

PURCHASE OF SERVICES AGREEMENT

THIS AGREEMENT (this "Agreement") is made and entered into between the Housing and Redevelopment Authority of the City of Ramsey, a public body corporate and politic under the laws of the state of Minnesota (the "HRA"), 7550 Sunwood Drive NW, Ramsey, Minnesota 55303, hereinafter referred to as the "HRA," and Landform Professional Services, LLC, a Minnesota limited liability company, 105 South Fifth Avenue, Suite 513, Minneapolis, Minnesota 55401, hereinafter referred to as the "Contractor."

WITNESSETH:

WHEREAS, the HRA is in need of development management services for its Ramsey Town Center Project, in the City of Ramsey; and

WHEREAS, the Contractor represents that the Contractor is qualified and willing to help the City in providing said services; and

WHEREAS, the City wishes to purchase this service from the Contractor.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, it is agreed and understood as follows:

I. TERM

This Agreement shall commence April 1, 2011 and shall continue in effect through March 31, 2013 unless terminated earlier as provided herein.

II. SERVICES

The HRA agrees to purchase and the Contractor agrees to furnish the services set forth in Contractor's Proposal dated April 1, 2011, (the "Contractor's Proposal") a copy of which is attached hereto and incorporated herein as Schedule A. HRA is referenced as "Owner" within the Contractor's Proposal and Contractor is referenced as Landform within said Proposal.

III. COMPENSATION

Compensation to Contractor shall be as provided in Section in Article IV of the Contractor's Proposal.

IV. BILLING AND PAYMENT

On a monthly basis, the Contractor shall submit to the HRA an itemized statement containing such information as is required by the HRA for work satisfactorily completed. Within thirty (30) days of its receipt of the billing statement, the HRA shall make payment to the Contractor or make reasonable arrangements for payment acceptable to the Contractor.

V. INDEMNIFICATION

The Contractor agrees that it will hold harmless, indemnify, and defend the HRA, its commissioners, officers, agents and employees against any and all claims, expenses (including attorneys fees), losses, damages or lawsuits for damages arising from or related to providing or failing to provide services hereunder, including but not limited to the negligence of the Contractor.

VI. INSURANCE

The Contractor shall procure and maintain in full force and effect during the term of this Agreement, insurance coverage for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors. The insurance coverage shall satisfy the requirements set forth in Schedule B, which is attached hereto and incorporated herein.

VII. SERVICES NOT PROVIDED FOR

No claim for services furnished by Contractor not specifically provided for herein shall be honored by the HRA.

VIII. INDEPENDENT CONTRACTOR

It is agreed by the parties that at all times and for all purposes hereunder, the relationship of the Contractor to the HRA is that of an independent contractor and not an employee or agent of the HRA.

IX. HRA PROJECT MANAGER

The HRA's representative for administering this Agreement is Deputy Ramsey City Administrator Heidi Nelson. For purposes of this Agreement Ms. Nelson shall be the designated Project manager. To the extent consistent with Contractor's status as an independent Contractor, Ms. Nelson shall be Contractor's direct supervisor relating to Agreement issues. Neither Ms. Nelson nor Contractor shall have the authority to legally bind the HRA and expend HRA funds, except as specifically permitted by this Agreement.

X. COMPLIANCE WITH LAWS

In providing all services pursuant to this Agreement, the Contractor shall abide by all statutes, ordinances, rules and regulations pertaining to or regulating the provision of such services, including those now in effect and hereafter adopted. Any violation of said statutes, ordinances, rules, or regulations shall constitute a material breach of this Agreement and shall entitle the HRA to terminate this Agreement immediately upon delivery of written notice of termination to the Contractor. SPECIFICALLY, neither Landform, its team members, employees nor consultants are real estate brokers or salespersons as defined by Chapter 82 of Minnesota Statutes. Therefore, Landform will not be entitled to any compensation for work which requires a license under said Chapter 82.

XI. SUBCONTRACTING AND ASSIGNMENTS

Contractor, unless provided for in the Contractor's Proposal, shall not enter into any subcontract for performance of any of the services contemplated under this Agreement, nor assign any interest in the Agreement without the prior written approval of the HRA and subject to such conditions and provisions as the HRA may deem necessary. The Contractor shall be responsible for the performance of all subcontractors.

XII. MODIFICATIONS

Any material alterations, modifications or variations of the terms of this Agreement shall be valid and enforceable only when they have been reduced to writing as an amendment and signed by the parties.

XIII. AFFIRMATIVE ACTION

In accordance with the HRA's Affirmative Action Policy and the HRA's policies against discrimination, no person shall illegally be excluded from full-time employment rights in, be denied the benefits of, or be otherwise subjected to discrimination in the project which is the subject of this Agreement on the basis of race, creed, color, sex, sexual orientation, marital status, public assistance status, age, disability, or national origin.

XIV. DATA PRIVACY

In collecting, storing, using and disseminating data on individuals in the course of providing services hereunder, the Contractor agrees to abide by all pertinent state and federal statutes, rules and regulations covering data privacy, including, but not limited to, the Minnesota Data Practices Act and all rules promulgated pursuant thereto by the Commissioner of the Department of Administration.

All data created, collected, received, stored, used, maintained, or disseminated by the Contractor in performing this Agreement is also subject to the provisions of Minn. Stat. § 13 et. seq. (the Minnesota Government Data Practices Act) and, pursuant to that statute, the Contractor must comply with the requirements of that statute as if it were a government entity. All remedies set forth in Minn. Stat. § 13.08 shall also apply to the Contractor. The Contractor is not required to provide public data to the public if that same data is available from the HRA, unless stated otherwise in this Agreement.

