) the City receives on or after January 1, 2015. This Note shall terminate and be of no further force and effect following the last Payment Date defined above, on any date upon which the City shall have canceled and rescinded this Note pursuant to Section 13.2(d) of the Development Agreement, on the date the Tax Increment District is

terminated, or on the date that all principal and interest payable hereunder shall have been paid in full, whichever occurs earliest.

The City makes no representation or covenant, express or implied, that the Tax Increments the City receives from and after January 1, 2015, will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City's payment obligations hereunder shall be further conditioned on the fact that no Event of Default under the Development Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, but such unpaid amounts shall become payable if said Event of Default shall thereafter have been cured prior to the termination of the Development Agreement. If as a result of the occurrence of certain Events of Default under the Development Agreement the City elects to cancel and rescind this Note, the City shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the Development Agreement, including without limitation Article VI and Article XIII thereof, for a fuller statement of the rights and obligations of the City to pay the principal of this Note, and said provisions are hereby incorporated into this Note as though set out in full herein.

This Note is a special, limited revenue obligation and not a general obligation of the City and is payable by the City only from the sources and subject to the qualifications stated or referenced herein. This Note is not a general obligation of the City, and neither the full faith and credit nor the taxing powers of the City are pledged to the payment of the principal of this Note and no property or other asset of the City, save and except Tax Increments the City receives on or after January 1, 2015 shall be a source of payment of the City's obligations hereunder.

This Note is issued by the City in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including the Tax Increment Act.

This Note may be assigned only to transferees permitted or deemed to be permitted pursuant to the Development Agreement (each such permitted successor is referred to as "Successor Holder"), and any permitted assignment of the rights and obligations of the Development Agreement shall be deemed to be an assignment of the benefits of Developer pursuant to this Note. In order to assign the Note, the assignee shall surrender the same to the City either in exchange for a new fully registered note or for transfer of this Note on the registration records for the Note maintained by the City. Each permitted assignee shall take this Note subject to the foregoing conditions and subject to all provisions stated or referenced herein.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, the City of Ramsey, Minnesota, by its City Council, has caused this Note to be executed by the manual signatures of its Mayor and City Administrator and has caused this Note to be dated as of _____, 20_____.

_____	_____
Mayor	City Administrator

CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note, as originally issued on _____, 20__, was on said date registered in the name of F & C Ramsey, LLC and that, at the request of the Registered Owner of this Note, the undersigned has this day registered the Note in the name of such Registered Owner, as indicated in the registration blank below, on the books kept by the undersigned for such purposes.

NAME AND ADDRESS OF REGISTERED OWNER	DATE OF REGISTRATION	SIGNATURE OF CITY ADMINISTRATOR
F & C Ramsey, LLC	_____	_____
_____		
_____		
_____	_____	_____

EXHIBIT C

LOAN AGREEMENT

THIS LOAN AGREEMENT is entered into as of _____, 201_, by and between The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the State of Minnesota (the "HRA") and F & C Ramsey, LLC, an Indiana limited liability company (the "Developer").

RECITALS:

A. The HRA and the Developer are parties to the Development Agreement and the Purchase Agreement, as defined below, pursuant to which the HRA is selling the "Development Property" as defined below, to the Developer.

B. The Developer has also asked the HRA to lend the Developer $_____ **[$1,420,000.00 plus ($6,825,000.00 plus Costs of Issuance, as defined in the Development Agreement)]** to finance a portion of the cost of constructing the Housing Development Project, as defined below.

C. The HRA has agreed to make two loans totaling $_____ to Developer **[to be completed with the same amount as inserted in Recital B]** to finance a portion of the cost of constructing the Housing Development Project, as defined below.

D. The HRA has agreed to make the Loans to the Developer upon the terms and subject to the conditions hereinafter set forth.

AGREEMENTS:

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter set forth, and of one dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

For purposes of this Loan Agreement the following terms shall have the meanings set forth in this Article I. Terms used in this Loan Agreement and not otherwise defined herein have the meanings set forth in the Development Agreement.

"Advance" means an advance to the Developer of all or any portion of the proceeds of either of the Loans in accordance with the terms hereof.

"Complete," "Completed" and "Completion" mean that (a) the Minimum Improvements are completed in accordance with the Final Construction Plans; (b) the HRA has issued the Certificate of Completion described in Section 5.5 of the Development Agreement; and (c) no Default or Event of Default has occurred and is continuing.

"Completion Date" means the earlier of (a) the date Developer Completes construction of the Minimum Improvements; or (b) the "Completion Date" as defined in the Development Agreement; provided, however, if a Developer's completion of construction of the Minimum Improvements is delayed as a result of an "Unavoidable Delay," as defined in the Development Agreement, the Developer gives the HRA notice of the Unavoidable Delay within thirty (30) days after the onset of the Unavoidable Delay and the Developer uses all commercially reasonable efforts to complete the construction of the Minimum Improvements as promptly as reasonably possible given the conditions causing the Unavoidable Delay, the Completion Date, as defined herein, will extend for a period of time equal to the duration of the condition causing the Unavoidable Delay plus a reasonable time for recovery and restoration following the cessation of such condition.

"Construction Cost Statement" means the Sworn Construction Cost Statement referred to in Section 2.3 hereof executed or to be executed by the Developer and the General Contractor.

"Construction Contract" means that certain agreement dated _____, 201_ between the Developer and the General Contractor.

"Contractor" means any Person including, without limitation, the General Contractor, that has a contract or subcontract under which payment may be required for any work done, materials supplied, or services furnished in connection with the design, construction and/or completion of the Minimum Improvements.

"Corporate Guarantor" means Flaherty & Collins Construction, Inc.

"Corporate Guaranty" means that certain Corporate Guaranty bearing even date herewith executed by the Corporate Guarantor in favor of the HRA pursuant to which the Corporate Guarantor has unconditionally guaranteed the full payment and prompt performance of Loan No. 1 and all obligations of the Developer under the Loan Documents related thereto.

"Default" means any Event of Default or the occurrence of any event which, with the giving of notice or the lapse of any applicable grace period, or both, would be an Event of Default.

"Development Agreement" means that certain Development Agreement by and among the Developer, the HRA and the City of Ramsey, Minnesota dated as of _____, 2011, and recorded in the office of the Anoka County Registrar of Titles on _____ as Document No. _____.

"Development Property" means Lot 3, Block 1, COR ONE, Anoka County, Minnesota and all improvements constructed thereon.

"Draw Request" means a Draw Request and Draw Request Certification in the form of Exhibit A hereto.

"Environmental Laws" shall mean, collectively, all applicable federal, state, local and foreign laws, common law or regulations, treaties, orders, decrees, permits, licenses, authorizations, judgments or injunctions issued, promulgated, approved or entered thereunder,

now or hereafter in effect in each case relating to pollution or protection of individual, public or employee health or safety or the environment (including, without limitation, ambient and indoor air, surface water, groundwater, soil, land surface or subsurface, and natural resources such as wetlands, flora and fauna) including, without limitation, laws relating to (a) emissions, discharges, releases or threatened releases of Hazardous Materials into the environment and (b) the manufacture, processing, distribution, use, generation, treatment, storage, disposal, transport or handling of Hazardous Materials.

"Event of Default" shall have the meaning given in Section 7.1 hereof.

"Final Construction Plans" has the meaning set forth in the Development Agreement.

"General Contractor" means Flaherty & Collins Construction, Inc.

"Hazardous Materials" includes but is not limited to substances defined as "hazardous substances," "toxic substances" or "hazardous wastes" in the Comprehensive Environmental Response Compensation Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq., and substances defined as "hazardous wastes," "hazardous substances," "pollutants, or contaminants" as defined in the Minnesota Environmental Response Liability Act, Minnesota Statutes §115B.02. The term "Hazardous Materials" also includes asbestos, polychlorinated biphenyls, petroleum, including crude oil or any fraction thereof, petroleum products, heating oil, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas useable for fuel (or mixtures of natural gas or synthetic gas).shall mean any pollutant, contaminant, toxic or hazardous substance, constituent or waste, or any other constituent, waste, material, compound or substance including, without limitation, asbestos, petroleum (including crude oil or any fraction thereof) or any petroleum product, which is subject to regulation or which can give rise to liability under any Environmental Law.

"Housing Development Project" means the Housing Development Project as defined in the Development Agreement.

"Inspecting Architect" means the architect the HRA engages pursuant to Section 4.9 to provide the certifications required in Section 4.1.

"Loan Agreement" means this Loan Agreement as the same may hereafter be amended, modified, extended or restated from time to time.

"Loan Documents" means this Loan Agreement, the Notes, the Corporate Guaranty, the Personal Guaranty and the Pledge Agreement and any and all renewals, replacements, supplements, modifications, extensions and/or amendments of any of the foregoing.

"Loan No. 1" means the extension of credit evidenced by Note No. 1.

"Loan No. 2" means the extension of credit evidenced by Note No. 2.

"Loans" means collectively Loan No. 1 and Loan No. 2.

"Minimum Improvements" means the "Minimum Improvements" as defined in the Development Agreement.

"Note No. 1" means that certain Promissory Note bearing even date herewith made payable by Developer to the order of HRA in the original principal amount of up to $1,420,000.00, and all amendments, modifications, replacements, renewals and substitutions therefor.

"Note No. 2" means that certain Promissory Note bearing even date herewith made payable by Developer to the order of HRA in the original principal amount of up to $_____, **[to be completed with an amount equal to the sum of $6,825,000.00 plus the "Costs of Issuance" as defined in the Development Agreement]** and all amendments, modifications, replacements, renewals and substitutions therefor.

"Notes" means collectively Note No. 1 and Note No. 2.

"Organizational Documents" means (a) as to any corporation, the certificate or articles of incorporation or association, the bylaws, any unanimous shareholder agreement or declaration, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, any shareholder rights agreement or voting trust agreement and all other documents of a comparable nature, (b) as to any limited liability company, the articles of organization, the operating agreement, any unanimous member agreement or voting trust agreement and all other documents of a comparable nature, (c) as to any partnership, its partnership agreement, its certificate of partnership and all other documents of the nature described above, and (d) as to any other entity, its organizational or governing documents and all other documents of the nature described above.

"Permits" means collectively all building permits, licenses and approvals required to be obtained prior to commencing construction of the Minimum Improvements.

"Person" means a natural person, corporation, partnership, limited partnership, unincorporated association, or proprietorship.

"Personal Guarantor" means David M. Flaherty.

"Personal Guaranty" means that certain Personal Guaranty bearing even date herewith executed by the Personal Guarantor in favor of the HRA pursuant to which the Personal Guarantor has unconditionally guaranteed the full payment and prompt performance of Loan No. 2 and all obligations of the Developer under the Loan Documents related thereto.

"Pledge Agreement" means that certain Membership Interest Pledge Agreement bearing even date herewith executed by the Pledgors in favor of the HRA pursuant to which the Pledgors have pledged 100% of the membership interests of the Developer.

"Pledgors" means [_____].

"PNC Loan Documents" means any and all documents, instruments and other agreements between Developer and PNC Bank, National Association entered into from time to time.

"Project" has the meaning set forth in the Development Agreement.

"Purchase Agreement" means the purchase agreement among the HRA, the Developer and the City of Ramsey, Minnesota dated _____, 2011.

ARTICLE II

DOCUMENTS

In addition to the other conditions to the extension of credit contained in this Loan Agreement, including but not limited to the conditions to advances set forth in Article IV hereof, the HRA shall have no obligation to make any advance against the Notes until the Developer has delivered the following items to the HRA, all of which shall be in form and substance satisfactory to the HRA:

Section 2.1 Loan Documents. The executed Loan Documents.

Section 2.2 Opinion of Counsel. Due authority and enforceability opinions from counsel for the Developer and counsel for the Corporate Guarantor and an enforceability opinion from counsel for the Personal Guarantor, all in form and substance acceptable to HRA.

Section 2.3 Sworn Construction Cost Statement. A sworn construction cost statement executed by the Developer and the General Contractor bearing even date herewith which:

(a) Lists the actual and estimated costs to complete the Minimum Improvements;

(b) Lists the names of all Contractors; and

(c) Shows that the funds available to the Developer are sufficient to assure completion of construction of the Minimum Improvements.

Section 2.4 Final Construction Plans and Assessment Agreement. The Final Construction Plans and the "Assessment Agreement," as defined in the Development Agreement. The Assessment Agreement must be properly recorded in the office of the Anoka County Registrar of Titles and must be recorded prior to any mortgages or other liens encumbering the Development Property.

Section 2.5 Insurance. One or more forms "ACORD 28 Evidence of Insurance" (or other evidence satisfactory to HRA) which substantiate that the insurance coverages required to be maintained by the Developer hereunder, and that all insurance policies relating thereto are in full force and effect.

ARTICLE III

CONSTRUCTION LOAN COMMITMENT

Section 3.1 Commitment of the HRA to Lend and the Loan Agreement. Subject to the terms and conditions hereof and of the Notes and other Loan Documents delivered herewith, the HRA agrees to loan to the Developer, and the Developer agrees to borrow from the HRA, an amount not to exceed $_____ **[to be completed prior to execution with an amount equal to the sum of (i) $1,420,000; (ii) $6,825,000; and (iii) the Costs of Issuance, as defined in the Development Agreement]**. HRA shall make Advances against the Notes until the Loans are fully advanced, in the stages and subject to the limitations as set forth below. The HRA shall have no obligation to make any Advances against the Notes after the Completion Date.

ARTICLE IV

ADVANCES AND DISBURSEMENTS

Section 4.1 Conditions of All Advances. Without limiting any of the other terms of this Loan Agreement, the obligation of the HRA to make any Advance hereunder shall be subject to the fulfillment of all of the following conditions:

(a) All representations, warranties and covenants contained in this Loan Agreement or any documents or other written statement delivered to the HRA prior to or on the date of this Loan Agreement shall be true and correct on and as of the date of this Loan Agreement as though such representations, warranties and covenants had been made on and as of such date.

(b) No Default or Event of Default shall have occurred and be continuing.

(c) No default or event of default (however denominated) shall have occurred and be continuing under any of the PNC Loan Documents and all conditions precedent to the disbursement of the proceeds of the loan evidenced by the PNC Loan Documents shall be satisfied except for conditions precedent related to the substantial construction of the "Rail Stop" as defined in the Development Agreement and conditions precedent related to the full disbursement of the proceeds of the Loans.

(d) The HRA shall have received the documents and other items listed in Article II hereof.

(e) The HRA shall have received a certification from the Inspecting Architect that any materials to be paid for from the Advance have been delivered to the Development Property and any construction work to be paid for from the Advance has been completed in a workmanlike manner in accordance with the Final Construction Plan.

(f) Developer shall have provided the HRA with the General Contractor's Certification described in Section 4.2.

(g) The Developer shall provide the HRA with lien waivers from all persons providing services, labor or materials to be paid for from the Advance.

(h) The Developer shall provide the HRA with evidence, reasonably acceptable to the HRA, that the Developer has spent at least $1,000,000.00 of Developer equity on the Project.

(i) Commercial Partners Title, LLC or such other title company as reasonably selected by the HRA shall review the status of title to the Development Property and confirm, to the reasonable satisfaction of the HRA, that there have been no liens filed against title to the Development Property other than the lien of a "Project Mortgage," as defined in the Development Agreement. **[The HRA and the Developer shall enter into a disbursing agreement with Commercial Partners Title pursuant to which the HRA engages Commercial Partners Title to make Advances to Developer pursuant to the terms of this Agreement.]**

Section 4.2 Procedures and Requirements for Advances. Except as set forth in Section 4.6, to obtain Advances of the Loans against the Notes, the Developer shall submit to the HRA, no more often than monthly, written Draw Requests stating the amount of the requested Advance and identifying the Contractors or other persons and entities who will be paid from the Advance, and certifying such amounts to be currently payable for costs incurred in connection with the development and construction of the Project. Each Draw Request shall be supported by the General Contractor's certification to the effect that:

(a) Any materials to be paid for from the Advance have been delivered to the Development Property, and any construction work to be paid for from the Advance has been completed in a workmanlike manner in accordance with the Final Construction Plans;

(b) The funds remaining undisbursed on the Loans together with the funds remaining undisbursed on Developer's Construction Loan, as defined in the Development Agreement, are sufficient to fully complete the Minimum Improvements in accordance with the Final Construction Plans and the certified Construction Costs Statement; and

(c) The work is progressing so that it will be completed on or before the Completion Date.

Subject to the satisfaction of the requirements set forth in Sections 2.1 and 4.1 and the limitations set forth in Section 4.8, the HRA shall, within ten (10) business days from receipt of a Draw Request and the documentation required by Sections 2.1 and 4.1, disburse proceeds of the Loans directly to the Developer and the other Contractors or other persons and entities identified in the relevant Draw Request; provided that the HRA shall have the right, at its option, to refuse to make Advances should it determine that an Event of Default has occurred and is continuing.

Section 4.3 Forms of Draw Request, etc. The form of Draw Request, the Inspecting Architect's certificate, the General Contractor's certificate, mechanic's lien waivers, certificates, and any and all other instruments or documents required to be delivered in connection with an advance hereunder shall be in form and substance satisfactory to the HRA in the HRA's reasonable discretion.

Section 4.4 Sufficiency of Loans. It is expressly understood and agreed that the HRA assumes no liability or responsibility for the sufficiency of the Loans to complete the Project.

Section 4.5 Additional Rights and Remedies of HRA. In addition to all other rights and remedies available to the HRA hereunder and under the other Loan Documents, the HRA shall have the following rights:

(a) The HRA may take such steps as it may deem appropriate, at its option, to verify the application of proceeds of the Loans to work done and material furnished for the Project, and to vary the procedures for Advances herein set forth, if the same becomes necessary or desirable to assure the proper application of Advances authorized pursuant hereto, including but not limited to, authorizing Advances directly to the Contractors and corresponding reductions in the amount of Advances to be made to any Contractor or Developer hereunder. The foregoing notwithstanding, in no event shall the HRA be obligated to conduct any such verification or to so vary said procedures.

(b) In the event that the HRA shall determine, in its reasonable judgment, that proper documentation to support a given Advance, as required by this Loan Agreement, has not been furnished, it may withhold authorization of all or such portion of such Advance as shall not be so supported by proper documentation, and shall promptly notify the Developer of the discrepancy in or omission of such documentation. Until such time as such discrepancy or omission is corrected to the satisfaction of the HRA, it may withhold such amount.

(c) From and after the occurrence of an Event of Default, the HRA reserves the right to authorize Advances which are allocated to any of the designated items in the Construction Cost Statement for such other purposes or in such different proportions as the HRA may, in its reasonable discretion, deem necessary or advisable. Developer may not reallocate items of cost or change the Construction Cost Statement without the consent of the HRA.

Section 4.6 Advances to Pay Fees and Costs of Issuance. In lieu of interest on Loan No. 1, the HRA is charging the Developer a $120,000.00 fee for the extension of Loan No. 1 to the Developer. The first Draw Request that the Developer submits to the HRA will be deemed to include a request that the HRA Advance $120,000.00 and will be deemed to direct the HRA to retain the $120,000.00 Advance in full payment of the fee described in this Section 4.6. As set forth in Section 8.6 of the Development Agreement, contemporaneously with the execution of this Loan Agreement and with the parties' execution of this Loan Agreement and Developer's execution of Note No. 2, Developer will be deemed to have authorized the HRA to and the HRA shall make an Advance to itself from the proceeds of Loan No. 2 in an amount

equal to the "Costs of Issuance," as defined in the Development Agreement. The HRA's Advance to itself of an amount equal to the Costs of Issuance is not subject to the limitations on advances set forth in Section 4.8.

Section 4.7 Interest on Loan No. 2. The unpaid principal amount of Advances of Loan No. 2 shall bear interest as set forth in Note No. 2.

Section 4.8 Additional Limitations on Advances of the Proceeds of Loan No. 2. The HRA is not obligated to and will not Advance any proceeds of Loan No. 2 to Developer before the later of the date thirty (30) days after the HRA conveys the Development Property to Developer, the date Developer commences construction of the Minimum Improvements or June 1, 2012. For purposes of this Section 4.8, the Developer is deemed to have Commenced Construction when Developer has

(a) obtained all building permits from the City of Ramsey, Minnesota, necessary for the construction of the Minimum Improvements; and

(b) commenced the construction of the footings and foundations for the Minimum Improvements, as defined in the Development Agreement.

In addition, the HRA is not obligated to and will not Advance more than $1,000,000 of the proceeds of Loan No. between the 31st day and 60th day following the HRA's conveyance of the Development Property to Developer and is not obligated to and will not Advance more than an additional $1,000,000 of the proceeds of Loan No. 2 to Developer between the 61st day and 90th day following the HRA's conveyance of the Development Property to the Developer.

Section 4.9 Inspecting Architect. The HRA shall hire an architect licensed in the State of Minnesota to review Developer's Draw Requests and to provide the certification described in Section 4.1(e). Developer is responsible for payment of the Inspecting Architect's fees and costs which payments may be included in the Draw Request. The HRA will cooperate with Developer in the selection of the Inspecting Architect, it being the intent of the HRA and the Developer to use the same architect that PNC Bank, National Association uses as PNC Bank, National Association's inspecting architect for purposes of the PNC Loan Documents.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

To induce HRA to make the requested Loan hereunder, the Developer represents and warrants to HRA as of the date of this Loan Agreement that:

Section 5.1 Organization and Qualification of the Developer. The Developer is a corporation duly organized, validly existing and in good standing under the laws of the State of Indiana. The Developer has the power and authority to own its property and to carry on its activities as now being conducted, and is qualified and licensed to do business and is in good standing in every jurisdiction where failure to qualify could have a material adverse effect on the financial condition, activities, or operations of the Developer.

Section 5.2 Organization and Qualification of Corporate Guarantor. The Corporate Guarantor is a _____ duly organized, validly existing and in good standing under the laws of the State of Indiana. The Corporate Guarantor has the power and authority to own its property and to carry on its activities as now being conducted, and is qualified and licensed to do business and is in good standing in every jurisdiction where failure to qualify could have a material adverse effect on the financial condition, activities, or operations of the Corporate Guarantor.

Section 5.3 Authority; Validity; Binding Effect. The execution and delivery of the Loan Documents, the borrowing of funds contemplated thereby, and the performance or observance by Developer of its obligations under the Loan Documents do not contravene or violate any provision of law, or any covenant, indenture or agreement of or binding upon the Developer and do not require the consent or approval of any governmental entity or agency thereof. The execution and delivery of the Corporate Guaranty and the performance or observance by the Corporate Guarantor of its obligations under the Corporate Guaranty have been duly authorized by all necessary corporate action the of Corporate Guarantor, do not contravene or violate any provision of law, any Organizational Document of Corporate Guarantor or any covenant, indenture or agreement of or binding upon Corporate Guarantor and do not require the consent or approval of any governmental entity or agency thereof. The Loan Documents are legal, valid and binding obligations of the Developer, the Corporate Guarantor and the Personal Guarantor, and the Loan Documents are enforceable against the Developer, the Corporate Guarantor and the Personal Guarantor (as the case may be) in accordance with their respective terms.

Section 5.4 Compliance with Laws. To the best of the Developer's actual knowledge, no violation of any law, ordinance, regulation or requirement exists with respect to the Project, and the Developer is in compliance with all other laws, ordinances, regulations and requirements where the failure to comply would reasonably be expected to have a material adverse effect on the Developer, its activities or its financial condition.

Section 5.5 Pending Actions. There are no material actions, suits or proceedings pending, or to the knowledge of the Developer, threatened against or affecting the Developer or the Project, and the Developer is not in default with respect to any order, writ, injunction, decree or demand of any court or any governmental authority.

Section 5.6 No Breach. The consummation of the transaction contemplated hereby and performance of this Loan Agreement, the Loan Documents, and all other documents executed and delivered in connection herewith will not result in any breach of, or constitute a default under, any mortgage, deed of trust, lease, bank loan or credit agreement, partnership agreement or other instrument to which the Developer, the Corporate Guarantor or the Personal Guarantor is a party, or by which the Developer, the Corporate Guarantor or the Personal Guarantor may be bound or affected.

Section 5.7 No Event of Default. No Default or Event of Default has occurred and is continuing as of the date hereof.

Section 5.8 Use of Loan Funds. The Developer will use the proceeds of the Loans solely to finance the development and construction of the Housing Development Project.

Section 5.9 Need for Loans. The Developer would not undertake the Project without the assistance of the HRA in providing the Loans.

ARTICLE VI

AFFIRMATIVE COVENANTS

The Developer hereby covenants and agrees with the HRA that for so long as the HRA has any obligation to make Advances hereunder or any amount remains unpaid on any indebtedness of the Developer to the HRA hereunder, the Developer will:

Section 6.1 Books, Records and Inspections. Maintain complete and accurate books and records; permit, and cause the Corporate Guarantor to permit, reasonable access by the HRA to the books and records of the Developer and the Corporate Guarantor; and permit the HRA to inspect the Project and other operations of the Developer and the Corporate Guarantor.

Section 6.2 Insurance. Maintain insurance to such extent and against such hazards and liabilities as is commonly maintained by companies similarly situated or as the HRA may reasonably request from time to time, which insurance shall include without limitation the following:

(a) Development Property Insurance. So-called "all risk" insurance with respect to the Project and all personal property located thereon, insuring against any peril now or hereafter included within the classification of "Special Perils" or "Cause of Loss – Special Form" (sometimes referred to as "All Risk of Physical Loss") in an amount equal to the full insurable value of such property.

(b) Liability Insurance. Commercial general liability insurance on the so-called "occurrence" form, including bodily injury, death and property damage liability, insurance against any and all claims, including all legal liability to the extent insurable and imposed upon the HRA and all court costs and legal fees and expenses, arising out of or connected with the possession, use, leasing, operation, maintenance or condition of the Project in such amounts as are generally available at commercially reasonable premiums but in any event for a limit per occurrence of at least $1,000,000 and an annual aggregate of at least $2,000,000. The HRA shall be named as additional insured with respect to any insurance policy providing the coverage required by the immediately preceding sentence, and the Developer shall cause each provider of any such insurance to agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to the HRA, that it will give the HRA thirty (30) days prior written notice before any such policy or policies shall be altered or canceled, and that no act or default of the Developer shall affect the rights of the HRA under such policy or policies.

(c) Worker's Compensation Insurance. Statutory workers' compensation and disability insurance.

Section 6.3 Taxes and Liabilities. Pay, when due, all taxes, assessments and other liabilities except as contested in good faith and by appropriate proceedings.

Section 6.4 Real Estate Taxes and Insurance Premiums. Promptly advise the HRA of the non-payment when due of any real estate taxes or installments of special assessments payable with respect to the Project.

Section 6.5 Construction of Minimum Improvements. Commence construction of the Minimum Improvements on or before June 30, 2012. Complete the Minimum Improvements on or before the Completion Date in a good and workmanlike manner, in accordance with the Final Construction Plans and in compliance with applicable laws, rules, regulations, building codes, and ordinances.

Section 6.6 Reimbursement of Expenses. Promptly reimburse the HRA for any and all expenses of collection of any loan made or to be made hereunder, including reasonable attorneys' fees, whether or not suit is commenced.

Section 6.7 Financial Information Regarding Guarantors; Substitute Guarantors. Until the Notes are paid in full, the Developer shall:

(a) Corporate Guarantor. Cause the Corporate Guarantor to provide the HRA with a reviewed financial statement for the Corporate Guarantor for the immediately preceding calendar year prepared by a certified public account (who may be an employee of the Corporate Guarantor) in accordance with generally accepted accounting principles, consistently applied on or before May 15 of each calendar year. If, in any year, the Corporate Guarantor's net worth is less than $2,200,000.00, the Developer must provide a replacement guaranty from another individual or entity reasonably acceptable to the HRA and having a net worth of not less than $2,200,000.00. If such replacement guaranty is provided, the person or entity providing the replacement guaranty shall be the "Corporate Guarantor" for purposes of this Agreement.

(b) Personal Guarantor. Cause the Personal Guarantor to provide the HRA with a personal financial statement for the Personal Guarantor for the immediately preceding calendar year certified by the Personal Guarantor and a copy of the Personal Guarantor's filed federal tax return. If, in any year, the Personal Guarantor's liquid net worth is less than $1,000,000.00, the Developer must provide a replacement guaranty from another individual or entity reasonably acceptable to the HRA and having a liquid net worth of not less than $1,000,000.00. If such replacement guaranty is provided, the person or entity providing the replacement guaranty shall be the "Personal Guarantor" for purposes of this Agreement.

Section 6.8 CPA-Prepared Financial Statements. On or before April 1, 2015 and on or before each April 1 thereafter until April 1, 2025, the Developer must provide the HRA with a statement from a certified public accountant setting forth the "Net Cash Flow," "Net Operating Expenses" and "Operating Expenses," as defined in the Development Agreement, for the immediately preceding calendar year and with such back-up documentation regarding income, expenses and debt service as the HRA may reasonably request to confirm the certified

public accountant's calculation of "Net Cash Flow," "Net Operating Income," and "Operating Expenses." The certified public accountant who prepares the statement may be an employee of Developer or an Affiliate of Developer.

Section 6.9 No Liens. Unless the HRA provides its prior written consent, ensure that the Development Property (and all portions thereof) remains free of all mortgages, liens, security interests and other encumbrances other than (a) the first lien mortgage in favor of PNC Bank, National Association securing an aggregate amount of not more than $20,500,000, and (b) leases entered into by Developer in the ordinary course of its business.

Section 6.10 **[ADDITIONAL COVENANTS TO BE ADDED TO CONFORM WITH PNC'S COVENANTS.]**

ARTICLE VII

EVENTS OF DEFAULT AND THEIR EFFECT

Section 7.1 Events of Default. Each of the following shall constitute an "Event of Default" under this Loan Agreement:

(a) Nonpayment of Note. Developer fails to pay any installment of principal on either of the Notes when due, and such payment is not made within a period of ten (10) days after Written Notice thereof shall have been given by the HRA to the Developer.

(b) Other Covenants. The Developer defaults in the due performance or observance of any term, covenant or agreement contained in this Loan Agreement and such default shall continue for a period of fifteen (15) days after written notice thereof shall have been given by the HRA to the Developer.

(c) Other Loan Documents. The Developer defaults in the due performance or observance of any term, covenant or agreement contained in any one or more of the Loan Documents and (a) such default constitutes an "Event of Default" under the terms of such other Loan Document(s), or (b) such default shall continue beyond the applicable notice and cure, if any, set forth in such other Loan Document.

(d) Development Agreement. The Developer defaults in the due performance or observance of any term, covenant or agreement contained in the Development Agreement and such default shall continue beyond the applicable notice and cure period, if any, set forth in the Development Agreement.

(e) Insolvency of Developer or Guarantors. The Developer, the Corporate Guarantor or the Personal Guarantor (i) becomes insolvent or unable to pay its debts generally as they mature, (ii) suspends business (with respect to the Developer or the Corporate Guarantor), (iii) makes a general assignment for the benefit of creditors, (iv) admits in writing its inability to pay its debts generally as they mature; (vi) files or has filed against it a petition in bankruptcy or a petition or answer seeking a reorganization (with respect to the Developer or the Corporate Guarantor), arrangement

with creditors or other similar relief under the federal bankruptcy laws or under any other applicable law of the United States of America or any state thereof, (vi) consents to the appointment of a trustee or receiver for it or for a substantial part of its property, (vii) takes any organizational action (with respect to the Developer or the Corporate Guarantor) for the purpose of effecting or consenting to any of the foregoing.

(f) Representations and Warranties. If any representation or warranty contained herein or in any other Loan Document, or in any letter, financial statement, or certificate furnished or to be furnished to the HRA, proves to be false in any material respect as of the date this Loan Agreement is executed or at the time such letter or certificate is delivered to the HRA.

(g) Completion of Minimum Improvements. If the Developer has not Completed the Minimum Improvements on or before the Completion Date.

Section 7.2 Effect of Event of Default. If any Event of Default shall occur, the Notes shall, at the HRA's option, become immediately due and payable, in full, by giving the Developer written notice of such acceleration. In addition, and without limiting any other remedy available to the HRA, upon the occurrence of an event set forth in Section 7.1(e) above, all sums outstanding on the Notes shall become immediately due and payable automatically without notice to the Developer. If any Event of Default shall occur, the HRA may, at its option, exercise any of its available rights and remedies under the Loan Documents and under any applicable law, rule or regulation, including, without limitation, the following:

(a) terminate the HRA's obligation to Advance any further sums pursuant hereto; or

(b) declare all amounts advanced against the Notes, plus all accrued but unpaid interest thereon, to be immediately due and payable, and demand payment in full of the then-outstanding principal balance of the Notes and all accrued but unpaid interest thereon.

Section 7.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the HRA is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement, the other Loan Documents, the Development Agreement now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Conflicts of Interest. No member of the governing body or other official of the HRA shall participate in any decision relating to this Loan Agreement which affects his or her personal interests or the interests of any corporation, partnership or association

in which he or she is directly or indirectly interested. No member, official or employee of the HRA shall be personally liable to the HRA in the event of any default or breach by the Developer or successor or on any obligations under the terms of this Loan Agreement.

Section 8.2 Titles of Articles and Sections. Any titles of the several parts, articles and sections of this Loan Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 8.3 Binding Effect. The parties hereto agree that this Loan Agreement shall be binding upon and inure to the benefit of their respective successors in interest and assigns including any holder of or participant in either of the Notes; provided, however, that the Developer may not assign or transfer its interest herein without the prior written consent of the HRA. Nothing herein shall be interpreted or construed as creating any rights in any person other than the parties hereto.

Section 8.4 Governing Law, Waiver of Right to Jury Trial, Jurisdiction, Venue and Severability. This Loan Agreement is made in the state of Minnesota and shall be construed in accordance with the laws thereof. The parties consent to the personal jurisdiction of the state and federal courts located in the state of Minnesota in connection with any controversy related to this Loan Agreement and the parties waive any argument that venue in such forms is not convenient. The parties agree that any litigation initiated by either party against the other shall be venued either in the district court in Anoka County, Minnesota or the U.S. District Court, District of Minnesota. The HRA and the Developer, each having been represented by counsel each knowingly and voluntarily waives a right to a trial by jury in any action or proceeding to enforce or defend any rights under this Loan Agreement or any amendment to this Loan Agreement. If any provision of this Loan Agreement is in conflict with any statute or rule of law of the state of Minnesota or is otherwise unenforceable, such provision shall be deemed null and void only to the extent of such conflict or unenforceability, and shall be deemed separate from and shall not invalidate any other provision of this Loan Agreement.

Section 8.5 Notices. Any notices required or contemplated hereunder shall be effective upon the placing thereof in the United States mails, certified mail and with return receipt requested, postage prepaid, or sent by overnight courier, or sent by facsimile, and addressed as follows:

If to Developer:	F & C Ramsey, LLC 8900 Keystone Crossing #1200 Indianapolis, IN 46240 Attn: David M. Flaherty Telephone No.: (317) 816-9300 Facsimile No.: (317) 816-9301 Email: dflaherty@flahertycollins.com
With copies to:	Barnes & Thornburg 11 S. Meridian St. Indianapolis, IN 46204 Attn: Stephen Lee

Telephone No.: (317) 231-7200
Facsimile No.: (317) 231-7433
Email: stephen.lee@BTLaw.com

If to HRA:

City of Ramsey, Minnesota
Ramsey Municipal Center
7550 Sunwood Drive
Ramsey, MN 55303
Attn: City Administrator
Telephone No.: (763) 427-1410
Facsimile No.: (763) 433-9888
Email: kulrich@ci.ramsey.mn.us

With copies to:

Briggs and Morgan, P.A.
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
Attn: Tom Bray
Email: tbray@briggs.com
Facsimile No.: (612) 977-8650

Section 8.6 No Waivers. No failure or delay on the part of the HRA in exercising any right, power or privilege hereunder and no course of dealing between the Developer and the HRA shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 8.7 Amendment and Waiver. Neither this Loan Agreement nor any provision hereof may be modified, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought. In the event any agreement contained in this Loan Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 8.8 Counterparts. This Loan Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and either of the parties may execute this Loan Agreement by signing any such counterparts.

Section 8.9 Superseding Effect. This Loan Agreement, the Loan Documents, the Development Agreement, and the Purchase Agreement constitute the entire agreement between the HRA and Developer with respect to the matters addressed in those agreements and documents, and those agreements and documents supersede and replace any prior agreements, either oral or written, with respect to those matters.

Section 8.10 Indemnification. The Developer hereby agrees to defend, protect, indemnify and hold harmless HRA and its affiliates and the directors, officers, employees of the

HRA and its affiliates (each of the foregoing being an "Indemnitee" and all of the foregoing being collectively the "Indemnitees") from and against any and all claims, actions, damages, liabilities, judgments, costs and expenses (including all reasonable fees and disbursements of counsel which may be incurred in the investigation or defense of any matter) imposed upon, incurred by or asserted against any Indemnitee, whether direct, indirect or consequential and whether based on any federal, state, local or foreign laws or regulations (including securities laws, environmental laws, commercial laws and regulations), under common law or on equitable cause, or on contract or otherwise:

(a) by reason of, relating to or in connection with the execution, delivery, performance or enforcement of any Loan Document, any commitments relating thereto, or any transaction contemplated thereby; or

(b) by reason by, relating to or in connection with any credit extended or used under any Loan Document or any act done or omitted by any Person, or the exercise of any rights or remedies thereunder, including the acquisition of any collateral by the HRA by way of foreclosure of the lien thereon, deed or bill of sale in lieu of such foreclosure or otherwise;

provided, however, that the Developer shall not be liable to any Indemnitee for any portion of such claims, damages, liabilities and expenses resulting from such Indemnitee's gross negligence or willful misconduct. In the event this indemnity is unenforceable as a matter of law as to a particular matter or consequence referred to herein, it shall be enforceable to the full extent permitted by law.

The indemnification provisions set forth above shall be in addition to any liability the Developer may otherwise have. Without prejudice to the survival of any other obligation of the Developer hereunder, the indemnities and obligations of the Developer contained in this Section 8.10 shall survive the payment in full of the sums outstanding on the Notes.

Section 8.11 Developer Acknowledgments. The Developer hereby acknowledges that (a) it has been advised by counsel in the negotiation, execution and delivery of this Loan Agreement and the other Loan Documents, (b) the HRA has no fiduciary relationship to the Developer, the relationship between the Developer and the HRA being solely that of debtor and creditor, (c) no joint venture exists between the Developer and the HRA, and (d) the HRA undertakes no responsibility to the Developer to review or inform the Developer of any matter in connection with any phase of the business or operations of the Developer and the Developer shall rely entirely upon its own judgment with respect to its business, and any review, inspection or supervision of, or information supplied to, the Developer by the HRA is for the protection of the HRA and neither the Developer nor any third party is entitled to rely thereon.

Section 8.12 Time of Essence. The parties' timely performance of each of the obligations set forth in this Loan Agreement is an essential term of this Loan Agreement.

Section 8.13 Survival. The HRA and the Developer intend that the terms of this Loan Agreement shall survive the parties' execution of the Development Agreement, Purchase Agreement, the deeds and other documents referenced in the Purchase Agreement, the Loan

Documents and none of the terms or conditions of this Loan Agreement shall be merged into any other documents executed in connection with the transactions contemplated herein.

Section 8.14 Interpretation. The HRA and the Developer agree that this Loan Agreement shall be interpreted without regard to which party drafted the Loan Agreement.

Section 8.15 No Relationship. The HRA and the Developer are not, for any purpose, partners or joint ventures with respect to the development contemplated by this Loan Agreement.

[Remainder of page intentionally left blank;

Signature page follows]

IN WITNESS WHEREOF, the parties hereby have caused this Loan Agreement to be executed and delivered the date and year first above written.

DEVELOPER:

F & C RAMSEY, LLC,
an Indiana limited liability company

By _____
Its _____

HRA:

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA, A PUBLIC BODY POLITIC AND CORPORATE UNDER THE LAWS OF THE STATE OF MINNESOTA

By _____
Its Chair

By _____
Its Executive Secretary

EXHIBIT A

FORM OF DRAW REQUEST AND

DRAW REQUEST CERTIFICATION

F & C Ramsey, LLC, an Indiana limited liability company ("Developer"), hereby certify as follows (all terms not otherwise defined herein having the meanings set forth in the Loan Agreement (as amended from time to time, the "Loan Agreement")) dated _____, 2011, between the Developer and The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the State of Minnesota ("HRA"):

(a) At the date hereof no suit or proceeding at law or in equity, and no notice has been received that any investigation or proceeding of any governmental body has been instituted or, to the knowledge of Developer, is threatened, which in either case could have a material adverse effect on the financial condition or business operations of Developer.

(b) At the date hereof, no default or event of default (other than any attributable to HRA) under the Loan Agreement or under any of the other Loan Documents has occurred and is continuing, and no event has occurred which, upon the service of notice and/or the lapse of time, would constitute an event of default thereunder, except the following:

(c) The representations and warranties set forth in Article V of the Loan Agreement are hereby reaffirmed and restated, and Developer represents and warrants to HRA that the same are true, correct and complete on the date hereof, except as to the following: _____.

(d) No material adverse change has occurred in the financial condition or in the assets or liabilities of Developer from those set forth in the latest financial statements for each furnished to HRA, except the following: _____.

(e) The progress of construction of the Project is such that it can be completed on or before the Completion Date specified in the Loan Agreement for the cost originally represented to HRA, except for the following: _____.

(f) The Loans, as of the date hereof, are in balance as required by the Loan Agreement, and the undisbursed proceeds of the Loans, including the Advance requested herein, together with undisbursed proceeds of Developer's loan from _____ are adequate and sufficient to pay for all labor, materials, equipment, work, services and supplies necessary for the completion of the Minimum Improvements to which such Advance relates, including the installation of all fixtures and equipment required for the operation of the completed Project, except for the

following increases in the total cost of the Minimum Improvements: _____.

(g) The labor, materials, equipment, work, services and supplies described herein have been performed upon or furnished to the Project in full accordance with the Final Construction Plans, which have not been amended except as expressly permitted by the Loan Agreement.

(h) There have been no changes in any estimated costs relating to the completion of the Minimum Improvements from those set forth on the Construction Cost Statement, as amended by any amendment thereto heretofore delivered by Developer to HRA and approved by HRA, if such approval is required by the Loan Agreement.

(i) All bills for labor, materials, equipment, work, services and supplies furnished in connection with the construction of the Minimum Improvements, which could give rise to a mechanic's lien if unpaid, have been paid, will be paid out of the requested Advance or are not yet due and payable.

(j) All claims for mechanics' liens which shall have arisen or could arise for labor, materials, equipment, work, services or supplies furnished in connection with the Project through the last day of the period covered by the requested Advance have been effectively waived in writing, or will be effectively waived in writing when payment is made and such written lien waiver shall be delivered to HRA or its disbursing agent prior to the next Advance or final Advance against the Notes, or sooner as may be requested by the Title Company or HRA.

(k) All funds advanced under the Loan Agreement to date have been utilized as specified in the Draw Requests pursuant to which the same were advanced, exclusively to pay costs incurred for or in connection with constructing the Minimum Improvements and developing the Development Property and the Project, and Developer represents that no part of the proceeds of the Loans has been paid for labor, materials, equipment, work, services or supplies incorporated into or employed in connection with any project other than the Project, as that term is defined in the Loan Agreement. Developer further represents that all funds covered by this Draw Request are for payment for labor, materials, equipment, work, services or supplies furnished solely in connection with the construction and completion of the Minimum Improvements.

Developer authorizes and requests HRA to charge the total amount of this Draw Request against Developer's Loan account and to advance from the proceeds of the Loans the funds hereby requested, and to make or authorize disbursement of said funds to the Title Company for disbursement to Developer in amounts up to, but not exceeding, the amounts listed herein, subject to the requirements of and in accordance with the procedures provided in the Loan Agreement. The Advance made pursuant to this Draw Request is acknowledged to be an accommodation to Developer and is not a waiver by HRA of any Defaults or Events of Default under the Loan Agreement or any of the other Loan Documents or any other claims of HRA against Developer.

The advances and disbursements on the attached sheets are hereby approved and authorized.

F & C RAMSEY, LLC,
an Indiana limited liability company

By_____
Its _____

EXHIBIT D-1

NOTE NO. 1

PROMISSORY NOTE

$1,420,000.00 Ramsey, Minnesota
_____, 201_

FOR VALUE RECEIVED, F & C Ramsey, LLC, an Indiana limited liability company ("Borrower") promises to pay to the order of The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the State of Minnesota ("Lender") the principal sum of ONE MILLION FOUR HUNDRED TWENTY THOUSAND AND 00/100 DOLLARS ($1,420,000.00), or so much thereof as Lender has actually advanced to Borrower pursuant to the terms of that certain Loan Agreement between Lender and Borrower of even date herewith (the "Loan Agreement"), together with interest thereon as provided for in this Promissory Note. Lender shall disburse the proceeds of this Promissory Note to Borrower pursuant to the terms of the Loan Agreement.

Borrower shall make payments provided for in this Promissory Note to Lender at Ramsey Municipal Center, 7550 Sunwood Drive, Ramsey, Minnesota 55303, or at such other place as Lender may from time to time designate, in writing, in lawful money of the United States of America.

Borrower, Lender and the City of Ramsey, Minnesota, are also parties to a Development Agreement dated _____, 2011 and recorded in the office of the Anoka County Registrar of Titles on _____, 2011, as Document No. _____ (the "Development Agreement"). Capitalized terms used in this Promissory Note and not defined herein have the meanings established for such terms in the Development Agreement.

Absent a default by Borrower in the timely payment of amounts due under this Promissory Note, no interest shall accrue on amounts advanced under this Promissory Note. In lieu of non-default interest and as consideration for the extension of credit, Lender is charging Borrower a one-time fee of $120,000.00 as set forth in the Loan Agreement. If, at any time, Borrower defaults in the timely payment of any amounts due under this Promissory Note, Lender gives Borrower notice of the default and Borrower does not cure the default within ten (10) days of Lender's notice, interest shall accrue on the outstanding principal balance of this Promissory Note from the date of the default through the date Borrower cures all defaults under this Promissory Note at the rate of twelve percent (12%) per annum.

Commencing on April 1, 2015 and continuing on each April 1 thereafter until April 1, 2025, Borrower must pay to Lender, in certified or wire transferred funds and for application to the outstanding principal and interest, if any, due under this Promissory Note, an amount equal to 20% of the Net Cash Flow, as defined in the Development Agreement, for the immediately preceding calendar year. Commencing on April 1, 2015 and continuing on each April 1 thereafter until April 1, 2025, Borrower must also provide Lender with a statement from a certified public account (who may be an employee of an affiliate of Borrower) setting forth the

"Net Cash Flow," "Net Operating Expenses" and "Operating Expenses," as defined in the Development Agreement, for the immediately preceding calendar year and with such back-up documentation regarding income, expenses and debt service as Lender may reasonably request to confirm the certified public accountant's calculation of "Net Cash Flow," "Net Operating Income," and "Operating Expenses."

In addition to the annual payments described in the preceding paragraph, if and each time Developer refinances a "Project Loan," as defined in the Development Agreement, Developer must make an additional payment to Lender, for application to the outstanding principal and accrued, unpaid interest, if any, due under this Promissory Note, in an amount equal to 20% of the difference between the principal amount of the new Project Loan and the amount of the outstanding principal and accrued, unpaid interest under the Project Loan that is being refinanced. Notwithstanding the foregoing, if Developer refinances a Project Loan to obtain additional funds that are necessary to complete the initial construction of the Minimum Improvements, Developer is not obligated to pay Lender 20% of the amount of the new loan that Developer uses to pay costs of completing the initial construction of the Minimum Improvements.

The entire outstanding principal amount of this Promissory Note and all accrued interest, if any, is due and payable in full upon the earlier of April 1, 2025 or the date there is a "Sale of the Development Property," as defined in the Development Agreement.

Borrower may prepay this Promissory Note, in whole or in part, at any time and, if in part, from time to time, during the entire term of this Promissory Note. All payments shall be applied first to the payment of accrued, unpaid late charges then to and accrued, unpaid interest, if any, with the balance, if any, applied to the reduction of principal.

This Promissory Note is the note referred to as "Note No. 1" in the Development Agreement and in the Loan Agreement and is subject to the additional terms and conditions set forth in the Development Agreement, the Loan Agreement and each of the "Loan Documents," as defined in the Loan Agreement.

If a payment due hereunder is not made within five days after the date when due, Borrower shall pay to Lender a late payment charge of 5% of the amount of the overdue payment to compensate Lender for a portion of the cost related to handling the overdue payment. Failure to exercise any option provided herein shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. Borrower agrees that if, and as often as, this Note is given to an attorney for collection or to defend or enforce any of Lender's rights hereunder, Borrower will pay to the Lender Lender's reasonable attorneys' fees together with all court costs and other expenses paid by Lender.

Borrower waives presentment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Promissory Note and any lack of diligence or delays in collection or enforcement of this Note. Borrower agrees that this Promissory Note, or any payment hereunder, may be extended from time to time, and Borrower consents to the release of any party liable for the obligation evidenced by this Promissory Note, the release of any of the security for this Note, the acceptance of any other security therefore, or any other indulgence or

forbearance whatsoever, all without notice to any party and without affecting the liability of Borrower.

Borrower represents and warrants to Lender that Borrower will use the proceeds of the loan evidenced by this Promissory Note solely for business purposes.

If Borrower defaults on the performance of one or more of Borrower's obligations under this Promissory Note or upon the occurrence of any other "Event of Default" (as defined in the Development Agreement or the Loan Agreement), the entire outstanding principal balance hereof and all accrued interest and other amounts due hereon shall, at the option of the Lender and subject to the notice and cure provisions set forth in Section 13.1 (c) of the Development Agreement and in the Loan Agreement, become immediately due and payable; provided, however that if an Event of Default described in Section 13.1(i) or (j) of the Loan Agreement occurs, all sums outstanding on this Note shall become immediately due and payable in full without notice or demand whatsoever.

THIS NOTE SHALL BE CONSTRUED UNDER AND GOVERNED BY THE LAWS OF THE STATE OF MINNESOTA, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS OR PRINCIPLES THEREOF. WHENEVER POSSIBLE, EACH PROVISION OF THIS NOTE AND ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO, SHALL BE INTERPRETED IN SUCH MANNER AS TO BE EFFECTIVE AND VALID UNDER SUCH APPLICABLE LAW, BUT, IF ANY PROVISION OF THIS NOTE OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO SHALL BE HELD TO BE PROHIBITED OR INVALID UNDER SUCH APPLICABLE LAW, SUCH PROVISION SHALL BE INEFFECTIVE ONLY TO THE EXTENT OF SUCH PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISION OR THE REMAINING PROVISIONS OF THIS NOTE OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO.

AT THE OPTION OF LENDER, THIS NOTE MAY BE ENFORCED IN MINNESOTA STATE COURT SITTING IN ANOKA COUNTY; AND BORROWER CONSENTS TO THE JURISDICTION AND VENUE OF SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUM IS NOT CONVENIENT. IN THE EVENT BORROWER COMMENCES ANY ACTION IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS NOTE, LENDER AT ITS OPTION SHALL BE ENTITLED TO HAVE THE CASE TRANSFERRED TO THE JURISDICTION AND VENUE ABOVE-DESCRIBED, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

BORROWER AND LENDER IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE OR ANY OF THE LOAN DOCUMENTS (AS DEFINED IN THE LOAN AGREEMENT) OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Time is of the essence of this Note and each of the provisions hereof.

IN WITNESS WHEREOF, Borrower has executed this Note as of the date first above written.

F & C RAMSEY, LLC

By:_____
Its: Chief Manager

EXHIBIT D-2

NOTE NO. 2

PROMISSORY NOTE

$_____ Ramsey, Minnesota
_____, 201_

FOR VALUE RECEIVED, F & C Ramsey, LLC, an Indiana limited liability company ("Borrower") promises to pay to the order of The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the State of Minnesota ("Lender") the principal sum of **[SIX MILLION EIGHT HUNDRED TWENTY FIVE THOUSAND AND 00/100 DOLLARS ($6,825,000.00) PLUS COSTS OF ISSUANCE AS DEFINED IN THE DEVELOPMENT AGREEMENT]**, or so much thereof as Lender has actually advanced to Borrower pursuant to the terms of that certain Loan Agreement between Lender and Borrower of even date herewith (the "Loan Agreement"), together with interest thereon as provided for in this Promissory Note. Lender shall disburse the proceeds of this Promissory Note to Borrower pursuant to the terms of the Loan Agreement.

Borrower shall make payments provided for in this Promissory Note to Lender at Ramsey Municipal Center, 7550 Sunwood Drive, Ramsey, Minnesota 55303, or at such other place as Lender may from time to time designate, in writing, in lawful money of the United States of America.

Borrower, Lender and the City of Ramsey, Minnesota, are also parties to a Development Agreement dated _____, 2011 and recorded in the office of the Anoka County Registrar of Titles on _____, 2011, as Document No. _____ (the "Development Agreement"). Capitalized terms used in this Promissory Note and not defined herein have the meanings established for such terms in the Development Agreement.

