

City of Ramsey
Agenda
Regular City Council
Tuesday November 13, 2012
7:00 pm
Council Chambers, 7550 Sunwood Drive NW

- 1. Call to Order**
- 2. Presentation**
- 3. Citizen Input**
- 4. Consent Agenda**
 1. Receive Cash & Investments for Period Ending October 31, 2012
 2. Receive September 2012 Financial Reports - General Fund and Enterprise Funds
 3. Receive Building Permit Revenue Report for October 2012
 4. Consider Lease Agreement with Independent Auto Service INC for use of Cold Storage Area; and Consider Sublease Agreement with First Choice Towing (6745 Hwy 10).
 5. Consider EDA Revolving Loan Fund (RLF) Application
 6. Introduce Ordinance to Amend City Code Chapter 117, Article II, Division 8 (Signs) Related to Temporary, Construction, Real Estate, and Off-Premise Signs
 7. Introduce Ordinance for 2013 Schedule of Rates, Fees and Charges
 8. Approve Request to Declare Surplus Property
 9. Adopt Resolution #12-11-XXX Approving Cash Disbursements Made and Authorizing Payment of Accounts Payable Invoicing Received During the period of October 17, 2012 through November 7, 2012
 10. Adopt Resolution #12-11-XXX Adopting the 2013 Parking Ramp Maintenance Budget and Approve attached Resolution #12-11-XXX Allocating the Parking Ramp Maintenance Costs per the adopted 2013 budget based on each parcels allocated share as outlined.
 11. Adopt Resolution #12-11-XXX to Accept the City Administrator's Performance Evaluation
 12. Report From the Finance Committee of October 23, 2012 - Agenda Item - Award Contract for Banking Services
 13. Report from Public Works Committee meeting dated October 16, 2012.
 14. Report from the Personnel Committee - Meeting Date October 23, 2012

5. Approve Agenda

6. Public Hearing

1. Introduce Ordinance Vacating Portions of Drainage and Utility Easement and Consider Easement Encroachment Agreement at 6012 146th Ave NW; Case of Jesse VerBeek

7. Council Business

1. Report from the Personnel Committee - Meeting Date November 13, 2012.
2. Consider Deferral for Development Fees - Sunwood Retail Area
3. Consider Modification of TIF District 14

8. Mayor/Council/Staff Input

9. Adjournment

CC Regular Session**4. 1.****Meeting Date:** 11/13/2012**By:** Diana Lund, Finance

Information**Title:**

Receive Cash & Investments for Period Ending October 31, 2012

Background:

Report on the City's cash and investments for the period ending October 31, 2012. Cash balances graph reflects the changes in cash balances on the city's major funds for the period ending October 31, 2012, in comparison to year-ending December 31, 2011. December 31, 2011 numbers reflect final audited numbers.

Council Action:

None Required. Informational only.

AttachmentsCash & Investments for Period Ending October 31, 2012Cash Balances on Major City Funds - October 31, 2012

Form Review**Inbox**

Kurt Ulrich

Reviewed By

Kurt Ulrich

Date

11/07/2012 03:46 PM

Form Started By: Diana Lund

Started On: 10/19/2012 11:04 AM

Final Approval Date: 11/07/2012

CITY OF RAMSEY
REPORT OF POOLED CASH FLOWS
Period Ended October, 2012

	October-12 CURRENT MONTH	2012 YEAR-TO-DATE
CASH AND TEMPORARY INVESTMENTS		
BEGINNING BALANCE	\$ 39,455,070.46	\$ 45,949,302.73
CASH INFLOWS:		
Daily Deposit	548,233.27	5,049,256.55
Tax Settlements		6,271,397.42
U/B Receipts	53,135.95	2,649,249.12
Credit Cards	25,285.83	331,323.87
Interest Earnings [Net of Interest Paid on Investments]	69,698.80	757,654.10
Bond Proceeds	-	12,137.35
TOTAL CASH INFLOW	\$ 696,353.85	\$ 15,071,018.41
TOTAL CASH AVAILABLE	\$ 40,151,424.31	\$ 61,020,321.14
CASH OUTFLOWS:		
Prepaid Checks	504,420.67	\$ 5,593,620.17
Bills Lists	618,210.42	5,418,790.00
F&C Draws	-	781,853.68
Ramsey Rail - Northstar	-	3,562,500.00
Pay Estimates	640,745.28	4,147,273.01
Credit Cards	1,357.74	10,903.17
Payroll - Net	270,154.35	2,839,965.31
Flex Reimbursement	3,216.23	61,361.40
Void Checks/Dormant Checks Paid	-	(13,705.08)
Debt Service		503,663.33
Miscellaneous [Bank Charges; etc.]	167.08	943.61
TOTAL CASH OUTFLOW	\$ 2,038,271.77	\$ 22,907,168.60
POOLED CASH AND TEMPORARY INVESTMENTS		
ENDING BALANCE	\$ 38,113,152.54	\$ 38,113,152.54
MEMO - NET 2012 CASH INFLOW (OUTFLOW)	(1,341,917.92)	(7,836,150.19)

INVESTMENT PORTFOLIO SUMMARY

BEGINNING BALANCE	\$ 29,812,738.78	\$ 42,230,022.32
Purchases	200,000.00	13,784,000.00
Maturities/Sales	(1,875,547.64)	(27,876,831.18)
ENDING BALANCE	\$ 28,137,191.14	\$ 28,137,191.14

2012 CASH AND INVESTMENT ACTIVITY										
CITY	STATED				PRIN		SOLD/	BV		
INVEST #	MAT	BROKER	SECURITY	CUSIP	BAL	PURCH	MATURE	PRIN	PAR	YTM
	DATE		DESCRIP		1/1/2012	2012	2012	12/31/2012		
031029	9/15/2012	Landmark	CD-Landmark	old-12456 new-13672	317,299.14			317,299.14 317,299.14	256,633	1.50%
120320	9/20/2012	4M	Term Series 4M			2,000,000.00	2,000,000.00	0.00	2,000,000	0.13%
110714A	1/12/2012	4M	Term Series 4M		2,000,000.00		2,000,000.00	0.00	2,000,000	0.20%
111220A	3/20/2012	BOW	CD-BOW		1,000,000.00		1,000,000.00	0.00	1,000,000	0.44%
111220B	6/20/2012	BOW	CD-BOW		2,000,000.00		2,000,000.00	0.00	2,000,000	0.72%
111230	3/30/2012	BOW	CD-BOW		2,000,000.00		2,000,000.00	0.00	2,000,000	0.38%
110714C	1/13/2012	BOW	CD-BOW	102992	1,000,000.00		1,000,000.00	0.00	1,000,000	0.26%
110714D	4/13/2012	BOW	CD-BOW	102993	1,000,000.00		1,000,000.00	0.00	1,000,000	0.32%
110727	1/27/2017	BOW	FHLB	313374T34-0V0	500,000.00		500,000.00	0.00	500,000	2.35%
091229D	12/29/2014	BOW	FFCB	31331JAN3	1,000,000.00		0.00	1,000,000.00	1,000,000	2.75%
100305	3/5/2015	BOW	FFCB	31331JFY4	1,000,000.00		1,000,000.00	0.00	1,000,000	2.75%
100723	7/23/2015	BOW	FNMA	3134G1MG6062	1,000,000.00		1,000,000.00	0.00	1,000,000	2.45%
								1,000,000.00		
101227	12/17/2012	ICD SEC	CD-ALLY BANK	02005QBU6	176,000.00		0.00	176,000.00	176,000	0.85%
120711	7/11/2014	ICD SEC	CD-ALLY BANK	02005QM67		73,000.00	0.00	73,000.00	73,000	0.90%
120906	3/6/2014	ICD SEC	CD-ALLY BANK	02005QR47		50,000.00	50,000.00	0.00	100,000	0.90%
081028	10/28/2013	ICD SEC	CD-AMERICAN CHA	27006	100,000.00		0.00	100,000.00	100,000	5.50%
110609	6/9/2014	ICD SEC	CD-AMERICAN EXPI	02587DAX6	250,000.00		0.00	250,000.00	250,000	1.25%
100812A	8/13/2012	ICD SEC	CD-AMERICAN PLU	58469	100,000.00		100,000.00	0.00	100,000	1.10%
120718	11/18/2013	ICD SEC	CD-APPLE BANK FO	037830MN3		78,000.00	0.00	78,000.00	78,000	0.45%
101229B	6/29/2012	ICD SEC	CD-AURORA BANK	05155TAL2	150,000.00		150,000.00	0.00	150,000	70.00%
110803A	2/4/2013	ICD SEC	CD-BANCO POPULA	05967EGL7	200,000.00		0.00	200,000.00	200,000	0.65%
120621	6/21/2013	ICD SEC	CD-BANK BALBAO	059457UY5		150,000.00	0.00	150,000.00	150,000	0.50%
120926	9/26/2013	ICD SEC	CD-BANK HAPOALI	062S1AYM6		100,000.00	0.00	100,000.00	100,000	0.50%
091217C	6/17/2012	ICD SEC	CD-BANK OF AMERI	3510	150,000.00		150,000.00	0.00	150,000	2.60%
091203	12/3/2014	ICD SEC	CD-BANK OF AMERI	3510	100,000.00		0.00	100,000.00	100,000	3.50%
120713	7/12/2013	ICD SEC	CD-BANK OF BAROI	060624JZ7		249,000.00	0.00	249,000.00	249,000	0.45%
111221B	10/23/2013	ICD SEC	CD-BANK OF CHINA	06425HVS3	100,000.00		0.00	100,000.00	100,000	1.10%
110629B	12/28/2012	ICD SEC	CD-BANK OF CHINA	06425P4P0	146,000.00		0.00	146,000.00	146,000	0.75%
081223	12/23/2013	ICD SEC	CD-BANK OF HOLL	34862	100,000.00		0.00	100,000.00	100,000	4.95%
121031	10/30/2013	ICD SEC	CD-BANK OF INDIA	062782T98		100,000.00	0.00	100,000.00	100,000	0.50%
120411	4/10/2013	ICD SEC	CD-BANK OF INDIA	06782D20		100,000.00	0.00	100,000.00	100,000	0.45%
120208A	5/8/2013	ICD SEC	CD-BEAL BANK USA	07370SK20		249,000.00	0.00	249,000.00	249,000	0.40%
120210	8/12/2013	ICD SEC	CD-BMW BANK	05568PV46		100,000.00	0.00	100,000.00	100,000	0.60%
081009	10/9/2013	ICD SEC	CD-CAPITOL CITY B	33938	100,000.00		0.00	100,000.00	100,000	5.25%
110831	2/28/2014	ICD SEC	CD-CIT BANK	172854AWZ7	200,000.00		0.00	200,000.00	200,000	1.05%
110803C	2/4/2013	ICD SEC	CD-CITIZEN BANK C	57282	100,905.75		100,000.00	905.75	100,000	0.60%
100114	1/17/2012	ICD SEC	CD-COMMERCIAL B	17225	150,000.00		150,000.00	0.00	150,000	1.60%
090220B	2/21/2012	ICD SEC	CD-COMMONWEAL	57201	100,000.00		100,000.00	0.00	100,000	2.80%
110930	9/30/2013	ICD SEC	CD-COMPASS BANK	20449E3C8	100,000.00		0.00	100,000.00	100,000	1.00%
111014	10/21/2013	ICD SEC	CD-COMPASS BANK	20449E3Z7	100,000.00		0.00	100,000.00	100,000	1.05%
110629A	7/1/2013	ICD SEC	CD-DISCOVER BANK	254670G48	248,000.00		0.00	248,000.00	248,000	0.85%
101221	12/23/2013	ICD SEC	CD-DORAL BANK	25811LYN3	249,000.00		0.00	249,000.00	249,000	1.45%
110318	9/18/2012	ICD SEC	CD-FIRST BANK OF	337624U40	100,000.00		100,000.00	0.00	100,000	1.00%
121019	10/18/2013	ICD SEC	CD-FIRST BANK OF	33764JMR3		100,000.00	0.00	100,000.00	100,000	0.50%
120810	8/9/2013	ICD SEC	CD-FIRST BANK OF	33764JJA4		150,000.00	0.00	150,000.00	150,000	0.50%
091229A	7/2/2012	ICD SEC	CD-FIRST BANK OF	30387	150,000.00		150,000.00	0.00	150,000	2.15%
070129	1/30/2012	ICD SEC	CD-FIRST NATIONAL	9995998P1	100,000.00		100,000.00	0.00	100,000	5.80%
100602B	7/31/2012	ICD SEC	CD-GATEWAY BANI	35160	100,000.00		100,000.00	0.00	100,000	1.60%
120817B	8/18/2014	ICD SEC	CD-GE CAPITAL BA	36161TDW2		49,000.00	0.00	49,000.00	49,000	0.90%
110225	2/25/2013	ICD SEC	CD-GE CAPITAL FIN	36160TQJ8	200,000.00		0.00	200,000.00	200,000	0.95%
110513	8/13/2012	ICD SEC	CD-GE MONEY BAN	36159CA63	200,000.00		200,000.00	0.00	200,000	0.65%
120808	8/8/2013	ICD SEC	CD-GOLDMAN SACH	38143AX46		48,000.00	0.00	48,000.00	48,000	0.45%
120905	9/5/2014	ICD SEC	CD-GOLDMAN SACH	38143AA62		50,000.00	50,000.00	0.00	100,000	0.60%
11121A	10/23/2013	ICD SEC	CD-GOLDMAN SACH	38143AEB7	100,000.00		0.00	100,000.00	100,000	1.10%
110921	3/21/2013	ICD SEC	CD-GOLDMAN SACH	381426SW1	100,000.00		0.00	100,000.00	100,000	0.65%
070702	7/2/2012	ICD SEC	CD-JP Morgan Chase	32633	100,000.00		100,000.00	0.00	100,000	5.45%
071009	10/9/2012	ICD SEC	CD-KEYBANK NATI	21366	100,000.00		100,000.00	0.00	100,000	5.60%
110629C	4/29/2014	ICD SEC	CD-LAKESIDE BANK	51210SG47	249,000.00		0.00	249,000.00	249,000	1.00%
090122A	1/23/2012	ICD SEC	CD-MACON BANK	31445	100,000.00		100,000.00	0.00	100,000	3.05%
110613	12/13/2013	ICD SEC	CD-MEDALLION BA	58403BUW4	100,000.00		0.00	100,000.00	100,000	1.10%
090423	4/23/2012	ICD SEC	CD-NORTHBROOK B	57082	100,000.00		100,000.00	0.00	100,000	2.60%
071030D	10/22/2012	ICD SEC	CD-NOVA SAVINGS	27148	100,000.00		100,000.00	0.00	100,000	5.55%
100202	2/2/2012	ICD SEC	CD-Oriental B&T (FUI	27150	100,000.00		100,000.00	0.00	100,000	1.75%
080103B	1/3/2012	ICD SEC	CD-PNC Bank (NAT	6557	100,000.00		100,000.00	0.00	100,000	5.05%