XV. EARLY TERMINATION

This Agreement may be terminated by the HRA or Contractor at any time, with or without cause, upon thirty (30) written days notice delivered by mail or in person. Notice to HRA and Contractor shall be delivered to HRA or Contractor at the respective addresses first written above. If notices are delivered by mail, they shall be effective two days after mailing. Early termination by the HRA shall be subject to the "Early Termination Payment" described in Section A.2.b. of Article IV of Contractor's Proposal.

Upon early termination by the HRA, the Contractor shall only be entitled to payment for services satisfactorily performed through the date of termination and shall not be entitled to any other payment and/or damages, EXCEPT as provided in Contractor's Proposal.

XVI. DEFAULT AND REMEDY

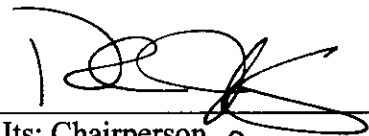
Failure of the Contractor (including the failure of any employee or agent of the Contractor) to abide by any of the terms, conditions, or requirements expressed in this Agreement shall constitute a default if not properly corrected by the Contractor upon receipt of a notice of deficiency and a request for compliance from the HRA. In the event of a default by the Contractor, the HRA may cancel this Agreement by sending a written notice of cancellation to the Contractor at the address stated above, and may recover from the Contractor any damages sustained by the HRA which may directly or consequently arise out of the breach of this Agreement by the Contractor.

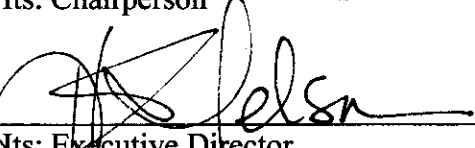
XVII. ENTIRE AGREEMENT

It is understood and agreed by the parties that the entire agreements of the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the HRA and Contractor relating to the subject matter hereof. The parties hereto revoke any prior oral or written agreement between themselves and hereby agree that this Agreement is the only and complete agreement regarding the subject hereof.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands.

**HOUSING AND REDEVELOPMENT
AUTHORITY OF THE CITY OF RAMSEY**

By 
Its: Chairperson

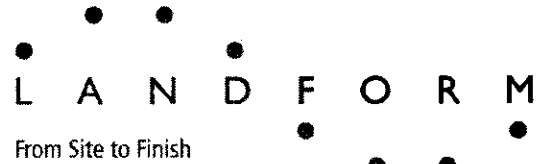
By 
Its: Executive Director

Dated: 4/1/2011

**LANDFORM PROFESSIONAL
SERVICES, LLC**

By: 
Its: President

Dated: 3/31/11



April 1, 2011

105 South Fifth Avenue
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Minneapolis, MN 55401

Tel: 612-252-9070
Fax: 612-252-9077
www.landform.net

Heidi Nelson
HRA Executive Director
City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303

Re: Development Management Services
Ramsey, Minnesota

Ms. Nelson

LANDFORM is pleased to submit our proposal for Development Management Services as described below. This proposal is sometimes hereinafter referred to as this "Agreement".

ARTICLE I. PROJECT SCOPE:

A. Parties and Scope

Acting on behalf of The Housing and Redevelopment Authority of the City of Ramsey, Minnesota (the "HRA" and/or the "Owner"), Landform Professional Services, LLC, a Minnesota limited liability company it's team members and consultants ("Landform") shall provide development management services as Owner's representative during the development of Owner's approximate 140-acre property located adjacent to Highway 10 in Ramsey, Minnesota in the Ramsey Town Center subdivision and legally described on attached Exhibit "A" (the "Project").

B. The term of this Agreement is April 1, 2011 through March 31, 2013 (the "Agreement Term").

C. Definitions

1. "**City**" or sometimes "Ramsey" shall mean the City of Ramsey, a Minnesota municipal corporation.
2. "**Critical Item Assessment**" shall mean the current list of development items that ranks the most relevant events or aspects of the project that possess the potential to dramatically affect the advancement, interfere with, or disrupt the development process.
3. "**Current Development Plan**" shall mean the most current version of the sequentially numbered development plans that has been approved by the HRA.

4. **“Development Management Team”** shall mean Landform Professional Services, LLC and its project representative Darren Lazan, CronkRE, LLC and its project representative Ryan Cronk, and the Executive Director of the HRA Heidi Nelson as the owner’s representative.
5. **“Development Manager”** shall mean Darren Lazan and/or his designees as approved by the HRA.
6. **“Financial Dashboard”** shall mean the most current version of the working financial model for the development as approved by the HRA. This model shall contain at a minimum, the current pricing scenario for developable parcels, current project expenses and expected revenues, and anticipated development yields.
7. **“HRA’s Contract(s)”** shall mean any purchase agreement, land exchange agreement, lease, option agreement, or development agreement, the subject matter of which is a parcel or parcels of land which are a part of the Project.
8. **“Staff”** shall mean employees of the City of Ramsey.
9. **“Weekly Update”** shall mean a written or presented update of development activities prepared for inclusion in the existing update to City Council, or presented to the HRA at a regular meeting. The weekly update shall contain brief and generic descriptions of the current activities while protecting the specific parties or details of pending deals so as to protect the HRA’s position in the marketplace.

ARTICLE II. PROJECT OBJECTIVE:

Landform shall determine maximum market viability of Project site based upon visioning and mission statements developed under previous efforts. Organize, coordinate and strategically focus the resources and efforts of existing and new team members to maximize critical Project decisions. Continue to support the new identity in the marketplace to bolster confidence in the new Project objectives. Develop viable pro-formas based on Project vision and market conditions. Prepare the Project and team for key events at which to showcase the Project. Initiate introductory meetings of the new Project with potential key users and development partners. Advance and negotiate various team accepted disposition strategies. Monitor and coordinate activities of team members from conception to completion.