Interest shall accrue on amounts advanced under this Promissory Note from the date of advance at the rate of 6.27% per annum; provided, however, if Borrower does not make one or more voluntary prepayments totaling $3,000,000.00 or more on or before the date 18 months from the date of the first advance under this Promissory Note, the interest rate shall increase to 8.27% per annum as of the date 18 months from the date of the first advance under this Promissory Note and shall remain at 8.27% per annum until the date Borrower makes one or more voluntary prepayments totaling $3,000,000.00 or more (at which time the interest rate will be reduced back to 6.27% per annum). If, at any time, Borrower defaults in the timely payment of any amounts due under this Promissory Note, Lender gives Borrower notice of the default and Borrower does not cure the default within ten (10) days of Lender's notice, the interest rate shall increase by 5% per annum.

The entire outstanding principal amount of this Promissory Note and all accrued, unpaid interest is due and payable in full on the earlier of June 1, 2015 or a "Sale of the Development Property," as defined in the Development Agreement.

Borrower may prepay this Promissory Note, in whole or in part, at any time and, if in part, from time to time, during the entire term of this Promissory Note. All payments shall be applied first to the payment of accrued, unpaid late charges then to and accrued, unpaid interest, if any, with the balance, if any, applied to the reduction of principal. If Borrower prepays $2,000,000.00 or more on or before the date 12 months after the date of the first advance under this Promissory Note, Lender shall forgive $250,000.00 of the principal amount of this Promissory Note, such forgiveness to be effective as of the date Lender has prepaid at least $2,000,000.00.

This Promissory Note is the note referred to as "Note No. 2" in the Development Agreement and in the Loan Agreement and is subject to the additional terms and conditions set forth in the Development Agreement, the Loan Agreement and each of the "Loan Documents," as defined in the Loan Agreement.

If a payment due hereunder is not made within five days after the date when due, Borrower shall pay to Lender a late payment charge of 5% of the amount of the overdue payment to compensate Lender for a portion of the cost related to handling the overdue payment. Failure to exercise any option provided herein shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. Borrower agrees that if, and as often as, this Note is given to an attorney for collection or to defend or enforce any of Lender's rights hereunder, Borrower will pay to the Lender Lender's reasonable attorneys' fees together with all court costs and other expenses paid by Lender.

Borrower waives presentment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Promissory Note and any lack of diligence or delays in collection or enforcement of this Note. Borrower agrees that this Promissory Note, or any payment hereunder, may be extended from time to time, and Borrower consents to the release of any party liable for the obligation evidenced by this Promissory Note, the release of any of the security for this Note, the acceptance of any other security therefore, or any other indulgence or forbearance whatsoever, all without notice to any party and without affecting the liability of Borrower.

Borrower represents and warrants to Lender that Borrower will use the proceeds of the loan evidenced by this Promissory Note solely for business purposes.

If Borrower defaults on the performance of one or more of Borrower's obligations under this Promissory Note or upon the occurrence of any other "Event of Default" (as defined in the Development Agreement or the Loan Agreement), the entire outstanding principal balance hereof and all accrued interest and other amounts due hereon shall, at the option of the Lender and subject to the Notice and cure provisions set forth in Section 13.1 (c) of the Development Agreement and in the Loan Agreement become immediately due and payable; provided, however that if an Event of Default described in Section 13.1(i) or (j) of the Loan Agreement

occurs, all sums outstanding on this Note shall become immediately due and payable in full without notice or demand whatsoever.

THIS NOTE SHALL BE CONSTRUED UNDER AND GOVERNED BY THE LAWS OF THE STATE OF MINNESOTA, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS OR PRINCIPLES THEREOF. WHENEVER POSSIBLE, EACH PROVISION OF THIS NOTE AND ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO, SHALL BE INTERPRETED IN SUCH MANNER AS TO BE EFFECTIVE AND VALID UNDER SUCH APPLICABLE LAW, BUT, IF ANY PROVISION OF THIS NOTE OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO SHALL BE HELD TO BE PROHIBITED OR INVALID UNDER SUCH APPLICABLE LAW, SUCH PROVISION SHALL BE INEFFECTIVE ONLY TO THE EXTENT OF SUCH PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISION OR THE REMAINING PROVISIONS OF THIS NOTE OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO.

AT THE OPTION OF LENDER, THIS NOTE MAY BE ENFORCED IN MINNESOTA STATE COURT SITTING IN ANOKA COUNTY; AND BORROWER CONSENTS TO THE JURISDICTION AND VENUE OF SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUM IS NOT CONVENIENT. IN THE EVENT BORROWER COMMENCES ANY ACTION IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS NOTE, LENDER AT ITS OPTION SHALL BE ENTITLED TO HAVE THE CASE TRANSFERRED TO THE JURISDICTION AND VENUE ABOVE-DESCRIBED, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

BORROWER AND LENDER IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE OR ANY OF THE LOAN DOCUMENTS (AS DEFINED IN THE LOAN AGREEMENT) OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Time is of the essence of this Note and each of the provisions hereof.

IN WITNESS WHEREOF, Borrower has executed this Note as of the date first above written.

F & C RAMSEY, LLC

By:_____
Its: Chief Manager

EXHIBIT E-1

CORPORATE GUARANTY

_____, 2011

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a body politic and corporate under the laws of the State of Minnesota (the "HRA"), to lend $1,420,000 to F & C Ramsey, LLC, an Indiana limited liability company ("Developer") pursuant to the terms of that certain Loan Agreement between Developer and the HRA of even date herewith (the "Loan Agreement") and the related Promissory Note executed by Developer in favor of the HRA of even date herewith ("Note No. 1"), the undersigned hereby absolutely and unconditionally guarantees to the HRA the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, all amounts payable by Developer to the HRA pursuant to Note No. 1, as the same may be amended, supplemented, restated, replaced or otherwise modified from time to time, whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several or joint and several (all such debts, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness").

The undersigned further acknowledges and agrees with HRA that:

1. No act or thing need occur to establish the liability of the undersigned hereunder, and no act or thing, except full payment and discharge of all Indebtedness, shall in any way exonerate the undersigned or modify, reduce, limit or release the liability of the undersigned hereunder.

2. So long as any portion of the Indebtedness remains outstanding, the undersigned shall, on or before May 15 of each year, provide the HRA with (a) a reviewed financial statement for the undersigned prepared by a certified public accountant (who may be an employee of the undersigned) in accordance with generally accepted accounting principles, consistently applied, and (b) a copy of the undersigned's filed federal tax return. If, in any year, the undersigned's net worth is less than $2,200,000.00 then the HRA shall have the right, upon ten (10) days written notice to Developer and Developer's failure to provide a replacement guaranty from another individual or entity reasonably acceptable to the HRA and having a net worth of $2,200,000.00 or more, as evidenced by a current reviewed financial statement for the replacement guarantor prepared by an independent accounting firm in accordance with generally accepted accounting principles, consistently applied, to declare the Indebtedness immediately due and payable, and the undersigned will forthwith pay to the HRA the full amount of all Indebtedness, whether due and payable or unmatured. If the undersigned voluntarily commences or there is commenced involuntarily against the undersigned a case under the United States Bankruptcy Code, the full amount of all Indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

3. The liability of the undersigned hereunder shall include, in addition to the Indebtedness, all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the undersigned hereunder. The HRA may apply any sums received by or available to the HRA on account of the Indebtedness from Developer, from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the undersigned hereunder.

4. The undersigned will pay or reimburse the HRA for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the HRA in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

5. Whether or not any existing relationship between the undersigned and Developer has been changed or ended and whether or not this guaranty has been revoked, the HRA may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of Indebtedness, without any consent or approval by the undersigned and without any notice to the undersigned. The liability of the undersigned shall not be affected or impaired by any of the following acts or things (which the HRA is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all Indebtedness; (ii) any one or more extensions or renewals of Indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any Indebtedness; (iii) any waiver or indulgence granted to Developer, any delay or lack of diligence in the enforcement of Indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any Indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue, Developer or any other guarantor or other person liable in respect of any Indebtedness; (v) any discharge of any evidence of Indebtedness or the acceptance of any instrument in renewal thereof of substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for Indebtedness, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any modification, substitution, discharge, impairment, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any Indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon Indebtedness; (x) any election by the HRA under §1111(b) of the United States Bankruptcy Code.

6. The undersigned waives any and all defenses, claims and discharges of Developer, or any other obligor, pertaining to Indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the undersigned will not assert, plead or enforce against the HRA any defense of waiver, release, discharge in bankruptcy, statute of limitations, res judicata, statute of frauds, anti-deficiency statute, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Developer or any other person liable in respect of any Indebtedness, or any setoff available against the HRA to Developer or any such other person, whether or not on account of a related transaction. The undersigned

expressly agrees that the undersigned shall be and remain liable for any deficiency remaining after foreclosure of any deed of trust or security interest securing Indebtedness, whether or not the liability of Developer or any other obligor for such deficiency is discharged pursuant to statute or judicial decision.

7. The undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing Indebtedness. The HRA shall not be required first to resort for payment of the Indebtedness to Developer or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for Indebtedness, before enforcing this guaranty.

8. If any payment applied by the HRA to Indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Developer or any other obligor) the Indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such Indebtedness as fully as if such application had never been made.

9. The liability of the undersigned under this guaranty is in addition to and shall be cumulative with all other liabilities of the undersigned to the HRA as guarantor or otherwise, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

10. The undersigned represents and warrants to the HRA that (i) the undersigned has full power and authority to make and deliver this guaranty; (ii) the execution, delivery and performance of this guaranty by the undersigned does not and will not violate the provisions of, or constitute a default under, any presently applicable law or any agreement presently binding on the undersigned; (iii) this guaranty has been duly executed and delivered by the undersigned and constitutes the undersigned's lawful, binding and legally enforceable obligation (subject to the United States Bankruptcy Code and other similar laws generally affecting the enforcement of creditors' rights); and (iv) the execution and delivery and performance of this guaranty does not require notification to, registration with, or consent or approval by, any federal, state or local regulatory body or administrative agency.

11. This guaranty shall be effective upon delivery to the HRA, without further act, condition or acceptance by the HRA, shall be binding upon the undersigned and the successors and assigns of the undersigned and shall inure to the benefit of the HRA and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are to be severable. This guaranty may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the undersigned and the HRA. The undersigned waives notice of the HRA's acceptance hereof and waives the right to a trial by jury in any action based on or pertaining to this guaranty.

12. This guaranty shall be construed according to the laws of the State of Minnesota in which state it shall be performed by the undersigned. The undersigned hereby consents to the personal jurisdiction of the state and federal courts located in the State of

Minnesota in connection with any controversy related to this guaranty, waives any argument that venue in such forums is not convenient, and agrees that any litigation initiated by the undersigned against the HRA in connection with this guaranty may be venued in either the District Court of Anoka County, Minnesota or the United States District Court in Minnesota.

13. The undersigned represents, warrants, acknowledges and agrees that: (i) the undersigned will receive direct economic benefit from the loans and advances made by the HRA to Developer evidenced by the Indebtedness, (ii) the HRA is making advances to Developer in reliance upon this guaranty, and (iii) the undersigned has received reasonably equivalent value in return for the undersigned's execution and delivery of this guaranty.

14. The undersigned waives and relinquishes any right of subrogation or other right of reimbursement from Developer or Developer's estate and any other right to payment from Developer or Developer's estate, arising out of or on account of any sums paid or agreed to be paid by the undersigned under this guaranty, whether any such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured. The provisions of this paragraph are made for the express benefit of Developer as well as HRA and may be enforced independently by Developer.

15. The creation or existence from time to time of Indebtedness in excess of the amount to which the right of recovery under this Guaranty is limited is hereby authorized, without notice to the undersigned, and shall in no way affect or impair the rights of the Lender and the obligations of the undersigned under this Guaranty.

IN WITNESS WHEREOF, this guaranty has been duly executed by the undersigned the day and year first above written.

Flaherty & Collins Construction, Inc.,
an Indiana corporation

By:

_____

Its: President

EXHIBIT E-2

PERSONAL GUARANTY

_____, 2011

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a body politic and corporate under the laws of the State of Minnesota (the "HRA"), to lend $**[**_____**]** to F & C Ramsey, LLC, an Indiana limited liability company ("Developer") pursuant to the terms of that certain Loan Agreement between Developer and the HRA of even date herewith (the "Loan Agreement") and the related Promissory Note executed by Developer in favor of the HRA of even date herewith ("Note No. 2"), the undersigned hereby absolutely and unconditionally guarantees to the HRA the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, all amounts payable by Developer to the HRA pursuant to Note No. 2, as the same may be amended, supplemented, restated, replaced or otherwise modified from time to time, whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several or joint and several (all such debts, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness").

The undersigned further acknowledges and agrees with HRA that:

1. No act or thing need occur to establish the liability of the undersigned hereunder, and no act or thing, except full payment and discharge of all Indebtedness, shall in any way exonerate the undersigned or modify, reduce, limit or release the liability of the undersigned hereunder.

2. So long as any portion of the Indebtedness remains outstanding, the undersigned shall, on or before May 15 of each year, provide the HRA with (a) a personal financial statement for the undersigned certified by the undersigned, and (b) a copy of the undersigned's filed federal tax return. If, in any year, the undersigned's liquid net worth is less than $1,000,000.00 then the HRA shall have the right, upon ten (10) days written notice to Developer and Developer's failure to provide a replacement guaranty from another individual or entity reasonably acceptable to the HRA and having a liquid net worth of $1,000,000.00 or more, as evidenced by a current reviewed financial statement for the replacement guarantor prepared by an independent accounting firm in accordance with generally accepted accounting principles, consistently applied, to declare the Indebtedness immediately due and payable, and the undersigned will forthwith pay to the HRA the full amount of all Indebtedness, whether due and payable or unmatured. If the undersigned voluntarily commences or there is commenced involuntarily against the undersigned a case under the United States Bankruptcy Code, the full amount of all Indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

3. The liability of the undersigned hereunder shall include, in addition to the Indebtedness, all attorneys' fees, collection costs and enforcement expenses referable thereto.

Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the undersigned hereunder. The HRA may apply any sums received by or available to the HRA on account of the Indebtedness from Developer, from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the undersigned hereunder.

4. The undersigned will pay or reimburse the HRA for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the HRA in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

5. Whether or not any existing relationship between the undersigned and Developer has been changed or ended and whether or not this guaranty has been revoked, the HRA may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of Indebtedness, without any consent or approval by the undersigned and without any notice to the undersigned. The liability of the undersigned shall not be affected or impaired by any of the following acts or things (which the HRA is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all Indebtedness; (ii) any one or more extensions or renewals of Indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any Indebtedness; (iii) any waiver or indulgence granted to Developer, any delay or lack of diligence in the enforcement of Indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any Indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue, Developer or any other guarantor or other person liable in respect of any Indebtedness; (v) any discharge of any evidence of Indebtedness or the acceptance of any instrument in renewal thereof of substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for Indebtedness, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any modification, substitution, discharge, impairment, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any Indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon Indebtedness; (x) any election by the HRA under §1111(b) of the United States Bankruptcy Code.

6. The undersigned waives any and all defenses, claims and discharges of Developer, or any other obligor, pertaining to Indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the undersigned will not assert, plead or enforce against the HRA any defense of waiver, release, discharge in bankruptcy, statute of limitations, res judicata, statute of frauds, anti-deficiency statute, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Developer or any other person liable in respect of any Indebtedness, or any setoff available against the HRA to Developer or any such other person, whether or not on account of a related transaction. The undersigned expressly agrees that the undersigned shall be and remain liable for any deficiency remaining after foreclosure of any deed of trust or security interest securing Indebtedness, whether or not

the liability of Developer or any other obligor for such deficiency is discharged pursuant to statute or judicial decision.

7. The undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing Indebtedness. The HRA shall not be required first to resort for payment of the Indebtedness to Developer or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for Indebtedness, before enforcing this guaranty.

8. If any payment applied by the HRA to Indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Developer or any other obligor) the Indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such Indebtedness as fully as if such application had never been made.

9. The liability of the undersigned under this guaranty is in addition to and shall be cumulative with all other liabilities of the undersigned to the HRA as guarantor or otherwise, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

10. The undersigned represents and warrants to the HRA that (i) the undersigned has full power and authority to make and deliver this guaranty; (ii) the execution, delivery and performance of this guaranty by the undersigned does not and will not violate the provisions of, or constitute a default under, any presently applicable law or any agreement presently binding on the undersigned; (iii) this guaranty has been duly executed and delivered by the undersigned and constitutes the undersigned's lawful, binding and legally enforceable obligation (subject to the United States Bankruptcy Code and other similar laws generally affecting the enforcement of creditors' rights); and (iv) the execution and delivery and performance of this guaranty does not require notification to, registration with, or consent or approval by, any federal, state or local regulatory body or administrative agency.

11. This guaranty shall be effective upon delivery to the HRA, without further act, condition or acceptance by the HRA, shall be binding upon the undersigned and the heirs, personal representatives, successors and assigns of the undersigned and shall inure to the benefit of the HRA and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are to be severable. This guaranty may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the undersigned and the HRA. The undersigned waives notice of the HRA's acceptance hereof and waives the right to a trial by jury in any action based on or pertaining to this guaranty.

12. This guaranty shall be construed according to the laws of the State of Minnesota in which state it shall be performed by the undersigned. The undersigned hereby consents to the personal jurisdiction of the state and federal courts located in the State of Minnesota in connection with any controversy related to this guaranty, waives any argument that

venue in such forums is not convenient, and agrees that any litigation initiated by the undersigned against the HRA in connection with this guaranty may be venued in either the District Court of Anoka County, Minnesota or the United States District Court in Minnesota.

13. The undersigned represents, warrants, acknowledges and agrees that: (i) the undersigned will receive direct economic benefit from the loans and advances made by the HRA to Developer evidenced by the Indebtedness, (ii) the HRA is making advances to Developer in reliance upon this guaranty, and (iii) the undersigned has received reasonably equivalent value in return for the undersigned's execution and delivery of this guaranty.

14. The undersigned waives and relinquishes any right of subrogation or other right of reimbursement from Developer or Developer's estate and any other right to payment from Developer or Developer's estate, arising out of or on account of any sums paid or agreed to be paid by the undersigned under this guaranty, whether any such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured. The provisions of this paragraph are made for the express benefit of Developer as well as HRA and may be enforced independently by Developer.

15. The creation or existence from time to time of Indebtedness in excess of the amount to which the right of recovery under this Guaranty is limited is hereby authorized, without notice to the undersigned, and shall in no way affect or impair the rights of the Lender and the obligations of the undersigned under this Guaranty.

16. This Guaranty shall terminate and be of no further force or effect at such time as the HRA has advanced the proceeds of Note No. 2 to Developer and Developer has made payments to the HRA sufficient to reduce the outstanding principal and accrued, unpaid interest due under Note No. 2 to either:

a) $2,500,000.00; or

b) if the City has issued the TIF Note, the principal amount of the TIF Note.

IN WITNESS WHEREOF, this guaranty has been duly executed by the undersigned the day and year first above written.

David M. Flaherty

_____

EXHIBIT F

ASSESSMENT AGREEMENT

ASSESSMENT AGREEMENT

THIS AGREEMENT, dated as of this _____ day of _____, 2010, is between the City of Ramsey, Minnesota a home rule charter city organized and existing under the constitution and the laws of the State of Minnesota (the "City") and F & C Development, Inc., an Indiana corporation ("Developer").

WITNESSETH

WHEREAS, on or before the date hereof the City, The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota (the "HRA") and Developer have entered into a Development Agreement dated as of _____, 2011 (the "Development Agreement") regarding the property located in the City and legally described on the attached Exhibit A (the "Development Property").

WHEREAS, it is contemplated that pursuant to said Development Agreement, Developer will construct certain "Minimum Improvement," as defined in the Development Agreement, on the Development Property in accordance with construction plans approved by the City (the "Project").

WHEREAS, the City and Developer desire to establish a minimum market value for the Development Property and the improvements constructed or to be constructed thereon, pursuant to Minnesota Statutes, Section 469.177.

WHEREAS, Developer has acquired the Development Property.

WHEREAS, the City and the Assessor have reviewed Final Construction Plans, as defined in the Development Agreement for the Project.

NOW, THEREFORE, the parties to this Agreement, in consideration of the promises, covenants and agreements made by each to the other, do hereby agree as follows:

1. The Project shall be assessed for ad valorum real estate tax purposes at the minimum market values set forth on the attached Exhibit B, for assessment years 2013 through and including 2036.

2. The minimum market values herein established shall be of no further force and effect and this Agreement shall terminate on the earlier of (i) December 31, 2038; or (ii) the date on which the City's Tax Increment Financing District No. 14 expires or is otherwise terminated. If this Agreement terminates earlier than December 31, 2038, the City shall duly execute and record a release of this Agreement, upon the written request of the then holder of fee title to the Development Property.

3. This Agreement shall be recorded by the City with the County Recorder of Anoka County, Minnesota. Developer shall pay all costs of recording.

4. Nothing in this Agreement limits the discretion of the Assessor to assign a market value to the Development Property in excess of the minimum market values set forth herein nor prohibits Developer from seeking, through the exercise of legal or administrative remedies, a reduction of the Development Property's market value for ad valorum real estate tax purposes, but Developer may not seek a reduction of the Development Property's market value for ad valorum real estate tax purposes below the applicable minimum market value with respect to any year during which this Agreement remains in effect.

5. Neither the preambles nor provisions of this Agreement are intended to, or shall they be construed as, modifying the terms of the Development Agreement between the City and Developer.

6. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

IN WITNESS WHEREOF, the City, Developer and the Assessor have caused this Agreement to be executed in their names and on their behalf all as of the date set forth above.

CITY OF RAMSEY, MINNESOTA

(SEAL)

By_____
Its Mayor

By_____
Its City Administrator

STATE OF MINNESOTA)
): ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____, the Mayor and _____ the City Administrator, of the City of Ramsey on behalf of said City.

_____
Notary Public

F & C RAMSEY, LLC.

By_____
Its: Chief Manager

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____, the _____ of F & C Ramsey, LLC., an Indiana limited liability company, on behalf of said corporation.

_____
Notary Public

This Instrument Drafted By:

Briggs and Morgan, P.A. (TLB)
2200 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402-2157

Signature page for Assessment Agreement by and between the City of Ramsey, Minnesota, F & C Ramsey, LLC. and the Anoka County Assessor.

EXHIBIT A TO ASSESSMENT AGREEMENT

Legal Description of Development Property

Lot 3, Block 1, COR ONE, Anoka County, Minnesota.

EXHIBIT B

SCHEDULE OF MINIMUM MARKET VALUES

Assessment Year	Minimum Market Value
2013	$6,798,000.00
2014	$22,660,000.00
2015	$22,660,000.00
2016	$22,660,000.00
2017	$22,660,000.00
2018	$22,660,000.00
2019	$22,660,000.00
2020	$22,660,000.00
2021	$22,660,000.00
2022	$22,660,000.00
2023	$22,660,000.00
2024	$22,660,000.00
2025	$22,660,000.00
2026	$22,660,000.00
2027	$22,660,000.00
2028	$22,660,000.00
2029	$22,660,000.00
2030	$22,660,000.00
2031	$22,660,000.00
2032	$22,660,000.00
2033	$22,660,000.00
2034	$22,660,000.00
2035	$22,660,000.00
2036	$22,660,000.00

CERTIFICATION BY COUNTY ASSESSOR

The undersigned, having reviewed the Assessment Agreement dated as of _____, 2012 between the City of Ramsey, Minnesota and F & C Development, Inc., an Indiana corporation; the Construction Plans for the Project, as defined in the Assessment Agreement; and the market value currently assigned to land upon which the improvements are to be constructed and being of the opinion that the minimum market values contained in the Assessment Agreement appears reasonable, hereby certifies as follows:

The undersigned Assessor, being legally responsible for the assessment of the above described property, hereby certifies that the market values assigned to such land and improvements are reasonable.

_____
County Assessor for Anoka County

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

This instrument was acknowledged before me on _____, 2012, by _____, the County Assessor of Anoka County.

_____
Notary Public

EXHIBIT G

DEVELOPMENT FEES

Fee	2010_Amount	2011_Amount	Orig_Multiplier	Adjust_Multiplier	Type	Orig_Total	Adjust_Total	Credit	2011_Total	Dif_2010_2011
Park	2475	2475	229	195	Unit	$566,775	$481,759	$85,016	$481,759	$0
Trail	600	600	229	229	Unit	$137,400	$137,400	$0	$137,400	$0
Water Trunk	2209	2308	229	229	Unit	$505,861	$505,861	$0	$528,532	$22,671
Water Lateral	8777	9102	2	2	Connection	$17,554	$17,554	$0	$18,204	$650
Sewer Trunk	1271	1318	229	229	Unit	$291,059	$291,059	$0	$301,822	$10,763
Sewer Lateral	3847	3989	2	2	Connection	$7,694	$7,694	$0	$7,978	$284
Stormwater	448	465	229	229	Unit	$102,592	$102,592	$0	$106,485	$3,893
SAC	2100	2230	229	229	SAC Unit	$480,900	$480,900	$0	$510,670	$29,770
WAC	1627	1701	229	229	WAC Unit	$372,583	$372,583	$0	$389,529	$16,946
SAC Handling	200	200	229	229	SAC Unit	$45,800	$45,800	$0	$45,800	$0
Grand Total						**$2,528,218**	**$2,443,202**	**$85,016**	**$2,528,179**	**$84,977**
	NOTE: This is NOT the official SAC/WAC determination. Final plans will be needed in order for the Metropolitan Council to calculate final SAC determination.									

THESE FIGURES ARE ESTIMATES ONLY.

EXHIBIT H

DESCRIPTION OF THE ADDITIONAL PARKING IMPROVEMENTS

Way Finding and Stall Designation Signage

EXHIBIT I

DESCRIPTION OF THE MINIMUM IMPROVEMENTS

An approximately 230 unit, four story, market rate, rental apartment project, consisting of approximately fourteen (14) two-story townhomes, with two levels of flats above, and the balance of the units will be configured as four levels of flats that will wrap around the future parking garage expansion. All parking for the residential units will be in the parking garage, with the exception of the townhome units, which will have their own garage for each unit. The project will include not less than 3,000 sq. ft. of retail space, located on the first floor in the space closest to the Ramsey City Hall.

Amenities for the residential units shall include a fitness center with cardio, theatre, tanning bed, business center, cyber café, game room, courtyards, and a resort style pool. Additionally, all units will have their own washer and dryer. Architecturally, The Residence will combine urban architecture with components that exist in THE COR project today. The building will be Type V Construction, wood framed, with the façade consisting of brick, stone elements, and cement board. The roof will be a "flat roof" to further pronounce the urban nature of the architecture. All or most HVAC units will be rooftop mounted units so to best screen from street level site lines.

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA,

THE CITY OF RAMSEY, MINNESOTA

AND

F & C RAMSEY, LLC

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DEVELOPMENT AGREEMENT

The parties to this Development Agreement (the "Agreement") are The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota a public body politic and corporate under the laws of the State of Minnesota (the "HRA"); the City of Ramsey, Minnesota (the "City"), a home rule charter city organized and existing under the constitution and laws of the State of Minnesota and F & C Ramsey, LLC, an Indiana limited liability company ("Developer"). This Development Agreement is dated, for reference purposes, and is effective as of _____, 2011 (the "Effective Date"). This Agreement replaces the Development Agreement between the HRA, the City and Developer dated January 31, 2011, and the January 31, 2011 Development Agreement is hereby terminated and of no further force or effect.

ARTICLE I

RECITALS

WHEREAS, the HRA owns the "Development Property," as defined below.

WHEREAS, the Development Property is located in the Development District. The City established the Development District on August 27, 1985 pursuant to Minnesota Statutes, Sections 469.124 through 469.134. The City adopted the Development Program for the Development District on August 27, 1985, and the City has amended it from time to time. The most recent amendments to the Development Program were adopted on or about December 14, 2010.

WHEREAS, Developer wants to acquire the Development Property from the HRA and construct the Minimum Improvements on the Development Property, but Developer has determined that it cannot acquire the Development Property and construct the Minimum Improvements on the Development Property without financial assistance from the City and the HRA.

WHEREAS, the HRA and the City are entering into this Development Agreement with Developer to further the objectives of the Development Program and, particularly, to make the Development Property available for development by private enterprise in conformance with the Development Program**.**

WHEREAS, the HRA had determined that 50% of the Minimum Improvements constitutes a Housing Development Project pursuant to the Act.

WHEREAS, the HRA has adopted a housing program in connection with the Housing Development Project.

WHEREAS, pursuant to the Act and the Tax Increment Act the City has the authority to issue bonds to finance all or a portion of the cost of the Housing Development Project.

WHEREAS, the City believes that the Project and the fulfillment of this Agreement are in the best interests of the City and further the health, safety, morals and welfare of residents of

the City and that the Project has been undertaken and is being assisted in accordance with a public purpose and the provisions of the applicable state and local laws and requirements.

ARTICLE II

DEFINITIONS

Section 2.1 Definitions. Capitalized word and phrases used in this Development Agreement have the following meanings:

Act means collectively, Minnesota Statutes 469 and 462C;

Affiliate means a natural person, trust, trustee, corporation, limited liability company, partnership or limited partnership that: controls Developer, is controlled by Developer or is controlled by the same individuals and entities that control Developer. A person or entity "controls" an entity if the person or entity, directly or indirectly or acting in or through one or more subsidiaries, owns, controls or holds with power to vote, more than 50 percent of the voting interest in the entity. An entity is "controlled by" a person or entity if that person or entity, directly or indirectly or acting in or through one or more subsidiaries, owns, controls or holds with power to vote, more than 50 percent of the voting interests in the entity. Control does not exist if the powers described in this subsection are held solely as a security interest and have not been exercised;

Agreement means this Development Agreement, as the same may be modified, amended or supplemented from time to time;

Amended PUMA means the Amended and Restated Parking Improvement Use and Maintenance Agreement for Parking District A that is attached to the Purchase Agreement as Exhibit A and that the Purchase Agreement obligates the City and the HRA to execute and record prior to or contemporaneously with the HRA's conveyance of the Development Property to Developer;

Assessment Agreement means an Assessment Agreement pursuant to Minnesota Statues, Section 469.177, Subd. 8 specifying minimum market values for the Development Property as of January 2, 2013 and each January 2 thereafter through and including January 2, 2036 which minimum market values will be used for the calculation of real property taxes due and payable with respect to the Development Property. The form of Assessment Agreement is attached as Exhibit F;

Business Day means any day other than a Saturday, Sunday or a state or federal holiday that financial institutions or post offices in the state of Minnesota close to observe;

Certificate of Completion means a certificate in the form attached as Exhibit A;

City means the City of Ramsey, Minnesota;

Commencement Date means the date 90 days after the date the HRA and the Developer close on the Developer's purchase of the Development Property from the HRA pursuant to the Purchase Agreement;

Completion Date means the date two years after the Commencement Date;

Construction Plans means the plans, specifications, drawings and related documents for the construction of the Minimum Improvements that Developer submits to the City pursuant to Section 5.2;

Corporate Guarantor means Flaherty & Collins Construction, Inc., an Indiana Corporation;

Corporate Guaranty means the guaranty that the Corporate Guarantor executes in favor of the HRA to provide security for the performance of Developer's obligations under the Note No. 1. The form of Corporate Guaranty is attached as Exhibit E-1;

Cost of Issuance means all costs and expenses the City and the HRA will incur and any underwriter's discount the HRA will give in connection with the issuance of the Temporary Tax Increment Bonds including but not limited to: rating agency fees, financial advisor's fees, bond attorney's fees, county fees, up to a maximum of $91,000.00. The City will not have issued the Temporary Tax Increment Bonds as of the Date of Closing, so Costs of Issuance will be determined based on the City's reasonable estimate;

County means Anoka County, Minnesota;

Date of Closing means the "Date of Closing" as defined in the Purchase Agreement;

Developer means F & C Ramsey, LLC, an Indiana limited liability company and any successor in title to all or any portion of the Development Property;

Development District means the City's Development District No. 1;

Development Fees means the fees and charges payable to the City pursuant to Chapter 117 of the City's Ordinances in connection with City's approval of the plat of COR ONE. The categories of the "Development Fees" and the City's current estimate of the amounts of the various "Development Fees" are specifically identified on Exhibit G;

Development Program means the development program the City has approved for the Development District;

Development Property means the portion of Lot 1, Block 1, Lot 2, Block 1 and Outlot A, RAMSEY TOWN CENTER 5TH ADDITION, Anoka County, Minnesota depicted as Lot 3, Block 1 on the Preliminary Plat of COR ONE, Anoka County, Minnesota that the City approved on November 23, 2010 and all improvements currently located or subsequently constructed thereon;

Eligible Costs means 50% of the actual costs the Developer incurs to acquire the Developer Property and construct the Minimum Improvements; provided, however, that any costs that Developer pays with the proceeds of Loan No. 1 are not Eligible Costs and provided further that any costs that Developer pays with the proceeds of the Loan No. 2 are not Eligible Costs unless and until Loan No. 2 is repaid in full in accordance with the terms of this Agreement;

Event of Default means any of the events described in Section 13.1;

Existing Parking Ramp means the approximately 590 stall public parking ramp located at 7650 Sunwood Drive, Ramsey, Minnesota;

Final Construction Plans means construction plans that the City has approved pursuant to Section 5.3;

Housing Development Project means 50% of the Minimum Improvements which are intended for occupancy by persons of moderate income and their families;

HRA means The Housing and Redevelopment Authority in and for the city of Ramsey, Minnesota, a public body politic incorporated under the laws of the State of Minnesota;

Loan Agreement means the loan agreement between the HRA and Developer which establishes the HRA's and Developer's rights and obligations with respect to Loan No. 1 and Loan No. 2. The form of the Loan Agreement is attached as Exhibit C;

Loan No. 1 means the $1,420,000.00 loan the HRA makes to Developer for the Housing Development Project pursuant to Article VII;

Loan No. 2 means the loan the HRA makes to Developer for the Housing Development Project pursuant to Article VIII. The original principal amount of Loan No. 2 will be equal to the sum of (i) $6,825,000; and (ii) the Costs of Issuance;

Minimum Improvements means the improvements described on Exhibit I until the City approves the Construction Plans and means the improvements described and depicted on the Final Construction Plans, after the City approves the Construction Plans;

Net Cash Flow means, for any calendar year, Net Operating Income for that calendar year less the scheduled debt service payments due on the Project Loan in that calendar year and less reasonable contributions to replacement reserves;

Net Operating Income. means, for any calendar year, all income Developer derives from the Development Property, including, but not limited to rents received from the rental of residential apartments, parking stalls or non-residential space, in the Development Property less Operating Expenses actually incurred in that calendar year;

Note No. 1 means the $1,420,000.00 Promissory Note that Developer executes and delivers to the HRA to evidence Developer's obligation to repay the Loan No. 1. The form of the Note No. 1 is attached as Exhibit D-1;

Note No. 2 means the Promissory Note that Developer executes and delivers to the HRA to evidence Developer's obligation to repay the Loan No. 2. The form of the Note No. 2 is attached as Exhibit D-2. Prior to Developer's execution of Note No. 2 pursuant to Section 8.2, the HRA will determine the Costs of Issuance and to notify Developer of the original principal amount of Loan No. 2;

Operating Expenses. means the reasonable and customary expenses Developer incurs to operate and maintain the Development Property. Operating Expenses do not include (i) debt service payments on any loans to Developer; (ii) expenses Developer incurs to make improvements, repairs or replacements to the Development Property, the cost of which Developer is obligated to capitalize rather than expense under generally accepted accounting principles, consistently applied; or contributions to replacement reserves;

Parking Ramp Addition means the approximately 200 stall addition to the Existing Parking Ramp that the Purchase Agreement obligates the City to construct on the Parking Ramp Property;

Parking Ramp means the Existing Parking Ramp and the Parking Ramp Addition which will be located on the Parking Ramp Property;

Parking Ramp Property means the portion of Lot 1, Block 1, RAMSEY TOWN CENTER 5TH ADDITION, Anoka County, Minnesota depicted as Lot 2, Block 1, COR ONE, Ramsey County, Minnesota;

Personal Guarantor means David M. Flaherty;

Personal Guaranty means the guaranty that the Personal Guarantor executes in favor of the HRA to provide security for the performance of Developer's obligations under the Note No. 2. The form of Personal Guaranty is attached as Exhibit E-1;

Project Loan. means (1) the credit facility described in the Proposal Letter dated August 4, 2011 and executed by PNC Bank, National Association and Flaherty & Collins Properties and the Summary of Terms and Conditions attached thereto; and (2) a loan that a third party makes to a Developer if (a) all or a portion of the proceeds of the loan are used to fully satisfy a prior Project Loan; and (b) the loan is secured by a first lien mortgage on the Development Property;

Project Mortgage means a first lien mortgage on the Development Property that Developer grants to a third party to secure the repayment of a Project Loan;

Purchase Agreement means the Purchase Agreement between the HRA and Developer of even date herewith that sets forth the terms and conditions under which the HRA will convey the Development Property to Developer;

Project means Developer's acquisition of the Development Property and construction of the Minimum Improvements in accordance with the terms of this Agreement;

Sale of the Development Property means a voluntary or involuntary conveyance of all or any undivided interest in Developer's fee title to all or any material portion of the Development

Property to an entity other than an Affiliate; a lease of all or any material portion of the Development Property to an entity other than an Affiliate for a term (including any rights to renew or extend) that exceeds twenty (20) years; or a voluntary or involuntary transfer of any membership interests in Developer to an entity other than an Affiliate;

State means the State of Minnesota;

Tax Increments means 85% of the tax increments derived from the Development Property as determined by the City in its sole discretion, which have been paid to the City between January 1, 2015 and February 1, 2038 and which the City is entitled to retain pursuant to the provisions of the Tax Increment Act;

Tax Increment Act means the Tax Increment Financing Act, Minnesota Statutes, Sections 469.174 through 469.1799, as amended;

Tax Increment District means the City's Tax Increment District No. 14;

Tax Increment Financing Plan means the plan for the Tax Increment District that the City adopted, by resolution, on December 14, 2010;

Temporary Tax Increment Bonds means the Temporary Tax Increment Bonds the City issues pursuant to the Tax Increment Act, the proceeds of which the City will make available to the HRA and a portion of which proceeds the HRA will use to fund Loan No. 2;

Termination Date means the earlier of (i) the date Developer has completed construction of the Minimum Improvements; Developer has repaid the Loan No. 1 in full; Developer has repaid the Loan No. 2 in full; and the City has paid the TIF Note in full; or (ii) the last TIF Note Payment Date;

TIF Note means a Tax Increment Revenue Note, in the form attached as Exhibit B;

TIF Note Payment Date means October 1, 2015 and each February 1 and August 1 thereafter through and including February 1, 2038; provided, that if any such TIF Note Payment Date is not a Business Day, the TIF Note Payment Date is the next succeeding Business Day; and

Unavoidable Delay means a delay in Developer's commencement or completion of the Minimum Improvements that is the direct result of an act of God, other than weather related conditions or events that are reasonably foreseeable both in terms of the likelihood of their occurrence and their severity; war, riots, or civil disorder; labor strikes or labor shortages; shortages of necessary materials; or litigation commenced by third parties that, either by injunction or other similar judicial action or by the exercise of reasonable discretion, directly results in delays.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 3.1 Representations and Warranties of the City and the HRA. The City and the HRA make the following representations and warranties:

(a) The City represents and warrants that the City is a municipal corporation and political subdivision organized under the provisions of the constitution and laws of the State of Minnesota and has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The City represents and warrants that the development of the Development Property contemplated in this Agreement conforms with the development objectives of the Development Program.

(c) On or about December 14, 2010, the City approved and adopted the Tax Increment Financing Plan and established the Tax Increment District which includes the Development Property and that qualifies as a redevelopment district under the Tax Increment Act.

(d) The HRA represents and warrants that the HRA is a body politic and corporate under the laws of the State of Minnesota and has the power to enter into this Agreement and carry out its obligations hereunder.

(e) The HRA represents and warrants that at a public hearing held on September 27, 2011 after published notice, the HRA's Board approved this Development Agreement and approved the HRA's conveyance of the Development Property to Developer pursuant to this Development Agreement and without public bidding, all as required by Minnesota Statutes Section 469.029, Subd. 2.

Section 3.2 Representations, Warranties and Covenants of Developer. Developer makes the following representations, warranties and covenants:

(a) Developer represents and warrants that it is a limited liability company organized, validly existing and in good standing under the laws of the State of Indiana, that it has the power to enter into this Agreement and to perform its obligations hereunder and by entering into and performing its obligations under this Agreement Developer will not be in violation of the its articles or bylaws.

(b) Developer represents that Developer would not undertake the Project and in Developer's opinion, the Project would not be economically feasible within the reasonably foreseeable future without the assistance and benefit provided for in this Agreement.

(c) Developer represents and warrants that neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provision of any

contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(d) Developer agrees that Developer will cooperate fully with the City and the HRA with respect to any litigation a third party may commence with respect to the Development Property; provided, however, that Developer shall not be obligated to settle any litigation to which it is a party unless it approves such settlement in its sole discretion. This covenant shall survive the termination of this Agreement.

(e) Developer agrees that Developer will cooperate fully with the City in resolution of any traffic, parking, trash removal or public safety problems which may arise in connection with the construction and operation of the Project.

ARTICLE IV

PURCHASE AGREEMENT

Section 4.1 Purchase Agreement. The HRA and Developer are executing the Purchase Agreement and delivering it to one another contemporaneously with the execution and delivery of this Agreement.

Section 4.2 Relationship Between this Agreement and the Purchase Agreement. In the event of a conflict between the terms of this Agreement and the terms of the Purchase Agreement, the terms of this Agreement control. If the HRA or Developer terminate the Purchase Agreement, this Agreement automatically terminates except as to terms and provisions that this Agreement expressly states survive a termination of this Agreement. The Purchase Agreement provides that if the City, HRA or Developer terminate this Agreement, the Purchase Agreement automatically terminates except as to terms and provisions that the Purchase Agreement expressly states survive a termination of this Agreement.

Section 4.3 Right of Reverter. The Purchase Agreement provides for the HRA's conveyance of the Development Property to Developer subject to a right of reverter. The Right of Reverter shall provide that (a) if Developer does not commence construction of the Minimum Improvements on or before the Commencement Date, as the same may be extended pursuant to Section 5.4 as a result of an Unavoidable Delay; (b) if Developer fails to substantially complete the construction of the Minimum Improvements in accordance with the Final Construction Plans on or before the Completion Date, as the same may be extended pursuant to Section 5.4 as a result of an Unavoidable Delay; or (c) if the holder of a Project Mortgage commences proceedings to foreclose the Project Mortgage prior to Developer's substantial completion of the Minimum Improvements, the HRA may commence an action in Anoka County District Court seeking an order that re-vests title to the Development Property in the HRA and grants the HRA immediate possession of the Development Property. In the Purchase Agreement, the HRA agrees that the HRA will subject the HRA's interest in the Development Property pursuant to the Right of Reverter to the lien of any Project Mortgage provided the holder of the Project Mortgage acknowledges, in writing, that if the Project Mortgage is foreclosed and if the HRA obtains a District Court Order re-vesting title to the Development Property in the HRA, the HRA

shall be entitled to redeem the Development Property from foreclosure, as an owner, pursuant to Minnesota Statutes Sections 580 or 581, as applicable.

ARTICLE V

DEVELOPER'S CONSTRUCTION OF THE MINIMUM IMPROVEMENTS

Section 5.1 Required Approvals. Developer must obtain, in a timely manner, any governmental permits, licenses, approvals, consents or authorizations that are legally required in connection with the construction of the Minimum Improvements.

Section 5.2 Submission of Construction Plans. Developer must submit construction plans to the City for review and approval or disapproval. The Construction Plans must (a) provide for the construction of the Minimum Improvements on the Development Property and (b) must include at least the following: (1) a site plan; (2) a foundation plan; (3) a basement plan; (4) a floor plan for each floor; (5) cross sections of each floor (length and width); (6) elevations (all sides); (7) grading and drainage plans; and (8) a landscape plan.

Section 5.3 Review of the Construction Plans. The City must approve the Construction Plans in writing if: (a) the Construction Plans conform to the terms and conditions of this Agreement; (b) the Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations; (c) the Construction Plans are adequate for purposes of this Agreement to provide for the construction of the Minimum Improvements; and (d) no Event of Default under the terms of this Agreement has occurred; provided, however, that any such approval of the Construction Plans pursuant to this Section 5.3 constitutes approval for the purposes of this Agreement only and shall not be deemed to constitute approval or waiver by the City with respect to any building, zoning or other ordinances or regulations of the City. If the City rejects the Construction Plans the City must notify Developer, in writing, within thirty (30) days after Developer's submission of Construction Plans that satisfy the requirements of Section 5.2 or the City shall be deemed to have been approved the Construction Plans as submitted. If the City notifies Developer that the City is rejecting the Construction Plans, the notice must include a written statement specifying the respects in which the Construction Plans submitted by Developer fail to conform to the requirements of this Section 5.3. If the City rejects the Construction Plans in whole or in part, Developer must submit new or corrected Construction Plans within thirty (30) days after Developer's receipt of the City's rejection notice. The provisions of this Section 5.3 relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the City approves the Construction Plans; provided, however, Developer may not commence construction of the Minimum Improvements until the City has approved or is deemed to have approved the Construction Plans. Approval of the Construction Plans by the City shall not relieve Developer of any obligation to comply with the terms and provisions of this Agreement or the provision of applicable federal, state and local laws, ordinances and regulations, nor shall the City's approval of the Construction Plans constitute a waiver of any Event of Default. If Developer desires to make any material modification to the scope, size, appearance, value or use of the Minimum Improvements or to the Final Construction Plans after the City has approved the Construction Plans and before Developer has substantially completed the Minimum Improvements, Developer must submit a description of the proposed modification(s) and revised Construction Plans showing the

proposed modification(s) to the City for its approval. If such material change in the Construction Plans conforms to the approval criteria listed in this Section 5.3 with respect to the original Construction Plans, the revised Construction Plans shall be deemed approved unless the City notifies Developer that the City rejects the revised Construction Plans in writing within thirty (30) days after submission. If Developer desires to make any change which does not materially modify the scope, size, appearance, value or use of the Minimum Improvements, Developer is not obligated to resubmit the Construction Plans to the City for approval.

Section 5.4 Commencement and Completion of Construction of the Minimum Improvements. Developer must commence construction of the Minimum Improvements on or before the Commencement Date. Developer is deemed to have commenced construction when Developer has: (a) obtained all building permits from the City necessary for the construction of the Minimum Improvements on the Development Property; and (b) Buyer has commenced the construction of the footings and foundations for the Minimum Improvements. Developer must substantially complete the construction of the Minimum Improvements in accordance with the Final Construction Plans on or before the Completion Date. For purposes of this Agreement, the Minimum Improvements are substantially complete when they are eligible to receive a certificate of occupancy from the City. If Developer's commencement or completion of construction of the Minimum Improvements is delayed as a result of an Unavoidable Delay, Developer gives the City and the HRA notice of the Unavoidable Delay within thirty (30) days after the onset of the Unavoidable Delay and Developer uses all commercially reasonable efforts to commence and complete the construction of the Minimum Improvements as promptly as reasonably possible given the conditions causing the Unavoidable Delay, the Commencement Date and the Completion Date will be extend for a period of time equal to the duration of the condition causing the Unavoidable Delay plus a reasonable time for recovery and restoration following the cessation of such condition.

Section 5.5 Certificate of Completion. Developer shall notify the City when Developer has substantially completed construction of the Minimum Improvements. If the City determines that the Minimum Improvements have been constructed in substantial conformity with the Final Construction Plans and all uniformly applied local, state and federal laws and regulations (including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations), the City shall furnish to Developer a Certificate of Completion. Such Certificate of Completion shall be a conclusive determination of satisfaction and termination of Developer's obligation to construct the Minimum Improvements as set forth in Section 5.4. If Developer has completed the Minimum Improvements on or before the Completion Date, as the same may be extended pursuant to Section 5.4, the HRA will expressly acknowledge and agree in the Certificate of Completion that Developer has satisfied the conditions subsequent described in the Right of Reverter and that the Right of Reverter is terminated and is of no further force or effect.

ARTICLE VI

TIF FINANCING

Section 6.1 Issuance of the TIF Note. When, and only when, Developer: (i) acquired the Development Property; (ii) substantially completed the construction of Minimum

Improvements in accordance with the Final Construction Plans; (iii) notified the City that Developer has substantially completed the Minimum Improvements and is entitled to receive the Certificate of Completion described in Section 5.5; (iv) submitted to the City invoices showing the Eligible Costs Developer actually incurred and for which Developer is seeking reimbursement; (v) submitted to the City evidence, reasonably acceptable to the City, that Developer paid those invoices from a source or sources other than the proceeds of the Loan No. 1; and (vi) repaid Loan No. 2, in full, prior to or when due; and if, at that time, Developer is not in default in the performance of Developer's obligations under this Agreement, the City will execute and date the TIF Note and deliver the TIF Note to Developer.

Section 6.2 Amount of the TIF Note. If the City is obligated to issue the TIF Note pursuant to Section 6.1, the TIF Note shall be for an amount equal to the least of:

(a) $3,000,000.00; or

(b) the sum of all Eligible Costs Developer has actually incurred and paid; or

(c) an amount equal to the City's estimate of 85% of the tax increment that will be derived from Development Property and paid to the City between January 1, of the year that is two years following the City's issuance of Certificate of Completion and February 1, 2038 and that the City will be entitled to retain pursuant to the terms of the Tax Increment Act, as in effect at the time of the City's estimate, assuming that during each year between the year following the year in which the City issues the Certificate of Completion and 2036 the Development Property will have an assessed value for purposes of calculating ad valorum real estate taxes that is equal to the assessed value that the Anoka County Assessor establishes for the Development Property for purposes of ad valorum real estate taxes assessed in the year following the year in which the City issues the Certificate of Completion and due in payable in the following year;

provided, however, the amount of the TIF Note shall not be less than $2,000,000.00.

Section 6.3 Interest. As set forth in the TIF Note, the unpaid principal amount of the TIF Note shall bear simple, non-compounding interest from the date of issuance of the TIF Note at 6.25% per annum. Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

Section 6.4 Payments. The principal amount of the TIF Note and the interest thereon shall be payable solely from Tax Increments the City receives in 2015 and thereafter. On each TIF Note Payment Date and subject to the provisions of this Section 6.4 and the TIF Note, the City shall pay, against the principal and interest outstanding on the TIF Note, the Tax Increments the City actually received since January 1, 2015, in the case of the first TIF Note Payment Date and since the immediately preceding TIF Note Payment Date in the case of subsequent TIF Note Payment Dates. All such payments shall be applied first to pay accrued, unpaid interest and then to reduce the principal of the TIF Note.

Section 6.5 TIF Note Shall Be a Limited Obligation of the City. The TIF Note shall be a special and limited obligation of the City and not a general obligation of the City, and only

Tax Increments the City receives on or after June 1, 2015 shall be used to pay the principal of and interest accruing on the TIF Note.

Section 6.6 Conditions Subsequent. The City's obligation to make payments on the TIF Note on any TIF Note Payment Date or any date thereafter is conditioned upon the requirements that (i) there shall not be, at the time payment is due, any Event of Default that has occurred and is continuing; and (ii) the City shall not have canceled and rescinded the TIF Note pursuant to Section 13.2(d).

Section 6.7 Terms of the TIF Note. The TIF Note shall be governed by and payable pursuant to the additional terms thereof, as set forth in Exhibit B. In the event of any conflict between the terms of the TIF Note and the terms of this Article VI, the terms of the TIF Note shall govern. The issuance of the TIF Note pursuant and subject to the terms of this Agreement, and the taking by the City of such additional actions as bond counsel for the TIF Note may require in connection therewith, are hereby authorized and approved by the City.

Section 6.8 Developer's Prepayment of Loan No. 2. If Developer prepays Loan No. 2 in full, the City will, prior to the issuance of the TIF Note, revise the TIF Note so that the first TIF Note Payment Date is the first February 1 or August 1 following Developer's payment of Note No. 2 in full and to make the TIF Note payable from Tax Increments the City receives on or after the date Developer has repaid Loan No. 2 in full.

ARTICLE VII

LOAN NO. 1

Section 7.1 Loan No. 1. To assist Developer with the construction of the Housing Development Project, the HRA proposes to make a $1,420,000.00 loan to Developer pursuant to the terms of the Loan Agreement and Note No. 1. The HRA proposes to fund Loan No. 1 with tax increments the City has collected from the City's Tax Increment District No. 1, which the City will make available to the HRA.

