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CONTRACT FOR PRIVATE DEVELOPMENT

BETWEEN

THE CITY OF RAMSEY, MINNESOTA

AND

**ASSET RESOURCES AND ACQUISITION, LLC, A MINNESOTA
LIMITED LIABILITY COMPANY**

Dated: January 22, 2008

This Instrument Drafted by:

City of Ramsey
7550 Sunwood Drive Northwest
Ramsey, MN 55303

Reviewed by:

Randall and Goodrich P.L.C.
2140 4th Avenue North
Anoka, MN 55303

THIS AGREEMENT, made and entered as of this 22nd day of January, 2008, by and between the **City of Ramsey**, a Minnesota municipal corporation, having its principal office at 7550 Sunwood Drive Northwest, Ramsey, Minnesota (the "City"), and **Asset Resources And Acquisition, LLC, a Minnesota Limited Liability Company**, having its principal office at 9243 East River Road, Coon Rapids, MN 55433 (the "Developer").

WITNESSETH:

WHEREAS, the City has created and established Development District No. 1 ("District") and Tax Increment Financing District No. 2 ("TIF District") pursuant to the authority granted in Minnesota Statutes, Sections 469.124 through 469.134 and Sections 469.174 through 469.179; (collectively, "the Acts"); and

WHEREAS, pursuant to the Acts, the City has adopted a Development District Program ("Program") and a Tax Increment Financing Plan ("TIF Plan") to finance all or a portion of the public development costs of the District; and

WHEREAS, in order to achieve the objectives of the Program and TIF Plan as hereinafter defined and particularly to make land in the District available for development by private enterprise for and in accordance with the Program, the City has determined to provide substantial aid and assistance through the sale of bonds and other obligations to finance public development costs in the District; and

WHEREAS, the Developer has proposed a development as hereinafter defined within the District which the City has determined will promote and carry out the objectives for which development in the District has been undertaken, will assist in carrying out the obligations of the Program and TIF Plan, will be in the vital best interests of the City, and the health, safety, morals and welfare of its residents, and is in accord with the public purposes and provisions of the applicable state and local laws and requirements under which development in the District has been undertaken and is being assisted; and

WHEREAS, the City intends to construct certain improvements listed in its capital improvement program including, but not limited to, additional wells and water towers, using the increments generated by the projects constructed in the Tax Increment Financing Districts; and

WHEREAS, the City intends to provide an inducement to Developer to acquire title to the Development Property and to cause the initiation of construction of a combined office/manufacturing/warehouse facility; and

WHEREAS, the requirements of the Business Subsidy Act, Minnesota Statutes, Section 116J.993 through 116J.995, apply to this Agreement (the "Business Subsidy Act"); and

WHEREAS, the City has adopted criteria for awarding business subsidies that comply with the Business Subsidy Act, after a public hearing for which notice was published; and

WHEREAS, the Council has approved this Agreement as a subsidy agreement under the Business Subsidy Act.

NOW, THEREFORE, in consideration of the mutual covenants and obligations of the City and the Developer, each party does hereby represent, covenant and agree with the other as follows:

ARTICLE I

DEFINITIONS, EXHIBITS, RULES OF INTERPRETATION

Section 1.1. Definitions. In this Agreement, the following terms have the following respective meanings unless the context hereof clearly requires otherwise:

- (a) Benefit Date. The date of the building permit issued by the City for the redevelopment of the property.
- (b) Certificate of Completion. A certificate in the form of **Exhibit E** to this agreement to be issued by the City to the Developer upon substantial completion of the Minimum Improvements.
- (c) City. The City of Ramsey, Anoka County, Minnesota.
- (d) Closing Date. April 30, 2008 or such earlier date on which the parties may agree.
- (e) Construction Plans. Collectively, the plans, drawings, and related documents described in **Exhibit B** to this agreement.
- (f) Council. The City Council of the City of Ramsey.
- (g) Developer. **Asset Resources and Acquisition, LLC, a Minnesota Limited Liability Company**.
- (h) Development Property. The property legally described in **Exhibit A** hereto.
- (i) Development District ("District"). Development District No. 1, created by the City pursuant to M.S. § 469.124 through § 469.134 and described in the Program adopted therefore.
- (j) Development District Program ("Program"). The plan for development of the District adopted by the City pursuant to M.S. §469.124 through §469.134.
- (k) Holder. The owner of a Mortgage.
- (l) Market Value. The market value of the Development Property and the Minimum Improvements as determined by the County Assessor in accordance with M.S. §223.11 (or as finally adjusted by an assessor, board of equalization, commissioner of revenue, or any court).

- (m) Maturity Date. The earlier of (i) December 31, 2012 and (ii) the date all financial assistance provided by the City described in Section 2.2(i) has been recovered from Tax Increments generated by the Development Property.
- (n) Minimum Improvements. The office/warehouse facility to be constructed by Developer in accordance with the Construction Plans.
- (o) Minimum Market Value. The minimum market value for the Development Property as set forth in Section 6.1 hereof.
- (p) Mortgage. The mortgage references in Article VII of this Agreement and any other instrument creating an encumbrance or lien upon the Development Property or any part thereof, as security for a loan.
- (q) Net Tax Increment. The remaining increment after the subtraction of County and reasonable City Administrative Charges, Fiscal Disparities Contributions, State General Tax, Original Tax Capacity and all other charges required by the Acts.
- (r) Project. The initial construction of the Minimum Improvements having a Minimum Market Value of **One Million Four Hundred Thousand Dollars and 00/100's (\$1,400,000.00)**.
- (s) Public Improvements. Collectively, the public improvements to be constructed by the City and described in Article IV.
- (t) Site Improvement Plans. Collectively, the plans, drawings and related documents described in **Exhibit C** of this agreement.
- (u) Tax Increment. The tax increments derived from the Development Property which have been received by the City in accordance with the provisions of Minnesota Statutes, Section 469.177.
- (v) Tax Increment Bonds ("TIF Bonds"). The general obligation tax increment bonds issued by the City to finance the Public Improvements on the Development Property and related costs: The term also includes any bonds or obligations issued to refund any TIF Bonds.
- (w) Tax Increment Financing District ("TIF District"). TIF District No. 2 created by the City pursuant to M.S. § 469.174 through § 469.179 and described in the TIF Plan adopted therefore.
- (x) Tax Increment Financing Plan ("Plan"). The plan for development of the TIF District adopted by the City pursuant to M.S. §469.174 through §469.179.
- (y) Unavoidable Delays. Delays beyond the reasonable control of the party seeking to be excused as a result thereof, which are the direct result of strikes, other labor troubles, civil disorder, failure or interruption of power, condemnation, riots, insurrections, war, fuel shortages, acts of God, fire or other casualty to the

Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the City in exercising its rights under this Agreement) which directly result in delays.

- (z) Other Terms. Terms defined in other sections of this agreement have the meanings given them.

Section 1.2. Exhibits. The following Exhibits are attached to and, by reference, made a part of this Agreement:

- A. Legal Description of Development Property
- B. Construction Plans
- C. Development Permit
- D. Assessment Agreement and Certification of County Assessor
- E. Form of Certificate of Completion
- F. Lien Agreement
- G. Agreement to Pay Deficiencies

Section 1.3. Rules of Interpretation.

- (a) This Agreement shall be interpreted in accordance with and governed by the laws of the State of Minnesota.
- (b) The words “herein” and “hereof” and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than any particular section or subdivision hereof.
- (c) References herein to any particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed.
- (d) Any titles of the several parts, articles, and sections of this Agreement are inserted for convenience and reference only and shall be disregarded in construing or interpreting any of its provisions.