The ultimate objective of the development of the Project is to create a mixed use development which shall include construction of a mixed use of commercial, office, retail and residential buildings for the Project’s mixed use objective.

ARTICLE III. DEVELOPMENT MANAGEMENT SERVICES TO BE PROVIDED BY LANDFORM:

A. Project Organization

1. **Project Team Organization** - Clearly establish key Project goals, properly prioritize the order of these goals, and initiate potential strategies to accomplish the desired Project goals. Identify all key Project team members required to accomplish Project goals. Establish Project roles and responsibilities. Identify existing and forecasted team members based upon expertise, skill sets, and available workload capacity. Establish Project team reporting and communications standards and framework. Landform represents that it has a professional working relationship additional development management service firms and will have available to it personnel resources from these firms in reasonable amounts of time to perform certain services for Owner as required of Landform pursuant to this Agreement.
2. **Communication and Reporting** – The Development Manager shall be responsible for communication between and reporting to between the Development Management Team, Staff, and the HRA. These efforts shall consist of the following items as a minimum.
 - a. The Development Manager will provide the members of the HRA, once monthly, during their regular meeting a review of the financial dashboard for the Project and provide analysis of the data to the members of the HRA during the meeting.
 - b. At the end of every meeting of the HRA under the "Executive Director Report" portion of the agenda, the Development Manager will provide a verbal update to the members of the HRA regarding meetings held and work completed since the time of the last meeting of the HRA.
 - c. The Development Management Team will, on a regular basis, include in the Weekly Update document, a bulleted list of work completed and meetings attended for the week prior.
 - d. The Development Management Team will produce a monthly cable TV show on QCTV Channel 16, entitled "The COR Report", to be aired to the public regarding activity and projects in The COR.
 - e. The Development Management Team will write and publish an article in each edition of the Ramsey Resident newsletter entitled "The COR Report" to update the public regarding activity and projects in The COR.
 - f. The Development Management Team will attend the City Community Development and Department Head staff meetings on the first Tuesday of each month to update and receive feedback regarding activity and projects in The COR.
3. **Master Development Activities List and Schedule** - Develop a master list of activities and explain requirements and responsibilities associated with each for the completion of the Project's process. Create responsibility assignment matrix for each Project item. Establish the master Project schedule for accomplishment of each task.

4. **Critical Item Assessment** – Develop and maintain a Critical Item Assessment which determines and ranks the most relevant events and circumstances that possess the potential to interfere with or disrupt the Project process.
5. **Development Team Assembly** - Identify and assemble all additional key Project team members, internally or third party, including the preparation of request for qualifications, request for proposals, proposal evaluation, selection recommendations and negotiation of all contracts.

B. Planning and Engineering

1. **Master Planning** –Provide basic master planning services as needed to evaluate potential development scenarios and respond to the opportunities that present themselves in the marketplace regarding this Project. This will include meeting with existing and perspective users and the coordination of planning efforts by all parties. Landform will maintain the master site database to ensure data integrity as all parties work on the various aspects of the Project. Upon expiration of this Agreement the master site database will become the property of the Owner.
2. **Conceptual Layout** –Provide basic conceptual site design to assist in the evaluation and coordination of prospective deals and to ensure plans prepared by end users conform to the design criteria of the Project.
3. **Preliminary Engineering** – Perform basic preliminary engineering necessary to evaluate potential development scenarios. If extensive engineering becomes necessary to facilitate a development concept, Landform will provide a separate proposal to the HRA for consideration at any time that becomes necessary.
4. **Plan review and approval** - Provide peer review and summary of all plans prepared by other consultants within the Project to ensure compatibility with design intent, coordination with master plan, and data integrity of the overall CAD file systems.

C. Development Feasibility

1. **Site Use Evaluation** - Review existing market feasibility analysis and as needed, conduct additional comprehensive industry, customer and competitor market feasibility analyses in order to determine market opportunities. Apply market research and use evaluation to determine and identify potential user classifications. Prepare list of potential user candidates and evaluate feasibility of each candidate based upon current and projected market conditions.
2. **Public Incentives & Benefits Analysis** – Determine the necessary funds required at each stage of the development process of the Project in order to manage responsibilities and sources of funding appropriately. Identify

various scenarios and options for public financial incentives and benefits to assist in the development of the Project.

3. **Pro Forma Development** - Prepare anticipated income and expense pro forma based upon Project scenarios to include all projected hard and soft costs as well as potential income scenarios to determine each of the Project site's alternative financial feasibility. Landform will maintain current "Dashboard" summaries for review and assessment by the team, and to assist in the analysis of potential Project scenarios.
4. **Development & Disposition Scenario Analysis** - Prepare and present various options and strategies for disposition of the Project parcels based upon identified Project parameters. Evaluate and prioritize potential development and disposition options for the Project.

D. Marketing

1. **Project Identity Management** – Coordinate the efforts of internal team members, staff, and third party design consultant to assist in managing the brand identity for the Project. This may include a brand for the overall area as well as sub-brands for specific portions of the Project.
2. **Project Marketing Strategy** – Develop an overall marketing strategy, and appropriate sub-strategies, necessary to bring the Project to several markets. This will include the coordination of third party consultants to develop marketing collateral (print, electronic, etc.) necessary to present the Project to potential purchasers in the community, at trade shows, and/or industry events.
3. **Marketing Package Preparation** – Prepare and maintain comprehensive Project site marketing packages, to include the assembly of relevant economic, demographic, traffic, and planning data for Owner's use in disposition strategy.

