

City of Ramsey
Agenda
Housing and Redevelopment Authority (HRA)
Special Session
Tuesday January 25, 2011
Immediately Following City Council
Council Chambers, 7550 Sunwood Drive NW

- 1. Call to Order**
- 2. Roll Call**
- 3. Citizen Input**
- 4. Approve Agenda**
- 5. Approve Minutes**
- 6. HRA Business**
 1. Consider Proposal for Theater Project in The COR - RJ's Stage and Screen
 2. Consider Waiver of Rail Station Contingency for Flaherty and Collins - The Residence at The COR Project
 3. Consider Proposal for Mass Grading Plan for The COR
- 7. Committee Reports**
- 8. Executive Director's Report**
- 9. Commissioner Input**
- 10. Adjournment**

Date: 01/25/2011

By: Heidi Nelson
Administrative Services

Information

Title:

Consider Proposal for Theater Project in The COR - RJ's Stage and Screen

Background:

The Development Management Team has been meeting with a potential theater user, RJ's Stage and Screen, represented by Ms. Rachel Wexler. The concept of a movie theater/performing arts center in The COR is a very desirable component, creating additional entertainment opportunities as well as a community resource for performing arts.

Ms. Wexler has provided the DM Team a financial proforma for the project and a draft site plan for the theater. Members of the HRA may recall that the DM team did bring this project concept forward in early 2010 and at that time the HRA was not open to the concept of a land donation for the project.

Ms. Wexler is requesting re-consideration of her project that would require the donation of the land for the theater site as well as the donation of the parcel to the south to support her equity contribution for the project. The parcel to the south is a planned park in the center of The COR and thus the DM Team has expressed concern with regard to that parcel being privately held. The DM Team has indicated that the parcel would be zoned as park and encumbered for that purpose only in perpetuity. Additionally, a plan for the construction of the park improvements would need to be established according to city standards and plans for the park.

For this evening's meeting, Ms. Wexler will provide a presentation about her theater concept. Her architect and contractor for the project will also be present. Attached to this case is a memo from Ms. Wexler describing the project and outlining her requests to the HRA and a site plan for the project.

Recommendation:

The DM Team recommends that the HRA review the project and provide direction regarding the donation of two parcels of land for the project.

Funding Source:

The donation of the parcel for the theater site would reduce the land sale proceeds for the overall COR project. With regard to the parcel to the south that is planned for a park, a plan to construct the improvements would need to be established and a covenant, easement or encumbrance would need to be placed over the park parcel to preclude any future development other than for park purposes.

Council Action:

HRA Action: Direct the DM Team with regard to the land donation for the theater project.

Attachments

RJ's Stage and Screen Memo

Site Plan for Theater and Park Parcel

COR Exhibit

Form Review

Inbox

Heidi Nelson

Form Started By: Heidi Nelson

Final Approval Date: 01/20/2011

Reviewed By

Heidi Nelson

Date

01/20/2011 02:51 PM

Started On: 01/19/2011 01:55 PM

RJ's Stage and Screen

Since 2003, I have been working for a local community management company (Community Development, Inc.) who specializes in association management. I have managed the Gables Manor and Gables Terrace Townhomes, Symphony at Town Center and the Parkside Associations, all of which are located in the new Ramsey COR area. I continue to work with others in the management of these associations. We would hold our association meetings at the PACT Charter school in their media center.

I kept my boards of directors informed of certain town meetings and approximately a year and a half ago I invited my boards to an informational meeting with Darren Lazan (Land Form) at City Hall so that they could get an update to the development of the area where they lived. At that meeting it was mentioned that the city wanted to see certain types of businesses in this area. One of which was a movie theater. This interested me. So I started researching what it would take to build and operate an independent, first run, movie theater.

I soon found out that the reason the other big movie theater chains were not able to build a theater in Ramsey was due to the size of the population. I also happened to be talking to someone at the PACT Charter School and was told their current facility for the schools performances was their cafeteria and that they could only fit maybe a third of the people into here that wanted to see their kids perform. So I combined these two ideas together and formed a movie theater and performance arts center. Please see the attached map. We would be happy to go over the floor plan at the meeting next week.

Approximately a year and a half ago and in order to gain additional experience in the movie theater industry I obtained a part time job at the new construction state of the art Kerosotes Theater in the West End of St. Louis Park. The West End is St. Louis Park's version of Maple Groves Shops at Arbor Lakes.

My mission with this project is to offer a venue for entertainment for the residents of Ramsey and surrounding area. The movie theater will have first run films. The performing arts center will play a unique role and will offer thoughtful, engaging productions and contribute substantially to the cultural, social and economic life of the Ramsey and COR area. It will be able to host plays, concerts and more. There will also be a family oriented arcade and concessions.

I have met with Heidi Nelson and Darren Lazan a few times. I have supplied them with my business plan, financials and a professionally designed map of the building and park area. My team is very excited about the opportunity to meet with the HRA on January 25th, 2011 and to work with the City of Ramsey on this project. I intend to utilize local Ramsey businesses in the building of this facility. This business will bring 17 new jobs to the area. This company will offer exceptional customer service.

I would like to break ground on this project no later than May 1, 2011 and have the doors open for business by Thanksgiving. That is an important time for the movie theater industry. I am working with a film buyer who resides in Ramsey. She has been in the business for many years. The architect, Mike Monn, whom you will meet on Tuesday, has designed theaters in the past for other local theater owners. The general contractor, Shawn Mescke, is with Kraus Anderson (and it is merely a coincidence

that they are already up in the Ramsey area working on the Allina project). Shawn has worked with Mike in the past. Mel Hopland of Bright Star Systems designs the inside of theaters. He too should be at this meeting. All of us have put a significant amount of time in on this project so far and hope you will be please with our plan.

In order to make this project happen we are requesting four things from the city. They are as follows:

- To sell me the two platted lots for \$1.00 each as the city's donation to this project
- To combine and rezone the two lots in question to TC2
- To do any necessary soil testing etc... and to
- Prepare and have ready all utilities so that we can come in as soon as the ground thaws and start working.

The city will be able to complete its street, curb and gutter work while we are building everything on the proposed project site.

By working together on this project, we can make this theater project a reality and it will be a tremendous benefit to the community. I feel it will attract other businesses and builders. Please feel free to call me ahead of the meeting if you have any questions.