ARTICLE II

REPRESENTATION AND UNDERTAKINGS

Section 2.1. By the Developer. The Developer makes the following representations and undertakings:

- (a) The Developer has the legal authority and power to enter into this Agreement and is duly organized and existing limited liability company under the laws of the State of Minnesota.
- (b) The Developer will construct the Minimum Improvements in accordance with the terms of this Agreement, the Program, the TIF Plan, and all local, state and federal laws and regulations.
- (c) Upon completion of the Minimum Improvements, the Developer shall operate and maintain, or cause to be operated and maintained, the Minimum Improvements until the Maturity Date.
- (d) That Minimum Improvements will be permitted uses under City ordinance, and will be constructed in conformity with the Program and TIF Plan, and will be constructed by the Developer together with land at a minimum market value of at least **One Million Four Hundred Thousand and 00/100's Dollars (\$1,400,000.00)**.
- (e) The Developer has received no notice or communication from any local, state or federal official that the activities of the Developer or the City in the Development District may be, or will be, in violation of any environmental law or regulation (other than those notices or communications of which the City is aware). The Developer is aware of no facts, the existence of, which would cause it to be in violation of or give any person a valid claim under any local, state or federal environmental law, regulation or review procedure.
- (f) Subject to Unavoidable Delays, the Developer will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed.
- (g) 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 provisions of any partnership restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which the Developer is bound, or constitutes a default under any of the foregoing.

- (h) The Developer will cooperate with the City with respect to any litigation, other than litigation in which the City and the Developer are adverse parties, commenced with respect to the TIF Plan, the Program, or Minimum Improvements.
- (i) Business Subsidies Act.
 - (i) In order to satisfy the provisions of Minnesota Statutes, Sections 116J.993 to 116J.995 (the Business Subsidies Act), the Developer acknowledges and agrees that the amount of the Business Subsidy granted by the City to the Developer under this Agreement is One Hundred Fifty Thousand and 00/100's Dollars (\$150,000) which is an amount equal to the financial assistance provided by the City that includes the financing the purchase of the Development Property. The Developer further acknowledges that the Business Subsidy is needed because the Project is not sufficiently feasible for the Developer to undertake without the Business Subsidy. The Tax Increment District is an economic development district and the public purpose of the Business Subsidy is to encourage the redevelopment of the Development Property in the City. The Developer agrees that it will meet the following goals (the "Goals"): It will create at least Seven (7) full time jobs in connection with the operation and maintenance of the Minimum Improvements at an hourly wage of at least \$14.00 per hour within two years from the Benefit Date, which is the date of the building permit issued by the city for the construction of the Minimum Improvements.
 - (ii) If the Goals are not met, the Developer agrees to repay all or a part of the Business Subsidy to the City, plus interest ("Interest") set at the implicit price deflator defined in Minnesota Statutes, Section 225.70, Subdivision 2, accruing from and after the Benefit Date, compounded semiannually. If the Goals are met in part, the Developer will repay a portion of the Business Subsidy (plus Interest) determined by multiplying the Business Subsidy by a fraction, the numerator of which is the number of jobs in the Goals which were not created at the wage level set forth above and the denominator of which is Seven (7) (i.e. number of jobs set forth in the Goals). The Developer agrees to continue its operations consisting of the Minimum Improvements on the Development Property for at least five years after the Benefit Date.
 - (iii) The Developer agrees to (i) report its progress on achieving the Goals to the City until the Goals are met, or the Business Subsidy is repaid, whichever occurs earlier, (ii) include in the report the information required in Subdivision 7 of the Jobs Act on forms developed by the Minnesota Department of Employment and Economic Development, and (iii) send completed reports to the City. The Developer agrees to file these reports with the City no later than January 1 of each year commencing January 1, 2009, and within 30 days after the deadline for meeting the Goals. The City agrees that if it does not receive the reports, it will mail the Developer a warning within one week of the required filing date. If within 14 days of

the post marked date of the warning the reports are not made, the Developer agrees to pay to the City a penalty of \$100 for each subsequent day until the report is filed up to a maximum of \$3,000.

- (iv) The Developer agrees to continue operations consisting of the Minimum Improvements on the Development Property for at least five (5) years after the Benefit Date. With the exception of financing provided by SBA or the Department of Employment and Economic Development (DEED), there are no other state or local government agencies providing financial assistance for the Project other than the City.
- (v) There is no parent corporation or other entity of the Developer.
- (j) The Developer shall pay to the City all of its legal and administrative expenses that are incurred by the City in association with the project within 15 days of a written notice by the City indicating the legal and administrative expenses that are currently due and owing in an amount not to exceed \$5,000.00.
- (k) Until the Maturity Date the Developer shall operate the Minimum Improvements as a manufacturing or warehousing, storage and distribution facility.

Section 2.2. By the City. The City makes the following representations as the basis for the undertaking on its part herein contained:

- (a) The City is authorized by law to enter into this Agreement and to carry out its obligations hereunder.
- (b) The City has found that the TIF District is an “redevelopment tax increment financing district,” pursuant to M.S. § 469.174.
- (c) The City will, in a timely manner, subject to all notification requirements, review and act upon all submittals and applications of the Developer, and will cooperate with the efforts of the Developer to secure the granting of any permit, license, or other approval required, to allow the construction of the Minimum Improvements; provided, however, that nothing contained in this subparagraph shall be construed to limit in any way the reasonable and legitimate exercise of the City’s discretion in considering any submittal or application.
- (d) The activities of the City are undertaken for the purpose of fostering the redevelopment of certain real property which, for a variety of reasons, is presently unutilized and underutilized and for the purpose of promoting economic development and the creation of employment opportunities.
- (e) The City will cooperate with the Developer with respect to any litigation, other than litigation in which the City and the Developer are adverse parties, commenced with respect to the TIF Plan, Program, or Minimum Improvements.

- (f) The Development Property is properly zoned for the developer's intended use and the Minimum Improvements contemplated by the Construction Plans are in conformity with the Program and TIF Plan.
- (g) The City has received no notice or communication from any local, state or federal official that the activities of the Developer or the City in the Development District may be, or will be, in violation of any environmental law or regulation (other than those notices or communications of which the Developer is aware). The City is aware of no facts, the existence of, which would cause it to be in violation of, or give any person a valid claim, under any local, state or federal environmental law, regulation or review procedure.
- (h) The City will provide the Financial Assistance to the Developer determined as follows:

Value of Development Property	\$230,000
TIF Assistance (the "Financial Assistance")	<u>\$150,000</u>
Developer's Net Development Property Cost	\$80,000

On the Closing Date, Developer agrees to pay to the City the difference between the value of the Development Property less the Financial Assistance which is the Developer's Net Development Property Cost

Section 2.3. Title. City, at City's expense, shall promptly obtain and deliver to Developer a Commitment for an owner's title insurance policy (ALTA Owner's Form Policy 1992) naming Developer as the proposed owner/insured of the Development Property (the "Title Commitment"). The Title Commitment shall commit to insure fee title in Developer, free and clear of all mechanic's lien claims, questions of survey, unrecorded interests, rights of parties in possession, or other exceptions.

Developer will be allowed ten (10) business days after receipt of the Title Commitment and the Survey (as hereinafter defined) for examination thereof, and for making any objections to the marketability of the title to the Development Property, said objections to be made by written notice or to be deemed waived. Developer need not object to mortgages or other monetary liens. If any objections are so made to the marketability of the title to the Development Property, City shall immediately commence and diligently endeavor to complete all actions necessary to cure the objections, including, but not limited to, the institution of "quick take" eminent domain proceedings, and shall be allowed until the Closing Date to cure such objections and make the title to the Development Property good and marketable of record in City and to obtain and deliver to Developer appropriate endorsements to the Title Commitment and an updated Survey indicating that any such objections have been cured. If not sooner satisfied, City shall satisfy any mortgages or other monetary liens against the Development Property at the closing. If the title to the Development Property, as evidenced by the Title Commitment and Survey together with any updating of the Title Commitment and Survey, is not made good and marketable of record in City on the Closing Date, Developer, at its option, may terminate this Agreement by giving written notice to City in which event this Agreement shall become null and void, and neither party shall have any further rights, obligations, or liability hereunder.

Section 2.4. Inspection. Developer, its agents and designees, are hereby granted the right, at all reasonable times, to enter upon and inspect, analyze, and test the Development Property and its various components for all reasonable purposes, including, but not limited to, investigations for the presence of asbestos, PCBs and other hazardous substances, hazardous wastes, pollutants, or contaminants on the Development Property. Developer shall pay for the cost of all investigations of the Development Property which are ordered by Developer. Developer hereby agrees to indemnify and hold City harmless from any claims, damage, costs, and liability including, without limitation, reasonable attorney's fees, resulting from the entering upon the Development Property or the performing of any of the analyses, tests, or inspections referred to in this Paragraph; however, nothing contained herein shall be deemed to require Developer to indemnify or hold City harmless from any liability for any environmental remediation which based upon Developer's tests or inspections, may be determined to be necessary, pursuant to applicable law or regulation. The provisions of this Paragraph shall survive the closing or termination of this Agreement.