Section 7.2 Loan Agreement, Note No. 1 and Corporate Guaranty. Contemporaneous with the HRA's conveyance of the Development Property to Developer: the HRA and Developer must each execute the Loan Agreement and must each deliver an original, executed Loan Agreement to the other party; Developer must execute Note No. 1 and deliver Note No. 1 to the HRA; and Developer must cause the Corporate Guarantor to execute the Corporate Guaranty and deliver the Corporate Guaranty to the HRA. In the event of a conflict between the terms of Note No. 1 and the terms of this Development Agreement, the terms of Note No. 1 control. In the event of a conflict between the terms of this Agreement and the terms of the Loan Agreement, the terms of the Loan Agreement control.

Section 7.3 Fee in Lieu of Interest and Default Interest Rate. Note No. 1 does not obligate Developer to pay interest on the outstanding principal of Loan No. 1 provided Developer is not in default in the timely payment of any amounts due under Note No. 1. In lieu of non-default interest and as consideration for the extension of credit, the HRA will charge Developer and Developer agrees to pay a one-time fee of $120,000.00. As set forth in the Loan

Agreement, the HRA will be deemed to have made a $120,000.00 "Advance," to itself from the available proceeds of Loan No. 1 in full payment of this fee contemporaneously with the first "Advance" of the proceeds of Loan No. 1 that the HRA makes pursuant to the terms of the Loan Agreement. If, at any time after the execution of the Loan Agreement, Developer defaults in the timely payment of any amounts due under Note No. 1, the HRA gives Developer "Written Notice" of the default, as provided for in the Loan Agreement, and Developer does not cure the default within ten (10) days of the effective date of the HRA's notice, interest shall accrue on the outstanding principal balance of Note No. 1 from the date of the default through the date Developer cures all defaults under Note No. 1 at the rate of twelve percent (12%) per annum.

Section 7.4 Repayment Terms. Commencing on April 1, 2015 and continuing on each April 1 thereafter until April 1, 2025, Developer must pay to the HRA, in certified or wire transferred funds and for application to the outstanding principal and interest, if any, due under Note No. 1, an amount equal to 20% of the Net Cash Flow for the immediately preceding calendar year. If, prior to April 1, 2025, Developer refinances a Project Loan, Developer must make an additional payment to the HRA, for application to the outstanding principal due under Note No. 1, in an amount equal to 20% of the difference between the principal amount of the new Project Loan and the amount of the outstanding principal and accrued, unpaid interest under the Project Loan that is being refinanced. The preceding sentence applies each time Developer refinances a Project Loan. Notwithstanding anything else in this Section 7.4, if Developer refinances a Project Loan to obtain additional funds that are necessary to complete the initial construction of the Minimum Improvements, Developer is not obligated to pay to the HRA 20% of the amount of the new loan that Developer uses to pay costs of completing the initial construction of the Minimum Improvements. The entire outstanding principal amount of Loan No. 1 and all accrued interest, if any, is due and payable in full upon the earlier of April 1, 2025 or a Sale of the Development Property. Upon the occurrence of an Event of Default, the entire outstanding principal balance of Loan No. 1 and all accrued interest and other amounts due under Note No. 1 shall, at the option of the HRA and subject to the notice and cure provisions set forth in Section 13.1(c) and the Loan Agreement, become immediately due and payable, in full; provided, however that if an Event of Default described in Section 13.1 (i) or (j) occurs, all sums outstanding under Note No. 1 shall become immediately due and payable in full without notice or demand whatsoever.

Section 7.5 Prepayments. Developer may prepay Note No. 1, in whole or in part, at any time and, if in part, from time to time, during the term of Note No. 1. All payments shall be applied first to the payment of accrued, unpaid late charges, then to accrued, unpaid interest, if any, with the balance, if any, applied to the reduction of principal.

Section 7.6 Submission of Financial Information. On or before April 1, 2015 and on or before each April 1 thereafter until April 1, 2025, Developer must provide the HRA with a statement from a certified public accountant setting forth the "Net Cash Flow," "Net Operating Expenses" and "Operating Expenses," as defined in the Development Agreement, for the immediately preceding calendar year and with such back-up documentation regarding income, expenses and debt service as the HRA may reasonably request to confirm the certified public accountant's calculation of "Net Cash Flow," "Net Operating Income" and "Operating Expenses." The certified public accountant who prepares the statement may be an employee of Borrower or an Affiliate of Borrower.

ARTICLE VIII

LOAN NO. 2

Section 8.1 Loan No. 2. To further assist Developer with the construction of the Housing Development Project, the HRA proposes to make a loan to Developer in an original principal amount equal to the sum of (i) $6,825,000.00 and (ii) the Costs of Issuance pursuant to the terms of the Loan Agreement and the Note No. 2. The HRA will fund Loan No. 2 with the proceeds of the Temporary TIF Bonds. Immediately prior to the HRA's conveyance of the Development Property to Developer and the HRA's and Developer's execution of the Loan Agreement and Note No. 2 pursuant to Section 8.2 below, the City will provide the HRA and Developer with the City's reasonable estimate of the Costs of Issuance and the HRA will complete the Loan Agreement, Note No. 2 and the Personal Guaranty with the original principal amount of Loan No. 2.

Section 8.2 Loan Agreement, Note No. 2, and Personal Guaranty. Contemporaneous with the HRA's conveyance of the Development Property to Developer: the HRA and Developer must each execute the Loan Agreement and must each deliver an original, executed Loan Agreement to the other party; Developer must execute Note No. 2 and deliver Note No. 2 to the HRA; and Developer must cause the Personal Guarantor to execute the Personal Guaranty and deliver the Personal Guaranty to the HRA. In the event of a conflict between the terms of Note No. 2 and the terms of this Development Agreement, the terms of Note No. 2 control. In the event of a conflict between the terms of this Agreement and the terms of the Loan Agreement, the terms of the Loan Agreement control.

Section 8.3 Initial Interest Rate, Interest Rate Increase and Default Interest Rate. Simple interest will accrue on the unpaid principal balance of Note No. 2 from the date funds are advanced until Note No. 2 is paid in full at the rate of 6.27% per annum unless the rate is increased pursuant to this Section 8.3. If the Developer prepays a total of $3,000,000.00 or more of the outstanding balance of Loan No. 2 on or before the date 18 months after the date of the first disbursement of proceeds of Loan No. 2, the interest rate remains at 6.27% per annum until the maturity date as established pursuant to Section 8.4. If Developer does not prepay a total of $3,000,000.00 or more on or before the date 18 months after the date of the first disbursement of proceeds of Loan No. 2, the interest rate increases on the date 18 months from the date of the first disbursement of proceeds of Loan No. 2 to 8.27% per annum and remains at 8.27% per annum until the earlier of the date Developer prepays a total of $3,000,000.00 or more or the maturity date. If after the date 18 months after the date of the first disbursement of proceeds of Loan No. 2 and prior to the maturity date of Note No. 2, Developer prepays a total of $3,000,000.00, the interest rate will be reduced to 6.27% per annum from and after the date Developer has prepaid a total of $3,000,000.00 If an Event of Default occurs under the Loan Agreement, the HRA gives Developer notice of the Event of Default and Developer does not cure the default within the cure period, if any, provided for in the Loan Agreement the interest rate then in affect is increased by 5% per annum.

Section 8.4 Repayment Terms. The entire outstanding principal balance and all accrued, unpaid interest under Note No. 2 is due and payable in full upon the earlier of (i) June 1, 2015 or (ii) a Sale of the Development Property. Upon the occurrence of an Event of Default,

the entire outstanding principal balance hereof and all accrued interest and other amounts due hereon shall, at the option of the HRA and subject to the notice and cure provisions set forth in Section 13.1(c) and the Loan Agreement, become immediately due and payable, in full, provided, however that if an Event of Default described in Section 13.1 (i) or (j) occurs, all sums outstanding under Note No. 2 shall become immediately due and payable in full without notice or demand whatsoever.

Section 8.5 Prepayments. Developer may prepay Note No. 2, in whole or in part, at any time and, if in part, from time to time, during the term of Note No. 2. All payments shall be applied first to the payment of accrued, unpaid late charges, then to accrued, unpaid interest, if any, with the balance, if any, applied to the reduction of principal. If Developer prepays $2,000,000.00 or more on or before the date 12 months after the date of the first disbursement of proceeds of Loan No. 2, the HRA shall forgive $250,000.00 of the principal amount of Loan No. 2, such forgiveness to be effective as of the date Developer has prepaid at least $2,000,000.00.

Section 8.6 Limitations on Disbursements and Disbursement of Costs of Issuance. As set forth in the Loan Agreement, the HRA is not obligated to advance proceeds of Loan No. 2 before the later of: the date thirty (30) days after the date the HRA conveys the Development Property to Developer, the date Developer commences construction of the Minimum Improvements, as defined in Section 4.8 of the Loan Agreement or June 1, 2012; the HRA is only obligated to advance up to $1,000,000.00 of the proceeds of Loan No. 2 between the 31st day and 60th day following the HRA's conveyance of the Development Property to Developer; and the HRA is only obligated to advance up to an additional $1,000,000.00 of the proceeds of Loan No. 2 between the 61st day and 90th day following the HRA's conveyance of the Development Property to Developer. As additional consideration for Loan No. 2, Developer has agreed to pay the HRA, out of the proceeds of Loan No. 2, an amount equal to the City's Costs of Issuance. Immediately upon Developer's execution and delivery of Note No. 2 to Developer, Developer will be deemed to have authorized the HRA to, and the HRA shall make an "advance," as defined in the Development Agreement, to itself from the proceeds of Loan No. 2 in an amount equal to the Costs of Issuance. The HRA's advance to itself of an amount equal to the Costs of Issuance shall not be subject to or count against the limitations on advances set forth in this Section 8.6.

Section 8.7 Credit Against Interest. Developer shall receive a credit against the interest accruing on Note No. 2 pursuant to Section 8.3 in an amount equal to 85% of any tax increments that are derived from the Development Property and paid to the City in 2014.

ARTICLE IX

PARKING RAMP IMPROVEMENTS

Section 9.1 Parking Ramp Improvements. As a part of the City's construction of the Parking Ramp Addition pursuant to the Purchase Agreement, the City will cause its contractors to construct and install the additional improvements described on Exhibit H. Upon the City's completion of the additional improvements described on Exhibit H, Developer must reimburse the City for all costs and expenses the City incurs to construct and install the additional improvements described on Exhibit H.

ARTICLE X

REAL ESTATE TAX PAYMENTS AND ASSESSMENT AGREEMENT

Section 10.1 Real Property Taxes. Developer agrees that prior to December 31, 2038:

(a) It will not seek administrative review or judicial review of the applicability of any tax statute relating to the taxation of all or any portion of the Development Property determined by any tax official to be applicable to the Development Property or Developer or raise the inapplicability of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(b) It will not seek administrative review or judicial review of the constitutionality of any tax statute relating to the taxation of all or any portion of the Development Property determined by any tax official to be applicable to the Development Property or Developer or raise the unconstitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(c) It will not seek any tax deferral or abatement, either presently or prospectively authorized under any other State or federal law, of the taxation of all or any portion of the Development Property;

(d) It will not ask the County Assessor for or commence or participate in any legal or administrative process seeking a reduction in the assessed value of the Development Property for purposes of the ad valorum real estate taxes except that if, in any given year, the assessed value exceeds the assessed value set forth for that year in the Assessment Agreement, Developer may seek a reduction in the assessed value of the Development Property to any amount equal to or greater than the assessed value set forth for that year in the Assessment Agreement. If Developer seeks a reduction in the assessed value of the Development Property to any amount equal to or greater than the assessed value set forth for that year in the Assessment Agreement, Developer must first provide not less than thirty (30) days written notice to the City. In that event, the City will continue to make Tax Increment payments to Developer on the TIF Note Payment Dates, but the payments will be based on 85% of the tax increments that would have been derived from the Development Property based on the minimum market values set forth in the Assessment Agreement for the applicable time periods rather than on the Tax Increments, and the City will withhold the difference until such time as the City can determine the actual Tax Increments for the year in question based on the assessed value of the Development Property as finally determined upon the conclusion of Developer's attempts to have the assessed value reduced.

(e) It will pay, when due, all real property taxes due and payable with respect to the Development Property.

Section 10.2 Assessment Agreement. Contemporaneously with the HRA's conveyance of the Development Property to Developer, Developer must execute the Assessment Agreement,

deliver the Assessment Agreement to the City and record the Assessment Agreement in the Anoka County land records. The schedule of minimum market values attached to the Assessment Agreement as Exhibit B is based on the City's estimate. Prior to the City's and Developer's execution of the Assessment Agreement, the schedule of minimum market values attached to the Assessment Agreement as Exhibit B may be modified as follows:

(a) The Tax Increment Act requires that the Anoka County Assessor certify that the minimum market values set forth in the Assessment Agreement are reasonable. After Developer submits Construction Plans to the City pursuant to Section 5.2, the City will provide the Anoka County Assessor with copies of the Construction Plans and request that the County Assessor execute the certification attached to the Assessment Agreement. The City and Developer agree that if the County Assessor requires modifications to the schedule of minimum market values attached as Exhibit B to the Assessment Agreement as a condition of the County Assessors execution of the required certification, the City and Developer will modify the schedule of minimum market values to the minimum extent necessary to obtain the County Assessors Certification; and

(b) If the amount of the TIF Note is determined pursuant to Section 6.2(c), the City and Developer will amend Exhibit B of the Assessment Agreement so that the minimum market values for the years 2014 – 2036 are equal to the assessed value that the Anoka County Assessor establishes for the Development Property for purposes for real property taxes assessed in the year following the year of which the City issues the Certificate of Completion, and the minimum market value for 2013 is 30% of the minimum market value for 2014. ***DEVELOPER MUST RECORD THE ASSESSMENT AGREEMENT AGAINST TITLE TO THE DEVELOPMENT PROPERTY PRIOR TO THE RECORDING OF ANY MORTGAGE OR OTHER LIEN ON THE DEVELOPMENT PROPERTY THAT DEVELOPER GRANTS TO THIRD PARTY OR, IF SUCH THIRD PARTY MORTGAGE OR LIEN IS RECORDED FIRST, MUST OBTAIN AND RECORD AN INSTRUMENT WHEREBY THE HOLDERS OF SUCH MORTGAGE OR LIEN ACKNOWLEDGE AND AGREE THAT THEY AND THEIR SUCCESSORS AND ASSIGNS ARE SUBJECT TO THE RIGHTS OF THE CITY UNDER THE ASSESSMENT AGREEMENT. IF THE ASSESSMENT AGREEMENT IS AMENDED PURSUANT TO SECTION 10.2(B) ABOVE, DEVELOPER MUST CAUSE ANY PARTIES HOLDING LIENS ON THE DEVELOPMENT PROPERTY TO EXECUTE A CONSENT TO THE ASSESSMENT AGREEMENT AMENDMENT SUFFICIENT TO CAUSE THE LIEN HOLDERS INTEREST IN THE PROPERTY TO BE SUBJECT TO THE ASSESSMENT AGREEMENT, AS AMENDED.***

ARTICLE XI

RESTRICTIONS ON ASSIGNMENTS AND TRANSFERS, SUBORDINATION AND RENTAL RESTRICTIONS

Section 11.1 Prohibition against Transfer of the Development Property; Assignment of Development Agreement and Assignment of the TIF Note. Prior to Developer's substantial completion of the Minimum Improvements and the City's issuance of the Certificate of Completion described in Section 5.5, Developer may not, except as set forth in Section 11.2, convey; mortgage; lease, other than in the ordinary course of Developer's business; or otherwise

transfer the Development Property or any part thereof or interest therein; may not assign its rights or obligations under this Development Agreement; and may not assign the TIF Note, without the prior written approval of the City, which approval the City may grant, withhold or condition in the City's sole and absolute discretion.

Section 11.2 Permitted Collateral Assignments. The City expressly approves Developer's granting of a Project Mortgage and Developer's collateral assignment of Developer's rights and obligations under this Development Agreement and the TIF Note to the holder of the Project Mortgage as additional security for the repayment of the Project Loan; provided the holder of the collateral assignment of Developer's rights and obligations under this Development Agreement and the TIF Note agrees, in the collateral assignment, that upon enforcement of the collateral assignment and the assignees acquisition of Developer's rights and obligations under either this Development Agreement, the TIF Note or both, the assignee will be subject to and liable for the performance of each of Developer's obligations under this Development Agreement.

Section 11.3 Subordination of Development Agreement to Project Mortgage and Extension of Time to Cure. The City and the HRA will, upon the request of the holder of a Project Mortgage, execute and record a subordination agreement pursuant to which the City and the HRA agree that, upon a default by Developer under a Project Mortgage, the holder of the Project Mortgage may elect, in an instrument to be recorded in the Anoka County land records and delivered to the City and the HRA before the commencement of proceedings to foreclose the Project Mortgage, to either (1) treat this Development Agreement as being subordinate to the lien of the Project Mortgage such that the foreclosure of the Project Mortgage and the failure of any owner to redeem the Development Property from such foreclosure will terminate this Development Agreement and the TIF Note (but not the Assessment Agreement); or (2) to treat this Development Agreement as having priority over the Project Mortgage in which case this Development Agreement and the TIF Note will survive the foreclosure of the Project Mortgage and this Development Agreement will be binding upon the holder of the Sheriff's Certificate issued in conjunction with the foreclosure of the Project Mortgage. If the holder of the Project Mortgage fails to notify the City and the HRA of its election under this Section 11.3 on or before the commencement of foreclosure proceedings, the holder of the Project Mortgage shall be deemed to have elected to treat this Development Agreement as being subordinate to the lien of the Project Mortgage such that the foreclosure of the Project Mortgage and the failure of any owner to redeem the Development Property from such foreclosure will terminate this Development Agreement and the TIF Note (but not the Assessment Agreement). The City further agrees that if the holder of the Project Mortgage elects to treat this Development Agreement as having priority over the Project Mortgage and the City will, upon the completion of the foreclosure without redemption by Developer or any junior creditor, amend this Development Agreement to extend the time for the completion of the Minimum Improvements to a date 12 months following the expiration of all applicable redemption period.

Section 11.4 Rental Restrictions. Developer covenants and agrees that at all times prior to the Termination Date, Developer will lease not less than _____% of the apartment units in the Project to tenants whose family income is equal to or less than _____% of the median family income as established by the United States Department of Housing and Urban Development for Anoka County. From and after the date Developer pays the HRA all amounts due and owning to

the HRA pursuant to Note No. 2, the City's and the HRA's sole remedy for a breach of this Section 11.4 shall be to be to terminate TIF Note pursuant to Section 13.1 (g) and 13.2 (d).

ARTICLE XII

INDEMNIFICATION OF THE CITY AND THE HRA

Section 12.1 Indemnification of the City and the HRA. Developer agrees to defend the City, the HRA, their governing body members, officers, agents, including independent contractors, consultants and legal counsel, servants and employees (hereinafter, for purposes of this Section, collectively the "Indemnified Parties"); to hold the Indemnified Parties harmless from; and to indemnify the Indemnified Parties against any third party claims, demands, suits, actions or other proceedings ("Claims") arising or purportedly arising from the actions or inactions of Developer (or if other persons acting on its behalf or under its direction or control) (i) pursuant to this Development Agreement or (ii) in connection with the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Development Property. The provisions of this Section 12.1 are intended to survive the termination of this Agreement.

ARTICLE XIII

DEVELOPER EVENTS OF DEFAULT

Section 13.1 Events of Default Defined. The following shall each be an "Event of Default" under this Agreement:

(a) Developer's default in the performance of one or more of Developer's obligations under the Purchase Agreement if the HRA gives any notice of default provided for in the Purchase Agreement and Developer fails to cure the default within any applicable cure period provided for in the Purchase Agreement.

(b) Developer's failure to commence or to substantially complete the construction of the Minimum Improvements pursuant to the terms and conditions of and within the time frame set forth in Section 5.5 of this Development Agreement, as the same may be extended pursuant to Section 11.3 of this Agreement.

(c) Developer's default in the performance of one or more of Developer's obligations under the Loan Agreement, Note No. 1 or Note No. 2, if the City gives Developer any notice of default provided for in the Loan Agreement and Developer fails to cure the default within any applicable cure period provided for in the Loan Agreement.

(d) Developer's default in the timely payment of any amounts due under Article IX within thirty (30) days after the City notifies Developer that Developer is delinquent in the payment thereof.

(e) Developer's failure to pay any ad valorem real property taxes or installments of special assessments due and payable with respect to the Development Property

within thirty (30) business days after the City or the HRA notifies Developer that Developer is delinquent in the payment thereof.

(f) Developer's breach of one or more of the restrictions set forth in Section 11.1;

(g) Developer's failure to perform Developer's obligations under Section 11.4, Section 12.1 or Section 14.14 if the City or the HRA gives Developer notice of the default and Developer fails to cure the default within thirty (30) days after the effective date of the notice.

(h) The holder of any mortgage on the Development Property, or any portion thereof, commencing foreclosure proceedings.

(i) Developer's;

(i) Filing of any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended or under any similar federal or state law; or

(ii) making an assignment for the benefit of its creditors; or

(iii) admission, in writing, that it is unable to pay its debts generally as they become due; or

(iv) being adjudicated a bankrupt or insolvent;

(j) The filing of a petition or answer proposing the adjudication of Developer as bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law in any court and such petition or answer not being discharged or denied within ninety (90) days after the filing thereof; or

(k) The appointment of a receiver, trustee or liquidator of Developer or of the Development Property, or part thereof, in any proceeding brought against Developer, and said receiver, trustee or liquidator not being discharged within ninety (90) days after such appointment.

Section 13.2 Remedies on Default. At any time after the occurrence of an Event of Default as defined in Section 13.1 the City and the HRA may, in addition to any other rights the City or the HRA may have at law or in equity, take any one or more of the following actions:

(a) The City and the HRA may suspend their performance under this Development Agreement and the Loan Agreement until they

(i) receive assurances from Developer, deemed adequate by the City and the HRA, that Developer will cure the default and continue its performance under this Development Agreement, the Loan Agreement, Note No. 1 and Note No. 2; or

(ii) receive assurance from the holder of a Project Mortgage, deemed adequate by the City and the HRA, that the holder of the Project Mortgage will cure the default or, if the holder of the Project Mortgage cannot cure the default without first obtaining possession of the Development Property, will foreclose the Project Mortgage, elect, pursuant to Section 11.3, to treat this Development Agreement as having priority over the Project Mortgage and, upon the completion of the foreclosure proceedings and the expiration of all applicable redemption periods, cure the default and perform the obligations of Developer under this Agreement, the Loan Agreement, Note No. 1 and Note No. 2;

(b) The City or the HRA may terminate this Development Agreement;

(c) The HRA may terminate the Loan Agreement and declare the entire amount of the outstanding principal due and payable under Loan No. 1 and Loan No. 2 immediately due and payable, in full; or

(d) If the Event of Default is an Event of Default under Section 13.1 (a), (b), (c), (d), (e), (f) or (g), the City may refuse to issue or cancel and rescind the TIF Note.

ARTICLE XIV

ADDITIONAL PROVISIONS

Section 14.1 Conflicts of Interest. No member of the governing body or other official of the City shall participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the City shall be personally liable to the City in the event of any default or breach by Developer or successor or on any obligations under the terms of this Agreement.

Section 14.2 No Remedy Exclusive. No remedy herein conferred upon or reserved to any party intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Development Agreement or now or hereafter existing at law or in equity or by statute to the extent provided herein. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 14.3 No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 14.4 Titles of Articles and Sections. Any titles of the several parts, articles and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 14.5 Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered the day following the day if it is dispatched by overnight courier; two business days after it is mailed, via registered or certified mail, postage prepaid, return receipt requested; or the day it is delivered personally, and

(a) in the case of Developer is addressed to or delivered personally to:

F & C Ramsey, LLC
8900 Keystone Crossing #1200
Indianapolis, IN 46240
Attn: David M. Flaherty
Telephone No.: (317) 816-9300
Facsimile No.: (317) 816-9301
Email: dflaherty@flahertycollins.com

With a copy to:

Barnes & Thornburg
11 S. Meridian St.
Indianapolis, IN 46204
Attn: Stephen Lee
Telephone No.: (317) 231-7200
Facsimile No.: (317) 231-7433
Email:stephen.lee@BTLaw.com

(b) in the case of the City is addressed to or delivered personally to the City at:

City of Ramsey, Minnesota
Ramsey Municipal Center
7550 Sunwood Drive
Ramsey, MN 55303
Attn: City Administrator
Telephone No.: (763) 427-1410
Facsimile No.: (763) 433-9888
Email: kulrich@ci.ramsey.mn.us

With a copy to:

Briggs and Morgan, PA
2200 IDS Center
80 South 8th Street
Minneapolis, Minnesota 55402-2157
Attn: Thomas L. Bray
Telephone No. 612-977-8285
Facsimile No. 612-977-8650

(c) in the case of the HRA is addressed to or delivered personally to the HRA at:

The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota
Ramsey Municipal Center
7550 Sunwood Drive
Ramsey, MN 55303
Attn: Executive Director
Telephone No.: (763) 427-1410
Facsimile No.: (763) 427-5543
Email: hnelson@ci.ramsey.mn.us

With a copy to:

Briggs and Morgan, PA
2200 IDS Center
80 South 8th Street
Minneapolis, Minnesota 55402-2157
Attn: Thomas L. Bray
Telephone No. 612-977-8285
Facsimile No. 612-977-8650

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other, as provided in this Section.

Section 14.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 14.7 Law Governing. This Agreement will be governed and construed in accordance with the laws of the State of Minnesota.

Section 14.8 Covenants to Run with Title. The rights and obligations of Developer under this Agreement run with title to the Development Property and are binding on Developer and Developers successors in title to all or any portion of the Development Property.

Section 14.9 Time is of the Essence. Developers timely performance of its obligations under this Agreement is an essential term of this Agreement.

Section 14.10 Enforceability. If any provision of this Agreement is adjudged to be invalid or unenforceable by a court of competent jurisdiction, this Agreement should be construed as if such invalid or unenforceable provision had not been inserted herein and should not affect the validity or enforceability of the remainder of this Agreement.

Section 14.11 No Third Party Beneficiaries. Nothing in this Agreement, expressed or implied, is intended to confirm any rights or remedies under or by reason of this Agreement on any person other than the parties to it and their respective permitted successors and assigns.

Section 14.12 Termination. This Agreement shall terminate and be of no further force and effect as of the Termination Date.

Section 14.13 Business Days. If the date this Agreement establishes for a party's performance of an obligation or delivery of a notice is not a Business Day, the date for such performance or for the delivery of such notice is automatically extended to the next Business Day.

Section 14.14 Agreement to Pay Attorney's Fees and Expenses. Whenever a party defaults in the performance of the party's obligations under this Agreement and one or both of the other parties to this Agreement employs one or more attorneys to advise and represent it in connection with such default or incurs other expenses in connection with or as a result of the default, the defaulting party must, upon demand therefore, reimburse the non-defaulting parties their reasonable fees of such attorneys and such other reasonable expenses as the non-defaulting parties may incur.

IN WITNESS WHEREOF, the City, the HRA and Developer have caused this Agreement to be duly executed and on its behalf, on or as of the date first above written.

CITY OF RAMSEY, MINNESOTA

By_____
Its Mayor

By_____
Its City Administrator

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by _____ and _____, the Mayor and the City Administrator, respectively, of the City of Ramsey, a Minnesota home rule charter City.

_____
Notary Public

This is a signature page to the Development Agreement by and between the City of Ramsey, Minnesota, The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota and F & C Ramsey, LLC.

THE HOUSING AND
REDEVELOPMENT AUTHORITY IN
AND FOR THE CITY OF RAMSEY,
MINNESOTA

By_____
Its Chair

By_____
Its Executive Secretary

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by _____ and _____, the Chair and the Executive Secretary, respectively, of The Housing and Redevelopment Authority in and for The City of Ramsey, a body politic and corporate under the laws of the State of Minnesota.

_____
Notary Public

This is a signature page to the Development Agreement by and between the City of Ramsey, Minnesota, The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota and F & C Ramsey, LLC.

F & C RAMSEY, LLC.

By_____
Its_____

STATE OF _____)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____ _____, 2011, by _____ _____, as _____ of _____ _____, a _____.

_____
Notary Public

DRAFTED BY:
Briggs and Morgan, P.A.
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
(612) 977-8400

This is a signature page to the Development Agreement by and between the City of Ramsey, Minnesota The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota and F & C Ramsey, LLC.

EXHIBIT A

CERTIFICATE OF COMPLETION

CERTIFICATE OF COMPLETION AND RELEASE OF FORFEITURE

The City Ramsey, a home rule city organized and existing under the constitution and laws of the State of Minnesota (the "City") and The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the State of Minnesota (the "HRA"), hereby acknowledge that F & C Ramsey, LLC, an Indiana limited liability company ("Developer"), has substantially has completed the construction of the "Minimum Improvements" as defined in that certain Development Agreement by and between the HRA, the City of Ramsey and Developer, dated as of _____, 2011, and recorded in the office of the Anoka County Registrar of Titles on _____ , 2011 as Document No. _____ as the same may be amended from time to time (the "Development Agreement") and has fully satisfied Developer's obligations to commence and complete construction of the Minimum Improvements under Section 5.4 of the Development Agreement. The HRA further expressly acknowledges and agrees that Developer has satisfied all of the conditions subsequent of the Right of Reverter that is described in Section 4.3 of the Development Agreement and reserved in the Limited Warranty Deed from the HRA to Developer dated _____, 2011 and recorded in the office of the Anoka County Registrar of Titles on _____, 2011 as Document No. _____ and that said Right of Reverter has terminated and is of no further force or effect.

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA

By_____
Its Chair

By_____
Its Secretary

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by _____ and _____, the Chair and the Secretary, respectively, of The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate organized and existing under the laws of the State of Minnesota.

_____
Notary Public

CITY OF RAMSEY, a Minnesota municipal corporation

By_____
Its Mayor

By_____
Its City Administrator

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by _____ and _____, the Mayor and the City Administrator of the City of Ramsey, Minnesota municipal corporation on behalf of the corporation .

_____
Notary Public

DRAFTED BY:
Briggs and Morgan, P.A. (TLB)
2200 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402-2157

EXHIBIT B

FORM OF TIF NOTE

No. _____ $_____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF ANOKA
CITY OF RAMSEY

TAX INCREMENT REVENUE NOTE
(F & C DEVELOPMENT, INC. PROJECT)

The City of Ramsey, Minnesota (the "City"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the "Payment Amounts") to F & C Ramsey, LLC, an Indiana limited liability company ("Developer") or any Successor Holder (as defined below), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided. This Note is being issued pursuant to the terms of that certain Development Agreement by and between the Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota (the "HRA"), the City and Developer dated _____, 2011 (the "Development Agreement"). All capitalized terms used in this Note that are not expressly defined in this Note have the meanings given to such terms in the Development Agreement.

The principal amount of this Note is $_____, as reduced to the extent that principal shall have been paid in whole or in part pursuant to the terms hereof. The unpaid principal amount of this Note shall bear simple, non-compounding interest from the date of issuance of this Note at 6.25% per annum Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

The amounts due under this Note shall be payable on October 1, 2015, February 1, 2016 and on each August 1 and February 1 thereafter through and including February 1, 2038, or, if such date is not a Business Day (as defined in the Development Agreement), the next succeeding Business Day (each a "Payment Date" and collectively the "Payment Dates"). On each Payment Date the City shall pay by check or draft mailed to the person that was Developer or a Successor Holder of this Note at the close of the last business day of the City preceding such Payment Date an amount equal to the sum of the Tax Increments (as defined in the Development Agreement) received by the City since January 1, 2015, in the case of the first Payment Date, and since the prior Payment Date in the case of subsequent Payment Dates. All payments made by the City under this Note shall be applied first to pay accrued, unpaid interest and then to principal.

The Payment Amounts due hereon shall be payable solely from Tax Increments (as defined in the Development Agreement) the City receives on or after January 1, 2015. This Note shall terminate and be of no further force and effect following the last Payment Date defined above, on any date upon which the City shall have canceled and rescinded this Note pursuant to Section 13.2(d) of the Development Agreement, on the date the Tax Increment District is

terminated, or on the date that all principal and interest payable hereunder shall have been paid in full, whichever occurs earliest.

The City makes no representation or covenant, express or implied, that the Tax Increments the City receives from and after January 1, 2015, will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City's payment obligations hereunder shall be further conditioned on the fact that no Event of Default under the Development Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, but such unpaid amounts shall become payable if said Event of Default shall thereafter have been cured prior to the termination of the Development Agreement. If as a result of the occurrence of certain Events of Default under the Development Agreement the City elects to cancel and rescind this Note, the City shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the Development Agreement, including without limitation Article VI and Article XIII thereof, for a fuller statement of the rights and obligations of the City to pay the principal of this Note, and said provisions are hereby incorporated into this Note as though set out in full herein.

This Note is a special, limited revenue obligation and not a general obligation of the City and is payable by the City only from the sources and subject to the qualifications stated or referenced herein. This Note is not a general obligation of the City, and neither the full faith and credit nor the taxing powers of the City are pledged to the payment of the principal of this Note and no property or other asset of the City, save and except Tax Increments the City receives on or after January 1, 2015 shall be a source of payment of the City's obligations hereunder.

This Note is issued by the City in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including the Tax Increment Act.

This Note may be assigned only to transferees permitted or deemed to be permitted pursuant to the Development Agreement (each such permitted successor is referred to as "Successor Holder"), and any permitted assignment of the rights and obligations of the Development Agreement shall be deemed to be an assignment of the benefits of Developer pursuant to this Note. In order to assign the Note, the assignee shall surrender the same to the City either in exchange for a new fully registered note or for transfer of this Note on the registration records for the Note maintained by the City. Each permitted assignee shall take this Note subject to the foregoing conditions and subject to all provisions stated or referenced herein.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, the City of Ramsey, Minnesota, by its City Council, has caused this Note to be executed by the manual signatures of its Mayor and City Administrator and has caused this Note to be dated as of _____, 20_____.

_____	_____
Mayor	City Administrator

CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note, as originally issued on _____, 20__, was on said date registered in the name of F & C Ramsey, LLC and that, at the request of the Registered Owner of this Note, the undersigned has this day registered the Note in the name of such Registered Owner, as indicated in the registration blank below, on the books kept by the undersigned for such purposes.

NAME AND ADDRESS OF REGISTERED OWNER	DATE OF REGISTRATION	SIGNATURE OF CITY ADMINISTRATOR
F & C Ramsey, LLC	_____	_____
_____		
_____		
_____	_____	_____

EXHIBIT C

LOAN AGREEMENT

THIS LOAN AGREEMENT is entered into as of _____, 201_, by and between The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the State of Minnesota (the "HRA") and F & C Ramsey, LLC, an Indiana limited liability company (the "Developer").

RECITALS:

A. The HRA and the Developer are parties to the Development Agreement and the Purchase Agreement, as defined below, pursuant to which the HRA is selling the "Development Property" as defined below, to the Developer.

B. The Developer has also asked the HRA to lend the Developer $_____ **[$1,420,000.00 plus ($6,825,000.00 plus Costs of Issuance, as defined in the Development Agreement)]** to finance a portion of the cost of constructing the Housing Development Project, as defined below.

C. The HRA has agreed to make two loans totaling $_____ to Developer **[to be completed with the same amount as inserted in Recital B]** to finance a portion of the cost of constructing the Housing Development Project, as defined below.

D. The HRA has agreed to make the Loans to the Developer upon the terms and subject to the conditions hereinafter set forth.

AGREEMENTS:

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter set forth, and of one dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

For purposes of this Loan Agreement the following terms shall have the meanings set forth in this Article I. Terms used in this Loan Agreement and not otherwise defined herein have the meanings set forth in the Development Agreement.

"Advance" means an advance to the Developer of all or any portion of the proceeds of either of the Loans in accordance with the terms hereof.

"Complete," "Completed" and "Completion" mean that (a) the Minimum Improvements are completed in accordance with the Final Construction Plans; (b) the HRA has issued the Certificate of Completion described in Section 5.5 of the Development Agreement; and (c) no Default or Event of Default has occurred and is continuing.

"Completion Date" means the earlier of (a) the date Developer Completes construction of the Minimum Improvements; or (b) the "Completion Date" as defined in the Development Agreement; provided, however, if a Developer's completion of construction of the Minimum Improvements is delayed as a result of an "Unavoidable Delay," as defined in the Development Agreement, the Developer gives the HRA notice of the Unavoidable Delay within thirty (30) days after the onset of the Unavoidable Delay and the Developer uses all commercially reasonable efforts to complete the construction of the Minimum Improvements as promptly as reasonably possible given the conditions causing the Unavoidable Delay, the Completion Date, as defined herein, will extend for a period of time equal to the duration of the condition causing the Unavoidable Delay plus a reasonable time for recovery and restoration following the cessation of such condition.

"Construction Cost Statement" means the Sworn Construction Cost Statement referred to in Section 2.3 hereof executed or to be executed by the Developer and the General Contractor.

"Construction Contract" means that certain agreement dated _____, 201_ between the Developer and the General Contractor.

"Contractor" means any Person including, without limitation, the General Contractor, that has a contract or subcontract under which payment may be required for any work done, materials supplied, or services furnished in connection with the design, construction and/or completion of the Minimum Improvements.

"Corporate Guarantor" means Flaherty & Collins Construction, Inc.

"Corporate Guaranty" means that certain Corporate Guaranty bearing even date herewith executed by the Corporate Guarantor in favor of the HRA pursuant to which the Corporate Guarantor has unconditionally guaranteed the full payment and prompt performance of Loan No. 1 and all obligations of the Developer under the Loan Documents related thereto.

"Default" means any Event of Default or the occurrence of any event which, with the giving of notice or the lapse of any applicable grace period, or both, would be an Event of Default.

"Development Agreement" means that certain Development Agreement by and among the Developer, the HRA and the City of Ramsey, Minnesota dated as of _____, 2011, and recorded in the office of the Anoka County Registrar of Titles on _____ as Document No. _____.

"Development Property" means Lot 3, Block 1, COR ONE, Anoka County, Minnesota and all improvements constructed thereon.

"Draw Request" means a Draw Request and Draw Request Certification in the form of Exhibit A hereto.

"Environmental Laws" shall mean, collectively, all applicable federal, state, local and foreign laws, common law or regulations, treaties, orders, decrees, permits, licenses, authorizations, judgments or injunctions issued, promulgated, approved or entered thereunder,

now or hereafter in effect in each case relating to pollution or protection of individual, public or employee health or safety or the environment (including, without limitation, ambient and indoor air, surface water, groundwater, soil, land surface or subsurface, and natural resources such as wetlands, flora and fauna) including, without limitation, laws relating to (a) emissions, discharges, releases or threatened releases of Hazardous Materials into the environment and (b) the manufacture, processing, distribution, use, generation, treatment, storage, disposal, transport or handling of Hazardous Materials.

"Event of Default" shall have the meaning given in Section 7.1 hereof.

"Final Construction Plans" has the meaning set forth in the Development Agreement.

"General Contractor" means Flaherty & Collins Construction, Inc.

"Hazardous Materials" includes but is not limited to substances defined as "hazardous substances," "toxic substances" or "hazardous wastes" in the Comprehensive Environmental Response Compensation Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq., and substances defined as "hazardous wastes," "hazardous substances," "pollutants, or contaminants" as defined in the Minnesota Environmental Response Liability Act, Minnesota Statutes §115B.02. The term "Hazardous Materials" also includes asbestos, polychlorinated biphenyls, petroleum, including crude oil or any fraction thereof, petroleum products, heating oil, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas useable for fuel (or mixtures of natural gas or synthetic gas).shall mean any pollutant, contaminant, toxic or hazardous substance, constituent or waste, or any other constituent, waste, material, compound or substance including, without limitation, asbestos, petroleum (including crude oil or any fraction thereof) or any petroleum product, which is subject to regulation or which can give rise to liability under any Environmental Law.

"Housing Development Project" means the Housing Development Project as defined in the Development Agreement.

"Inspecting Architect" means the architect the HRA engages pursuant to Section 4.9 to provide the certifications required in Section 4.1.

"Loan Agreement" means this Loan Agreement as the same may hereafter be amended, modified, extended or restated from time to time.

"Loan Documents" means this Loan Agreement, the Notes, the Corporate Guaranty, the Personal Guaranty and the Pledge Agreement and any and all renewals, replacements, supplements, modifications, extensions and/or amendments of any of the foregoing.

"Loan No. 1" means the extension of credit evidenced by Note No. 1.

"Loan No. 2" means the extension of credit evidenced by Note No. 2.

"Loans" means collectively Loan No. 1 and Loan No. 2.

"Minimum Improvements" means the "Minimum Improvements" as defined in the Development Agreement.

"Note No. 1" means that certain Promissory Note bearing even date herewith made payable by Developer to the order of HRA in the original principal amount of up to $1,420,000.00, and all amendments, modifications, replacements, renewals and substitutions therefor.

"Note No. 2" means that certain Promissory Note bearing even date herewith made payable by Developer to the order of HRA in the original principal amount of up to $_____, **[to be completed with an amount equal to the sum of $6,825,000.00 plus the "Costs of Issuance" as defined in the Development Agreement]** and all amendments, modifications, replacements, renewals and substitutions therefor.

"Notes" means collectively Note No. 1 and Note No. 2.

"Organizational Documents" means (a) as to any corporation, the certificate or articles of incorporation or association, the bylaws, any unanimous shareholder agreement or declaration, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, any shareholder rights agreement or voting trust agreement and all other documents of a comparable nature, (b) as to any limited liability company, the articles of organization, the operating agreement, any unanimous member agreement or voting trust agreement and all other documents of a comparable nature, (c) as to any partnership, its partnership agreement, its certificate of partnership and all other documents of the nature described above, and (d) as to any other entity, its organizational or governing documents and all other documents of the nature described above.

"Permits" means collectively all building permits, licenses and approvals required to be obtained prior to commencing construction of the Minimum Improvements.

"Person" means a natural person, corporation, partnership, limited partnership, unincorporated association, or proprietorship.

"Personal Guarantor" means David M. Flaherty.

"Personal Guaranty" means that certain Personal Guaranty bearing even date herewith executed by the Personal Guarantor in favor of the HRA pursuant to which the Personal Guarantor has unconditionally guaranteed the full payment and prompt performance of Loan No. 2 and all obligations of the Developer under the Loan Documents related thereto.

"Pledge Agreement" means that certain Membership Interest Pledge Agreement bearing even date herewith executed by the Pledgors in favor of the HRA pursuant to which the Pledgors have pledged 100% of the membership interests of the Developer.

"Pledgors" means [_____].

"PNC Loan Documents" means any and all documents, instruments and other agreements between Developer and PNC Bank, National Association entered into from time to time.

"Project" has the meaning set forth in the Development Agreement.

"Purchase Agreement" means the purchase agreement among the HRA, the Developer and the City of Ramsey, Minnesota dated _____, 2011.

ARTICLE II

DOCUMENTS

In addition to the other conditions to the extension of credit contained in this Loan Agreement, including but not limited to the conditions to advances set forth in Article IV hereof, the HRA shall have no obligation to make any advance against the Notes until the Developer has delivered the following items to the HRA, all of which shall be in form and substance satisfactory to the HRA:

Section 2.1 Loan Documents. The executed Loan Documents.

Section 2.2 Opinion of Counsel. Due authority and enforceability opinions from counsel for the Developer and counsel for the Corporate Guarantor and an enforceability opinion from counsel for the Personal Guarantor, all in form and substance acceptable to HRA.

Section 2.3 Sworn Construction Cost Statement. A sworn construction cost statement executed by the Developer and the General Contractor bearing even date herewith which:

(a) Lists the actual and estimated costs to complete the Minimum Improvements;

(b) Lists the names of all Contractors; and

(c) Shows that the funds available to the Developer are sufficient to assure completion of construction of the Minimum Improvements.

Section 2.4 Final Construction Plans and Assessment Agreement. The Final Construction Plans and the "Assessment Agreement," as defined in the Development Agreement. The Assessment Agreement must be properly recorded in the office of the Anoka County Registrar of Titles and must be recorded prior to any mortgages or other liens encumbering the Development Property.

Section 2.5 Insurance. One or more forms "ACORD 28 Evidence of Insurance" (or other evidence satisfactory to HRA) which substantiate that the insurance coverages required to be maintained by the Developer hereunder, and that all insurance policies relating thereto are in full force and effect.

ARTICLE III

CONSTRUCTION LOAN COMMITMENT

Section 3.1 Commitment of the HRA to Lend and the Loan Agreement. Subject to the terms and conditions hereof and of the Notes and other Loan Documents delivered herewith, the HRA agrees to loan to the Developer, and the Developer agrees to borrow from the HRA, an amount not to exceed $_____ **[to be completed prior to execution with an amount equal to the sum of (i) $1,420,000; (ii) $6,825,000; and (iii) the Costs of Issuance, as defined in the Development Agreement]**. HRA shall make Advances against the Notes until the Loans are fully advanced, in the stages and subject to the limitations as set forth below. The HRA shall have no obligation to make any Advances against the Notes after the Completion Date.

ARTICLE IV

ADVANCES AND DISBURSEMENTS

Section 4.1 Conditions of All Advances. Without limiting any of the other terms of this Loan Agreement, the obligation of the HRA to make any Advance hereunder shall be subject to the fulfillment of all of the following conditions:

(a) All representations, warranties and covenants contained in this Loan Agreement or any documents or other written statement delivered to the HRA prior to or on the date of this Loan Agreement shall be true and correct on and as of the date of this Loan Agreement as though such representations, warranties and covenants had been made on and as of such date.

(b) No Default or Event of Default shall have occurred and be continuing.

(c) No default or event of default (however denominated) shall have occurred and be continuing under any of the PNC Loan Documents and all conditions precedent to the disbursement of the proceeds of the loan evidenced by the PNC Loan Documents shall be satisfied except for conditions precedent related to the substantial construction of the "Rail Stop" as defined in the Development Agreement and conditions precedent related to the full disbursement of the proceeds of the Loans.

(d) The HRA shall have received the documents and other items listed in Article II hereof.

(e) The HRA shall have received a certification from the Inspecting Architect that any materials to be paid for from the Advance have been delivered to the Development Property and any construction work to be paid for from the Advance has been completed in a workmanlike manner in accordance with the Final Construction Plan.

(f) Developer shall have provided the HRA with the General Contractor's Certification described in Section 4.2.

(g) The Developer shall provide the HRA with lien waivers from all persons providing services, labor or materials to be paid for from the Advance.

(h) The Developer shall provide the HRA with evidence, reasonably acceptable to the HRA, that the Developer has spent at least $1,000,000.00 of Developer equity on the Project.

(i) Commercial Partners Title, LLC or such other title company as reasonably selected by the HRA shall review the status of title to the Development Property and confirm, to the reasonable satisfaction of the HRA, that there have been no liens filed against title to the Development Property other than the lien of a "Project Mortgage," as defined in the Development Agreement. **[The HRA and the Developer shall enter into a disbursing agreement with Commercial Partners Title pursuant to which the HRA engages Commercial Partners Title to make Advances to Developer pursuant to the terms of this Agreement.]**

Section 4.2 Procedures and Requirements for Advances. Except as set forth in Section 4.6, to obtain Advances of the Loans against the Notes, the Developer shall submit to the HRA, no more often than monthly, written Draw Requests stating the amount of the requested Advance and identifying the Contractors or other persons and entities who will be paid from the Advance, and certifying such amounts to be currently payable for costs incurred in connection with the development and construction of the Project. Each Draw Request shall be supported by the General Contractor's certification to the effect that:

(a) Any materials to be paid for from the Advance have been delivered to the Development Property, and any construction work to be paid for from the Advance has been completed in a workmanlike manner in accordance with the Final Construction Plans;

(b) The funds remaining undisbursed on the Loans together with the funds remaining undisbursed on Developer's Construction Loan, as defined in the Development Agreement, are sufficient to fully complete the Minimum Improvements in accordance with the Final Construction Plans and the certified Construction Costs Statement; and

(c) The work is progressing so that it will be completed on or before the Completion Date.

Subject to the satisfaction of the requirements set forth in Sections 2.1 and 4.1 and the limitations set forth in Section 4.8, the HRA shall, within ten (10) business days from receipt of a Draw Request and the documentation required by Sections 2.1 and 4.1, disburse proceeds of the Loans directly to the Developer and the other Contractors or other persons and entities identified in the relevant Draw Request; provided that the HRA shall have the right, at its option, to refuse to make Advances should it determine that an Event of Default has occurred and is continuing.

Section 4.3 Forms of Draw Request, etc. The form of Draw Request, the Inspecting Architect's certificate, the General Contractor's certificate, mechanic's lien waivers, certificates, and any and all other instruments or documents required to be delivered in connection with an advance hereunder shall be in form and substance satisfactory to the HRA in the HRA's reasonable discretion.

Section 4.4 Sufficiency of Loans. It is expressly understood and agreed that the HRA assumes no liability or responsibility for the sufficiency of the Loans to complete the Project.

Section 4.5 Additional Rights and Remedies of HRA. In addition to all other rights and remedies available to the HRA hereunder and under the other Loan Documents, the HRA shall have the following rights:

(a) The HRA may take such steps as it may deem appropriate, at its option, to verify the application of proceeds of the Loans to work done and material furnished for the Project, and to vary the procedures for Advances herein set forth, if the same becomes necessary or desirable to assure the proper application of Advances authorized pursuant hereto, including but not limited to, authorizing Advances directly to the Contractors and corresponding reductions in the amount of Advances to be made to any Contractor or Developer hereunder. The foregoing notwithstanding, in no event shall the HRA be obligated to conduct any such verification or to so vary said procedures.

(b) In the event that the HRA shall determine, in its reasonable judgment, that proper documentation to support a given Advance, as required by this Loan Agreement, has not been furnished, it may withhold authorization of all or such portion of such Advance as shall not be so supported by proper documentation, and shall promptly notify the Developer of the discrepancy in or omission of such documentation. Until such time as such discrepancy or omission is corrected to the satisfaction of the HRA, it may withhold such amount.

(c) From and after the occurrence of an Event of Default, the HRA reserves the right to authorize Advances which are allocated to any of the designated items in the Construction Cost Statement for such other purposes or in such different proportions as the HRA may, in its reasonable discretion, deem necessary or advisable. Developer may not reallocate items of cost or change the Construction Cost Statement without the consent of the HRA.

Section 4.6 Advances to Pay Fees and Costs of Issuance. In lieu of interest on Loan No. 1, the HRA is charging the Developer a $120,000.00 fee for the extension of Loan No. 1 to the Developer. The first Draw Request that the Developer submits to the HRA will be deemed to include a request that the HRA Advance $120,000.00 and will be deemed to direct the HRA to retain the $120,000.00 Advance in full payment of the fee described in this Section 4.6. As set forth in Section 8.6 of the Development Agreement, contemporaneously with the execution of this Loan Agreement and with the parties' execution of this Loan Agreement and Developer's execution of Note No. 2, Developer will be deemed to have authorized the HRA to and the HRA shall make an Advance to itself from the proceeds of Loan No. 2 in an amount

equal to the "Costs of Issuance," as defined in the Development Agreement. The HRA's Advance to itself of an amount equal to the Costs of Issuance is not subject to the limitations on advances set forth in Section 4.8.

Section 4.7 Interest on Loan No. 2. The unpaid principal amount of Advances of Loan No. 2 shall bear interest as set forth in Note No. 2.

Section 4.8 Additional Limitations on Advances of the Proceeds of Loan No. 2. The HRA is not obligated to and will not Advance any proceeds of Loan No. 2 to Developer before the later of the date thirty (30) days after the HRA conveys the Development Property to Developer, the date Developer commences construction of the Minimum Improvements or June 1, 2012. For purposes of this Section 4.8, the Developer is deemed to have Commenced Construction when Developer has

(a) obtained all building permits from the City of Ramsey, Minnesota, necessary for the construction of the Minimum Improvements; and

(b) commenced the construction of the footings and foundations for the Minimum Improvements, as defined in the Development Agreement.

In addition, the HRA is not obligated to and will not Advance more than $1,000,000 of the proceeds of Loan No. between the 31st day and 60th day following the HRA's conveyance of the Development Property to Developer and is not obligated to and will not Advance more than an additional $1,000,000 of the proceeds of Loan No. 2 to Developer between the 61st day and 90th day following the HRA's conveyance of the Development Property to the Developer.

Section 4.9 Inspecting Architect. The HRA shall hire an architect licensed in the State of Minnesota to review Developer's Draw Requests and to provide the certification described in Section 4.1(e). Developer is responsible for payment of the Inspecting Architect's fees and costs which payments may be included in the Draw Request. The HRA will cooperate with Developer in the selection of the Inspecting Architect, it being the intent of the HRA and the Developer to use the same architect that PNC Bank, National Association uses as PNC Bank, National Association's inspecting architect for purposes of the PNC Loan Documents.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

To induce HRA to make the requested Loan hereunder, the Developer represents and warrants to HRA as of the date of this Loan Agreement that:

Section 5.1 Organization and Qualification of the Developer. The Developer is a corporation duly organized, validly existing and in good standing under the laws of the State of Indiana. The Developer has the power and authority to own its property and to carry on its activities as now being conducted, and is qualified and licensed to do business and is in good standing in every jurisdiction where failure to qualify could have a material adverse effect on the financial condition, activities, or operations of the Developer.