PRINTED 11/2/2012

2012 CASH AND INVESTMENT ACTIVITY

CITY INVEST #	STATED MAT DATE	BROKER	SECURITY DESCRIP	CUSIP	PRIN BAL 1/1/2012	PURCH 2012	SOLD/ MATURE 2012	BV		
								PRIN BAL 12/31/2012	PAR	YTM
120427	7/29/2013	ICD SEC	CD-PRIVATEBANK &	742676SB4		100,000.00	0.00	100,000.00	100,000	0.35%
090528F	5/29/2012	ICD SEC	CD-R-G PREMIER BA	23018	250,000.00		250,000.00	0.00	250,000	3.00%
120131	1/30/2015	ICD SEC	CD-SAFRA NATION/	786584YA2		150,000.00	0.00	150,000.00	150,000	1.00%
120307	4/8/2013	ICD SEC	CD-SAFRA NATION/	786580A59		100,000.00	0.00	100,000.00	100,000	0.35%
071114	11/13/2012	ICD SEC	CD-SAIGON NATION	57974	100,000.00		0.00	100,000.00	100,000	5.35%
120815	8/15/2014	ICD SEC	CD-SALLIE MAE BAI	795450NU5		249,000.00	0.00	249,000.00	249,000	0.90%
120208B	2/7/2013	ICD SEC	CD-SOVEREIGN BAN	84603MV29		249,000.00	0.00	249,000.00	249,000	0.40%
120123	1/23/2015	ICD SEC	CD-STATE BANK OF	33664		100,000.00	0.00	100,000.00	100,000	1.10%
120629	7-113	ICD SEC	CD-STATE BANK OF	33664		100,000.00	0.00	100,000.00	100,000	0.80%
110628	6/28/2012	ICD SEC	CD-STATE BANK OF	33664	100,000.00		100,000.00	0.00	100,000	0.85%
110119	1/20/2012	ICD SEC	CD-STATE BANK OF	33664	150,000.00		150,000.00	0.00	150,000	0.85%
070829	8/30/2012	ICD SEC	CD-TEXAS STATE BANK		100,000.00		100,000.00	0.00	100,000	5.90%
100602A	6/4/2012	ICD SEC	CD-UNION NATION/	03661	100,000.00		100,000.00	0.00	100,000	1.50%
111005	10/5/2026	ICD SEC	CD-WELLS FARGO E	949748K97	150,000.00		0.00	150,000.00	150,000	3.00%
081212I	12/12/2013	ICD SEC	CD-WORLDS FOREM	57079	100,000.00		0.00	100,000.00	100,000	4.95%
090331	4/2/2012	ICD SEC	CD-YADKIN VALLE	19861	100,000.00		100,000.00	0.00	100,000	2.60%
								5,862,905.75		
090102A	1/25/2033	Com Sec	FNR 2003-19 ME	31392JIG5	64,545.19		17,604.18	46,941.01	165,176	3.95%
090102B	12/25/2018	Com Sec	FNR 2003-120 BY	31393UGR8	191,156.41		48,488.48	142,667.93	200,000	3.98%
080128C	1/15/2038	Com Sec	FHR 3404 JC	31397PTH3	385,807.83		147,369.46	238,438.37	1,000,000	4.74%
080128F	7/6/2012	Com Sec	CD-INDEPENDENT E	45383XB17	100,000.00		100,000.00	0.00	100,000	4.10%
								428,047.31		
081119B	2/1/2012	Northland	ELK RIVER SCHOOL	287425-xm-9	95,000.00		95,000.00	0.00	95,000	5.00%
120214B	4/1/2017	Northland	ST FRANCIS ISD#15	789466-PU-7		250,000.00	0.00	250,000.00	250,000	4.40%
120215A	2/1/2012	Northland	MINNETONKA ISD #	604195-SB-4		50,000.00	0.00	50,000.00	50,000	5.20%
120215B	2/1/2012	Northland	CEDAR RAPIDS IO T	150528-JU-2		50,000.00	0.00	50,000.00	50,000	4.55%
120215C	10/1/2019	Northland	WESTERN LAKE SUI	958522-WV-4		100,000.00	0.00	100,000.00	100,000	3.15%
081218A	2/1/2012	Northland	CHASKA MN ISD #11	161681-RG-8	250,000.00		250,000.00	0.00	250,000	4.40%
090827	2/1/2012	Northland	MANKATO MN ISD#	563690-MP-8	505,000.00		505,000.00	0.00	505,000	2.20%
090217A	3/1/2012	Northland	STILLWATER ISC #8	860758-PW-5	315,000.00		315,000.00	0.00	315,000	2.65%
080415	4/1/2012	Northland	BURLINGTON AREA	121493-6T-1	115,000.00		115,000.00	0.00	320,000	4.20%
110324	4/1/2012	Northland	NORTHLAND PINES	666509-GU-2	150,000.00		150,000.00	0.00	150,000	5.20%
101230B	4/1/2012	Northland	LACROSSE CTY WIS	502606-QS-8	100,000.00		100,000.00	0.00	100,000	1.00%
101223	6/1/2012	Northland	LINN CTY IOWA TA	535783-FY-5	465,000.00		465,000.00	0.00	465,000	0.85%
080707	12/1/2012	Northland	LACROSSE WI TAX	502768-B8-6	135,000.00		0.00	135,000.00	135,000	5.09%
090630A	12/30/2012	Northland	MCGREGOR ISD #00	580705-GK-1	100,000.00		0.00	100,000.00	100,000	2.75%
040518	2/1/2013	Northland	FNMA 254663	31371K-Z4-6	8,004.83		6,866.87	1,137.96	272,453	3.77%
090212A	2/1/2013	Northland	ROSEMOUNT ISD#15	777594-WW-8	150,000.00		0.00	150,000.00	150,000	3.00%
090820A	2/1/2013	Northland	LACQUI PARLE VAL	505468-AH-1	115,000.00		0.00	115,000.00	115,000	2.65%
090213B	6/1/2013	Northland	ILLINOIS ST PENSIO	452151-LA-9	345,000.00		0.00	345,000.00	345,000	3.85%
080828B	8/28/2013	Northland	CD-NATIONAL REP I	63736Q-JT-9	97,000.00		0.00	97,000.00	97,000	4.95%
090420A	11/1/2013	Northland	BURLINGTON VT PL	122062-MJ-8	125,000.00		0.00	125,000.00	125,000	3.26%
080731	12/15/2013	Northland	BEAVER CITY PA TA	074851-MQ-6	125,000.00		0.00	125,000.00	125,000	5.00%
100106	12/15/2013	Northland	FOX VALLEY PK DIS	351592-GC-8	400,000.00		0.00	400,000.00	400,000	2.06%
080324	12/30/2013	Northland	WHEATON IL PK TA	96257-PB-0	475,000.00		0.00	475,000.00	475,000	4.15%
090630B	12/30/2013	Northland	MCGREGOR ISD #00	580705-GM-7	100,000.00		0.00	100,000.00	100,000	3.00%
090212B	2/1/2014	Northland	ROSEMOUNT ISD#15	777594-WX-6	300,000.00		0.00	300,000.00	300,000	3.50%
090715A	2/1/2014	Northland	MOWER CTY MIN JA	624662-AH-5	515,000.00		0.00	515,000.00	515,000	3.80%
090820B	2/1/2014	Northland	LACQUI PARLE VAL	505468-AJ-7	120,000.00		0.00	120,000.00	120,000	3.15%
080425A	3/1/2014	Northland	DAUPHIN COUNTY I	238253-RU-4	150,000.00		0.00	150,000.00	150,000	5.00%
090217B	3/1/2014	Northland	STILLWATER ISC #8	860758-PY-1	200,000.00		0.00	200,000.00	200,000	3.40%
100223B	4/1/2014	Northland	WINNEBAGO CITY V	974603-MZ-2	200,000.00		0.00	200,000.00	200,000	2.10%
080507	5/1/2014	Northland	FREEMONT NE ELEC	356730-T7-6	110,000.00		0.00	110,000.00	110,000	4.50%
090528B	5/28/2014	Northland	CD-SUNTRUST BAN	86789V-HM-2	100,000.00		0.00	100,000.00	100,000	4.00%
091103	6/1/2014	Northland	GRIMES IOWA BABE	398526-FV-O	120,000.00		0.00	120,000.00	120,000	3.25%
110201A	6/1/2014	Northland	WINDSOR HTS IOW	973602-KR-5	255,000.00		0.00	255,000.00	255,000	1.35%
110301B	6/1/2014	Northland	DES MOINES IA COM	250097-YR-7	265,000.00		0.00	265,000.00	265,000	2.00%
110602	7/5/2014	Northland	ELKHART, IN COMM	287515-SF-8	250,000.00		0.00	250,000.00	250,000	5.75%
110715	10/22/2014	Northland	CD-BMW BANK	05568P-YZ-4	147,000.00		0.00	147,000.00	147,000	1.55%
090630C	12/30/2014	Northland	MCGREGOR ISD #00	580705-GL-9	105,000.00		0.00	105,000.00	105,000	3.40%
090206	2/1/2015	Northland	NORTH ST PAUL MA	6621406D9	355,000.00		0.00	355,000.00	355,000	3.70%
090528A	2/1/2015	Northland	WAYZATA ISD #284	946813-TF-9	500,000.00		0.00	500,000.00	500,000	3.15%
090715B	2/1/2015	Northland	MOWER CTY MIN JA	624662-AJ-1	250,000.00		0.00	250,000.00	250,000	4.10%
090914	2/1/2015	Northland	GRAND RAPIDS MN	386334-2L-9	115,000.00		0.00	115,000.00	115,000	3.70%
100803A	2/1/2015	Northland	NEW PRAGUE BAB	648159-TU-5	60,000.00		0.00	60,000.00	60,000	2.65%
090310	4/1/2015	Northland	WEST ALLIS WIS CO	951172-7R-0	340,000.00		0.00	340,000.00	340,000	3.75%
081106	6/1/2015	Northland	KIRKWOOD COMM (	497595-VC-9	245,000.00		0.00	245,000.00	245,000	5.50%
110301A	6/1/2015	Northland	DES MOINES IA COM	250097-YS-5	100,000.00		0.00	100,000.00	100,000	2.50%
090420B	11/1/2015	Northland	BURLINGTON VT PL	022062-ML-3	200,000.00		0.00	200,000.00	200,000	3.75%
110913A	12/1/2015	Northland	APPLETON MN TAX	03805A-KR-8	140,000.00		0.00	140,000.00	140,000	1.60%
080502	12/15/2015	Northland	ROCKFORD ILL TAX	77316Q-B4-4	205,000.00		0.00	205,000.00	20,500	5.13%

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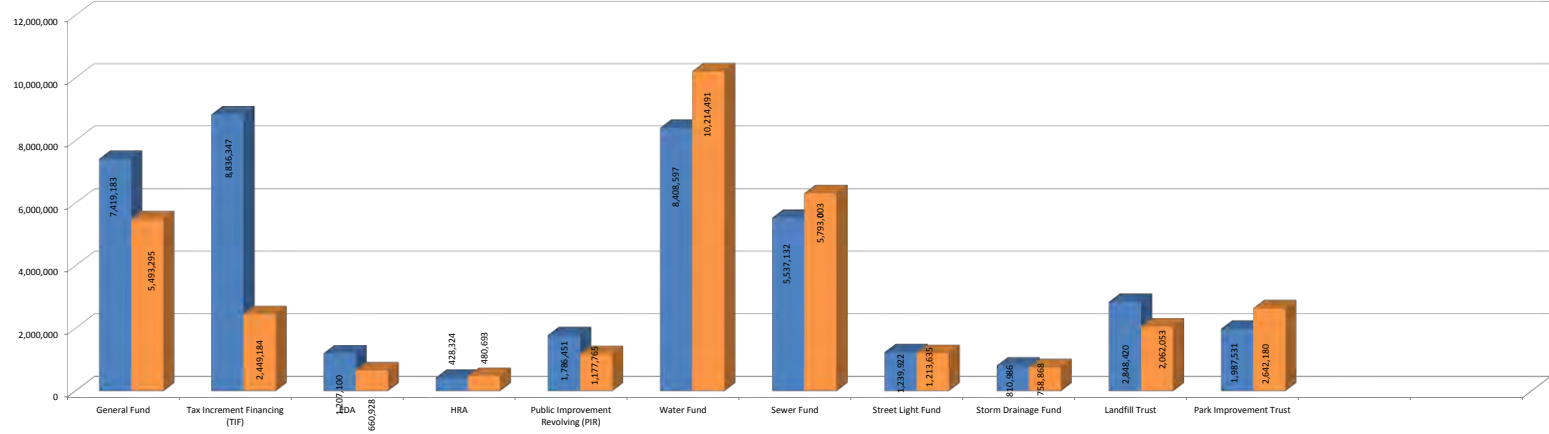
2012 CASH AND INVESTMENT ACTIVITY

CITY INVEST #	STATED MAT DATE	BROKER	SECURITY DESCRIP	CUSIP	PRIN BAL 1/1/2012	PURCH 2012	SOLD/ MATURE 2012	BV PRIN BAL 12/31/2012	PAR	YTM
110208	12/30/2015	Northland	MCGREGOR ISD #00	580705-GN-5	95,000.00		0.00	95,000.00	95,000	2.35%
090217C	3/1/2016	Northland	STILLWATER ISC #8	860758-QA-2	245,000.00		0.00	245,000.00	245,000	4.20%
110114B	3/1/2016	Northland	APPLETON WIS SCH	038106-JN-1	100,000.00		0.00	100,000.00	100,000	2.77%
090706	4/1/2016	Northland	SHEBOYGAN WIS SC	821023-GU-6	140,000.00		140,000.00	0.00	140,000	6.25%
100223A	6/1/2016	Northland	DAVENPORT IOWA	238388-FU-1	335,000.00		0.00	335,000.00	335,000	3.25%
110201B	6/1/2016	Northland	WINDSOR HTS IOWA	973602-KT-1	130,000.00		0.00	130,000.00	130,000	2.30%
110816A	10/1/2016	Northland	WESTIN LAKE SUPE	958522-WR-1	350,000.00		0.00	350,000.00	350,000	2.10%
110714B	10/1/2016	Northland	WAUWATON WIS REF	943504-R2-8	300,000.00		0.00	300,000.00	300,000	1.90%
110913B	12/1/2016	Northland	APPLETON MN TAX	038051-KS-6	110,000.00		0.00	110,000.00	110,000	2.00%
110114A	2/1/2017	Northland	HOPKINS ISD #270	439881-HB-2	100,000.00		0.00	100,000.00	100,000	2.75%
110203A	4/1/2017	Northland	MEDFORD WIS SCH	58434T-DK-3	40,000.00		0.00	40,000.00	40,000	2.75%
110106	6/1/2017	Northland	CHARLES CTY MD	159807-C3-8	105,000.00		0.00	105,000.00	105,000	4.00%
120214A	9/1/2017	Northland	TAOS NEW MEX SD	876014-FV-8		175,000.00	0.00	175,000.00	175,000	4.63%
110816B	10/1/2017	Northland	WESTIN LAKE SUPE	958522-WS-9	350,000.00		0.00	350,000.00	350,000	2.50%
110420	10/20/2017	Northland	FNMA	3136FR-EV-1	250,000.00		250,000.00	0.00	250,000	3.00%
100803B	2/1/2018	Northland	NEW PRAGUE BAB	648159-TX-9	70,000.00		0.00	70,000.00	70,000	3.75%
111031	6/1/2018	Northland	RACINE WIS TAXAB	750021-6D-4	755,000.00		0.00	755,000.00	755,000	2.10%
090203B	12/15/2018	Northland	FHLMC REMIC	31397B-MQ-1	62,430.47		50,504.11	11,926.36	339,828	5.75%
110608	2/1/2019	Northland	WADENA MN BAB	930217-JD-7	95,000.00		0.00	95,000.00	95,000	3.94%
100803C	2/1/2019	Northland	NEW PRAGUE BAB	648159-TY-7	45,000.00		0.00	45,000.00	45,000	4.00%
110310	2/1/2020	Northland	BROOKLYN CENTEF	113853-KG-9	285,000.00		0.00	285,000.00	285,000	4.65%
100803D	2/1/2020	Northland	NEW PRAGUE BAB	648159-TZ-4	70,000.00		0.00	70,000.00	70,000	4.25%
120308A	12/1/2020	Northland	SHOREWOOD WIS T	825230-KU-8		150,000.00	0.00	150,000.00	150,000	2.50%
120321	3/1/2022	Northland	MADISON WI SCHO	558495-KN-6		500,000.00	0.00	500,000.00	500,000	2.50%
12090606B	6/1/2022	Northland	CEDAR RAPIDS IO T	150528-N2-6		135,000.00	0.00	135,000.00	135,000	2.50%
120308B	12/1/2022	Northland	SHOREWOOD WIS T	825230-KW-4		150,000.00	0.00	150,000.00	150,000	2.80%
120606A	6/1/2023	Northland	CEDAR RAPIDS IO T	150528-PA-9		140,000.00	0.00	140,000.00	140,000	2.70%
120308C	12/1/2027	Northland	SHOREWOOD WIS T	825230-LB-9		225,000.00	0.00	225,000.00	225,000	3.25%
120308D	12/1/2028	Northland	SHOREWOOD WIS T	825230-LC-7		465,000.00	0.00	465,000.00	465,000	3.15%
								13,497,064.32		
061017	1/23/2012	VILLAGE	CD-VILLAGE BANK	41117	523,905.46		523,905.46	0.00	500,000	4.70%
091002	11/2/2012	VILLAGE	CD-VILLAGE BANK	41031	1,036,968.35		0.00	1,036,968.35	1,000,000	
070322	1/30/2012	VILLAGE	CD-VILLAGE BANK	41123	558,356.00		558,356.00	0.00	500,000	4.70%
								1,036,968.35		
971212	11/28/2002	UBS	CD-FNB KEYSTONE	320950AJ7R	96,000.00		0.00	96,000.00	96,000	6.25%
120228	2/28/2017	UBS	FHLMC	313463NA4		400,000.00	0.00	400,000.00	400,000	1.31%
120822	8/22/2022	UBS	FHLB	313380C47		500,000.00	0.00	500,000.00	500,000	1.25%
120820	8/20/2027	UBS	FHLB	313380B71		1,000,000.00	0.00	1,000,000.00	1,000,000	1.00%
120817A	6/1/2018	UBS	NYC-TAXABLE	64971QTU7		500,000.00	0.00	500,000.00	500,000	1.60%
120229	2/28/2024	UBS	FHLB	313378YK4		1,000,000.00	1,000,000.00	0.00	1,000,000	2.04%
120322	3/22/2027	UBS	FNMA	3136FT6A2		500,000.00	0.00	500,000.00	500,000	1.49%
120323	2/16/2024	UBS	FHLB	313376XL4		500,000.00	500,000.00	0.00	500,000	1.13%
120328	3/28/2022	UBS	FHLMC	3134G3SF8		500,000.00	0.00	500,000.00	500,000	2.13%
120329A	3/29/2027	UBS	FHLB	313378HH7		800,000.00	800,000.00	0.00	800,000	2.25%
120329B	3/29/2027	UBS	FNMA	3136FT7E3		500,000.00	0.00	500,000.00	500,000	2.00%
120730	7/30/2024	UBS	FHLB-STEP	3133803H8		500,000.00	0.00	500,000.00	500,000	1.90%
101228	4/1/2013	UBS	MPLS SCHOOL DIST	603792PR7	615,000.00		0.00	615,000.00	615,000	1.70%
100824	6/1/2015	UBS	ILLINOIS STATE TA	452151LC5	500,000.00		0.00	500,000.00	500,000	3.82%
030430B	4/25/2018	UBS	FNR 2003-41-JH	31393BD36C	25,851.96		12,404.73	13,447.23	300,000.00	5.00%
030630A	6/15/2018	UBS	FHR 2628 AB	31393VMQ1C	47,358.32		17,292.57	30,065.75	200,000	3.12%
030730A	8/25/2018	UBS	FNR 2003-74-KN	31393EAL3C	50,507.28		29,600.83	60,906.45	300,000.00	3.59%
030930A	9/15/2018	UBS	FHR 2677 KH	31394JTP2	83,349.26		24,241.77	59,107.49	300,000	4.50%
031030A	11/25/2018	UBS	FNR 2003-113KA	31393T2P0	37,872.06		25,512.12	12,359.94	197,000	4.50%
040430	4/25/2019	UBS	FNR-2004-31-DA	31393YAJ4	91,104.15		39,376.29	51,727.86	500,000	4.50%
040730A	7/15/2019	UBS	FHR 2822 DB	31395C3S8	152,174.51		53,103.28	99,071.23	500,000	5.00%
040730B	7/15/2019	UBS	FHR 2822 DQ	31395C3U3	65,233.20		39,832.03	25,401.17	500,000	5.00%
040830	8/25/2019	UBS	FNR 2004 68 BT	31394AYU4	35,572.77		30,621.08	4,951.69	500,000	
970625	2/25/2021	UBS	FNMA FNR-1991-7 H	31358FZW2	3,000.00		0.00	3,000.00	129,000	7.84%
000417	8/15/2021	UBS	FHLMC REMIC 181e	312904AU9C	2,886.47		518.03	2,368.44	88,604	7.00%
970917B	9/15/2021	UBS	FHLMC REMIC SERII	312904GT6C	5,014.03		1,231.12	3,782.91	255,714	7.21%
001127	7/25/2022	UBS	FNR G92-35	31358PHV2C	3,205.62		430.93	2,774.69	75,215	7.49%
0210004	8/25/2022	UBS	FNR 1992-125L	31358PS40C	3,577.17		479.52	3,097.65	52,000	7.00%
110803B	9/28/2020	UBS	FNMA	3136FPLW5	712,000.00		712,000.00	0.00	712,000	1.00%
110916	9/16/2026	UBS	FHLB	31337FGD3	1,000,000.00		1,000,000.00	0.00	1,000,000	1.00%
110810	8/10/2026	UBS	FNMA	3136FRF24	1,000,000.00		1,000,000.00	0.00	1,000,000	1.00%
110719	7/19/2016	UBS	FNMA	3136FRYJ6	750,000.00		750,000.00	0.00	750,000	1.25%
110311	7/1/2012	UBS	ILLINOIS BAB	452152GL9	1,000,000.00		1,000,000.00	0.00	1,000,000	3.08%
110329	3/29/2021	UBS	FNMA	3136FRDU4	500,000.00		500,000.00	0.00	500,000	1.39%
020826	10/15/2022	UBS	FHR 1391D	312912LUO	2,978.74		392.83	2,585.91	59,990	6.00%

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2012 CASH AND INVESTMENT ACTIVITY

<u>CITY</u> <u>INVEST #</u>	<u>STATED</u> <u>MAT</u> <u>DATE</u>	<u>BROKER</u>	<u>SECURITY</u> <u>DESCRIP</u>	<u>CUSIP</u>	<u>PRIN</u> <u>BAL</u> <u>1/1/2012</u>	<u>PURCH</u> <u>2012</u>	<u>SOLD/</u> <u>MATURE</u> <u>2012</u>	<u>BV</u> <u>PRIN</u> <u>BAL</u> <u>12/31/2012</u>	<u>PAR</u>	<u>YTM</u>
010328	6/25/2023	UBS	FHG14A	312916PD5R	10,000.00		1,000.00	9,000.00	152,000	6.00%
020816B	1/25/2024	UBS	FNR G94-2D	31359GR40	957.35		699.49	257.86	46,221	6.45%
								<u>5,994,906.27</u>		
Money Mkt							0.00	0.00		
TOTAL INVESTMENTS					42,230,022.32	13,784,000.00	27,876,831.18	28,137,191.14		
Unamortized Premiums					1,125,462.94	91,876.75		1,217,339.69		
Unamortized Discounts					(2,844,409.22)	-9,448.06		-2,853,857.28		
Village Bank Checking					1,788,349.25	41,928,047.99	41,760,485.28	1,955,911.96		
Money Market Accounts					3,649,877.44	11,006,689.59	5,000,000.00	9,656,567.03		
Net Cash and Investments					45,949,302.73	66,801,166.27	74,637,316.46	38,113,152.54		



■ December 2011 ■ October 2012

CC Regular Session**4. 2.****Meeting Date:** 11/13/2012**By:** Diana Lund, Finance

Information**Title:**

Receive September 2012 Financial Reports - General Fund and Enterprise Funds

Background:

Brief summary of actual revenues and expenditures to date in comparison to adopted budget for the funds of General, Water, Sewer, Street Lighting, Recycling and Storm Drainage.