Section 2.5. Environmental Audit. The Developer may, at its sole expense, obtain a currently dated phase one environmental audit ("Environmental Audit") or other additional environmental audits as may be reasonable or necessary for the Development Property.

Section 2.6. Obligations on Closing Date. At the closing, City shall execute, where appropriate, and deliver to Developer:

- (a) A warranty deed ("Deed"), properly executed on behalf of City in recordable form, conveying the Development Property to Developer. The Deed shall contain the following statement: "The City certifies that the City does not know of any wells on the described Development Property" unless City delivers a well certificate described in Subparagraph (e) hereof.
- (b) All certificates, instruments, and other documents necessary to permit the recording of the Deed.
- (c) A policy of title insurance issued pursuant to the Title Commitment, subject to no exceptions other than those accepted by Developer pursuant to Section 2.3. hereof together with those abstracts of title to any portion of the Development Property which are in the City's possession and the owners' duplicate certificate of title to any portion of the Development Property which is registered property; provided, however, Developer shall pay the premium for the policy of title insurance.
- (d) A standard Seller's Affidavit with respect to judgments, bankruptcies, tax liens, mechanics liens, parties in possession, unrecorded interests, encroachment or boundary line questions, and related matters, properly executed on behalf of City.
- (e) Any well certificate required by M.S. § 1011.235.
- (f) The Assessment Agreement.
- (g) The Lien Agreement.

- (h) The Agreement to Pay Deficiencies.
- (i) If requested, a subordination agreement, subordinating the Lien Agreement to a First Mortgage granted against the Development Property by Developer. The terms of any subordination agreement shall be acceptable to the City.

At the closing, Developer shall execute, where appropriate, and/or deliver to the City:

- (j) The Development Permit.
- (k) The Assessment Agreement.
- (l) The Lien Agreement.
- (m) The Agreement to Pay Deficiencies.
- (n) Cashiers Check in the amount of **\$80,000.00**, payable to the City, in order to compensate the City for the Developer's Net Development Property Cost.

Section 2.7. Real Estate Taxes, Special Assessments, Utility Bills and Deed Stamps. Real estate taxes due and payable in all years prior to that in which closing occurs, including any amounts otherwise payable in such years which may have been deferred pursuant to the Minnesota Statutes or other applicable law, shall be paid by City. Real estate taxes due and payable in the year in which closing occurs, including any amount otherwise payable in such year which may have been deferred pursuant to the Minnesota Statutes or other applicable law, shall be prorated as of the Closing Date based upon the parties' respective periods of ownership of the Development Property in the calendar year of closing.

On or prior to the Closing Date, City shall pay all special assessments, including, but not limited to roadway or other like improvements to the Development Property, whether or not then due, then levied against the Development Property or pending for improvements with respect to which, as of the date of this Agreement, the letting of contracts has been duly authorized by appropriate governmental action. The City shall not make any special assessments in the future for the initial construction of the Public Improvements

The Developer shall be responsible to pay the deed stamps necessary to be affixed to the warranty deed described in section 2.6.(a) above.

Section 2.8. Possession. City shall deliver possession of the Development Property to Developer on the Closing Date.

Section 2.9. Developer's Contingencies. Developer's obligation to close under this Agreement is expressly conditioned upon each of the following contingencies being satisfied or waived on or before the closing date:

- (a) The Environmental Audit and Developer's inspections and investigations of the Development Property shall have disclosed no unsatisfactory conditions or

defects, including no unsatisfactory environmental conditions that cannot be remedied by the City.

- (b) Developer having determined that the Development Property is physically suitable (including but not limited to, the elevation and soil conditions), for the construction thereon of the Minimum Improvements.
- (c) Developer having determined that it will be able to obtain and the City having approved financing which, together with Developer's equity, is sufficient for the Construction of the Minimum Improvements.

All of the foregoing contingencies in this Section 2.9. are for Developer's sole benefit. Whether or not the said contingencies have been satisfied shall be determined by Developer in the exercise of its sole and absolute discretion. In the event that any of the foregoing contingencies are not satisfied, or satisfaction thereof is not waived by Developer giving written notice to City of said waiver on or before 30 days prior to the Closing Date, ("the Contingency Expiration Date"), Developer may, at its option, terminate this Agreement by giving written notice to City on or before the Contingency Expiration Date. If Developer so terminates this Agreement, neither party shall have any further rights, obligations or liability under this Agreement.

ARTICLE III

CONSTRUCTION OF MINIMUM IMPROVEMENTS

Section 3.1. Construction of Minimum Improvements.

- (a) The Developer agrees that it will construct the Minimum Improvements on the Development Property in accordance with the Construction Plans and the terms of this Agreement and, at all times prior to the Maturity Date, will cause the Minimum Improvements to be maintained in good repair and condition.
- (b) Site Plan. City and Developer acknowledge and agree that the Site Plan for the Development Property attached hereto as Exhibit C will be subject to modification and revision, and that modifications and revisions to the Site Plan are permitted, provided that the modifications and revisions do not substantially alter the nature of the Minimum Improvements and provided further that the modifications and revisions comply with the applicable City ordinances

Section 3.2. Building Plans. No building permits shall be issued unless the plans are in conformity with the Construction Plans, the Program, the TIF Plan, this Agreement, and all local, state and federal regulations. The City shall, within ten (10) business days of receipt of building plans for the Minimum Improvements, review such plans to determine whether the requirements have been met. If the City determines such plans to be deficient, it shall notify the Developer, in writing, stating the deficiencies and the steps necessary for correction. Issuance of a building permit for the Minimum Improvements by the City shall be a conclusive determination that the building plans for the respective Minimum Improvements have been approved and shall satisfy these provisions.

Section 3.3. Commencement and Completion of Construction.

- (a) Subject to Unavoidable Delays, the Developer shall commence construction of the Minimum Improvements by May 31, 2008, and shall substantially complete such construction by December 31, 2008.
- (b) The Developer agrees for itself, its successors and assigns, that it shall promptly begin, and diligently prosecute to completion, the construction of the Minimum Improvements, and that such construction shall in any event be commenced and completed within the period specified in this Section 3.3. Periodically during construction, but at intervals of not less than monthly, the Developer must make reports in such detail as may reasonably be requested by the City about the actual progress of construction.

Section 3.4. Certificate of Completion.

- (a) Promptly after substantial completion of the Minimum Improvements, in accordance with those provisions this Agreement, the City will furnish the Developer with a Certificate of Completion in the form of **Exhibit E** attached hereto. Issuance of the Certificate of Completion by the City shall be a

conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement with respect to the obligations of the Developer, and its successors and assigns, to construct the Minimum Improvements, and the dates for the beginning and completion thereof. Issuance of the Certificate of Completion and such determination shall not constitute evidence of compliance with, or satisfaction of, any obligation of the Developer to any Holder of a Mortgage, or any insurer of a Mortgage, securing money loaned to finance the Minimum Improvements, or any part thereof of the the Financial Assitance.

- (b) The Certificate of Completion shall be in such form as will enable it to be recorded in the Anoka County Recorder's Office. If the City refuses or fails to provide any Certificate of Completion in accordance with the provisions of this Section, the City shall, within fifteen (15) days after written request by Developer, provide the Developer with a written statement, indicating, in adequate detail, in what respects the City believes that the Developer has failed to complete the Minimum Improvements in accordance with the provisions of this Agreement, or is otherwise in default, and what measures or acts will be necessary, for the Developer to take or perform in order to obtain a Certificate of Completion.
- (c) The construction of the Minimum Improvements shall be deemed to be substantially completed when the Developer has received a Certificate of Occupancy from the City. The City will not arbitrarily or unreasonably withhold or delay issuance of a Certificate of Occupancy for the Minimum Improvements upon request for its issuance.