E. Development

1. **Proposal Criteria Establishment** – Work to establish a criteria for disposition strategies. This may include leveraging industry relationships, evaluating presented opportunities, or developing specific RFP opportunities where appropriate. Landform will present the criteria to the Owner for consideration and approval.
2. **Property Interest Solicitation** – Based upon industry knowledge and existing team relationships, disseminate marketing package(s) on behalf of Owner to targeted groups. Establish communication and as appropriate facilitate introduction of Owner to potential candidates for the various development options with the intent for deal establishment. For the term of this Agreement (or as extended by the parties) Landform shall be the exclusive development manager and will be responsible for all potential development deals within the 140 acre Project.

3. **Development Options** – Assist Owner in advancing the following development scenarios:
 - a. **Property Sale or Lease** – Assist in finalizing an agreement for the sale or lease of the Project land.
 - b. **Public-Private Partnership (“P3”)** – Assist in the establishment of development partnership(s) with private entities for various components of the Project.
 - c. **Owner Self-Development** – If applicable, assist Owner in developing a program for self development and ownership of specific components of the Project (see below).

4. **Development Administration** – Organize, prepare, and disseminate ongoing reporting, budgeting, and meeting minutes for the review of the team and Owner. Attend and present reports at scheduled HRA meetings and stand for questions or further consideration. Coordinate with Staff to prepare and present cases for consideration by the HRA and/or other boards or commissions of Owner.

F. Owner Self-Development (if applicable)

Scope of services shall include but not be limited to Design Coordination, Pre-Construction, Leasing, Financing, Project Management, Tenant Coordination, and Project Closeout.

ARTICLE IV. BASIS OF COMPENSATION:

A. Development Management Services (the “Administrative Compensation”)

Project Organization / Planning and Engineering / Development Feasibility / Development / Marketing Phases

1. Landform shall provide the following development management services for the Agreement Term.

Organizational Activities

Municipal Approvals / Entitlements / Development Board-Commission
 Architectural Coordination & Establishment
 Preliminary Engineering
 Project Construction Guidelines & Rules
 Anchor Procurement Process
 Commence Sales & Leasing effort & Developer Solicitation
 Marketing
 Financial Analysis
 Tenant Coordination
 Off-Site Improvement Coordination
 Public Projects
 Owners Coordination (existing owners in The COR)

Reporting & On-Going Meetings with City of Ramsey

The Organizational Activities do also include all those services as referenced in Article I Project Scope, Article II Project Objective, and Article III Development Management Services herein.

(the "Development Management Services")

2. Administrative Compensation.

a. **Monthly Payment.** Landform shall be compensated a total of \$360,000.00 for the Development Management Services for the Agreement Term at the rate of \$15,000.00 per month. This payment is known as the "Administrative Compensation". In the event this Agreement is terminated prior to March 31, 2013, Landform shall receive the said \$15,000 monthly compensation for each full month this Agreement is in effect and a prorated amount for any partial month during which this Agreement is in effect.

b. **Early Termination Payment.**

(i) In addition to the Administrative Compensation, in the event the HRA terminates this Agreement prior to January 31, 2013, Landform shall be paid an early termination fee equal to four month's fee or \$60,000.00. In the event of termination of this Agreement after January 31, 2013, no early termination payment shall be paid.

(ii) Notwithstanding the preceding terms of this paragraph 2.b. in the event the HRA sells to a third party 75% or more of the then remaining Project parcels available for development purposes to a single entity, in one transaction, no early termination payment shall be paid to Landform.

B. Incentive Based Development Compensation

In addition to the Administrative Compensation received for Development Management Services, Landform shall receive additional incentive-based compensation (the "Incentive Compensation") based upon its success in advancing the Project.

1. For the purposes of this Agreement, it is assumed that the disposition of various land parcels may occur in any of three ways: sale or lease, public private partnership, or owner self-developed. Landform shall solicit the interest of various prospective end-users, to include individual entities, corporations, developers, and/or development partners. Landform will coordinate the efforts of the Development Management Team to provide a uniform front to the development community, and assist in the evaluation, consideration, negotiations, and deal structuring on any disposition of land within the development area. Incentive Compensation will be paid on all transactions regardless of origin or referral source. Meeting update reports documenting marketing progress shall be presented to the Owner on a regular basis.

2. The Incentive Compensation shall be **two percent (2%)** of the total capital cost of the end use of the parcel or property sold or developed (the "Development(s) Capital Cost(s)"). The Development's Capital Cost shall be the total dollar amount of the following items a.-d.:
 - a. The net land sale price paid to Owner plus;
 - b. The proforma building value as presented by Landform, except that said value shall not exceed the then current Minnesota Department of Labor and Industry's Building Valuation Data by more than 25% plus;
 - c. The Site improvement's costs plus;
 - d. The development soft costs such as engineering, planning architecture, legal fees, any marketable title issues, realtor commissions, finance expenses and special inspections. In no event shall the development soft costs exceed 20% of the total of items a. through c. above.

The total dollar amount of items a.-d. above is the Development's Capital Cost which is the basis for the Incentive Compensation. However, the parties agree that during the term of this Agreement, unique development scenarios may be presented which will require modification of the Incentive Compensation terms. With that understanding the parties agree to negotiate as necessary modified terms in relation to the Incentive Compensation.

3. The Incentive Compensation will be payable at the following stages of a specific development:
 - a. For the first twelve (12) months of this Agreement and on a monthly basis, Landform shall receive monthly advances on future Incentive Compensation in the amount of **\$10,000/each**. Such draws shall be reimbursed from the proceeds of the Incentive Compensation when earned, and shall be considered minimum compensation for this contract component. However, in the event this Agreement is terminated prior to March 31, 2011, Landform shall receive the said \$10,000 monthly advance only for each full month this Agreement is in effect and a prorated amount for any partial month during which this Agreement is in effect. Monthly draws shall terminate once total compensation under this paragraph a. reaches \$120,000 within the period of this Agreement.
 - b. During the drafting of an HRA Contract, the HRA and Landform shall work to determine the proposed project costs and phasing schedule which shall be used to determine the Incentive Compensation. The Incentive Compensation, once calculated based on this criteria, shall be final on or before the execution of any HRA Contract. Any substantial or fundamental changes to the proposed project, phasing, or terms prior to closing will necessitate reconsideration of the Incentive Compensation. Minor changes will be considered incidental.