Section 5.2 Organization and Qualification of Corporate Guarantor. The Corporate Guarantor is a _____ duly organized, validly existing and in good standing under the laws of the State of Indiana. The Corporate Guarantor has the power and authority to own its property and to carry on its activities as now being conducted, and is qualified and licensed to do business and is in good standing in every jurisdiction where failure to qualify could have a material adverse effect on the financial condition, activities, or operations of the Corporate Guarantor.

Section 5.3 Authority; Validity; Binding Effect. The execution and delivery of the Loan Documents, the borrowing of funds contemplated thereby, and the performance or observance by Developer of its obligations under the Loan Documents do not contravene or violate any provision of law, or any covenant, indenture or agreement of or binding upon the Developer and do not require the consent or approval of any governmental entity or agency thereof. The execution and delivery of the Corporate Guaranty and the performance or observance by the Corporate Guarantor of its obligations under the Corporate Guaranty have been duly authorized by all necessary corporate action the of Corporate Guarantor, do not contravene or violate any provision of law, any Organizational Document of Corporate Guarantor or any covenant, indenture or agreement of or binding upon Corporate Guarantor and do not require the consent or approval of any governmental entity or agency thereof. The Loan Documents are legal, valid and binding obligations of the Developer, the Corporate Guarantor and the Personal Guarantor, and the Loan Documents are enforceable against the Developer, the Corporate Guarantor and the Personal Guarantor (as the case may be) in accordance with their respective terms.

Section 5.4 Compliance with Laws. To the best of the Developer's actual knowledge, no violation of any law, ordinance, regulation or requirement exists with respect to the Project, and the Developer is in compliance with all other laws, ordinances, regulations and requirements where the failure to comply would reasonably be expected to have a material adverse effect on the Developer, its activities or its financial condition.

Section 5.5 Pending Actions. There are no material actions, suits or proceedings pending, or to the knowledge of the Developer, threatened against or affecting the Developer or the Project, and the Developer is not in default with respect to any order, writ, injunction, decree or demand of any court or any governmental authority.

Section 5.6 No Breach. The consummation of the transaction contemplated hereby and performance of this Loan Agreement, the Loan Documents, and all other documents executed and delivered in connection herewith will not result in any breach of, or constitute a default under, any mortgage, deed of trust, lease, bank loan or credit agreement, partnership agreement or other instrument to which the Developer, the Corporate Guarantor or the Personal Guarantor is a party, or by which the Developer, the Corporate Guarantor or the Personal Guarantor may be bound or affected.

Section 5.7 No Event of Default. No Default or Event of Default has occurred and is continuing as of the date hereof.

Section 5.8 Use of Loan Funds. The Developer will use the proceeds of the Loans solely to finance the development and construction of the Housing Development Project.

Section 5.9 Need for Loans. The Developer would not undertake the Project without the assistance of the HRA in providing the Loans.

ARTICLE VI

AFFIRMATIVE COVENANTS

The Developer hereby covenants and agrees with the HRA that for so long as the HRA has any obligation to make Advances hereunder or any amount remains unpaid on any indebtedness of the Developer to the HRA hereunder, the Developer will:

Section 6.1 Books, Records and Inspections. Maintain complete and accurate books and records; permit, and cause the Corporate Guarantor to permit, reasonable access by the HRA to the books and records of the Developer and the Corporate Guarantor; and permit the HRA to inspect the Project and other operations of the Developer and the Corporate Guarantor.

Section 6.2 Insurance. Maintain insurance to such extent and against such hazards and liabilities as is commonly maintained by companies similarly situated or as the HRA may reasonably request from time to time, which insurance shall include without limitation the following:

(a) Development Property Insurance. So-called "all risk" insurance with respect to the Project and all personal property located thereon, insuring against any peril now or hereafter included within the classification of "Special Perils" or "Cause of Loss – Special Form" (sometimes referred to as "All Risk of Physical Loss") in an amount equal to the full insurable value of such property.

(b) Liability Insurance. Commercial general liability insurance on the so-called "occurrence" form, including bodily injury, death and property damage liability, insurance against any and all claims, including all legal liability to the extent insurable and imposed upon the HRA and all court costs and legal fees and expenses, arising out of or connected with the possession, use, leasing, operation, maintenance or condition of the Project in such amounts as are generally available at commercially reasonable premiums but in any event for a limit per occurrence of at least $1,000,000 and an annual aggregate of at least $2,000,000. The HRA shall be named as additional insured with respect to any insurance policy providing the coverage required by the immediately preceding sentence, and the Developer shall cause each provider of any such insurance to agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to the HRA, that it will give the HRA thirty (30) days prior written notice before any such policy or policies shall be altered or canceled, and that no act or default of the Developer shall affect the rights of the HRA under such policy or policies.

(c) Worker's Compensation Insurance. Statutory workers' compensation and disability insurance.

Section 6.3 Taxes and Liabilities. Pay, when due, all taxes, assessments and other liabilities except as contested in good faith and by appropriate proceedings.

Section 6.4 Real Estate Taxes and Insurance Premiums. Promptly advise the HRA of the non-payment when due of any real estate taxes or installments of special assessments payable with respect to the Project.

Section 6.5 Construction of Minimum Improvements. Commence construction of the Minimum Improvements on or before June 30, 2012. Complete the Minimum Improvements on or before the Completion Date in a good and workmanlike manner, in accordance with the Final Construction Plans and in compliance with applicable laws, rules, regulations, building codes, and ordinances.

Section 6.6 Reimbursement of Expenses. Promptly reimburse the HRA for any and all expenses of collection of any loan made or to be made hereunder, including reasonable attorneys' fees, whether or not suit is commenced.

Section 6.7 Financial Information Regarding Guarantors; Substitute Guarantors. Until the Notes are paid in full, the Developer shall:

(a) Corporate Guarantor. Cause the Corporate Guarantor to provide the HRA with a reviewed financial statement for the Corporate Guarantor for the immediately preceding calendar year prepared by a certified public account (who may be an employee of the Corporate Guarantor) in accordance with generally accepted accounting principles, consistently applied on or before May 15 of each calendar year. If, in any year, the Corporate Guarantor's net worth is less than $2,200,000.00, the Developer must provide a replacement guaranty from another individual or entity reasonably acceptable to the HRA and having a net worth of not less than $2,200,000.00. If such replacement guaranty is provided, the person or entity providing the replacement guaranty shall be the "Corporate Guarantor" for purposes of this Agreement.

(b) Personal Guarantor. Cause the Personal Guarantor to provide the HRA with a personal financial statement for the Personal Guarantor for the immediately preceding calendar year certified by the Personal Guarantor and a copy of the Personal Guarantor's filed federal tax return. If, in any year, the Personal Guarantor's liquid net worth is less than $1,000,000.00, the Developer must provide a replacement guaranty from another individual or entity reasonably acceptable to the HRA and having a liquid net worth of not less than $1,000,000.00. If such replacement guaranty is provided, the person or entity providing the replacement guaranty shall be the "Personal Guarantor" for purposes of this Agreement.

Section 6.8 CPA-Prepared Financial Statements. On or before April 1, 2015 and on or before each April 1 thereafter until April 1, 2025, the Developer must provide the HRA with a statement from a certified public accountant setting forth the "Net Cash Flow," "Net Operating Expenses" and "Operating Expenses," as defined in the Development Agreement, for the immediately preceding calendar year and with such back-up documentation regarding income, expenses and debt service as the HRA may reasonably request to confirm the certified

public accountant's calculation of "Net Cash Flow," "Net Operating Income," and "Operating Expenses." The certified public accountant who prepares the statement may be an employee of Developer or an Affiliate of Developer.

Section 6.9 No Liens. Unless the HRA provides its prior written consent, ensure that the Development Property (and all portions thereof) remains free of all mortgages, liens, security interests and other encumbrances other than (a) the first lien mortgage in favor of PNC Bank, National Association securing an aggregate amount of not more than $20,500,000, and (b) leases entered into by Developer in the ordinary course of its business.

Section 6.10 **[ADDITIONAL COVENANTS TO BE ADDED TO CONFORM WITH PNC'S COVENANTS.]**

ARTICLE VII

EVENTS OF DEFAULT AND THEIR EFFECT

Section 7.1 Events of Default. Each of the following shall constitute an "Event of Default" under this Loan Agreement:

(a) Nonpayment of Note. Developer fails to pay any installment of principal on either of the Notes when due, and such payment is not made within a period of ten (10) days after Written Notice thereof shall have been given by the HRA to the Developer.

(b) Other Covenants. The Developer defaults in the due performance or observance of any term, covenant or agreement contained in this Loan Agreement and such default shall continue for a period of fifteen (15) days after written notice thereof shall have been given by the HRA to the Developer.

(c) Other Loan Documents. The Developer defaults in the due performance or observance of any term, covenant or agreement contained in any one or more of the Loan Documents and (a) such default constitutes an "Event of Default" under the terms of such other Loan Document(s), or (b) such default shall continue beyond the applicable notice and cure, if any, set forth in such other Loan Document.

(d) Development Agreement. The Developer defaults in the due performance or observance of any term, covenant or agreement contained in the Development Agreement and such default shall continue beyond the applicable notice and cure period, if any, set forth in the Development Agreement.

(e) Insolvency of Developer or Guarantors. The Developer, the Corporate Guarantor or the Personal Guarantor (i) becomes insolvent or unable to pay its debts generally as they mature, (ii) suspends business (with respect to the Developer or the Corporate Guarantor), (iii) makes a general assignment for the benefit of creditors, (iv) admits in writing its inability to pay its debts generally as they mature; (vi) files or has filed against it a petition in bankruptcy or a petition or answer seeking a reorganization (with respect to the Developer or the Corporate Guarantor), arrangement

with creditors or other similar relief under the federal bankruptcy laws or under any other applicable law of the United States of America or any state thereof, (vi) consents to the appointment of a trustee or receiver for it or for a substantial part of its property, (vii) takes any organizational action (with respect to the Developer or the Corporate Guarantor) for the purpose of effecting or consenting to any of the foregoing.

(f) Representations and Warranties. If any representation or warranty contained herein or in any other Loan Document, or in any letter, financial statement, or certificate furnished or to be furnished to the HRA, proves to be false in any material respect as of the date this Loan Agreement is executed or at the time such letter or certificate is delivered to the HRA.

(g) Completion of Minimum Improvements. If the Developer has not Completed the Minimum Improvements on or before the Completion Date.

Section 7.2 Effect of Event of Default. If any Event of Default shall occur, the Notes shall, at the HRA's option, become immediately due and payable, in full, by giving the Developer written notice of such acceleration. In addition, and without limiting any other remedy available to the HRA, upon the occurrence of an event set forth in Section 7.1(e) above, all sums outstanding on the Notes shall become immediately due and payable automatically without notice to the Developer. If any Event of Default shall occur, the HRA may, at its option, exercise any of its available rights and remedies under the Loan Documents and under any applicable law, rule or regulation, including, without limitation, the following:

(a) terminate the HRA's obligation to Advance any further sums pursuant hereto; or

(b) declare all amounts advanced against the Notes, plus all accrued but unpaid interest thereon, to be immediately due and payable, and demand payment in full of the then-outstanding principal balance of the Notes and all accrued but unpaid interest thereon.

Section 7.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the HRA is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement, the other Loan Documents, the Development Agreement now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Conflicts of Interest. No member of the governing body or other official of the HRA shall participate in any decision relating to this Loan Agreement which affects his or her personal interests or the interests of any corporation, partnership or association

in which he or she is directly or indirectly interested. No member, official or employee of the HRA shall be personally liable to the HRA in the event of any default or breach by the Developer or successor or on any obligations under the terms of this Loan Agreement.

Section 8.2 Titles of Articles and Sections. Any titles of the several parts, articles and sections of this Loan Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 8.3 Binding Effect. The parties hereto agree that this Loan Agreement shall be binding upon and inure to the benefit of their respective successors in interest and assigns including any holder of or participant in either of the Notes; provided, however, that the Developer may not assign or transfer its interest herein without the prior written consent of the HRA. Nothing herein shall be interpreted or construed as creating any rights in any person other than the parties hereto.

Section 8.4 Governing Law, Waiver of Right to Jury Trial, Jurisdiction, Venue and Severability. This Loan Agreement is made in the state of Minnesota and shall be construed in accordance with the laws thereof. The parties consent to the personal jurisdiction of the state and federal courts located in the state of Minnesota in connection with any controversy related to this Loan Agreement and the parties waive any argument that venue in such forms is not convenient. The parties agree that any litigation initiated by either party against the other shall be venued either in the district court in Anoka County, Minnesota or the U.S. District Court, District of Minnesota. The HRA and the Developer, each having been represented by counsel each knowingly and voluntarily waives a right to a trial by jury in any action or proceeding to enforce or defend any rights under this Loan Agreement or any amendment to this Loan Agreement. If any provision of this Loan Agreement is in conflict with any statute or rule of law of the state of Minnesota or is otherwise unenforceable, such provision shall be deemed null and void only to the extent of such conflict or unenforceability, and shall be deemed separate from and shall not invalidate any other provision of this Loan Agreement.

Section 8.5 Notices. Any notices required or contemplated hereunder shall be effective upon the placing thereof in the United States mails, certified mail and with return receipt requested, postage prepaid, or sent by overnight courier, or sent by facsimile, and addressed as follows:

If to Developer:	F & C Ramsey, LLC 8900 Keystone Crossing #1200 Indianapolis, IN 46240 Attn: David M. Flaherty Telephone No.: (317) 816-9300 Facsimile No.: (317) 816-9301 Email: dflaherty@flahertycollins.com
With copies to:	Barnes & Thornburg 11 S. Meridian St. Indianapolis, IN 46204 Attn: Stephen Lee

Telephone No.: (317) 231-7200
Facsimile No.: (317) 231-7433
Email: stephen.lee@BTLaw.com

If to HRA:

City of Ramsey, Minnesota
Ramsey Municipal Center
7550 Sunwood Drive
Ramsey, MN 55303
Attn: City Administrator
Telephone No.: (763) 427-1410
Facsimile No.: (763) 433-9888
Email: kulrich@ci.ramsey.mn.us

With copies to:

Briggs and Morgan, P.A.
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
Attn: Tom Bray
Email: tbray@briggs.com
Facsimile No.: (612) 977-8650

Section 8.6 No Waivers. No failure or delay on the part of the HRA in exercising any right, power or privilege hereunder and no course of dealing between the Developer and the HRA shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 8.7 Amendment and Waiver. Neither this Loan Agreement nor any provision hereof may be modified, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought. In the event any agreement contained in this Loan Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 8.8 Counterparts. This Loan Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and either of the parties may execute this Loan Agreement by signing any such counterparts.

Section 8.9 Superseding Effect. This Loan Agreement, the Loan Documents, the Development Agreement, and the Purchase Agreement constitute the entire agreement between the HRA and Developer with respect to the matters addressed in those agreements and documents, and those agreements and documents supersede and replace any prior agreements, either oral or written, with respect to those matters.

Section 8.10 Indemnification. The Developer hereby agrees to defend, protect, indemnify and hold harmless HRA and its affiliates and the directors, officers, employees of the

HRA and its affiliates (each of the foregoing being an "Indemnitee" and all of the foregoing being collectively the "Indemnitees") from and against any and all claims, actions, damages, liabilities, judgments, costs and expenses (including all reasonable fees and disbursements of counsel which may be incurred in the investigation or defense of any matter) imposed upon, incurred by or asserted against any Indemnitee, whether direct, indirect or consequential and whether based on any federal, state, local or foreign laws or regulations (including securities laws, environmental laws, commercial laws and regulations), under common law or on equitable cause, or on contract or otherwise:

(a) by reason of, relating to or in connection with the execution, delivery, performance or enforcement of any Loan Document, any commitments relating thereto, or any transaction contemplated thereby; or

(b) by reason by, relating to or in connection with any credit extended or used under any Loan Document or any act done or omitted by any Person, or the exercise of any rights or remedies thereunder, including the acquisition of any collateral by the HRA by way of foreclosure of the lien thereon, deed or bill of sale in lieu of such foreclosure or otherwise;

provided, however, that the Developer shall not be liable to any Indemnitee for any portion of such claims, damages, liabilities and expenses resulting from such Indemnitee's gross negligence or willful misconduct. In the event this indemnity is unenforceable as a matter of law as to a particular matter or consequence referred to herein, it shall be enforceable to the full extent permitted by law.

The indemnification provisions set forth above shall be in addition to any liability the Developer may otherwise have. Without prejudice to the survival of any other obligation of the Developer hereunder, the indemnities and obligations of the Developer contained in this Section 8.10 shall survive the payment in full of the sums outstanding on the Notes.

Section 8.11 Developer Acknowledgments. The Developer hereby acknowledges that (a) it has been advised by counsel in the negotiation, execution and delivery of this Loan Agreement and the other Loan Documents, (b) the HRA has no fiduciary relationship to the Developer, the relationship between the Developer and the HRA being solely that of debtor and creditor, (c) no joint venture exists between the Developer and the HRA, and (d) the HRA undertakes no responsibility to the Developer to review or inform the Developer of any matter in connection with any phase of the business or operations of the Developer and the Developer shall rely entirely upon its own judgment with respect to its business, and any review, inspection or supervision of, or information supplied to, the Developer by the HRA is for the protection of the HRA and neither the Developer nor any third party is entitled to rely thereon.

Section 8.12 Time of Essence. The parties' timely performance of each of the obligations set forth in this Loan Agreement is an essential term of this Loan Agreement.

Section 8.13 Survival. The HRA and the Developer intend that the terms of this Loan Agreement shall survive the parties' execution of the Development Agreement, Purchase Agreement, the deeds and other documents referenced in the Purchase Agreement, the Loan

Documents and none of the terms or conditions of this Loan Agreement shall be merged into any other documents executed in connection with the transactions contemplated herein.

Section 8.14 Interpretation. The HRA and the Developer agree that this Loan Agreement shall be interpreted without regard to which party drafted the Loan Agreement.

Section 8.15 No Relationship. The HRA and the Developer are not, for any purpose, partners or joint ventures with respect to the development contemplated by this Loan Agreement.

[Remainder of page intentionally left blank;

Signature page follows]

IN WITNESS WHEREOF, the parties hereby have caused this Loan Agreement to be executed and delivered the date and year first above written.

DEVELOPER:

F & C RAMSEY, LLC,
an Indiana limited liability company

By _____
Its _____

HRA:

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA, A PUBLIC BODY POLITIC AND CORPORATE UNDER THE LAWS OF THE STATE OF MINNESOTA

By _____
Its Chair

By _____
Its Executive Secretary

EXHIBIT A

FORM OF DRAW REQUEST AND

DRAW REQUEST CERTIFICATION

F & C Ramsey, LLC, an Indiana limited liability company ("Developer"), hereby certify as follows (all terms not otherwise defined herein having the meanings set forth in the Loan Agreement (as amended from time to time, the "Loan Agreement")) dated _____, 2011, between the Developer and The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the State of Minnesota ("HRA"):

(a) At the date hereof no suit or proceeding at law or in equity, and no notice has been received that any investigation or proceeding of any governmental body has been instituted or, to the knowledge of Developer, is threatened, which in either case could have a material adverse effect on the financial condition or business operations of Developer.

(b) At the date hereof, no default or event of default (other than any attributable to HRA) under the Loan Agreement or under any of the other Loan Documents has occurred and is continuing, and no event has occurred which, upon the service of notice and/or the lapse of time, would constitute an event of default thereunder, except the following:

(c) The representations and warranties set forth in Article V of the Loan Agreement are hereby reaffirmed and restated, and Developer represents and warrants to HRA that the same are true, correct and complete on the date hereof, except as to the following: _____.

(d) No material adverse change has occurred in the financial condition or in the assets or liabilities of Developer from those set forth in the latest financial statements for each furnished to HRA, except the following: _____.

(e) The progress of construction of the Project is such that it can be completed on or before the Completion Date specified in the Loan Agreement for the cost originally represented to HRA, except for the following: _____.

(f) The Loans, as of the date hereof, are in balance as required by the Loan Agreement, and the undisbursed proceeds of the Loans, including the Advance requested herein, together with undisbursed proceeds of Developer's loan from _____ are adequate and sufficient to pay for all labor, materials, equipment, work, services and supplies necessary for the completion of the Minimum Improvements to which such Advance relates, including the installation of all fixtures and equipment required for the operation of the completed Project, except for the

following increases in the total cost of the Minimum Improvements: _____.

(g) The labor, materials, equipment, work, services and supplies described herein have been performed upon or furnished to the Project in full accordance with the Final Construction Plans, which have not been amended except as expressly permitted by the Loan Agreement.

(h) There have been no changes in any estimated costs relating to the completion of the Minimum Improvements from those set forth on the Construction Cost Statement, as amended by any amendment thereto heretofore delivered by Developer to HRA and approved by HRA, if such approval is required by the Loan Agreement.

(i) All bills for labor, materials, equipment, work, services and supplies furnished in connection with the construction of the Minimum Improvements, which could give rise to a mechanic's lien if unpaid, have been paid, will be paid out of the requested Advance or are not yet due and payable.

(j) All claims for mechanics' liens which shall have arisen or could arise for labor, materials, equipment, work, services or supplies furnished in connection with the Project through the last day of the period covered by the requested Advance have been effectively waived in writing, or will be effectively waived in writing when payment is made and such written lien waiver shall be delivered to HRA or its disbursing agent prior to the next Advance or final Advance against the Notes, or sooner as may be requested by the Title Company or HRA.

(k) All funds advanced under the Loan Agreement to date have been utilized as specified in the Draw Requests pursuant to which the same were advanced, exclusively to pay costs incurred for or in connection with constructing the Minimum Improvements and developing the Development Property and the Project, and Developer represents that no part of the proceeds of the Loans has been paid for labor, materials, equipment, work, services or supplies incorporated into or employed in connection with any project other than the Project, as that term is defined in the Loan Agreement. Developer further represents that all funds covered by this Draw Request are for payment for labor, materials, equipment, work, services or supplies furnished solely in connection with the construction and completion of the Minimum Improvements.

Developer authorizes and requests HRA to charge the total amount of this Draw Request against Developer's Loan account and to advance from the proceeds of the Loans the funds hereby requested, and to make or authorize disbursement of said funds to the Title Company for disbursement to Developer in amounts up to, but not exceeding, the amounts listed herein, subject to the requirements of and in accordance with the procedures provided in the Loan Agreement. The Advance made pursuant to this Draw Request is acknowledged to be an accommodation to Developer and is not a waiver by HRA of any Defaults or Events of Default under the Loan Agreement or any of the other Loan Documents or any other claims of HRA against Developer.

The advances and disbursements on the attached sheets are hereby approved and authorized.

F & C RAMSEY, LLC,
an Indiana limited liability company

By_____
Its _____

EXHIBIT D-1

NOTE NO. 1

PROMISSORY NOTE

$1,420,000.00 Ramsey, Minnesota
_____, 201_

FOR VALUE RECEIVED, F & C Ramsey, LLC, an Indiana limited liability company ("Borrower") promises to pay to the order of The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the State of Minnesota ("Lender") the principal sum of ONE MILLION FOUR HUNDRED TWENTY THOUSAND AND 00/100 DOLLARS ($1,420,000.00), or so much thereof as Lender has actually advanced to Borrower pursuant to the terms of that certain Loan Agreement between Lender and Borrower of even date herewith (the "Loan Agreement"), together with interest thereon as provided for in this Promissory Note. Lender shall disburse the proceeds of this Promissory Note to Borrower pursuant to the terms of the Loan Agreement.

Borrower shall make payments provided for in this Promissory Note to Lender at Ramsey Municipal Center, 7550 Sunwood Drive, Ramsey, Minnesota 55303, or at such other place as Lender may from time to time designate, in writing, in lawful money of the United States of America.

Borrower, Lender and the City of Ramsey, Minnesota, are also parties to a Development Agreement dated _____, 2011 and recorded in the office of the Anoka County Registrar of Titles on _____, 2011, as Document No. _____ (the "Development Agreement"). Capitalized terms used in this Promissory Note and not defined herein have the meanings established for such terms in the Development Agreement.

Absent a default by Borrower in the timely payment of amounts due under this Promissory Note, no interest shall accrue on amounts advanced under this Promissory Note. In lieu of non-default interest and as consideration for the extension of credit, Lender is charging Borrower a one-time fee of $120,000.00 as set forth in the Loan Agreement. If, at any time, Borrower defaults in the timely payment of any amounts due under this Promissory Note, Lender gives Borrower notice of the default and Borrower does not cure the default within ten (10) days of Lender's notice, interest shall accrue on the outstanding principal balance of this Promissory Note from the date of the default through the date Borrower cures all defaults under this Promissory Note at the rate of twelve percent (12%) per annum.

Commencing on April 1, 2015 and continuing on each April 1 thereafter until April 1, 2025, Borrower must pay to Lender, in certified or wire transferred funds and for application to the outstanding principal and interest, if any, due under this Promissory Note, an amount equal to 20% of the Net Cash Flow, as defined in the Development Agreement, for the immediately preceding calendar year. Commencing on April 1, 2015 and continuing on each April 1 thereafter until April 1, 2025, Borrower must also provide Lender with a statement from a certified public account (who may be an employee of an affiliate of Borrower) setting forth the

"Net Cash Flow," "Net Operating Expenses" and "Operating Expenses," as defined in the Development Agreement, for the immediately preceding calendar year and with such back-up documentation regarding income, expenses and debt service as Lender may reasonably request to confirm the certified public accountant's calculation of "Net Cash Flow," "Net Operating Income," and "Operating Expenses."

In addition to the annual payments described in the preceding paragraph, if and each time Developer refinances a "Project Loan," as defined in the Development Agreement, Developer must make an additional payment to Lender, for application to the outstanding principal and accrued, unpaid interest, if any, due under this Promissory Note, in an amount equal to 20% of the difference between the principal amount of the new Project Loan and the amount of the outstanding principal and accrued, unpaid interest under the Project Loan that is being refinanced. Notwithstanding the foregoing, if Developer refinances a Project Loan to obtain additional funds that are necessary to complete the initial construction of the Minimum Improvements, Developer is not obligated to pay Lender 20% of the amount of the new loan that Developer uses to pay costs of completing the initial construction of the Minimum Improvements.

The entire outstanding principal amount of this Promissory Note and all accrued interest, if any, is due and payable in full upon the earlier of April 1, 2025 or the date there is a "Sale of the Development Property," as defined in the Development Agreement.

Borrower may prepay this Promissory Note, in whole or in part, at any time and, if in part, from time to time, during the entire term of this Promissory Note. All payments shall be applied first to the payment of accrued, unpaid late charges then to and accrued, unpaid interest, if any, with the balance, if any, applied to the reduction of principal.

This Promissory Note is the note referred to as "Note No. 1" in the Development Agreement and in the Loan Agreement and is subject to the additional terms and conditions set forth in the Development Agreement, the Loan Agreement and each of the "Loan Documents," as defined in the Loan Agreement.

If a payment due hereunder is not made within five days after the date when due, Borrower shall pay to Lender a late payment charge of 5% of the amount of the overdue payment to compensate Lender for a portion of the cost related to handling the overdue payment. Failure to exercise any option provided herein shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. Borrower agrees that if, and as often as, this Note is given to an attorney for collection or to defend or enforce any of Lender's rights hereunder, Borrower will pay to the Lender Lender's reasonable attorneys' fees together with all court costs and other expenses paid by Lender.

Borrower waives presentment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Promissory Note and any lack of diligence or delays in collection or enforcement of this Note. Borrower agrees that this Promissory Note, or any payment hereunder, may be extended from time to time, and Borrower consents to the release of any party liable for the obligation evidenced by this Promissory Note, the release of any of the security for this Note, the acceptance of any other security therefore, or any other indulgence or

forbearance whatsoever, all without notice to any party and without affecting the liability of Borrower.

Borrower represents and warrants to Lender that Borrower will use the proceeds of the loan evidenced by this Promissory Note solely for business purposes.

If Borrower defaults on the performance of one or more of Borrower's obligations under this Promissory Note or upon the occurrence of any other "Event of Default" (as defined in the Development Agreement or the Loan Agreement), the entire outstanding principal balance hereof and all accrued interest and other amounts due hereon shall, at the option of the Lender and subject to the notice and cure provisions set forth in Section 13.1 (c) of the Development Agreement and in the Loan Agreement, become immediately due and payable; provided, however that if an Event of Default described in Section 13.1(i) or (j) of the Loan Agreement occurs, all sums outstanding on this Note shall become immediately due and payable in full without notice or demand whatsoever.

THIS NOTE SHALL BE CONSTRUED UNDER AND GOVERNED BY THE LAWS OF THE STATE OF MINNESOTA, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS OR PRINCIPLES THEREOF. WHENEVER POSSIBLE, EACH PROVISION OF THIS NOTE AND ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO, SHALL BE INTERPRETED IN SUCH MANNER AS TO BE EFFECTIVE AND VALID UNDER SUCH APPLICABLE LAW, BUT, IF ANY PROVISION OF THIS NOTE OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO SHALL BE HELD TO BE PROHIBITED OR INVALID UNDER SUCH APPLICABLE LAW, SUCH PROVISION SHALL BE INEFFECTIVE ONLY TO THE EXTENT OF SUCH PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISION OR THE REMAINING PROVISIONS OF THIS NOTE OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO.

AT THE OPTION OF LENDER, THIS NOTE MAY BE ENFORCED IN MINNESOTA STATE COURT SITTING IN ANOKA COUNTY; AND BORROWER CONSENTS TO THE JURISDICTION AND VENUE OF SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUM IS NOT CONVENIENT. IN THE EVENT BORROWER COMMENCES ANY ACTION IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS NOTE, LENDER AT ITS OPTION SHALL BE ENTITLED TO HAVE THE CASE TRANSFERRED TO THE JURISDICTION AND VENUE ABOVE-DESCRIBED, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

BORROWER AND LENDER IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE OR ANY OF THE LOAN DOCUMENTS (AS DEFINED IN THE LOAN AGREEMENT) OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Time is of the essence of this Note and each of the provisions hereof.

IN WITNESS WHEREOF, Borrower has executed this Note as of the date first above written.

F & C RAMSEY, LLC

By:_____
Its: Chief Manager

EXHIBIT D-2

NOTE NO. 2

PROMISSORY NOTE

$_____ Ramsey, Minnesota
_____, 201_

FOR VALUE RECEIVED, F & C Ramsey, LLC, an Indiana limited liability company ("Borrower") promises to pay to the order of The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the State of Minnesota ("Lender") the principal sum of **[SIX MILLION EIGHT HUNDRED TWENTY FIVE THOUSAND AND 00/100 DOLLARS ($6,825,000.00) PLUS COSTS OF ISSUANCE AS DEFINED IN THE DEVELOPMENT AGREEMENT]**, or so much thereof as Lender has actually advanced to Borrower pursuant to the terms of that certain Loan Agreement between Lender and Borrower of even date herewith (the "Loan Agreement"), together with interest thereon as provided for in this Promissory Note. Lender shall disburse the proceeds of this Promissory Note to Borrower pursuant to the terms of the Loan Agreement.

Borrower shall make payments provided for in this Promissory Note to Lender at Ramsey Municipal Center, 7550 Sunwood Drive, Ramsey, Minnesota 55303, or at such other place as Lender may from time to time designate, in writing, in lawful money of the United States of America.

Borrower, Lender and the City of Ramsey, Minnesota, are also parties to a Development Agreement dated _____, 2011 and recorded in the office of the Anoka County Registrar of Titles on _____, 2011, as Document No. _____ (the "Development Agreement"). Capitalized terms used in this Promissory Note and not defined herein have the meanings established for such terms in the Development Agreement.

Interest shall accrue on amounts advanced under this Promissory Note from the date of advance at the rate of 6.27% per annum; provided, however, if Borrower does not make one or more voluntary prepayments totaling $3,000,000.00 or more on or before the date 18 months from the date of the first advance under this Promissory Note, the interest rate shall increase to 8.27% per annum as of the date 18 months from the date of the first advance under this Promissory Note and shall remain at 8.27% per annum until the date Borrower makes one or more voluntary prepayments totaling $3,000,000.00 or more (at which time the interest rate will be reduced back to 6.27% per annum). If, at any time, Borrower defaults in the timely payment of any amounts due under this Promissory Note, Lender gives Borrower notice of the default and Borrower does not cure the default within ten (10) days of Lender's notice, the interest rate shall increase by 5% per annum.

The entire outstanding principal amount of this Promissory Note and all accrued, unpaid interest is due and payable in full on the earlier of June 1, 2015 or a "Sale of the Development Property," as defined in the Development Agreement.

Borrower may prepay this Promissory Note, in whole or in part, at any time and, if in part, from time to time, during the entire term of this Promissory Note. All payments shall be applied first to the payment of accrued, unpaid late charges then to and accrued, unpaid interest, if any, with the balance, if any, applied to the reduction of principal. If Borrower prepays $2,000,000.00 or more on or before the date 12 months after the date of the first advance under this Promissory Note, Lender shall forgive $250,000.00 of the principal amount of this Promissory Note, such forgiveness to be effective as of the date Lender has prepaid at least $2,000,000.00.

This Promissory Note is the note referred to as "Note No. 2" in the Development Agreement and in the Loan Agreement and is subject to the additional terms and conditions set forth in the Development Agreement, the Loan Agreement and each of the "Loan Documents," as defined in the Loan Agreement.

If a payment due hereunder is not made within five days after the date when due, Borrower shall pay to Lender a late payment charge of 5% of the amount of the overdue payment to compensate Lender for a portion of the cost related to handling the overdue payment. Failure to exercise any option provided herein shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. Borrower agrees that if, and as often as, this Note is given to an attorney for collection or to defend or enforce any of Lender's rights hereunder, Borrower will pay to the Lender Lender's reasonable attorneys' fees together with all court costs and other expenses paid by Lender.

Borrower waives presentment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Promissory Note and any lack of diligence or delays in collection or enforcement of this Note. Borrower agrees that this Promissory Note, or any payment hereunder, may be extended from time to time, and Borrower consents to the release of any party liable for the obligation evidenced by this Promissory Note, the release of any of the security for this Note, the acceptance of any other security therefore, or any other indulgence or forbearance whatsoever, all without notice to any party and without affecting the liability of Borrower.

Borrower represents and warrants to Lender that Borrower will use the proceeds of the loan evidenced by this Promissory Note solely for business purposes.

If Borrower defaults on the performance of one or more of Borrower's obligations under this Promissory Note or upon the occurrence of any other "Event of Default" (as defined in the Development Agreement or the Loan Agreement), the entire outstanding principal balance hereof and all accrued interest and other amounts due hereon shall, at the option of the Lender and subject to the Notice and cure provisions set forth in Section 13.1 (c) of the Development Agreement and in the Loan Agreement become immediately due and payable; provided, however that if an Event of Default described in Section 13.1(i) or (j) of the Loan Agreement

occurs, all sums outstanding on this Note shall become immediately due and payable in full without notice or demand whatsoever.

THIS NOTE SHALL BE CONSTRUED UNDER AND GOVERNED BY THE LAWS OF THE STATE OF MINNESOTA, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS OR PRINCIPLES THEREOF. WHENEVER POSSIBLE, EACH PROVISION OF THIS NOTE AND ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO, SHALL BE INTERPRETED IN SUCH MANNER AS TO BE EFFECTIVE AND VALID UNDER SUCH APPLICABLE LAW, BUT, IF ANY PROVISION OF THIS NOTE OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO SHALL BE HELD TO BE PROHIBITED OR INVALID UNDER SUCH APPLICABLE LAW, SUCH PROVISION SHALL BE INEFFECTIVE ONLY TO THE EXTENT OF SUCH PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISION OR THE REMAINING PROVISIONS OF THIS NOTE OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO.

AT THE OPTION OF LENDER, THIS NOTE MAY BE ENFORCED IN MINNESOTA STATE COURT SITTING IN ANOKA COUNTY; AND BORROWER CONSENTS TO THE JURISDICTION AND VENUE OF SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUM IS NOT CONVENIENT. IN THE EVENT BORROWER COMMENCES ANY ACTION IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS NOTE, LENDER AT ITS OPTION SHALL BE ENTITLED TO HAVE THE CASE TRANSFERRED TO THE JURISDICTION AND VENUE ABOVE-DESCRIBED, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

BORROWER AND LENDER IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE OR ANY OF THE LOAN DOCUMENTS (AS DEFINED IN THE LOAN AGREEMENT) OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Time is of the essence of this Note and each of the provisions hereof.

IN WITNESS WHEREOF, Borrower has executed this Note as of the date first above written.

F & C RAMSEY, LLC

By:_____
Its: Chief Manager

EXHIBIT E-1

CORPORATE GUARANTY

_____, 2011

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a body politic and corporate under the laws of the State of Minnesota (the "HRA"), to lend $1,420,000 to F & C Ramsey, LLC, an Indiana limited liability company ("Developer") pursuant to the terms of that certain Loan Agreement between Developer and the HRA of even date herewith (the "Loan Agreement") and the related Promissory Note executed by Developer in favor of the HRA of even date herewith ("Note No. 1"), the undersigned hereby absolutely and unconditionally guarantees to the HRA the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, all amounts payable by Developer to the HRA pursuant to Note No. 1, as the same may be amended, supplemented, restated, replaced or otherwise modified from time to time, whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several or joint and several (all such debts, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness").

The undersigned further acknowledges and agrees with HRA that:

1. No act or thing need occur to establish the liability of the undersigned hereunder, and no act or thing, except full payment and discharge of all Indebtedness, shall in any way exonerate the undersigned or modify, reduce, limit or release the liability of the undersigned hereunder.

2. So long as any portion of the Indebtedness remains outstanding, the undersigned shall, on or before May 15 of each year, provide the HRA with (a) a reviewed financial statement for the undersigned prepared by a certified public accountant (who may be an employee of the undersigned) in accordance with generally accepted accounting principles, consistently applied, and (b) a copy of the undersigned's filed federal tax return. If, in any year, the undersigned's net worth is less than $2,200,000.00 then the HRA shall have the right, upon ten (10) days written notice to Developer and Developer's failure to provide a replacement guaranty from another individual or entity reasonably acceptable to the HRA and having a net worth of $2,200,000.00 or more, as evidenced by a current reviewed financial statement for the replacement guarantor prepared by an independent accounting firm in accordance with generally accepted accounting principles, consistently applied, to declare the Indebtedness immediately due and payable, and the undersigned will forthwith pay to the HRA the full amount of all Indebtedness, whether due and payable or unmatured. If the undersigned voluntarily commences or there is commenced involuntarily against the undersigned a case under the United States Bankruptcy Code, the full amount of all Indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

3. The liability of the undersigned hereunder shall include, in addition to the Indebtedness, all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the undersigned hereunder. The HRA may apply any sums received by or available to the HRA on account of the Indebtedness from Developer, from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the undersigned hereunder.

4. The undersigned will pay or reimburse the HRA for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the HRA in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

5. Whether or not any existing relationship between the undersigned and Developer has been changed or ended and whether or not this guaranty has been revoked, the HRA may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of Indebtedness, without any consent or approval by the undersigned and without any notice to the undersigned. The liability of the undersigned shall not be affected or impaired by any of the following acts or things (which the HRA is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all Indebtedness; (ii) any one or more extensions or renewals of Indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any Indebtedness; (iii) any waiver or indulgence granted to Developer, any delay or lack of diligence in the enforcement of Indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any Indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue, Developer or any other guarantor or other person liable in respect of any Indebtedness; (v) any discharge of any evidence of Indebtedness or the acceptance of any instrument in renewal thereof of substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for Indebtedness, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any modification, substitution, discharge, impairment, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any Indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon Indebtedness; (x) any election by the HRA under §1111(b) of the United States Bankruptcy Code.

6. The undersigned waives any and all defenses, claims and discharges of Developer, or any other obligor, pertaining to Indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the undersigned will not assert, plead or enforce against the HRA any defense of waiver, release, discharge in bankruptcy, statute of limitations, res judicata, statute of frauds, anti-deficiency statute, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Developer or any other person liable in respect of any Indebtedness, or any setoff available against the HRA to Developer or any such other person, whether or not on account of a related transaction. The undersigned

expressly agrees that the undersigned shall be and remain liable for any deficiency remaining after foreclosure of any deed of trust or security interest securing Indebtedness, whether or not the liability of Developer or any other obligor for such deficiency is discharged pursuant to statute or judicial decision.

7. The undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing Indebtedness. The HRA shall not be required first to resort for payment of the Indebtedness to Developer or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for Indebtedness, before enforcing this guaranty.

8. If any payment applied by the HRA to Indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Developer or any other obligor) the Indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such Indebtedness as fully as if such application had never been made.

9. The liability of the undersigned under this guaranty is in addition to and shall be cumulative with all other liabilities of the undersigned to the HRA as guarantor or otherwise, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

10. The undersigned represents and warrants to the HRA that (i) the undersigned has full power and authority to make and deliver this guaranty; (ii) the execution, delivery and performance of this guaranty by the undersigned does not and will not violate the provisions of, or constitute a default under, any presently applicable law or any agreement presently binding on the undersigned; (iii) this guaranty has been duly executed and delivered by the undersigned and constitutes the undersigned's lawful, binding and legally enforceable obligation (subject to the United States Bankruptcy Code and other similar laws generally affecting the enforcement of creditors' rights); and (iv) the execution and delivery and performance of this guaranty does not require notification to, registration with, or consent or approval by, any federal, state or local regulatory body or administrative agency.

11. This guaranty shall be effective upon delivery to the HRA, without further act, condition or acceptance by the HRA, shall be binding upon the undersigned and the successors and assigns of the undersigned and shall inure to the benefit of the HRA and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are to be severable. This guaranty may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the undersigned and the HRA. The undersigned waives notice of the HRA's acceptance hereof and waives the right to a trial by jury in any action based on or pertaining to this guaranty.

12. This guaranty shall be construed according to the laws of the State of Minnesota in which state it shall be performed by the undersigned. The undersigned hereby consents to the personal jurisdiction of the state and federal courts located in the State of

Minnesota in connection with any controversy related to this guaranty, waives any argument that venue in such forums is not convenient, and agrees that any litigation initiated by the undersigned against the HRA in connection with this guaranty may be venued in either the District Court of Anoka County, Minnesota or the United States District Court in Minnesota.

13. The undersigned represents, warrants, acknowledges and agrees that: (i) the undersigned will receive direct economic benefit from the loans and advances made by the HRA to Developer evidenced by the Indebtedness, (ii) the HRA is making advances to Developer in reliance upon this guaranty, and (iii) the undersigned has received reasonably equivalent value in return for the undersigned's execution and delivery of this guaranty.

14. The undersigned waives and relinquishes any right of subrogation or other right of reimbursement from Developer or Developer's estate and any other right to payment from Developer or Developer's estate, arising out of or on account of any sums paid or agreed to be paid by the undersigned under this guaranty, whether any such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured. The provisions of this paragraph are made for the express benefit of Developer as well as HRA and may be enforced independently by Developer.

15. The creation or existence from time to time of Indebtedness in excess of the amount to which the right of recovery under this Guaranty is limited is hereby authorized, without notice to the undersigned, and shall in no way affect or impair the rights of the Lender and the obligations of the undersigned under this Guaranty.

IN WITNESS WHEREOF, this guaranty has been duly executed by the undersigned the day and year first above written.

Flaherty & Collins Construction, Inc.,
an Indiana corporation

By:

_____

Its: President

EXHIBIT E-2

PERSONAL GUARANTY

_____, 2011

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a body politic and corporate under the laws of the State of Minnesota (the "HRA"), to lend $**[**_____**]** to F & C Ramsey, LLC, an Indiana limited liability company ("Developer") pursuant to the terms of that certain Loan Agreement between Developer and the HRA of even date herewith (the "Loan Agreement") and the related Promissory Note executed by Developer in favor of the HRA of even date herewith ("Note No. 2"), the undersigned hereby absolutely and unconditionally guarantees to the HRA the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, all amounts payable by Developer to the HRA pursuant to Note No. 2, as the same may be amended, supplemented, restated, replaced or otherwise modified from time to time, whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several or joint and several (all such debts, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness").

The undersigned further acknowledges and agrees with HRA that:

1. No act or thing need occur to establish the liability of the undersigned hereunder, and no act or thing, except full payment and discharge of all Indebtedness, shall in any way exonerate the undersigned or modify, reduce, limit or release the liability of the undersigned hereunder.

2. So long as any portion of the Indebtedness remains outstanding, the undersigned shall, on or before May 15 of each year, provide the HRA with (a) a personal financial statement for the undersigned certified by the undersigned, and (b) a copy of the undersigned's filed federal tax return. If, in any year, the undersigned's liquid net worth is less than $1,000,000.00 then the HRA shall have the right, upon ten (10) days written notice to Developer and Developer's failure to provide a replacement guaranty from another individual or entity reasonably acceptable to the HRA and having a liquid net worth of $1,000,000.00 or more, as evidenced by a current reviewed financial statement for the replacement guarantor prepared by an independent accounting firm in accordance with generally accepted accounting principles, consistently applied, to declare the Indebtedness immediately due and payable, and the undersigned will forthwith pay to the HRA the full amount of all Indebtedness, whether due and payable or unmatured. If the undersigned voluntarily commences or there is commenced involuntarily against the undersigned a case under the United States Bankruptcy Code, the full amount of all Indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

3. The liability of the undersigned hereunder shall include, in addition to the Indebtedness, all attorneys' fees, collection costs and enforcement expenses referable thereto.

Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the undersigned hereunder. The HRA may apply any sums received by or available to the HRA on account of the Indebtedness from Developer, from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the undersigned hereunder.

4. The undersigned will pay or reimburse the HRA for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the HRA in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

5. Whether or not any existing relationship between the undersigned and Developer has been changed or ended and whether or not this guaranty has been revoked, the HRA may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of Indebtedness, without any consent or approval by the undersigned and without any notice to the undersigned. The liability of the undersigned shall not be affected or impaired by any of the following acts or things (which the HRA is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all Indebtedness; (ii) any one or more extensions or renewals of Indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any Indebtedness; (iii) any waiver or indulgence granted to Developer, any delay or lack of diligence in the enforcement of Indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any Indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue, Developer or any other guarantor or other person liable in respect of any Indebtedness; (v) any discharge of any evidence of Indebtedness or the acceptance of any instrument in renewal thereof of substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for Indebtedness, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any modification, substitution, discharge, impairment, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any Indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon Indebtedness; (x) any election by the HRA under §1111(b) of the United States Bankruptcy Code.

6. The undersigned waives any and all defenses, claims and discharges of Developer, or any other obligor, pertaining to Indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the undersigned will not assert, plead or enforce against the HRA any defense of waiver, release, discharge in bankruptcy, statute of limitations, res judicata, statute of frauds, anti-deficiency statute, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Developer or any other person liable in respect of any Indebtedness, or any setoff available against the HRA to Developer or any such other person, whether or not on account of a related transaction. The undersigned expressly agrees that the undersigned shall be and remain liable for any deficiency remaining after foreclosure of any deed of trust or security interest securing Indebtedness, whether or not

the liability of Developer or any other obligor for such deficiency is discharged pursuant to statute or judicial decision.

7. The undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing Indebtedness. The HRA shall not be required first to resort for payment of the Indebtedness to Developer or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for Indebtedness, before enforcing this guaranty.

8. If any payment applied by the HRA to Indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Developer or any other obligor) the Indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such Indebtedness as fully as if such application had never been made.

9. The liability of the undersigned under this guaranty is in addition to and shall be cumulative with all other liabilities of the undersigned to the HRA as guarantor or otherwise, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

10. The undersigned represents and warrants to the HRA that (i) the undersigned has full power and authority to make and deliver this guaranty; (ii) the execution, delivery and performance of this guaranty by the undersigned does not and will not violate the provisions of, or constitute a default under, any presently applicable law or any agreement presently binding on the undersigned; (iii) this guaranty has been duly executed and delivered by the undersigned and constitutes the undersigned's lawful, binding and legally enforceable obligation (subject to the United States Bankruptcy Code and other similar laws generally affecting the enforcement of creditors' rights); and (iv) the execution and delivery and performance of this guaranty does not require notification to, registration with, or consent or approval by, any federal, state or local regulatory body or administrative agency.

11. This guaranty shall be effective upon delivery to the HRA, without further act, condition or acceptance by the HRA, shall be binding upon the undersigned and the heirs, personal representatives, successors and assigns of the undersigned and shall inure to the benefit of the HRA and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are to be severable. This guaranty may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the undersigned and the HRA. The undersigned waives notice of the HRA's acceptance hereof and waives the right to a trial by jury in any action based on or pertaining to this guaranty.

12. This guaranty shall be construed according to the laws of the State of Minnesota in which state it shall be performed by the undersigned. The undersigned hereby consents to the personal jurisdiction of the state and federal courts located in the State of Minnesota in connection with any controversy related to this guaranty, waives any argument that

venue in such forums is not convenient, and agrees that any litigation initiated by the undersigned against the HRA in connection with this guaranty may be venued in either the District Court of Anoka County, Minnesota or the United States District Court in Minnesota.

13. The undersigned represents, warrants, acknowledges and agrees that: (i) the undersigned will receive direct economic benefit from the loans and advances made by the HRA to Developer evidenced by the Indebtedness, (ii) the HRA is making advances to Developer in reliance upon this guaranty, and (iii) the undersigned has received reasonably equivalent value in return for the undersigned's execution and delivery of this guaranty.

14. The undersigned waives and relinquishes any right of subrogation or other right of reimbursement from Developer or Developer's estate and any other right to payment from Developer or Developer's estate, arising out of or on account of any sums paid or agreed to be paid by the undersigned under this guaranty, whether any such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured. The provisions of this paragraph are made for the express benefit of Developer as well as HRA and may be enforced independently by Developer.

15. The creation or existence from time to time of Indebtedness in excess of the amount to which the right of recovery under this Guaranty is limited is hereby authorized, without notice to the undersigned, and shall in no way affect or impair the rights of the Lender and the obligations of the undersigned under this Guaranty.

16. This Guaranty shall terminate and be of no further force or effect at such time as the HRA has advanced the proceeds of Note No. 2 to Developer and Developer has made payments to the HRA sufficient to reduce the outstanding principal and accrued, unpaid interest due under Note No. 2 to either:

a) $2,500,000.00; or

b) if the City has issued the TIF Note, the principal amount of the TIF Note.

IN WITNESS WHEREOF, this guaranty has been duly executed by the undersigned the day and year first above written.

David M. Flaherty

_____

EXHIBIT F

ASSESSMENT AGREEMENT

ASSESSMENT AGREEMENT

THIS AGREEMENT, dated as of this _____ day of _____, 2010, is between the City of Ramsey, Minnesota a home rule charter city organized and existing under the constitution and the laws of the State of Minnesota (the "City") and F & C Development, Inc., an Indiana corporation ("Developer").

WITNESSETH

WHEREAS, on or before the date hereof the City, The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota (the "HRA") and Developer have entered into a Development Agreement dated as of _____, 2011 (the "Development Agreement") regarding the property located in the City and legally described on the attached Exhibit A (the "Development Property").

WHEREAS, it is contemplated that pursuant to said Development Agreement, Developer will construct certain "Minimum Improvement," as defined in the Development Agreement, on the Development Property in accordance with construction plans approved by the City (the "Project").

WHEREAS, the City and Developer desire to establish a minimum market value for the Development Property and the improvements constructed or to be constructed thereon, pursuant to Minnesota Statutes, Section 469.177.

WHEREAS, Developer has acquired the Development Property.

WHEREAS, the City and the Assessor have reviewed Final Construction Plans, as defined in the Development Agreement for the Project.

NOW, THEREFORE, the parties to this Agreement, in consideration of the promises, covenants and agreements made by each to the other, do hereby agree as follows:

1. The Project shall be assessed for ad valorum real estate tax purposes at the minimum market values set forth on the attached Exhibit B, for assessment years 2013 through and including 2036.

2. The minimum market values herein established shall be of no further force and effect and this Agreement shall terminate on the earlier of (i) December 31, 2038; or (ii) the date on which the City's Tax Increment Financing District No. 14 expires or is otherwise terminated. If this Agreement terminates earlier than December 31, 2038, the City shall duly execute and record a release of this Agreement, upon the written request of the then holder of fee title to the Development Property.

3. This Agreement shall be recorded by the City with the County Recorder of Anoka County, Minnesota. Developer shall pay all costs of recording.

4. Nothing in this Agreement limits the discretion of the Assessor to assign a market value to the Development Property in excess of the minimum market values set forth herein nor prohibits Developer from seeking, through the exercise of legal or administrative remedies, a reduction of the Development Property's market value for ad valorum real estate tax purposes, but Developer may not seek a reduction of the Development Property's market value for ad valorum real estate tax purposes below the applicable minimum market value with respect to any year during which this Agreement remains in effect.