Thank you

Rachel Wexler
612-250-7457

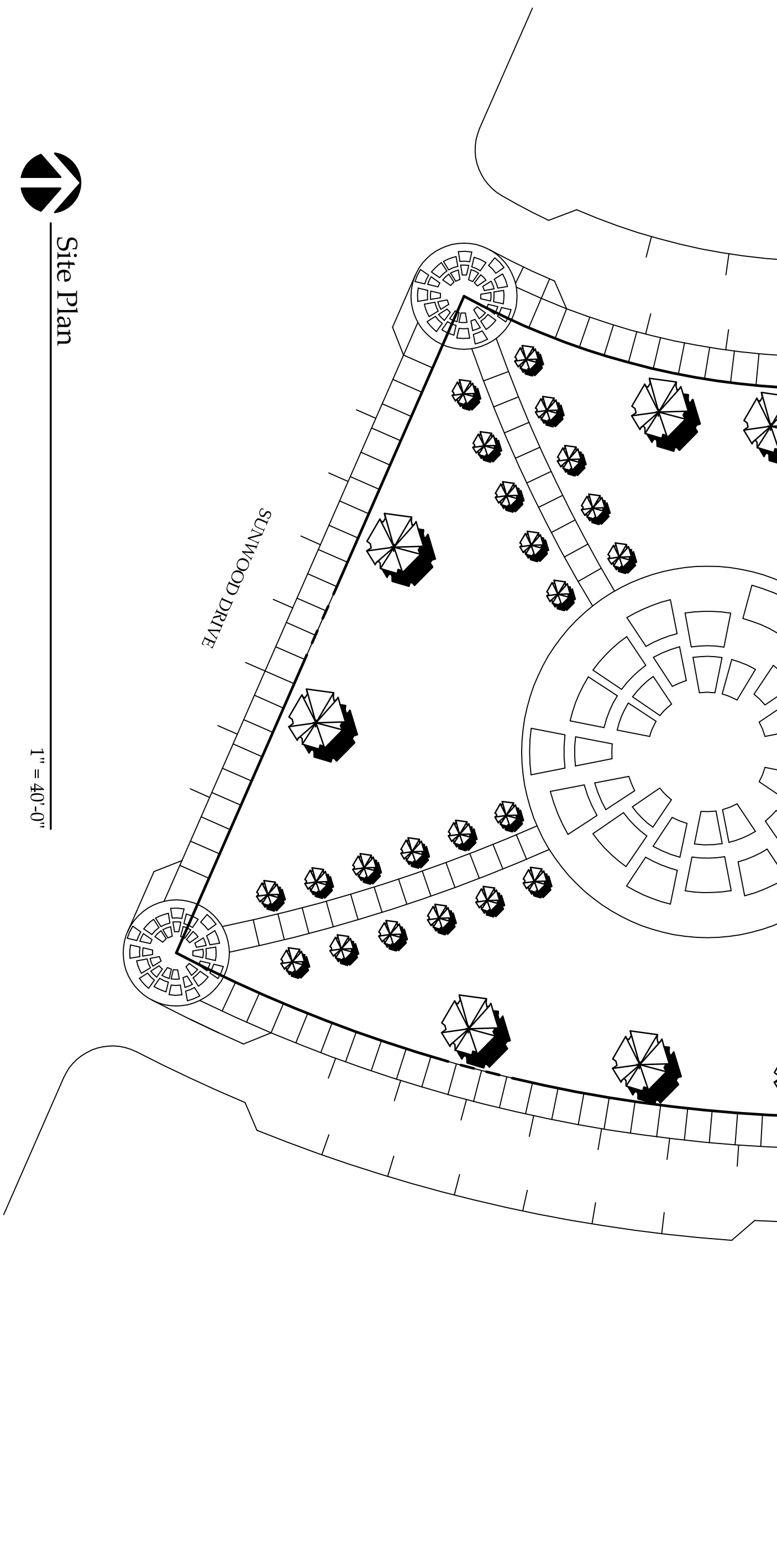
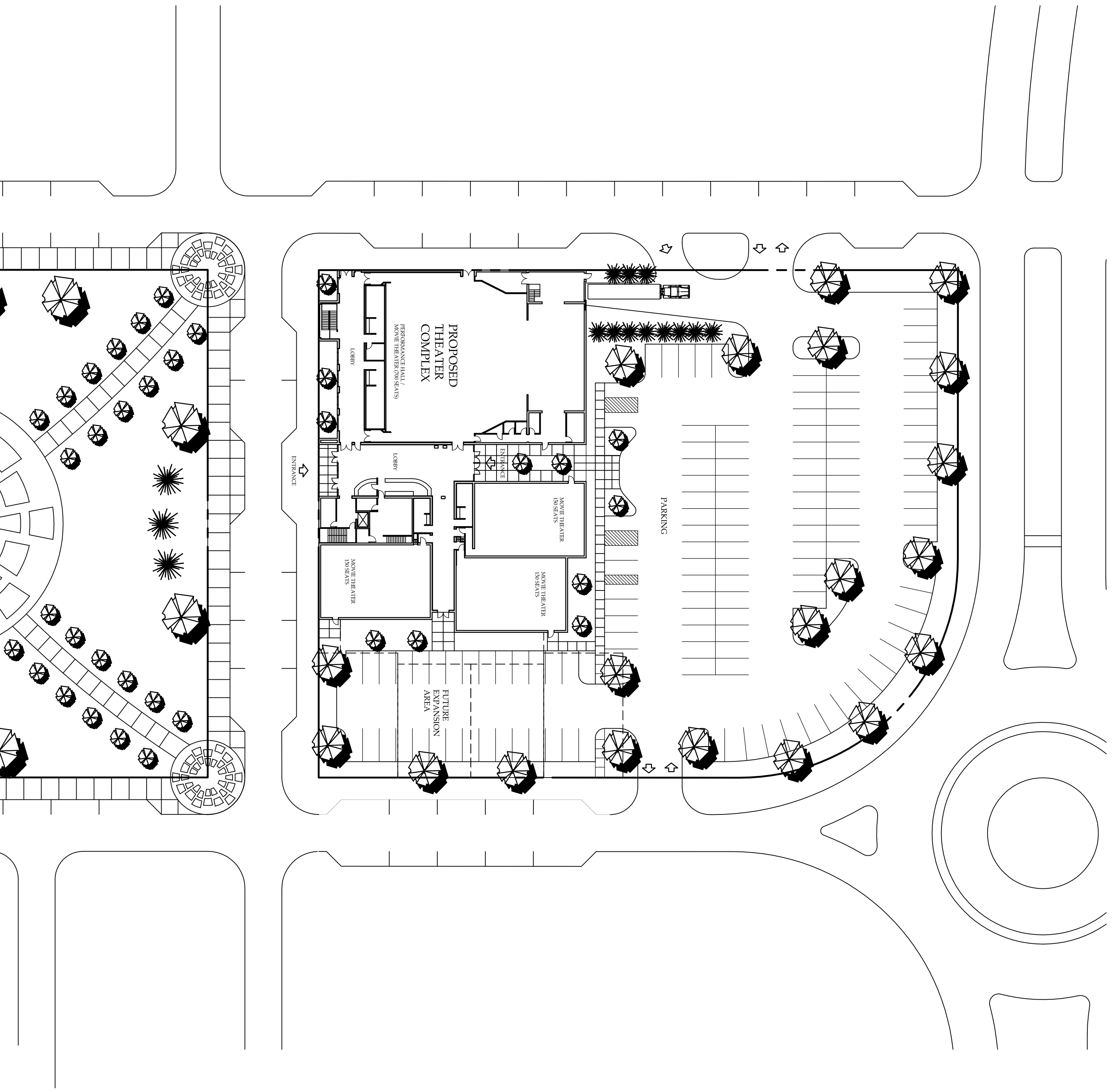
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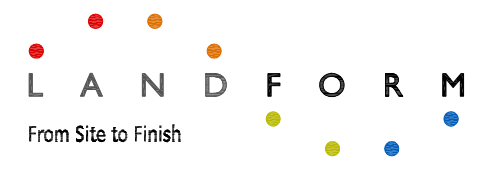
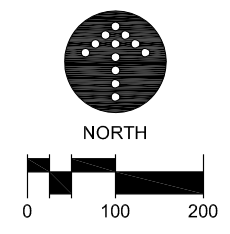
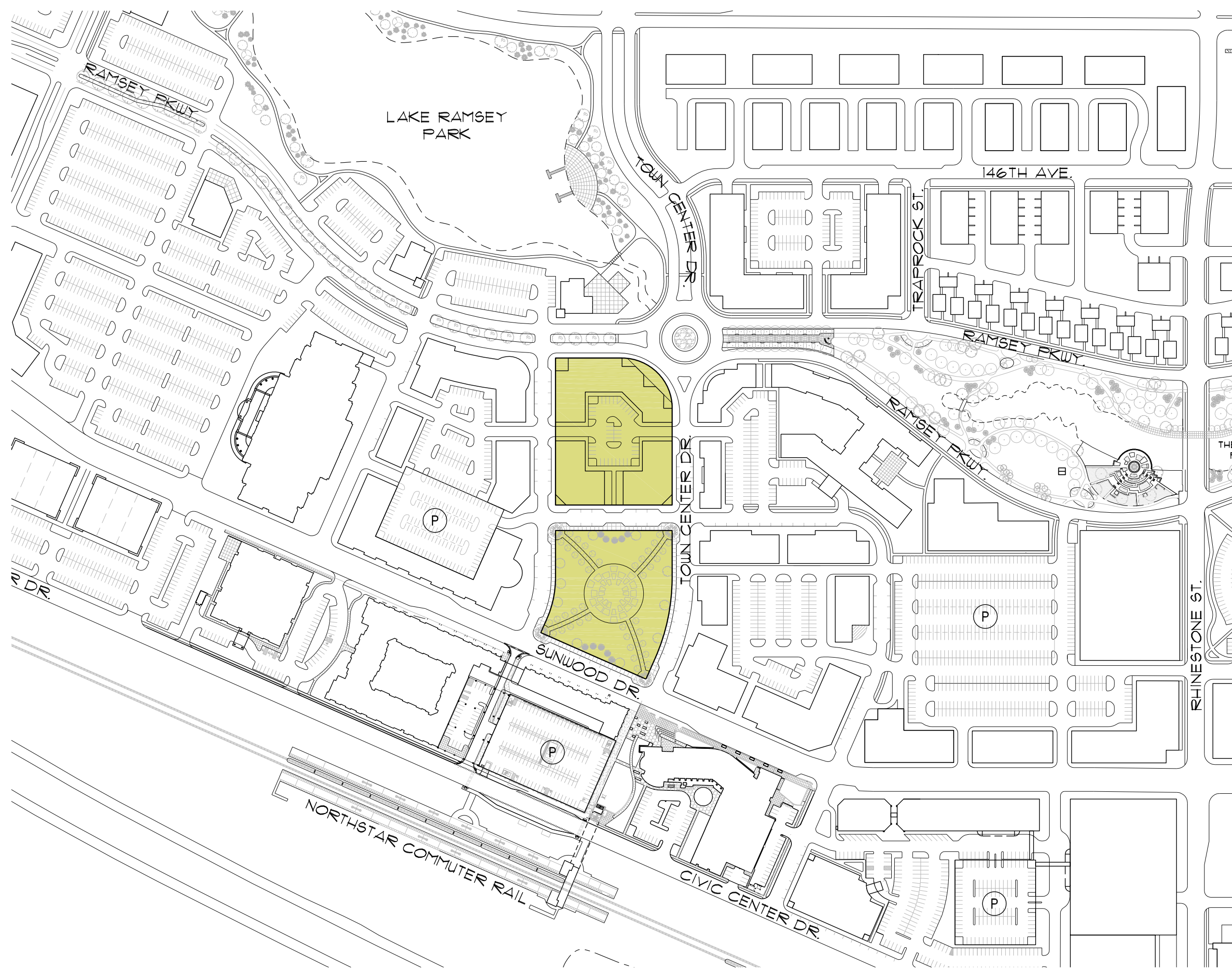
Certification
 I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Architect under the laws of the State of Minnesota.