ARTICLE IV

CONSTRUCTION OF PUBLIC IMPROVEMENTS

Section 4.1. Construction of Public Improvements. The City has constructed, or is about to construct, the following public improvements in accordance with the plans and specification prepared by the City Engineer.

Extension of city services to the Development Property in accordance with plans and specifications prepared by the City Engineer, which city services are municipal sanitary sewer, water and storm sewer;(the "Public Improvements").

The City shall retain a lien pursuant to the Lien Agreement on the Development Property in the amount of **One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00)** until completion of the Minimum Improvements by the Developer, which amount represents the Financial Assistance. The Lien Agreement shall be substantially in the form of **Exhibit F** attached hereto. The City's lien shall at all times be subordinate to any first and second mortgage granted by the Developer to finance the construction of the Minimum Improvements. The City will execute any agreements reasonably requested by the Developer and/or Holders of any first or second mortgage to evidence such subordination, except that the City is not obligated to subordinate the Assessment Agreement to any Mortgage encumbering the Development Property.

ARTICLE V

INSURANCE AND CONDEMNATION

Section 5.1. Insurance During Construction.

- (a) The Developer will provide and maintain, at its expense, at all times during the process of construction of the Minimum Improvements, an All Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the City, furnish the City with proof of payment of premiums on policies covering the following:
 - (i) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy. The interest of the City shall be protected in accordance with a clause in form and content satisfactory to the City.
 - (ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's/Contractor's Policy with limits against bodily injury and property damage of not less than \$1,000,000 for each occurrence. (To accomplish the above-required limits, an umbrella excess liability policy may be used).
 - (iii) Workers' compensation insurance, with statutory coverage.

Section 5.2. Insurance After Completion.

- (a) Upon completion of the construction of the Minimum Improvements and prior to the Maturity Date, the Developer shall maintain, or cause to be maintained, at its cost and expense, and from time to time, at the request of the City, shall furnish proof of the payment of premiums on insurance as follows:
 - (i) Insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering fire and such other risks as are ordinarily insured against by similar businesses under policies of casualty insurance.
 - (ii) Comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), against liability for injuries to persons, property, or both, in, on or about the Development Property in the minimum amount for each occurrence and for each year, of \$ 1,000,000, and shall be endorsed to show the City as additional insured.

- (iii) Such other insurance, including workers' compensation insurance representing all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure, provided that the Developers may be self-insured with respect to all or any part of its liability for workers' compensation.

- (b) All insurance required in Article V of this Agreement shall be taken out and maintained in responsible insurance companies, selected by the Developer, which are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Developer will deposit annually, with the City, policies evidencing all such insurance, or a certificate or certificates, or binders of the respective insurers, stating that such insurance is in force and effect. Unless otherwise provided in Article V of this Agreement, each policy shall contain a provision that the insurer shall not cancel, nor modify, it in such a way as to reduce the coverage provided below the amounts required herein without giving written notice to the Developer and the City at least thirty (30) days before the cancellation or modification becomes effective. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policy, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

- (c) The Developer agrees to notify the City immediately in the case of damage exceeding \$100,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty occurring prior to the Maturity Date. In such event, the Developer either will forthwith repair, reconstruct and restore the Minimum Improvements to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction and restoration, the Developer will apply the net proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof, or pay the City the unpaid balance of the financial assistance as set forth in Section 2.2 not received from Tax Increment.

The Developer shall complete the repair, reconstruction and restoration of the Minimum Improvements, whether or not the net proceeds of insurance received by the Developer for such purposes are sufficient to pay for the same. Any net proceeds remaining after completion of such repairs, construction and restoration shall be the property of the Developer.

- (d) The Developer and the City agree that all of the insurance provisions set forth in this Article V shall terminate upon the Maturity Date.

ARTICLE VI

TAX INCREMENT

Section 6.1. Assessment Agreement. The City and the Developer shall execute the Assessment Agreement and Certification of County Assessor attached hereto as **Exhibit D**. The City shall then present the Assessment Agreement to the county assessor for certification. The county assessor shall assign a market value to the Development Property that shall not be less than **One Million Four Hundred Thousand Dollars and 00/100's (\$1,400,000.00)**. The Market Value so established may, in the discretion of the assessor, exceed the Minimum Market Value.

Section 6.2. Review of Taxes. Except as otherwise provided in this Agreement, the Developer shall pay all real property taxes and special assessments assessed against the Development Property. The Developer agrees that prior to the Maturity Date:

- (a) It will not seek administrative review or judicial review of the applicability of any property tax statute determined by any tax official to be applicable to the Development Property or the Developer, or raise the applicability of any such tax statute as a defense in any proceedings including delinquent tax proceedings.
- (b) It will not seek administrative review or judicial review of the constitutionality of any such tax statute determined by any tax official to be applicable to the Development Property or to the Developer, or raise the unconstitutionality of such tax statute as a defense in any proceedings, including delinquent proceedings.
- (c) It will not request the assessor to reduce the assessed market value or tax capacity of all or any portion of the Development Property.
- (d) It will not petition the board of equalization of the City or the board of equalization of the county to reduce the assessed market value or tax capacity of all or any portion of the Development Property.
- (e) It will not petition the board of equalization or commissioner of revenue of Minnesota to reduce the assessed market value or tax capacity of all or any portion of the Development Property.
- (f) It will not commence an action in a district court or the tax court of the state pursuant to Minnesota Statutes, Chapter 228, seeking a reduction in the assessed market value or tax capacity of the Development Property.
- (g) It will not make an application to the Minnesota commissioner of revenue requesting an abatement of real property taxes pursuant to Minnesota Statutes, Chapter 220.

- (h) It will not commence any other proceedings, whether administrative, legal or equitable, with any administrative body within the City, county, or the state, or with any court of the state or the federal government with regard to the Minimum Market Value contained in the Assessment Agreement. The Developer shall not, prior to the Maturity Date, apply for a deferral of property tax on the Development Property.

Nothing contained herein shall be deemed to limit the right or opportunity of the Developer to challenge through any of the means set forth above, or otherwise, that part of any valuation or the market value which is in excess of the stipulated value contained in the Assessment Agreement; provided, however, that the Developer may not institute or prosecute any challenge to the excess which, if successful, would also result in a reduction of the assessment below the stipulated value. Further, nothing contained herein shall be deemed to limit the right or opportunity of the Developer to challenge through any of the means set forth above, or otherwise, the tax capacity of the Development Property; provided, however, that Developer may not institute or prosecute any such challenge for any year to the extent that, if successful, such challenge would cause the Net Tax Increment generated by the Development Property for such year to be less than **Twenty Thousand and 00/100's Dollars (\$20,000.00)**.

Section 6.3. Agreement to Pay Deficiencies. The Developer and the City shall execute the Agreement to Pay Deficiencies attached hereto as **Exhibit G**.

Section 6.4. Right to Collect Delinquent Taxes. The Developer acknowledges that the City is providing substantial aid and assistance in furtherance of the Project through tax increment financing. The Developer understands that the increment will be used to reimburse the City for the Financial Assistance and, therefore, the real estate taxes must be promptly and timely paid. To that end, the Developer agrees for itself, its successors and assigns, in addition to the obligation pursuant to statute to pay real estate taxes, that it is also obligated by reason of this Agreement to pay before delinquency all real estate taxes due and payable with respect to the Development Property prior to the Maturity Date based upon the Minimum Market Value as stipulated in the Assessment Agreement. The Developer acknowledges that this obligation creates a contractual right on behalf of the City to sue the Developer or its successors and assigns to collect such delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the county auditor.

ARTICLE VII

MORTGAGE FINANCING

Section 7.1. Financing.

- (a) On or before the Closing Date, the Developer shall submit, to the City, evidence of one or more commitments for financing which, together with committed equity for such construction, is sufficient for the construction of the Minimum Improvements. If the Developer in its discretion is not satisfied with the terms of the commitments for financing, or has not negotiated commitments acceptable to the Developer, then the Developer shall have the right to extend the Closing Date up to sixty (60) days, in which event the date of completion under Section 3.3 shall be extended by an equal amount of time. Such commitments may be submitted as short term financing, long term mortgage financing, a bridge loan with a long term take-out financing commitment, or any combination of the foregoing. Such commitment or commitments for short term or long term financing shall be subject only to such conditions as are normal and customary in the banking industry.