Council Action:

No Action Required. Informational Only.

AttachmentsSeptember 2012 Financials - Budget to Actual

Form Review**Inbox**

Kurt Ulrich

Reviewed By

Kurt Ulrich

Date

11/07/2012 03:48 PM

Form Started By: Diana Lund

Started On: 10/19/2012 11:05 AM

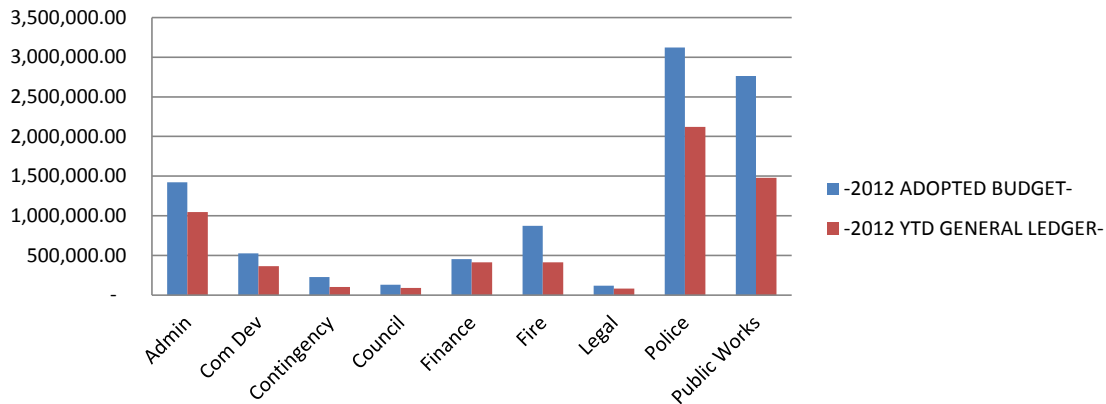
Final Approval Date: 11/07/2012

**CITY OF RAMSEY
FINANCIAL STATEMENT**

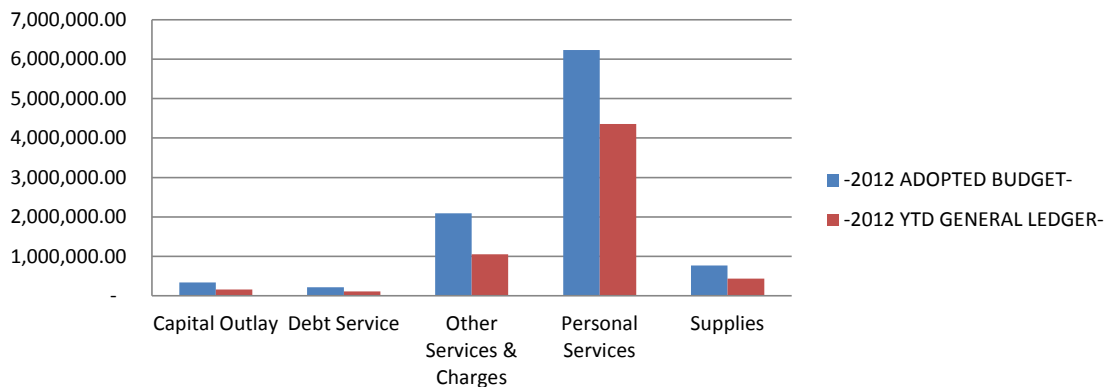


JANUARY 1, 2012 THROUGH PERIOD ENDING: September 30, 2012

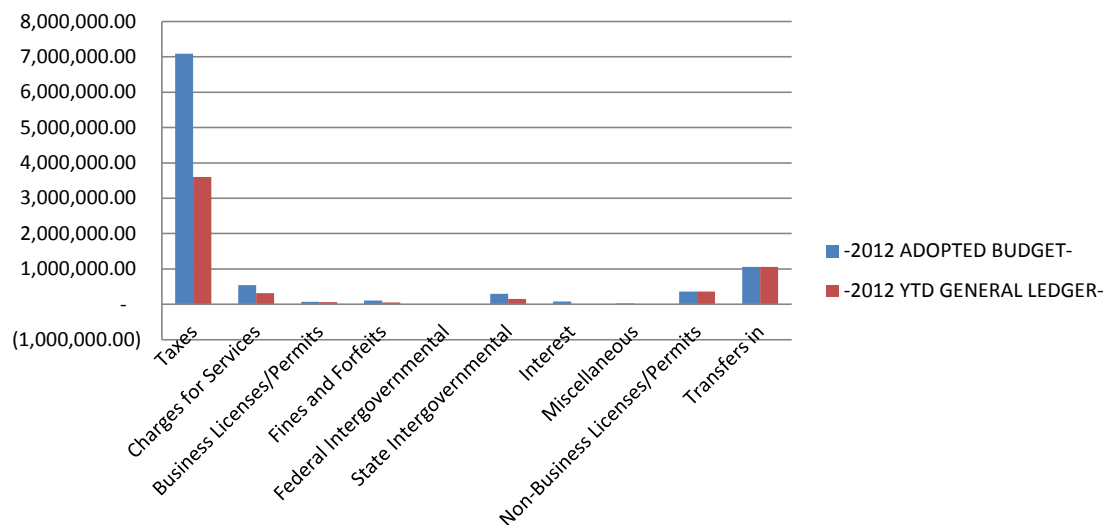
GENERAL FUND EXPENDITURES - BY DEPARTMENT



GENERAL FUND EXPENDITURES - BY CATEGORY



GENERAL FUND REVENUES



**CITY OF RAMSEY
FINANCIAL STATEMENT**



JANUARY 1, 2012 THROUGH PERIOD ENDING: September 30, 2012

GENERAL FUND EXPENDITURES - BY DEPARTMENT -		
Dept	-2012 ADOPTED BUDGET-	-2012 YTD GENERAL LEDGER-
Admin	1,423,788.00	1,049,137.31
Com Dev	528,852.00	364,955.15
Contingency	230,648.00	103,147.01
Council	133,951.00	90,674.61
Finance	454,044.00	415,131.58
Fire	872,656.00	414,600.55
Legal	121,000.00	85,512.28
Police	3,121,261.00	2,119,001.66
Public Works	2,761,875.00	1,478,713.64
Grand Total	9,648,075.00	6,120,873.79

GENERAL FUND EXPENDITURES - BY CATEGORY -		
Category	-2012 ADOPTED BUDGET-	-2012 YTD GENERAL LEDGER-
Capital Outlay	340,252.00	162,709.04
Debt Service	213,113.00	107,458.02
Other Services & Charges	2,094,613.00	1,056,050.84
Personal Services	6,232,372.00	4,356,695.37
Supplies	767,725.00	437,960.52
Grand Total	9,648,075.00	6,120,873.79

GENERAL FUND REVENUES - BY CATEGORY -		
Category	-2012 ADOPTED BUDGET-	-2012 YTD GENERAL LEDGER-
Taxes	7,090,150.00	3,604,160.87
Charges for Services	543,189.00	318,737.13
Business Licenses/Permits	72,020.00	63,431.49
Fines and Forfeits	108,000.00	50,133.25
Federal Intergovernmental	7,000.00	(7,485.38)
State Intergovernmental	298,300.00	150,422.06
Interest	80,000.00	-
Miscellaneous	30,500.00	6,906.73
Non-Business Licenses/Permits	364,300.00	357,146.99
Transfers in	1,054,616.00	1,054,616.00
Grand Total	9,648,075.00	5,598,069.14

**CITY OF RAMSEY
FINANCIAL STATEMENT**



JANUARY 1, 2012 THROUGH PERIOD ENDING: September 30, 2012

REVENUES			
BUSINESS UNIT	9601	WATER UTILITY	
GENERAL LEDGER ACCOUNT	-2012 REQUESTED BUDGET-	-2012 YTD GENERAL LEDGER-	-% of Budget-
4140 CREDIT CARD PROCESSING FEES		(2,922.38)	0.00%
4273 OTHER STATE GRANTS & AIDS		7,074.00	0.00%
4609 OTHER MISCELLANEOUS REVENUES	61,853.00	64,094.83	103.62%
4651 WATER REVENUE		(3,076.28)	0.00%
4652 WATER SALES - RESIDENTIAL	963,401.00	523,018.63	54.29%
4653 WATER SALES-COMMERCIAL	676,702.00	337,425.23	49.86%
4654 WATER PENALTIES	32,802.00	9,943.16	30.31%
4655 WATER METER INSTALLATION	5,000.00	6,020.00	120.40%
4656 WATER METERS	14,000.00	15,303.64	109.31%
4657 CONNECTION/RECONNECTION FEES	4,000.00	1,000.00	25.00%
4701 INTEREST ON INVESTMENTS	150,000.00	-	0.00%
4506 PREPAID INTEREST		2,749.65	0.00%
4702 MISCELLANEOUS INTEREST		12,882.67	0.00%
Grand Total	1,907,758.00	973,513.15	

EXPENSES			
BUSINESS UNIT	9601	WATER UTILITY	
GENERAL LEDGER ACCOUNT	-2012 REQUESTED BUDGET-	-2012 YTD GENERAL LEDGER-	-% of Budget-
6102 F.T. REGULAR-WAGES & SALARIES	204,354.00	99,749.07	48.81%
6103 FULL TIME-REGULAR-OVERTIME	12,500.00	9,448.15	75.59%
6105 TEMPORARY-WAGES & SALARIES	17,000.00	8,236.64	48.45%
6121 PERA CONTRIBUTIONS	15,722.00	8,410.56	53.50%
6122 FICA/MEDICARE CONTRIBUTIONS	17,890.00	9,379.22	52.43%
6131 GROUP INSURANCE	20,470.00	15,261.30	74.55%
6133 WORKERS COMP INSURANCE PREMIUM	7,436.00	38.76	0.52%
6208 MISCELLANEOUS OFFICE SUPPLIES	1,000.00	-	0.00%
6223 GASOLINE	5,000.00	2,440.10	48.80%
6225 DIESEL FUEL	7,000.00	6,241.90	89.17%
6229 SHOP MATERIALS	750.00	98.22	13.10%
6231 UNIFORMS & TURN-OUT GEAR	1,500.00	664.84	44.32%
6249 MISCELLANEOUS OPERATING SUPPLY	13,000.00	12,430.04	95.62%
6257 OTHER VEHICLE PARTS	2,500.00	780.30	31.21%
6273 UTILITY SYSTEM MAINT SUPPLIES	70,000.00	54,242.20	77.49%
6281 SMALL TOOLS & MINOR EQUIPMENT	110,000.00	3,413.83	3.10%
6292 WATER METERS FOR RESALE	20,000.00	3,161.56	15.81%
6315 MISCELLANEOUS PROFESSIONAL SER	54,330.00	26,754.82	49.25%
6322 POSTAGE	2,000.00	967.39	48.37%
6323 CELLULAR PHONES	2,400.00	1,655.72	68.99%
6335 TRAINING	1,600.00	1,055.72	65.98%
6352 GENERAL NOTICE & PUBLIC INFOR	600.00	-	0.00%
6361 GENERAL LIABILITY/PROPERTY INS	24,000.00	-	0.00%
6371 ELECTRIC UTILITIES	125,000.00	71,706.76	57.37%
6372 WATER/IRRIGATION	800.00	-	0.00%
6373 GAS	4,000.00	991.43	24.79%
6374 REFUSE/RECYCLING	600.00	245.10	40.85%
6381 BUILDING & STRUCTURE REPAIR	500.00	-	0.00%
6439 OTHER MISCELLANEOUS	17,000.00	10,231.00	60.18%
6451 MEMBERSHIP DUES	800.00	1,089.50	136.19%
6489 OTHER CONTRACTED SERVICES	27,000.00	13,443.91	49.79%
6722 DEPRECIATION	623,308.00	-	0.00%
6820 OPERATING TRANSFERS TO OTHER F	34,000.00	34,000.00	100.00%
Grand Total	1,444,060.00	396,138.04	

Note: The Finance Department has highlighted line items that may be trending towards exceeding budget OR not may not have been included in the adopted budget.

**CITY OF RAMSEY
FINANCIAL STATEMENT**



JANUARY 1, 2012 THROUGH PERIOD ENDING: September 30, 2012

REVENUES			
BUSINESS UNIT	9602	SEWER UTILITY	
GENERAL LEDGER ACCOUNT	-2012 REQUESTED BUDGET-	-2012 YTD GENERAL LEDGER-	-% of Budget-
4140 CREDIT CARD PROCESSING FEES		(2,283.71)	0.00%
4356 SEWER AVAILABILITY CHARGE-ADM	1,000.00	6,503.75	650.38%
4609 OTHER MISCELLANEOUS REVENUES	18,546.00	-	0.00%
4661 RESIDENTIAL-SEWER CHARGES	925,057.00	472,174.61	51.04%
4662 COMMERCIAL-SEWER CHARGES	311,381.00	155,236.22	49.85%
4663 SEWER PENALTIES	24,729.00	14,315.81	57.89%
4701 INTEREST ON INVESTMENTS	50,000.00	-	0.00%
4506 PREPAID INTEREST		1,223.27	0.00%
4702 MISCELLANEOUS INTEREST		18,545.98	0.00%
Grand Total	1,330,713.00	665,715.93	

EXPENSES			
BUSINESS UNIT	9602	SEWER UTILITY	
GENERAL LEDGER ACCOUNT	-2012 REQUESTED BUDGET-	-2012 YTD GENERAL LEDGER-	-% of Budget-
6102 F.T. REGULAR-WAGES & SALARIES	100,563.00	33,675.43	33.49%
6103 FULL TIME-REGULAR-OVERTIME	2,000.00	1,014.89	50.74%
6105 TEMPORARY-WAGES & SALARIES	5,500.00	2,505.90	45.56%
6121 PERA CONTRIBUTIONS	7,436.00	2,536.11	34.11%
6122 FICA/MEDICARE CONTRIBUTIONS	8,267.00	2,488.18	30.10%
6133 WORKERS COMP INSURANCE PREMIUM	2,798.00	38.76	1.39%
6225 DIESEL FUEL	2,500.00	1,043.10	41.72%
6249 MISCELLANEOUS OPERATING SUPPLY	10,000.00	5,524.76	55.25%
6257 OTHER VEHICLE PARTS		202.18	0.00%
6275 OTHER EQUIPMENT PARTS	2,500.00	312.53	12.50%
6281 SMALL TOOLS & MINOR EQUIPMENT		221.25	0.00%
6315 MISCELLANEOUS PROFESSIONAL SER	16,000.00	30,683.50	191.77%
6335 TRAINING	1,500.00	646.00	43.07%
6361 GENERAL LIABILITY/PROPERTY INS	9,500.00	-	0.00%
6371 ELECTRIC UTILITIES	9,500.00	5,763.49	60.67%
6373 GAS	2,400.00	646.42	26.93%
6374 REFUSE/RECYCLING	500.00	245.10	49.02%
6375 SEWER		45,089.42	0.00%
6377 SEWER SERVICE CHARGE	541,073.00	405,804.78	75.00%
6489 OTHER CONTRACTED SERVICES	22,000.00	22,981.95	104.46%
6722 DEPRECIATION	497,434.00	-	0.00%
6820 OPERATING TRANSFERS TO OTHER F	28,000.00	28,000.00	100.00%
Grand Total	1,269,471.00	589,423.75	

Note: The Finance Department has highlighted line items that may be trending towards exceeding budget OR not may not have been included in the adopted budget.