Michael J. Morn Registration No. 21772



Site Plan
 1" = 40'-0"

Revisions	
1	
2	
3	
4	
5	
6	
Project Number	10163
Date	Preliminary 1/19/2010
Project	RJ's Stage & Screen Ramsey, Minnesota
Sheet Title	Site Plan
Sheet Number	G2



**THEATER LOCATION
 EXHIBIT**

01.20.2011

Date: 01/25/2011

By: Heidi Nelson
Administrative Services

Information

Title:

Consider Waiver of Rail Station Contingency for Flaherty and Collins - The Residence at The COR Project

Background:

On December 14, 2010, the HRA approved a purchase agreement and development agreement for the Flaherty and Collins - The Residences at The COR project that will be located west of the parking ramp. One of the contingencies of the development agreement was the requirement for both parties to waive their contingency for the Ramsey Rail Station by January 28, 2011. Significant progress has been made between late December to date regarding the funding for the project and moving towards a spring 2011 groundbreaking. City Administrator Ulrich will provide an update to the HRA regarding the status of the funding, the easement with BNSF, and the construction timeline for the station during the meeting. Following that update, the DM team is seeking direction with regard to the HRA's desire to not waive the contingency.

The issue at hand for the HRA is that the opportunity to not waive this contingency and cancel the agreement will expire on January 28, 2011. If the contingency is waived or no action is taken to not waive the contingency and cancel the agreement, the City is then committed to constructing the parking ramp expansion. The subsequent issue for the City then becomes proceeding with the process to begin the construction of the ramp, understanding that if some contingency were exercised by Flaherty and Collins at a subsequent date, the City may desire to stop the process to begin construction on the ramp. There are other contingencies that could be exercised by Flaherty and Collins in the upcoming months with regard to their financing and the due diligence period.

The language from the development agreement is below:

CONTINGENCY FOR RAIL STOP

Section 9.1 Contingency for Rail Stop. At any time on or before January 15, 2011, the City or Developer may terminate this Agreement by written notice to the other and to the HRA and they are not comfortable that the City will secure a stop on the North Star Commuter Rail line and complete construction of a rail stop on or before July 1, 2012. Upon such termination, the parties will have no further rights or obligations to the other parties under this Agreement except with respect to rights or obligations that this Agreement expressly states are to survive the termination of this Agreement.

At the time of the preparation of this case, staff was awaiting the executed documents from Flaherty and Collins. Staff hopes to have those executed documents in hand prior to Tuesday night's meeting.

Recommendation:

Staff recommends that the HRA review the status of the Rail Station and direct the DM Team with regard to waiving or not-waiving the Rail Station contingency.

Funding Source:

Funding source for the city portion for the construction of the ramp is anticipated to be provided with TIF proceeds from the new district, however, that source will need to be finalized prior to proceeding with the project.

Council Action:

HRA Action:

Direct the DM Team with regard to waiving or not-waiving the Rail Station contingency.

Attachments

Development Agreement

Form Review

Inbox

Heidi Nelson

Form Started By: Heidi Nelson

Final Approval Date: 01/20/2011

Reviewed By

Heidi Nelson

Date

01/20/2011 03:48 PM

Started On: 01/20/2011 09:12 AM

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 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 December , 2010 (the "Effective Date").

ARTICLE I

RECITALS

WHEREAS, the HRA owns the Development Property.

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 January 23, 2007.

WHEREAS, Developer wants to acquire the Development Property from the HRA and develop and operate the Development Property, but Developer has determined that it cannot acquire the Development Property and develop the Project 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 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:

Affiliate means a natural person, 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;

Assessment Agreement means an Assessment Agreement pursuant to Minnesota Statutes, Section 469.177, Subd. 8 specifying minimum market values for the Development Property as of January 2, 2012 and each January 2 thereafter through and including January 2, 2037 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;

City Loan means the \$1,420,000.00 loan the City makes to Developer pursuant to Article VIII;

City Loan Agreement means the loan agreement between the City and Developer which establishes the City's obligation to make the City Loan to Developer. The form of the City Loan Agreement is attached as Exhibit C;

City Note means the \$1,420,000.00 Promissory Note that Developer executes and delivers to the City to evidence Developer's obligation to repay the City Loan. The form of the City Note is attached as Exhibit D;

Commencement Date means June 30, 2011;

Completion Date means June 30, 2013;

Construction Loan means a loan that (1) a third party makes to a Developer to (a) finance costs Developer incurs to acquire the Development Property and to construct the Minimum Improvements or (b) refinance a prior Construction Loan (including, but not limited to, Developer's so called "permanent" financing); and (2) is secured by a mortgage on the Development Property that has priority over any other mortgages on the Development Property;

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

Construction Plans means the plans, specifications, drawings and related documents for the Minimum Improvements;

County means Anoka County, Minnesota;

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 "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 constructed thereon;

Eligible Costs means the actual cost of performing the activities, constructing the improvements, and paying the fees listed on the attached Exhibit J and the cost of any other excavation, grading, footings, foundations, filling, landscaping, sod, lawn sprinklers, outdoor lighting, fencing, curb and gutter, site concrete, utility improvements and extensions, and access and parking preparations to be constructed or undertaken by Developer on the Development Property;

Event of Default means any of the events described in Section 14.1;

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

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

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

Guaranty means the guaranty that the Guarantor executes in favor of the City to provide security for the performance of Developer's obligations under the City Note. The form of Guaranty is attached as Exhibit E;