5. Neither the preambles nor provisions of this Agreement are intended to, or shall they be construed as, modifying the terms of the Development Agreement between the City and Developer.

6. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

IN WITNESS WHEREOF, the City, Developer and the Assessor have caused this Agreement to be executed in their names and on their behalf all as of the date set forth above.

CITY OF RAMSEY, MINNESOTA

(SEAL)

By_____
Its Mayor

By_____
Its City Administrator

STATE OF MINNESOTA)
): ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____, the Mayor and _____ the City Administrator, of the City of Ramsey on behalf of said City.

_____
Notary Public

F & C RAMSEY, LLC.

By_____
Its: Chief Manager

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____, the _____ of F & C Ramsey, LLC., an Indiana limited liability company, on behalf of said corporation.

_____
Notary Public

This Instrument Drafted By:

Briggs and Morgan, P.A. (TLB)
2200 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402-2157

Signature page for Assessment Agreement by and between the City of Ramsey, Minnesota, F & C Ramsey, LLC. and the Anoka County Assessor.

EXHIBIT A TO ASSESSMENT AGREEMENT

Legal Description of Development Property

Lot 3, Block 1, COR ONE, Anoka County, Minnesota.

EXHIBIT B

SCHEDULE OF MINIMUM MARKET VALUES

Assessment Year	Minimum Market Value
2013	$6,798,000.00
2014	$22,660,000.00
2015	$22,660,000.00
2016	$22,660,000.00
2017	$22,660,000.00
2018	$22,660,000.00
2019	$22,660,000.00
2020	$22,660,000.00
2021	$22,660,000.00
2022	$22,660,000.00
2023	$22,660,000.00
2024	$22,660,000.00
2025	$22,660,000.00
2026	$22,660,000.00
2027	$22,660,000.00
2028	$22,660,000.00
2029	$22,660,000.00
2030	$22,660,000.00
2031	$22,660,000.00
2032	$22,660,000.00
2033	$22,660,000.00
2034	$22,660,000.00
2035	$22,660,000.00
2036	$22,660,000.00

CERTIFICATION BY COUNTY ASSESSOR

The undersigned, having reviewed the Assessment Agreement dated as of _____, 2012 between the City of Ramsey, Minnesota and F & C Development, Inc., an Indiana corporation; the Construction Plans for the Project, as defined in the Assessment Agreement; and the market value currently assigned to land upon which the improvements are to be constructed and being of the opinion that the minimum market values contained in the Assessment Agreement appears reasonable, hereby certifies as follows:

The undersigned Assessor, being legally responsible for the assessment of the above described property, hereby certifies that the market values assigned to such land and improvements are reasonable.

_____
County Assessor for Anoka County

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

This instrument was acknowledged before me on _____, 2012, by _____, the County Assessor of Anoka County.

_____
Notary Public

EXHIBIT G

DEVELOPMENT FEES

Fee	2010_Amount	2011_Amount	Orig_Multiplier	Adjust_Multiplier	Type	Orig_Total	Adjust_Total	Credit	2011_Total	Dif_2010_2011
Park	2475	2475	229	195	Unit	$566,775	$481,759	$85,016	$481,759	$0
Trail	600	600	229	229	Unit	$137,400	$137,400	$0	$137,400	$0
Water Trunk	2209	2308	229	229	Unit	$505,861	$505,861	$0	$528,532	$22,671
Water Lateral	8777	9102	2	2	Connection	$17,554	$17,554	$0	$18,204	$650
Sewer Trunk	1271	1318	229	229	Unit	$291,059	$291,059	$0	$301,822	$10,763
Sewer Lateral	3847	3989	2	2	Connection	$7,694	$7,694	$0	$7,978	$284
Stormwater	448	465	229	229	Unit	$102,592	$102,592	$0	$106,485	$3,893
SAC	2100	2230	229	229	SAC Unit	$480,900	$480,900	$0	$510,670	$29,770
WAC	1627	1701	229	229	WAC Unit	$372,583	$372,583	$0	$389,529	$16,946
SAC Handling	200	200	229	229	SAC Unit	$45,800	$45,800	$0	$45,800	$0
Grand Total						**$2,528,218**	**$2,443,202**	**$85,016**	**$2,528,179**	**$84,977**
	NOTE: This is NOT the official SAC/WAC determination. Final plans will be needed in order for the Metropolitan Council to calculate final SAC determination.									

THESE FIGURES ARE ESTIMATES ONLY.

EXHIBIT H

DESCRIPTION OF THE ADDITIONAL PARKING IMPROVEMENTS

Way Finding and Stall Designation Signage

EXHIBIT I

DESCRIPTION OF THE MINIMUM IMPROVEMENTS

An approximately 230 unit, four story, market rate, rental apartment project, consisting of approximately fourteen (14) two-story townhomes, with two levels of flats above, and the balance of the units will be configured as four levels of flats that will wrap around the future parking garage expansion. All parking for the residential units will be in the parking garage, with the exception of the townhome units, which will have their own garage for each unit. The project will include not less than 3,000 sq. ft. of retail space, located on the first floor in the space closest to the Ramsey City Hall.

Amenities for the residential units shall include a fitness center with cardio, theatre, tanning bed, business center, cyber café, game room, courtyards, and a resort style pool. Additionally, all units will have their own washer and dryer. Architecturally, The Residence will combine urban architecture with components that exist in THE COR project today. The building will be Type V Construction, wood framed, with the façade consisting of brick, stone elements, and cement board. The roof will be a "flat roof" to further pronounce the urban nature of the architecture. All or most HVAC units will be rooftop mounted units so to best screen from street level site lines.

Summary of Development Agreement for the City Council

In the Development Agreement the City represents and warrants that it has the power to execute the Development Agreement and to perform its obligations under the Development Agreement and that the contemplated development conforms with the City's Development Program for Development District No. 1. Under Article VI, the Development Agreement obligates the City to pay F & C Ramsey, LLC ("F & C") up to $2,500,000.00 of Tax Increments together with interest thereon at the rate of 6.25% per annum on a "pay as you go" basis pursuant to the TIF Note attached to the Development Agreement as Exhibit B; provided, however, the City is not obligated to issue the TIF Note until after F & C repays the approximately $6.825 loan ("Loan No. 2") the HRA makes to F & C when and as that loan is due.

In the Development Agreement F & C represents and warrants to the City (and the HRA) that F & C would not undertake the Project and that the Project would not be economically feasible without the assistance provided in the Development Agreement. F & C agrees to purchase the Development Property pursuant to the terms of the Purchase Agreement. F & C agrees to submit construction plans for the Project (a 230 unit, four story apartment building) to the City for approval, although the City's approval rights for purposes of the Development Agreement are limited. The Developer must commence construction of the Project within sixty (60) days after the date the HRA and the Developer close on the Developer's purchase of the Development Property from the HRA pursuant to the Purchase Agreement, and Developer must substantially complete construction of the Project on or before the date two years after the Commencement Date, subject to delays resulting from *force majeure*. The Development Agreement obligates F & C to execute an Assessment Agreement that establishes a minimum value for the Project for purposes of real estate taxation. In Section 11.4 of the Development Agreement, Developer covenants and agrees that so long as the Development Agreement is in effect, Developer will lease not less than Fifty percent (50%) of the apartment units in the Project to tenants whose family income is equal to or less than one hundred and thirty percent (130%) of the median family income as established by the United States Department of Housing and Urban Development for Anoka County. In Section 12.1 of the Development Agreement the Developer agrees to defend the City, the HRA, their governing body, officers, agents and employees and to hold such parties harmless from and indemnify such parties against third party claims arising out of the actions or inactions of the Developer pursuant to the Development Agreement. If F & C defaults, the City may terminate the Development Agreement, cancel and terminate the TIF Note and exercise any other legal or equitable rights or remedies.

All parties obligations under the Development Agreement are subject to each parties performance of its obligations under the Purchase Agreement and if the Purchase Agreement is terminated for any reason, the Development Agreement terminates.

Summary of the Purchase Agreement for the City Council

The HRA and F & C Ramsey, LLC ("F & C") are the principal parties to the Purchase Agreement. Under Section 6 of the Purchase Agreement F & C may terminate the Purchase Agreement if the City, Met Council and County Rail Authority have not let a contract for the construction of the Rail Stop on or before June 29, 2012. The City's obligations under the Purchase Agreement are to:

1. Substantially complete construction of an approximately 200 stall addition to the existing parking ramp on or before June 1, 2012, subject to *force majeure*;

2. Execute and record an Amendment to the Parking Improvement Use and Maintenance Agreement that grants F & C an exclusive easement to use 275 stalls in the expanded parking ramp, gives F & C a non-exclusive easement to use other parking spaces in the expanded parking ramp and allocates 25 spaces in the portion of the expanded parking ramp that is not subject to F & C's exclusive easement to F & C for purposes of proof of parking;

3. Execute and record the final plat of COR ONE;

4. Acquire and install way finding and stall designation signage in the parking ramp, subject to reimbursement from F & C.

F & C is obligated to purchase Lot 3, Block 1, COR ONE, Anoka County, Minnesota together with the easements described above for a purchase price of $750,000. The HRA's conveyance of the property to F & C will be subject to a right of reverter in favor of the HRA which the HRA may exercise if F & C fails to substantially complete construction on project on or before the date two years from the Commencement Date (subject to *force majeure)*.

Summary of Development Agreement for the HRA

In the Development Agreement, the HRA agrees to make two loans to F & C Ramsey, LLC ("F & C"):

1. Loan No. 1. The HRA agrees to lend F & C up to $1,420,000.00 pursuant to the terms of the Development Agreement, a Loan Agreement to be executed between the HRA and F & C and a note ("Note No. 1"). The form of Loan Agreement and form of Note No. 1 are attached to the Development Agreement. F & C may use the proceeds of Loan No. 1 to pay hard and soft costs associated with the development of the Project. The City is not obligated to disburse the proceeds of Loan No. 1 until F & C has commenced construction of the Project and spent at least $1,000,000.00 of equity on the Project (which includes the $750,000.00 land acquisition cost). Loan No. 1 is an interest free loan, but the HRA is charging F & C a fee of $120,000.00 for making the loan. The $120,000.00 will be deemed disbursed to the HRA contemporaneously with the HRA's first Advance of loan proceeds to F & C.

F & C is obligated to make annual payments against the balance of Loan No. 1 to the HRA out of the Project's net cash flow. F & C must repay Loan No. 1 in full on April 1, 2025 or upon a sale of the Development Property. Annual payments are due on April 1 of each year commencing on April 1, 2015 and are in an amount equal to twenty percent (20%) of the net cash flow from the Project. In addition, if F & C refinances it's project mortgage and receives loan proceeds in excess of the amount necessary to pay off the prior project mortgage, F & C must pay twenty percent (20%) of the excess proceeds from the new loan to the HRA. This provision does not apply if F & C is using the excess loan proceeds to complete construction of the Project. Obligation to repay the loan is guaranteed by Flaherty & Collins Construction, Inc.

2. Loan No. 2. The HRA also agrees to lend F & C up to the sum of (i) $6,825,000.00; and (ii) the costs the City incurs to issue the tax increment bonds the proceeds of which will be used to fund this loan ("Loan No. 2") perceived to the terms of the Development Agreement, the Loan Agreement referenced in paragraph 1 above and a note ("Note No. 2"). The form of the Loan Agreement and form of Note No. 2 are attached to the Capital Agreement. F & C may use the proceeds of Loan No. 2 to pay hard and soft costs associated with the development Project. Loan No. 2 is secured by a personal guaranty of David M. Flaherty. The HRA must release the personal guaranty at such time as the loan has been fully advanced and the outstanding balance due under the loan has been paid down to $2,500,000.00 or less. Interest accrues on Loan No. 2 at the rate of 6.27% per annum provided, however, if the Developer does not prepay a total of $3,000,000.00 on or before the date eighteen (18) months after the first disbursement of proceeds of Loan No. 2 the interest rate increases to 8.27% per annum and remains at 8.27% per annum until at least $3,000,000.00 has been prepaid. If the Developer prepays $2,000,000.00 or more of the amount due under Loan No. 2 on or before the date twelve (12) months after the date of the first disbursement of proceeds of Loan No. 2 the City will forgive $250,000.00 of the outstanding principal amount of Loan No. 2. The outstanding principal balance and all accrued, unpaid interest is due under Loan No. 2 on the earlier of June 1, 2015 or upon the sale of the Development Property. The City is not obligated to advance the proceeds of the Loan No. 2 prior to June 1, 2012, is only obligated to advance up to $1,000,000.00 of the proceeds of Loan No. 2 between June 1, 2012 and June 30, 2012 and is only obligated to advance up to an additional $1,000,000.00 of the proceeds of Loan No. 2

between July 1, 2012 and July 31, 2012. The HRA will provide F & C with a credit against the interest that accrues on Loan No. 2 in an amount equal to the amount of any tax increments the City receives from the Development Property in 2014.

F & C represents and warrants to the HRA (and the City) that F & C would not undertake the Project and that the Project would not be economically feasible without the assistance provided in the Development Agreement. F & C agrees to purchase the Development Property pursuant to the terms of the Purchase Agreement. F & C agrees to submit construction plans for the Project to the City for approval. Developer must substantially complete construction of the Project on or before the date two years from the Commencement Date, subject to delays resulting from *force majeure*. In Section 11.4 of the Development Agreement F & C agrees that it will lease not less than 50% of the apartment units in the Project to tenants whose family income is equal to or less than 130% of the median family income as established by the United States Department of Housing and Urban Development for Anoka County.

Summary of the Purchase Agreement for the HRA

In the Purchase Agreement the HRA agrees to sell Lot 3, Block 1, COR ONE, Anoka County, Minnesota to F & C Ramsey, LLC ("F & C") for $750,000.00. The HRA assumes the obligation to record the final plat of COR ONE, to pay any fees Section 117 of the City's Ordinances imposes in connection with the recording of the final plat, and to pay any special assessments levied against the property as of the Date of Closing. The HRA represents that they have the legal authority to sell the property, that to the best of its knowledge, there are no tenants or other third parties in possession of any portion of the property, that the HRA has not entered into any other contracts, purchase agreements, options or rights of first refusal relating to the property and that, to the best of the HRA's knowledge, there are no hazardous substances located on the property except as may be disclosed in the Phase I report the HRA received from its seller.

F & C is obligated to purchase the property for $750,000.00. The HRA's conveyance of the property to F & C will be subject to a right of reverter in favor of the HRA which the HRA may exercise if F & C fails to substantially complete construction on project on or before the date two years from the Commencement Date (subject to *force majeure)*.

F & C's obligation to purchase is contingent upon the City, the Met Council and the Anoka County Transportation Authority letting contracts for the construction of the Rail Stop on or before June 27, 2012. If contracts for the Rail Stop are not let and F & C terminates the Purchase Agreement, the HRA must reimburse F & C for its out-of-pocket costs up to a cap of $500,000.00.

If F & C defaults on the performance of its obligations under the Purchase Agreement, the HRA may terminate the Purchase Agreement and retain the earnest money of $200,000.00; and may sue for a specific performance. If the HRA defaults on the performance of its obligations under the Purchase Agreement, F & C may commence an action in a court of competent jurisdiction seeking a judgment terminating the agreement and seeking damages that are limited to the lesser of F & C's actual damages or $500,000.00. In the alternative, F & C may sue the HRA for the specific performance of the HRA's obligations under the Purchase Agreement.

PURCHASE AGREEMENT

FOR THE PORTIONS OF LOT 1, BLOCK 1, LOT 2, BLOCK 1 AND OUTLOT A, RAMSEY TOWN CENTER 5TH ADDITION TO BE REPLATTED AS LOT 3, BLOCK 1, COR ONE

1. **Parties**. The parties to this Purchase Agreement (the "Agreement") are:

a. The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the state of Minnesota ("Seller");

b. The City of Ramsey, Minnesota, a home rule charter city organized and existing under the constitution and laws of the State of Minnesota (the "City"); and

c. F & C Ramsey, LLC, an Indiana limited liability company ("Buyer").

This Agreement sometimes refers to Seller and Buyer individually as a "Party" and collectively as the "Parties". The Parties are also parties to a Development Agreement of even date herewith (the "Development Agreement"). Capitalized terms that are used in this Agreement, defined in the Development Agreement, and not otherwise defined in this Agreement, have the meanings set forth for such terms in the Development Agreement.

2. **Effective Date and Original Purchase Agreement.** This Agreement is dated, for reference purposes, and is effective as of _____, 2011 (the "Effective Date"). This Agreement replaces the Purchase Agreement between Seller, the City and Buyer dated January 31, 2011, as the same has been amended from time to time, and the January 31, 2011 Purchase Agreement is hereby terminated and, except for those provisions of the January 31, 2011 Purchase Agreement which, by their express terms, survive termination, the January 31, 2011 Purchase Agreement is of no further force or effect.

3. **Recitals**.

a. Recital One. The City, the Metropolitan Council (the "Met Council"), and the Anoka County Regional Rail Authority (the "County Rail Authority") contemplate entering into a Master Cooperating Funding and Delegation Agreement for Ramsey Station (the "Cooperative Agreement") joint powers agreement to construct a rail stop on the Northstar Commuter Rail line on property located south of Civic Drive adjacent to the plat of COR ONE (the "Rail Stop").

4. **Property**. The property that is the subject of this Agreement is the portion of Lot 1, Block 1, Lot 2, Block 1 and Outlot A, RAMSEY TOWN CENTER 5TH ADDITION, Anoka County, Minnesota depicted as Lot 3, Block 1 on the Preliminary Plat of COR ONE, Anoka County, Minnesota that the City approved on November 23, 2010 (the "Land"). As used in this Agreement the term "Property" means the Land and all hereditaments and appurtenances to the Land including but not limited to the easements created in the Amended PUMA, as

defined below, which benefit the Land. There are currently no improvements located on the Land. The Parties do not contemplate the conveyance of any personal property pursuant to this Agreement. At or before the Closing, Seller and the City will record an Amended and Restated Parking Improvement Use and Maintenance Agreement for Parking District A in substantially the form attached as Exhibit A (the "Amended PUMA") which amends the Parking Improvement Use and Maintenance Agreement dated February 28, 2005 and recorded in the office of the Anoka County Recorder and the office of the Anoka County Registrar of Titles on March 16, 2005 as Document Nos. 1973660.001 (Abstract) and 482124.002 (Torrens) (the "Original PUMA"). In addition, the City must, at or before the Closing, adopt the "District A Parking Plan," as defined in Section 3.8 of the Amended PUMA.

5. **Purchase and Sale**. Seller agrees to sell the Property to Buyer pursuant to the terms of this Agreement, and Buyer agrees to purchase the Property from Seller pursuant to the terms of this Agreement.

6. **Termination Right**. If the City, the Met Council and the County Rail Authority, acting pursuant to the joint powers agreement referenced in Section 3(a), have not let a contract for the construction of the Rail Stop on or before June 29, 2012, Buyer may, at any time on or before 5:00 p.m. on July 6, 2012, terminate this Agreement by written notice to Seller in accordance with Sections 21 and 24. If Buyer terminates this Agreement pursuant to this Section 6, Seller must pay Buyer an amount equal to the sum of all out-of-pocket costs Buyer has incurred with respect to the Project between the Effective Date and June 29, 2012, up to a maximum of Seven Hundred Fifty Thousand Dollars ($750,000); provided, however, if, prior to June 29, 2012, Seller notifies Buyer that Seller has determined that the City, the Met council and the County Rail Authority will not proceed with the Rail Stop (a) Buyer may, within ten (10) business days of the receipt of such notice, terminate this Agreement by written notice to Seller in accordance with Sections 21 and 24, and (b) Buyer may only recover out-of-pocket costs incurred between the Effective Date and the date Buyer receives the notice from Seller, up to a maximum of Seven Hundred Fifty Thousand Dollars ($750,000).

7. **Purchase Price**. The purchase price of the Property is $750,000.00 (the "Purchase Price").

8. **Earnest Money**. Buyer must deposit the sum of Two Hundred and Fifty Thousand Dollars ($250,000) (the "Earnest Money") with Commercial Partners Title, LLC (the "Title") within five (5) business days after the Counties Transit Improvement Board approves and authorizes the execution of a Collaborative Funding Agreement pursuant to which the Board agrees to contribute funding for the Rail Stop. Title shall hold and disburse the Earnest Money pursuant to the terms of the Escrow Agreement attached as Exhibit B. Buyer may elect to have Title hold the Earnest Money in an interest-bearing or in a non-interest bearing account. If Buyer elects to have Title hold the Earnest Money in an interesting-bearing account, Buyer must pay all fees or costs imposed by Title for Title's services as escrow agent. If Buyer elects to have Title hold the Earnest Money in a non-interest bearing account, Seller and Buyer must each pay one-half of Title's fee, if any, for acting as the Escrow Agent. All interest which the Earnest Money earns will inure to the Party that is entitled to the Earnest Money under the terms of this Agreement.

9. **Closing**. Seller and Buyer must meet at Ramsey Municipal Center, 7550 Sunwood Drive, Ramsey, Minnesota at 9:30 a.m. on the earlier of (i) the date fifteen (15) days after the City, the Met Council and the County Rail Authority, acting pursuant to the joint Cooperative Agreement referenced in Section 3(a), have let the contract for the construction of the Rail Stop and the City has approved Buyer's "Construction Plans" pursuant to Section 5.3 of the Development Agreement or (ii) July 6, 2012 (the "Date of Closing") at which time the Parties will perform the obligations set forth in this Section 9 (the "Closing"). At Closing:

a. Seller and the City must provide Title with a recorded copy or a recordable original of the Amended PUMA and a recorded copy or a recordable original of the final plat of COR ONE, Anoka County, Minnesota. If Seller and the City provide Title with recordable originals of the Amended PUMA or the final plat of all COR ONE rather than recorded copies of those documents, Seller and the City must also provide Title with sufficient funds to pay the amounts which Title must pay to Anoka County (including but not limited to real estate taxes and recording fees) to record the recordable originals. Seller must pay all fees and charges payable to the City of Ramsey pursuant to Chapter 117 of the City's Ordinances in connection with the City's approval of the plat of COR ONE. Those fees are specifically identified on Exhibit G of the Development Agreement;

b. Seller must:

i Deliver to Buyer a certified copy of a Resolution of Seller's board of commissioners authorizing the execution of this Agreement and the performance of Seller's obligations under this Agreement;

ii Deliver to Buyer a duly executed and acknowledged Limited Warranty Deed conveying title to the Land from Seller to Buyer, subject to the following "Permitted Encumbrances:"

(A) Building, zoning and subdivision statutes, laws, ordinances and regulations;

(B) Reservations of minerals or of mineral rights in favor of the State of Minnesota, if any;

(C) The lien of real estate taxes and special assessments not yet due and payable;

(D) The reservation of a right of reverter in favor of Seller. The right of reverter shall provide that if (1) Buyer does not commence construction of the "Minimum Improvements" on or before the "Commencement Date," as the same may be extended as a result of an "Unavoidable Delay" pursuant to Section 5.4 of the Development Agreement; (2) Buyer does not substantially complete the construction of the "Minimum Improvements" in accordance with the "Final Construction Plans" on or before the "Completion Date," as

the same may be extended as a result of an "Unavoidable Delay" pursuant to Section 5.4 of the Development Agreement; or (3) if the holder of a "Project Mortgage" commences proceedings to foreclose a "Project Mortgage" prior to Buyer's substantial completion of the "Minimum Improvements," Seller may commence an action in Anoka County District Court seeking an order re-vesting title to the Property in Seller and granting Seller immediate possession of the Property. Buyer is deemed to have commenced construction when Buyer has: (a) obtained all building permits from the City necessary for the construction of the "Minimum Improvements" on the Property; and (b) Buyer has commenced the construction of the footings and foundations for the "Minimum Improvements" as defined in the Development Agreement. The capitalized terms set forth in quotation marks in this Section have the meanings set forth for such terms in the Development Agreement. Seller agrees that Seller will, at Buyer's request, subject Seller's future interest in the Property pursuant to the right of reverter to the lien of any Project Mortgage provided the holder of the Project Mortgage acknowledges, in writing both for itself and any successor's in title to the Project Mortgage, that if Seller enforces the right of reverter and obtains a District Court Order re-vesting title to the Property in Seller prior a foreclosure of the Project Mortgage and the expiration of the applicable redemption period provided for in Minnesota Statutes Sections 580 and 581, as applicable, Seller is entitled to redeem the Property from foreclosure, as an owner.

(E) A Declaration of Public Roadway Easement in the form attached as Exhibit "B";

(F) The Amended PUMA;

(G) Terms and conditions of an Agreement Regarding Right of Way Use for Electrical Utilities dated December 31, 2003 and recorded November 1, 2004 and recorded in the office of the Anoka County Registrar of Titles on November 1, 2004 is document no. 480123;

(H) **[Commercial Partners Title is working on an updated title commitment. We do not anticipate that the updated commitment will identify any additional exceptions to title.]**

iii execute and deliver to Buyer and Title a Minnesota Uniform Conveyancing Blank Affidavit Regarding Business Entity evidencing the absence of bankruptcies, judgments, tax liens or corporate dissolution proceedings involving parties with the same or similar names as the Seller; and evidencing the absence of mechanic's liens and the absence of known unrecorded interests, encroachments or boundary line questions affecting the Land;

iv execute and deliver to Buyer a non-foreign affidavit in recordable form containing such information as is required under IRS Section 1445(b)(2) and any regulations relating thereto;

v execute and deliver to the closing agent, Buyer or other appropriate party appropriate Federal Income Tax Reporting Forms; and

vi pay or provide evidence of payment of the following: the State Deed Tax due upon the execution of the Limited Warranty Deed; the cost of the Title Commitment, as defined in Section 12(a), and the Survey, as defined in Section 12(b); real estate taxes and levied special assessments, if any, pursuant to the provisions of Section 10 below; the cost of recording the Declaration of Public Roadway Easement and the Amended PUMA; and one-half of any reasonable and customary closing fees Title charges to conduct closing of this transaction.

c. Buyer shall:

i Direct Title to disburse the Earnest Money to Seller and shall tender the balance of the Purchase Price to Seller in wire transferred funds;

ii Provide Buyer with evidence that the City has approved Buyer's "Construction Plans" pursuant to Section 5.3 of the Development Agreement; and

iii Pay or provide evidence of payment of the following: real estate taxes, if any, pursuant to the provisions of Section 10; the cost of recording the Limited Warranty Deed from Seller to Buyer**;** all premiums and other charges for any title insurance policies Buyer purchases for itself and its lender; all costs associated with Buyer's financing; and one-half of any reasonable and customary closing fees Title charges to conduct the closing of this transaction.

10. **Real Estate Taxes, Special Assessments and Owners Association Assessments.**

a. Real Estate Taxes. On or before the Date of Closing, Seller must pay the real estate taxes, if any, due and payable with respect to the Property in years prior to the

year of Closing. In connection with recording the Plat, the Seller must pay all real estate taxes due and payable with respect to the Property in the year the Plat is recorded. Seller and Buyer must prorate the real estate taxes, if any, due and payable with respect to the Property in the year of Closing on a per diem basis as of the Date of Closing. If the Plat is recorded in the year of Closing, Buyer must reimburse Seller for Buyer's pro rata share of the real estate taxes paid by Seller in connection with the recording of the Plat.

b. Special Assessments. On or before the Date of Closing, Seller must pay all special assessments that are levied against the Property as of the Date of Closing.

11. **Possession.** Seller will deliver possession of the Property to Buyer at Closing.

12. **Evidence of Title**. To evidence the status of Seller's title to the Property, Seller has previously provided Buyer with:

a. A 2006 form ALTA title insurance commitment for the Property issued by Title, in its capacity as agent for Old Republic National Title Insurance Company with an effective date of _____, 2011 (the "Title Commitment"); and

b. An ALTA/ACSM Land Title survey of the Land (the "Survey" and, collectively with the Title Commitment, the "Evidence of Title").

13. **Examination of Title**. **[Intentionally Omitted]**

14. **Representations, Statutory Disclosures and Covenants of Seller and the City.**

a. Representations of Seller. Seller represents to Buyer that, as of the Effective Date:

i Seller has the legal authority to enter into this Agreement and sell the Property.

ii There are no actions, suits, proceedings or investigations pending or, to Seller's knowledge, threatened against the Property, including, without limitation, (A) condemnation or eminent domain claims, actions or proceedings, or (B) actions to seize any portion of the Property under any civil or criminal law authorizing seizure or forfeiture as a penalty for violation.

iii To the best of Seller's actual knowledge, there are no tenants or other third parties in possession of any portion of the Land.

iv Seller has not entered into any other contracts for the sale of the Property nor are there any rights of first refusal or options to purchase the Property or any other rights of others that might prevent the consummation of this Agreement.

v To the best of Seller's actual knowledge: there are no Hazardous Substances located on the Property, except as may be disclosed in the Phase I Environmental Site Assessment for Ramsey Town Center, Highway 10 and Ramsey Boulevard, NW, Ramsey, Minnesota dated April 27, 2007 (Delta Project No. 5A0703-198), prepared by Delta Environmental Consultants, Inc. for Minnwest Bank Central, a copy of which Seller has provided to Buyer (the "Environmental Report"); the Property is not subject to any liens or claims by government or regulatory agencies or third parties arising from the release or threatened release of Hazardous Substances in, on or about Property; and, except as may be disclosed in the Environmental Report, the Property has not been used in connection with the generation, disposal, storage, treatment or transportation of Hazardous Substance. For purposes of this Agreement, the term "Hazardous Substance" includes but is not limited to substances defined as "hazardous substances," "toxic substances" or "hazardous wastes" in the Comprehensive Environmental Response Compensation Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq., and substances defined as "hazardous wastes," "hazardous substances," "pollutants, or contaminants" as defined in the Minnesota Environmental Response and Liability Act, Minnesota Statutes, §115B.02. The term "hazardous substance" also includes asbestos, polychlorinated biphenyls, petroleum, including crude oil or any fraction thereof, petroleum products, heating oil, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas useable for fuel (or mixtures of natural gas and synthetic gas).

b. Statutory Disclosures. As required by statute, Seller hereby represents to Buyer that, to the best of Seller's actual knowledge:

i There are no wells located on the Land.

ii There are no underground or above ground storage tanks of any size or type located on the Land.

iii Sewage is not currently generated at the Property, and there are no abandoned individual sewage treatment systems located on the Land.

iv Methamphetamine production has not occurred on the Land.

c. Covenants of Seller and the City.

i From and after the Effective Date, Seller will not perform any grading or excavation on the Land, will not construct, remove or modify any improvements or landscaping on the Land, without

Buyer's consent which consent Buyer may not unreasonable withhold, condition or delay.

ii On or before the Date of Closing Seller will pay, in full, any persons who provide lien labor or materials towards the improvement of the Land at the request of Seller.

iii The City currently owns an approximately 590 stall parking ramp that is located on Lot 1, Block 1, RAMSEY TOWN CENTER 5TH ADDITION, Anoka County, Minnesota (the "Existing Parking Ramp"). On or before June 1, 2012, the City must substantially complete the construction of the approximately 200 stall addition to the Existing Parking Ramp that is, along with the Existing Parking Ramp, described and depicted on the attached ("Exhibit D") (the "Parking Ramp Addition") and must complete the construction and the installation of the additional improvements described on the attached Exhibit E (the "F&C Parking Improvements"). If the City's completion of construction of the Parking Ramp Addition or the completion of the construction or installation of the F & C Parking Improvements, is delayed as a result of an Unavoidable Delay, as defined in the Development Agreement, the City gives the Buyer notice of the "Unavoidable Delay" within thirty (30) days after the onset of the Unavoidable Delay and the City uses all commercially reasonable efforts to complete the construction of the Parking Ramp Addition and the construction and installation of the F & C Parking Improvements, as promptly as reasonably possible given the conditions causing the Unavoidable Delay, the completion date for the Parking Ramp Addition and the F & C Parking Improvements will be extend for a period of time equal to the duration of the condition causing the Unavoidable Delay plus a reasonable time for recovery and restoration following the cessation of such condition. As used herein, the term "Parking Ramp" means the Existing Parking Ramp and the Parking Ramp Addition.

iv Seller will pay any commission or fee due to any agent Seller has engaged or subsequently engages in connection with the transactions described in this Agreement.

For purposes of Sections 14(a) and 14(b), the phrase "Seller's actual knowledge" means the actual knowledge of Mr. Kurt Ulrich, the City Administrator of the City of Ramsey. If, at any time prior to Closing, Seller acquires actual knowledge that a representations set forth in Section 14(a) or 14(b) is no longer accurate in some material respect, Seller will promptly notify Buyer. The representations and covenants set forth above will survive the Closing of this transaction and Seller's delivery of the Limited Warranty Deed to Buyer, but any action by Buyer alleging that (i) one or more of the representations set forth in Section 14(a) or 14(b) was inaccurate, when made; (ii) Seller failed to promptly notify Buyer after Seller acquired actual knowledge that a

representation set forth in Sections 14(a) or 14(b) was no longer accurate in some material respect; or (iii) Seller breached one or more of the covenants set forth in Section 14(c), must be commenced within six (6) months after the Date of Closing by filing an action in Anoka County District Court or Buyer will be deemed to have waived any such claims.

15. **Representations and Covenants of Buyer.**

a. Representations of Buyer. Buyer represents to Seller that, as of the Effective Date:

i Buyer is a limited liability company, duly organized pursuant to and in good standing under the laws of the State of Indiana; and

ii The individual signing this Agreement on behalf of Buyer is fully authorized and empowered to sign this Agreement on Buyer's behalf.

b. Covenants of Buyer.

i Buyer will pay any commission or fee due to any agent Buyer has engaged or subsequently engages in connection with the transactions described in this Agreement;

ii Buyer will reimburse the City for the cost of the F&C Parking Improvements pursuant to the procedures set forth in this Section 15(b)(ii). At any time after the City has incurred costs in connection with the construction or installation of F&C Parking Improvements, but no more often than once per month, the City may submit to Buyer invoices for costs the City has incurred and evidence that the City has paid those costs. Buyer must pay the City an amount equal to the sum of the submitted, paid invoices the City submits to Buyer, in wire transferred funds, within thirty (30) days of the City's submission of the invoices and evidence of payment; and

iii Buyer will cooperate with Seller in Seller's efforts to negotiate sewer access charges payable to the Metropolitan Council in connection with the Project including, but not limited to, providing Seller with information relating to the design and construction of the Minimum Improvements.

If, at any time prior to Closing, Buyer acquires actual knowledge that a representations set forth in Section 15(a) is no longer accurate in some material respect, Buyer will promptly notify Seller. The representations and covenants set forth above will survive the Closing of this transaction and Seller's delivery of the Limited Warranty Deed to Buyer, but any action by Seller alleging that (i) one or more of the representations set forth in Section 15(a) was inaccurate, when made; (ii) Buyer failed to promptly notify Seller after Buyer acquired actual knowledge that a representation set forth in Sections 15(a) was no longer accurate in some material respect;

or (iii) Buyer breached one or more of the covenants set forth in Section 15(b)(i) or (iii), must be commenced within six (6) months after the Date of Closing by filing an action in Anoka County District Court or Seller will be deemed to have waived any such claims. Any action by Seller alleging that Buyer's breached one or more of the covenants set forth in Section 15(b)(ii) must be commenced within six (6) months after the City's completion of the F & C Parking Improvements or Seller will be deemed to have waived any such claims.

16. **Inspections**. At all times prior to the Date of Closing, Buyer and its agents have the right, upon reasonable notice to Seller, to go upon the Land to inspect the Land and to determine the condition of the Land and the improvements located thereon, including specifically the presence or absence of hazardous substances, petroleum products and asbestos in, on, or about the Land. Buyer agrees to indemnify and defend Seller from and to hold Seller harmless against any and all claims, causes of action or expenses, including attorneys fees, relating to or arising from Buyer's presence on the Land prior to the Date of Closing. Buyer agrees to repair any damage to the Land caused by such inspections and to return the Land to substantially the same condition as existed prior to Buyer's inspection. The obligations of Buyer under this Section 16 survive the termination of this Agreement. Buyer acknowledges that Buyer is purchasing the Land in reliance on Buyer's inspection of the Land pursuant to this Section 16 and on Buyer's judgment regarding the sufficiency of such inspections. Buyer is not relying on any written or oral representations, warranties or statements that Seller or Seller's Agents have made other that the representations of Seller set forth in Section 14.

17. **Buyer's Contingencies.** Buyer's obligations under this Agreement are contingent on Buyer's closing on its financing with PNC Bank, National Association on or before November 1, 2011. This Buyer does not close on its financing with PNC Bank, National Association on or before November 1, 2011, Buyer may exercise this contingency and terminate this Agreement pursuant to Section 21 at any time on or before November 1, 2011. If Buyer terminates this Agreement pursuant to this Section 17 and Section 21, neither party shall have any rights or obligations to the other party under this Agreement or under the Development Agreement except for rights or obligations which, by the express terms of this Agreement or the Development Agreement survive a termination of this Agreement or the Development Agreement.

18. **Seller's and the City's Contingencies. [Intentionally Omitted]**

19. **Condemnation.** If a public or private entity with the power of eminent domain commences condemnation proceedings against all of any part of the Property, Seller must immediately notify Buyer, and either Seller or Buyer may, at Buyer's sole option, terminate this Agreement pursuant to Section 1 below. The Parties will have twenty (20) days from the effective date of Seller's notice to Buyer to exercise their termination right. If neither Party terminates this Agreement within said twenty (20) day period, the Parties must fully perform their obligations under this Agreement, with no reduction in the Purchase Price, and Seller must assign to Buyer, on the Date of Closing, all of Seller's right, title and interest in any award made or to be made in the condemnation proceedings. Seller may not designate counsel, appear or otherwise act with respect to any such condemnation proceedings without Buyer's prior written consent unless Buyer fails to respond within seven (7) days to a request for such written consent.

20. **Default.** If Seller, the City or Buyer default in the performance of any of the Party's obligations under this Agreement or under the Development Agreement, the non-defaulting Party may, after written notice to the defaulting Party, suspend performance of its obligations under this Agreement, and the rights of the non-defaulting Party are as follows:

a. Buyer's Default. If Buyer defaults in the performance of any of Buyer's obligations under this Agreement or if one or more of the representations of Buyer in Section 15 is inaccurate as of the Effective Date, Seller and the City have the right to:

i Terminate this Agreement pursuant to Minnesota Statutes, Section 559.21 and retain the Earnest Money; or

ii If Buyer defaults the performance of one or more of Buyer's obligations under Section 16 or if Buyer has not yet deposited the Earnest Money, Seller may commence an action in a court of competent jurisdiction seeking a judgment terminating this Agreement and awarding damages. Seller shall be entitled to recover and (A) the sum of the amounts spent by Seller in the planning, consideration, negotiation and documentation of this transaction and in the exercise of Seller's rights and the performance of Seller's obligations under this Agreement, up to a maximum of $250,000.00, and (B) any damages Seller suffers as a result of Buyer's default in the performance of Buyer's obligations under Section 16. In any such action, Seller may also recover Seller's reasonable attorneys' fees and costs.

The remedies set forth in this Section 20(a) are Seller's and the City's sole and exclusive remedies in the event of Buyer's default or a misrepresentation by Buyer.

b. Seller's or City's Default. If Seller or the City defaults in the performance of any of Seller's or the City's obligations under this Agreement, Buyer may:

i terminate this Agreement pursuant to Section 21, below;

ii commence an action in a court of competent jurisdiction seeking a judgment terminating this Agreement and awarding damages to Buyer. In any such action for damages, Buyer's damages shall be limited to the lesser of Buyer's actual damages or $750,000.00. In any such action, Buyer may also recover Buyer's reasonable attorneys' fees and costs; or

iii initiate a civil action to compel Seller's and the City's specific performance of their obligations under this Agreement provided that Buyer commences such action within three (3) months of the date of the default. In any such action for specific performance, Buyer may also recover Buyer's attorneys fees and costs.

The remedies set forth in this Section 20(b) are Buyer's sole and exclusive remedies in the event of Seller's.

21. **Termination of this Agreement.** Sections 6, 17, 19 and 20 allow Buyer to terminate this Agreement under certain conditions. Section 16 of this Agreement allows Seller to terminate this Agreement under certain conditions. The following procedures govern the Parties exercise of their termination rights (except that Seller's termination of this Agreement pursuant to Section 20(a) is governed by Minnesota Statutes Section 559.21 and not by this Section 21):

a. A Party intending to terminate this Agreement pursuant to one of the above-referenced Sections (the "Terminating Party") must notify the non-terminating Party (the "Non-Terminating Party"), in writing and in accordance with Section 24, of the Terminating Party's intent to terminate this Agreement.

b. The Terminating Party's notice must recite the Section of this Agreement that authorizes the Terminating Party's termination of this Agreement and must describe the facts and circumstances which the Terminating Party asserts justify termination under the referenced Section.

c. The Terminating Party's notice of termination will be effective as of the date the Terminating Party deposits the notice of termination with the United States Postal Service, with all necessary postage paid, for delivery to the Non-Terminating Party via certified mail, return receipt requested at the address set forth in Section 24. If the Terminating Party delivers a notice of termination in a different manner than described in the preceding sentence, the notice of termination will be effective as of the date the Non-Terminating Party actually receives the notice of termination. The Terminating Party must also mail a copy of the notice of termination to the Parties respective attorneys as provided for in Section 24 below.

d. If the Non-Terminating Party disputes the Terminating Party's right to terminate this Agreement, the Non-Terminating Party must so notify the Terminating Party, in writing, within five (5) business days of the Non-Terminating Party's receipt of the Terminating Party's notice of termination.

e. If the Non-Terminating Party does not dispute the Terminating Party's right to terminate the Agreement, Buyer must execute and delivery to Seller a recordable termination of this Agreement or quit claim deed conveying the Property to Seller, and upon Buyer's delivery of the recordable termination or quit claim deed to Seller, Seller must direct Title to disburse the Earnest Money to Buyer.

f. If the Parties dispute the validity of an attempted termination of this Agreement, either Party may initiate a civil action in a court of competent jurisdiction to determine the status of this Agreement, and the Party that prevails in any such action is entitled to recover the costs and reasonable attorneys' fees which such Party incurs in the action from the non-prevailing Party.

22. **Survival.** The representations, warranties, covenants, agreements and indemnities set forth in this Agreement will remain operative and will survive Closing and the execution and delivery of the deed and will not be merged therein.

23. **Assignment.** The terms and conditions hereof are hereby made binding on the successors and assigns of both parties hereto. However, Buyer may not assign Buyer's rights or obligations under this Agreement to any third party without Seller's consent which consent Seller may grant or withhold in Seller's sole and absolute discretion. Notwithstanding the foregoing, Buyer may assign Buyer's rights and obligations under this Agreement to a limited liability company or other entity that Buyer controls or that Buyer's members control, subject to Seller's consent which consent Seller may not unreasonably withhold. Such an assignment will not relieve Buyer from liability for a default in the performance of Buyer's obligations under this Agreement.

24. **Notice.** Any notice to be given or served upon any party hereto in connection with this Agreement must be in writing, and delivered to the other parties (i) in person; (ii) by facsimile transmission (with confirmation of transmission available upon request from the non-sending party); (iii) by a nationally recognized overnight delivery service; or (iv) by certified mail, return receipt requested. If notice is given in person or via facsimile transmission, notice is deemed to have been given when personal delivery was received by the party or when the facsimile transmission was transmitted. If notice is given by a nationally recognized overnight delivery service, notice is deemed to have been given the day following delivery to the delivery service of such notice. If notice is given by certified mail, notice is deemed to have been given three (3) days after a certified letter containing such notice, properly addressed with postage prepaid, is deposited in the United States mail. Notices should be sent to the parties at the following addresses:

To Seller or the City: The City of Ramsey, Minnesota
Ramsey Municipal Center
7550 Sunwood Drive
Ramsey, Minnesota 55303
Attention: City Administrator

With a copy to: Thomas L. Bray
Briggs and Morgan, P.A.
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402-2157
Telephone: (612) 977-8650
Fax: (612) 977-8288
E-Mail: tbray@briggs.com

To Buyer: F&C Ramsey, LLC
8900 Keystone Crossing #1200
Indianapolis, IN 46240
Attn: David M. Flaherty
Telephone: (317) 816-9300

Fax: (317) 816-9301
E-Mail: dflaherty@flahertycollins.com

With a copy to: Barnes & Thornburg
11 S. Meridian St.
Indianapolis, IN 46204
Attn: Stephen Lee
Telephone: (317) 231-7200
Fax: (317) 231-7433
E-mail: stephen.lee@BTLaw.com

25. **Miscellaneous.**

a. Entire Agreement. This Agreement the Development Agreement and the other Agreements referenced in the Development Agreement embody the entire agreement between the Parties and cannot be varied, except by the written agreement of the parties. This Agreement supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the parties other than the Development Agreement.

b. Attorneys' Fees; Costs; Venue. If any legal action is commenced by any party to enforce any provision of this Agreement, the losing party will pay to the prevailing party all actual expenses, including reasonable costs and attorney's fees, incurred by the prevailing party. The prevailing party is the party who receives substantially the relief sought, whether by judgment, summary judgment, dismissal, settlement or otherwise. Venue is proper in the county in which the Property is located.

c. Counterparts. This Agreement may be executed in several original counterparts, each of which and all together will constitute this Agreement in its entirety. A counterpart of this Agreement or any amendment thereto executed by a party and delivered to the other party via telecopier will be construed as a legally binding signature. Without delay, the sending party should deliver an original, signed counterpart to the other party.

d. Headings. The headings contained in this Agreement are for reference purposes only and do not in any way affect the meaning or interpretation hereof.

e. Exhibits. The Exhibits attached to this Agreement are incorporated into and are a part of this Agreement.

f. Dates. Time is of the essence with respect to this Agreement. If the final day of a period or date of performance under this Agreement falls on a Saturday, Sunday or legal holiday, then the final day of the period or the date of performance will be deemed to fall on the next day that is not a Saturday, Sunday or legal holiday.

g. Enforceability. If any provision of this Agreement is adjudged to be invalid or unenforceable by a court of competent jurisdiction, this Agreement should be

construed as if such invalid or unenforceable provision had not been inserted herein and should not affect the validity or enforceability of the remainder of this Agreement.

h. No Third Party Beneficiaries. Nothing in this Agreement, expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it and their respective permitted successors and assigns. Furthermore, nothing in this Agreement is intended to relieve or discharge any obligation of any third person to any party hereto or give any third person any right of subrogation or action over or against any party to this Agreement.

i. No Partnership. Nothing contained herein and no act by Buyer or Seller in the performances of, or in any way related to, this Agreement should be construed to create or evidence in any manner any employment, partnership, agency or joint venture relationship between the parties hereto. Buyer and Seller represent and acknowledge that it is their mutual intention that the sole relationship created between them by this Agreement is that of vendor and purchaser.

j. Construction. All of the parties to this Agreement have participated freely in the negotiations and preparation hereof. Accordingly, this Agreement should not be construed more strictly against any one of the parties.

k. Waiver. Failure of either Buyer or Seller to exercise any right given hereunder or to insist upon strict compliance with regard to any term, condition or covenant specified herein, will not constitute a waiver of Buyer's or Seller's right to exercise such right or to demand strict compliance with any term, condition or covenant under this Agreement.

l. Choice of Law. This Agreement is governed by and construed in accordance with the laws of the State of Minnesota.

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SELLER:

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA, A PUBLIC BODY POLITIC AND CORPORATE UNDER THE LAWS OF THE STATE OF MINNESOTA

By: _____
Its: Chair

By: _____
Its: Executive Secretary

Signature Date: _____

(Separate Signature Page to Purchase Agreement)

CITY

THE CITY OF RAMSEY, MINNESOTA, A HOME RULE CHARTER CITY ORGANIZED AND EXISTING UNDER THE CONSTITUTION AND THE LAWS OF THE STATE OF MINNESOTA

By: _____
Its: Mayor

By: _____
Its: City Administrator

Signature Date: _____

(Separate Signature Page to Purchase Agreement)

BUYER:

F & C RAMSEY, LLC

By: _____
Its: _____

Signature Date: _____

(Separate Signature Page to Purchase Agreement)

EXHIBIT A

AMENDED AND RESTATED PARKING IMPROVEMENT USE AND MAINTENANCE AGREEMENT FOR PARKING DISTRICT A

1. **Parties**. The parties to this Amended and Restated Parking Improvement Use and Maintenance Agreement (this "Agreement") are the City of Ramsey, a Minnesota municipal corporation (the "City"), the Economic Development Authority of the City of Ramsey, Minnesota, a body politic and corporate under the laws of the state of Minnesota (the "EDA") and The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a body politic and corporate under the laws of the state of Minnesota (the "HRA").

2. **Reference Date and Effective Date**. This Agreement is dated, for reference purposes, as of the __ day of _____, 2012. This Agreement is effective when it is recorded in the office of the Anoka County .

3. **Recitals**.

(a) Recital One. The City owns the real property legally described on Exhibit A (the "City Property"), and the HRA owns the real property legally described on Exhibit B (the "HRA Property").

(b) Recital Two. The City Property and the HRA Property include all of the "Parking District," as defined in that certain Parking Improvement Use and Maintenance Agreement between the City and Ramsey Town Center, LLC (the "Developer") dated as of February 28, 2005 and recorded on March 16, 2005 in the office of the Anoka County Recorder as Document No. 1973660.001 and in the office of the Anoka County Registrar of Titles as Document No. 482124.002 (the "Original PUMA").

(c) Recital Three. The City leases the City Property to the EDA pursuant to a Ground Lease Agreement dated as of June 1, 2005 and recorded on December 8, 2005 in the office of the Anoka County Recorder as Document No. 1980341.001 and in the office of the Anoka County Registrar of Titles as Document No. 485607.002 (the "Ground Lease").

(d) Recital Four. The EDA subleases the City Property back to the City pursuant to a Lease Agreement dated as of June 1, 2005 and recorded on December 8, 2005 in the office of the Anoka County Recorder as Document No. 1980341.002 and in the office of the Anoka County Registrar of Titles as Document No. 485607.003 (the "Sub-Lease").

(e) Recital Six. The City and the HRA, as the owners of all of the Property subject to the Original PUMA and the EDA and the City, as the tenant and subtenant of the City Property, desire to terminate the Original PUMA, in its entirety and replace it with this Agreement.

(f) Recital Seven. The property that is subject to this Agreement is the real property legally described on Exhibit C ("Parking District A").

(g) Recital Eight. Parking District A is zoned "COR District" and is subject to Section 117-118 of the City's zoning ordinance. Section 117-118 of the City's zoning ordinance is referred to herein as the "COR District Ordinance."

(h) Recital Nine. Section 117-118__ of the COR District Ordinance requires _____ to submit a development plan to the City. _____ [**has submitted/is in the process of submitting]** a new development plan for _____ to the City for approval (the "New Development Plan"). Section 117-118(e) of the COR District Ordinance requires _____ to submit a proposed parking plan to the City for review and approval as a part of the New Development Plan. The New Development Plan includes a parking plan for _____ which includes, as one of its components, a parking plan for Parking District A (the "District A Parking Plan").

(i) Recital Nine. The City owns the approximately 600 stall parking ramp (the "Ramp A"). The Ramp A is located on Lot 2, Block 1, COR ONE, Anoka County, Minnesota (the "District A Parking Parcel"). The City intends to construct an approximately 200 stall addition to Ramp A (the "Ramp A Addition") which will also be located on the District A Parking Ramp Parcel. Ramp A and the Ramp A Addition are referred to herein as the "District A Parking Improvements."

(j) Recital Ten. Section 117-118(e)(6) of the COR District Ordinance contemplates a development agreement that will require the owner of each property in the COR District to assume financial responsibility for the continuing maintenance of public parking facilities. The City anticipates that costs associated with the continuing maintenance of the public parking facilities within the COR District will be allocated among properties the public parking facilities serve based on each property's parking needs. For purposes of this Agreement, the term "Parcel" means each platted lot, platted outlot, registered land survey tract and common interest community unit, located wholly or partially within Parking District A and any portion of any platted lot, platted outlot or registered land survey tract located wholly or partially within Parking District A that has been subdivided using a metes and bounds legal description in accordance with the requirements of the City's subdivision ordinance. The District A Parking Plan allocates the available parking spaces in the District A Parking Improvements among the Parcels in Parking District A. Stalls intended for "park and ride" use are allocated to Lot 1, Block 1, COR ONE, Anoka County, Minnesota, which the City owns and upon which the Ramsey Municipal Center is located. The District A Parking Plan also allocates to each Parcel in Parking District A a fractional share of liability for the costs associated with the continuing maintenance of the District A Parking Improvements. The fractional share of liability assigned to each Parcel is based on the relationship between the number of parking spaces allocated to the Parcel and the total number of parking spaces in the District A Parking Improvements.

(k) Recital Eleven. This Agreement obligates the owner of each Parcel in Parking District A to pay the City for costs the City has or will incur to maintain, repair and replace the District A Parking Improvements based on the fractional share of liability assigned to that Parcel in the District A Parking Plan.