- c. Upon the execution of an HRA Contract, Landform shall receive **20%** of the total Incentive Compensation, EXCEPT that in no event shall the said 20% exceed the non-refundable (hard) earnest money or other down payment received by the HRA from the other party to the HRA Contract, i.e. buyer, lessee, or developer, except upon specific HRA authorization. In the event the earnest money is held in escrow by a title company or other fiduciary until closing or termination of the HRA Contract, the HRA shall, assess the security of said earnest money to be released to the HRA upon closing or HRA Contract termination and after consultaion with its Legal Counsel make a dtermination on whether or not to authorize payment of the 20% to Landform.
 - d. Upon closing of a land sale transaction between the HRA and a parcel developer, or tenant occupancy under a lease, Landform shall receive **60%** of the total Incentive Compensation.
 - e. Following project design, permitting and construction, and upon issuance of a Certificate of Occupancy by the City ,Landform shall receive a final payment of **20%** of the total Incentive Compensation, subject to paragraph 9. below. In addition, for Phased Projects as defined in paragraph 5. below the 20% payment shall be paid at the time of occupancy of future phases.
 - f. Example of the application of the above subparagraphs c.-e. of this paragraph 3.: An agreement is signed on a parcel of land for an office building valued at \$10m in June, 2011. There were three (3) advances totaling \$30,000 previously.
 - i. The Incentive Compensation is calculated at two percent (2%) of \$10m or \$200,000.
 - ii. The initial payment would be twenty percent (20%) of the total or \$40,000 **minus** the previous advances of \$30,000 for a net payment of \$10,000.
 - iii. Closing occurs and the second payment of sixty percent (60%) of the total Incentive Compensation becomes due in the amount of \$120,000 **minus** subsequent draws (if any).
 - iv. Upon certificate of occupancy for the office building, the final twenty percent (20%) becomes due in the amount of \$40,000.
4. **Large Projects** – In calculating the Incentive Compensation on developments with a total Development Capital Cost greater than \$30 million in a single transaction, the following equation shall be used:
- a. The Incentive Compensation shall be two percent (2%) of the total Development Capital Cost up to \$30 million (standard agreement);
 - b. Then, one percent (1.0%) for Development Capital Costs from \$30 million to \$100 million;

- c. Then, one half percent (0.5%) for Development Capital Costs in excess of \$100 million-\$150 million;
 - d. Then, one quarter per cent (0.25%)for Development Capital Costs in excess of \$150 million.
 - e. Example of the application of the above subparagraphs a.-d. of this paragraph 4: An agreement is signed for a development with an estimated total Development Capital Cost of \$180,000,000. The Incentive Compensation shall be calculated as follows:
 - i. 2.0% of \$30m = \$600,000
 - ii. 1.0% of \$70m = \$700,000
 - iii. 0.5% of \$50m = \$250,000
 - iv. 0.25% of \$30m = \$75,000
 - v. Total Compensation = \$1,625,000
5. **Phased Projects** – In calculating the Incentive Compensation on projects where occupancy is anticipated to be phased over a period greater than 24 months from the spring of the year following closing of the transaction (phased start), a discount to the Incentive Compensation will be applied as a means to recognize the delay in property tax payments realized by the HRA.
- a. For each 12 month period the project, or portion of the project, is anticipated to be phased beyond 24 months, the Incentive Compensation for that portion of the project shall be discounted by ten percent (10%).
 - b. Example: A sale occurs for an apartment project consisting of six buildings. Two are to be constructed immediately; two are anticipated to begin the following year, and the last two the year after. Each phase is roughly \$20m in value.
 - i. Phase 1 Incentive Compensation shall be the full two percent (2%) of the \$20m or \$400,000.
 - ii. Phase 2 commencing later than 24 months after the spring following closing shall be the full Incentive Compensation (\$400,000) discounted \$40,000 or \$360,000.
 - iii. Phase 3 commencing later than 36 months after the spring following closing shall be the full Incentive Compensation (\$400,000) discounted \$80,000 or \$320,000
 - iv. The total Incentive Compensation for the example phased project would be \$1,080,000.

6. Incentive Compensation shall be due on the project known as The Residence and the project known as Suite Living under the terms of the agreement effective April 1, 2010, and commensurate with their respective incentive compensation fee worksheets approved by the HRA. The incentive compensation paid to Landform for The Residence and Suite Living will be reduced by any advances on incentive payments made under this Agreement, and said amounts will count towards the maximum advance amount contemplated in Article 4, Section B.3.a
7. Compensation Carryover – It is recognized that Landform will expend significant effort and expense in the advancement of the Project and individual users on an incentive basis, for which the HRA receives value that will survive the termination of this Agreement. Therefore, upon termination of this Agreement, on or before March 31, 2013, Landform shall receive compensation as outlined in Article 4, Section B herein, on all HRA Contracts for which the HRA and a third party execute within a period of fifteen (15) months following the termination of this Agreement. . Once an HRA Contract is executed, compensation shall continue on a project-by-project basis until complete. Compensation shall follow the particular user or buyer originating the HRA Contract regardless of subsequent renewals or extensions of the HRA Contract..