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;

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 Construction 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;

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 Improvement Use and Maintenance Agreement means the Parking Improvement Use and Maintenance Agreement dated February 28, 2005 and recorded in the offices of the Anoka County Recorder and the Anoka County Registrar of Titles on March 16, 2005 as Document Nos. 1973660.001 (Abstract) and 482124.002 (Torrens);

Parking Ramp Addition means an approximately 200 stall addition to the Existing Parking Ramp;

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;

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 and will amend the Parking Improvement Use and Maintenance Agreement to create easements over portions of the Parking Ramp Property that are appurtenant to the Development Property and that give the owner of the Development Property easements for (i) the exclusive use of 275, 9' x 18' parking stalls in the Parking Ramp (which includes any larger, handicapped accessible stalls required for the Project); (ii) the non-exclusive use of other parking stalls in the Parking Ramp and (iii) related rights of vehicular and pedestrian ingress and egress. The Parking Improvement Use and Maintenance Agreements allocates the parking stalls in the Parking Ramp (other than parking stalls that are subject to exclusive easements) among the parcels that are subject to the Parking Improvement Use and Maintenance Agreement for purposes of satisfaction of municipal parking requirements. The amended Parking Improvement Use and Maintenance Agreement will allocate 2555 of the non-exclusive

use parking stalls in the Parking Ramp to the Development Property for purposes of satisfying municipal parking requirements.

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 received and retained by the City in accordance with the provisions of Minnesota Statutes Section 469.177;

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

Tax Increment District means a tax increment financing district, as defined in the Tax Increment Act, that the City proposes to establish as described in Section 6.1;

Tax Increment Financing Plan means the plan for the Tax Increment District that the City adopts, by resolution, if and when the City establishes the Tax Increment District;

Termination Date means the earlier of (i) the date Developer has completed construction of the Minimum Improvements; Developer has repaid the City Loan in full; and the City has paid the TIF Note in full or (ii) February 1, 2039;

TIF Note means the \$2,000,000.00 Tax Increment Revenue Note in the form attached as Exhibit B;

TIF Note Payment Date means August 1, 2013, February 1, 2014 and each August 1 and February 1 thereafter through and including February 1, 2039; 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) 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.

(d) The HRA represents and warrants that at a public hearing held on , December 14, 2010 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 termination. 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 termination.

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 **the Developer fails to 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 (bc) if the holder of a Construction Mortgage commences proceedings to foreclose the Construction 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 Construction Mortgage provided the holder of the Construction Mortgage acknowledges, in writing, that if the Construction 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 on or before April 1, 2011. 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 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 extended 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

ESTABLISHMENT OF THE TAX INCREMENT DISTRICT

Section 6.1 Establishment of the Tax Increment District. The City proposes to create, approve and

adopt a tax increment plan and a tax increment financing district that includes the Development Property and that qualifies as a redevelopment district under the Tax Increment Act. The City is not obligated to create, approve and adopt the Tax Increment Plan the Tax Increment District and creation of the Tax Increment District is subject to all requirements of Minnesota law.

Section 6.2 Termination Right if TIF District Not Established. If the City has not created, adopted and approved the Tax Increment Plan and the Tax Increment District on or before February 1, 2011, any party may terminate this Agreement by written notice to the other two parties; provided, however, that if the City creates, approves and adopts the Tax Increment Plan and the Tax Increment District after February 1, 2011 but before a party exercises the termination right set forth in this Section 6.2, the termination right expires and the parties may not, thereafter, terminate this Agreement pursuant to this Section 6.2.

ARTICLE VII

TIF FINANCING

Section 7.1 Reimbursement. If, and only if, the City creates, adopts and approves the Tax Increment Plan and Tax Increment District as contemplated in Section 6.1, the City shall issue the TIF Note to reimburse Developer for the lesser of

(a) \$2,000,000.00; or

(b) the sum of all Eligible Costs Developer actually incurs and pays.

Section 7.2 Issuance of the TIF Note. If, and only if, (a) the City creates, adopts and approves the Tax Increment Plan and Tax Increment District as contemplated in Section 6.1 and (b) Developer (i) acquires the Development Property, (ii) substantially completes the Minimum Improvements, (iii) notifies 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) submits to the City invoices showing the Eligible Costs Developer actually incurred and for which Developer is

seeking reimbursement; (v) submits to the City evidence, reasonable acceptable to the City, that Developer paid those invoices from a source or sources other than the proceeds of the City Loan; and (vi) Developer in not in default in the performance of Developer's obligations under this Agreement, the City will insert the amount established pursuant to Section 7.1 in the TIF Note, insert the interest rate as established pursuant to Section 7.3, execute and date the TIF Note and deliver the TIF Note to Developer

Section 7.3 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. The principal amount of the TIF Note and the interest thereon shall be payable solely from the Tax Increments.

Section 7.4 Payments. On each TIF Note Payment Date and subject to the provisions of the TIF Note, the City shall pay, against the principal and interest outstanding on the TIF Note, the Tax Increments the City actually received during the preceding six months. All such payments shall be applied first to pay accrued, unpaid interest and then to reduce the principal of the TIF Note.

Section 7.5 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 shall be used to pay the principal of and interest accruing on the TIF Note.

Section 7.6 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 14.2(c).

Section 7.7 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 VII, 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.

ARTICLE VIII

CITY LOAN

Section 8.1 City Loan. To assist Developer with the construction of the Minimum Improvements, the City proposes to make a \$1,420,000.00 loan to Developer pursuant to the terms of the City Loan Agreement and the City Note. The City proposes to fund the City Loan with tax increments the City has collected from its Tax Increment District No. 1. The City cannot obligate itself and is not obligated to make the City Loan unless and until the City has held public hearings and adopted appropriate spending plans with respect to each of those tax increment districts and adoption of the spending plans is subject to all requirements of Minnesota law.

Section 8.2 Termination Right if Spending Plans Not Adopted. If the City has not held the necessary public hearings and adopted the necessary spending plans to allow the City to fund the City loan with tax increments the City has collected from its Tax Increment District No. 1 on or before February 1, 2011, any party may terminate this Agreement by written notice to the other two parties; provided, however, that if the City holds the necessary public hearings and adopts the necessary spending plans to allow the City to fund the City loan with tax increments the City has collected from its Tax Increment District No. 1 after February 1, 2011, but before a party exercises the termination right set forth in this Section 8.2, the termination right expires and the parties may not, thereafter, terminate this Agreement pursuant to this Section 8.2.

Section 8.3 City Loan Agreement, City Note, and Guaranty. If the City holds the necessary public

hearings and adopts the necessary spending plans to allow the City to fund the City Loan with tax increments the City has collected from its Tax Increment District No. 1, the City and Developer must each execute the City Loan Agreement and must each deliver an original, executed City Loan Agreement to the other party, Developer must execute the City Note and deliver the City Note to the City and Developer must cause the Guarantor to execute the Guaranty and deliver the Guaranty to the City, all contemporaneously with the HRA's conveyance of the Development Property to Developer pursuant to the Purchase Agreement. In the event of a conflict between the terms of the City Note and the terms of this Development Agreement, the terms of the City Note control. In the event of a conflict between the terms of this Agreement and the terms of the City Loan Agreement, the City Loan Agreement controls.

Section 8.4 Fee in Lieu of Interest, Interest and Default Interest. The City Note does not obligate Developer to pay interest on the outstanding principal of the City Loan prior to April 1, 2024 provided Developer is not in default in the timely payment of any amounts due under the City Note. In lieu of non-default interest during that time period and as consideration for the extension of credit, the City will charge Developer and Developer agrees to pay a one-time fee of \$120,000.00. As set forth in the City Loan Agreement, the City will be deemed to have made a \$120,000.00 "Advance," to itself in full payment of this fee contemporaneously with the first "Advance" the City makes pursuant to the terms of the City Loan Agreement. If Developer has not repaid the City Loan, in full, before April 1, 2024, simple interest will accrue on the unpaid principal balance of the City Note from April 1, 2024 until the City Note is paid in full at the rate of 6.25% per annum unless the rate is increased pursuant to the following sentence as a result of Developer's default. If, at any time, Developer defaults in the timely payment of any amounts due under the City Note, the City gives Developer notice of the default and Developer does not cure the default within ten (10) business days of the effective date of the City's notice, interest shall accrue on the outstanding principal balance of the City Note from the date of the default through the date Developer cures all defaults under the City Note at the rate of twelve percent (12%) per annum.