**CITY OF RAMSEY
FINANCIAL STATEMENT**



JANUARY 1, 2012 THROUGH PERIOD ENDING: September 30, 2012

REVENUES				
BUSINESS UNIT	9603	STREET LIGHT UTILITY		
GENERAL LEDGER ACCOUNT	-2012 REQUESTED BUDGET-	-2012 YTD GENERAL LEDGER-	-% of Budget-	
4140 CREDIT CARD PROCESSING FEES		(267.75)	0.00%	
4681 CHARGES FOR STREET LIGHTS	168,312.00	64,463.04	38.30%	
4682 ST LIGHT O/M CHARGE	360.00	-	0.00%	
4683 STREET LIGHTING PENALTIES	3,366.00	2,436.45	72.38%	
4701 INTEREST ON INVESTMENTS	20,000.00	-	0.00%	
4684 PRIORITY STREET LIGHT		22,262.74	0.00%	
Grand Total	192,038.00	88,894.48		

EXPENSES				
BUSINESS UNIT	9603	STREET LIGHT UTILITY		
GENERAL LEDGER ACCOUNT	-2012 REQUESTED BUDGET-	-2012 YTD GENERAL LEDGER-	-% of Budget-	
6122 FICA/MEDICARE CONTRIBUTIONS		326.61	0.00%	
6271 SIGN REPAIR MATERIALS	-		0.00%	
6371 ELECTRIC UTILITIES	122,000.00	81,931.91	67.16%	
6489 OTHER CONTRACTED SERVICES	12,328.00	8,226.45	66.73%	
6722 DEPRECIATION	33,997.00	-	0.00%	
6820 OPERATING TRANSFERS TO OTHER F	14,000.00	14,000.00	100.00%	
Grand Total	182,325.00	104,484.97		

Note: The Finance Department has highlighted line items that may be trending towards exceeding budget OR not may not have been included in the adopted budget.

**CITY OF RAMSEY
FINANCIAL STATEMENT**



JANUARY 1, 2012 THROUGH PERIOD ENDING: September 30, 2012

REVENUES				
BUSINESS UNIT	9604	RECYCLING UTILITY		
GENERAL LEDGER ACCOUNT	-2012 REQUESTED BUDGET-	-2012 YTD GENERAL LEDGER-	-% of Budget-	
4140 CREDIT CARD PROCESSING FEES		(355.32)	0.00%	
4287 OTHER LOCAL GOVERNMENT GRANTS	50,165.00	50,165.00	100.00%	
4609 OTHER MISCELLANEOUS REVENUES	-	696.85	0.00%	
4671 RECYCLING CHARGES	280,000.00	143,906.57	51.40%	
4672 RECYCLING PENALTIES	5,600.00	3,675.55	65.63%	
4701 INTEREST ON INVESTMENTS	200.00	-	0.00%	
Grand Total	335,965.00	198,088.65		

EXPENSES				
BUSINESS UNIT	9604	RECYCLING UTILITY		
GENERAL LEDGER ACCOUNT	-2012 REQUESTED BUDGET-	-2012 YTD GENERAL LEDGER-	-% of Budget-	
6102 F.T. REGULAR-WAGES & SALARIES	5,143.00	3,629.60	70.57%	
6103 FULL TIME-REGULAR-OVERTIME	-	248.79	0.00%	
6121 PERA CONTRIBUTIONS	373.00	287.74	77.14%	
6122 FICA/MEDICARE CONTRIBUTIONS	393.00	239.27	60.88%	
6133 WORKERS COMP INSURANCE PREMIUM	87.00	-	0.00%	
6249 MISCELLANEOUS OPERATING SUPPLY	7,000.00	4,086.03	58.37%	
6322 POSTAGE	250.00	133.50	53.40%	
6489 OTHER CONTRACTED SERVICES	299,000.00	218,729.08	73.15%	
6820 OPERATING TRANSFERS TO OTHER F	8,500.00	8,500.00	100.00%	
Grand Total	320,746.00	235,854.01		

Note: The Finance Department has highlighted line items that may be trending towards exceeding budget OR not may not have been included in the adopted budget.

**CITY OF RAMSEY
FINANCIAL STATEMENT**



JANUARY 1, 2012 THROUGH PERIOD ENDING: September 30, 2012

REVENUES			
BUSINESS UNIT	9605	STORM WATER UTILITY	
GENERAL LEDGER ACCOUNT	-2012 REQUESTED BUDGET-	-2012 YTD GENERAL LEDGER-	-% of Budget-
4140 CREDIT CARD PROCESSING FEES		(352.41)	0.00%
4693 STORM WATER-RESIDENTIAL	305,790.00	156,155.14	51.07%
4694 STORM WATER-COMMERCIAL	302,629.00	160,234.17	52.95%
4695 STORM WATER-PENALTIES	12,168.00	6,635.81	54.53%
4701 INTEREST ON INVESTMENTS	5,000.00	-	0.00%
Grand Total	625,587.00	322,672.71	

EXPENSES			
BUSINESS UNIT	9605	STORM WATER UTILITY	
GENERAL LEDGER ACCOUNT	-2012 REQUESTED BUDGET-	-2012 YTD GENERAL LEDGER-	-% of Budget-
6102 F.T. REGULAR-WAGES & SALARIES	86,991.00	46,460.81	53.41%
6103 FULL TIME-REGULAR-OVERTIME	-	103.64	0.00%
6105 TEMPORARY-WAGES & SALARIES	-	977.25	0.00%
6121 PERA CONTRIBUTIONS	6,307.00	3,376.35	53.53%
6122 FICA/MEDICARE CONTRIBUTIONS	6,655.00	3,558.13	53.47%
6133 WORKERS COMP INSURANCE PREMIUM	2,894.00	80.76	2.79%
6223 GASOLINE	2,000.00	1,104.18	55.21%
6225 DIESEL FUEL	300.00	954.35	318.12%
6249 MISCELLANEOUS OPERATING SUPPLY	13,000.00	2,819.44	21.69%
6257 OTHER VEHICLE PARTS	7,000.00	1,831.33	26.16%
6315 MISCELLANEOUS PROFESSIONAL SER	42,000.00	36,279.08	86.38%
6361 GENERAL LIABILITY/PROPERTY INS	5,000.00	-	0.00%
6371 ELECTRIC UTILITIES	2,420.00	1,334.04	55.13%
6373 GAS	2,500.00	646.37	25.85%
6374 REFUSE/RECYCLING	500.00	245.06	49.01%
6451 MEMBERSHIP DUES	39,162.00	39,162.00	100.00%
6489 OTHER CONTRACTED SERVICES	15,200.00	36,637.17	241.03%
6722 DEPRECIATION	235,517.00	-	0.00%
6820 OPERATING TRANSFERS TO OTHER F	23,000.00	23,000.00	100.00%
Grand Total	490,446.00	198,569.96	

Note: The Finance Department has highlighted line items that may be trending towards exceeding budget OR not may not have been included in the adopted budget.

CC Regular Session

4. 3.

Meeting Date: 11/13/2012

Submitted For: Katy Okerstrom

By: Katy Okerstrom, Community Development

Information

Title:

Receive Building Permit Revenue Report for October 2012

Attachments

October Detailed Report

October Summary Report

Year to Date Summary

Form Review

Inbox	Reviewed By	Date
Tim Gladhill	Tim Gladhill	11/07/2012 04:17 PM
Kurt Ulrich	Kurt Ulrich	11/07/2012 05:22 PM
Form Started By: Katy Okerstrom		Started On: 11/07/2012 03:56 PM
	Final Approval Date: 11/07/2012	

Report Name:
 Permits Issued with Description
 Issued Dates:
 10/1/2012 to 10/31/2012

City of Ramsey

Permits Issued with Description

Printed: 11/7/2012

Page: 1

<u>Permit Description</u>	<u>Permit Count</u>	<u>Base Fee</u>	<u>Plan Review</u>	<u>Valuation</u>
Building				
<u>Commercial</u>				
Miscellaneous	1	0.00	0.00	0
Sub Total:	1	0.00	0.00	0
<u>Residential</u>				
Accessory Structure	5	1,234.00	741.00	67,508
Basement Finish	5	705.00	0.00	0
Chimney	1	103.25	0.00	3,750
Deck	2	188.00	0.00	0
Demolition	1	94.00	0.00	0
Dwelling	1	141.00	0.00	0
Fireplace	4	376.00	0.00	0
New Dwelling	12	26,379.00	10,472.28	2,503,605
Roofing	7	658.00	0.00	0
Siding	3	282.00	0.00	0
Siding & Window Replacement	1	188.00	0.00	0
Window Replacement	13	1,222.00	0.00	0
Sub Total:	55	31,570.25	11,213.28	2,574,863
TOTAL:	56	31,570.25	11,213.28	2,574,863
Electrical				
<u>Commercial</u>				
Build-Out	2	3,558.00	0.00	0
Miscellaneous	8	600.00	0.00	0
Order For Payment	2	629.00	0.00	0
Sub Total:	12	4,787.00	0.00	0
<u>Residential</u>				
A/C Power Nap Installation	8	280.00	0.00	0
Accessory Structure	3	228.00	0.00	0
Air Conditioner	1	35.00	0.00	0
Basement Finish	4	280.00	0.00	0
Dwelling	6	695.00	0.00	0
Fireplace	1	35.00	0.00	0
Furnace	1	35.00	0.00	0
Miscellaneous	3	105.00	0.00	0
New Service	4	600.00	0.00	0
Order For Payment	5	198.00	0.00	0
Panel	2	85.00	0.00	0
Septic Pump	5	175.00	0.00	0
Service Upgrade	1	50.00	0.00	0
Sub Total:	44	2,801.00	0.00	0
TOTAL:	56	7,588.00	0.00	0
Fire				

Report Name:
Permits Issued with Description
Issued Dates:
10/1/2012 to 10/31/2012

City of Ramsey

Permits Issued with Description

Printed: 11/7/2012

Page: 2

<u>Permit Description</u>	<u>Permit Count</u>	<u>Base Fee</u>	<u>Plan Review</u>	<u>Valuation</u>
<u>Burning</u>				
Residential	1	25.00	0.00	0
Sub Total:	1	25.00	0.00	0
<u>Fire Alarm / Device</u>				
Commercial	2	216.95	117.81	10,895
Sub Total:	2	216.95	117.81	10,895
<u>Fire Sprinkler</u>				
Apartment	1	2,628.95	1,708.82	392,000
Commercial	1	83.25	50.61	3,000
Sub Total:	2	2,712.20	1,759.43	395,000
TOTAL:	5	2,954.15	1,877.24	405,895
<u>Mechanical</u>				
<u>Commercial</u>				
Alteration	1	150.00	97.50	15,000
New Building	1	10,500.00	6,825.00	1,050,000
New Commercial Mechanical	1	503.00	326.95	50,300
Sub Total:	3	11,153.00	7,249.45	1,115,300
<u>Residential</u>				
Air Conditioner	1	47.00	0.00	0
Dwelling	1	94.00	0.00	22,000
Furnace	10	470.00	0.00	0
Furnace & Air Conditioner	6	282.00	0.00	0
Miscellaneous	2	94.00	0.00	3,755
Remodel	1	94.00	0.00	6,000
Sub Total:	21	1,081.00	0.00	31,755
TOTAL:	24	12,234.00	7,249.45	1,147,055
<u>Plumbing</u>				
<u>Residential</u>				
Dwelling	1	94.00	0.00	0
Water Heater	7	329.00	0.00	0
Water Softener	8	120.00	0.00	0
Water Softener & Water Heater	1	62.00	0.00	0
Sub Total:	17	605.00	0.00	0
TOTAL:	17	605.00	0.00	0
<u>Sign</u>				
<u>Commercial</u>				
Permenant	4	400.00	0.00	0
Temporary	1	25.00	0.00	0
Sub Total:	5	425.00	0.00	0
TOTAL:	5	425.00	0.00	0

Report Name:
Permits Issued with Description
Issued Dates:
10/1/2012 to 10/31/2012

City of Ramsey

Permits Issued with Description

Printed: 11/7/2012
Page: 3

<u>Permit Description</u>	<u>Permit Count</u>	<u>Base Fee</u>	<u>Plan Review</u>	<u>Valuation</u>
User Defined				
<u>Residential</u>				
Pumping Permit	28	4,840.00	0.00	0
Tank(s)	1	150.00	0.00	0
Tank(s) & Drainfield	6	900.00	0.00	0
Tank(s) & Mound	3	450.00	0.00	0
Sub Total:	38	6,340.00	0.00	0
TOTAL:	38	6,340.00	0.00	0
Zoning				
<u>Residential</u>				
Accessory Structure 120 Sq. Ft. or Smaller	2	50.00	0.00	0
Driveway	2	50.00	0.00	0
Fence	2	50.00	0.00	0
Sub Total:	6	150.00	0.00	0
TOTAL:	6	150.00	0.00	0
Grand Total:	207	61,866.40	20,339.97	4,127,813

City of Ramsey

Permits Issued

----- CURRENT RANGE ----- 10/1/2012 - 10/31/2012					----- PREVIOUS RANGE ----- 10/1/2011 - 10/31/2011			
	QTY	BASE FEE	VALUATION	PLAN REVIEW	QTY	BASE FEE	VALUATION	PLAN REVIEW
Building								
Commercial	1	0.00	0.00	0.00	1	869.25	75,000.00	565.01
Residential	55	31,570.25	2,574,863.00	11,213.28	49	11,242.00	397,005.00	2,359.96
Subtotal	56	31,570.25	2,574,863.00	11,213.28	50	12,111.25	472,005.00	2,924.97
Electrical								
Commercial	12	4,787.00	0.00	0.00	7	579.00	0.00	0.00
Residential	44	2,801.00	0.00	0.00	29	1,897.00	0.00	0.00
Subtotal	56	7,588.00	0.00	0.00	36	2,476.00	0.00	0.00
Fire								
Burning	1	25.00	0.00	0.00	6	150.00	0.00	0.00
Fire Alarm / Device	2	216.95	10,895.00	117.81	0	0.00	0.00	0.00
Fire Sprinkler	2	2,712.20	395,000.00	1,759.43	0	0.00	0.00	0.00
Fireworks	0	0.00	0.00	0.00	0	0.00	0.00	0.00
Tent / Temp Membrane	0	0.00	0.00	0.00	0	0.00	0.00	0.00
Underground Storage Tank	0	0.00	0.00	0.00	0	0.00	0.00	0.00
Subtotal	5	2,954.15	405,895.00	1,877.24	6	150.00	0.00	0.00
Mechanical								
Commercial	3	11,153.00	1,115,300.00	7,249.45	2	300.00	7,600.00	65.00
Residential	21	1,081.00	31,755.00	0.00	17	846.00	6,228.00	0.00
Subtotal	24	12,234.00	1,147,055.00	7,249.45	19	1,146.00	13,828.00	65.00
Plumbing								
Commercial	0	0.00	0.00	0.00	2	1,065.00	65,000.00	0.00
Residential	17	605.00	0.00	0.00	9	423.00	0.00	0.00
Subtotal	17	605.00	0.00	0.00	11	1,488.00	65,000.00	0.00
Sewer & Water								
Commercial	0	0.00	0.00	0.00	0	0.00	0.00	0.00
Subtotal	0	0.00	0.00	0.00	0	0.00	0.00	0.00
Sign								
Commercial	5	425.00	0.00	0.00	8	575.00	0.00	0.00
Institutional	0	0.00	0.00	0.00	0	0.00	0.00	0.00
Residential	0	0.00	0.00	0.00	0	0.00	0.00	0.00
Subtotal	5	425.00	0.00	0.00	8	575.00	0.00	0.00

City of Ramsey

Permits Issued

----- CURRENT RANGE ----- 10/1/2012 - 10/31/2012					----- PREVIOUS RANGE ----- 10/1/2011 - 10/31/2011			
	QTY	BASE FEE	VALUATION	PLAN REVIEW	QTY	BASE FEE	VALUATION	PLAN REVIEW
Temporary Use								
Commercial	0	0.00	0.00	0.00	0	0.00	0.00	0.00
Residential	0	0.00	0.00	0.00	0	0.00	0.00	0.00
Subtotal	0	0.00	0.00	0.00	0	0.00	0.00	0.00
User Defined								
Commercial	0	0.00	0.00	0.00	1	250.00	0.00	0.00
Residential	38	6,340.00	0.00	0.00	14	2,310.00	0.00	0.00
Subtotal	38	6,340.00	0.00	0.00	15	2,560.00	0.00	0.00
Zoning								
Residential	6	150.00	0.00	0.00	2	50.00	0.00	0.00
Subtotal	6	150.00	0.00	0.00	2	50.00	0.00	0.00
Total	207	61,866.40	4,127,813.00	20,339.97	147	20,556.25	550,833.00	2,989.97

City of Ramsey Permits Issued

----- CURRENT RANGE ----- 1/1/2012 - 10/31/2012					----- PREVIOUS RANGE ----- 1/1/2011 - 10/31/2011			
	QTY	BASE FEE	VALUATION	PLAN REVIEW	QTY	BASE FEE	VALUATION	PLAN REVIEW
Building								
Commercial	16	40,976.25	8,191,807.00	26,420.73	35	63,900.28	11,170,003.00	40,251.45
Residential	444	260,064.50	32,218,223.00	107,886.92	436	106,470.00	4,810,911.00	24,819.37
Subtotal	460	301,040.75	40,410,030.00	134,307.65	471	170,370.28	15,980,914.00	65,070.82
Electrical								
Commercial	67	12,718.00	0.00	0.00	83	11,743.60	0.00	0.00
Residential	350	23,246.00	0.00	0.00	373	19,691.00	0.00	0.00
Subtotal	417	35,964.00	0.00	0.00	456	31,434.60	0.00	0.00
Fire								
Burning	38	974.00	63,500.00	0.00	41	1,000.00	0.00	0.00
Fire Alarm / Device	5	503.65	21,180.00	298.34	4	343.67	13,847.00	198.19
Fire Sprinkler	10	5,212.50	576,765.00	3,400.10	15	2,626.45	145,023.00	1,524.78
Fireworks	2	450.00	0.00	0.00	1	100.00	0.00	0.00
Recess Mount Lock Box	0	0.00	0.00	0.00	1	255.00	0.00	0.00
Tent / Temp Membrane	2	100.00	0.00	0.00	1	50.00	0.00	0.00
Underground Storage Tank	1	0.00	0.00	0.00	0	0.00	0.00	0.00
Subtotal	58	7,240.15	661,445.00	3,698.44	63	4,375.12	158,870.00	1,722.97
Mechanical								
Commercial	13	17,214.25	1,712,475.00	9,190.61	16	8,012.81	727,446.00	4,766.34
Residential	144	7,285.00	36,555.00	0.00	150	7,567.00	7,728.00	0.00
Subtotal	157	24,499.25	1,749,030.00	9,190.61	166	15,579.81	735,174.00	4,766.34
Plumbing								
Commercial	13	18,274.68	1,663,696.00	0.00	26	13,149.30	521,915.00	0.00
Residential	117	4,935.00	15,200.00	0.00	80	4,160.00	10,700.00	0.00
Subtotal	130	23,209.68	1,678,896.00	0.00	106	17,309.30	532,615.00	0.00
Sewer & Water								
Commercial	0	0.00	0.00	0.00	1	15,000.00	750,000.00	0.00
Subtotal	0	0.00	0.00	0.00	1	15,000.00	750,000.00	0.00

City of Ramsey Permits Issued

----- CURRENT RANGE ----- 1/1/2012 - 10/31/2012					----- PREVIOUS RANGE ----- 1/1/2011 - 10/31/2011			
	QTY	BASE FEE	VALUATION	PLAN REVIEW	QTY	BASE FEE	VALUATION	PLAN REVIEW
Sign								
Commercial	28	1,525.00	0.00	0.00	44	2,655.00	0.00	0.00
Institutional	2	200.00	0.00	0.00	0	0.00	0.00	0.00
Residential	1	100.00	0.00	0.00	0	0.00	0.00	0.00
Subtotal	31	1,825.00	0.00	0.00	44	2,655.00	0.00	0.00
Temporary Use								
Commercial	2	1,500.00	0.00	0.00	0	0.00	0.00	0.00
Residential	5	33,000.00	0.00	0.00	6	32,000.00	0.00	0.00
Subtotal	7	34,500.00	0.00	0.00	6	32,000.00	0.00	0.00
User Defined								
Commercial	0	0.00	0.00	0.00	1	250.00	0.00	0.00
Residential	143	24,117.00	0.00	0.00	77	12,130.00	0.00	0.00
Subtotal	143	24,117.00	0.00	0.00	78	12,380.00	0.00	0.00
Zoning								
Residential	50	1,250.00	0.00	0.00	63	1,575.00	0.00	0.00
Subtotal	50	1,250.00	0.00	0.00	63	1,575.00	0.00	0.00
Total	1,453	453,645.83	44,499,401.00	147,196.70	1,454	302,679.11	18,157,573.00	71,560.13

Meeting Date: 11/13/2012

Submitted For: Patrick Brama

By: Kathy Schmitz, Administrative Services

Information

Title:

Consider Lease Agreement with Independent Auto Service INC for use of Cold Storage Area; and Consider Sublease Agreement with First Choice Towing (6745 Hwy 10).

