

November 16, 2011

Mr. William K. Goodrich
RANDALL and GOODRICH, P.L.C
2140 Fourth Avenue North
Anoka, MN 55303

Re: Real Estate Appraisal services concerning 8020 147th Avenue NW, 14590 Armstrong Blvd. NW, and 8019 146th Avenue NW, Ramsey, Minnesota for a proposed partial taking by the City of Ramsey for roadway expansion.

Dear Mr. Goodrich:

Integra Realty Resources – Minneapolis/St. Paul appreciates the opportunity to provide this proposal for valuation and counseling services for the above-captioned property.

It is my understanding that you require an estimate of the diminution in market value of the aforementioned properties resulting from the loss in access due to the proposed partial taking for roadway expansion. I further understand that this opinion will be used to assist you in negotiating with the property owners.

I believe it would be best to offer our valuation services as a “Phase I / Phase II” engagement. Phase I would be an appraisal service reported in a summary report format and Phase II would be an appraisal reported in a self-contained report. Phase I service should be sufficient to assist you in establishing a negotiating position with the property owners and Phase II would be used for a hearing or trial, if negotiations are not successful.

The Phase I appraisal service will include an inspection of this property, an inspection of the neighborhood, our research of the zoning and other land use restrictions, our review of the project plans and documents, our research and analysis of the local real estate market, and our estimates of the market value of these properties in their Before Taking condition and also in their After Taking condition.

These appraisal services will comply with the professional and ethical standards of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. I am a designated member of the Appraisal Institute.

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The fee for this Phase I appraisal consulting service is as follows:

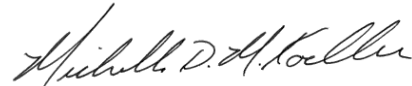
8020 147 th Avenue NW, Ramsey	\$ 8,000
14590 Armstrong Blvd. NW, Ramsey	\$12,000
8019 146 th Avenue NW, Ramsey	<u>\$ 8,000</u>
Total	\$28,000

The reports will be completed within six weeks from authorization to proceed. If at a later date the Phase II appraisal is needed it will be completed for an additional cost to be determined at that time. If testimony is required it will be billed at \$275/hour for time spent in preparation, review and testimony. Any exhibits used at the trial will be invoiced at our cost. These fees are not contingent upon the estimates of market value that will be made.

My resume is attached to assist you with your appraiser selection. Additional information can be obtained at our web site which is www.irr.com. I can also provide personal references should you require those.

If this proposal is acceptable, please authorize us to proceed by executing this letter agreement where noted below. Thank you for considering us for this assignment. Please contact me, at your convenience, if you wish to discuss this proposal or the assignment any further. In any event, I offer my best wishes for a successful outcome to this matter.

Respectfully submitted,
INTEGRA REALTY RESOURCES – MINNEAPOLIS / ST. PAUL



Michelle D.M. Koeller, MAI, MRICS

Authorization to Proceed with Phase I Appraisal Service
by:

_____ (date)

Professional Qualifications

Michelle D.M. Koeller, MAI, MRICS

Experience

Director for Integra Realty Resources—Minneapolis/St. Paul of Minneapolis, Minnesota. Actively engaged in real estate valuation since 1991, entering the appraisal profession and working with several private firms in the Wisconsin area before joining Integra Realty Resources-Minneapolis/St. Paul in 1997. Experience includes preparation of professional real estate valuations and market analyses for various properties including, but not limited to, regional, community, and neighborhood shopping centers, single-tenant credit retail, apartment complexes, single and multi-tenant industrial buildings, low-to-high rise office buildings, mixed-use facilities, and vacant land for different uses. Specialized real estate valuation and/or market studies have been performed on full and limited-service hotels, resorts, marinas, auto dealerships, theaters, mini-storage facilities, convenience stores, truck stop/travel centers, grain elevators, medical offices, seniors housing facilities, and residential land subdivisions. Valuations and market studies have been completed on proposed, partially completed, renovated and existing structures. The specific purposes of these assignments have included mortgage financing, condemnation, tax appeal, investment counseling, potential sale or purchase, leasehold and rental analysis, and feasibility analysis. Clients served include numerous commercial banks, development firms, corporations, individual property owners, public agencies, insurance companies, and legal firms representing clients in various matters.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI)
Royal Institute of Chartered Surveyors, Member (MRICS)
Board of Director: North Star Chapter of the Appraisal Institute, January 2007 - December 2011
Treasurer: North Star Chapter of the Appraisal Institute, January 2010 - December 2010
Secretary: North Star Chapter of the Appraisal Institute, January 2011 - December 2011
Member: NAIOP Commercial Real Estate Development Association
Member: Minnesota Shopping Center Association (MSCA)
Member: Minnesota Commercial Real Estate Women (MNCREW)
Member: National Network of Commercial Real Estate Women (NNCREW)

Licenses

Minnesota, Certified General Real Property Appraiser, 20104635, Expires August 2012
Wisconsin, Certified General Real Property Appraiser, 854, Expires December 2011
Iowa, Certified General Real Property Appraiser, CG02959, Expires June 2012
North Dakota, Certified General Real Property Appraiser, CG-21118, Expires December 2011

Education

Bachelor of Business Administration degree from University of Wisconsin, Milwaukee, WI.

Successfully completed numerous real estate related courses and seminars sponsored by the Appraisal Institute and the University of Wisconsin – Milwaukee.

Currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members.