Section 8.5 Repayment Terms. As set forth in the City Note, commencing on April 1, 2014 and continuing on each April 1 thereafter until April 1, 2029, Developer must pay to the City, in certified or wire transferred funds and for application to the outstanding principal and interest, if any, due under the City Note, an amount equal to 20% of the Net Cash Flow for the immediately preceding year. If, prior to April 1, 2029, Developer refinances a Construction Loan, Developer must make an additional payment to the City, for application to the outstanding principal due under the City Note, in an amount equal to 20% of the difference between the principal amount of the new Construction Loan and the amount of the outstanding principal and accrued, unpaid interest under the Construction Loan that is being refinanced. The preceding sentence applies each time Developer refinances a Construction Loan. Notwithstanding anything else in this Section 8.5, if Developer refinances a Construction 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 City 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 the City Loan and all accrued interest, if any, is due and payable in full upon the earlier of April 1, 2029 or a Sale of the Development Property.

Section 8.6 Limitations on Disbursements. As set forth in the City Loan Agreement, the City will not disburse any of the proceeds of the City Loan to Developer and the City's obligations to make the City Loan to Developer terminates if Developer does not commence construction of the Minimum Improvements on or before June 30, 2011, and the City will only disburse proceeds of the City Loan on or before December 31, 2011 and only for costs of developing and constructing the Project that Developer has actually incurred on or before December 31, 2011. The City will not disburse proceeds of the City Loan to pay for Eligible Costs.

Section 8.7 Submission of Financial Information. On or before April 1, 2014 and on or before each April 1 thereafter until April 1, 2029, the Developer must provide the City 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 City 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 IX

CONTINGENCY FOR RAIL STOP

Section 9.1 Contingency for Rail Stop. At any time on or before January ~~15, 2011~~, 28, 2011, the City or Developer may terminate this Agreement by written notice to the other and to the HRA and they are not comfortable that the City will secure a stop on the North Star Commuter Rail line and complete construction of a rail stop on or before July 1, 2012. Upon such termination, the parties will have no further rights or obligations to the other parties under this Agreement except with respect to rights or obligations that this Agreement expressly states are to survive the termination of this Agreement.

ARTICLE X

PARKING RAMP IMPROVEMENTS

Section 10.1 Parking Ramp Improvements. As a part of the City's construction of the Parking Ramp Addition, 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 XI

REAL ESTATE TAX PAYMENTS AND ASSESSMENT AGREEMENT

Section 11.1 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 valorem 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 11.2 Assessment Agreement. Contemporaneously with the HRA's conveyance of the Development Property to Developer, Developer will execute the Assessment Agreement, deliver the Assessment Agreement to the City and record the Assessment Agreement in the Anoka County land records. 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.

ARTICLE XII

RESTRICTIONS ON ASSIGNMENTS AND TRANSFERS AND PRIORITY

Section 12.1 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 12.2, 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 12.2 Permitted Collateral Assignments. The City expressly approves Developer's granting of a Construction 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 Construction Mortgage as additional security for the repayment of the Construction 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 assignee's 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 12.3 Subordination of Development Agreement to Construction Mortgage and Extension of Time to Cure. The City and the HRA will, upon the request of the holder of a Construction Mortgage, execute and record a subordination agreement pursuant to which the City and the HRA agree that, upon a default by Developer under a Construction Mortgage, the holder of the Construction 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 Construction Mortgage, to either (1) treat this Development Agreement as being subordinate to the lien of the Construction Mortgage such that the foreclosure of the Construction Mortgage and the failure of any owner or junior creditor to redeem the Development Property from such foreclosure will terminate this Development Agreement and the TIF Note; or (2) to treat this Development Agreement as having priority over the Construction Mortgage in which case this Development Agreement and the TIF Note will survive

the foreclosure of the Construction Mortgage and this Development Agreement will be binding upon the holder of the Sheriff's Certificate issued in conjunction with the foreclosure of the Construction Mortgage. The City further agrees that if the holder of the Construction Mortgage elects to treat this Development Agreement as having priority over the Construction 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 periods.

ARTICLE XIII

INDEMNIFICATION OF THE CITY AND THE HRA

Section 13.1 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 13.1 are intended to survive the termination of this Agreement.

ARTICLE XIV

DEVELOPER EVENTS OF DEFAULT

Section 14.1 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 Article V of this Development Agreement, as the same may be extended pursuant to Section 12.3 of this Agreement.

(c) Developer's default in the timely payment of any amounts due under the City Loan Agreement or the City Note, if the City gives Developer any notice of default provided for in the City Loan Agreement and Developer fails to cure the default within any applicable cure period provided for in the City Loan Agreement.

(d) Developer's default in the timely payment of any amounts due under Article X 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 12.1.

(g) Developer's failure to perform Developer's obligations under Article XIII or Section 15.14 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 14.2 Remedies on Default. At any time after the occurrence of an Event of Default as defined in Section 14.1 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 City 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 City Loan Agreement, and the City Note; or

(ii) receive assurance from the holder of a Construction Mortgage, deemed adequate by the City and the HRA, that the holder of the Construction Mortgage will cure the default or, if the holder of the Construction Mortgage cannot cure the default without first obtaining possession of the Development Property, will foreclose the Construction Mortgage, elect, pursuant to Section ~~12.3~~12.3, to treat this Development Agreement as having priority over the Construction Mortgage and, upon the completion

of the foreclosure ~~proceeds~~proceedings and the expiration of all applicable redemption periods, cure the default and perform the obligations of the Developer under this Agreement, the City Loan Agreement, and the City Note;.

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

(c) The City may terminate the City Loan Agreement; or

(d) ~~(e)~~—If the Event of Default is an Event of Default under Section 14.1 (b), (c), (d), (e), (f) or (g), the City may cancel and rescind the TIF Note.

ARTICLE XV

ADDITIONAL PROVISIONS

Section 15.1 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 15.2 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 15.3 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 15.4 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 15.5 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 15.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 15.7 Law Governing. This Agreement will be governed and construed in accordance with the laws of the State of Minnesota.

Section 15.8 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 15.9 Time is of the Essence. Developers timely performance of its obligations under this Agreement is an essential term of this Agreement.

Section 15.10 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 15.11 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 15.12 Termination. This Agreement shall terminate and be of no further force and effect as of the Termination Date.

Section 15.13 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 15.14 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.

Section 15.15 Agreement Regarding Commercial Space and Related Business Subsidy Agreement. Contemporaneously with the closing on Developer's Purchase of the Development Property pursuant to the Purchase Agreement, Developer and the HRA will execute an Agreement Regarding Commercial Space in the form attached as Exhibit K ~~in the related in the Business Subsidy Agreement in the form attached as Exhibit L.~~ The Agreement Regarding Commercial Space will set forth certain terms and conditions under which the HRA will agree to make payments to Developer if Developer is unable to lease the approximately 3,000 square feet of the Minimum Improvements that are intended for commercial use within the first twelve (12) months following substantial completion of the Minimum Improvements. The payments are intended to place Developer in substantially the same position Developer would be if Developer leased the Commercial Space for a three-year term at a rental rent of \$16.00 per square foot upon other terms and conditions substantially similar to leases of similar space in the Twin Cities' area.

EXHIBIT A

CERTIFICATE OF COMPLETION

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 (the "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.