For purposes of this paragraph 7., in order to determine the Development Capital Cost for future developments, the Development Capital Cost formula as defined in Subsection B.2 of this Article IV will be used. Where necessary, because adequate development data from a proposed purchaser is not sufficient to determine the Development Capital Cost, the Current Development Plan and Financial Dashboard shall be used to arrive at the Development Capital Cost for a development when the exact costs of the future development is unknown.

If, by the agreement of both parties, services outlined in this proposal are provided outside the Project all terms and conditions outlined in this proposal shall apply on a parcel-by-parcel basis.

8. Exceptions/Exclusions to Incentive Compensation:
 - a. No Incentive Compensation will become due on any public infrastructure (roads, bridges, utilities, etc.) projects constructed within the Project.
 - b. No Incentive Compensation will become due on any public park projects including the City of Ramsey's East Meandering Park unless the park contains a commercial or private component for which the fee will be calculated on that portion alone.
 - c. No incentive Compensation will become due on any city initiated facilities providing municipal services to the City of Ramsey. (i.e. City offices, pump house, public works facilities, community center, etc.). The term "community center" as used herein shall mean a facility that is constructed without any private partnership with the City/Owner. Incentive Compensation will be paid on the Development Cost of the

private portion of a community center where there exists a private/public partnership for said construction.

C. Additional Compensation

In the normal course of the development of the Project, It becomes necessary at times to prepare detailed feasibility, preliminary, and final design documents. Typically these are completed by the developer, as part of the overall development and include land surveying, civil engineering, planning, landscape architecture, and related architectural disciplines. Additionally, these services are also necessary for individual site development plans by either the end-user, or the developer on behalf of the end-user.

1. For the term of this Agreement (or as extended by the parties) when the need for design services beyond the basic services outlined in Article III. Section B of this Agreement, it is understood that said services identified in the above paragraph in this Section C. will either be performed by or coordinated by Landform. At the time the need is identified, Landform will prepare a proposal specific to the scope required and present said proposal for consideration and approval by the HRA. Notwithstanding the above, the HRA may determine it is in the best interests of the Project, and that there are minimal negative impacts on the overall development coordination, the HRA reserves the right to self-perform for the design of major public improvement projects such as roadway improvements, trunk utility or infrastructure improvements, or municipal design services.
2. For the term of this Agreement (or as extended by the parties) when the need for design services beyond the basic services outlined in Article III. Section B of this Agreement is required by an end-user, to the extent possible the HRA shall require this work be completed by Landform at the end-user's direction and costs. Whether these services are contracted directly between the end user and Landform, or if they are escrowed by the HRA for payment to Landform, the contract for such services will be reviewed and approved by the HRA. Architectural services are excluded from this condition.
3. All design services performed shall be at normal and customary fees constant with fees Landform charges similar clients for similar projects. Said fee schedule attached as Exhibit B.
4. In any event, the HRA and Landform, understanding the dynamic nature of the development business, shall be free to discuss compensation strategies specific to deals of a more complicated nature, or on deals outside the Project, so as to create appropriate compensation on specialized deals.
5. Should the HRA opt to self-develop certain components of the Project, services and fees will be determined and mutually agreed upon for each component at that time.

D. Only Compensation

For work within the Project, Landform agrees that the Administrative Compensation, the Incentive Compensation and the Additional Compensation shall be the only compensation paid to Landform under this Agreement.

E. Reimbursable Expenses

In addition to the compensation set forth above, Landform shall receive reimbursement from Owner subject to the provision of proper documentation for the expenses listed in paragraphs 1., 2. and 3. below for Project related expenses at cost plus 10%: No Reimbursable Expenses will be considered for payment unless said expense is included as an expense item category previously approved on the then current HRA budget.

1. Any normal and ordinary business expenses permitted by the City/Owner including temporary living and travel expenses, airfare, lodging, car rental, mileage, meals, parking and tolls. Said expenses shall be approved by Owner prior to expenditure.
2. Administrative expenses incurred in connection with work performed on Owner's behalf and to handle Project related documents during the course of Project. Expenses shall include but not be limited to costs for reproduction, photocopies, printing, postage, and overnight delivery. Also to be reimbursed shall be the costs for Landform's providing various web-based Project and information management systems and hosting for the purposes of collaboration, document sharing, and marketing during the course of the Project.
3. Third party expenses such as sub-consultant fees, event registrations, memberships, third party services, and other similar expenses. Said expenses shall be approved by Owner prior to expenditure.

F. Invoicing and Owner Payment

An initial retainer of fifteen thousand dollars (\$15,000) shall be made upon execution of this Agreement and is minimum payment under this Agreement. Said retainer shall be credited to Landform's account and applied to the final invoice of the contract period.

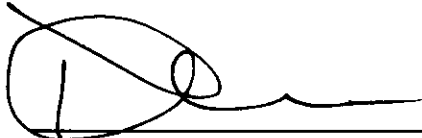
Landform shall invoice Owner for services rendered that month, or for Incentive Compensation becoming due, with the Administrative Compensation payment due within 30 days of the invoice date. Accounts unpaid 30 days after the invoice date will be subject to a monthly service charge of 1.5% on the then unpaid balance.

ARTICLE V. FORM OF CONTRACT:

The attached Terms and Conditions, Exhibit C are incorporated by reference and are an integral component of this contract.

Landform agrees to perform the Services described in this Proposal under the terms as outlined, subject to the terms and conditions of the Purchase of Services Agreement of even date to which this proposal is attached as Schedule A.

The HRA accepts the scope, terms and conditions outlined in this Proposal and instructs Landform to perform the Services as outlined, subject, to the terms and conditions of the Purchase of Services Agreement of even date to which this proposal is attached as Schedule A.