(l) Recital Twelve. This Agreement also grants the owner of each Parcel in Parking District A an appurtenant, non-exclusive easement to use the number of parking spaces in the District A Parking Improvements that the District A Parking Plan allocates to that Parcel except that this Agreement grants the owner of Lot 3, Block 1, COR ONE, Anoka County, Minnesota ("Lot 3") an appurtenant, exclusive easement to use the 275 stalls that are located within the portion of the District A Parking Improvements and the District A Parking Parcel depicted on Exhibit D-1 (the "Exclusive Easement Area"). After the City completes construction of the Ramp A Addition, the City will survey the Exclusive Easement Area, and the City and the owner of Lot 3 must execute an amendment to this Agreement to add the legal description of the Exclusive Easement Area as Exhibit D-2. From and after the recording of that amendment the term Exclusive Easement Area shall mean the area legally described on Exhibit D-2 and in the event of any conflict between Exhibit D-1 and Exhibit D-2, Exhibit D-2 shall control.

4. **Declaration and Grant of Easements.**

(a) Non-Exclusive Easements. The City hereby declares and grants a non-exclusive, appurtenant easement over the portion of District A Parking Parcel and the portion of the District A Parking Improvements that are not located within the boundaries of the Exclusive Easement Area (the "Public Parking Areas") for the benefit of each Parcel to permit the owner of each Parcel, each owners' tenants and each owners' and each owner's tenants' employees, customers, agents, guests and invitees to use, on a first-come, first-served basis and in common with members of the public, the number of parking spaces in the Public Parking Areas that the District A Parking Plan allocates to such owner's Parcel and to use the driveways and pedestrian elevators, stairways, sidewalks and walkways that are a part of the District A Parking Improvements. The easement is to permit the parking of vehicles of a size not to exceed the design parameters of the District A Parking Improvements and for pedestrian access to and from such vehicles. Notwithstanding anything else in this Section 4.1, the non-exclusive easement granted in this Section 4.1 only entitles the owner of Lot 3, such owners' tenants and such owners' and such owners' tenants' employees, customers, agents, guest and invitees to use the number of spaces that is equal to the total number of parking spaces the District A Parking Plan allocates to Lot 3 less the number of "Exclusive Use Stalls," as defined in Section 4.2. The easement set forth in this Section 4.1 does not give the benefitted parties a right to use any specific, designated spaces and does not give the benefitted parties any priority over members of the public or other benefitted parties with respect to the use of available spaces. The number of parking spaces the District A Parking Plan allocates to each Parcel may change as a result of subsequent amendments to the District A Parking Plan, but the City Council may not approve an amendment to the District A Parking Plan that increases or decreases the number of parking stalls allocated to a Parcel without the written consent of the owner of the Parcel.

(b) Exclusive Easement. The City hereby declares and grants an exclusive, appurtenant easement over the Exclusive Easement Area for the benefit of Lot 3. The easement is to permit the owner of Lot 3 and such owner's tenants and the owner's and owner's tenants' guests and invitees to use the 275 stalls in the Exclusive Easement Area (the "Exclusive Use Stalls") and to exclude all others from the use of such stalls. The owner of Lot 3 shall have exclusive authority to determine how the Exclusive Use Stalls are allocated among and used by such owner's tenants and the owner's and owner's tenants' guests and invitees. The easement is to permit the parking of vehicles of a size not to exceed the design parameters of the District A

Parking Improvements. The Exclusive Use Stalls may not be used for any purpose other than the parking of motor vehicles. For example, the Exclusive Use Stalls may not be used for the storage of any personal property other than motor vehicles, and the owner of Lot 3 and such owner's tenants and the owner's and owner's tenants' guests and invitees may not attach or affix anything to the District A Parking Improvements except that the owner of Lot 3 may, upon the receipt of the City's written consent, which consent may not to be unreasonably withheld, affix signs to the District A Parking Improvements to identify the Exclusive Use Stalls, to distinguish the Exclusive Use Stalls from other stalls in the District A Parking Improvements and to distinguish Exclusive Use Stalls from one another. The City Council may not approve an amendment to the District A Parking Plan that impairs the exclusive easement rights granted in this Section 4.2 without the written consent of the owner of Lot 3 and the holder of any mortgage recorded against title to Lot 3.

5. **Operation of the District A Parking Improvements.** The City will operate the Public Parking Areas as public parking facilities. The Public Parking Areas will be available to beneficiaries of the easement described in Section 4.1 and to the public on a first-come, first-served basis subject to the following:

(a) The City will establish handicapped parking stalls within the Public Parking Areas as required by law. The owner of Lot 3 must establish and maintain handicapped parking stalls within the Exclusive Easement Area as required by law.

(b) The City may designate, with appropriate signage, parking stalls within the Public Parking Areas that may only be used for a specified period of time (for example, without limitation, "One Hour Parking," "Overnight Parking," and "No Overnight Parking").

(c) The City may designate parking stalls in the Public Parking Areas as "park and ride" stalls for the exclusive use of public transit patrons during designated days and hours as provided for in the District A Parking Plan. The number of designated "park and ride" stalls may not exceed the number of stalls the Parking Plan allocates for "park and ride" use. The City must utilize signage and other parking control mechanisms in an attempt to limit "park and ride" use to the number of parking stalls designated for "park and ride" use in the District A Parking Plan and must make a good faith effort to enforce restrictions the City adopts to control such use.

(d) The City may elect to charge fees for parking in the Public Parking Areas; provided the costs associated with the operation of the Public Parking Areas on a fee basis will be Parking Maintenance Costs under Section 7 below, and the proceeds received from the operation of the Public Parking Areas on a fee basis will be applied to reduce the budgeted Parking Maintenance Costs allocated among the Parcels pursuant to Section 9 below.

(e) The City may, from time to time, temporarily limit or deny access to parking spaces within the District A Parking Improvements as the City determines to be necessary or desirable in connection with the maintenance, repair or replacement of District A Parking Improvements or the construction of expansions of or additions to the District A Parking Improvements. The City must use all commercially reasonable efforts to minimize any interference with the use of the parking stalls in the Exclusive Use Area.

6. **Maintenance, Repair and Replacement of the District A Parking Improvements**. The City will maintain, repair and replace the District A Parking Improvements in a manner consistent with other public parking facilities in the greater Minneapolis-St. Paul, Minnesota metropolitan area.

7. **Parking Maintenance Costs.** For purposes of this Agreement, the term "Parking Maintenance Costs" means all costs and expenses that the City incurs to operate, maintain, repair and replace District A Parking Improvements, including, but not limited to, costs associated with snow removal, insurance, security, elevator maintenance and repair, lighting, landscaping, signage, parking control facilities, staff and contributions to a reserve fund for future maintenance, repair and replacement costs. Parking Maintenance Costs include both amounts the City pays to third parties to operate, maintain, repair and replace District A Parking Improvements and administer this Agreement and the fair market value of any services provided by City employees in connection with the operation, maintenance, repair or replacement of District A Parking Improvements or the administration of this Agreement. Parking Maintenance Costs may also include periodic contributions to a reserve fund the City establishes to provide a source of funds for major repairs, renovations and replacement.

8. **Budget of Parking Maintenance Costs.** The City may, from time to time, establish a fiscal year for the purposes of budgeting for Parking Maintenance Costs. If the City does not establish a fiscal year, the fiscal year for budgeting Parking Maintenance Costs is the fiscal year. On or before the date thirty (30) days prior to the beginning of the first full or partial fiscal year and thirty (30) days prior to the beginning of each full fiscal year thereafter, the City's staff must prepare and the City Council must approve a proposed budget of anticipated Parking Maintenance Costs for the next fiscal year.

9. **Charges for Parking Maintenance Costs.** On or before the date thirty (30) days prior to the beginning of the first full or partial fiscal year and thirty (30) days prior to each full fiscal year thereafter, the City Council must adopt a resolution allocating the budgeted Parking Maintenance Costs for that fiscal year among the Parcels. The allocations will be based on the budgets described in Section 8 above. The share of the anticipated annual Parking Maintenance Costs the City allocates to each Parcel for a given fiscal year will be determined my multiplying the Parcel's "Allocated Share," as determined pursuant to Section 10 below, by the budgeted Parking Maintenance Costs for that fiscal year.

10. **Determination of Each Parcel's Allocated Share.** The District A Parking Plan assigns each Parcel an "Allocated Share" which is a fraction, the numerator of which is the number of parking spaces assigned to that Parcel in the District A Parking Plan and the denominator of which is the total number of parking spaces in the District A Parking Improvements. If and each time the District A Parking Plan is amended in a manner that modifies the Allocated Share assigned to any Parcel, the amendment must describe when such modification is effective for purposes of the calculation and payment of Parking Maintenance Costs for the fiscal year in which amendment is effective.

11. **Annual Notice.** On or before date fifteen (15) days prior to the commencement of the first full or partial fiscal year and fifteen (15) days prior to each full fiscal year thereafter, the City will mail to the owner of each Parcel, at the address the Anoka County Assessor's office

maintains for the distribution of real estate tax statements for the Parcel, a notice setting forth the Parking Maintenance Costs set forth in the City Council's approved budget of Parking Maintenance Costs for the upcoming fiscal year, the Allocated Share attributable to the owner's Parcel for the upcoming year, the amount of the Parking Maintenance Costs for the upcoming fiscal year that the City Council has allocated to the Parcel for that fiscal year pursuant to the resolution described in Section 9 and the amount of the monthly installment of the allocated amount. The notice will not include a copy of the approved budget, but a Parcel owner may obtain a copy of an approved budget from the City upon request.

12. **Payment of Allocated Parking Maintenance Costs.** The owner(s) of each Parcel must pay to the City the amount of the Parking Maintenance Costs that the City Council has allocated to the Parcel for that fiscal year pursuant to the resolution described in Section 9 and such amount is due and payable to the City in a single installment or in multiple installments on the date or dates set forth in said resolution. Each Parcel owner is personally liable for the payment of the share of Parking Maintenance Costs the City allocates to the owner's Parcel and any additional amounts due pursuant to Section 14. The City may commence an action in Anoka County District Court against any owner that does not pay such amounts to the City when and as they are due. If a Parcel has more than one owner, all owners are jointly and severally liable to the City for the full amount of the Parking Maintenance Costs the City allocates to the owners' Parcel and any additional amounts due pursuant to Section 14. An owner may not withhold payment of amounts due under this Agreement as a set-off against claims which the owner asserts against the City under this Agreement or otherwise. If an owner fails to pay an installment of Parking Maintenance Costs on or before the date due, the unpaid installment accrues interest from the date due until the installment is paid in full at a rate of interest equal to the lesser of 12% per annum or the highest rate allowed by law. If the City uses all commercially reasonable efforts to collect delinquent payments, but as a result of an owner's bankruptcy or otherwise the City is unable to recover the delinquent payments from the responsible owner, the amount of the unrecoverable, delinquent payments shall be a Parking Maintenance Cost. If a Parcel owner fails to pay the annual installment of Parking Maintenance Costs when due and the City engages legal counsel to assist the City in collecting the delinquent payments, the City may also recover its reasonable attorneys' fees and costs associated with the collection of the delinquent payments from the Parcel owner. To the extent the City is unable to recover its reasonable attorneys' fees from the delinquent owners, such fees shall be a Parking Maintenance Cost.

13. **Failure to Approve a Budget or to Adopt a Resolution Allocating Costs.** The City Council's failure to approve a budget or to adopt a resolution allocating Park Maintenance Costs among the Parcels pursuant to Sections 8 and 9 above or the City's failure to send the notice described in Section 11 above does not constitute the City's waiver or release of a Parcel owner's obligation to pay its Allocated Share of Parking Maintenance Costs, and in the absence of an approved budget, a resolution allocating Park Maintenance Costs among the Parcels or an annual notice, for a given fiscal year, each Parcel owner must pay, on or before the first day of each fiscal year, an amount equal to the amount of the prior fiscal year's allocation of Parking Maintenance Costs until the City Council approves a budget and adopts a resolution allocating Parking Maintenance Costs for that fiscal year and the City provides mailed notice of the information described in Section 11.

14. **Deficits, Surpluses, Annual Audit and Audit Rights.** On or before the 60th day of each fiscal year the City will determine if the actual Parking Maintenance Costs for the prior fiscal year were more than or less than the amount set forth in the City Council's approved budget for that prior fiscal year and will mail to the owner of each Parcel, at the address the Anoka County Assessor's office maintains for the distribution of real estate tax statements for the Parcel, a notice stating the amount of the deficit or surplus or a statement that there is no deficit or surplus. If there is a deficit, each owner is obligated to pay to the City, within 30 days after the owner's receipt of the notice described in this Section 14, an amount determined by multiplying the amount of the deficit by the Allocated Share assigned to the owner's parcel during the prior fiscal year. If there is a surplus, the City must credit against the amounts due from each Parcel owner in the following fiscal year an amount determined by multiplying the amount of the surplus by the Allocated Share assigned to the owner's Parcel during the prior fiscal year. The notice described in this Section 14 must, in addition to stating the amount of the surplus or deficit, state the Allocated Share assigned to each Parcel in the prior fiscal year and, in the case of a deficit, the additional amount each Parcel owner is obligated to pay pursuant to this Section 14 or, in the case of a surplus, the amount of the credit each owner will receive. The City must maintain a separate fund which isolates the financial activities relating to the operation, maintenance, repair and replacement of the District A Parking Improvements. The City will have this fund included in the City's annual audit. Any additional auditing cost the City incurs to include this separate fund in the City's annual audit is a Parking Maintenance Cost for the year in which the audit is conducted. The City must make the City's books and records relating to the Parking Maintenance Costs the City incurs and the City's allocation of the Parking Maintenance costs among and collection of Parking Maintenance Costs from the Parcel owners available for to Parcel owners for inspection, examination and copying during the City's regular business hours. The City may require a Parcel owner that desires to inspect, examine or copy the City's books and records to provide the City with reasonable advance notice to allow the City to assemble the books and records and may charge the Parcel owner the City's actual cost for i) any staff time devoted to assembling the books and records and monitoring the Parcel owner or its representative during his or her inspection and examination and ii) any copies the Parcel owner requests. At the request of a Parcel owner, the City will submit the City's books and records to an independent certified accountant selected by the Parcel owner for review and audit. If the review and audit discloses an error in the City's calculation or allocation of Parking Maintenance Costs, the City will determine the amount of the deficit or surplus resulting from such error and refund such surplus or collect such deficit from the Parcel owners in the manner described in this Section; provided, however, the City will only address errors occurring during the fiscal year in which the audit is conducted and the preceding two fiscal years. The Parcel owner or owners who commissioned the review and audit are solely responsible for its cost.

15. **The City's Lien for Unpaid Parking Maintenance Cost.** The City has a lien on each Parcel for the amount of the Parking Maintenance Costs the City Council allocates to the Parcel pursuant to Section 9 and for any additional amounts due with respect to the Parcel under Section 14. To provide record notice of its lien, the City must record a notice of lien in the Anoka County land records. A notice of lien must include the legal description of the Parcel subject to the City's lien and the amounts due with respect to the Parcel as of the date of the notice of lien. The City's lien has priority over all liens, encumbrances and other interests that are first recorded in the Anoka County land records after the City's recording of its notice of lien. The City may only foreclose its lien by judicial action. Foreclosure by advertisement is not

permitted. The period of redemption for Parcel owners is six months from the date of the foreclosure sale. If the City brings an action to recover a judgment for unpaid Parking Maintenance Costs (whether or not the City elects to also foreclose its lien), the City may also recover interest, as described above, and all costs of collection, including reasonable attorneys' fees and costs. The City may, in the future, seek to amend its Charter to permit the City to specially assess amounts due under this Agreement against a Parcel if such amounts are not paid when and as they are due under the terms of this Agreement.

16. **Damage or Destruction, Insurance and Waivers of Claims.** If the District A Parking Improvements are damaged or destroyed, the City will repair such damage or destruction or, if the City determines that it is in the City's best interest to replace the damaged District A Parking Improvements, the City will replace the damaged or destroyed District A Parking Improvements. The City must commence such repair or replacement within 6 months of the date of the damage or destruction and must complete such repair or replacement within 12 months of the date of such damage or destruction. The cost of such repair or replacement will be a Parking Maintenance Cost, but the City must use insurance proceeds and reserve funds, to the extent available, to finance such repair or replacement. If insurance proceeds and reserve funds are insufficient to finance the cost of repair or replacement, the City may finance the repair or replacement from other sources and reimburse itself or repay third parties from future collections of Parking Maintenance Costs. The City must obtain and maintain casualty insurance insuring the District A Parking Improvements. The City must obtain the casualty insurance through the League of Minnesota Cities or from an insurance company that is licensed in the State of Minnesota and that has a B general policyholder's rating or a financial performance index of 6 or better in the Best's Insurance Reports. The City must maintain insurance for the full replacement cost of any insurable improvements that constitute a part of the District A Parking Improvements, subject to a deductible in an amount the City Council determines; provided the amount of the deductible may not exceed one-half of one percent of the replacement cost of the District A Parking Improvements as reasonably estimated by the City Council from time-to-time. The cost of the casualty insurance and the amount of any deductible, in the event of an insured loss, are Parking Maintenance Costs. The City hereby releases the Parcel owners, the Parcel owners' tenants, and the Parcel owners' and Parcel owners' tenants, employees, customers, guests and invitees from claims for damage to or destruction of the District A Parking Improvements to the extent, and only to the extent, that damage to the District A Parking Improvements are covered by the insurance the City maintains pursuant to this Section 16 and the City is actually able to recover the cost of repairing the damage under its insurance policy.

17. **Amendments.** This Agreement may be amended, at any time, with the written consent of the fee owner of each Parcel in Parking District A. To be effective the amendment must be executed and acknowledged by each such Parcel owner and the amendment must be recorded in the appropriate County land records. In addition, the City may amend this Agreement pursuant to Section 18 and 19 below.

18. **Changes to Parking District A.** At any time and from time to time and without the consent of the Parcel owners, except as provided in Section 18.1 below, the City may (A) amend this Agreement to redefine Parking District A to include additional portions of the HRA Property; to subject the included portions of the HRA Property to covenants and restrictions set forth in this Agreement and to extend the easements granted in Section 4.1 to the included

portions of the HRA Property; or (B) amend this Agreement to remove all or portions of the HRA Property or all or portions of the City Property from Parking District A; release the removed property from the covenants and restrictions set forth in this Agreement and terminate the easements this Agreement grants to those Parcels; provided that:

(a) The owner of any Parcel removed from Parking District A consents to the amendment removing the owner's Parcel from Parking District A, and the owner of any property added to Parking District A consents in writing to the amendment adding the owners property to Parking District A; and

(b) The City also amends the District A Parking Plan to reflect the removal of Parcels and/or the addition of property. In the amended District A Parking Plan, the number of parking spaces in the District A Parking Improvements that are allocated to the property being added to Parking District A must equal the number of Parking Spaces allocated to the Parcel(s) being removed from Parking District A unless the City is also amending the District A Parking Plan as described in Section 4 above to increase or decrease the number of Parking Spaces allocated to Parcels that are not being added to or removed from Parking District A. In any event, an amendment to the District A Parking Plan that the City adopts in connection with an amendment to this Agreement cannot increase a Parcel owner's Allocated Share without the consent of that Parcel owner.

19. **Additional Parking Improvements.** At any time and from time to time and without the consent of the Parcel owners, except as provided in Section 19.2 below, the City may amend this Agreement to include expansions of the District A Parking Improvements, additional parking ramps in Parking District A or surface parking lots in Parking District A (collectively, "Future Parking Improvements") in the definition of the District A Parking Improvements and may adopt a corresponding amendment to the District A Parking Plan provided that:

(a) The City also amends the District A Parking Plan to allocate the parking spaces in the Future Parking Improvements among Parcels in Parking District A, as the same may be redefined pursuant to Section 18 above, and to amend the Allocated Share of each Parcel to reflect the number of Parking Spaces allocated to that Parcel by the amendment and to reflect the increase in the total number of parking spaces in the District A Parking Improvements; and

(b) The owner of each Parcel to which the amended District A Parking Plan allocates additional parking spaces consents in writing to the amendment.

20. **Transfers.** Whenever a transfer occurs in the ownership of a Parcel, the transferor has no liability for defaults under this Agreement occurring after the date the instrument of transfer is recorded in the Anoka County land records, but the transferee is liable for defaults occurring prior to the date of the transfer except to the extent the City is barred from asserting a claim against the transferee as a result of an estoppel certificate the City has provided pursuant to Section 21 below.

21. **Estoppel Certificates**. Upon the written request of a Parcel owner, the City will provide the Parcel owner and any prospective purchaser from or lender to the Parcel owner with an estoppel certificate stating, to the best of the City's actual knowledge, that this Agreement is

in full force and effect, that this Agreement has not been modified or amended except as described in the estoppel certificate and that the Parcel owner requesting the certificate is not in default in the payment of any amounts due under this Agreement or if such a default exists, the amount in default.

22. **Easements and Covenants to Run With Title.** The benefits and the burdens of the easements and the covenants in this Agreement run with title to each Parcel in Parking District A and inure to the benefit of and are binding on the Parcel owners and their respective heirs, personal representatives, and successors in title.

23. **Termination of the Original PUMA.** Upon the recording of this Agreement in the Anoka County Land Records, the Original PUMA is terminated and is of no further force or effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first stated above.

CITY:

CITY OF RAMSEY, MINNESOTA

By: _____
Name: _____
Its: Mayor

By:_____
Name: _____
Its: City Administrator

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ___ day of _____, 2012, by _____ and _____, the Mayor and City Administrator of the City of Ramsey, a Minnesota municipal corporation and charter city on behalf of the City.

_____
Notary Public

HRA:

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA,
a body politic and corporate under the laws of the state of Minnesota

By:_____
Name: _____
Its: _____

By:_____
Name: _____
Its: _____

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ___ day of _____, 2012, by _____ and _____, the _____ and _____ of The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, on behalf of the Authority.

_____
Notary Public

EDA:

THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RAMSEY, MINNESOTA,
a body politic and corporate under the laws of the state of Minnesota

By:_____
Name: _____
Its: _____

By:_____
Name: _____
Its: _____

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ___ day of _____, 2012, by _____ and _____, the _____ and _____ of the Economic Development Authority for the City of Ramsey, Minnesota, on behalf of the Authority.

_____
Notary Public

DRAFTED BY:
Briggs and Morgan, P.A.
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402-2157 (TLB)
(612) 977-8285

EXHIBIT A

LEGAL DESCRIPTION OF THE CITY PROPERTY

Lots 1, 1A, and 2, Block 1 COR ONE, Anoka County, Minnesota, according to the recorded plat thereof.

EXHIBIT B

LEGAL DESCRIPTION OF THE HRA PROPERTY

Lots 3 and 4, Block 1 and Outlot A, COR ONE, Anoka County, Minnesota, according to the recorded plat thereof.

EXHIBIT C

LEGAL DESCRIPTION OF PARKING DISTRICT A

Lots 1, 1A, 2 and 3, Block 1, COR ONE, Anoka County, Minnesota, according to the recorded plat thereof.

EXHIBIT D-1

DEPICTION OF THE EXCLUSIVE EASEMENT AREA

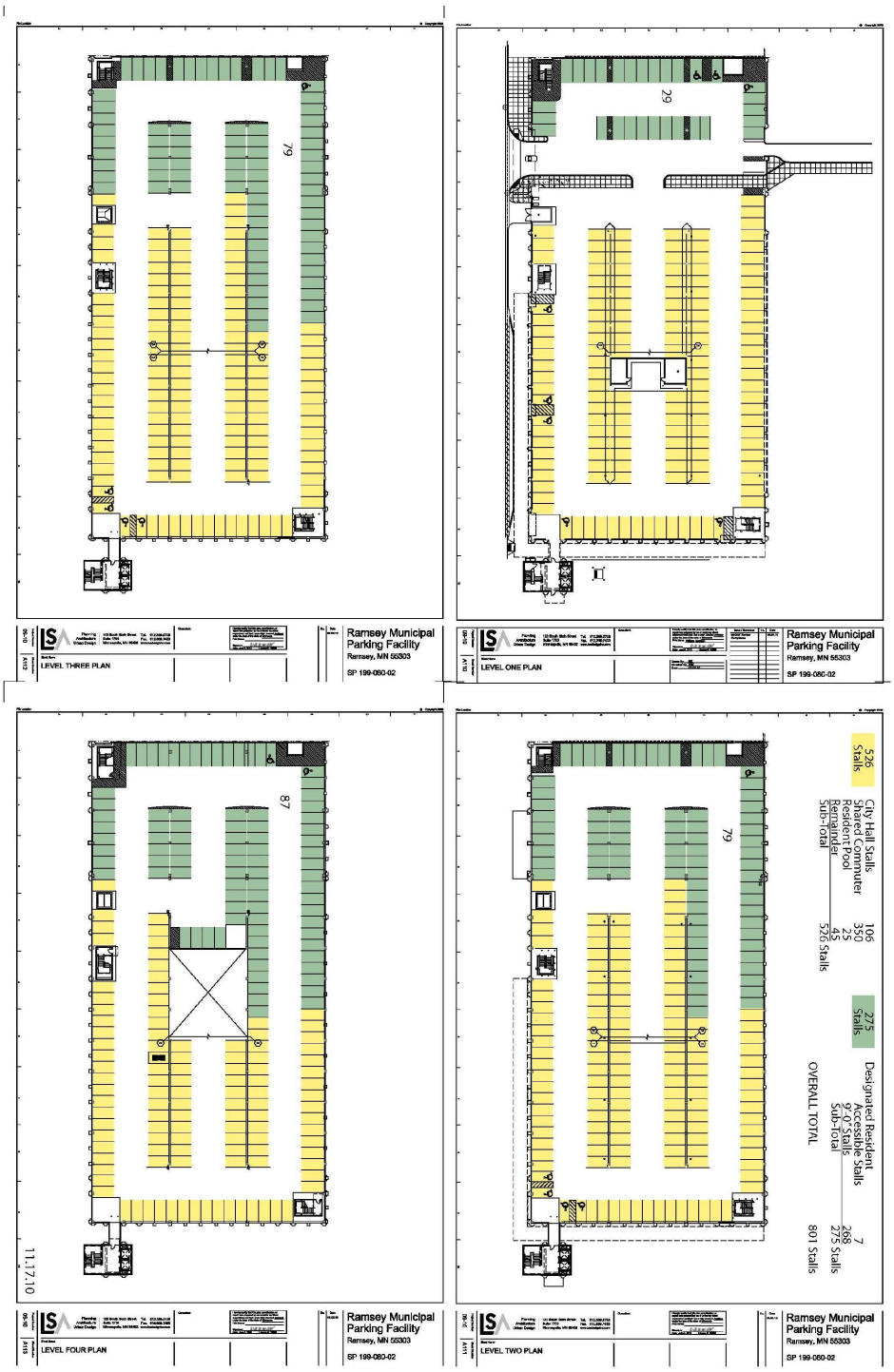

EXHIBIT D-2

LEGAL DESCRIPTION OF THE EXCLUSIVE EASEMENT AREA

EXHIBIT B

FILE NO. _____

ESCROW AGREEMENT

The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the State of Minnesota ("Seller"), the City of Ramsey, Minnesota, a home rule charter city, organized and existing under the constitution and laws of the State of Minnesota (the "City") and F & C Ramsey, LLC, an Indiana limited liability company ("Buyer") are parties to the purchase and sale of the real estate described in the attached Purchase Agreement, dated _____, 2011 ("Purchase Agreement"). As provided in Section 8 of the Purchase Agreement, Buyer hereby deposits the sum of $250,000.00 (the "Earnest Money") with Commercial Partners Title, LLC (the "Earnest Money Agent"). The Earnest Money Agent will hold the Earnest Money in an account insured by a governmental agency or instrumentality.

Upon notification by both parties in writing that the transaction has closed, the Earnest Money Agent will pay the Earnest Money to Seller. If either party notifies the Earnest Money Agent that the transaction has not closed, the Earnest Money Agent will pay the Earnest Money as follows:

1. Upon receipt of instruments regarding the release of the Earnest Money executed by both parties the Earnest Money Agent will deliver the Earnest Money pursuant to such instructions;

2. If Seller delivers a Notice of Cancellation of Purchase Agreement that complies with Minn. Stat. § 559.21 describing the Purchase Agreement and the Property, as defined therein, together with an Affidavit of Service evidencing service of the Notice of Cancellation on Buyer and an Affidavit of Failure to Comply with Notice completed, executed and acknowledged to the Earnest Money Agent on or before the date one hundred twenty (120) days after the Date of Closing as defined in the Purchase Agreement, the Earnest Money Agent will deliver the Earnest Money to Seller, unless Buyer has commenced an action in Anoka County District Court challenging Seller's cancellation of the Purchase Agreement, in which case Earnest Money Agent shall either continue to hold the Earnest Money or shall pay the Earnest Money into court.

3. If no disposition of the Earnest Money has been made by the date one hundred twenty (120) days from the Date of Closing, as defined in the Purchase Agreement, the Earnest Money Agent will return the Earnest Money to Buyer, unless Seller or Buyer has commenced an action in Anoka County District Court holding a right to the Earnest Money or otherwise seeking to enjoin Earnest Money Agent's disbursement of the Earnest Money to Buyer, in which case, Earnest Money Agent will either continue to hold the Earnest Money or shall pay the Earnest Money into court.

The Earnest Money Agent will have no responsibility for any decision concerning performance or effectiveness of the Purchase Agreement, and will only be responsible to act pursuant to the procedures set forth above. Buyer and Seller hereby agree to hold the Earnest Money Agent harmless from any claims or defenses arising out of this Escrow Agreement and indemnify the Earnest Money Agent for all costs and expenses in connection with this escrow, including court costs, attorneys' fees, except for claims arising out of the Earnest Money Agent's failure to account for the funds held and costs and expenses incurred by the parties in connection with such a claim.

To the extent that the provisions of this Escrow Agreement are inconsistent with the provisions of the Purchase Agreement, the provisions of this Escrow Agreement will control.

The Earnest Money Agent will not charge a fee for acting as an escrow agent.

SELLER:	**BUYER**:
By:_____	By:_____
Its:_____	Its:_____
Address:	Address:
_____	_____
_____	_____
_____	_____
_____	_____
Taxpayer Identification Number or Social Security Number:	Taxpayer Identification Number or Social Security Number:
_____	_____

The Earnest Money Agent hereby acknowledges receipt of this Agreement and the Earnest Money, to hold the Earnest Money as above specified.

Dated this ____ day of _____, 20____.

_____

By:_____
Its:_____

EXHIBIT C

DECLARATION OF PUBLIC ROADWAY EASEMENT

1. **Declarant**. The Housing and Redevelopment Authority in and for the City of Ramsey, a body politic and corporate under the laws of the state of Minnesota (the "HRA") makes this Declaration of Public Roadway Easement (the "Declaration of Easement") as of the date set forth in Section 2 below.

2. **Effective Date**. This Declaration of Easement is effective as of the ____ day of _____, 201__.

3. **Recitals**.

3.1 Recital One. The HRA is the owner of the real property legally described on the attached **Exhibit A** (the "F&C Property");

3.2 Recital Two. The City of Ramsey, a municipal corporation and political subdivision of the State of Minnesota (the "City") is the owner of the real property legally described on the attached **Exhibit B** (the "City Property").

3.3 Recital Three. The F&C Property and the City Property are referred to collectively in this Declaration of Easement as the "Property."

3.4 Recital Four. The HRA is selling the F&C Property to F & C Ramsey, LLC, an Indiana limited liability company ("F&C") pursuant to that certain Purchase Agreement among and between F&C, the City and the HRA dated January 31, 2011 (the "Purchase Agreement").

3.5 Recital Five. Pursuant to Section 6(b)(ii)(F) of the Purchase Agreement, the HRA is to convey the F&C Property to F&C subject an appurtenant, exclusive easement over a portion of the F&C Property for public vehicular and pedestrian ingress and egress between the City Property and Sunwood Drive. The public may use the easement 24 hours a day, every day without restriction.

4. **Declaration of Access Easement**. The City hereby declares a perpetual, exclusive easement over and across the real property legally described on **Exhibit C-1** (the "Easement Property") and depicted on **Exhibit C-2** for the construction, maintenance and repair of a public roadway and the use of such public roadway by the public for vehicular and pedestrian ingress and egress between the City Property and adjacent public rights of way. The easement is referred to herein as the "Public Roadway Easement."

5. **Benefitted Property**. The Public Roadway Easement is appurtenant to the City Property and is for the use and benefit of the City and the public.

6. **Construction Obligations**. [To be constructed by the City unless otherwise agreed prior to closing]

7. **Maintenance of the Roadway Improvements**. [To be maintained by the City unless otherwise agreed prior to closing]

8. **Enforcement**. F&C, the City and any future owner of all or any portion of the Property have the right to enforce the terms of this Declaration of Easement in a legal or equitable action brought in a court of competent jurisdiction, and the prevailing party in any such action is entitled to recover from the opposing party the prevailing parties attorney's fees and costs.

9. **Run With Title**. The Public Roadway Easement runs with title to the City Property and inures to the benefit of and is binding upon all the owners of the City Property and the F&C Property, their heirs, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Declaration of Easement on the date set forth in Section 2 above.

CITY OF RAMSEY, a municipal corporation organized and existing under the laws of the State of Minnesota

By:_____
Its Mayor

By:_____
Its City Administrator

[AFFIX CITY SEAL]

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me on _____, 201_, by Bob Ramsey, the Mayor, and Kurt Ulrich, the City Administrator, of the City of Ramsey, a Minnesota municipal corporation, on behalf of said corporation.

_____
Signature of Notary Public

DRAFTED BY AND WHEN
RECORDED RETURN TO:

Briggs and Morgan, P.A. (LRC)
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402
(612) 977-8400

EXHIBIT A

Legal Description of F&C Property

Lot 3, Block 1, COR ONE, Anoka County, Minnesota according to the recorded plat thereof.

EXHIBIT B

Legal Description of City Property

Lot 2, Block 1, COR ONE, Anoka County, Minnesota according to the recorded plat thereof.

EXHIBIT C-1

Legal Description of the Easement Property

COMMENCING AT THE NORTHEASTERLY CORNER OF SAID LOT 3; THENCE NORTH 66 DEGREES 10 MINUTES 33 SECONDS WEST, ASSUMED BEARING ALONG THE NORTHERLY LINE OF SAID LOT 3, TO THE POINT OF BEGINNING; THENCE SOUTH 23 DEGREES 49 MINUTES 27 SECONDS WEST, A DISTANCE OF 81.00 FEET TO A SOUTHWESTERLY LINE OF SAID LOT 3 AND THE NORTHEASTERLY LINE OF LOT 2, BLOCK 1, COR ONE; THENCE NORTH 66 DEGREES 10 MINUTES 33 SECONDS WEST, ALONG SAID SOUTHWESTERLY LINE OF LOT 3 AND SAID NORTHEASTERLY LINE OF LOT 2, A DISTANCE OF 24.00 FEET; THENCE NORTH 23 DEGREES 49 MINUTES 27 SECONDS EAST, A DISTANCE OF 81.00 FEET TO SAID NORTHEASTERLY LINE OF LOT 3; THENCE SOUTH 66 DEGREES 10 MINUTES 33 SECONDS EAST, ALONG SAID NORTHEASTERLY LINE OF LOT 3, A DISTANCE OF 24.00 FEET TO THE POINT OF BEGINNING.

SAID EASEMENT SHALL BE LOCATED BELOW THE ELEVATION OF 88200 (NGVD 29 DATUM).

EXHIBIT C-2

Depiction of the Easement Property

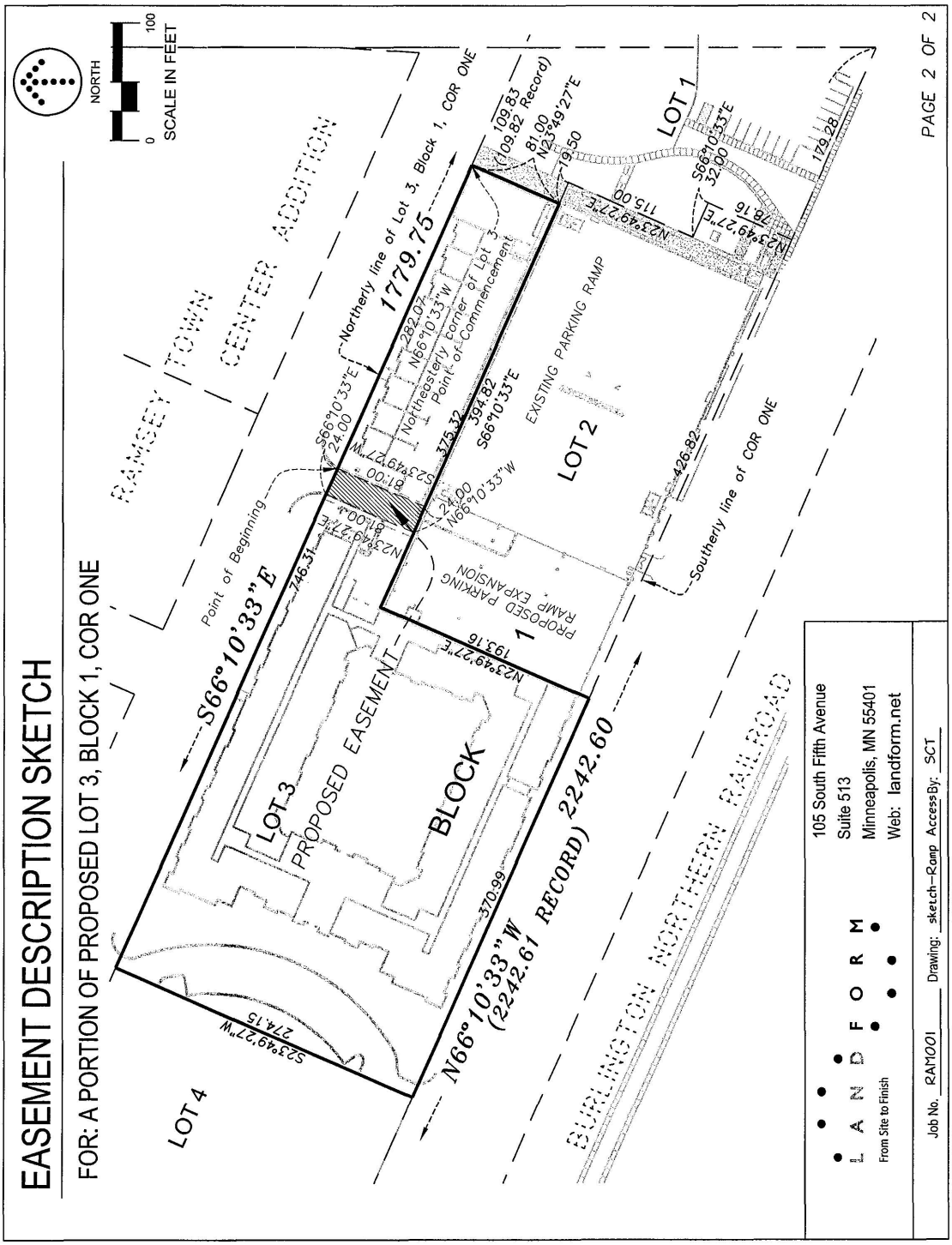

EXHIBIT D

(Parking Ramp Addition)

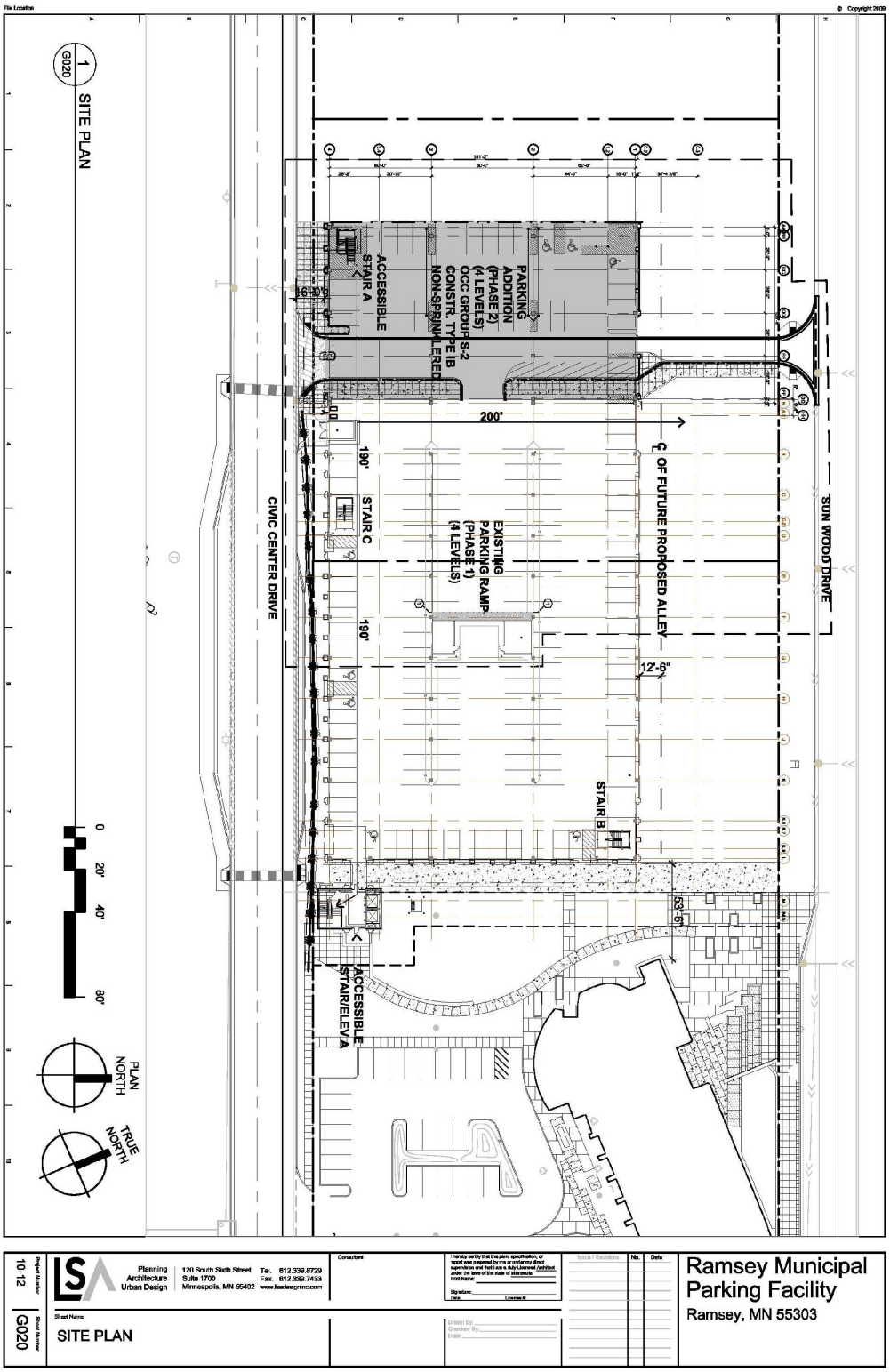

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EXHIBIT E

(F&C Parking Improvements)
Way finding and stall designation signage

PURCHASE AGREEMENT

FOR THE PORTIONS OF LOT 1, BLOCK 1, LOT 2, BLOCK 1 AND OUTLOT A, RAMSEY TOWN CENTER 5TH ADDITION TO BE REPLATTED AS LOT 3, BLOCK 1, COR ONE

1. **Parties**. The parties to this Purchase Agreement (the "Agreement") are:

a. The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the state of Minnesota ("Seller");

b. The City of Ramsey, Minnesota, a home rule charter city organized and existing under the constitution and laws of the State of Minnesota (the "City"); and

c. F & C Ramsey, LLC, an Indiana limited liability company ("Buyer").

This Agreement sometimes refers to Seller and Buyer individually as a "Party" and collectively as the "Parties". The Parties are also parties to a Development Agreement of even date herewith (the "Development Agreement"). Capitalized terms that are used in this Agreement, defined in the Development Agreement, and not otherwise defined in this Agreement, have the meanings set forth for such terms in the Development Agreement.

2. **Effective Date and Original Purchase Agreement.** This Agreement is dated, for reference purposes, and is effective as of _____, 2011 (the "Effective Date"). This Agreement replaces the Purchase Agreement between Seller, the City and Buyer dated January 31, 2011, as the same has been amended from time to time, and the January 31, 2011 Purchase Agreement is hereby terminated and, except for those provisions of the January 31, 2011 Purchase Agreement which, by their express terms, survive termination, the January 31, 2011 Purchase Agreement is of no further force or effect.

3. **Recitals**.

a. Recital One. The City, the Metropolitan Council (the "Met Council"), and the Anoka County Regional Rail Authority (the "County Rail Authority") contemplate entering into a Master Cooperating Funding and Delegation Agreement for Ramsey Station (the "Cooperative Agreement") joint powers agreement to construct a rail stop on the Northstar Commuter Rail line on property located south of Civic Drive adjacent to the plat of COR ONE (the "Rail Stop").

4. **Property**. The property that is the subject of this Agreement is the portion of Lot 1, Block 1, Lot 2, Block 1 and Outlot A, RAMSEY TOWN CENTER 5TH ADDITION, Anoka County, Minnesota depicted as Lot 3, Block 1 on the Preliminary Plat of COR ONE, Anoka County, Minnesota that the City approved on November 23, 2010 (the "Land"). As used in this Agreement the term "Property" means the Land and all hereditaments and appurtenances to the Land including but not limited to the easements created in the Amended PUMA, as

defined below, which benefit the Land. There are currently no improvements located on the Land. The Parties do not contemplate the conveyance of any personal property pursuant to this Agreement. At or before the Closing, Seller and the City will record an Amended and Restated Parking Improvement Use and Maintenance Agreement for Parking District A in substantially the form attached as Exhibit A (the "Amended PUMA") which amends the Parking Improvement Use and Maintenance Agreement dated February 28, 2005 and recorded in the office of the Anoka County Recorder and the office of the Anoka County Registrar of Titles on March 16, 2005 as Document Nos. 1973660.001 (Abstract) and 482124.002 (Torrens) (the "Original PUMA"). In addition, the City must, at or before the Closing, adopt the "District A Parking Plan," as defined in Section 3.8 of the Amended PUMA.

5. **Purchase and Sale**. Seller agrees to sell the Property to Buyer pursuant to the terms of this Agreement, and Buyer agrees to purchase the Property from Seller pursuant to the terms of this Agreement.

6. **Termination Right**. If the City, the Met Council and the County Rail Authority, acting pursuant to the joint powers agreement referenced in Section 3(a), have not let a contract for the construction of the Rail Stop on or before June 29, 2012, Buyer may, at any time on or before 5:00 p.m. on July 6, 2012, terminate this Agreement by written notice to Seller in accordance with Sections 21 and 24. If Buyer terminates this Agreement pursuant to this Section 6, Seller must pay Buyer an amount equal to the sum of all out-of-pocket costs Buyer has incurred with respect to the Project between the Effective Date and June 29, 2012, up to a maximum of Seven Hundred Fifty Thousand Dollars ($750,000); provided, however, if, prior to June 29, 2012, Seller notifies Buyer that Seller has determined that the City, the Met council and the County Rail Authority will not proceed with the Rail Stop (a) Buyer may, within ten (10) business days of the receipt of such notice, terminate this Agreement by written notice to Seller in accordance with Sections 21 and 24, and (b) Buyer may only recover out-of-pocket costs incurred between the Effective Date and the date Buyer receives the notice from Seller, up to a maximum of Seven Hundred Fifty Thousand Dollars ($750,000).

7. **Purchase Price**. The purchase price of the Property is $750,000.00 (the "Purchase Price").

8. **Earnest Money**. Buyer must deposit the sum of Two Hundred and Fifty Thousand Dollars ($250,000) (the "Earnest Money") with Commercial Partners Title, LLC (the "Title") within five (5) business days after the Counties Transit Improvement Board approves and authorizes the execution of a Collaborative Funding Agreement pursuant to which the Board agrees to contribute funding for the Rail Stop. Title shall hold and disburse the Earnest Money pursuant to the terms of the Escrow Agreement attached as Exhibit B. Buyer may elect to have Title hold the Earnest Money in an interest-bearing or in a non-interest bearing account. If Buyer elects to have Title hold the Earnest Money in an interesting-bearing account, Buyer must pay all fees or costs imposed by Title for Title's services as escrow agent. If Buyer elects to have Title hold the Earnest Money in a non-interest bearing account, Seller and Buyer must each pay one-half of Title's fee, if any, for acting as the Escrow Agent. All interest which the Earnest Money earns will inure to the Party that is entitled to the Earnest Money under the terms of this Agreement.

9. **Closing**. Seller and Buyer must meet at Ramsey Municipal Center, 7550 Sunwood Drive, Ramsey, Minnesota at 9:30 a.m. on the earlier of (i) the date fifteen (15) days after the City, the Met Council and the County Rail Authority, acting pursuant to the joint Cooperative Agreement referenced in Section 3(a), have let the contract for the construction of the Rail Stop and the City has approved Buyer's "Construction Plans" pursuant to Section 5.3 of the Development Agreement or (ii) July 6, 2012 (the "Date of Closing") at which time the Parties will perform the obligations set forth in this Section 9 (the "Closing"). At Closing:

a. Seller and the City must provide Title with a recorded copy or a recordable original of the Amended PUMA and a recorded copy or a recordable original of the final plat of COR ONE, Anoka County, Minnesota. If Seller and the City provide Title with recordable originals of the Amended PUMA or the final plat of all COR ONE rather than recorded copies of those documents, Seller and the City must also provide Title with sufficient funds to pay the amounts which Title must pay to Anoka County (including but not limited to real estate taxes and recording fees) to record the recordable originals. Seller must pay all fees and charges payable to the City of Ramsey pursuant to Chapter 117 of the City's Ordinances in connection with the City's approval of the plat of COR ONE. Those fees are specifically identified on Exhibit G of the Development Agreement;

b. Seller must:

i Deliver to Buyer a certified copy of a Resolution of Seller's board of commissioners authorizing the execution of this Agreement and the performance of Seller's obligations under this Agreement;

ii Deliver to Buyer a duly executed and acknowledged Limited Warranty Deed conveying title to the Land from Seller to Buyer, subject to the following "Permitted Encumbrances:"

(A) Building, zoning and subdivision statutes, laws, ordinances and regulations;

(B) Reservations of minerals or of mineral rights in favor of the State of Minnesota, if any;

(C) The lien of real estate taxes and special assessments not yet due and payable;

(D) The reservation of a right of reverter in favor of Seller. The right of reverter shall provide that if (1) Buyer does not commence construction of the "Minimum Improvements" on or before the "Commencement Date," as the same may be extended as a result of an "Unavoidable Delay" pursuant to Section 5.4 of the Development Agreement; (2) Buyer does not substantially complete the construction of the "Minimum Improvements" in accordance with the "Final Construction Plans" on or before the "Completion Date," as

the same may be extended as a result of an "Unavoidable Delay" pursuant to Section 5.4 of the Development Agreement; or (3) if the holder of a "Project Mortgage" commences proceedings to foreclose a "Project Mortgage" prior to Buyer's substantial completion of the "Minimum Improvements," Seller may commence an action in Anoka County District Court seeking an order re-vesting title to the Property in Seller and granting Seller immediate possession of the Property. Buyer is deemed to have commenced construction when Buyer has: (a) obtained all building permits from the City necessary for the construction of the "Minimum Improvements" on the Property; and (b) Buyer has commenced the construction of the footings and foundations for the "Minimum Improvements" as defined in the Development Agreement. The capitalized terms set forth in quotation marks in this Section have the meanings set forth for such terms in the Development Agreement. Seller agrees that Seller will, at Buyer's request, subject Seller's future interest in the Property pursuant to the right of reverter to the lien of any Project Mortgage provided the holder of the Project Mortgage acknowledges, in writing both for itself and any successor's in title to the Project Mortgage, that if Seller enforces the right of reverter and obtains a District Court Order re-vesting title to the Property in Seller prior a foreclosure of the Project Mortgage and the expiration of the applicable redemption period provided for in Minnesota Statutes Sections 580 and 581, as applicable, Seller is entitled to redeem the Property from foreclosure, as an owner.