The principal amount of this Note shall equal from time to time the principal amount stated above, as reduced to the extent that such principal installments shall have been paid in whole or in part pursuant to the terms hereof; provided that the principal amount listed above shall in no event exceed \$2,000,000.00 as provided in that certain Development Agreement, dated as of _____, by and between the City and Developer, as the same may be amended from time to time (the "Development Agreement"). 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 August 1, 2013, February 1, 2014 and on each August 1 and February 1 thereafter through and including February 1, 2039, or, if such date is not a Business Day (as defined in the Development Agreement), the next succeeding Business Day (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 during the six month period preceding such Payment Date. 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) from the Development Property within the City's Tax Increment Financing District No. [redacted] (the "Tax Increment District") within its Development District No. 1 which are paid to the City and which the City is entitled to retain pursuant to the provisions of Minnesota Statutes, Sections 469.174 through 469.1799, as the same may be amended or supplemented from time to time (the "Tax Increment Act"). 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 terminated the Development Agreement under Section 14.2 thereof, 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 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 VII and Article XIV 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 the above-referenced Tax Increments, as defined in the Development Agreement, as the same may be amended from time to time, or 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 _____, 200__, was on said date registered in the name of F&C Development, Inc. 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.

<u>NAME AND ADDRESS OF REGISTERED OWNER</u>	<u>DATE OF REGISTRATION</u>	<u>SIGNATURE OF CITY ADMINISTRATOR</u>
F&C Development, Inc. _____ _____ _____	_____ _____ _____	_____ _____ _____

EXHIBIT C
CITY LOAN AGREEMENT

EXHIBIT D

CITY NOTE

EXHIBIT E
GUARANTY

EXHIBIT F
ASSESSMENT AGREEMENT

EXHIBIT G
DEVELOPMENT FEES

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, luxury, four story, 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 and 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.

EXHIBIT J

ELIGIBLE COSTS

City of Ramsey

COR Apartments - Qualified Costs

General Conditions
Strip Topsoil & Haul off 3 acres
Pad with Haul in Fill
Utilities
Fine grade green areas
Landscaping
Pool and fencing
Fire Pit
Irrigation
Site lighting
Security equipment
Sidewalk
Land Acquisition
Building Permit
Plan Review Fee
Fire Separation from Parking Ramp
Foundations
Contractor Fee

EXHIBIT K

AGREEMENT REGARDING COMMERCIAL SPACE

EXHIBIT L

BUSINESS SUBSIDY AGREEMENT REGARDING COMMERCIAL SPACE

1. Parties. The parties to this Agreement Regarding Commercial Space are 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") and F&C Ramsey, LLC, an Indiana limited liability company (the "Developer").

2. Recitals.

2.1 Recital One. The HRA, the Developer and the City of Ramsey, Minnesota (the "City") are parties to a Development Agreement and to Purchase Agreement, each dated as of _____, 2010, pursuant to which the Developer has agreed to construct an approximately 230 unit, luxury, four-story, rental apartment project on property the Developer is purchasing from the HRA (the "Project").

2.2 Recital Two, The HRA has agreed to sell the Developer the property upon which the Developer will construct the Project and the City has agreed to provide the Developer with tax increment financing and a loan to help finance the construction of the Project, on terms that are intended to encourage and support the development of the Project; and

2.3 Recital Three. The Developer's original proposal for the Project did not include any retail space. The HRA believes that the inclusion of retail space in the Project would be beneficial to the overall COR ONE development, so, the HRA has agreed to enter into this Agreement with the Developer to induce Developer to include not less than 3,000 rentable square feet of retail space in the Project.

3. Definitions. Capitalized terms used in this Agreement and not otherwise defined herein have the following meanings:

"Additional Rent" means amounts that a tenant is obligated to pay directly or to pay to the Developer for real estate taxes, insurance premiums or customary operating costs (other than separately metered utilities) under the terms of a lease with the Developer for the Retail Space.

“Commencement Date” means the date the Developer obtains a Certificate of Occupancy for the residential portion of the Project.

“Gross Rent” means the rent due from a tenant to the Developer under a lease of the Retail Space in which the landlord is responsible for the payment of real estate taxes, insurance premiums and customary operating costs other than separately metered utilities.

“Gross Rent Equivalent” means the sum of the rent a tenant is obligated to pay to the Developer plus any Additional Rent that a tenant is obligated to pay, under a lease with the Developer for the Retail Space in which the tenant is responsible for the payment of Additional Rent.

“Retail Space” means the approximately 3,000 square foot retail space located on the first floor of the Project.

“Retail Space Area” means the lesser of (a) the actual rentable square foot area of the commercial space or; (b) 3,300 square feet.

“Termination Date” means the day this Agreement terminates pursuant to Section 4.

4. Term. This Agreement is effective when it has been executed by both the HRA and the Developer. This Agreement terminates upon the earlier of: (a) the day immediately preceding the fourth anniversary of the Commencement Date; (b) the date the Developer leases the Retail Space for a term that extends beyond the day immediately preceding the fourth anniversary of the Commencement Date; provided that the average Gross Rent or Gross Rent Equivalent during the period between the first anniversary of the Commencement Date and the Termination Date is \$16.00 per square foot or more; or (c) the date the Developer conveys the Project to a third party. The provisions of Section 6 survive the termination of this Agreement.

5. The Developer's Obligation to Rent the Retail Space. Developer must use commercially reasonable efforts to lease the Retail Space to unrelated third parties.

6. The HRA's Obligation to Pay Rent Shortfalls. Within sixty (60) days following the Termination Date, the Developer must provide the HRA with the Developer's calculation of the difference between:

6.1 The product of (a) the Retail Space Area; and (b) \$48; and

6.2 The sum of all Gross Rents and Gross Rent Equivalent that all tenants of the Retail Space are obligated to pay under the terms of all prior and existing leases of the Retail Space for the period between the first anniversary of the

Commencement Date and the day immediately preceding the fourth anniversary of the Commencement Date, whether or not the tenants have actually paid those amounts.

(the “Shortfall Amount”). The Developer must also provide the HRA with copies of leases and such other books and records of the Developer as the HRA may reasonably request to permit the HRA to confirm the accuracy of the Developer’s calculation. The HRA may also contact current and former tenants of the Retail Space to confirm the accuracy of the information the Developer provides. Within ninety (90) days following the HRA’s receipt of the materials described above, the HRA must pay the Shortfall Amount to the Developer in wire transferred funds or notify the Developer that the HRA disputes the Developer’s calculation of the Shortfall Amount. If the HRA notifies the Developer that the HRA disputes the Shortfall Amount, the HRA must provide the Developer with the HRA’s calculation of the Shortfall Amount. Within thirty (30) days following the Developer’s receipt of the HRA’s calculation of the Shortfall Amount, the Developer must either notify the HRA that the Developer accepts the HRA’s calculation of the Shortfall Amount, in which case the HRA must promptly pay such amount to the Developer, or the Developer must commence an action in Anoka County District Court seeking a judicial determination of the Shortfall Amount. If the Developer does neither during said thirty (30) day period, the Developer is conclusively deemed to have accepted the HRA’s determination of the Shortfall Amount.

7. Restrictions on Leasing.

7.1 The Developer may not lease the Retail Space to a related party without the written consent of the HRA which consent the HRA may not unreasonable withhold or delay.

7.2 The Developer may not enter into a lease of less than all of the Retail Space without the written consent of the HRA which consent the HRA may grant or withhold in the HRA's sole and absolute discretion.

7.3 The Developer may not enter into a lease of the Retail Space with a fixed term that is less than (a) twelve months; or (b) the number of months between the Commencement Date of the Lease and the Termination Date, without the HRA's written consent which consent the HRA may grant or withhold in the HRA's sole and absolute discretion.

7.4 The Developer may not enter into a Lease of the Retail Space under which the Gross Rent or Gross Rent Equivalent that the tenant is obligated to pay during any portion of the period between the first anniversary of the Commencement Date and the day immediately preceding the fourth anniversary of the Commencement Date is less than or equal to \$12 per square foot per year unless Developer first obtains the written consent of the HRA which consent the HRA may grant or withhold in the HRA sole and absolute discretion.