Background:

As part of a State driven effort to realign U.S. Highway 10, the City of Ramsey has acquired a number of properties. Said properties were purchased by means of the State Revolving Loan Acquisition Fund (RALF) and are located in the planned/future path of U.S. Highway 10.

Several "RALF" properties have existing structures/buildings. The City has the option to lease out said properties to the private sector until realignment of Highway 10 is ready to move forward. Leasing RALF properties generates property taxes.

One of those City owned RALF properties, and the concern of this case, is located at 6745 Highway 10 NW. The front end of the Subject Property is leased by Independent Auto Service INC. The rear of the Subject Property (which consists of cold storage) was formerly leased by Denny Sharp and is vacant, as of October 1.

They City has been approached by Independent Auto Service INC to lease the now vacant cold storage area. In addition, Independent Auto would like to bring forward a sublease agreement with First Choice Towing for Council Consideration.

Therefore, the purpose of this case is to consider two items:

- (A) Lease Agreement with Independent Auto INC, for the cold storage area located in the rear of Subject Property
- (B) Sublease Agreement between Independent Auto Service INC and First Choice Towing INC

Notification:

NA

Observations:

Lease between the City of Ramsey and Independent Auto for Cold Storage Area:

This is a 29 month term, step lease. Meaning, monthly rent increases over time. The lease begins in December 2012 and ends in April 2015; and includes a two year renewal option. Staff has worked with the City Attorney to structure this lease similar to leases used in the past for the Subject Property (6745 Highway 10) and the neighboring property (6701 Highway 10).

Due to timing, Staff is proposing a step lease. Demand for cold storage is high in the spring an fall, and low in the summer and winter. We are past the peak demand for fall, and Independent Auto INC has indicated they would not generate enough revenue to cover base rent until May. Therefore, three options are available (1) use a step lease with Independent Auto INC, as proposed (2) wait to lease with Independent Auto INC until peak demand arrives again in April/May (3) Not work with Independent Auto INC and look for a different prospect.

The step lease is structured at \$100 per month for December/January, \$350 per month for February/March, \$650 per month for April, \$1,612 May--forward. \$1,612 per month, covers the City's taxes and insurance (i.e. fixed costs) along with administrative costs. Details can be provided in closed session.

Sublease between Independent Auto and First Choice Towing:

The proposed sublease is not an agreement between the City of Ramsey and First Choice Towing INC. Ultimately, Independent Auto INC is responsible for upholding the existing lease agreement with the City of Ramsey (and the proposed second agreement).

The proposed sublease before the Council is under consideration because the City owns the Subject Property; and it is written in the existing lease (and in the second proposed lease) that any additional use of the Subject property must be approved by the City Council through a sublease. A sublease provision provides the City with protection against the tenant using the Subject Property for an undesired use.

From a Staff perspective, there are no regulatory issues with the proposed sublease. NOTE: it is written in the sublease, First Choice Towing INC must comply with all rules and regulations outlined in the lease agreement between the City of Ramsey and Independent Auto INC.

Attached to this case are both proposed leases.

Recommendation:

Staff recommends approval of the proposed lease agreement between Independent Auto Service INC and the City of Ramsey. Additionally, Staff recommends approval of the proposed sublease agreement between Independent Auto Service INC and First Choice Towing INC.

Funding Source:

Property management is a duty of administrative and finance staff.

Council Action:

Motion to [Approve/Deny] proposed lease agreement between Independent Auto Service INC and the City of Ramsey, subject to the review and approval of the City Attorney.

-AND-

Motion to [Approve/Deny] proposed sublease agreement between Independent Auto Service INC and First Choice Towing INC., subject to the review and approval of the City Attorney.

Attachments

Sublease Agreement

Ref Map

Lease Agreement (Cold Storage Area)

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	11/08/2012 04:10 PM
Form Started By: Kathy Schmitz		Started On: 11/08/2012 11:26 AM
	Final Approval Date: 11/08/2012	

SUBLEASE AGREEMENT

THIS SUB LEASE AGREEMENT, dated this _____ day of November, 2012, (this "Lease") by and between Independent Auto Service Inc. 6745 Highway 10 NW, Ramsey, MN 55303 and First Choice Towing Inc. 16450 Nowthen Blvd. Ramsey MN 55303.

PROPERTY. The leased property located at 6745 Hwy 10 Nw. Ramsey MN, consists of 240 s.f. of front office, 2 indoor parking spaces in first repair bay, and 10 outside parking spaces in secured fenced area between storage building. (see attached fig. B)

1. TERM:

A. **Lease Term.** Lease term is to be for a period of 32 months commencing on the first day of December 2012, or 10 days after City of Ramsey Approval of sub lease.

B. **Option to Renew** First Choice Towing shall notify Independent Auto Service at least 60 days before the expiration date of lease as to intent to renew lease for a period of 24 months. Monthly rent to be equal to previous 24 month rent.

C. **Independent Autos Option to Quit.** First Choice Towing shall be notified in writing 60 days prior to Landlords option to terminate lease agreement.

2. Base Rent.

First Choice towing shall pay Independent Auto Service a total rent payment on the first day of each month in equal monthly installments according to set schedule as follows. Dec.2012 \$300.00/month, Jan. 2013- July 2014 500.00 per month.

3. Terms and Restrictions. First choice Towing shall operate under terms set forth by The City of Ramsey real property "landlord" as described in lease agreement between Independent Auto Service Inc and The city.

INDEPENDENT AUTO _____

Date:_____

FIRST CHOICE TOWING_____

Date:_____



**LEASE AGREEMENT
(Storage Building)**

THIS LEASE AGREEMENT, dated this _____ day of November, 2012, (this "Lease") by and between the CITY OF RAMSEY, 7550 Sunwood Drive NW, Ramsey, MN 55303, a Minnesota municipal corporation ("Landlord") and INDEPENDENT AUTO SERVICE, INC., a Minnesota corporation, 18140 Zane Street NW, Elk River, Minnesota 55330, a Minnesota Limited Liability Company (hereinafter referred to as "Tenant").

DEFINITION:

PROPERTY. The leased property is approximately 11,200 square feet of a building located on that real property legally described as Lot 2, Block 2, DEAL INDUSTRIAL PARK, Anoka County, Minnesota, and is commonly known as 6745 Highway 10 NW, Ramsey, Minnesota (the "Site"). The leased property consists generally of the cold storage portion of the building located on the Site (the "Property"). The Property includes the common parking as shown on attached Exhibit B and all of the area within the fenced in area of the Site.

RECITALS:

1. TERM:

a. **Lease Term.** For and in consideration of the rents, additional rents, terms, provisions and covenants herein contained, Landlord hereby lets, leases and demises to Tenant the Property for the term of thirty (29) months commencing on the first day of December, 2012, or thirty days after Landlord tenders possession to Tenant, whichever is later (sometimes called "the Commencement Date") and expiring on the 30th day of April, 2015 (sometimes called "Expiration Date"), unless sooner terminated as hereinafter provided

b. **Option to Renew.** Tenant shall notify Landlord, in writing, at least sixty (60) days before the Expiration Date of Tenant's intent to renew the Lease Term for an additional twenty-four (24) months ("Option Period"). Monthly rent in the Option Period shall not exceed a three percent (3.0%) increase from the monthly rent in the last year of the initial lease term.

c. **Landlord's Notice to Quit.** Notwithstanding the Lease Term or the Option to Renew, in the event Landlord determines, in its sole discretion, that the Property or any part thereof is required for the improvement of U.S. Highway 10, upon giving one year's prior written notification to Tenant, the Landlord may terminate this Lease. Landlord is not obligated to provide this one year notice to quit in the event of any default by Tenant of the terms of this Lease.

2. BASE RENT:

Tenant shall pay Landlord, a total rent payment in advance without offset, deduction or demand, in equal monthly installments commencing on the Commencement Date and continuing on the first day of each and every month thereafter for the next succeeding 24 months, during the balance of the term based on the following schedule:

<u>Period</u>	<u>Rent</u>
December 1, 2012 – January 31, 2013	\$100.00/month
February 1, 2013 – March 31, 2013	\$350.00/month
April 1, 2013 – April 30, 2013	\$650.00/month
May 1, 2013 – April 30, 2015	\$1,612.00/month

If the Commencement Date is later than December 1, 2012, the schedule shall adjust accordingly.

3. ADDITIONAL RENT:

a. Real Estate Taxes. Reserved

b. **Property Operating Expenses.** Tenant shall pay its Proportionate Share of the annual aggregate Operating Expense incurred by Landlord in the operation, maintenance and repair of the Building and Property. The term “Operating Expenses” shall include but not be limited to maintenance, repair, operation of utilities and lighting, mechanical rooms, and roof, parking and landscaped areas, signs, snow removal, non-structural repair and maintenance of the exterior of the Building, insurance premiums, wages and fringe benefits of personnel employed for such work, costs of equipment purchased and used for such purposes.

The payment of the sums set forth in this paragraph 3. shall be in addition to the Base Rent payable pursuant to paragraph 2. of this Lease. All sums due hereunder shall be due and payable within thirty (30) days of delivery of written certification by Landlord setting forth the computation of the amount due from tenant. In the event the lease term shall begin or expire at any time during the calendar year, Tenant shall be responsible for its pro-rata share of Additional Rent under subdivisions a. and b. during the Lease and/or occupancy time.

Prior to commencement of this Lease, and prior to the commencement of each calendar year thereafter commencing during the term of this Lease or any renewal or extension thereof, Landlord may estimate for each calendar year (i) the Operating Expenses for such calendar year; and (ii) the computation of the annual and monthly rental payable during such calendar year as a result of increases or decreases of Operating Expenses. Said estimate will be in writing and will be delivered or mailed to Tenant.

The amount of Operating Expenses for each calendar year, so estimated, shall be payable as Additional Rent by Tenant, without offset, deduction or demand, in equal monthly installments, in advance, on the first day of each month during such calendar year at the option of Landlord. In the event that such estimate is delivered to Tenant before the first day of November of such calendar year, said amount, so estimated, shall be payable as additional rent in equal monthly installments, in advance, on the first day of each month during such calendar year. In the event that such estimate is delivered to Tenant after the first day of November of such calendar year, said amount, so estimated, shall be payable as additional rent in equal monthly installments, in advance, on the first day of each month over the balance of such calendar year, with the number of installments being equal to the number of full calendar months remaining in such calendar year.

Upon completion of each calendar year during the term of this Lease or any renewal or extensions thereof, Landlord shall cause its accountants to determine the actual amount of the Operating Expenses payable in such calendar year and deliver a written certification of the amounts thereof to Tenant. If Tenant has underpaid the Operating Expenses for such calendar year, Tenant shall pay the balance of same within thirty (30) days after receipt of such statement. If Tenant has overpaid the Operating Expenses for such calendar year, Landlord shall either (i) refund such excess, or (ii) credit such excess against the most current monthly installment or installments due Landlord for its estimate of Tenant's share of Operating Expenses for the next following calendar year. A pro-rata adjustment shall be made for a fractional calendar year occurring during the term of the Lease or any renewal or extension thereof based upon the number of days of the term of the Lease during said calendar year as compared to three hundred sixty-five (365) days and all additional sums payable by Tenant or credits due Tenant as a result of the provision of this paragraph 3 shall be adjusted accordingly.

4. COVENANTS TO PAY RENT:

The covenants of Tenant to pay the Base Rent and the Additional Rent are each independent of any other covenant, condition, provision or agreement contained in this Lease. All rents are payable to Landlord at Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota, or such other place as Landlord may designate.

5. UTILITIES:

Landlord shall provide mains and conduits to supply electricity to the Property. Tenant shall pay, when due, all charges for sewer usage or rental, garbage disposal, refuse removal, water, electricity, heating fuel, gas, telephone and/or other utility services or energy source furnished to the Property during the term of this Lease, or any renewal or extension thereof. If Landlord elects to furnish any of the foregoing utility services or other services furnished or caused to be furnished to Tenant, then the rate charged by Landlord shall not exceed the rate Tenant would be required to pay to a utility company or service company furnishing any of the foregoing utilities or services. The charges thereof shall be deemed additional rent in accordance with paragraph 3. Landlord shall not be liable for, and Tenant shall not be entitled to any abatement or reduction of Base Rent or Minimum Rent by reason of Landlord's failure to furnish any of the foregoing utilities, when such failure is caused by accident, breakage, repairs (including replacements), strikes, lockouts or other labor disturbances or labor disputes of any character, or for any other causes.

6. CARE AND REPAIR OF PROPERTY:

Tenant shall, at all times throughout the term of this Lease, including renewals and extension, and at its sole expense, keep and maintain the Property in a clean, safe and sanitary condition and in compliance with all applicable laws, codes, ordinances, rules and regulations. Tenant's obligations hereunder shall include but not be limited to the maintenance, and repair, if necessary, of heating, air conditioning fixtures, equipment, and systems, all lighting and plumbing fixtures and equipment, fixtures, motors and machinery, all interior walls, partitions, doors and windows, including the regular painting thereof, all exterior entrances, windows, doors and docks and the replacement of all broken glass. When used in this provision, the term "repairs" shall include replacements or renewals when necessary and all such repairs made by

Tenant shall be equal in quality and class to the original work. The Tenant shall keep and maintain all portions of the Property and the sidewalk and areas adjoining the same in a clean and orderly condition, free of accumulation of dirt, rubbish, snow and ice. The Tenant shall be responsible for all outside maintenance of the Property, including grounds and parking areas.

If Tenant fails, refuses or neglects to maintain or repair the Property as required in this Lease after notice shall have been given Tenant, in accordance with paragraph 32 of this Lease, Landlord may make such repairs without liability to Tenant for any loss or damage that may accrue to Tenant's merchandise, fixtures or other property or to Tenant's business by reason thereof, and upon completion thereof, Tenant shall pay to Landlord all costs plus fifteen percent (15%) of overhead incurred by Landlord in making such repairs upon presentation to Tenant of bill therefore.

Landlord is under no obligation to make any structural or other alterations, decorating, additions or improvement in or to the Property/Building except as herein provided. Except as herein provided, Tenant is taking the Property "AS IS" except as set forth in this Agreement, Landlord shall not be obligated to do any work on or in the Property. Landlord warrants that at the Commencement Date, the Property is in compliance with all applicable laws, codes, ordinances, rules and regulations. Landlord shall be responsible for all structural repairs or replacement of the roof, exterior walls, floor and parking area, including sidewalks and curbing and all mechanical systems. Landlord in its sole discretion shall make the decision on any repairs or replacement of the roof, exterior walls, floor and parking area including sidewalks and curbing and all mechanical systems. In the event Landlord elects not to make a repair necessary for the continued quiet enjoyment of the Property by Tenant, Tenant may terminate this Agreement.

7. SIGNS:

Any sign, lettering, picture, notice or advertisement installed on or in any part of the Property and visible from the exterior of the Building, or visible from the exterior of the Property, must be approved in advance by Landlord, which approval shall not be unreasonably withheld, and installed at Tenant's expense. In the event of a violation of the foregoing by Tenant, Landlord may remove the same without any liability and may charge the expense incurred by such removal to Tenant.

8. ALTERATIONS, INSTALLATION, FIXTURES:

Except as hereinafter provided, Tenant shall not make any alternation, additions, or improvements in or to the Property or add, disturb or in any way change any plumbing or wiring therein without the prior written consent of Landlord, which consent will not be unreasonably withheld. In the event alterations are required by any governmental agency by reason of the use and occupancy of the Property by Tenant, Tenant shall make such alterations at its own cost and expense after first obtaining Landlord's approval of plans and specifications therefore and furnishing such indemnification as Landlord may reasonably require against liens, costs, damages and expenses arising out of such alterations. Alterations or additions by Tenant must be built in compliance with all laws, ordinances and governmental regulations affecting the Property and Tenant shall warrant to Landlord that all such alterations, additions, or improvements shall be in strict compliance with all relevant laws, ordinances, governmental regulations, and insurance requirements. Construction of such alterations or additions shall

commence only upon Tenant obtaining and exhibiting to Landlord the requisite approvals, licenses and permits and indemnification against liens. All alterations, installations, physical additions or improvements to the Property made by Tenant shall at the option of Landlord become the property of Landlord and shall be either removed by Tenant at Tenant's sole cost or surrendered to Landlord upon the termination of this Lease; provided, however, this clause shall not apply to movable equipment or furniture owned by Tenant which may be removed by Tenant at the end of the term if this Lease of Tenant is not then in default.