(E) A Declaration of Public Roadway Easement in the form attached as Exhibit "B";

(F) The Amended PUMA;

(G) Terms and conditions of an Agreement Regarding Right of Way Use for Electrical Utilities dated December 31, 2003 and recorded November 1, 2004 and recorded in the office of the Anoka County Registrar of Titles on November 1, 2004 is document no. 480123;

(H) **[Commercial Partners Title is working on an updated title commitment. We do not anticipate that the updated commitment will identify any additional exceptions to title.]**

iii execute and deliver to Buyer and Title a Minnesota Uniform Conveyancing Blank Affidavit Regarding Business Entity evidencing the absence of bankruptcies, judgments, tax liens or corporate dissolution proceedings involving parties with the same or similar names as the Seller; and evidencing the absence of mechanic's liens and the absence of known unrecorded interests, encroachments or boundary line questions affecting the Land;

iv execute and deliver to Buyer a non-foreign affidavit in recordable form containing such information as is required under IRS Section 1445(b)(2) and any regulations relating thereto;

v execute and deliver to the closing agent, Buyer or other appropriate party appropriate Federal Income Tax Reporting Forms; and

vi pay or provide evidence of payment of the following: the State Deed Tax due upon the execution of the Limited Warranty Deed; the cost of the Title Commitment, as defined in Section 12(a), and the Survey, as defined in Section 12(b); real estate taxes and levied special assessments, if any, pursuant to the provisions of Section 10 below; the cost of recording the Declaration of Public Roadway Easement and the Amended PUMA; and one-half of any reasonable and customary closing fees Title charges to conduct closing of this transaction.

c. Buyer shall:

i Direct Title to disburse the Earnest Money to Seller and shall tender the balance of the Purchase Price to Seller in wire transferred funds;

ii Provide Buyer with evidence that the City has approved Buyer's "Construction Plans" pursuant to Section 5.3 of the Development Agreement; and

iii Pay or provide evidence of payment of the following: real estate taxes, if any, pursuant to the provisions of Section 10; the cost of recording the Limited Warranty Deed from Seller to Buyer**;** all premiums and other charges for any title insurance policies Buyer purchases for itself and its lender; all costs associated with Buyer's financing; and one-half of any reasonable and customary closing fees Title charges to conduct the closing of this transaction.

10. **Real Estate Taxes, Special Assessments and Owners Association Assessments.**

a. Real Estate Taxes. On or before the Date of Closing, Seller must pay the real estate taxes, if any, due and payable with respect to the Property in years prior to the

year of Closing. In connection with recording the Plat, the Seller must pay all real estate taxes due and payable with respect to the Property in the year the Plat is recorded. Seller and Buyer must prorate the real estate taxes, if any, due and payable with respect to the Property in the year of Closing on a per diem basis as of the Date of Closing. If the Plat is recorded in the year of Closing, Buyer must reimburse Seller for Buyer's pro rata share of the real estate taxes paid by Seller in connection with the recording of the Plat.

b. Special Assessments. On or before the Date of Closing, Seller must pay all special assessments that are levied against the Property as of the Date of Closing.

11. **Possession.** Seller will deliver possession of the Property to Buyer at Closing.

12. **Evidence of Title**. To evidence the status of Seller's title to the Property, Seller has previously provided Buyer with:

a. A 2006 form ALTA title insurance commitment for the Property issued by Title, in its capacity as agent for Old Republic National Title Insurance Company with an effective date of _____, 2011 (the "Title Commitment"); and

b. An ALTA/ACSM Land Title survey of the Land (the "Survey" and, collectively with the Title Commitment, the "Evidence of Title").

13. **Examination of Title**. **[Intentionally Omitted]**

14. **Representations, Statutory Disclosures and Covenants of Seller and the City.**

a. Representations of Seller. Seller represents to Buyer that, as of the Effective Date:

i Seller has the legal authority to enter into this Agreement and sell the Property.

ii There are no actions, suits, proceedings or investigations pending or, to Seller's knowledge, threatened against the Property, including, without limitation, (A) condemnation or eminent domain claims, actions or proceedings, or (B) actions to seize any portion of the Property under any civil or criminal law authorizing seizure or forfeiture as a penalty for violation.

iii To the best of Seller's actual knowledge, there are no tenants or other third parties in possession of any portion of the Land.

iv Seller has not entered into any other contracts for the sale of the Property nor are there any rights of first refusal or options to purchase the Property or any other rights of others that might prevent the consummation of this Agreement.

v To the best of Seller's actual knowledge: there are no Hazardous Substances located on the Property, except as may be disclosed in the Phase I Environmental Site Assessment for Ramsey Town Center, Highway 10 and Ramsey Boulevard, NW, Ramsey, Minnesota dated April 27, 2007 (Delta Project No. 5A0703-198), prepared by Delta Environmental Consultants, Inc. for Minnwest Bank Central, a copy of which Seller has provided to Buyer (the "Environmental Report"); the Property is not subject to any liens or claims by government or regulatory agencies or third parties arising from the release or threatened release of Hazardous Substances in, on or about Property; and, except as may be disclosed in the Environmental Report, the Property has not been used in connection with the generation, disposal, storage, treatment or transportation of Hazardous Substance. For purposes of this Agreement, the term "Hazardous Substance" includes but is not limited to substances defined as "hazardous substances," "toxic substances" or "hazardous wastes" in the Comprehensive Environmental Response Compensation Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq., and substances defined as "hazardous wastes," "hazardous substances," "pollutants, or contaminants" as defined in the Minnesota Environmental Response and Liability Act, Minnesota Statutes, §115B.02. The term "hazardous substance" also includes asbestos, polychlorinated biphenyls, petroleum, including crude oil or any fraction thereof, petroleum products, heating oil, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas useable for fuel (or mixtures of natural gas and synthetic gas).

b. Statutory Disclosures. As required by statute, Seller hereby represents to Buyer that, to the best of Seller's actual knowledge:

i There are no wells located on the Land.

ii There are no underground or above ground storage tanks of any size or type located on the Land.

iii Sewage is not currently generated at the Property, and there are no abandoned individual sewage treatment systems located on the Land.

iv Methamphetamine production has not occurred on the Land.

c. Covenants of Seller and the City.

i From and after the Effective Date, Seller will not perform any grading or excavation on the Land, will not construct, remove or modify any improvements or landscaping on the Land, without

Buyer's consent which consent Buyer may not unreasonable withhold, condition or delay.

ii On or before the Date of Closing Seller will pay, in full, any persons who provide lien labor or materials towards the improvement of the Land at the request of Seller.

iii The City currently owns an approximately 590 stall parking ramp that is located on Lot 1, Block 1, RAMSEY TOWN CENTER 5TH ADDITION, Anoka County, Minnesota (the "Existing Parking Ramp"). On or before June 1, 2012, the City must substantially complete the construction of the approximately 200 stall addition to the Existing Parking Ramp that is, along with the Existing Parking Ramp, described and depicted on the attached ("Exhibit D") (the "Parking Ramp Addition") and must complete the construction and the installation of the additional improvements described on the attached Exhibit E (the "F&C Parking Improvements"). If the City's completion of construction of the Parking Ramp Addition or the completion of the construction or installation of the F & C Parking Improvements, is delayed as a result of an Unavoidable Delay, as defined in the Development Agreement, the City gives the Buyer notice of the "Unavoidable Delay" within thirty (30) days after the onset of the Unavoidable Delay and the City uses all commercially reasonable efforts to complete the construction of the Parking Ramp Addition and the construction and installation of the F & C Parking Improvements, as promptly as reasonably possible given the conditions causing the Unavoidable Delay, the completion date for the Parking Ramp Addition and the F & C Parking Improvements will be extend for a period of time equal to the duration of the condition causing the Unavoidable Delay plus a reasonable time for recovery and restoration following the cessation of such condition. As used herein, the term "Parking Ramp" means the Existing Parking Ramp and the Parking Ramp Addition.

iv Seller will pay any commission or fee due to any agent Seller has engaged or subsequently engages in connection with the transactions described in this Agreement.

For purposes of Sections 14(a) and 14(b), the phrase "Seller's actual knowledge" means the actual knowledge of Mr. Kurt Ulrich, the City Administrator of the City of Ramsey. If, at any time prior to Closing, Seller acquires actual knowledge that a representations set forth in Section 14(a) or 14(b) is no longer accurate in some material respect, Seller will promptly notify Buyer. The representations and covenants set forth above will survive the Closing of this transaction and Seller's delivery of the Limited Warranty Deed to Buyer, but any action by Buyer alleging that (i) one or more of the representations set forth in Section 14(a) or 14(b) was inaccurate, when made; (ii) Seller failed to promptly notify Buyer after Seller acquired actual knowledge that a

representation set forth in Sections 14(a) or 14(b) was no longer accurate in some material respect; or (iii) Seller breached one or more of the covenants set forth in Section 14(c), must be commenced within six (6) months after the Date of Closing by filing an action in Anoka County District Court or Buyer will be deemed to have waived any such claims.

15. **Representations and Covenants of Buyer.**

a. Representations of Buyer. Buyer represents to Seller that, as of the Effective Date:

i Buyer is a limited liability company, duly organized pursuant to and in good standing under the laws of the State of Indiana; and

ii The individual signing this Agreement on behalf of Buyer is fully authorized and empowered to sign this Agreement on Buyer's behalf.

b. Covenants of Buyer.

i Buyer will pay any commission or fee due to any agent Buyer has engaged or subsequently engages in connection with the transactions described in this Agreement;

ii Buyer will reimburse the City for the cost of the F&C Parking Improvements pursuant to the procedures set forth in this Section 15(b)(ii). At any time after the City has incurred costs in connection with the construction or installation of F&C Parking Improvements, but no more often than once per month, the City may submit to Buyer invoices for costs the City has incurred and evidence that the City has paid those costs. Buyer must pay the City an amount equal to the sum of the submitted, paid invoices the City submits to Buyer, in wire transferred funds, within thirty (30) days of the City's submission of the invoices and evidence of payment; and

iii Buyer will cooperate with Seller in Seller's efforts to negotiate sewer access charges payable to the Metropolitan Council in connection with the Project including, but not limited to, providing Seller with information relating to the design and construction of the Minimum Improvements.

If, at any time prior to Closing, Buyer acquires actual knowledge that a representations set forth in Section 15(a) is no longer accurate in some material respect, Buyer will promptly notify Seller. The representations and covenants set forth above will survive the Closing of this transaction and Seller's delivery of the Limited Warranty Deed to Buyer, but any action by Seller alleging that (i) one or more of the representations set forth in Section 15(a) was inaccurate, when made; (ii) Buyer failed to promptly notify Seller after Buyer acquired actual knowledge that a representation set forth in Sections 15(a) was no longer accurate in some material respect;

or (iii) Buyer breached one or more of the covenants set forth in Section 15(b)(i) or (iii), must be commenced within six (6) months after the Date of Closing by filing an action in Anoka County District Court or Seller will be deemed to have waived any such claims. Any action by Seller alleging that Buyer's breached one or more of the covenants set forth in Section 15(b)(ii) must be commenced within six (6) months after the City's completion of the F & C Parking Improvements or Seller will be deemed to have waived any such claims.

16. **Inspections**. At all times prior to the Date of Closing, Buyer and its agents have the right, upon reasonable notice to Seller, to go upon the Land to inspect the Land and to determine the condition of the Land and the improvements located thereon, including specifically the presence or absence of hazardous substances, petroleum products and asbestos in, on, or about the Land. Buyer agrees to indemnify and defend Seller from and to hold Seller harmless against any and all claims, causes of action or expenses, including attorneys fees, relating to or arising from Buyer's presence on the Land prior to the Date of Closing. Buyer agrees to repair any damage to the Land caused by such inspections and to return the Land to substantially the same condition as existed prior to Buyer's inspection. The obligations of Buyer under this Section 16 survive the termination of this Agreement. Buyer acknowledges that Buyer is purchasing the Land in reliance on Buyer's inspection of the Land pursuant to this Section 16 and on Buyer's judgment regarding the sufficiency of such inspections. Buyer is not relying on any written or oral representations, warranties or statements that Seller or Seller's Agents have made other that the representations of Seller set forth in Section 14.

17. **Buyer's Contingencies.** Buyer's obligations under this Agreement are contingent on Buyer's closing on its financing with PNC Bank, National Association on or before November 1, 2011. This Buyer does not close on its financing with PNC Bank, National Association on or before November 1, 2011, Buyer may exercise this contingency and terminate this Agreement pursuant to Section 21 at any time on or before November 1, 2011. If Buyer terminates this Agreement pursuant to this Section 17 and Section 21, neither party shall have any rights or obligations to the other party under this Agreement or under the Development Agreement except for rights or obligations which, by the express terms of this Agreement or the Development Agreement survive a termination of this Agreement or the Development Agreement.

18. **Seller's and the City's Contingencies. [Intentionally Omitted]**

19. **Condemnation.** If a public or private entity with the power of eminent domain commences condemnation proceedings against all of any part of the Property, Seller must immediately notify Buyer, and either Seller or Buyer may, at Buyer's sole option, terminate this Agreement pursuant to Section 1 below. The Parties will have twenty (20) days from the effective date of Seller's notice to Buyer to exercise their termination right. If neither Party terminates this Agreement within said twenty (20) day period, the Parties must fully perform their obligations under this Agreement, with no reduction in the Purchase Price, and Seller must assign to Buyer, on the Date of Closing, all of Seller's right, title and interest in any award made or to be made in the condemnation proceedings. Seller may not designate counsel, appear or otherwise act with respect to any such condemnation proceedings without Buyer's prior written consent unless Buyer fails to respond within seven (7) days to a request for such written consent.

20. **Default.** If Seller, the City or Buyer default in the performance of any of the Party's obligations under this Agreement or under the Development Agreement, the non-defaulting Party may, after written notice to the defaulting Party, suspend performance of its obligations under this Agreement, and the rights of the non-defaulting Party are as follows:

a. Buyer's Default. If Buyer defaults in the performance of any of Buyer's obligations under this Agreement or if one or more of the representations of Buyer in Section 15 is inaccurate as of the Effective Date, Seller and the City have the right to:

i Terminate this Agreement pursuant to Minnesota Statutes, Section 559.21 and retain the Earnest Money; or

ii If Buyer defaults the performance of one or more of Buyer's obligations under Section 16 or if Buyer has not yet deposited the Earnest Money, Seller may commence an action in a court of competent jurisdiction seeking a judgment terminating this Agreement and awarding damages. Seller shall be entitled to recover and (A) the sum of the amounts spent by Seller in the planning, consideration, negotiation and documentation of this transaction and in the exercise of Seller's rights and the performance of Seller's obligations under this Agreement, up to a maximum of $250,000.00, and (B) any damages Seller suffers as a result of Buyer's default in the performance of Buyer's obligations under Section 16. In any such action, Seller may also recover Seller's reasonable attorneys' fees and costs.

The remedies set forth in this Section 20(a) are Seller's and the City's sole and exclusive remedies in the event of Buyer's default or a misrepresentation by Buyer.

b. Seller's or City's Default. If Seller or the City defaults in the performance of any of Seller's or the City's obligations under this Agreement, Buyer may:

i terminate this Agreement pursuant to Section 21, below;

ii commence an action in a court of competent jurisdiction seeking a judgment terminating this Agreement and awarding damages to Buyer. In any such action for damages, Buyer's damages shall be limited to the lesser of Buyer's actual damages or $750,000.00. In any such action, Buyer may also recover Buyer's reasonable attorneys' fees and costs; or

iii initiate a civil action to compel Seller's and the City's specific performance of their obligations under this Agreement provided that Buyer commences such action within three (3) months of the date of the default. In any such action for specific performance, Buyer may also recover Buyer's attorneys fees and costs.

The remedies set forth in this Section 20(b) are Buyer's sole and exclusive remedies in the event of Seller's.

21. **Termination of this Agreement.** Sections 6, 17, 19 and 20 allow Buyer to terminate this Agreement under certain conditions. Section 16 of this Agreement allows Seller to terminate this Agreement under certain conditions. The following procedures govern the Parties exercise of their termination rights (except that Seller's termination of this Agreement pursuant to Section 20(a) is governed by Minnesota Statutes Section 559.21 and not by this Section 21):

a. A Party intending to terminate this Agreement pursuant to one of the above-referenced Sections (the "Terminating Party") must notify the non-terminating Party (the "Non-Terminating Party"), in writing and in accordance with Section 24, of the Terminating Party's intent to terminate this Agreement.

b. The Terminating Party's notice must recite the Section of this Agreement that authorizes the Terminating Party's termination of this Agreement and must describe the facts and circumstances which the Terminating Party asserts justify termination under the referenced Section.

c. The Terminating Party's notice of termination will be effective as of the date the Terminating Party deposits the notice of termination with the United States Postal Service, with all necessary postage paid, for delivery to the Non-Terminating Party via certified mail, return receipt requested at the address set forth in Section 24. If the Terminating Party delivers a notice of termination in a different manner than described in the preceding sentence, the notice of termination will be effective as of the date the Non-Terminating Party actually receives the notice of termination. The Terminating Party must also mail a copy of the notice of termination to the Parties respective attorneys as provided for in Section 24 below.

d. If the Non-Terminating Party disputes the Terminating Party's right to terminate this Agreement, the Non-Terminating Party must so notify the Terminating Party, in writing, within five (5) business days of the Non-Terminating Party's receipt of the Terminating Party's notice of termination.

e. If the Non-Terminating Party does not dispute the Terminating Party's right to terminate the Agreement, Buyer must execute and delivery to Seller a recordable termination of this Agreement or quit claim deed conveying the Property to Seller, and upon Buyer's delivery of the recordable termination or quit claim deed to Seller, Seller must direct Title to disburse the Earnest Money to Buyer.

f. If the Parties dispute the validity of an attempted termination of this Agreement, either Party may initiate a civil action in a court of competent jurisdiction to determine the status of this Agreement, and the Party that prevails in any such action is entitled to recover the costs and reasonable attorneys' fees which such Party incurs in the action from the non-prevailing Party.

22. **Survival.** The representations, warranties, covenants, agreements and indemnities set forth in this Agreement will remain operative and will survive Closing and the execution and delivery of the deed and will not be merged therein.

23. **Assignment.** The terms and conditions hereof are hereby made binding on the successors and assigns of both parties hereto. However, Buyer may not assign Buyer's rights or obligations under this Agreement to any third party without Seller's consent which consent Seller may grant or withhold in Seller's sole and absolute discretion. Notwithstanding the foregoing, Buyer may assign Buyer's rights and obligations under this Agreement to a limited liability company or other entity that Buyer controls or that Buyer's members control, subject to Seller's consent which consent Seller may not unreasonably withhold. Such an assignment will not relieve Buyer from liability for a default in the performance of Buyer's obligations under this Agreement.

24. **Notice.** Any notice to be given or served upon any party hereto in connection with this Agreement must be in writing, and delivered to the other parties (i) in person; (ii) by facsimile transmission (with confirmation of transmission available upon request from the non-sending party); (iii) by a nationally recognized overnight delivery service; or (iv) by certified mail, return receipt requested. If notice is given in person or via facsimile transmission, notice is deemed to have been given when personal delivery was received by the party or when the facsimile transmission was transmitted. If notice is given by a nationally recognized overnight delivery service, notice is deemed to have been given the day following delivery to the delivery service of such notice. If notice is given by certified mail, notice is deemed to have been given three (3) days after a certified letter containing such notice, properly addressed with postage prepaid, is deposited in the United States mail. Notices should be sent to the parties at the following addresses:

To Seller or the City: The City of Ramsey, Minnesota
Ramsey Municipal Center
7550 Sunwood Drive
Ramsey, Minnesota 55303
Attention: City Administrator

With a copy to: Thomas L. Bray
Briggs and Morgan, P.A.
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402-2157
Telephone: (612) 977-8650
Fax: (612) 977-8288
E-Mail: tbray@briggs.com

To Buyer: F&C Ramsey, LLC
8900 Keystone Crossing #1200
Indianapolis, IN 46240
Attn: David M. Flaherty
Telephone: (317) 816-9300

Fax: (317) 816-9301
E-Mail: dflaherty@flahertycollins.com

With a copy to: Barnes & Thornburg
11 S. Meridian St.
Indianapolis, IN 46204
Attn: Stephen Lee
Telephone: (317) 231-7200
Fax: (317) 231-7433
E-mail: stephen.lee@BTLaw.com

25. **Miscellaneous.**

a. Entire Agreement. This Agreement the Development Agreement and the other Agreements referenced in the Development Agreement embody the entire agreement between the Parties and cannot be varied, except by the written agreement of the parties. This Agreement supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the parties other than the Development Agreement.

b. Attorneys' Fees; Costs; Venue. If any legal action is commenced by any party to enforce any provision of this Agreement, the losing party will pay to the prevailing party all actual expenses, including reasonable costs and attorney's fees, incurred by the prevailing party. The prevailing party is the party who receives substantially the relief sought, whether by judgment, summary judgment, dismissal, settlement or otherwise. Venue is proper in the county in which the Property is located.

c. Counterparts. This Agreement may be executed in several original counterparts, each of which and all together will constitute this Agreement in its entirety. A counterpart of this Agreement or any amendment thereto executed by a party and delivered to the other party via telecopier will be construed as a legally binding signature. Without delay, the sending party should deliver an original, signed counterpart to the other party.

d. Headings. The headings contained in this Agreement are for reference purposes only and do not in any way affect the meaning or interpretation hereof.

e. Exhibits. The Exhibits attached to this Agreement are incorporated into and are a part of this Agreement.

f. Dates. Time is of the essence with respect to this Agreement. If the final day of a period or date of performance under this Agreement falls on a Saturday, Sunday or legal holiday, then the final day of the period or the date of performance will be deemed to fall on the next day that is not a Saturday, Sunday or legal holiday.

g. Enforceability. If any provision of this Agreement is adjudged to be invalid or unenforceable by a court of competent jurisdiction, this Agreement should be

construed as if such invalid or unenforceable provision had not been inserted herein and should not affect the validity or enforceability of the remainder of this Agreement.

h. No Third Party Beneficiaries. Nothing in this Agreement, expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it and their respective permitted successors and assigns. Furthermore, nothing in this Agreement is intended to relieve or discharge any obligation of any third person to any party hereto or give any third person any right of subrogation or action over or against any party to this Agreement.

i. No Partnership. Nothing contained herein and no act by Buyer or Seller in the performances of, or in any way related to, this Agreement should be construed to create or evidence in any manner any employment, partnership, agency or joint venture relationship between the parties hereto. Buyer and Seller represent and acknowledge that it is their mutual intention that the sole relationship created between them by this Agreement is that of vendor and purchaser.

j. Construction. All of the parties to this Agreement have participated freely in the negotiations and preparation hereof. Accordingly, this Agreement should not be construed more strictly against any one of the parties.

k. Waiver. Failure of either Buyer or Seller to exercise any right given hereunder or to insist upon strict compliance with regard to any term, condition or covenant specified herein, will not constitute a waiver of Buyer's or Seller's right to exercise such right or to demand strict compliance with any term, condition or covenant under this Agreement.

l. Choice of Law. This Agreement is governed by and construed in accordance with the laws of the State of Minnesota.

[The remainder of this page is intentionally left blank.]

SELLER:

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA, A PUBLIC BODY POLITIC AND CORPORATE UNDER THE LAWS OF THE STATE OF MINNESOTA

By: _____
Its: Chair

By: _____
Its: Executive Secretary

Signature Date: _____

(Separate Signature Page to Purchase Agreement)

CITY

THE CITY OF RAMSEY, MINNESOTA, A HOME RULE CHARTER CITY ORGANIZED AND EXISTING UNDER THE CONSTITUTION AND THE LAWS OF THE STATE OF MINNESOTA

By: _____
Its: Mayor

By: _____
Its: City Administrator

Signature Date: _____

(Separate Signature Page to Purchase Agreement)

BUYER:

F & C RAMSEY, LLC

By: _____
Its: _____

Signature Date: _____

(Separate Signature Page to Purchase Agreement)

EXHIBIT A

AMENDED AND RESTATED PARKING IMPROVEMENT USE AND MAINTENANCE AGREEMENT FOR PARKING DISTRICT A

1. **Parties**. The parties to this Amended and Restated Parking Improvement Use and Maintenance Agreement (this "Agreement") are the City of Ramsey, a Minnesota municipal corporation (the "City"), the Economic Development Authority of the City of Ramsey, Minnesota, a body politic and corporate under the laws of the state of Minnesota (the "EDA") and The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a body politic and corporate under the laws of the state of Minnesota (the "HRA").

2. **Reference Date and Effective Date**. This Agreement is dated, for reference purposes, as of the __ day of _____, 2012. This Agreement is effective when it is recorded in the office of the Anoka County .

3. **Recitals**.

(a) Recital One. The City owns the real property legally described on Exhibit A (the "City Property"), and the HRA owns the real property legally described on Exhibit B (the "HRA Property").

(b) Recital Two. The City Property and the HRA Property include all of the "Parking District," as defined in that certain Parking Improvement Use and Maintenance Agreement between the City and Ramsey Town Center, LLC (the "Developer") dated as of February 28, 2005 and recorded on March 16, 2005 in the office of the Anoka County Recorder as Document No. 1973660.001 and in the office of the Anoka County Registrar of Titles as Document No. 482124.002 (the "Original PUMA").

(c) Recital Three. The City leases the City Property to the EDA pursuant to a Ground Lease Agreement dated as of June 1, 2005 and recorded on December 8, 2005 in the office of the Anoka County Recorder as Document No. 1980341.001 and in the office of the Anoka County Registrar of Titles as Document No. 485607.002 (the "Ground Lease").

(d) Recital Four. The EDA subleases the City Property back to the City pursuant to a Lease Agreement dated as of June 1, 2005 and recorded on December 8, 2005 in the office of the Anoka County Recorder as Document No. 1980341.002 and in the office of the Anoka County Registrar of Titles as Document No. 485607.003 (the "Sub-Lease").

(e) Recital Six. The City and the HRA, as the owners of all of the Property subject to the Original PUMA and the EDA and the City, as the tenant and subtenant of the City Property, desire to terminate the Original PUMA, in its entirety and replace it with this Agreement.

(f) Recital Seven. The property that is subject to this Agreement is the real property legally described on Exhibit C ("Parking District A").

(g) Recital Eight. Parking District A is zoned "COR District" and is subject to Section 117-118 of the City's zoning ordinance. Section 117-118 of the City's zoning ordinance is referred to herein as the "COR District Ordinance."

(h) Recital Nine. Section 117-118__ of the COR District Ordinance requires _____ to submit a development plan to the City. _____ [**has submitted/is in the process of submitting]** a new development plan for _____ to the City for approval (the "New Development Plan"). Section 117-118(e) of the COR District Ordinance requires _____ to submit a proposed parking plan to the City for review and approval as a part of the New Development Plan. The New Development Plan includes a parking plan for _____ which includes, as one of its components, a parking plan for Parking District A (the "District A Parking Plan").

(i) Recital Nine. The City owns the approximately 600 stall parking ramp (the "Ramp A"). The Ramp A is located on Lot 2, Block 1, COR ONE, Anoka County, Minnesota (the "District A Parking Parcel"). The City intends to construct an approximately 200 stall addition to Ramp A (the "Ramp A Addition") which will also be located on the District A Parking Ramp Parcel. Ramp A and the Ramp A Addition are referred to herein as the "District A Parking Improvements."

(j) Recital Ten. Section 117-118(e)(6) of the COR District Ordinance contemplates a development agreement that will require the owner of each property in the COR District to assume financial responsibility for the continuing maintenance of public parking facilities. The City anticipates that costs associated with the continuing maintenance of the public parking facilities within the COR District will be allocated among properties the public parking facilities serve based on each property's parking needs. For purposes of this Agreement, the term "Parcel" means each platted lot, platted outlot, registered land survey tract and common interest community unit, located wholly or partially within Parking District A and any portion of any platted lot, platted outlot or registered land survey tract located wholly or partially within Parking District A that has been subdivided using a metes and bounds legal description in accordance with the requirements of the City's subdivision ordinance. The District A Parking Plan allocates the available parking spaces in the District A Parking Improvements among the Parcels in Parking District A. Stalls intended for "park and ride" use are allocated to Lot 1, Block 1, COR ONE, Anoka County, Minnesota, which the City owns and upon which the Ramsey Municipal Center is located. The District A Parking Plan also allocates to each Parcel in Parking District A a fractional share of liability for the costs associated with the continuing maintenance of the District A Parking Improvements. The fractional share of liability assigned to each Parcel is based on the relationship between the number of parking spaces allocated to the Parcel and the total number of parking spaces in the District A Parking Improvements.

(k) Recital Eleven. This Agreement obligates the owner of each Parcel in Parking District A to pay the City for costs the City has or will incur to maintain, repair and replace the District A Parking Improvements based on the fractional share of liability assigned to that Parcel in the District A Parking Plan.

(l) Recital Twelve. This Agreement also grants the owner of each Parcel in Parking District A an appurtenant, non-exclusive easement to use the number of parking spaces in the District A Parking Improvements that the District A Parking Plan allocates to that Parcel except that this Agreement grants the owner of Lot 3, Block 1, COR ONE, Anoka County, Minnesota ("Lot 3") an appurtenant, exclusive easement to use the 275 stalls that are located within the portion of the District A Parking Improvements and the District A Parking Parcel depicted on Exhibit D-1 (the "Exclusive Easement Area"). After the City completes construction of the Ramp A Addition, the City will survey the Exclusive Easement Area, and the City and the owner of Lot 3 must execute an amendment to this Agreement to add the legal description of the Exclusive Easement Area as Exhibit D-2. From and after the recording of that amendment the term Exclusive Easement Area shall mean the area legally described on Exhibit D-2 and in the event of any conflict between Exhibit D-1 and Exhibit D-2, Exhibit D-2 shall control.

4. **Declaration and Grant of Easements.**

(a) Non-Exclusive Easements. The City hereby declares and grants a non-exclusive, appurtenant easement over the portion of District A Parking Parcel and the portion of the District A Parking Improvements that are not located within the boundaries of the Exclusive Easement Area (the "Public Parking Areas") for the benefit of each Parcel to permit the owner of each Parcel, each owners' tenants and each owners' and each owner's tenants' employees, customers, agents, guests and invitees to use, on a first-come, first-served basis and in common with members of the public, the number of parking spaces in the Public Parking Areas that the District A Parking Plan allocates to such owner's Parcel and to use the driveways and pedestrian elevators, stairways, sidewalks and walkways that are a part of the District A Parking Improvements. The easement is to permit the parking of vehicles of a size not to exceed the design parameters of the District A Parking Improvements and for pedestrian access to and from such vehicles. Notwithstanding anything else in this Section 4.1, the non-exclusive easement granted in this Section 4.1 only entitles the owner of Lot 3, such owners' tenants and such owners' and such owners' tenants' employees, customers, agents, guest and invitees to use the number of spaces that is equal to the total number of parking spaces the District A Parking Plan allocates to Lot 3 less the number of "Exclusive Use Stalls," as defined in Section 4.2. The easement set forth in this Section 4.1 does not give the benefitted parties a right to use any specific, designated spaces and does not give the benefitted parties any priority over members of the public or other benefitted parties with respect to the use of available spaces. The number of parking spaces the District A Parking Plan allocates to each Parcel may change as a result of subsequent amendments to the District A Parking Plan, but the City Council may not approve an amendment to the District A Parking Plan that increases or decreases the number of parking stalls allocated to a Parcel without the written consent of the owner of the Parcel.

(b) Exclusive Easement. The City hereby declares and grants an exclusive, appurtenant easement over the Exclusive Easement Area for the benefit of Lot 3. The easement is to permit the owner of Lot 3 and such owner's tenants and the owner's and owner's tenants' guests and invitees to use the 275 stalls in the Exclusive Easement Area (the "Exclusive Use Stalls") and to exclude all others from the use of such stalls. The owner of Lot 3 shall have exclusive authority to determine how the Exclusive Use Stalls are allocated among and used by such owner's tenants and the owner's and owner's tenants' guests and invitees. The easement is to permit the parking of vehicles of a size not to exceed the design parameters of the District A

Parking Improvements. The Exclusive Use Stalls may not be used for any purpose other than the parking of motor vehicles. For example, the Exclusive Use Stalls may not be used for the storage of any personal property other than motor vehicles, and the owner of Lot 3 and such owner's tenants and the owner's and owner's tenants' guests and invitees may not attach or affix anything to the District A Parking Improvements except that the owner of Lot 3 may, upon the receipt of the City's written consent, which consent may not to be unreasonably withheld, affix signs to the District A Parking Improvements to identify the Exclusive Use Stalls, to distinguish the Exclusive Use Stalls from other stalls in the District A Parking Improvements and to distinguish Exclusive Use Stalls from one another. The City Council may not approve an amendment to the District A Parking Plan that impairs the exclusive easement rights granted in this Section 4.2 without the written consent of the owner of Lot 3 and the holder of any mortgage recorded against title to Lot 3.

5. **Operation of the District A Parking Improvements.** The City will operate the Public Parking Areas as public parking facilities. The Public Parking Areas will be available to beneficiaries of the easement described in Section 4.1 and to the public on a first-come, first-served basis subject to the following:

(a) The City will establish handicapped parking stalls within the Public Parking Areas as required by law. The owner of Lot 3 must establish and maintain handicapped parking stalls within the Exclusive Easement Area as required by law.

(b) The City may designate, with appropriate signage, parking stalls within the Public Parking Areas that may only be used for a specified period of time (for example, without limitation, "One Hour Parking," "Overnight Parking," and "No Overnight Parking").

(c) The City may designate parking stalls in the Public Parking Areas as "park and ride" stalls for the exclusive use of public transit patrons during designated days and hours as provided for in the District A Parking Plan. The number of designated "park and ride" stalls may not exceed the number of stalls the Parking Plan allocates for "park and ride" use. The City must utilize signage and other parking control mechanisms in an attempt to limit "park and ride" use to the number of parking stalls designated for "park and ride" use in the District A Parking Plan and must make a good faith effort to enforce restrictions the City adopts to control such use.

(d) The City may elect to charge fees for parking in the Public Parking Areas; provided the costs associated with the operation of the Public Parking Areas on a fee basis will be Parking Maintenance Costs under Section 7 below, and the proceeds received from the operation of the Public Parking Areas on a fee basis will be applied to reduce the budgeted Parking Maintenance Costs allocated among the Parcels pursuant to Section 9 below.

(e) The City may, from time to time, temporarily limit or deny access to parking spaces within the District A Parking Improvements as the City determines to be necessary or desirable in connection with the maintenance, repair or replacement of District A Parking Improvements or the construction of expansions of or additions to the District A Parking Improvements. The City must use all commercially reasonable efforts to minimize any interference with the use of the parking stalls in the Exclusive Use Area.

6. **Maintenance, Repair and Replacement of the District A Parking Improvements**. The City will maintain, repair and replace the District A Parking Improvements in a manner consistent with other public parking facilities in the greater Minneapolis-St. Paul, Minnesota metropolitan area.

7. **Parking Maintenance Costs.** For purposes of this Agreement, the term "Parking Maintenance Costs" means all costs and expenses that the City incurs to operate, maintain, repair and replace District A Parking Improvements, including, but not limited to, costs associated with snow removal, insurance, security, elevator maintenance and repair, lighting, landscaping, signage, parking control facilities, staff and contributions to a reserve fund for future maintenance, repair and replacement costs. Parking Maintenance Costs include both amounts the City pays to third parties to operate, maintain, repair and replace District A Parking Improvements and administer this Agreement and the fair market value of any services provided by City employees in connection with the operation, maintenance, repair or replacement of District A Parking Improvements or the administration of this Agreement. Parking Maintenance Costs may also include periodic contributions to a reserve fund the City establishes to provide a source of funds for major repairs, renovations and replacement.

8. **Budget of Parking Maintenance Costs.** The City may, from time to time, establish a fiscal year for the purposes of budgeting for Parking Maintenance Costs. If the City does not establish a fiscal year, the fiscal year for budgeting Parking Maintenance Costs is the fiscal year. On or before the date thirty (30) days prior to the beginning of the first full or partial fiscal year and thirty (30) days prior to the beginning of each full fiscal year thereafter, the City's staff must prepare and the City Council must approve a proposed budget of anticipated Parking Maintenance Costs for the next fiscal year.

9. **Charges for Parking Maintenance Costs.** On or before the date thirty (30) days prior to the beginning of the first full or partial fiscal year and thirty (30) days prior to each full fiscal year thereafter, the City Council must adopt a resolution allocating the budgeted Parking Maintenance Costs for that fiscal year among the Parcels. The allocations will be based on the budgets described in Section 8 above. The share of the anticipated annual Parking Maintenance Costs the City allocates to each Parcel for a given fiscal year will be determined my multiplying the Parcel's "Allocated Share," as determined pursuant to Section 10 below, by the budgeted Parking Maintenance Costs for that fiscal year.

10. **Determination of Each Parcel's Allocated Share.** The District A Parking Plan assigns each Parcel an "Allocated Share" which is a fraction, the numerator of which is the number of parking spaces assigned to that Parcel in the District A Parking Plan and the denominator of which is the total number of parking spaces in the District A Parking Improvements. If and each time the District A Parking Plan is amended in a manner that modifies the Allocated Share assigned to any Parcel, the amendment must describe when such modification is effective for purposes of the calculation and payment of Parking Maintenance Costs for the fiscal year in which amendment is effective.

11. **Annual Notice.** On or before date fifteen (15) days prior to the commencement of the first full or partial fiscal year and fifteen (15) days prior to each full fiscal year thereafter, the City will mail to the owner of each Parcel, at the address the Anoka County Assessor's office

maintains for the distribution of real estate tax statements for the Parcel, a notice setting forth the Parking Maintenance Costs set forth in the City Council's approved budget of Parking Maintenance Costs for the upcoming fiscal year, the Allocated Share attributable to the owner's Parcel for the upcoming year, the amount of the Parking Maintenance Costs for the upcoming fiscal year that the City Council has allocated to the Parcel for that fiscal year pursuant to the resolution described in Section 9 and the amount of the monthly installment of the allocated amount. The notice will not include a copy of the approved budget, but a Parcel owner may obtain a copy of an approved budget from the City upon request.

12. **Payment of Allocated Parking Maintenance Costs.** The owner(s) of each Parcel must pay to the City the amount of the Parking Maintenance Costs that the City Council has allocated to the Parcel for that fiscal year pursuant to the resolution described in Section 9 and such amount is due and payable to the City in a single installment or in multiple installments on the date or dates set forth in said resolution. Each Parcel owner is personally liable for the payment of the share of Parking Maintenance Costs the City allocates to the owner's Parcel and any additional amounts due pursuant to Section 14. The City may commence an action in Anoka County District Court against any owner that does not pay such amounts to the City when and as they are due. If a Parcel has more than one owner, all owners are jointly and severally liable to the City for the full amount of the Parking Maintenance Costs the City allocates to the owners' Parcel and any additional amounts due pursuant to Section 14. An owner may not withhold payment of amounts due under this Agreement as a set-off against claims which the owner asserts against the City under this Agreement or otherwise. If an owner fails to pay an installment of Parking Maintenance Costs on or before the date due, the unpaid installment accrues interest from the date due until the installment is paid in full at a rate of interest equal to the lesser of 12% per annum or the highest rate allowed by law. If the City uses all commercially reasonable efforts to collect delinquent payments, but as a result of an owner's bankruptcy or otherwise the City is unable to recover the delinquent payments from the responsible owner, the amount of the unrecoverable, delinquent payments shall be a Parking Maintenance Cost. If a Parcel owner fails to pay the annual installment of Parking Maintenance Costs when due and the City engages legal counsel to assist the City in collecting the delinquent payments, the City may also recover its reasonable attorneys' fees and costs associated with the collection of the delinquent payments from the Parcel owner. To the extent the City is unable to recover its reasonable attorneys' fees from the delinquent owners, such fees shall be a Parking Maintenance Cost.

13. **Failure to Approve a Budget or to Adopt a Resolution Allocating Costs.** The City Council's failure to approve a budget or to adopt a resolution allocating Park Maintenance Costs among the Parcels pursuant to Sections 8 and 9 above or the City's failure to send the notice described in Section 11 above does not constitute the City's waiver or release of a Parcel owner's obligation to pay its Allocated Share of Parking Maintenance Costs, and in the absence of an approved budget, a resolution allocating Park Maintenance Costs among the Parcels or an annual notice, for a given fiscal year, each Parcel owner must pay, on or before the first day of each fiscal year, an amount equal to the amount of the prior fiscal year's allocation of Parking Maintenance Costs until the City Council approves a budget and adopts a resolution allocating Parking Maintenance Costs for that fiscal year and the City provides mailed notice of the information described in Section 11.

14. **Deficits, Surpluses, Annual Audit and Audit Rights.** On or before the 60th day of each fiscal year the City will determine if the actual Parking Maintenance Costs for the prior fiscal year were more than or less than the amount set forth in the City Council's approved budget for that prior fiscal year and will mail to the owner of each Parcel, at the address the Anoka County Assessor's office maintains for the distribution of real estate tax statements for the Parcel, a notice stating the amount of the deficit or surplus or a statement that there is no deficit or surplus. If there is a deficit, each owner is obligated to pay to the City, within 30 days after the owner's receipt of the notice described in this Section 14, an amount determined by multiplying the amount of the deficit by the Allocated Share assigned to the owner's parcel during the prior fiscal year. If there is a surplus, the City must credit against the amounts due from each Parcel owner in the following fiscal year an amount determined by multiplying the amount of the surplus by the Allocated Share assigned to the owner's Parcel during the prior fiscal year. The notice described in this Section 14 must, in addition to stating the amount of the surplus or deficit, state the Allocated Share assigned to each Parcel in the prior fiscal year and, in the case of a deficit, the additional amount each Parcel owner is obligated to pay pursuant to this Section 14 or, in the case of a surplus, the amount of the credit each owner will receive. The City must maintain a separate fund which isolates the financial activities relating to the operation, maintenance, repair and replacement of the District A Parking Improvements. The City will have this fund included in the City's annual audit. Any additional auditing cost the City incurs to include this separate fund in the City's annual audit is a Parking Maintenance Cost for the year in which the audit is conducted. The City must make the City's books and records relating to the Parking Maintenance Costs the City incurs and the City's allocation of the Parking Maintenance costs among and collection of Parking Maintenance Costs from the Parcel owners available for to Parcel owners for inspection, examination and copying during the City's regular business hours. The City may require a Parcel owner that desires to inspect, examine or copy the City's books and records to provide the City with reasonable advance notice to allow the City to assemble the books and records and may charge the Parcel owner the City's actual cost for i) any staff time devoted to assembling the books and records and monitoring the Parcel owner or its representative during his or her inspection and examination and ii) any copies the Parcel owner requests. At the request of a Parcel owner, the City will submit the City's books and records to an independent certified accountant selected by the Parcel owner for review and audit. If the review and audit discloses an error in the City's calculation or allocation of Parking Maintenance Costs, the City will determine the amount of the deficit or surplus resulting from such error and refund such surplus or collect such deficit from the Parcel owners in the manner described in this Section; provided, however, the City will only address errors occurring during the fiscal year in which the audit is conducted and the preceding two fiscal years. The Parcel owner or owners who commissioned the review and audit are solely responsible for its cost.

15. **The City's Lien for Unpaid Parking Maintenance Cost.** The City has a lien on each Parcel for the amount of the Parking Maintenance Costs the City Council allocates to the Parcel pursuant to Section 9 and for any additional amounts due with respect to the Parcel under Section 14. To provide record notice of its lien, the City must record a notice of lien in the Anoka County land records. A notice of lien must include the legal description of the Parcel subject to the City's lien and the amounts due with respect to the Parcel as of the date of the notice of lien. The City's lien has priority over all liens, encumbrances and other interests that are first recorded in the Anoka County land records after the City's recording of its notice of lien. The City may only foreclose its lien by judicial action. Foreclosure by advertisement is not

permitted. The period of redemption for Parcel owners is six months from the date of the foreclosure sale. If the City brings an action to recover a judgment for unpaid Parking Maintenance Costs (whether or not the City elects to also foreclose its lien), the City may also recover interest, as described above, and all costs of collection, including reasonable attorneys' fees and costs. The City may, in the future, seek to amend its Charter to permit the City to specially assess amounts due under this Agreement against a Parcel if such amounts are not paid when and as they are due under the terms of this Agreement.

16. **Damage or Destruction, Insurance and Waivers of Claims.** If the District A Parking Improvements are damaged or destroyed, the City will repair such damage or destruction or, if the City determines that it is in the City's best interest to replace the damaged District A Parking Improvements, the City will replace the damaged or destroyed District A Parking Improvements. The City must commence such repair or replacement within 6 months of the date of the damage or destruction and must complete such repair or replacement within 12 months of the date of such damage or destruction. The cost of such repair or replacement will be a Parking Maintenance Cost, but the City must use insurance proceeds and reserve funds, to the extent available, to finance such repair or replacement. If insurance proceeds and reserve funds are insufficient to finance the cost of repair or replacement, the City may finance the repair or replacement from other sources and reimburse itself or repay third parties from future collections of Parking Maintenance Costs. The City must obtain and maintain casualty insurance insuring the District A Parking Improvements. The City must obtain the casualty insurance through the League of Minnesota Cities or from an insurance company that is licensed in the State of Minnesota and that has a B general policyholder's rating or a financial performance index of 6 or better in the Best's Insurance Reports. The City must maintain insurance for the full replacement cost of any insurable improvements that constitute a part of the District A Parking Improvements, subject to a deductible in an amount the City Council determines; provided the amount of the deductible may not exceed one-half of one percent of the replacement cost of the District A Parking Improvements as reasonably estimated by the City Council from time-to-time. The cost of the casualty insurance and the amount of any deductible, in the event of an insured loss, are Parking Maintenance Costs. The City hereby releases the Parcel owners, the Parcel owners' tenants, and the Parcel owners' and Parcel owners' tenants, employees, customers, guests and invitees from claims for damage to or destruction of the District A Parking Improvements to the extent, and only to the extent, that damage to the District A Parking Improvements are covered by the insurance the City maintains pursuant to this Section 16 and the City is actually able to recover the cost of repairing the damage under its insurance policy.

17. **Amendments.** This Agreement may be amended, at any time, with the written consent of the fee owner of each Parcel in Parking District A. To be effective the amendment must be executed and acknowledged by each such Parcel owner and the amendment must be recorded in the appropriate County land records. In addition, the City may amend this Agreement pursuant to Section 18 and 19 below.

18. **Changes to Parking District A.** At any time and from time to time and without the consent of the Parcel owners, except as provided in Section 18.1 below, the City may (A) amend this Agreement to redefine Parking District A to include additional portions of the HRA Property; to subject the included portions of the HRA Property to covenants and restrictions set forth in this Agreement and to extend the easements granted in Section 4.1 to the included

portions of the HRA Property; or (B) amend this Agreement to remove all or portions of the HRA Property or all or portions of the City Property from Parking District A; release the removed property from the covenants and restrictions set forth in this Agreement and terminate the easements this Agreement grants to those Parcels; provided that:

(a) The owner of any Parcel removed from Parking District A consents to the amendment removing the owner's Parcel from Parking District A, and the owner of any property added to Parking District A consents in writing to the amendment adding the owners property to Parking District A; and

(b) The City also amends the District A Parking Plan to reflect the removal of Parcels and/or the addition of property. In the amended District A Parking Plan, the number of parking spaces in the District A Parking Improvements that are allocated to the property being added to Parking District A must equal the number of Parking Spaces allocated to the Parcel(s) being removed from Parking District A unless the City is also amending the District A Parking Plan as described in Section 4 above to increase or decrease the number of Parking Spaces allocated to Parcels that are not being added to or removed from Parking District A. In any event, an amendment to the District A Parking Plan that the City adopts in connection with an amendment to this Agreement cannot increase a Parcel owner's Allocated Share without the consent of that Parcel owner.

19. **Additional Parking Improvements.** At any time and from time to time and without the consent of the Parcel owners, except as provided in Section 19.2 below, the City may amend this Agreement to include expansions of the District A Parking Improvements, additional parking ramps in Parking District A or surface parking lots in Parking District A (collectively, "Future Parking Improvements") in the definition of the District A Parking Improvements and may adopt a corresponding amendment to the District A Parking Plan provided that:

(a) The City also amends the District A Parking Plan to allocate the parking spaces in the Future Parking Improvements among Parcels in Parking District A, as the same may be redefined pursuant to Section 18 above, and to amend the Allocated Share of each Parcel to reflect the number of Parking Spaces allocated to that Parcel by the amendment and to reflect the increase in the total number of parking spaces in the District A Parking Improvements; and

(b) The owner of each Parcel to which the amended District A Parking Plan allocates additional parking spaces consents in writing to the amendment.

20. **Transfers.** Whenever a transfer occurs in the ownership of a Parcel, the transferor has no liability for defaults under this Agreement occurring after the date the instrument of transfer is recorded in the Anoka County land records, but the transferee is liable for defaults occurring prior to the date of the transfer except to the extent the City is barred from asserting a claim against the transferee as a result of an estoppel certificate the City has provided pursuant to Section 21 below.

21. **Estoppel Certificates**. Upon the written request of a Parcel owner, the City will provide the Parcel owner and any prospective purchaser from or lender to the Parcel owner with an estoppel certificate stating, to the best of the City's actual knowledge, that this Agreement is

in full force and effect, that this Agreement has not been modified or amended except as described in the estoppel certificate and that the Parcel owner requesting the certificate is not in default in the payment of any amounts due under this Agreement or if such a default exists, the amount in default.

22. **Easements and Covenants to Run With Title.** The benefits and the burdens of the easements and the covenants in this Agreement run with title to each Parcel in Parking District A and inure to the benefit of and are binding on the Parcel owners and their respective heirs, personal representatives, and successors in title.

23. **Termination of the Original PUMA.** Upon the recording of this Agreement in the Anoka County Land Records, the Original PUMA is terminated and is of no further force or effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first stated above.

CITY:

CITY OF RAMSEY, MINNESOTA

By: _____
Name: _____
Its: Mayor

By:_____
Name: _____
Its: City Administrator

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ___ day of _____, 2012, by _____ and _____, the Mayor and City Administrator of the City of Ramsey, a Minnesota municipal corporation and charter city on behalf of the City.

_____
Notary Public

HRA:

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA,
a body politic and corporate under the laws of the state of Minnesota

By:_____
Name: _____
Its: _____

By:_____
Name: _____
Its: _____

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ___ day of _____, 2012, by _____ and _____, the _____ and _____ of The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, on behalf of the Authority.

_____
Notary Public

EDA:

THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RAMSEY, MINNESOTA,
a body politic and corporate under the laws of the state of Minnesota

By:_____
Name: _____
Its: _____

By:_____
Name: _____
Its: _____

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ___ day of _____, 2012, by _____ and _____, the _____ and _____ of the Economic Development Authority for the City of Ramsey, Minnesota, on behalf of the Authority.

_____
Notary Public

DRAFTED BY:
Briggs and Morgan, P.A.
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402-2157 (TLB)
(612) 977-8285

EXHIBIT A

LEGAL DESCRIPTION OF THE CITY PROPERTY

Lots 1, 1A, and 2, Block 1 COR ONE, Anoka County, Minnesota, according to the recorded plat thereof.

EXHIBIT B

LEGAL DESCRIPTION OF THE HRA PROPERTY

Lots 3 and 4, Block 1 and Outlot A, COR ONE, Anoka County, Minnesota, according to the recorded plat thereof.

EXHIBIT C

LEGAL DESCRIPTION OF PARKING DISTRICT A

Lots 1, 1A, 2 and 3, Block 1, COR ONE, Anoka County, Minnesota, according to the recorded plat thereof.