Darren B. Lazan
President


3/31/11
Date

Landform Federal Tax ID: 27-1199905

**Housing and Redevelopment
Authority (HRA) of the City of Ramsey,
Minnesota**

By: 
Its Chairperson

ATTEST:


By: _____
Its Executive Director
4/1/2011
Date

LIST OF EXHIBITS

Exhibit A – Legal Description

Exhibit B – Landform Fee Schedule per Article IV. C.3.

Exhibit C – Additional Agreement Terms and Conditions

Exhibit A

Legal Description of the Project Property

Outlots V, CC, DD and HH, RAMSEY TOWN CENTER ADDITION Anoka County; Minnesota;

and

Outlot GG, RAMSEY TOWN CENTER ADDITION, Anoka County; Minnesota, except that part described as follows: Beginning at the northwest corner of said Outlot GG; thence on an assumed bearing of South, along the westerly line of said Outlot GG for 567.55 feet to a point of curvature in said westerly line; thence southerly for 36.04 feet along said westerly line along a tangential curve concave to the west, radius 540 feet and a central angle 03 degrees 49 minutes 27 seconds to a point of tangency in said westerly line; thence South 03 degrees 49 minutes 27 seconds West along said westerly line for 87.95 feet to the most southerly corner in said westerly line; thence South 66 degrees 10 minutes 33 seconds East along the southwesterly line of said Outlot GG for 659.59 feet; thence on a bearing of North for 957.75 feet to the northerly line of said Outlot GG; thence on a bearing of West along said northerly line for 596.32 feet to the point of beginning;

and

Outlot A, RAMSEY TOWN CENTER 11th ADDITION, and Lot 1, Block 1, RAMSEY TOWN CENTER 11th ADDITION, Anoka County; Minnesota, except that part which lies southerly of the following described line: Commencing at the southeasterly corner of Lot 1; thence on an assumed bearing of North along the easterly line of said Lot 1 for 186.92 feet to the actual point of beginning of the line to be described; thence on a bearing of West for 692.28 feet to the westerly line of Lot 1 and there terminating;

and

Outlot B, RAMSEY TOWN CENTER 11th ADDITION Anoka County; Minnesota;

and

All that part of Outlot B, RAMSEY TOWN CENTER 2nd ADDITION, Anoka County; Minnesota which lies easterly of the easterly line of Block 1, RAMSEY TOWN CENTER 7th ADDITION, and its southerly extension;

and

All that part of Outlot B, RAMSEY TOWN CENTER 2nd ADDITION Anoka County; Minnesota, lying southerly of the following described line: Commencing at the Northeast corner of Block 1, Ramsey Town Center 7th Addition; thence South, along the East line of said Block 1, a distance of 247.47 feet to the Point of beginning of said line; thence West, along the South line of Block 1, Ramsey Town Center 7th Addition, a distance of 616.21 feet to the Westerly line of Outlot B, RAMSEY TOWN CENTER 2nd ADDITION, and said line there terminating.

and

Outlots A, C, D, F, and the West 140 feet of Outlot K, RAMSEY TOWN CENTER 8th ADDITION Anoka County; Minnesota;

and

Outlots F, G, H, J, K, N, O, P, Q and R, RAMSEY TOWN CENTER ADDITION Anoka County; Minnesota;

and

Tracts A, C, D and E, REGISTERED LAND SURVEY NO. 241 Anoka County; Minnesota;

and

Outlot M, RAMSEY TOWN CENTER ADDITION, except that part platted as RAMSEY TOWN CENTER 5th ADDITION Anoka County; Minnesota;

and

Outlot A, RAMSEY TOWN CENTER 5th ADDITION Anoka County; Minnesota;

and

Outlot A, RAMSEY TOWN CENTER 10th ADDITION Anoka County; Minnesota;

and

Outlots A and B, RAMSEY TOWN CENTER 7th ADDITION Anoka County; Minnesota;

and

Lot 2, Block 1, RAMSEY TOWN CENTER 5th ADDITION, Anoka County; Minnesota;

Exhibit B

LANDFORM

From Site to Finish

105 South 5th Avenue
Suite 513
Minneapolis, MN 55401

Tel: 612-252-9070
Fax: 612-252-9077
www.landform.net

RATE SCHEDULE

Effective Date: July 1, 2008

LABOR RATES

The following hourly rates shall be used for this contract:

Senior Principal	195.00/hour
Principal	180.00/hour
Associate	130.00/hour
Water Resources Specialist	125.00/hour
Project Designer	115.00/hour
Senior Designer	115.00/hour
Designer III	80.00/hour
Designer II	75.00/hour
Designer I	65.00/hour
Project Planner	115.00/hour
Senior Planner	115.00/hour
Planner III	80.00/hour
Planner II	75.00/hour
Planner I	65.00/hour
Survey Department Manager	135.00/hour
Survey Project Manager	115.00/hour
Crew Coordinator	100.00/hour
Survey Technician III	90.00/hour
Survey Technician II	75.00/hour
Survey Technician I	65.00/hour
Crew Chief	90.00/hour
Instrument Person	55.00/hour
GPS Equipment	35.00/hour
Construction Observation III	110.00/hour
Construction Observation II	85.00/hour
Construction Observation I	80.00/hour
Department Manager	75.00/hour
Information Systems Manager	125.00/hour
Senior Administrative Assistant	65.00/hour
Administrative Assistant	50.00/hour

REIMBURSABLE EXPENSES

Internal reimbursable expenses are priced as follows:

Mileage	0.55 per mile
Plotting on Bond	0.25 per square foot
Plotting on Vellum	1.10 per square foot
Plotting on Mylar	2.50 per square foot
Plotting in Color	7.00 per square foot
Color Printing	1.00 for 8.5 x 11
	2.00 for 8.5 x 14, 11 x 17
Scanning	1.50 per scan
CD/DVD	10.00 per cd/dvd

External reimbursable expenses shall be billed at cost plus 15%.