9. POSSESSION:

Except as hereinafter provided Landlord shall deliver possession of the Property to Tenant in the condition required by this Lease on or before the Commencement Date, but delivery of possession prior to or later than such Commencement Date shall not affect the expiration date of this Lease. The rentals herein reserved shall commence on the date that is thirty days after possession of the Property is delivered by Landlord to Tenant. Any occupancy by Tenant prior to the beginning of the term shall in all respects be the same as that of Tenant under this Lease. Landlord shall have no responsibility or liability for loss or damage to fixtures, facilities or equipment installed or left on the Property. If for any reason, Landlord cannot deliver possession of the Property to Tenant by the Commencement Date, in no event shall Landlord be subject to any liability for a delay in delivery and such failure shall not affect the validity of this Lease or the obligations of Tenant under, and Tenant's remedies for such delay shall be limited to termination of this Lease in the event that Landlord fails to deliver the Property to Tenant within 30 days of the Commencement Date.

10. SECURITY AND DAMAGE DEPOSIT:

Tenant contemporaneously with the execution of this Lease, has deposited with Landlord the sum of One Thousand Six Hundred and 00/100 Dollars (\$1,600.00), receipt of which is acknowledged by Landlord, which deposit is to be held by Landlord, as a security and damage deposit for the faithful performance by Tenant during the term hereof or any extension hereof. Prior to the time when Tenant shall be entitled to the return of this security deposit, Landlord may commingle such deposit with Landlord's own funds and to use such security deposit for such purpose as Landlord may determine. In the event of the failure of Tenant to keep and perform any of the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the term hereof or any extension hereof, then Landlord, either with or without terminating this Lease may (but shall not be required to) apply such portion of said deposit as may be necessary to compensate or repay Landlord for all losses or damages sustained or to be sustained by Landlord due to such breach on the part of Tenant, including, but not limited to overdue and unpaid rent, any other sum payable by Tenant to Landlord pursuant to the provisions of this Lease, damages or deficiencies in the reletting of the Property, and reasonable attorney's fees incurred by Landlord. Should the entire deposit or any portion thereof, be appropriated and applied by Landlord, in accordance with the provisions of this paragraph, Tenant, upon written demand by Landlord, shall remit forthwith to Landlord a sufficient amount of cash to restore said security deposit to the original sum deposited, and Tenant's failure to do so within thirty (30) days after receipt of such demand shall constitute a breach of this Lease. Said security deposit together with any interest thereon as required by law, shall be returned to Tenant, less any depletion thereof as the result of the provisions of this paragraph, at the term of

this Lease or any renewal thereof, or upon the earlier termination of this Lease. Tenant shall have no right to anticipate return of said deposit by withholding any amount required to be paid pursuant to the provision of this Lease or otherwise.

In the event Landlord shall sell the Property, or shall otherwise convey or dispose of its interest in this Lease, Landlord may assign the security deposit or any balance thereof to Landlord's assignee, whereupon Landlord shall be released from all liability for the return or repayment of such security deposit and Tenant shall look solely to the said assignee for the return and repayment of said security deposit. Said security deposit shall not be assigned or encumbered by Tenant without such consent of Landlord, and any assignment or encumbrance without such consent shall not bind Landlord. In the event of any rightful and permitted assignment of this Lease by Tenant, said security deposit shall be deemed to be held by Landlord as a deposit made by the assignee, and Landlord shall have no further liability with respect to the return of said security deposit to Tenant.

11. USE:

The Property shall be used and occupied by Tenant solely for the purposes of cold storage of vehicles. Vehicle sales on the Property shall NOT be permitted. The permitted uses by Tenant shall at all times be in full compliance with all applicable laws, ordinances and governmental regulations affecting the Building and Property. The Property shall not be used in such manner that, in accordance with any requirement of law or of any public authority, Landlord shall be obligated on account of the purpose or manner of said use to make any addition or alteration to or in the Property. The Property shall not be used in any manner which will increase the rates required to be paid for public liability or for fire and extended coverage insurance covering the Property. Tenant shall occupy the Property, conduct its business and control its agents, employees, invitees and visitors in such a way as is lawful, and reputable and will not permit or create any nuisance, noise, odor, or otherwise interfere with, annoy or disturb any other Tenant in the Building in its normal business operations or Landlord in its management of the Building. Tenant's use of the Property shall conform to all landlord's rules and regulations relating to the use of the Property as listed on Exhibit A attached hereto. Tenant shall park no vehicles on the Property older than 1985 vintage and no vehicles requiring body work shall be parked on the Property.

12. ACCESS TO LEASED PROPERTY:

The Tenant agrees to permit Landlord and the authorized representatives of Landlord to enter the Property at all times during usual business hours for the purpose of inspecting the same and making any necessary repairs to the Property and performing any work therein that may be necessary to comply with any laws, ordinances, rules, regulations or requirements of any public authority or of the Board of Fire Underwriters or any similar body or that Landlord may deem necessary to prevent waste or deterioration in connection with the Property. Nothing herein shall imply any duty upon the part of Landlord to do any such work which, under any provision of this Lease, Tenant may be required to perform and the performance thereof by Landlord shall not constitute a waiver of Tenant's default in failing to perform the same. The Landlord may, during the progress of any work in the Property, keep and store upon the Property all necessary materials, tools and equipment. The Landlord shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business, or other damage of Tenant by reason of making repairs

or the performance on any work in the Property, or on account of bringing materials, supplies and equipment into or through the Property during the course thereof and the obligations of Tenant under this Lease shall not thereby be affected in any manner whatsoever.

Landlord reserves the right to enter upon the Property at any time in the event of an emergency and at reasonable hours to exhibit the Property to prospective purchasers or others; and to exhibit the Property to prospective Tenants and to display "For Lease" or similar signs on windows or doors in the Property during the last one hundred eighty (180) days of the term of this Lease, all without hindrance or molestation by Tenant.

13. EMINENT DOMAIN:

In the event of any eminent domain or condemnation proceeding or private sale in lieu thereof in respect to the Property during the term thereof, the following provisions shall apply:

a. **Property Acquired** If the whole of the Property shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, then the term of this Lease shall cease and terminate as of the later of the end of the notice period pursuant to paragraph 1b. or the date possession shall be taken in such proceeding and all rentals shall be paid up to that date.

b **Part of Property Acquired.** If any part constituting less than the whole of the Property shall be acquired or condemned as aforesaid, and in the event that such partial taking or condemnation shall materially affect the Property so as to render the Property unsuitable for the business of Tenant, in the reasonable opinion of Landlord or Tenant, then the term of this Lease shall cease and terminate as of the date possession shall be taken by the condemning authority and rent shall be paid to the date of such termination.

In the event of a partial taking or condemnation of the Property which shall not materially affect the Property so as to render the Property unsuitable for the business of Tenant, in the reasonable opinion of Landlord or Tenant, this Lease shall continue in full force and effect but with a proportionate abatement of the Base Rent and Additional Rent based on the portion if any, of the Property taken. Landlord reserves the right, at its option, to restore the Property to substantially the same condition as they were prior to such condemnation. In such event, Landlord shall give written notice to Tenant, within 30 days following the date possession shall be taken by the condemning authority, of Landlord's intention to restore. Upon Landlord's notice of election to restore, Landlord shall commence restoration and shall restore the Property with reasonable promptness, subject to delays beyond Landlord's control and delays in the making of condemnation or sale proceeds adjustment by Landlord; and Tenant shall have no right to terminate this Lease except as herein provided. Upon completion of such restoration, the rent shall be adjusted based upon the portion, if any, of the Property restored.

c. **Tenant Waiver.** In the event of any condemnation or taking as aforesaid, whether whole or partial, Tenant shall not be entitled to any part of the award paid for such condemnation and Landlord is to receive the full amount of such award, Tenant hereby expressly waives any right to claim to any part thereof.

d. **Tenant Damages.** Although all damages in the event of any condemnation shall belong to Landlord whether such damages are awarded as compensation for diminution in value of the leasehold or to the fee of the Property, Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of any and all damage to Tenant's business by reason of the condemnation and of or on account of any cost or loss to which Tenant might be put in removing Tenant's merchandise, furniture, fixtures, leasehold improvements and equipment. However, Tenant shall have no claim against Landlord or make any claim with the condemning authority of the loss of its leasehold estate, any unexpired term of loss of any possible renewal or extension of said lease or loss of any possible value of said lease, any unexpired term, renewal or extension of said Lease.

14. DAMAGE OR DESTRUCTION:

In the event of any damage or destruction to the Property by fire or other cause during the term hereof, the following provisions shall apply:

a. **Significant Damages.** If the Property is damaged by fire or any other cause to such extent that the cost of restoration, as reasonably estimated by Landlord, will equal or exceed ten percent (10%) of the replacement value of the Property (exclusive of foundations) just prior to the occurrence of the damage, then Landlord or Tenant may, no later than the sixtieth (60th) day following the damage, give the other party written notice of their election to terminate this Lease.

b. **Date of Termination.** If the event Landlord or Tenant elects to terminate this Lease, it shall be deemed to terminate on the date of the receipt of the notice of election and all rentals shall be paid up to that date. Tenant shall have no claim against landlord for the value of any unexpired term of this Lease.

Notwithstanding anything contained in this paragraph 15 to the contrary, Landlord shall only be obligated to restore the Property to the extent of the insurance proceeds actually received, but if the insurance proceeds actually received do not permit Landlord to restore the Property, Landlord shall so notify Tenant and either Landlord or Tenant may terminate this Lease by written notice given within 60 days after Landlord's notice. If Landlord restores the Property in accordance with the provisions of this Section, then Tenant shall not have any right to terminate this Lease because of such damage pursuant to (i) any common law rights, (ii) Minnesota Statutes §504.131 as now in effect or as it may be hereafter amended or supplemented, or (iii) any comparable right established by a similar statute.

15. CASUALTY INSURANCE:

a. **Landlord to Maintain.** Landlord shall at all times during the term of this Lease, at its expense, maintain a policy or policies of insurance with premiums paid in advance issued by an insurance company licensed to do business in the State of Minnesota insuring the Property against loss or damage by fire, explosion or other insurable hazards and contingencies for the full insurance value, provided that Landlord shall not be obligated to insure any furniture, equipment, machinery, goods or supplies not covered by this Lease which Tenant may bring upon the Property or any additional improvements which Tenant may construct or install on the Property.

b. **Tenant to Maintain.** Tenant shall at all times during the term of this Lease, at its expense, maintain a policy or policies of insurance with premiums paid in advance issued by an insurance company licensed to do business in the State of Minnesota insuring the Property against loss or damage by fire, expulsion or other insurable hazards and contingencies for the full insurable value of Tenant's improvements to the Property and Tenant's personal property.

c. **Tenant Restriction.** Tenant shall not carry any stock of goods or do anything in or about the Property which will in any way impair or invalidate the obligation of the insurer under any policy of insurance required by this Lease.

d. **Waiver of Liability.** Landlord hereby waives and releases all claims, liabilities and causes of action against Tenant and its agents, servants and employees for loss or damage to, or destruction of, the Property or any portion thereof, including the buildings and other improvements situated thereon, resulting from fire, explosion and other perils included in standard extended coverage insurance, whether caused by the negligence of any of said persons or otherwise. Likewise, Tenant hereby waives and releases all claims, liabilities and causes of action against Landlord and its agents, servants and employees for loss or damage to, or destruction of, any of the improvements, fixtures, equipment, supplies, merchandise and other property, whether that of Tenant or of others, upon or about the Property resulting from fire, explosion or the other perils included in standard extended coverage insurance, whether caused by the negligence of any of said persons or otherwise. The waiver shall remain in force whether or not Tenant's insurer shall consent thereto.

e. **Tenant Payment.** In the event that the use of the Property by Tenant increases the premium rate for insurance carried by Landlord, Tenant shall pay Landlord, upon demand, the amount of such premium increase. If tenant installs any electrical equipment that overloads the power lines to the building or its wiring, Tenant shall, at its own expense, make whatever changes are necessary to comply with the requirements of the insurance underwriter, insurance rating bureau and governmental authorities having jurisdiction.

16. PUBLIC LIABILITY INSURANCE:

Tenant shall during the term hereof keep in full force and effect at its expense a policy or policies of public liability insurance with respect to the Property and the business of Tenant, on terms with companies approved in writing by Landlord, in Landlord. Landlord shall be named as additional insured under all policies. Limits of liability shall not be less than a combined policy limit of at least \$2,000,000.00 applying to Bodily Injury, Property Damage and Personal Injury. Such policy(ies) shall: (i) provide that such policies are primary and landlord's policy(ies) are noncontributing; (ii) include a cross-liability endorsement, and (iii) require that at least 30 days prior written notice must be given to Landlord prior to cancellation, expiration or material adverse changes to such policy(ies). Tenant shall furnish evidence satisfactory to Landlord at the time this Lease is executed that such coverage is in full force and effect.

17. DEFAULT OF TENANT:

a. **Failure to Pay Rent.** In the event of any failure of Tenant to pay any rental due hereunder within ten (10) days after the same shall be due, or any failure to perform any other of the terms, conditions or covenants of this Lease to be observed or performed by Tenant for more

than 20 days after written notice of such failure shall have been given to Tenant, or if Tenant or an agent of Tenant shall falsify any report required to be furnished to Landlord pursuant to the terms of this Lease, or if Tenant or any guarantor of this Lease shall become bankrupt or insolvent, or file any debtor proceedings or any person shall take or have against Tenant or any guarantor of this Lease in any court pursuant to any statute either of the United States or of any state a petition of bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Tenant's or any such guarantor's property, or if Tenant or any such guarantor makes an assignment for the benefit of creditors, or petitions for or enters into an arrangement, or if Tenant shall abandon the Property or suffer this Lease to be taken under any writ of execution, then in any such event Tenant shall be in default hereunder, and Landlord, in addition to other rights of remedies it may have, shall have the immediate right of re-entry and may remove all personal property from the Property and such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of Tenant, all without service of notice or resort to legal process and without being guilty of trespass, or becoming liable for any loss or damage which may be occasioned thereby.

b. **Landlord's Rights.** Should Landlord elect to re-enter the Property, as herein provided, or should it take possession of the Property pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Lease or it may from time to time, without terminating this Lease, make such alterations and repairs as may be necessary in order to relet the Property, and relet the Property or any part thereof upon such term or terms (which may be for a term extending beyond the term of this Lease) and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable. Upon each such subletting all rentals received by Landlord from such reletting shall be applied first to the payment of any indebtedness other than rent due hereunder from Tenant to Landlord; second, to the payment of any costs and expenses of such reletting, including brokerage fees and attorney's fees and costs of such alterations and repairs; third, to the payment of the rent due and unpaid payment of future rent as the same may become due and payable hereunder. If such rentals received from such reletting during any month be less than that to be paid during that month by Tenant hereunder, possession of the Property by Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Landlord may at any time after such re-entry and reletting elect to terminate this Lease for any such breach, in addition to any other remedies it may have, it may recover from Tenant all damages it may incur by reason of such breach, including the cost of recovering the Property, reasonable attorney's fees, and including the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this Lease for the remainder of the stated term, minus the amount of rental loss which Tenant proves could have been reasonably avoided, all of which amounts shall be immediately due and payable from Tenant to Landlord. Landlord shall also be entitled to any other amounts necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to comply with the requirements of this Lease.

c. **Landlord May Cure Default.** Landlord may, at its option, instead of exercising any other rights or remedies available to it in this Lease or otherwise by law, statute or equity spend such money as is reasonably necessary to cure any default of Tenant herein and the

amount so spent, and costs incurred, including attorney's fees incurring such default, shall be paid by Tenant, and additional rent, upon demand.

d. **Tenant Payment.** In the event suit shall be brought for recovery of possession of the Property, for the recovery of rent of any other amount due under the provisions of this Lease, or because of the breach of any other covenant herein contained on the part of Tenant to be kept or performed, and a breach shall be established, Tenant shall pay to Landlord all expenses incurred therefore, including a reasonable attorney's fee, together with interest on all such expenses at the rate of ten percent (10%) per annum from the date of such breach of the covenants of this Lease.

e. **Waiver of Rights of Redemption.** Tenant also waives any demand for possession of the Property, and any demand for payment of rent and any notice of intent to re-enter the Property, or of intent to terminate this Lease, other than the notices above provided in this paragraph, and waives any and every other notice or demand prescribed by any applicable statutes or laws.

f. **No Exclusive Remedy.** No remedy herein or elsewhere in this Lease or otherwise by law, statute or equity, conferred upon or reserved to Landlord or Tenant shall be exclusive of any other remedy, but shall be cumulative, and may be exercised from time to time and as often as the occasion may arise.