- (b) If the City finds that the financing is sufficiently committed and adequate in amount to provide for the construction of the Minimum Improvements, then the City shall notify the Developer, in writing, of its approval. Such approval shall not be unreasonably withheld and either approval or rejection shall be given within 10 days from the date when the City is provided the evidence of financing. A failure by the City to respond to such evidence of financing shall be deemed to constitute an approval hereunder. If the City rejects the evidence of financing as inadequate, it shall do so, in writing, specifying the basis for the rejection. In any event, the Developer shall submit adequate evidence of financing within 30 days after such rejection.

Section 7.2. City's Option to Cure Default on Mortgage. In the event that there occurs a default under any Mortgage authorized pursuant to this Article VII, the Developer shall cause the City to receive copies of any notice of default received by it from the holder of such Mortgage. Thereafter, the City shall have the right, but not the obligation, to cure any such default on behalf of the Developer within such cure periods as are available to the Developer under the Mortgage documents.

ARTICLE VIII

PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER

Section 8.1. Representation as to Development. The Developer represents and agrees that its undertakings, pursuant to this Agreement, are for the purpose of development of the Development Property and not for speculation in landholding. The Developer further recognizes that, in view of:

- (a) The importance of the development of the Development Property to the general welfare of the City; and
- (b) The substantial financing and other public assistance that have been made available by the City for the purpose of making the Minimum Improvements possible, the qualifications and identity of the Developer are of particular concern to the City.

The Developer further recognizes that it is because of such qualifications and identity that the City is entering into this Agreement, and, in so doing, is further willing to rely on the representations and undertakings of the Developer for the faithful performance of all undertakings and covenants agreed by Developer to be performed.

Section 8.2. Prohibition Against Transfer of Property and Assignment of Agreement. For the reasons set out in Section 8.1. of this Agreement, the Developer represents and agrees that, prior to the issuance of the Certificate of Completion:

- (a) Except only by way of security for, and only for the purpose of obtaining financing necessary to enable the Developer or any successor in interest to the Development Property, or any part thereof, to perform its obligations under this Agreement, and any other purpose authorized by this Agreement, the Developer, except as so authorized, has not made or created, and will not make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or any trust or power, or transfer in any other form of, or with respect to this Agreement, or the Development Property, or any part thereof, any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the City; and
- (b) The City shall be entitled to require, except as otherwise provided in this Agreement, conditions to any such approval under this Section 8.2. that:
 - (i) Any proposed transferee shall have the qualifications and financial responsibility, as determined by the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer, or in the event the transfer is of, or relates to, the Development Property, such obligations to the extent that they relate to such part.

- (ii) Any proposed transferee, by instrument in writing satisfactory to the City and in form recordable among the land records shall, for itself and its successors and assigns, and specifically for the benefit of the City, have expressly assumed all of the obligations of the Developer under this Agreement and agreed to be subject to such obligations, restrictions and conditions or, in the event the transfer is, of, or relates to, part of the Development Property, such obligations, conditions, and restrictions to the extent that they relate to such part; provided, that the fact that any transferee of, or any other successor in, interest whatsoever to, the Development Property or any part thereof, shall, for whatever reason, not have assumed such obligations or agreed to do so, shall not, unless and only to the extent otherwise specifically provided in the Agreement or agreed to in writing by the City, relieve or except such transferee or successor from such obligations, conditions, or restrictions, or deprive or limit the City of, or with respect to, any rights or remedies or controls with respect to the Development Property or the construction of the Minimum Improvements; it being the intent of this Section, together with other provisions of this Agreement, that to the fullest extent permitted by law and equity and excepting only in the manner and to the extent specifically provided otherwise in the Agreement, no transfer of, or change with respect to, ownership in the Development Property or any part thereof, or any interest therein, however, consummated or occurring, whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the City of any rights or remedies with respect to the Development Property and the construction of the Minimum Improvements that the City would have had, had there been no such transfer or change.
- (iii) There shall be submitted to the City, for review, all instruments and other legal documents involved in effecting transfers described herein, and if approved by the City, its approval shall be indicated to the Developer in writing.

In the absence of specific written agreement by the City to the contrary, no such transfer or approval by the City thereof shall be deemed to relieve the Developer from any of its obligations with respect thereto.

- (c) Notwithstanding the limitations set forth in this Article VIII the City approves and consents that Developer may lease the Development Property provided that the Developer retains all obligations of the Developer under this Agreement in the manner set forth in Section 8.2.(b)(ii) herein. Absent specific written agreement by the City to the contrary, such action shall not be deemed to relieve the Developer from any of its obligations under this Agreement.
- (d) No provision of Section 8.2. shall be construed or interpreted to prohibit the Developer from transferring the Development Property and/or Developers rights under this agreement to a partnership or limited liability company in which the Developer is the owner of 51 % or more of the partnership or membership

interests unless the transfers are to family members or related parties for the purpose of estate planning.

Section 8.3. Approvals. Any approval required to be given by the City under Article VIII may be denied in the event that the City reasonably determines that the ability of the Developer to satisfy its obligations required by this Agreement will be materially impaired by the action for which approval is sought.

ARTICLE IX

INDEMNIFICATION

Section 9.1. Release and Indemnification Covenants. The Developer releases from and agrees that the City and governing body members, officers, agents, servants and employees thereof, shall not be liable for, and agrees to indemnify and hold harmless the City and the governing body members, officers, agents, servants and employees thereof against, any loss or damage to property or any injury to or death of any person occurring at, or about, or resulting from any defect in the Minimum Improvements except any loss, damage, injury or death arising from negligence or willful acts of the City, its officers, employees, agents or contractors.

- (a) Except for any negligent or willful misrepresentation or any negligent, willful or wanton misconduct of the following named parties, the Developer agrees to protect and defend the City and the governing body members, officers, agents, servants and employees thereof, now or forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action, or other proceeding whatsoever, by any person or entity whatsoever arising or purportedly arising from the acquisition, construction, installation, ownership, and operation of the Minimum Improvements by the Developer.
- (b) The City and the governing body members, officers, agents, servants or employees shall not be liable for any damage or injury to the persons or property of the Developer, or its officers, agents, servants or employees, or any other person who may be about the Development Property or Minimum Improvements due to any act of negligence of any person except any loss, damage, injury or death arising from negligence or willful acts of the City, its officers, employees, agents or contractors.
- (c) All covenants, stipulations, promises, agreements and obligations of the City contained herein, shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City in the individual capacity thereof.

ARTICLE X

EVENTS OF DEFAULT

Section 10.1. Events of Default Defined. The following shall be deemed Events of Default under this Agreement and the term shall mean, whenever it is used in this Agreement, unless the context otherwise provides, any one or more of the following events:

- (a) Failure by the Developer to pay, when due, the payments required to be paid or secured under any provision of this Agreement, including the Assessment Agreement, or the Agreement to Pay Deficiencies.
- (b) Failure by the Developer to observe and substantially perform any covenant, condition, obligation or agreement on its part to be observed or performed hereunder, after written notice to the Developer as provided in this Agreement.
- (c) If the Developer shall admit, in writing, its inability to pay its debts, generally, as they become due, or shall file a petition in bankruptcy, or shall make an assignment for the benefit of its creditors, or shall consent to the appointment of a receiver of itself or of the whole or any substantial part of the Development Property.
- (d) If the Developer shall file a petition under the federal bankruptcy laws.
- (e) If the Developer, on a petition in bankruptcy filed against it, be adjudicated a bankrupt, or a court of competent jurisdiction, shall enter an order of decree appointing, without the consent of the Developer, a receiver of the Developer, or of the whole or substantially all of its property; or approve a petition filed against the Developer seeking reorganization or arrangement of the Developer under the federal bankruptcy laws, and such adjudication, order or decree shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or
- (f) If the Developer is in default under any Mortgage and has not entered into a workout agreement with the Mortgagee.