7.5 If the Developer leases the Retail Space to a tenant for a term that extends beyond the day immediately preceding the fourth anniversary of the Commencement Date, the Gross Rent or Gross Rent Equivalent that the tenant is obligated to pay during the year or years commencing on and following the fourth anniversary of the Commencement Date may not exceed the average Gross Rent or Gross Rent Equivalent that the tenant is obligated to pay during the period between (a) the later of the commencement date of the lease or the first anniversary of the Commencement Date and (b) the day immediately preceding the fourth anniversary of the Commencement Date by more than 5% per year.

7.6 The Developer may not enter into a lease of the Retail Space that obligates the Developer to provide the tenant with leasing incentives, including but not limited to, free rent, reduced rent or tenant improvements or tenant improvement allowances that exceed \$ per square foot per year of the lease term without the written consent of the HRA which consent the HRA may grant or withhold in the HRA sole and absolute discretion.

8. Assignments. The rights of the Developer and the HRA are not assignable.

9. Additional Provisions.

9.1 Conflicts of Interest. No member of the governing body or other official of the HRA 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 HRA shall be personally liable to the HRA in the event of any default or breach by Developer or successor or on any obligations under the terms of this Agreement.

9.2 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.

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

9.4 Notices. 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

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

to:

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

(ii) 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
Email: tbray@briggs.com

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.

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

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

9.7 Covenants Personal. The rights and obligations of the HRA and the Developer under this Agreement are personal to the HRA and the Developer and do not run with title to the property on which the Project is located and are binding on and do not inure to the benefit of the Developers successors in title to all or any portion of said property.

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

9.9 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.

9.10 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.

9.11 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.

9.12 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.

Date: 01/25/2011

By: Heidi Nelson
Administrative Services

Information

Title:

Consider Proposal for Mass Grading Plan for The COR

Background:

As a private development project, Ramsey Town Center had completed numerous design components within the project, and the City of Ramsey has completed several more design efforts in contemplation of this projects completion. Since rebranding and reconfiguring the majority of the the site, The COR is now in need of a review of those design components, and the completion of a new set of exhibits and plans to manage the import and export of materials to the site. In general, we know that the site is short of the material necessary to complete the project, and want to position the project to best evaluate the opportunities for imported material as it becomes available in the marketplace. This request comes from the Public Works committee in response to a proposal received and consideration of the availability of import materials.

Attached is a proposal for engineering services, pursuant to the DM contract, to complete the following tasks:

- Compile existing topographic information from various sources, and perform limited field surveys to verify and complete the data.
- Perform the analysis and design necessary to complete a Mass Grading Exhibit sufficient to gain an understanding of the conceptual grades anticipated for the overall project.
- Complete a cut/fill exhibit sufficient to assess the areas of the project that will require the import or export of materials.
- Complete a stockpile management plan for a designated area of the project to manage the temporary storage of materials and the erosion/sedimentation control aspects of the operation.
- Facilitate necessary permitting to update the existing WMO permits and obtain an interim use permit on the designated site.

With this effort completed, staff should have sufficient information to prepare and propose a policy to assist in the review of the current opportunity as well as others as they arise.

Action:

By motion, approve the proposal from Landform Professional Services for the preparation of design and documentation as outlined in the attached work order.

Notification:

None required.

Recommendation:

The DM team recommends the HRA approve the attached work order for the hourly services provided on a 'not to exceed' basis in the amount of \$19,600.

Funding Source:

The funding source for this project is proposed to be the HRA fund for professional services, 2011 budgeted amount is \$30,000.

Council Action:

HRA Action:

By motion, approve the proposal from Landform Professional Services for the preparation of design and documentation as outlined in the attached work order.

Attachments

Landform Proposal for Mass Grading Plan

Form Review

Inbox

Heidi Nelson

Form Started By: Heidi Nelson

Final Approval Date: 01/20/2011

Reviewed By

Heidi Nelson

Date

01/20/2011 03:51 PM

Started On: 01/20/2011 03:03 PM



From Site to Finish

105 South Fifth Avenue
Suite 513
Minneapolis, MN 55401

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

WORK ORDER

DATE	1/20/ 2011	CONTRACT NO.	P11006
CLIENT INFORMATION		BILLING INFORMATION (IF DIFFERENT FROM CLIENT)	
COMPANY NAME	City of Ramsey	COMPANY NAME	
CLIENT CONTACT	Heidi Nelson – Executive Director HRA	CONTACT	
ADDRESS	7550 Sunwood Dr.	ADDRESS	
CITY, STATE, ZIP	Ramsey, MN 55303	CITY, STATE, ZIP	
PHONE/FAX	763.433.9817	PHONE/FAX	
PROJECT INFORMATION			
PROJECT NAME	The COR Mass Grading	PRINCIPAL	Darren Lazan
PROJECT DESCRIPTION	Professional services for mass grading, cut/fill earthwork mapping, & E&S measures based on current development plan and hydrology.	STUDIO/DEPT	RCD
PROPERTY LOCATION	The COR	EST. START DATE	Immediately
CITY, STATE, ZIP	Ramsey, MN, 55303	EST. COMPLETE DATE	To Be Determined
PIN:		PROJECT MANAGER	Steve Sabraski
		PHASE MANAGER	Steve Sabraski

SCOPE OF SERVICES LANDFORM AGREES TO PERFORM PROFESSIONAL SERVICES FOR THE CLIENT AS FOLLOWS:

PHASE	DESCRIPTION	TASK	BILLING MESSAGE
10	Survey	1410 – Survey, Topographic – AS NECESSARY , Locate Existing Stockpiles, critical existing utility locations, and rough spot grades. Compile all existing and new topo data on current master CAD files.	\$3,000
30	Mass Grading	3230 – Preliminary Grading Design – Consider multiple grading scenarios, complete mass grading design, and provide mass grading exhibit(s) based on current development plan and concept hydrology to maximize earthwork efficiencies.	\$8,000
30	Cut / Fill Exhibit	3240 – Preliminary Earthwork Calculations – Generate cut / fill map(s) based on current development plan and grading concepts completed.	\$4,000
50	Stockpile Management Plan	5125 – Final Erosion Control Plan/SWPPP – Provide plan for designated material storage area(s) with appropriate E&S measures associated with mass grading and stockpiling operations. Indicate earthen stockpile locations, quantities, and material designations on proposed plan.	\$3,600
60	Permit Facilitation	6400 – Permits and Approvals – Interim use permit facilitation	\$1,000

Reimbursable Expenses, including but not limited to Mileage, Plotting, Printing, Scanning, and Subconsultants are not included in the fees below and will be billed as a reimbursable expense at 1.15 times cost.

FEES (RATE SCHEDULE IS AVAILABLE UPON REQUEST FOR HOURLY CONTRACTS)

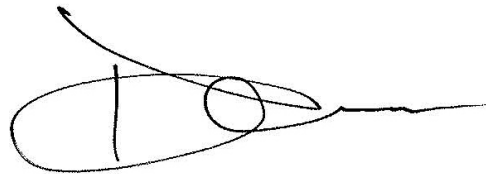
<input type="checkbox"/>	FIXED FEE	FIXED FEE AMOUNT:	Plus Typical Reimbursables
<input type="checkbox"/>	HOURLY WITH AN ESTIMATE	ESTIMATE FEE:	RATES
<input checked="" type="checkbox"/>	HOURLY TO A MAXIMUM	MAXIMUM FEE: \$19,600	RATES 2011 Landform Schedule

IN WITNESS WHEREOF, the parties have accepted, made and executed this agreement upon the terms, conditions and provisions stated above and on the attached General Conditions including, but not limited to, provisions relating to limitations on liability of Consultant.