EXHIBIT D-1

DEPICTION OF THE EXCLUSIVE EASEMENT AREA

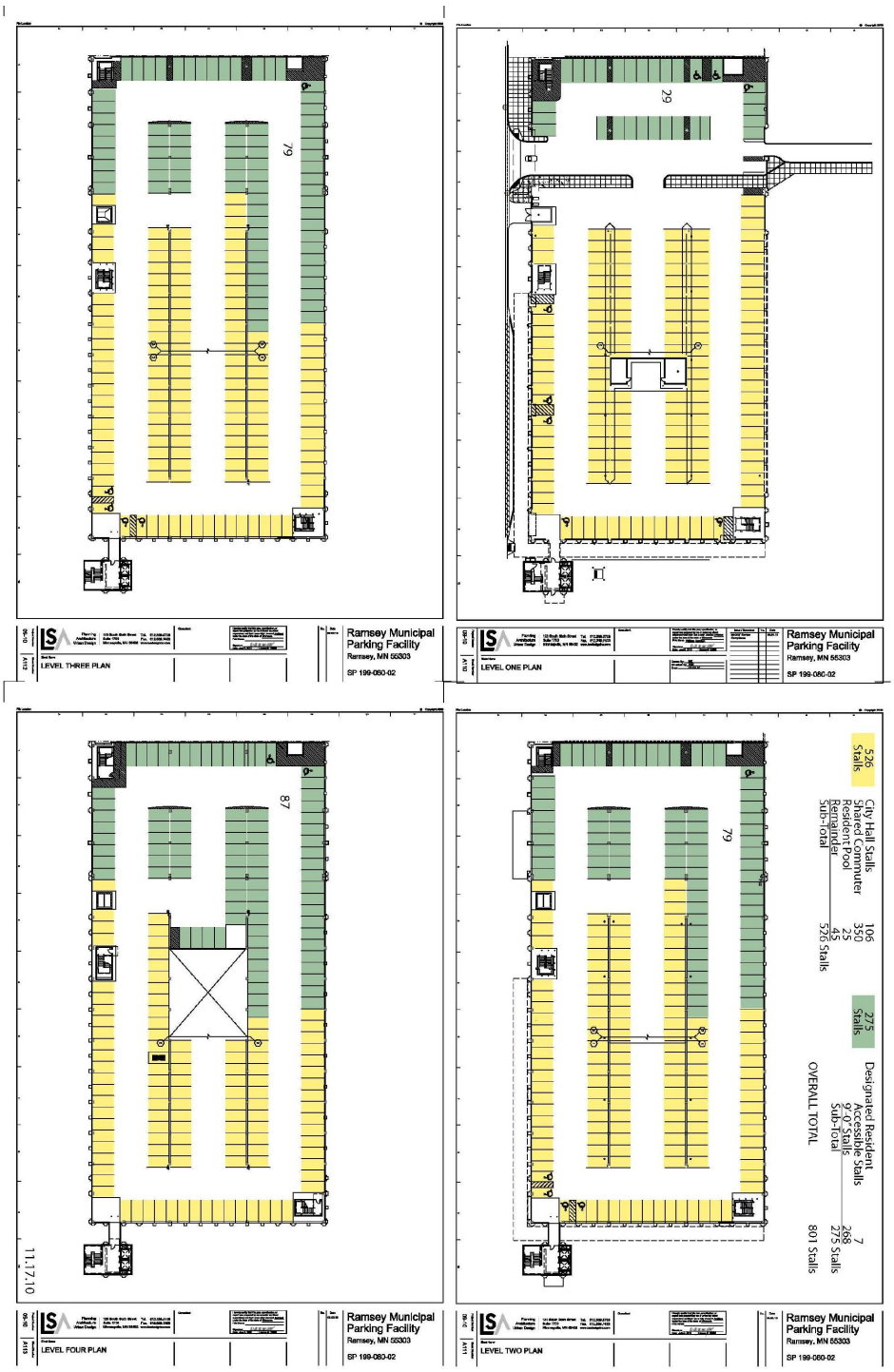


EXHIBIT D-2

LEGAL DESCRIPTION OF THE EXCLUSIVE EASEMENT AREA

EXHIBIT B

FILE NO. _____

ESCROW AGREEMENT

The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the State of Minnesota ("Seller"), the City of Ramsey, Minnesota, a home rule charter city, organized and existing under the constitution and laws of the State of Minnesota (the "City") and F & C Ramsey, LLC, an Indiana limited liability company ("Buyer") are parties to the purchase and sale of the real estate described in the attached Purchase Agreement, dated _____, 2011 ("Purchase Agreement"). As provided in Section 8 of the Purchase Agreement, Buyer hereby deposits the sum of $250,000.00 (the "Earnest Money") with Commercial Partners Title, LLC (the "Earnest Money Agent"). The Earnest Money Agent will hold the Earnest Money in an account insured by a governmental agency or instrumentality.

Upon notification by both parties in writing that the transaction has closed, the Earnest Money Agent will pay the Earnest Money to Seller. If either party notifies the Earnest Money Agent that the transaction has not closed, the Earnest Money Agent will pay the Earnest Money as follows:

1. Upon receipt of instruments regarding the release of the Earnest Money executed by both parties the Earnest Money Agent will deliver the Earnest Money pursuant to such instructions;

2. If Seller delivers a Notice of Cancellation of Purchase Agreement that complies with Minn. Stat. § 559.21 describing the Purchase Agreement and the Property, as defined therein, together with an Affidavit of Service evidencing service of the Notice of Cancellation on Buyer and an Affidavit of Failure to Comply with Notice completed, executed and acknowledged to the Earnest Money Agent on or before the date one hundred twenty (120) days after the Date of Closing as defined in the Purchase Agreement, the Earnest Money Agent will deliver the Earnest Money to Seller, unless Buyer has commenced an action in Anoka County District Court challenging Seller's cancellation of the Purchase Agreement, in which case Earnest Money Agent shall either continue to hold the Earnest Money or shall pay the Earnest Money into court.

3. If no disposition of the Earnest Money has been made by the date one hundred twenty (120) days from the Date of Closing, as defined in the Purchase Agreement, the Earnest Money Agent will return the Earnest Money to Buyer, unless Seller or Buyer has commenced an action in Anoka County District Court holding a right to the Earnest Money or otherwise seeking to enjoin Earnest Money Agent's disbursement of the Earnest Money to Buyer, in which case, Earnest Money Agent will either continue to hold the Earnest Money or shall pay the Earnest Money into court.

The Earnest Money Agent will have no responsibility for any decision concerning performance or effectiveness of the Purchase Agreement, and will only be responsible to act pursuant to the procedures set forth above. Buyer and Seller hereby agree to hold the Earnest Money Agent harmless from any claims or defenses arising out of this Escrow Agreement and indemnify the Earnest Money Agent for all costs and expenses in connection with this escrow, including court costs, attorneys' fees, except for claims arising out of the Earnest Money Agent's failure to account for the funds held and costs and expenses incurred by the parties in connection with such a claim.

To the extent that the provisions of this Escrow Agreement are inconsistent with the provisions of the Purchase Agreement, the provisions of this Escrow Agreement will control.

The Earnest Money Agent will not charge a fee for acting as an escrow agent.

SELLER:	**BUYER**:
By:_____	By:_____
Its:_____	Its:_____
Address:	Address:
_____	_____
_____	_____
_____	_____
_____	_____
Taxpayer Identification Number or Social Security Number:	Taxpayer Identification Number or Social Security Number:
_____	_____

The Earnest Money Agent hereby acknowledges receipt of this Agreement and the Earnest Money, to hold the Earnest Money as above specified.

Dated this ____ day of _____, 20____.

_____

By:_____
Its:_____

EXHIBIT C

DECLARATION OF PUBLIC ROADWAY EASEMENT

1. **Declarant**. The Housing and Redevelopment Authority in and for the City of Ramsey, a body politic and corporate under the laws of the state of Minnesota (the "HRA") makes this Declaration of Public Roadway Easement (the "Declaration of Easement") as of the date set forth in Section 2 below.

2. **Effective Date**. This Declaration of Easement is effective as of the ____ day of _____, 201__.

3. **Recitals**.

3.1 Recital One. The HRA is the owner of the real property legally described on the attached **Exhibit A** (the "F&C Property");

3.2 Recital Two. The City of Ramsey, a municipal corporation and political subdivision of the State of Minnesota (the "City") is the owner of the real property legally described on the attached **Exhibit B** (the "City Property").

3.3 Recital Three. The F&C Property and the City Property are referred to collectively in this Declaration of Easement as the "Property."

3.4 Recital Four. The HRA is selling the F&C Property to F & C Ramsey, LLC, an Indiana limited liability company ("F&C") pursuant to that certain Purchase Agreement among and between F&C, the City and the HRA dated January 31, 2011 (the "Purchase Agreement").

3.5 Recital Five. Pursuant to Section 6(b)(ii)(F) of the Purchase Agreement, the HRA is to convey the F&C Property to F&C subject an appurtenant, exclusive easement over a portion of the F&C Property for public vehicular and pedestrian ingress and egress between the City Property and Sunwood Drive. The public may use the easement 24 hours a day, every day without restriction.

4. **Declaration of Access Easement**. The City hereby declares a perpetual, exclusive easement over and across the real property legally described on **Exhibit C-1** (the "Easement Property") and depicted on **Exhibit C-2** for the construction, maintenance and repair of a public roadway and the use of such public roadway by the public for vehicular and pedestrian ingress and egress between the City Property and adjacent public rights of way. The easement is referred to herein as the "Public Roadway Easement."

5. **Benefitted Property**. The Public Roadway Easement is appurtenant to the City Property and is for the use and benefit of the City and the public.

6. **Construction Obligations**. [To be constructed by the City unless otherwise agreed prior to closing]

7. **Maintenance of the Roadway Improvements**. [To be maintained by the City unless otherwise agreed prior to closing]

8. **Enforcement**. F&C, the City and any future owner of all or any portion of the Property have the right to enforce the terms of this Declaration of Easement in a legal or equitable action brought in a court of competent jurisdiction, and the prevailing party in any such action is entitled to recover from the opposing party the prevailing parties attorney's fees and costs.

9. **Run With Title**. The Public Roadway Easement runs with title to the City Property and inures to the benefit of and is binding upon all the owners of the City Property and the F&C Property, their heirs, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Declaration of Easement on the date set forth in Section 2 above.

CITY OF RAMSEY, a municipal corporation organized and existing under the laws of the State of Minnesota

By:_____
Its Mayor

By:_____
Its City Administrator

[AFFIX CITY SEAL]

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me on _____, 201_, by Bob Ramsey, the Mayor, and Kurt Ulrich, the City Administrator, of the City of Ramsey, a Minnesota municipal corporation, on behalf of said corporation.

_____
Signature of Notary Public

DRAFTED BY AND WHEN
RECORDED RETURN TO:

Briggs and Morgan, P.A. (LRC)
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402
(612) 977-8400

EXHIBIT A

Legal Description of F&C Property

Lot 3, Block 1, COR ONE, Anoka County, Minnesota according to the recorded plat thereof.

EXHIBIT B

Legal Description of City Property

Lot 2, Block 1, COR ONE, Anoka County, Minnesota according to the recorded plat thereof.

EXHIBIT C-1

Legal Description of the Easement Property

COMMENCING AT THE NORTHEASTERLY CORNER OF SAID LOT 3; THENCE NORTH 66 DEGREES 10 MINUTES 33 SECONDS WEST, ASSUMED BEARING ALONG THE NORTHERLY LINE OF SAID LOT 3, TO THE POINT OF BEGINNING; THENCE SOUTH 23 DEGREES 49 MINUTES 27 SECONDS WEST, A DISTANCE OF 81.00 FEET TO A SOUTHWESTERLY LINE OF SAID LOT 3 AND THE NORTHEASTERLY LINE OF LOT 2, BLOCK 1, COR ONE; THENCE NORTH 66 DEGREES 10 MINUTES 33 SECONDS WEST, ALONG SAID SOUTHWESTERLY LINE OF LOT 3 AND SAID NORTHEASTERLY LINE OF LOT 2, A DISTANCE OF 24.00 FEET; THENCE NORTH 23 DEGREES 49 MINUTES 27 SECONDS EAST, A DISTANCE OF 81.00 FEET TO SAID NORTHEASTERLY LINE OF LOT 3; THENCE SOUTH 66 DEGREES 10 MINUTES 33 SECONDS EAST, ALONG SAID NORTHEASTERLY LINE OF LOT 3, A DISTANCE OF 24.00 FEET TO THE POINT OF BEGINNING.

SAID EASEMENT SHALL BE LOCATED BELOW THE ELEVATION OF 88200 (NGVD 29 DATUM).

EXHIBIT C-2

Depiction of the Easement Property

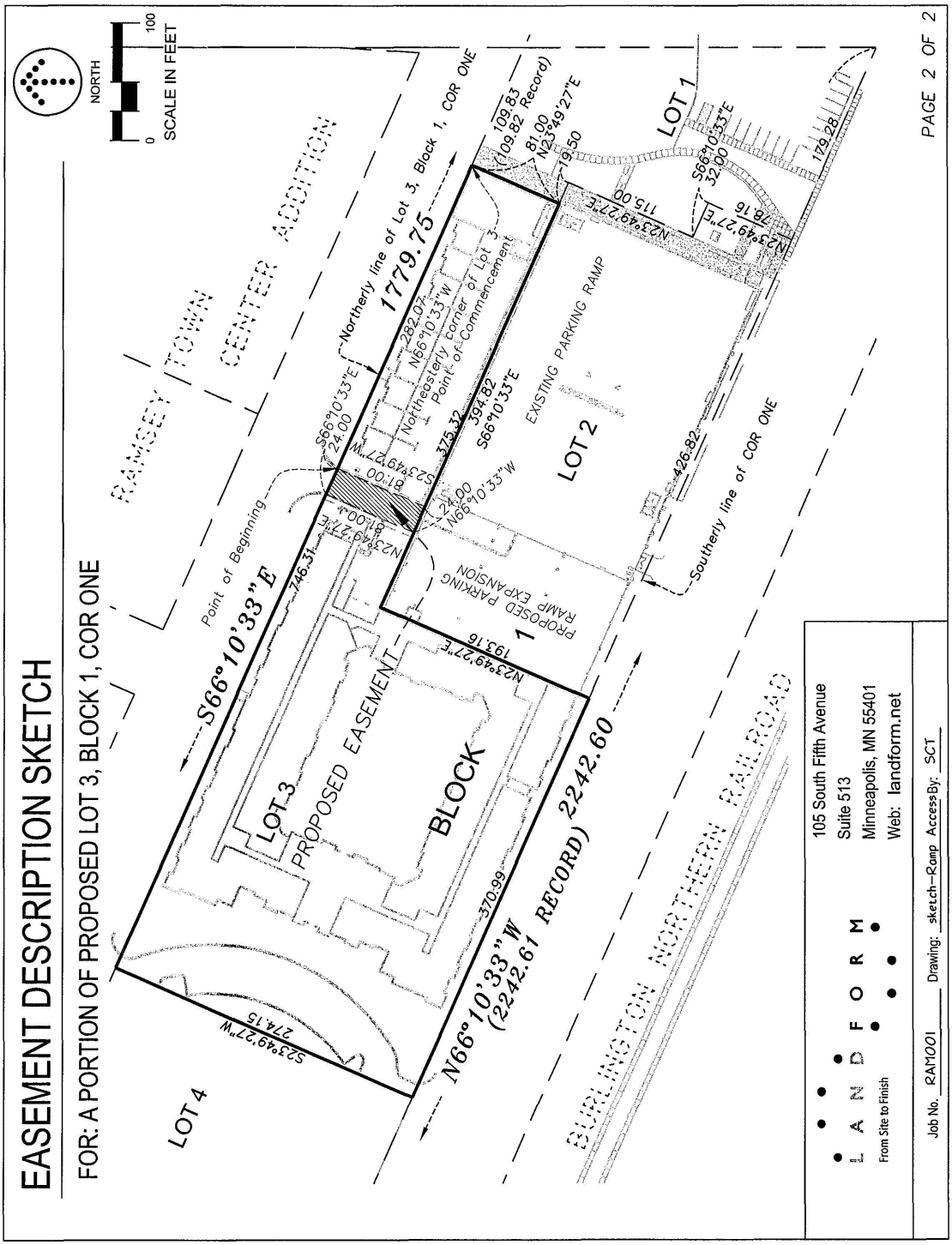
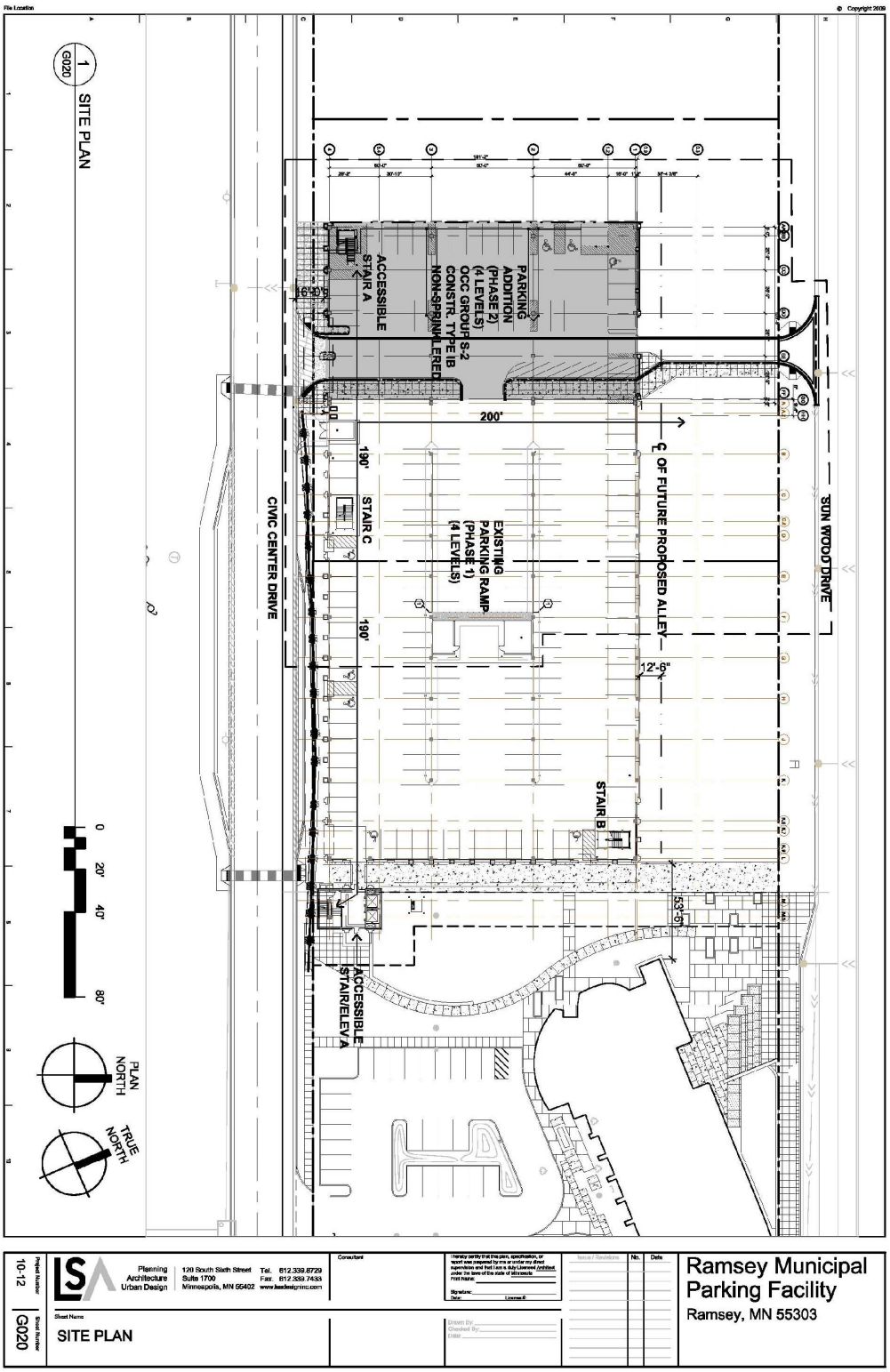


EXHIBIT D

(Parking Ramp Addition)



2707737v11
09/27/11

EXHIBIT E

(F&C Parking Improvements)
Way finding and stall designation signage

EXTRACT OF MINUTES OF MEETING
OF THE BOARD OF COMMISSIONERS OF THE
HOUSING AND REDEVELOPMENT AUTHORITY IN
AND FOR THE CITY OF RAMSEY, MINNESOTA

HELD: September 27, 2011

Pursuant to due call and notice thereof, a regular meeting of the Board of Commissioners of The Housing and Redevelopment Authority in and for the City of Ramsey, Anoka County, Minnesota, was duly called and held at the City Hall in said City on Tuesday, the 27th day of September, 2011, at 8:00 o'clock p.m.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION AUTHORIZING
EXECUTION OF A PURCHASE AGREEMENT
AND DEVELOPMENT AGREEMENT AND AUTHORIZING
THE DISPOSITION OF REAL PROPERTY

WHEREAS, The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota (the "Authority") has caused to be prepared a Purchase Agreement (the "Purchase Agreement") between the Authority, the City of Ramsey, Minnesota (the "City") and F & C Ramsey, LLC, an Indiana limited liability company (the "Developer"), in connection with the sale of certain real property by the Authority to the Developer pursuant to Minnesota Statutes, Section 469.105.

WHEREAS, the Developer has requested that the Authority assist with the financing of certain costs in connection with the acquisition, construction and equipping of a 230 unit multifamily rental housing facility and an approximate 3,000 square foot retail facility (the "Project").

WHEREAS, the Developer, the Authority and the City have determined to enter into a Development Agreement providing for the Authority's assistance for the Project (the "Development Agreement" together with the Purchase Agreement (the "Agreements").

NOW, THEREFORE, BE IT RESOLVED by The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota as follows:

Section 1. The Board of Commissioners hereby determines that the sale is advisable; approves the Agreements and the various documents and agreements referred to therein and attached as Exhibits thereto in substantially the forms submitted; authorizes the disposition of the

property pursuant to the Agreements and authorizes and directs the Chairperson and Executive Director to execute the Agreements and the various documents and agreements referred to therein and attached as Exhibits thereto, and any other documents necessary to carry out the terms of such Agreements and documents on behalf of the Authority.

Section 2. The decision to sell the property is placed on the records of the Authority as of the date hereof.

Section 3. The approval hereby given to the Agreements includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the Authority officials authorized by this resolution to execute the Agreements and to execute such deed, notes, closing statements and other such documents as may be necessary to complete the sale of the property to the Developer. The execution of the Agreements by the appropriate officer or officers of the Authority shall be conclusive evidence of the approval of the Agreements in accordance with the terms hereof.

The motion for adoption of the foregoing resolution was duly seconded by member _____ and, after full discussion thereof, and upon a vote being taken thereof, the following voted in favor thereof:

and the following voted against same:

STATE OF MINNESOTA
COUNTY OF ANOKA

I, the undersigned, being the duly qualified and acting Executive Director of the Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, DO HEREBY CERTIFY that I have carefully compared the attached and foregoing extract of minutes with the original minutes of a meeting of the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Ramsey held on the date therein indicated, which are on file and of record in my office, and the same is a full, true and complete transcript therefrom insofar as the same relates to a Resolution Authorizing the Execution of a Purchase Agreement and Development Agreement and Authorizing the Disposition of Real Property.

WITNESS my hand as such Executive Director of the Housing and Redevelopment Authority in and for the City of Ramsey this _____ day of September, 2011.

_____
Executive Director

CC Special Session **4. 2.**

Meeting Date: 09/27/2011

By: Darren Lazan, Housing & Redevelopment Authority

Title:

Adopt Amended and Restated Parking Use and Maintenance Agreement (PUMA) for Parking District A

Background:

The current Parking Use and Maintenance Agreement (PUMA) governs the allocation of stalls and costs, uses, maintenance, etc., related to the operation of the existing Municipal Parking Ramp. To accommodate the current development plan, the PUMA requires modification to address a number of items including dedicated stalls, controlled access, and a reallocation of stalls based on the current plan.

Included in the PUMA is an approved development plan and parking plan which is approved by the HRA as developer, and requires Council approval per ordinance.

Attached are the current development plan (version 5.03) and a new parking plan (version 5.03) for your consideration and approval.

The proposed parking plan represents a shift from previous parking concepts in that street parking is no longer 'allocated' to adjacent properties, but rather left as public parking in addition to the stalls required for development. Accordingly, there are no structured stalls allocated to either The Draw or Municipal Plaza, which will rely on the combination of street parking, surface parking, and shared parking in the structures as available. The plan proposes three potential parking structures at full buildout, with 100% of the structured stalls allocated to the adjacent properties. These allocated stalls, and any private surface or underground stalls would conceptually represent all of the necessary parking to accommodate the current development plan. Attached is a parking breakdown of the affected areas, and the approximate required and provided stalls for your consideration.

Notification:

Observations:

Recommendation:

The development team recommends the City Council adapt the proposed development plan and parking plan as prepared. It is further recommended that the City Council adapt the amended and restated PUMA A agreement incorporating the development plan, parking plan, and updates necessitated by the currently proposed development.

Funding Source:

N/A

Council Action:

Adapt the amended and restated Parking Use and Maintenance Agreement (PUMA - A) and direct counsel to finalize the document for recording.

Attachments

PUMA

COR Parking Plan 5.03

Development Plan 5.03

Form Review

Inbox	Reviewed By	Date
Darren Lazan (Originator)	Jo Thieling	09/27/2011 04:37 PM

Form Started By: Darren Lazan Started On: 09/22/2011

Final Approval Date: 09/27/2011

AMENDED AND RESTATED PARKING IMPROVEMENT USE AND MAINTENANCE AGREEMENT FOR PARKING DISTRICT A

1. Parties. The parties to this Amended and Restated Parking Improvement Use and Maintenance Agreement (this "Agreement") are the City of Ramsey, a Minnesota municipal corporation (the "City"), the Economic Development Authority of the City of Ramsey, Minnesota, a body politic and corporate under the laws of the state of Minnesota (the "EDA") and The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a body politic and corporate under the laws of the state of Minnesota (the "HRA").

2. Reference Date and Effective Date. This Agreement is dated, for reference purposes, as of the __ day of _____, 2011. This Agreement is effective when it is recorded in the office of the Anoka County .

3. Recitals.

3.1. Recital One. The City owns the real property legally described on Exhibit A (the "City Property"), and the HRA owns the real property legally described on Exhibit B (the "HRA Property").

3.2. Recital Two. The City Property and the HRA Property include all of the "Parking District," as defined in that certain Parking Improvement Use and Maintenance Agreement between the City and Ramsey Town Center, LLC (the "Developer") dated as of February 28, 2005 and recorded on March 16, 2005 in the office of the Anoka County Recorder as Document No. 1973660.001 and in the office of the Anoka County Registrar of Titles as Document No. 482124.002 (the "Original PUMA").

3.3. Recital Three. The City leases the City Property to the EDA pursuant to a Ground Lease Agreement dated as of June 1, 2005 and recorded on December 8, 2005 in the office of the Anoka County Recorder as Document No. 1980341.001 and in the office of the Anoka County Registrar of Titles as Document No. 485607.002 (the "Ground Lease").

3.4. Recital Four. The EDA subleases the City Property back to the City pursuant to a Lease Agreement dated as of June 1, 2005 and recorded on December 8, 2005 in

the office of the Anoka County Recorder as Document No. 1980341.002 and in the office of the Anoka County Registrar of Titles as Document No. 485607.003 (the "Sub-Lease").

3.5. Recital Six. The City and the HRA, as the owners of all of the Property subject to the Original PUMA and the EDA and the City, as the tenant and subtenant of the City Property, desire to terminate the Original PUMA, in its entirety and replace it with this Agreement.

3.6. Recital Seven. The property that is subject to this Agreement is the real property legally described on Exhibit C ("Parking District A").

3.7. Recital Eight. Parking District A is zoned "COR District" and is subject to Section 117-118 of the City's zoning ordinance. Section 117-118 of the City's zoning ordinance is referred to herein as the "COR District Ordinance."

3.8. Recital Nine. Section 117-118__ of the COR District Ordinance requires _____ to submit a development plan to the City. _____ [**has submitted/is in the process of submitting]** a new development plan for _____ to the City for approval (the "New Development Plan"). Section 117-118(e) of the COR District Ordinance requires _____ to submit a proposed parking plan to the City for review and approval as a part of the New Development Plan. The New Development Plan includes a parking plan for _____ which includes, as one of its components, a parking plan for Parking District A (the "District A Parking Plan").

3.9. Recital Nine. The City owns the approximately 600 stall parking ramp (the "Ramp A"). The Ramp A is located on Lot 2, Block 1, COR ONE, Anoka County, Minnesota (the "District A Parking Parcel"). The City intends to construct an approximately 200 stall addition to Ramp A (the "Ramp A Addition") which will also be located on the District A Parking Ramp Parcel. Ramp A and the Ramp A Addition are referred to herein as the "District A Parking Improvements."

3.10. Recital Ten. Section 117-118(e)(6) of the COR District Ordinance contemplates a development agreement that will require the owner of each property in the COR District to assume financial responsibility for the continuing maintenance of public parking facilities. The City anticipates that costs associated with the continuing maintenance of the public parking facilities within the COR District will be allocated among properties the public parking facilities serve based on each property's parking needs. For purposes of this Agreement, the term "Parcel" means each platted lot, platted outlot, registered land survey tract and common interest community unit, located wholly or partially within Parking District A and any portion of any platted lot, platted outlot or registered land survey tract located wholly or partially within Parking District A that has been subdivided using a metes and bounds legal description in accordance with the requirements of the City's subdivision ordinance. The District A Parking Plan allocates the available parking spaces in the District A Parking Improvements among the Parcels in Parking District A. Stalls intended for "park and ride" use are allocated to Lot 1, Block 1, COR ONE, Anoka County, Minnesota, which the City owns and upon which the Ramsey Municipal Center is located. The District A Parking Plan also allocates to each Parcel in

Parking District A a fractional share of liability for the costs associated with the continuing maintenance of the District A Parking Improvements. The fractional share of liability assigned to each Parcel is based on the relationship between the number of parking spaces allocated to the Parcel and the total number of parking spaces in the District A Parking Improvements.

3.11. Recital Eleven. This Agreement obligates the owner of each Parcel in Parking District A to pay the City for costs the City has or will incur to maintain, repair and replace the District A Parking Improvements based on the fractional share of liability assigned to that Parcel in the District A Parking Plan.

3.12. Recital Twelve. This Agreement also grants the owner of each Parcel in Parking District A an appurtenant, non-exclusive easement to use the number of parking spaces in the District A Parking Improvements that the District A Parking Plan allocates to that Parcel except that this Agreement grants the owner of Lot 3, Block 1, COR ONE, Anoka County, Minnesota ("Lot 3") an appurtenant, exclusive easement to use the 275 stalls that are located within the portion of the District A Parking Improvements and the District A Parking Parcel depicted on Exhibit D-1 (the "Exclusive Easement Area"). After the City completes construction of the Ramp A Addition, the City will survey the Exclusive Easement Area, and the City and the owner of Lot 3 must execute an amendment to this Agreement to add the legal description of the Exclusive Easement Area as Exhibit D-2. From and after the recording of that amendment the term Exclusive Easement Area shall mean the area legally described on Exhibit D-2 and in the event of any conflict between Exhibit D-1 and Exhibit D-2, Exhibit D-2 shall control.

4. Declaration and Grant of Easements.

4.1. Non-Exclusive Easements. The City hereby declares and grants a non-exclusive, appurtenant easement over the portion of District A Parking Parcel and the portion of the District A Parking Improvements that are not located within the boundaries of the Exclusive Easement Area (the "Public Parking Areas") for the benefit of each Parcel to permit the owner of each Parcel, each owners' tenants and each owners' and each owner's tenants' employees, customers, agents, guests and invitees to use, on a first-come, first-served basis and in common with members of the public, the number of parking spaces in the Public Parking Areas that the District A Parking Plan allocates to such owner's Parcel and to use the driveways and pedestrian elevators, stairways, sidewalks and walkways that are a part of the District A Parking Improvements. The easement is to permit the parking of vehicles of a size not to exceed the design parameters of the District A Parking Improvements and for pedestrian access to and from such vehicles. Notwithstanding anything else in this Section 4.1, the non-exclusive easement granted in this Section 4.1 only entitles the owner of Lot 3, such owners' tenants and such owners' and such owners' tenants' employees, customers, agents, guest and invitees to use the number of spaces that is equal to the total number of parking spaces the District A Parking Plan allocates to Lot 3 less the number of "Exclusive Use Stalls," as defined in Section 4.2. The easement set forth in this Section 4.1 does not give the benefitted parties a right to use any specific, designated spaces and does not give the benefitted parties any priority over members of the public or other benefitted parties with respect to the use of available spaces. The number of parking spaces the District A Parking Plan allocates to each Parcel may change as a result of subsequent amendments to the District A Parking Plan, but the City Council may not approve an

amendment to the District A Parking Plan that increases or decreases the number of parking stalls allocated to a Parcel without the written consent of the owner of the Parcel.

4.2. Exclusive Easement. The City hereby declares and grants an exclusive, appurtenant easement over the Exclusive Easement Area for the benefit of Lot 3. The easement is to permit the owner of Lot 3 and such owner's tenants and the owner's and owner's tenants' guests and invitees to use the 275 stalls in the Exclusive Easement Area (the "Exclusive Use Stalls") and to exclude all others from the use of such stalls. The owner of Lot 3 shall have exclusive authority to determine how the Exclusive Use Stalls are allocated among and used by such owner's tenants and the owner's and owner's tenants' guests and invitees. The easement is to permit the parking of vehicles of a size not to exceed the design parameters of the District A Parking Improvements. The Exclusive Use Stalls may not be used for any purpose other than the parking of motor vehicles. For example, the Exclusive Use Stalls may not be used for the storage of any personal property other than motor vehicles, and the owner of Lot 3 and such owner's tenants and the owner's and owner's tenants' guests and invitees may not attach or affix anything to the District A Parking Improvements except that the owner of Lot 3 may, upon the receipt of the City's written consent, which consent may not to be unreasonably withheld, affix signs to the District A Parking Improvements to identify the Exclusive Use Stalls, to distinguish the Exclusive Use Stalls from other stalls in the District A Parking Improvements and to distinguish Exclusive Use Stalls from one another. The City Council may not approve an amendment to the District A Parking Plan that impairs the exclusive easement rights granted in this Section 4.2 without the written consent of the owner of Lot 3 and the holder of any mortgage recorded against title to Lot 3.

5. Operation of the District A Parking Improvements. The City will operate the Public Parking Areas as public parking facilities. The Public Parking Areas will be available to beneficiaries of the easement described in Section 4.1 and to the public on a first-come, first-served basis subject to the following:

5.1. The City will establish handicapped parking stalls within the Public Parking Areas as required by law. The owner of Lot 3 must establish and maintain handicapped parking stalls within the Exclusive Easement Area as required by law.

5.2. The City may designate, with appropriate signage, parking stalls within the Public Parking Areas that may only be used for a specified period of time (for example, without limitation, "One Hour Parking," "Overnight Parking," and "No Overnight Parking").

5.3. The City may designate parking stalls in the Public Parking Areas as "park and ride" stalls for the exclusive use of public transit patrons during designated days and hours as provided for in the District A Parking Plan. The number of designated "park and ride" stalls may not exceed the number of stalls the Parking Plan allocates for "park and ride" use. The City must utilize signage and other parking control mechanisms in an attempt to limit "park and ride" use to the number of parking stalls designated for "park and ride" use in the District A Parking Plan and must make a good faith effort to enforce restrictions the City adopts to control such use.

5.4. The City may elect to charge fees for parking in the Public Parking Areas; provided the costs associated with the operation of the Public Parking Areas on a fee basis will

be Parking Maintenance Costs under Section 7 below, and the proceeds received from the operation of the Public Parking Areas on a fee basis will be applied to reduce the budgeted Parking Maintenance Costs allocated among the Parcels pursuant to Section 9 below.

5.5. The City may, from time to time, temporarily limit or deny access to parking spaces within the District A Parking Improvements as the City determines to be necessary or desirable in connection with the maintenance, repair or replacement of District A Parking Improvements or the construction of expansions of or additions to the District A Parking Improvements. The City must use all commercially reasonable efforts to minimize any interference with the use of the parking stalls in the Exclusive Use Area.

6. Maintenance, Repair and Replacement of the District A Parking Improvements. The City will maintain, repair and replace the District A Parking Improvements in a manner consistent with other public parking facilities in the greater Minneapolis-St. Paul, Minnesota metropolitan area.

7. Parking Maintenance Costs. For purposes of this Agreement, the term "Parking Maintenance Costs" means all costs and expenses that the City incurs to operate, maintain, repair and replace District A Parking Improvements, including, but not limited to, costs associated with snow removal, insurance, security, elevator maintenance and repair, lighting, landscaping, signage, parking control facilities, staff and contributions to a reserve fund for future maintenance, repair and replacement costs. Parking Maintenance Costs include both amounts the City pays to third parties to operate, maintain, repair and replace District A Parking Improvements and administer this Agreement and the fair market value of any services provided by City employees in connection with the operation, maintenance, repair or replacement of District A Parking Improvements or the administration of this Agreement. Parking Maintenance Costs may also include periodic contributions to a reserve fund the City establishes to provide a source of funds for major repairs, renovations and replacement.

8. Budget of Parking Maintenance Costs. The City may, from time to time, establish a fiscal year for the purposes of budgeting for Parking Maintenance Costs. If the City does not establish a fiscal year, the fiscal year for budgeting Parking Maintenance Costs is the fiscal year. On or before the date thirty (30) days prior to the beginning of the first full or partial fiscal year and thirty (30) days prior to the beginning of each full fiscal year thereafter, the City's staff must prepare and the City Council must approve a proposed budget of anticipated Parking Maintenance Costs for the next fiscal year.

9. Charges for Parking Maintenance Costs. On or before the date thirty (30) days prior to the beginning of the first full or partial fiscal year and thirty (30) days prior to each full fiscal year thereafter, the City Council must adopt a resolution allocating the budgeted Parking Maintenance Costs for that fiscal year among the Parcels. The allocations will be based on the budgets described in Section 8 above. The share of the anticipated annual Parking Maintenance Costs the City allocates to each Parcel for a given fiscal year will be determined my multiplying the Parcel's "Allocated Share," as determined pursuant to Section 10 below, by the budgeted Parking Maintenance Costs for that fiscal year.

10. Determination of Each Parcel's Allocated Share. The District A Parking Plan assigns each Parcel an "Allocated Share" which is a fraction, the numerator of which is the number of parking spaces assigned to that Parcel in the District A Parking Plan and the denominator of which is the total number of parking spaces in the District A Parking Improvements. If and each time the District A Parking Plan is amended in a manner that modifies the Allocated Share assigned to any Parcel, the amendment must describe when such modification is effective for purposes of the calculation and payment of Parking Maintenance Costs for the fiscal year in which amendment is effective.

11. Annual Notice. On or before date fifteen (15) days prior to the commencement of the first full or partial fiscal year and fifteen (15) days prior to each full fiscal year thereafter, the City will mail to the owner of each Parcel, at the address the Anoka County Assessor's office maintains for the distribution of real estate tax statements for the Parcel, a notice setting forth the Parking Maintenance Costs set forth in the City Council's approved budget of Parking Maintenance Costs for the upcoming fiscal year, the Allocated Share attributable to the owner's Parcel for the upcoming year, the amount of the Parking Maintenance Costs for the upcoming fiscal year that the City Council has allocated to the Parcel for that fiscal year pursuant to the resolution described in Section 9 and the amount of the monthly installment of the allocated amount. The notice will not include a copy of the approved budget, but a Parcel owner may obtain a copy of an approved budget from the City upon request.

12. Payment of Allocated Parking Maintenance Costs. The owner(s) of each Parcel must pay to the City the amount of the Parking Maintenance Costs that the City Council has allocated to the Parcel for that fiscal year pursuant to the resolution described in Section 9 and such amount is due and payable to the City in a single installment or in multiple installments on the date or dates set forth in said resolution. Each Parcel owner is personally liable for the payment of the share of Parking Maintenance Costs the City allocates to the owner's Parcel and any additional amounts due pursuant to Section 14. The City may commence an action in Anoka County District Court against any owner that does not pay such amounts to the City when and as they are due. If a Parcel has more than one owner, all owners are jointly and severally liable to the City for the full amount of the Parking Maintenance Costs the City allocates to the owners' Parcel and any additional amounts due pursuant to Section 14. An owner may not withhold payment of amounts due under this Agreement as a set-off against claims which the owner asserts against the City under this Agreement or otherwise. If an owner fails to pay an installment of Parking Maintenance Costs on or before the date due, the unpaid installment accrues interest from the date due until the installment is paid in full at a rate of interest equal to the lesser of 12% per annum or the highest rate allowed by law. If the City uses all commercially reasonable efforts to collect delinquent payments, but as a result of an owner's bankruptcy or otherwise the City is unable to recover the delinquent payments from the responsible owner, the amount of the unrecoverable, delinquent payments shall be a Parking Maintenance Cost. If a Parcel owner fails to pay the annual installment of Parking Maintenance Costs when due and the City engages legal counsel to assist the City in collecting the delinquent payments, the City may also recover its reasonable attorneys' fees and costs associated with the collection of the delinquent payments from the Parcel owner. To the extent the City is unable to recover its reasonable attorneys' fees from the delinquent owners, such fees shall be a Parking Maintenance Cost.

13. Failure to Approve a Budget or to Adopt a Resolution Allocating Costs. The City Council's failure to approve a budget or to adopt a resolution allocating Park Maintenance Costs among the Parcels pursuant to Sections 8 and 9 above or the City's failure to send the notice described in Section 11 above does not constitute the City's waiver or release of a Parcel owner's obligation to pay its Allocated Share of Parking Maintenance Costs, and in the absence of an approved budget, a resolution allocating Park Maintenance Costs among the Parcels or an annual notice, for a given fiscal year, each Parcel owner must pay, on or before the first day of each fiscal year, an amount equal to the amount of the prior fiscal year's allocation of Parking Maintenance Costs until the City Council approves a budget and adopts a resolution allocating Parking Maintenance Costs for that fiscal year and the City provides mailed notice of the information described in Section 11.

14. Deficits, Surpluses, Annual Audit and Audit Rights. On or before the 60th day of each fiscal year the City will determine if the actual Parking Maintenance Costs for the prior fiscal year were more than or less than the amount set forth in the City Council's approved budget for that prior fiscal year and will mail to the owner of each Parcel, at the address the Anoka County Assessor's office maintains for the distribution of real estate tax statements for the Parcel, a notice stating the amount of the deficit or surplus or a statement that there is no deficit or surplus. If there is a deficit, each owner is obligated to pay to the City, within 30 days after the owner's receipt of the notice described in this Section 14, an amount determined by multiplying the amount of the deficit by the Allocated Share assigned to the owner's parcel during the prior fiscal year. If there is a surplus, the City must credit against the amounts due from each Parcel owner in the following fiscal year an amount determined by multiplying the amount of the surplus by the Allocated Share assigned to the owner's Parcel during the prior fiscal year. The notice described in this Section 14 must, in addition to stating the amount of the surplus or deficit, state the Allocated Share assigned to each Parcel in the prior fiscal year and, in the case of a deficit, the additional amount each Parcel owner is obligated to pay pursuant to this Section 14 or, in the case of a surplus, the amount of the credit each owner will receive. The City must maintain a separate fund which isolates the financial activities relating to the operation, maintenance, repair and replacement of the District A Parking Improvements. The City will have this fund included in the City's annual audit. Any additional auditing cost the City incurs to include this separate fund in the City's annual audit is a Parking Maintenance Cost for the year in which the audit is conducted. The City must make the City's books and records relating to the Parking Maintenance Costs the City incurs and the City's allocation of the Parking Maintenance costs among and collection of Parking Maintenance Costs from the Parcel owners available for to Parcel owners for inspection, examination and copying during the City's regular business hours. The City may require a Parcel owner that desires to inspect, examine or copy the City's books and records to provide the City with reasonable advance notice to allow the City to assemble the books and records and may charge the Parcel owner the City's actual cost for i) any staff time devoted to assembling the books and records and monitoring the Parcel owner or its representative during his or her inspection and examination and ii) any copies the Parcel owner requests. At the request of a Parcel owner, the City will submit the City's books and records to an independent certified accountant selected by the Parcel owner for review and audit. If the review and audit discloses an error in the City's calculation or allocation of Parking Maintenance Costs, the City will determine the amount of the deficit or surplus resulting from such error and refund such surplus or collect such deficit from the Parcel owners in the manner described in this Section; provided, however, the City will only address errors occurring during the fiscal year in

which the audit is conducted and the preceding two fiscal years. The Parcel owner or owners who commissioned the review and audit are solely responsible for its cost.

15. The City's Lien for Unpaid Parking Maintenance Cost. The City has a lien on each Parcel for the amount of the Parking Maintenance Costs the City Council allocates to the Parcel pursuant to Section 9 and for any additional amounts due with respect to the Parcel under Section 14. To provide record notice of its lien, the City must record a notice of lien in the Anoka County land records. A notice of lien must include the legal description of the Parcel subject to the City's lien and the amounts due with respect to the Parcel as of the date of the notice of lien. The City's lien has priority over all liens, encumbrances and other interests that are first recorded in the Anoka County land records after the City's recording of its notice of lien. The City may only foreclose its lien by judicial action. Foreclosure by advertisement is not permitted. The period of redemption for Parcel owners is six months from the date of the foreclosure sale. If the City brings an action to recover a judgment for unpaid Parking Maintenance Costs (whether or not the City elects to also foreclose its lien), the City may also recover interest, as described above, and all costs of collection, including reasonable attorneys' fees and costs. The City may, in the future, seek to amend its Charter to permit the City to specially assess amounts due under this Agreement against a Parcel if such amounts are not paid when and as they are due under the terms of this Agreement.

16. Damage or Destruction, Insurance and Waivers of Claims. If the District A Parking Improvements are damaged or destroyed, the City will repair such damage or destruction or, if the City determines that it is in the City's best interest to replace the damaged District A Parking Improvements, the City will replace the damaged or destroyed District A Parking Improvements. The City must commence such repair or replacement within 6 months of the date of the damage or destruction and must complete such repair or replacement within 12 months of the date of such damage or destruction. The cost of such repair or replacement will be a Parking Maintenance Cost, but the City must use insurance proceeds and reserve funds, to the extent available, to finance such repair or replacement. If insurance proceeds and reserve funds are insufficient to finance the cost of repair or replacement, the City may finance the repair or replacement from other sources and reimburse itself or repay third parties from future collections of Parking Maintenance Costs. The City must obtain and maintain casualty insurance insuring the District A Parking Improvements. The City must obtain the casualty insurance through the League of Minnesota Cities or from an insurance company that is licensed in the State of Minnesota and that has a B general policyholder's rating or a financial performance index of 6 or better in the Best's Insurance Reports. The City must maintain insurance for the full replacement cost of any insurable improvements that constitute a part of the District A Parking Improvements, subject to a deductible in an amount the City Council determines; provided the amount of the deductible may not exceed one-half of one percent of the replacement cost of the District A Parking Improvements as reasonably estimated by the City Council from time-to-time. The cost of the casualty insurance and the amount of any deductible, in the event of an insured loss, are Parking Maintenance Costs. The City hereby releases the Parcel owners, the Parcel owners' tenants, and the Parcel owners' and Parcel owners' tenants, employees, customers, guests and invitees from claims for damage to or destruction of the District A Parking Improvements to the extent, and only to the extent, that damage to the District A Parking Improvements are covered by the insurance the City maintains pursuant to this Section 16 and the City is actually able to recover the cost of repairing the damage under its insurance policy.

17. Amendments. This Agreement may be amended, at any time, with the written consent of the fee owner of each Parcel in Parking District A. To be effective the amendment must be executed and acknowledged by each such Parcel owner and the amendment must be recorded in the appropriate County land records. In addition, the City may amend this Agreement pursuant to Section 18 and 19 below.

18. Changes to Parking District A. At any time and from time to time and without the consent of the Parcel owners, except as provided in Section 18.1 below, the City may (A) amend this Agreement to redefine Parking District A to include additional portions of the HRA Property; to subject the included portions of the HRA Property to covenants and restrictions set forth in this Agreement and to extend the easements granted in Section 4.1 to the included portions of the HRA Property; or (B) amend this Agreement to remove all or portions of the HRA Property or all or portions of the City Property from Parking District A; release the removed property from the covenants and restrictions set forth in this Agreement and terminate the easements this Agreement grants to those Parcels; provided that:

18.1. The owner of any Parcel removed from Parking District A consents to the amendment removing the owner's Parcel from Parking District A, and the owner of any property added to Parking District A consents in writing to the amendment adding the owners property to Parking District A; and

18.2. The City also amends the District A Parking Plan to reflect the removal of Parcels and/or the addition of property. In the amended District A Parking Plan, the number of parking spaces in the District A Parking Improvements that are allocated to the property being added to Parking District A must equal the number of Parking Spaces allocated to the Parcel(s) being removed from Parking District A unless the City is also amending the District A Parking Plan as described in Section 4 above to increase or decrease the number of Parking Spaces allocated to Parcels that are not being added to or removed from Parking District A. In any event, an amendment to the District A Parking Plan that the City adopts in connection with an amendment to this Agreement cannot increase a Parcel owner's Allocated Share without the consent of that Parcel owner.

19. Additional Parking Improvements. At any time and from time to time and without the consent of the Parcel owners, except as provided in Section 19.2 below, the City may amend this Agreement to include expansions of the District A Parking Improvements, additional parking ramps in Parking District A or surface parking lots in Parking District A (collectively, "Future Parking Improvements") in the definition of the District A Parking Improvements and may adopt a corresponding amendment to the District A Parking Plan provided that:

19.1. The City also amends the District A Parking Plan to allocate the parking spaces in the Future Parking Improvements among Parcels in Parking District A, as the same may be redefined pursuant to Section 18 above, and to amend the Allocated Share of each Parcel to reflect the number of Parking Spaces allocated to that Parcel by the amendment and to reflect the increase in the total number of parking spaces in the District A Parking Improvements; and

19.2. The owner of each Parcel to which the amended District A Parking Plan allocates additional parking spaces consents in writing to the amendment.

20. Transfers. Whenever a transfer occurs in the ownership of a Parcel, the transferor has no liability for defaults under this Agreement occurring after the date the instrument of transfer is recorded in the Anoka County land records, but the transferee is liable for defaults occurring prior to the date of the transfer except to the extent the City is barred from asserting a claim against the transferee as a result of an estoppel certificate the City has provided pursuant to Section 21 below.

21. Estoppel Certificates. Upon the written request of a Parcel owner, the City will provide the Parcel owner and any prospective purchaser from or lender to the Parcel owner with an estoppel certificate stating, to the best of the City's actual knowledge, that this Agreement is in full force and effect, that this Agreement has not been modified or amended except as described in the estoppel certificate and that the Parcel owner requesting the certificate is not in default in the payment of any amounts due under this Agreement or if such a default exists, the amount in default.

22. Easements and Covenants to Run With Title. The benefits and the burdens of the easements and the covenants in this Agreement run with title to each Parcel in Parking District A and inure to the benefit of and are binding on the Parcel owners and their respective heirs, personal representatives, and successors in title.

23. Termination of the Original PUMA. Upon the recording of this Agreement in the Anoka County Land Records, the Original PUMA is terminated and is of no further force or effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first stated above.

CITY:

CITY OF RAMSEY, MINNESOTA

By: _____
Name: _____
Its: Mayor

By:_____
Name: _____
Its: City Administrator

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ___ day of _____, 2011, by _____ and _____, the Mayor and City Administrator of the City of Ramsey, a Minnesota municipal corporation and charter city on behalf of the City.

_____
Notary Public

HRA:

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA,
a body politic and corporate under the laws of the state of Minnesota

By:_____
Name: _____
Its: _____

By:_____
Name: _____
Its: _____

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ___ day of _____, 2011, by _____ and _____, the _____ and _____ of The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, on behalf of the Authority.

_____
Notary Public

EDA:

THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RAMSEY, MINNESOTA,
a body politic and corporate under the laws of the state of Minnesota

By:_____
Name: _____
Its: _____

By:_____
Name: _____
Its: _____

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ___ day of _____, 2011, by _____ and _____, the _____ and _____ of the Economic Development Authority for the City of Ramsey, Minnesota, on behalf of the Authority.

_____
Notary Public

DRAFTED BY:
Briggs and Morgan, P.A.
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402-2157 (TLB)
(612) 977-8285

EXHIBIT A

LEGAL DESCRIPTION OF THE CITY PROPERTY

Lots 1, 1A, and 2, Block 1 COR ONE, Anoka County, Minnesota, according to the recorded plat thereof.

EXHIBIT B

LEGAL DESCRIPTION OF THE HRA PROPERTY

Lots 3 and 4, Block 1 and Outlot A, COR ONE, Anoka County, Minnesota, according to the recorded plat thereof.

[Do the HRA and the City want to include all or any part of Outlot __. RAMSEY TOWN CENTER or all or any part of Tracts A, B, C, D and E, RLS 421?]

EXHIBIT C

LEGAL DESCRIPTION OF PARKING DISTRICT A

Lots 1, 1A, 2, 3 and 4, Block 1, COR ONE, Anoka County, Minnesota, according to the recorded plat thereof.

EXHIBIT D-1

DEPICTION OF THE EASEMENT AREA

EXHIBIT D-2

LEGAL DESCRIPTION OF THE EXCLUSIVE EASEMENT AREA

THE COR
AT RAMSEY

PARKING PLAN VERSION 5.03

09/27/11

- DISTRICT BOUNDARIES
- STREET PARKING
- SURFACE PARKING
- 151 — SURFACE STALLS
- 800 STALLS — STRUCTURED PARKING & TOTAL STALLS
- 300 — STRUCTURED STALLS ALLOCATED TO PROPOSED USE

THE COR

RAMSEY, MINNESOTA

LAND DESIGNATION

- PARK/PUBLIC SPACES
- PARCELS FOR SALE
- PARCELS OWNED BY OTHERS

DEVELOPMENT STATUS

- EXISTING DEVELOPMENT
- PROPOSED DEVELOPMENT
- ACTIVE DEALS
- UNDER CONTRACT

ACCESS

- EXISTING SIGNALIZED INTERSECTION
- FUTURE SIGNALIZED INTERSECTION
- F — FULL INTERSECTION
- 3/4 — NO LEFT OUTBOUND MOVEMENTS
- P — PARKING RAMP

TRAFFIC INFORMATION

ADT INFORMATION TAKEN FROM 2009 ACTUAL COUNTS AND 2030 PROJECTED VOLUMES

NORTH 0 300 600

LANDFORM
From Ste to Finish

DEVELOPMENT PLAN 5.03

05.19.2011