Section 10.2. Remedies on Default. Whenever any Event of Default occurs, the City may, in addition to any other remedies or rights given the City under this Agreement, but only after the Developer's failure to cure within 30 days of written notice of default (33 days if the notice is delivered by mail), take one or more of the following actions:

- (a) Suspend its performance under this Agreement until it receives assurances from the Developer, deemed reasonably adequate by the City, that the Developer will cure the default and continue its performance under this Agreement.
- (b) Cancel and rescind or terminate this Agreement.
- (c) Withhold the Certificate of Completion; or

- (d) Take whatever action at law or in equity may appear necessary or desirable to the City to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 10.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City or Developer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, or now or hereafter, existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right, and power may be exercised from time to time and as often as may be deemed expedient.

In order to entitle the City or the Developer to exercise any remedy reserved to them, it shall not be necessary to give notice, other than such notice as may be required in this Article X.

Section 10.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by another 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 10.5. Remedies on City Default. If the City fails to pay and/or observe and substantially perform any covenant, condition or obligation on its part to be paid, observed or performed hereunder, the Developer may, in addition to any other remedies or rights given the Developer under this Agreement, but only after the City's failure to cure within 30 days of written notice of default (33 days if the notice is delivered by mail), take whatever action at law or in equity may appear necessary or desirable to the Developer to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the City under this Agreement.

ARTICLE XI

ADDITIONAL PROVISIONS

Section 11.1. Conflict of Interests. Representatives Not Individually Liable. No City officer who is authorized to take part in any manner in making this Agreement in his or her official capacity shall voluntarily have a personal financial interest in this Agreement or benefit financially therefrom. No member, official, or employee of the City shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or successor or on any obligations under the terms of this Agreement.

Section 11.2. Agreement Recorded. This Agreement shall run with the Development Property until the Maturity Date and shall be recorded by the City in the office of the Anoka County Recorder.

Section 11.3. Non-Discrimination. During the life of this contract, the provisions of M.S. § 181.59, which relate to civil rights and non-discrimination, and any affirmative action program of the City, shall be considered a part of this Agreement and binding on the Developer as though fully set forth herein.

Section 11.4. Amendment. This Agreement may be amended by the parties hereto only by written instrument executed in accordance with the same procedures and formality followed for the execution of this Agreement.

Section 11.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 11.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under this Agreement, by either party to the other shall be sufficiently given or delivered if it is sent by registered or certified mail, postage prepaid, return receipt requested or delivered personally:

- | | |
|--------------------------|---|
| (a) As to the City: | City of Ramsey
City Administrator
7550 Sunwood Drive Northwest
Ramsey, Minnesota 55303 |
| (b) As to the Developer: | Asset Resources And Acquisition, LLC
9243 East River Road
Coon Rapids, MN 55433 |

Either party may, by giving 10 days notice to the other party as provided above, change the place to which notifications are to be sent.

Section 11.7 Waiver. Any party to this Agreement may elect to waive any remedy it may enjoy under this Agreement, provided that no waiver shall be deemed to exist unless the party waiving a right or remedy does so in writing. No waiver shall obligate to a party to waive

any other right or remedy under this Agreement, or shall be deemed to constitute a waiver of other rights and remedies provided the party pursuant to this agreement.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf and its seal to be hereunto duly affixed, and the Developer has caused this Agreement to be duly executed as of the day and year first above written.

CITY OF RAMSEY, MINNESOTA

ASSET RESOURCES AND ACQUISITION, LLC

By: [Signature]
Its: Mayor

By: [Signature]
Its: Chief Manager

Attest By: [Signature]
Its: City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

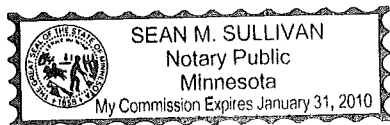
On this 19th day of February, 2008, before me, a Notary Public, personally appeared Thomas G. Gamec and Kurtis G. Ulrich to me personally known, who, being each by me duly sworn did say that they are respectively the Mayor and City Administrator of the City of Ramsey, the Municipal Corporation named in the foregoing instrument, and the seal affixed to said instrument is the corporate seal of said Municipal Corporation, and the said instrument was signed and sealed on behalf of said Municipal Corporation by authority of its City Council and said Thomas G. Gamec and Kurtis G. Ulrich acknowledge said instrument to be the free act and deed of said Municipal Corporation.



[Signature]
Signature of Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this 8th day of February, 2008, by Christopher J. Mundt, the Chief Manager of Asset Resources And Acquisition, LLC, a Minnesota Limited Liability Company under the laws of the State of Minnesota on behalf of the Limited Liability Company.



[Signature]
Signature of Notary Public

Legal Description of Development Property

Lot 5, Block 4, Gateway North Industrial Park Plat 2

Construction Plans

**CITY OF RAMSEY
DEVELOPMENT PERMIT
ASSET RESOURCES AND ACQUISITION, LLC**

On January 8, 2008, Site Plan approval was granted by the City of Ramsey ("City") to Asset Resources and Acquisition, LLC whose address is 21000 Kerry St. N.W., Cedar, MN 55011 ("Permittee"), to construct a 14, 143 square foot office/warehouse facility ("Structure") on the property which is legally described as follows:

Lot 5, Block 4, Gateway North Industrial Park Plat 2

the ("Site").

This approval is issued pursuant to §9.03.08 of the City Code. The conditions of this approval are as follows:

1. **STRUCTURE.** All building plans must be prepared and certified by a registered engineer or architect.
2. **STATE BUILDING CODE COMPLIANCE.** The structure shall be constructed in accordance with the requirements of the State Building Code.
3. **SITE PLAN COMPLIANCE.** The structure shall be constructed on the Site as shown on the Site Plan submittal prepared by Hakanson Anderson dated _____.
4. **REQUIRED IMPROVEMENTS.** The Permittee shall construct and install the following site improvements on the Site in accordance with the specifications and location as shown on the Site Plan. The Required Improvements are as follows:
 - a. Site grading in accordance with the Grading and Drainage Plan prepared by Hakanson Anderson.
 - b. Installation of concrete or bituminous driveways and parking lot.
 - c. Installation of B-6/12 continuous concrete curbing around the perimeter of all concrete and/or bituminous surfaces.
 - d. Establishment of turf in areas disturbed during construction and in accordance with the Site Plan.
 - e. Installation of landscaping materials in accordance with the Landscape Plan prepared by Hakanson Anderson dated _____ and the City Staff review letter revised January 3, 2008.
 - f. Irrigation metering and backflow devices shall be approved as part of the Utility Plan, and installed accordingly.
 - g. Irrigation rain sensors shall be installed and appropriately placed throughout the development.
5. **FIRE LANES.** Fire lanes shall be maintained on the Site. The exact location of these items on the Site shall be as directed by the City's Fire Chief.

6. **LIGHTING.** Lighting shall be installed on the site in accordance with the specifications and locations shown on the submitted lighting plan.
7. **BUILDING FACADE.** The Permittee agrees to construct all building faces of the same material as listed on the Building Elevations prepared by Croix Custom Concepts, undated.
8. **REQUIREMENTS FOR BUILDING PERMIT.** No building permit for the Site will be issued until the Permittees have: a) signed and returned this Development Permit; b) provided the City with a copy of the LRRWMO and MPCA permits, and c) payment of all fees required under this agreement. No Certificate of Occupancy for the structure will be issued until the Required Improvements, or a financial surety for same, are accepted by the City.
9. **IMPROVEMENT CONSTRUCTION SCHEDULE.** The Required Improvements shall be completed before December 31, 2008.
10. **RECOGNITION OF LOCATION.** The Permittees herein agree to recognize Ramsey as the City of location on all forms of advertising and business correspondence whenever reasonably prudent to do so.
11. **INSPECTION FEES.** The Permittees shall be responsible for all inspection costs incurred by the City related to the installation of the Required Improvements. The Permittees shall make a cash deposit into the appropriate escrow account at the City and the City shall have the authority to draw upon these funds for the purpose of compensating for inspection services. The amount of the deposit shall be equal to five percent (5%) of the estimated cost of the Required Improvements, which equates to Two thousand five-hundred dollars and no cents (**\$2,500.00**). This is to cover the cost of inspecting the storm sewer construction, site grading and connection to City utilities. Upon completion of the Improvements to the satisfaction of the City, any surplus balance remaining in the City's escrow account shall be refunded to the Permittees.
12. **MUNICIPAL UTILITIES.** Sewer and water connection charges and trunk fees will be financed through the Tax Increment Financing district established by the City of Ramsey.
13. **TRAIL CONSTRUCTION ESCROW.** The Developer shall make a cash escrow equal to Eleven thousand one hundred sixty-seven dollars and no cents (**\$11,167.00**) to cover the cost of construction of that portion of trail to be constructed along Bunker Lake Boulevard and the Subject Property. This escrow will be deposited into the Trail Development Fund, and dedicated to the Bunker Lake Regional Trail project.
14. **LRRWMO APPROVAL:** The approval on this site plan does not include the future building and parking expansion. It should be noted the LRRWMO permit will include a condition specifying that the on- site ponding occupying the future parking area cannot be eliminated until the downstream regional basin is increased in capacity or the on site basin is relocated to meet current storm water management requirements. The City will


not be responsible for the increase in the capacity of the regional pond to accommodate the future expansions identified on the site.