18. INDEMNITY & HOLD HARMLESS:

Except to the extent that liability for damages or loss is caused by the intentional acts or gross negligence of Landlord, its agents or employees, Tenant shall indemnify, protect, defend (at Landlord's request and with counsel approved by Landlord) and hold Landlord and each of its respective officers and employees harmless from and against every demand, claim, cause of action, judgment and expense, including, but not limited to, reasonable attorney's fees and disbursements of counsel, whether suit is initiated or not, and all loss and damage arising from: (a) any injury, loss or damage to the person or property of Tenant, or to any other person rightfully in the Property, , (i) occurring in or about the Property, or (ii) caused by the negligence or misconduct of Tenant, or Tenant's affiliates or any of their respective employees, representatives, agents or contractors, or (iii) resulting from the violation of any legal requirements or the provisions of this Lease by Tenant, or Tenant's affiliates or any of their respective employees, representatives, agents or contractors; (b) any loss or damage, however caused, to books, records, computer or other electronic equipment or data or media, files, artwork, money, securities, negotiable instruments or papers in the Property; (or (c) any loss or damage resulting from interference with or obstruction of deliveries to or from the Property caused by Tenant or Tenant's affiliates or any of their respective employees, representatives, agents or contractors. All property kept, maintained or stored on the Property shall be so kept, maintained or stored at the sole risk of Tenant. If any mechanic's lien is filed against any part of the Property for work claimed to have been done for, or materials claimed to have been furnished to Tenant, such mechanic's lien shall be discharged by Tenant within ten (10) days thereafter, at Tenant's sole cost and expense, by the payment thereof or by making any deposit required by law or by posting a bond with such surety, in such amount and in such form as landlord deems proper. Tenant shall immediately notify Landlord of any mechanic's lien or other lien filed against the Property or any part thereof by a contractor or subcontractor of Tenant or otherwise

by reason of work claimed to have been done for or materials claimed to have been furnished to Tenant. If Tenant fails to remove such lien or post such bond within the ten (10) day period following the filing thereof, Landlord may, at its sole discretion and without waiving its right and remedies based on such breach by Tenant and without releasing Tenant from any of its obligations, cause such lien to be released by any means it shall deem proper, including payment in satisfaction of the claim giving rise to such lien. Tenant shall, in such event, pay to Landlord at once, upon notice by Landlord, any sum paid by Landlord to remove such lien, together with interest at the rate of twelve percent (12%) from the date of such payment by Landlord. Landlord shall have the right at all times to post and keep posted on the Property any notices permitted or required by applicable law, or that Landlord shall deem proper for the protection of Landlord, the Property, the Property and any other party having an interest therein, from liens. All material suppliers, contractors, artisans, mechanics, laborers and other parties contracting with Tenant for the furnishing of any labor, services, materials, supplies or equipment with respect to any portion of the Property are hereby charged with notice that they must look solely to Tenant for payment of the same and Tenant's purchase orders, contracts and subcontracts in connection therewith must clearly state this requirement.

19. NON-LIABILITY:

Subject to the terms and conditions of paragraphs 6 and 15 hereof, Landlord shall not be liable for damage to any property of Tenant or of others located on the Property, or for the loss of or damage to any property of Tenant or of others by theft or otherwise. Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow or leaks from any part of the Property or from the pipes, appliances, or plumbing works or from the roof, street or subsurface or from any other place or by dampness or by any other cause of whatsoever nature. Landlord shall not be liable for any such damage caused by Tenants or persons in the Property, occupants of adjacent property, of the buildings, or the public or caused by operations in connection of any private, public or quasi-public work. Landlord shall not be liable for any latent defect in the Property. All property of Tenant kept or stored on the Property shall be so kept or stored at the risk of Tenant only and Tenant shall hold Landlord harmless from any claims arising out of damage to the same, including subrogation claims by Tenant's insurance carrier.

20. ASSIGNMENT OR SUBLETTING:

Tenant agrees to use and occupy the Property throughout the entire term hereof for the purpose or purposes herein specified and for no other purposes, in the manner and to substantially the extent now intended, and not to assign, sublet, license, concession or otherwise transfer this Lease or Tenant's rights in the Property, or any part thereof, whether by voluntary act, operation of law, or otherwise, without obtaining the prior written consent of Landlord in each instance. Tenant shall seek such consent of Landlord by a written request therefore, setting forth such information as Landlord may deem necessary. Landlord agrees not to withhold consent unreasonably. Consent by Landlord to any assignment of this Lease or to any subletting of the Property shall not be a waiver of Landlord's rights under this paragraph as to any subsequent assignment or subletting. Landlord's rights to assign this Lease are and shall remain unqualified. No such assignment or subleasing shall relieve Tenant from any of Tenant's obligations in this Lease contained, nor shall any assignment or sublease or other transfer of this Lease be effective unless the assignees, subtenant or transferee shall at the time of such assignment, sublease or

transfer, assume in writing for the benefit of Landlord, its successors or assigns, all of the terms, covenants and conditions of this Lease thereafter to be performed by Tenant and shall agree in writing to be bound thereby. Should Tenant sublease in accordance with the terms of this Lease, fifty percent (50%) of any increase in rental received by Tenant over the per square foot rental rate which is being paid by Tenant shall be forwarded to and retained by Landlord, which increase shall be in addition to the Base Rent and Additional Rent due landlord under this Lease.

21. ATTORNMENT:

In the event of any sale, transfer or assignment of Landlord's interest in the Property, or this Lease, or if the Property comes into custody or possession of a mortgagee or any other party whether because of a mortgage foreclosure, or otherwise, Tenant shall attorn to such assignee or other party and recognize such party as Landlord hereunder; provided, however, Tenant's peaceable possession will not be disturbed so long as Tenant faithfully performs its obligations under this Lease. Tenant shall execute, on demand, any attornment agreement required by any such party to be executed, containing such provisions and such other provisions as such party may require.

22. NOVIATION IN THE EVENT OF SALE:

In the event of the sale of the Property, Landlord shall be and hereby is relieved of all of the covenants and obligations created hereby accruing from and after the date of sale, and such sale shall result automatically in the purchaser assuming and agreeing to carry out all the covenants and obligations of Landlord herein. Notwithstanding the foregoing provisions of this paragraph, Landlord, in the event of a sale of the Property, shall cause to be included in the agreement of sale and purchase a covenant whereby the purchaser of the Property assumes and agrees to carry out all of the covenants and obligations of Landlord herein.

The Tenant agrees at any time and from time to time upon not less than ten (10) days prior written request by Landlord to execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect as modified and stating the modifications, and the dates to which the basic rent and other charges have been paid in advance, if any, it being intended that any such statement delivered pursuant to this paragraph may be relied upon by any prospective purchaser of the fee or mortgagee or assignee of any mortgage upon the fee of the Property. In the event that Tenant fails to execute and return the estoppel certificate within such ten (10) day period, the holder of such encumbrance shall be entitled to rely, as against the Tenant, that: (i) this Lease is in full force and effect, without amendment except as specified by the Landlord, (ii) Tenant has no offsets against rent nor any defenses to Tenant's performance under this Lease, (iii) Tenant has no right to any offset or defenses to the payment of rent, and (iv) Tenant has not paid any rental under this Lease more than one month in advance.

23. SUCCESSORS AND ASSIGNS:

The terms, covenants and conditions hereof shall be binding upon and inure to the successors and assigns of the parties hereto.

24. REMOVAL OF FIXTURES:

Notwithstanding anything contained in paragraph 8, paragraph 28 or elsewhere in this Lease, if Landlord requests then Tenant will promptly remove at the sole cost and expense of Tenant all fixtures, equipment and alterations made by Tenant simultaneously with vacating the Property and Tenant will promptly restore the Property to the condition that existed immediately prior to said fixtures, equipment and alterations having been made all at the sole cost and expense of Tenant.

25. QUIET ENJOYMENT:

Landlord warrants that it has full right to execute and to perform this Lease and to grant the estate demised, and that Tenant, upon payment of the rents and other amounts due and the performance of all the terms, conditions, covenants and agreements on Tenant's part to be observed and performed under this Lease, may peaceably and quietly enjoy the Property for the business uses permitted hereunder, subject, nevertheless, to the terms and conditions of this Lease.

26. RECORDING:

Tenant shall not record this Lease without the written consent of Landlord. However, upon the request of either party hereto, the other party shall join in the execution of the Memorandum lease for the purposes of recordation. Said Memorandum lease shall describe the parties, the Property and the term of the Lease and shall incorporate this Lease by reference.

27. OVERDUE PAYMENTS:

All monies due under this Lease from Tenant to Landlord shall be due on demand, unless otherwise specified and if not paid when due, shall result in the imposition of a service charge for such late payment in the amount of five percent (5%) of the amount due.

28. SURRENDER:

On the Expiration Date or upon the termination hereof upon a day other than the Expiration Date, Tenant shall peaceably surrender the Property broom-clean in good order, condition and repair, reasonable wear and tear only excepted unless the Lease has been terminated pursuant to paragraphs 1.b, 13 or 14. On or before the Expiration Date or upon termination of this Lease on a day other than the Expiration Date, Tenant shall, at its expense, remove all trade fixtures, personal property and equipment and signs from the Property and any property not removed shall be deemed to have been abandoned. Any damage caused in removal of such items shall be repaired by Tenant and at its expense. All alterations, additions, improvements and fixtures (other than trade fixtures) which shall have been made or installed by Landlord or Tenant upon the Property and all floor covering so installed shall at the option of Landlord remain upon and be surrendered with the Property as a part thereof, without disturbance, molestation or injury, and without charge, at the expiration or termination of this Lease. If the Property is not surrendered on the Expiration Date or the date of termination, Tenant shall indemnify Landlord against loss or liability, claims, without limitation, made by any succeeding Tenant founded on such delay. Tenant shall promptly surrender all keys for the Property to Landlord at the place then fixed for payment of rent and shall inform Landlord of combinations of any locks and safes on the Property.

29. HOLDING OVER:

In the event of a holding over by Tenant after expiration or termination of this Lease without the consent in writing of Landlord, Tenant shall be deemed a Tenant at sufferance and shall pay rent for such occupancy at the rate of twice the lease-current aggregate Base and Additional Rent, prorated for the entire holdover period, plus all attorney's fees and expenses incurred by Landlord in enforcing its rights hereunder, plus any other damages occasioned by such holding over. Except as otherwise agreed, any holding over with the written consent of Landlord shall constitute Tenant as a month-to-month Tenant.

30. ABANDONMENT:

In the event Tenant shall remove its fixtures, equipment or machinery or shall vacate the Property or any part thereof prior to the Expiration Date of this Lease, or shall discontinue or suspend the operation of its business conducted on the Property for a period of more than thirty (30) consecutive days (except during any time when the Property may be rendered untenable by reason of fire or other casualty), then in any such event Tenant shall be deemed to have abandoned the Property and Tenant shall be in default under the terms of this Lease.

31. CONSENTS BY LANDLORD:

Whenever provision is made under this Lease for Tenant securing the consent or approval by Landlord, such consent or approval shall only be in writing.

32. NOTICES:

Any notice required or permitted under this Lease shall be deemed sufficiently given or secured if sent by registered or certified return receipt mail to Tenant at 6745 Highway 10 NW, Ramsey, Minnesota 55303, and to Landlord at the address then fixed for the payment of rent as provided in paragraph 4 of this Lease, and either party may by like written notice at any time designate a different address to which notices shall subsequently be sent or rent to be paid.

33. RULES AND REGULATIONS:

Tenant shall observe and comply with the rules and regulations as Landlord may prescribe and as listed on Exhibit A attached hereto, on written notice to Tenant for the safety, care and cleanliness of the Property.

34. INTENT OF PARTIES:

Except as otherwise provided herein, Tenant covenants and agrees that if it shall any time fail to pay any such cost or expenses, or fail to take out, pay for, maintain or deliver any of the insurance policies above required, or fail to make any other payment or perform any other act on its part to be made or performed as in this Lease provided, then Landlord may, but shall not be obligated so to do, and without notice to or demand upon Tenant and without waiving or releasing Tenant from any obligations of Tenant in this Lease contained, pay any such cost or expense, effect any such insurance coverage and pay premiums therefore, and may make any other payment or perform any other act on the part of Tenant to be made and performed as in this

Lease provided, in such manner and to such extent as Landlord may deem desirable, and in exercising any such right, to also pay all necessary and incidental costs and expenses, employ counsel and incur and pay reasonable attorney's fees. All sums so paid by Landlord and all necessary and incidental costs and expenses in connection with the performance of any such act by Landlord, together with interest thereon at the rate of twelve percent (12%) per annum from the date of making of such expenditure, by Landlord, shall be deemed Additional Rent hereunder, and shall be payable to Landlord on demand. Tenant covenants to pay any such sum or sums with interest as aforesaid and Landlord shall have the same rights and remedies in the event of the non-payment thereof by Tenant as in the case of default by Tenant in the payment of the Base Rent payable under this Lease.

35. GENERAL:

a. **Landlord Tenant Relationship.** This Lease does not create the relationship of principal and agent or of corporation or of joint venture or of any association between Landlord and Tenant, the sole relationship between the parties hereto being that of Landlord and Tenant.

b. **Effect of Waivers.** No waiver of any default of Tenant hereunder shall be implied from any omission by Landlord to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord shall not then be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent to or approval by Landlord of any act by Tenant requiring Landlord's consent or approval shall not waive or render necessary Landlord's consent to or approval of any subsequent similar act by Tenant. No action required or permitted to be taken by or on behalf of Landlord under the terms or provisions of this Lease shall be deemed to constitute an eviction or disturbance of Tenant's possession of the Property. All preliminary negotiations are merged into and incorporated in this Lease. The laws of the State of Minnesota shall govern the validity, performance and enforcement of this Lease.

c. **Entire Agreement.** This Lease and the exhibits, if any, attached hereto and forming a part hereof, constitute the entire agreement between Landlord and Tenant affecting the Property and there are no other agreements, either oral or written, between them other than are herein set forth. No subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and executed in the same form and manner in which this Lease is executed.

d. **Enforceability of Provisions.** If any agreement, covenant or condition of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such agreement, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each agreement, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

e. **No Personal Obligations.** The obligations of Landlord under this Lease do not constitute the personal obligations of the individual officers or employees of Landlord. If Landlord shall fail to perform any covenant, term or condition of this Lease required of landlord, Tenant shall be required to deliver to Landlord written notice of the same. If, as a consequence

of such default, Tenant shall recover a money judgment against Landlord, such judgment shall be satisfied only out of the proceeds of sale received upon execution of such judgment and levied thereon against the right, title and interest of Landlord in the Property and out of rent or other income from the Property receivable by Landlord, or out of consideration received by Landlord from the sale or other disposition of all or any part of Landlord's right, title or interest in the Property, and no action for any deficiency may be sought or obtained by Tenant.

f. **No Relocation Benefits.** The Tenant waives its right to relocation benefits under any state or federal law in the event Landlord elects to terminate this Lease prior to the expiration of the Lease Term or any subsequent term thereafter.

36. NO WASTE OR NUISANCE AND COMPLIANCE WITH LAWS:

a. **Property Use.** The Property shall be used by and/or at the sufferance of Tenant only for the purpose set forth in paragraph 11 above and for no other purposes. Tenant shall not use or permit the use of the Property in any manner that will tend to create waste or a nuisance. Tenant, its employees and all persons visiting or doing business with Tenant in the Property shall be bound by and shall observe the reasonable rules and regulations as listed on Exhibit A attached hereto, made by Landlord relating to the Property, of which notice in writing shall be given to Tenant, and all such rules and regulations shall be deemed to be incorporated into and form a part of this Lease.

b. **Obey Laws.** Tenant covenants throughout the Lease Term, at Tenant's sole cost and expense subject to Landlord's warranty in paragraph 6, promptly to comply with all laws and ordinances and the orders, rules and regulations and requirements of all federal, state and municipal governments and appropriate departments, commissions, boards, and officers thereof, and the orders, rules and regulations of the Board of Fire Underwriters where the Property are situated, or any other body now or hereafter created with jurisdiction over the Property, and whether or not the same require structural repairs or alterations, which may be applicable to the Property, or the use or manner of use of the Property. Tenant will likewise observe and comply with the requirements of all policies of public liability, fire and all other policies of insurance at any time in force with respect to the buildings and improvements on the Property and the equipment thereof.

37. HAZARDOUS MATERIAL:

In the event any Hazardous material (hereinafter defined) is brought or caused to be brought into or onto the Property by Tenant, Tenant shall handle any such material in compliance with all applicable federal, state and/or local regulations. For purposes of this paragraph, "Hazardous Material" means and includes any hazardous, toxic or dangerous waste, substance or material defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act, and so-called "Superfund" or "Super lien" law, or any federal, state or local statute, law, ordinance, code, rule, regulation, order decree regulation, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect. Tenant shall submit to Landlord on an annual basis copies of its approved hazardous materials communication plan, OSHA monitoring plan, and permits required by the Resource Recovery and Conservation Act of 1976, if Tenant is required to prepare, file or obtain any such plans or permits. Tenant will

indemnify and hold harmless Landlord from any losses, liabilities, damages, costs or expenses (including reasonable attorney's fees) which Landlord may suffer or incur as a result of Tenant's introduction into or onto the Property, of any Hazardous Material. This paragraph shall survive the expiration or sooner termination of this Lease.

38. CAPTIONS:

The captions are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Lease nor the intent or any provision thereof.

39. ATTACHMENTS:

See also Exhibit A, which Exhibit is attached hereto and made a part hereof.

<u>Exhibit</u>	<u>Description</u>
Exhibit A	Property Rules and Regulations
Exhibit B	Graphic Depiction of Property

40. SUBMISSION:

Submission of this instrument to Tenant or proposed Tenant or its agents or attorneys for examination, review, consideration or signature does not constitute or imply an offer to lease, reservation of space, or option to lease, and this instrument shall have no binding legal effect until execution hereof by both Landlord/Owner and Tenant or its agents.

IN WITNESS WHEREOF, landlord and Tenant have caused these presents to be executed in form and manner sufficient to bind them at law, as of the day and year first above written.

LANDLORD:

TENANT:

**CITY OF RAMSEY, a
Minnesota Municipal Corporation**

**INDEPENDENT AUTO SERVICE, INC.
Minnesota Corporation**

By: _____
Bob Ramsey, Mayor

By: _____
Allen Berg, Chief Executive Manager

By: _____
Kurt G. Ulrich, City Administrator

**EXHIBIT A
TO LEASE AGREEMENT
DATED November 1, 2012**

BUILDING RULES AND REGULATIONS

1. Any sign, lettering, picture, notice or advertisement installed on or in any part of the Property and visible from the exterior of the Property, shall be installed at Tenant's sole cost and expense, and in such manner, character and style as Landlord may approve in writing. Anything herein to the contrary notwithstanding, approval as to signs shall be subject to Landlord's approval which may not be unreasonably withheld. In the event of a violation of the foregoing by Tenant, landlord may remove the same without any liability and may charge the expense incurred by such removal to Tenant.

2. Tenant assumes full responsibility for protecting its space from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Property closed and secured after normal business hours.

3. Tenant shall comply with all applicable federal, state and municipal laws, ordinances and regulations, and building rules and shall not directly or indirectly make any use of the Property which may be prohibited by any of the foregoing or which may be dangerous to persons or property or may increase the cost of insurance or require additional insurance coverage.

4. The Property shall not be used for cooking (as opposed to heating of food), lodging, sleeping or for any immoral or illegal purpose.

5. Unless expressly permitted by Landlord, no additional locks or similar devices shall be attached to any door or window and no keys other than those provided by Landlord shall be made for any door. If more than two keys for one lock are desired by Tenant, Landlord may provide the same upon payment by Tenant. Upon termination of this Lease or of Tenant's possession, Tenant shall surrender all keys of the Property and shall explain to Landlord all combination locks on safes, cabinets and vaults.