Accepted By:

Landform

Heidi Nelson



Date:

Darren Lazan

President

Date: 1/20/2011

Landform Federal Tax ID: 27-1199905

General Conditions

1. All required services outside SCOPE OF WORK outline will be provided upon the CLIENT'S request and will be billed at the rates quoted on the CURRENT FEE SCHEDULE. A copy of the CURRENT FEE SCHEDULE has been made available to CLIENT or is attached hereto. Rates and multiples for Additional Services and other services as set forth in the fee schedule shall be adjusted annually in accordance with normal salary review practices of Consultant.
2. Fees outlined in this contract will be adhered to subject to site conditions and criteria set forth by the CLIENT and requirements of all applicable governmental agencies, utility companies, etc., in effect on the date of the CONSULTANT'S signing of this contract. No work by the CONSULTANT will commence until fully dimensioned and client-approved plans have been received from CLIENT. Subsequent changes to the plans, which require additional work by the CONSULTANT, will result in extra charges at the rates quoted on the CURRENT FEE SCHEDULE.
3. Field staking will be performed one time only for the fees quoted. Any restaking due to the loss of stakes beyond the CONSULTANT'S control will be billed at the rate on the CURRENT FEE SCHEDULE. In addition, fees outlined for field survey and construction staking are subject to the CONSULTANT being able to perform each item without delays beyond its control. The CLIENT shall request construction-staking items a minimum of two (2) working days in advance of when desired.
4. In the event that a question or claim may arise as to an error or omission in the CONSULTANT'S work or plans, the CONSULTANT will assume no liability for errors or omissions unless notified within 48 hours of the client's discovery of such. If notified within 48 hours, the CONSULTANT will have the right to remedy any such errors or omissions within a reasonable and agreed upon time thereafter, at no additional cost to the CLIENT. The CONSULTANT will assume no liability for construction staking unless all stakes are maintained intact and verified as to their origin.
5. The CLIENT shall give separate authorization to the CONSULTANT to commence each item of work as outlined in the SCOPE OF WORK.
6. CLIENT will be billed monthly, based upon percentage of work completed and/or hourly charges and reimbursable costs. Invoices are due and payable upon presentation. Objections to invoices not made in writing within thirty (30) days of the billing date are waived. A FINANCE CHARGE of one and one half percent (1.5) per month (18% ANNUAL PERCENTAGE RATE) will be added to portions of accounts over 30 days past due. FINANCE CHARGES may be compounded. CLIENT's failure to make timely payments is justification for suspension of all services and withholding of all deliverables until payment is received or other written agreements made. CONSULTANT shall be entitled to recover all costs, expenses and fees incurred by CONSULTANT (including litigation and arbitration fees and costs, reasonable attorneys' fees, and CONSULTANT's internal labor at the rates quoted on the CURRENT FEE SCHEDULE) due to CLIENT's failure to make timely payments.
7. This Agreement may be terminated by either party upon seven (7) days' written notice. In the event of any termination, the CONSULTANT will be paid for all services rendered to the date of termination plus unpaid reimbursable expenses. Such termination shall not affect the parties' accrued rights and liabilities as of the date of termination. Without limiting the generality of the foregoing, paragraphs 4, 6, 9, 10, 11, 12, 14, 15, and 16 of these General Conditions shall survive any cancellation, expiration, or termination of this Agreement.
8. The CONSULTANT will not be responsible for the cost of permits, title company charges, governmental review fees, soil reports, printing, photographic charges, etc. as applicable, except those printing charges necessary for the CONSULTANT to do its work. The CONSULTANT will be reimbursed for such charges paid by it for the CLIENT at the rates quoted on the CURRENT FEE SCHEDULE.
9. The CONSULTANT will not be responsible or liable for the following: (a) Any use of plans, surveys, specifications, etc. not signed and sealed by the CONSULTANT and approved by the appropriate governmental agencies; (b) Inaccuracy of data, plans, legal descriptions or any other information supplied by the CLIENT or others; (c) Site soil, hydrologic, or geologic conditions; (d) Changes to the plans and specifications made by the CLIENT or others; (e) Job site conditions; or (f) The performance of work on this project by any construction contractor or third party.
10. All original work will be property of the CONSULTANT. The CLIENT at its request will be furnished with reproducible copies as a reimbursable expense. All documents furnished by the CONSULTANT are instruments of its service. They are not suitable for reuse or extensions of this project or any other project. CONSULTANT is the author of these documents and retains all common law, statutory and/or reserved rights, including copyright. Any reuse without specific written approval by the CONSULTANT in each case will be at the sole risk of the user and without liability or legal exposure to the CONSULTANT.
11. Neither the CLIENT nor the CONSULTANT shall assign, sublet or transfer any rights under or interest in the contract without the written consent of the other. Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than the CLIENT or CONSULTANT.
12. The CONSULTANT makes no representation concerning any cost estimate figures made in connection with maps, plans, specifications or drawings other than that all cost figures are estimates only and the CONSULTANT shall not be responsible for fluctuations in costs or quality figures.
13. The CLIENT agrees to cooperate in every way requested by the CONSULTANT to expedite the completion of the work set forth in the contract. The CLIENT agrees to provide the CONSULTANT access to the property involved and to make available any records, documents, deeds, legal descriptions or other items requested by the CONSULTANT for the reasonable pursuit of the completion of the work.
14. The CONSULTANT makes no warranty, either expressed or implied, as to its services. Services will be performed in accordance with generally accepted engineering and/or surveying practices.
15. Any claim, dispute or other matter in question arising out of or relating to this Agreement or breach thereof ("Claim") in which the aggregate amount in controversy exclusive of interest, attorneys' fees and costs, is less than or equal to \$100,000 shall be decided by binding arbitration in Minneapolis in accordance with the Construction Industry Rules of the American Arbitration Association. Judgment on any award by the arbitrator(s) shall be enforceable in any court having jurisdiction. Any Claim in which the aggregate amount in controversy, exclusive of interest, attorneys' fees and costs, is greater than \$100,000 shall be resolved by litigation in the State or Federal Court located within Hennepin County, Minnesota. Consultant and Client expressly consent to the exclusive personal jurisdiction and venue of the Minnesota courts for all purposes relating to this Proposal. The parties waive trial by jury. This Agreement shall be governed by Minnesota law, without regard to conflicts of law principles.
16. CONSULTANT'S TOTAL LIABILITY TO CLIENT FOR ANY LOSS, CLAIM OR DAMAGE ARISING OUT OF THE NEGLIGENCE OR OTHER LEGAL FAULT OF CONSULTANT IN PERFORMING ITS SERVICES SHALL BE LIMITED TO THE GREATER OF (I) THE AMOUNT STATED IN THIS PROPOSAL AS COMPENSATION FOR CONSULTANT'S BASIC SERVICES, OR (II) THE LIMITS OF ANY INSURANCE ACTUALLY AVAILABLE TO THE CONSULTANT. AT ANY TIME PRIOR TO COMMENCEMENT OF SERVICES. CLIENT MAY, BY PAYING A 20% PREMIUM IN ADDITION TO CONSULTANT'S FEE, ELIMINATE THIS LIMITATION ON LIABILITY. In no event shall CONSULTANT be liable for loss of profits, loss of use, loss of revenue, or any or special, indirect or consequential damages of any kind.
17. **NOTICE OF LIEN RIGHTS (MINNESOTA): (a) Any person or company supplying labor or materials for this improvement to your property may file a lien against your property if that person or company is not paid for the contributions. (B) UNDER MINNESOTA LAW, YOU HAVE THE RIGHT TO PAY PERSONS WHO SUPPLIED LABOR OR MATERIALS FOR THIS IMPROVEMENT DIRECTLY AND DEDUCT THIS AMOUNT FROM OUR CONTRACT PRICE, OR WITHHOLD THE AMOUNTS DUE THEM FROM US UNTIL 120 DAYS AFTER COMPLETION OF THE IMPROVEMENT UNLESS WE GIVE YOU A LIEN WAIVER SIGNED BY PERSONS WHO SUPPLIED ANY LABOR OR MATERIAL FOR THE IMPROVEMENT AND WHO GAVE YOU TIMELY NOTICE.**
18. There are no understandings or agreements except as herein expressly stated.