15. **STORMWATER MANAGEMENT FEES.** Initial stormwater management fees will be paid through the Tax Increment Financing district established by the City of Ramsey. However, the applicant will be responsible for the stormwater utility charge, based on the determined Residential Equivalent Unit (REU).
16. **OUTSIDE REGULATORY AGENCIES.** The Permittees herein agree to be responsible for obtaining all required permits or licenses from any other regulatory agencies.
17. **CONSTRUCTION SITE MAINTENANCE.** The Permittees shall adhere to all City ordinances relating to, but not limited to, dumping of garbage, site development, construction debris, open burning, etc. Construction and Delivery Hours are restricted to 7:00 AM to 10:00 PM, Monday through Saturday. All stockpiles of building materials shall be kept 20 feet from the back of curb, or a slit fence around the materials must be installed. The Permittee shall post a sign stating such at all entrances to the Site, such sign may range from 20 to 30 square feet in size, and be securely anchored in place.
18. **FINANCIAL ASSISTANCE.** The City shall be responsible to provide the financial assistance listed in Section 2.2 of the Development Agreement between the parties. The payment for the Site Improvements shall be made at the time a Certificate of Occupancy for the Development Property is issued. These payments will be made to Permittee only if all property taxes, City fees and charges on the property are current.
19. **AGREEMENT BINDING ON HEIRS, ETC.** The Permittees agree that this Development Permit shall be binding upon their successors and assigns. Breach of any of the terms of this Development Permit by the Permittees shall be grounds for denial of building permits.

Asset Resources and Acquisition, LLC hereby acknowledges receipt of this permit and that they have reviewed the conditions of and have agreed that they will comply with the terms of this permit.

CITY OF RAMSEY, MINNESOTA

By 
Its: _____
Mayor

By 
Its: _____
City Administrator

ASSET RESOURCES AND ACQUISITION, LLC

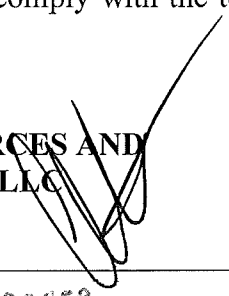
By 
Its: Chief Manager

EXHIBIT D

**ASSESSMENT AGREEMENT AND
CERTIFICATION OF COUNTY ASSESSOR**

THIS AGREEMENT, made and entered into this 22nd day of January, 2008, by and between the **City of Ramsey**, a Minnesota municipal corporation, having its principal office at 7550 Sunwood Drive Northwest, Ramsey, Minnesota 55303 (the "City"), and **Asset Resources And Acquisition, LLC, a Minnesota Limited Liability Company**, having its principal office at 9243 East River Road, Coon Rapids, MN 55433 (the "Developer").

WITNESSETH:

WHEREAS, the City is administering City Development District No. 1 created pursuant to M.S. § 469.124 through § 469.134; and

WHEREAS, the City is administering Tax Increment Financing District No. 2 created pursuant to M.S. § 469.174 through § 469.179; and

WHEREAS, the parties have entered into a Contract for Private Development (the "Agreement"), dated January 22, 2008, regarding the development of certain real property located in Development District No. 1 and Tax Increment Financing District No. 2 within the City and legally described as:

Lot 5, Block 4, Gateway North Industrial Park Plat 2

(the "Development Property"); and

WHEREAS, it is contemplated that pursuant to the Agreement, the Developer will construct the Minimum Improvements described in the Agreement and shall complete said Minimum Improvements prior to December 31, 2008; and

WHEREAS, the City and the Developer desire to establish minimum market values for the Development Property and the Minimum Improvements to be constructed thereon, pursuant to M.S. § 469.177, Subdivision 8; and

WHEREAS, the county assessor has reviewed the plans and specifications for the Minimum Improvements which will be constructed.

NOW THEREFORE, the parties agree as follows:

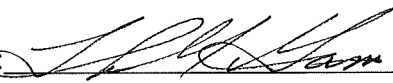
1. On January 2, 2009, the Minimum Market Value of the Minimum Improvements and the Development Property (the "Combined Property") shall be **One Million Four Hundred Thousand and 00/100's Dollars (\$1,400,000.00)**. The Minimum Market Value of the Combined Property will remain in effect for the term of this Agreement as described in paragraph 4 hereof.

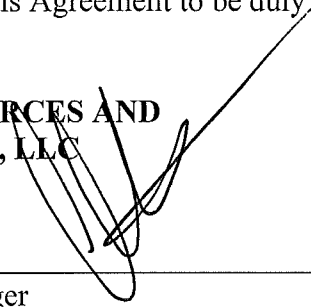
2. Nothing in this Agreement shall limit the discretion of the county assessor or any other public official or body having the duty to determine the Market Value of the Combined Property for ad valorem tax purposes to assign to the Combined Property a Market Value in excess of the Minimum Market Value specified in this Agreement.
3. Neither the preambles nor the provisions of this agreement are intended to modify nor shall they be construed as modifying, the terms of the Agreement.
4. This agreement shall remain in effect and inure to the benefit and be binding upon the successors and assigns of the parties through the Maturity Date as described in the Agreement.
5. As provided in M.S. § 469.177, Subdivision 8, nothing contained herein shall be deemed to limit the right or opportunity of the Developer to challenge, through any legal means, that part of any valuation on the market value of the Combined Property, which is in excess of the stipulated Minimum Market Value contained in this agreement, provided, however, that the Developer may not institute or prosecute any challenge to the excess which, if successful, would also result in a reduction of the assessment below the Minimum Market Value.
6. Capitalized terms not otherwise defined herein have the meanings given them in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

CITY OF RAMSEY, MINNESOTA

**ASSET RESOURCES AND
ACQUISITION, LLC**


By: 
Its: Mayor

By: 
Its: Chief Manager

Attest By: 
Its: City Administrator

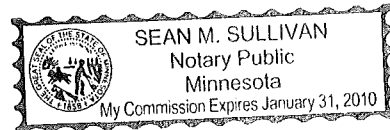
STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

On this 19th day of February, 2008, before me, a Notary Public, personally appeared Thomas G. Gamec and Kurtis G. Ulrich to me personally known, who, being each by me duly sworn did say that they are respectively the Mayor and City Administrator of the City of Ramsey, the Municipal Corporation named in the foregoing instrument, and the seal affixed to said instrument is the corporate seal of said Municipal Corporation, and the said instrument was signed and sealed on behalf of said Municipal Corporation by authority of its City Council and said Thomas G. Gamec and Kurtis G. Ulrich acknowledge said instrument to be the free act and deed of said Municipal Corporation.

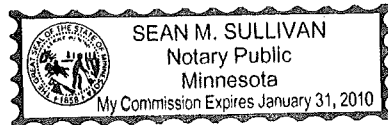


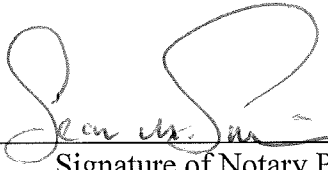
Signature of Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)



The foregoing instrument was acknowledged before me this 8th day of February, 2008, by Christopher J. Mundt, the Chief Manager of Asset Resources And Acquisition, LLC, a Minnesota Limited Liability Company under the laws of the State of Minnesota on behalf of the Limited Liability Company.