EXHIBIT C

TERMS AND CONDITIONS

1.0 CONSULTANT'S SERVICES. Consultant shall perform the services identified in this Proposal and no others unless otherwise agreed and unless Consultant is paid additional compensation in accordance with this Proposal. As used in this Terms and Conditions document, the term "Client" means the City of Ramsey and the term "Consultant" means Landform.

1.1 STANDARD OF CARE. Consultant's services shall be performed based on the standard of reasonable professional care for services similar in scope, schedule, and complexity to the services being provided by the Consultant.

1.2 SCHEDULE. Time limits established by the schedule identified in the Proposal shall not, except for reasonable cause, be exceeded by Consultant or Client. Consultant's compensation shall be equitably adjusted in the event of delays caused by Client, Client's other consultants, or Client's agents. Fees quoted in the Proposal shall be adjusted if services do not commence within 90 days after the date of the Proposal.

2.0 ADDITIONAL SERVICES. In addition to any other Additional Services listed in the Proposal, the following services are not included in Basic Services and Client shall compensate Consultant for such services upon prior agreement by Client, in addition to compensation for Basic Services: (1) Making revisions in Drawings and Specifications or other documents when such revisions are (a) inconsistent with approvals or instructions previously given, (b) the result of adjustments in Client's requirements, (c) required by enactment, interpretation or revision of codes, laws or regulations subsequent to preparation of such documents, (d) required by the failure of Client or Client's consultants to render decisions or to provide necessary information in a timely manner, (e) imposed by municipal or other authorities as a condition for approval of a project, unless the Drawings, Specifications or other documents clearly were not in compliance with applicable law when submitted for approval, or (f) due to or caused not solely within control of Consultant; (2) Providing any services excluded from the Scope of Services identified in the Proposal; (3) Providing any other services not otherwise expressly included in this Proposal.

7.0 MISCELLANEOUS PROVISIONS. ((1) This Proposal represents the entire and integrated agreement between Client and Consultant and supersedes all prior negotiations, representations or agreements, either written or oral. (2) This Proposal may be amended by written instrument signed by both Client and Consultant or, in the case of Additional Services, by a written confirmation from Consultant to which Client does not object within ten (10) working days.

9.0 BASIS OF COMPENSATION. Client shall compensate Consultant as set forth in the Proposal.

10.0 DELAYED PAYMENT; PAYMENT DISPUTES.

10.1 CONDITIONS PRECEDENT TO WITHHOLDING PAYMENT. The Client may not withhold any payments to the Consultant unless the basis of (including all particulars) and amount in dispute are identified and presented in writing to the Consultant not later than the twenty-fifth (25th) calendar day after presentation of the disputed invoice.

10.2 NOTICE OF CLAIMED ERRORS OR OMISSIONS. Client shall provide written notice, including all known particulars, to Consultant of any claimed errors or omissions in Consultant's services not later than 60 calendar days after Client becomes aware, or in the exercise of reasonable diligence should have become aware, of the existence of such error or omission. Consultant shall be given a reasonable opportunity, during such 60-day period, to investigate and recommend ways of mitigating any alleged damages. Client's failure to provide such notice, and/or Client's failure to provide Consultant a reasonable opportunity to investigate and make recommendations, within the time stated shall constitute an irrevocable waiver of any and all claims, counterclaims, defenses, setoffs, or recoupments Client might have in connection with any such alleged error or omission. In the event Client asserts a claim in violation of this paragraph, or in the event that any other error and omission claim asserted by Client is determined to be without substantial merit,

10.3 ERRORS OR OMISSIONS OF CLIENT'S CONSULTANTS. If Client has separately retained other design professionals Client agrees to defend, indemnify, and hold the Consultant harmless from all loss, damage, liability, cost or expense (including but not limited to reasonable attorneys' fees) arising out of or relating to (a) the negligent acts or omissions of such other design professionals, and/or (b) the failure of such other design professionals to carry out or maintain professional liability insurance in an amount adequate to protect Client and Consultant from loss.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/18/2010

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Kraus-Anderson Insurance 420 Gateway Boulevard Burnsville MN 55337-2790		CONTACT NAME: Certificate Department PHONE (A/C, No, Ext): (952) 707-8200 FAX (A/C, No): (952) 890-0535 E-MAIL ADDRESS: certificates@kainsurance.com PRODUCER CUSTOMER ID #: 00006299	
INSURED Landform Professional Services, LLC. 105 Fifth Ave. South Suite 513 Minneapolis MN 55401		INSURER(S) AFFORDING COVERAGE INSURER A: Secura Insurance NAIC # 22543 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES CERTIFICATE NUMBER: 10-11 Certificate REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/>			BP-003156589-9	11/18/2010	11/18/2011	EACH OCCURRENCE	\$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC							DAMAGE TO RENTED PREMISES (Ea occurrence)
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			A-003156590-9	11/18/2010	11/18/2011	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
								BODILY INJURY (Per person)
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE			CU-003156592	11/18/2010	11/18/2011	EACH OCCURRENCE	\$ 5,000,000
	DEDUCTIBLE RETENTION \$ 10,000							AGGREGATE
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	WC-003156591-9	11/18/2010	11/18/2011	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
B	Professional Liability			LHR724124	11/18/2010	11/18/2011	E.L. EACH ACCIDENT	\$ 500,000
							E.L. DISEASE - EA EMPLOYEE	\$ 500,000
							E.L. DISEASE - POLICY LIMIT	\$ 500,000
							Each Claim	2,000,000
							Aggregate	2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER FOR INFORMATIONAL PURPOSES ONLY	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE J Voerster/CARLEY