Signature of Notary Public

FORM OF CERTIFICATE OF COMPLETION

The undersigned hereby certifies that Asset Resources And Acquisition, LLC, a Minnesota Limited Liability Company, has fully and completely complied with its obligations under Article III of that document entitled "Contract for Private Development", dated January 22, 2008 between the City of Ramsey, Minnesota and Asset Resources And Acquisition, LLC, a Minnesota Limited Liability Company, recorded in the office of the Anoka County Recorder as Document Number _____ (the "Agreement"), with respect to construction of the Minimum Improvements on the real estate which is legally described as follows:

Lot 5, Block 4, Gateway North Industrial Park Plat 2

(the "Development Property") in accordance with the Construction Plans, and is released and forever discharged from its obligations under the above referenced Article III of the Agreement.

In addition, a Lien Agreement between Asset Resources And Acquisition, LLC, a Minnesota Limited Liability Company and the City of Ramsey dated _____ and recorded in the office of the Anoka County Recorder as Document Number _____ is hereby terminated and the lien against the Development Property created thereby released and discharged.

CITY OF RAMSEY

Dated: _____

By: _____
Its Mayor

Attest By: _____
Its City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

On this ____ day of _____, _____, before me, a Notary Public, personally appeared _____ and _____ to me personally known, who, being each by me duly sworn did say that they are respectively the Mayor and City Administrator of the City of Ramsey, the Municipal Corporation named in the foregoing instrument, and the seal affixed to said instrument is the corporate seal of said Municipal Corporation, and the said instrument was signed and sealed on behalf of said Municipal Corporation by authority of its City Council and said Thomas G. Gamec and Kurtis G. Ulrich acknowledge said instrument to be the free act and deed of said Municipal Corporation.

Signature of Notary Public

LIEN AGREEMENT

This Agreement, made and entered into this 22nd day of January, 2008, by and between the **City of Ramsey**, a Minnesota municipal corporation, having its principal office at 7550 Sunwood Drive Northwest, Ramsey, Minnesota 55303 (the "City") and **ASSET RESOURCES AND ACQUISITION, LLC, A MINNESOTA LIMITED LIABILITY COMPANY**, having its principal office at 9243 East River Road, Coon Rapids, MN 55433 (the "Developer");

WITNESSETH:

WHEREAS, pursuant to M.S. §469.124 through §469.134, the City has created City Development District No. 1 ("Development District") and, pursuant to M.S. §469.174 through §469.179, has established Tax Increment Financing District No. 2 ("TIF District"); and

WHEREAS, the City has adopted a development program ("Program") and tax increment financing plan ("TIF Plan") for the Development District and TIF District, which Program and TIF Plan call for the City to perform certain site improvements ("Site Improvements") and for the Developer to construct certain permanent improvements ("Minimum Improvements") on property located in the City and legally described as:

Lot 5, Block 4, Gateway North Industrial Park Plat 2

(the "Development Property"); and

WHEREAS, the nature of the Site Improvements to be performed by the City and of the Minimum Improvements to be constructed by the Developer on the Development Property are fully detailed in that certain Contract for Private Development dated January 22, 2008 between the City and the Developer (the "Agreement"); and

WHEREAS, the City desires to have assurance that the Developer will complete the Minimum Improvements following installation of the Site Improvements by the City.


NOW, THEREFORE, in consideration of the mutual covenants and obligations of the City and the Developer, the parties agree as follows:

1. As security for the Financial Assistance granted to the Developer including the Public Improvements installed on the Development Property by the City and for the benefit of the Development Property, the Developer grants to the City and the City does have a lien on the Development Property.
2. The lien is in the amount of **One Hundred Fifty Thousand and 00/100's Dollars (\$150,000.00)**, which amount the parties agree represents the City's cost for providing the Financial Assistance (the "Lien").
3. The Lien shall be repaid to the City by Developer within 90 days of the completion date of the Public Improvements by the City unless, within such 90 days, the Developer completes construction of the Minimum Improvements. Payment of the Lien shall be suspended during any time in which the Developer is making substantial progress on construction of the Minimum Improvements. If the Developer fails to make substantial

progress on the Minimum Improvements for a 90-day period following initiation of work, the Lien may become immediately due and payable in full. Notwithstanding any other provision herein to the contrary, the Lien may, at the City's option become immediately due and payable in full if the Minimum Improvements are not completed by December 31, 2008, subject to Unavoidable Delays as defined in the Agreement.

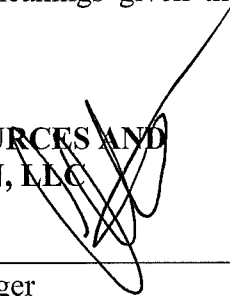
4. The Lien shall become automatically null and void upon issuance by the City of a Certificate of Completion for the Minimum Improvements.
5. The Lien shall run with the Development Property and shall insure to the benefit of, and be binding upon, the parties hereto and their respective heirs, executors, representatives, successors and assigns.
6. In the event that the Developer or any of its successors or assigns fails or refuses to make the repayment required by this Lien Agreement, within the time established, the City may, with or without notice, foreclose the Lien in the same manner as is provided by statute for action for the foreclosure of mortgages upon real property.
7. This Lien Agreement shall be subordinate to any first mortgage granted by the Developer to finance the construction of the Minimum Improvements. The City will execute any agreements reasonably requested by the Developer and/or holders of any first mortgage to evidence such subordination.
8. Capitalized terms not otherwise defined herein have the meanings given them in the Agreement.

CITY OF RAMSEY, MINNESOTA

By: 
Its: Mayor

Attest By: 
Its: City Administrator

**ASSET RESOURCES AND
ACQUISITION, LLC**

By: 
Its: Chief Manager

AGREEMENT TO PAY DEFICIENCIES

THIS AGREEMENT, made and entered as of this 22nd day of January, 2008, by and between the **City of Ramsey**, a Minnesota municipal corporation, having its principal office at 7550 Sunwood Drive Northwest, Ramsey, Minnesota 55303 (the “City”) and **ASSET RESOURCES AND ACQUISITION, LLC, A MINNESOTA LIMITED LIABILITY COMPANY**, a Minnesota Limited Liability Company, having its principal office at 9243 East River Road, Coon Rapids, MN 55433 (the “Developer”);

WITNESSETH:

WHEREAS, the City and the Developer have entered into an agreement entitled Contract for Private Development dated January 22, 2008 (the “Agreement”) regarding development of certain real property situated in the City of Ramsey, legally described as:

Lot 5, Block 4, Gateway North Industrial Park Plat 2

(the “Development Property”); and

WHEREAS, the City has established Tax Increment Financing District No. 2 pursuant to M.S. § 469.174 through § 469.179, and has established Development District No. 1 pursuant to M.S. § 469.124 through § 469.134, which includes the Development Property; and

WHEREAS, the Agreement requires the City to construct certain public improvements and requires the Developer to construct certain improvements (the “Minimum Improvements”) thereon, all as more fully described in the Agreement; and

WHEREAS, in order to finance the public costs related to construction of the Minimum Improvements on the Development Property, the City has agreed to use its tax increment financing funds or to otherwise fund such costs; and

WHEREAS, the Agreement requires the execution of this Agreement to Pay Deficiencies; and

NOW, THEREFORE, in consideration of the mutual covenants and obligations of the City and the Developer, the parties do hereby agree as follows:

1. Except as qualified by paragraph 3 herein, if for any reason, the Tax Increment generated from the Development Property payable with the real estate taxes due in any calendar year commencing in 2010 and ending in 2012, is less than the required tax increment (the “Required Increment”) as defined in paragraph 2 herein, the City will notify the Developer of the difference (the “Deficiency”), and will make written demand upon the Developer for the payment thereof. The Developer or its successors and assigns, within 30 days after the City gives written notice, shall pay to the City the Deficiency.
Payments will be based upon the normal real estate tax payment schedule of biannual payments.
2. The required Net Tax Increment to be generated from the Development Property is **Twenty Thousand and 00/100’s Dollars (\$20,000.00)** per year. The tax increment is projected to start with the tax revenues received in 2010 and end in 2012.