6. The restrooms, drinking fountains and other plumbing fixtures shall not be used for any purpose other than for which they are constructed, and no sweepings, rubbish, rags, coffee grounds or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by Tenant who, or whose employees, agents, visitors or licensees have caused same. No person shall waste water by interfering or tampering with the faucets or otherwise.

7. Tenant shall be responsible for any damage to the building or the property of its employees or others and injuries sustained by any person whomsoever resulting from the use or moving of such articles in or out of the Property, and shall make all repairs and improvements required by Landlord or governmental authorities in connection with the use or moving of such articles.

8. Wherever in these Building Rules and Regulations the word "Tenant" occurs, it is understood and agreed that it shall mean Tenant's associates, employees, agents, clerks, invitees, and visitors. Wherever the word "Landlord" occurs, it is understood and agreed that it shall mean Landlord's assigns, agents, clerks, and visitors.

9. Landlord shall have the right to enter upon the Property at all reasonable hours for the purpose of inspecting the same.

10. Landlord shall have the right to enter the Property at hours convenient to Tenant for the purpose of exhibiting the same to prospective tenants.

11. Tenant shall be responsible for all repair and maintenance of mechanical systems and devices associated with Tenant's Property, including, but not limited to, heating and air conditioning equipment, water heaters, exhaust fans, plumbing and electrical. Landlord must be advised of any such repair, etc. and must approve of any such repair. Landlord warrants that the equipment is in proper working order on the Commencement Date.

12. Alterations of any nature to the Property by Tenant shall require written approval of Landlord. Such approval shall not be unreasonably withheld. In the event of a violation of the foregoing by Tenant, Landlord may remove the same without any liability and may charge the expense incurred by such removal to Tenant.

13. Tenant and Tenant's employees, agents, visitors and licensees shall observe faithfully and comply strictly with the foregoing rules and regulations and such other and further appropriate rules and regulations as Landlord or Landlord's agent may from time to time adopt. Reasonable notice of any additional rules and regulations shall be given in such manner as Landlord may reasonably elect in its reasonable discretion.

14. Landlord reserves the right at any time to rescind, alter or waive, in whole or in part, any of these Rules and Regulations when deemed necessary, desirable, or proper, in Landlord's judgment, for its best interest or for the best interest of the tenants of the Complex. Tenant reserves the right to refuse compliance with any subsequent additional rules and regulations added to those agreed to at the time of signing the Lease.

15. To the extent these rules are in conflict with the terms of the Lease, the terms of the Lease shall rule and govern.

Exhibit B
Graphic Depiction of Property



Meeting Date: 11/13/2012

Submitted For: Patrick Brama

By: Kathy Schmitz, Administrative Services

Information

Title:

Consider EDA Revolving Loan Fund (RLF) Application

Background:

The City of Ramsey has received an EDA Revolving Loan Fund (RLF) application from Koru Fitness, Inc., in the amount of \$34,500.00. Said application was approved by the Ramsey EDA at the regular October EDA meeting. Like any EDA loan or subsidy, the City Council must make final approval.

Attached to this case is the Koru's business plan, credit review of the applicant, company resume and proposed loan agreement.

The City's Economic Development Consultant, Mike Mulrooney, has worked directly with the applicant through this process and will be present to review this case.

The purpose of this case is to consider approval of the Revolving Loan Fund (RLF) application from Koru Fitness, Inc.

Notification:

NA

Observations:

Koru Fitness, Inc. is a start-up workout facility to be open in the fall of 2012. The primary focus of Koru Fitness, Inc. is to bring "Entertainment" to the Anoka, Ramsey, Andover and surrounding areas by providing world-class fitness classes that are safe, fun and effective. Partnering with Les Mills™ International (LMI), Koru Fitness, Inc. will offer six pre choreographed group exercise formats which are marketed to mostly women ages 25-45.

Additional information and background on this company is provided in the attached business plan and resume.

RLF Program Objective:

The objective of the City's RLF program is to fill the financing gap between project costs and private debt financing/private equity by making direct low interest rate loans for certain approved activities to businesses within the Ramsey City limits. Attached to this case is the RLF program policy. This application fits within the RLF guidelines.

Recommendation:

The City's Economic Development Consultant, Mike Mulrooney, has reviewed the applicant's business plan and financials; and is recommending approval of Koru's loan request.

The EDA reviewed this loan application at the October EDA meeting; and passed a motion to recommend approval of Koru's Loan request.

Funding Source:

EDA Revolving Loan Fund

Council Action:

Move to approve/deny the Revolving Loan Fund Application submitted by Koru Fitness, Inc. in the amount of \$34,500.00; subject to language modifications by the City Attorney.

Attachments

Business Plan

Credit Review and Project Memo

Resume

Loan Agreement

RLF Policy

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	11/08/2012 03:16 PM
Patrick Brama	Kathy Schmitz	11/08/2012 04:25 PM
Form Started By: Kathy Schmitz		Started On: 11/08/2012 11:20 AM
Final Approval Date: 11/08/2012		

Koru Fitness, Inc.

Business Plan 8.20.2012

Prepared by:

Nicole Kutches, Owner

16158 Iodine St. NW
Ramsey, MN 55303
612.207.3244

Table of Contents

Executive Summary	1
Who We Are	1
What We Sell	1
Who We Sell To	2
Financial Summary	2
Company	3
Company Overview	3
Management Team	4
Location Options	5
Anoka	5
Ramsey	6
Products and Services	7
Competitors	8
Target Market	10
Market Overview	10
Market Needs	11
Strategy & Implementation	12
Marketing Plan	12
Overview	12
Positioning	13
Pricing	13
Promotion	14
Distribution	14
Financial Plan	15
Assumptions	16
Appendix	17
Program Information	17
NEEDSCOPE Model	19
Sample Instructor Program Kits	20
Studio Vision	21
Sample Promotion & Marketing Materials	22

Executive Summary

Who We Are

Koru Fitness, Inc. is a start-up workout facility to be open in the fall of 2012. By licensing with Les Mills™ International (LMI), Koru Fitness, Inc. will offer six unique fitness programs, as well as Zumba®, to it's members.

One of the keys to success of Koru Fitness, Inc. will be the state of the art studio space that will have it's members coming back for more. The studio will feature a large stage for instructors offering optimal viewing for every participant, light control, a disco ball with nightclub light effects, as well as the best audio equipment available.

Another key to success will be the recruitment of rock star instructors so members never have to worry about which instructor will be teaching. Every instructor will be able to deliver a life changing fitness experience to everyone, every class.

What We Sell

Koru Fitness's main focus is providing an "Exertainment," memorable experience for our participants. The six Les Mills™ programs offered at Koru Fitness, Inc. include*:

- BODYPUMP™ (Weight lifting)
- BODYFLOW™ (Yoga, Tai Chi, Pilates)
- BODYSTEP™ (Cardio with a step)
- BODYATTACK™ (Sports conditioning)
- BODYCOMBAT™ (Martial arts)
- SH'BAM™ (Group dance)
- Zumba® (Latin dance, not Les Mills but will be used to attract members)

* See appendix for full class descriptions and benefits.

Who We Sell To

Koru Fitness, Inc.'s target market is primarily women ages 25–45, with or without children. Men will also be marketed to with the BODYPUMP™, BODYCOMBAT™ and BODYATTACK™ classes.

Financial Summary

Koru Fitness, Inc. sought the guidance of SCORE (a nonprofit business mentoring association) to assist with the financial planning and solid business planning advice. Using a financial planning template provided by SCORE, Koru Fitness, Inc. has prepared financial projections spanning a 3–year period. The mentors at SCORE have reviewed the attached detailed financial plan and are satisfied with numbers and projections. The attached Excel workbook contains the following:

- Required Start-Up Funds
- Salaries and Wages
- Fixed Operating Expenses
- Projected Sales Forecast
- Cash Receipts–Disbursements
- Income Statement (covering 3 years)
- Cash Flow Statement (covering 3 years)
- Balance Sheet (covering 3 years)
- Year End Summary
- Financial Ratios
- Breakeven Analysis
- Amortization Schedule
- Financial Diagnostics

Company

Company Overview

Koru Fitness, Inc. is a start-up workout facility to be open in the fall of 2012. The primary focus of Koru Fitness, Inc. is to bring "Exertainment" to the Anoka, Ramsey, Andover and surrounding areas by providing world-class fitness classes that are safe, fun and effective. Partnering with Les Mills™ International (LMI), Koru Fitness, Inc. will offer six pre-choreographed group exercise formats which are marketed to mostly women ages 25–45. Classes offered will include:

- BODYPUMP™ (Weight lifting)
- BODYFLOW™ (Yoga, Tai Chi, Pilates)
- BODYSTEP™ (Cardio with a step)
- BODYATTACK™ (Sports conditioning)
- BODYCOMBAT™ (Martial arts)
- SH'BAM™ (Group dance)
- Zumba® (Latin dance)

Zumba® will be offered initially to pull people in the door. Eventually the format will be phased out and replaced with SH'BAM exclusively.

At present, there are two potential locations that Koru Fitness, Inc. is considering; both on the corner of Bunker Lake Boulevard and St. Francis Boulevard in Anoka and Ramsey. There are certain advantages and disadvantages to each which is discussed in the Location Options section.

Nicole Kutches is founder, operator and 50% owner of Koru Fitness, Inc. with the other 50% ownership belonging to outside investor, Gary Nereson.

Management Team

Koru Fitness, Inc. will initially be managed by Nicole Kutches on a day-to-day basis. Nicole will devote 100% of her time to this venture. Nicole will handle the main operations, direction and vision for Koru Fitness, Inc. She will work with a professional marketing firm to assist with marketing and promotion. Mort Harris or SCORE will continue to mentor Nicole on the business aspects. She has 18 years of experience teaching group fitness and 12 of those teaching LMI programs. Nicole has instructed at Lifetime Fitness, Gold's Gym and is currently at the YMCA in Andover and Coon Rapids. She is well respected by participants and staff for her knowledge, personality, enthusiasm and professionalism. Nicole will work closely with a professional bookkeeper to keep track of Koru Fitness, Inc.'s finances. Nicole will also hire and train a part-time employee to be acting manager when she is unable to work due to personal or family illness.

Location Options

Anoka

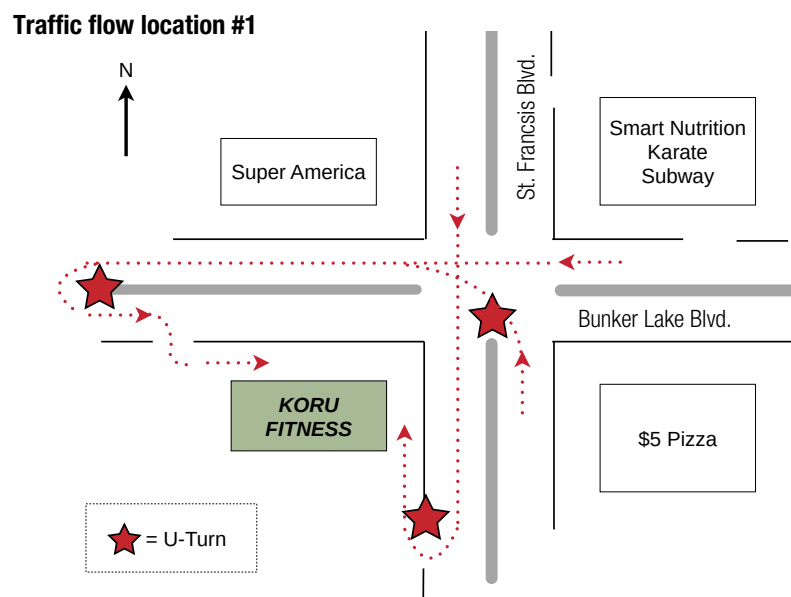
The first location located in Anoka comes with advantages and disadvantages.

Advantages

- Location is highly visible with traffic counts of 40,000 vehicles per day
- Open floor plan allowing for any studio plan
- Not limited to expandability
- Studio can be as large as needed
- No direct area competition
- Competition is limited to SNAP Fitness which does not offer classes
- Possibility to have a partnership with SNAP Fitness where both companies benefit
- Plenty of parking

Disadvantages

- Unknown if the building owner will contribute to buildout
- Building Owner isn't disclosing lease rate information
- Utilities not included in lease
- Access to and from this location is not convenient. Drivers must make a U-turn unless traveling east on Bunker Lake Blvd. (See map of traffic flow below.)



Ramsey

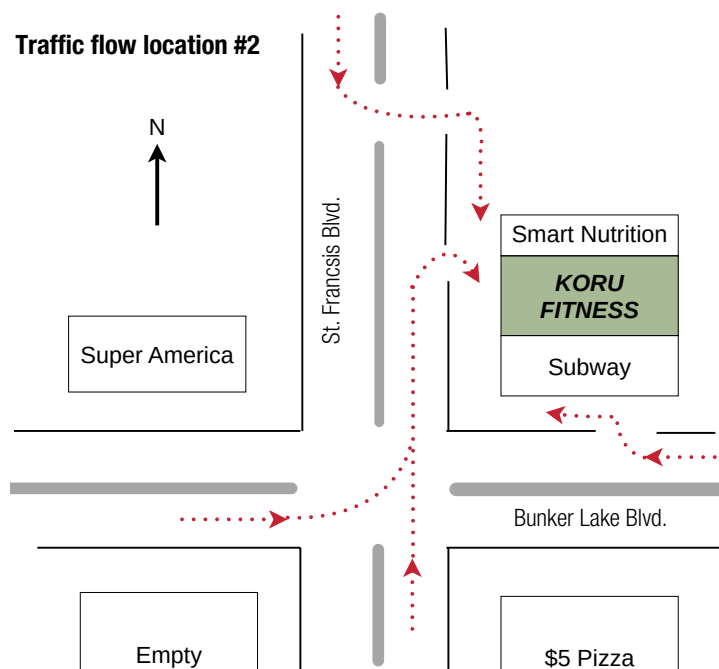
The second location in Ramsey is the preferred space. It comes with more advantages than disadvantages.

Advantages

- Location is highly visible with traffic counts of 40,000 vehicles per day
- Located inbetween Smart Nutrition and Subway
- No direct area competition
- Possibility to have a partnership with SNAP Fitness where both companies benefit
- Possibility to have a referral partnership with Smart Nutrition and the Massage business
- Of all retail buildings surrounding the intersection of St. Francis Boulevard and Bunker Lake Boulevard, this building has the most convenient access (See map below.)

Disadvantages

- 30-foot concrete wall dividing the space prohibits a completely open space
- Unknown if the building owner will contribute to buildout
- Lease rate high
- Utilities not included in lease
- Parking will become an issue in the future



Products and Services

Products and Services

Koru Fitness, Inc. aims to set itself apart from other facilities by providing it's members access to the world's best fitness classes in a state of the art, energetic studio. What sets the LMI programs apart from other pre-choreographed classes such as Zumba, Turbo Kick, Turbo Jam, Hip Hop Hustle, etc., is the science and expertise applied to every program. Before an LMI program is released to the licensed clubs and instructors, it has gone through a panel of physicians and fitness industry experts to ensure every move, tempo of music, and instructional cue is safe, effective and fun for the mass population. Instructors are required to attend a 2-day intense training as well as submit a video before obtaining their certification. No other program has these high quality standards and rigorous training procedures. LMI programs are world-class with proven results that are second to none. (See Appendix for sample program kit contents.)

Besides offering the world's best fitness classes, Les Mills™ International has a larger global objective in the battle against obesity. Their goal is to be number one in fitness experiences in every market they're in and one of the top 100 global brands. Currently there are about 6 million people who work out in a Les Mills™ classes every week worldwide. By 2020, Les Mills™ aims to increase that number to 20 million. Koru Fitness, Inc. will contribute to this goal by not only tapping into the current market, but also targeting two new markets with BODYCOMBAT™ and BODYATTACK™. Please view the appendix for the Needsource Model explaining in detail the market needs, and where Les Mills™ programs fulfill those needs.

Please visit the link below to better understand why Koru Fitness, Inc. is choosing to partner with Les Mills™.

(Link to Phillip Mills, CEO of Les Mills™ International, talking about their classes.
<http://www.lesmills.com/global/clubs-and-facilities/secrets-of-success.aspx>)

Competitors

When measuring head-to-head, direct competitors, I have found that there are none in the north metro area. Koru Fitness, Inc. will be the only facility to offer 6 of the 10 LMI programs. However, there is still significant competition from chain fitness clubs, specialty clubs, and 24-7 fitness facilities. The nearest big box clubs to Koru Fitness, Inc. are Lifetime Fitness and the Andover YMCA. The nearest 24/7 fitness club is SNAP Fitness which is located in the same area. Koru Fitness, Inc. does not consider SNAP Fitness a direct competitor because although we are in the same industry, we offer different services and market to a different demographic.

National chains:

Lifetime Fitness, the national leader, had revenues in fiscal year 2010 of \$912.8 million. That is an increase of 9.1% over fiscal year 2009.

YMCA had revenues of \$47 million in fiscal year 2010. That is an increase of 16.2% over fiscal year 2009.

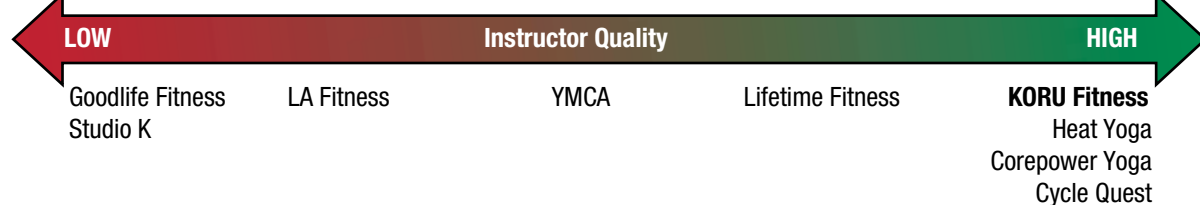
24/7 Fitness Clubs:

24/7 fitness clubs (i.e. SNAP Fitness, Anytime Fitness) only offer workout machines and free weights. They do not typically offer instructor led group fitness classes.

Specialty Clubs:

A variety of specialty fitness clubs are located throughout the Metro area. A comparison of their fee structure is shown below:

	Heat Yoga (Blaine & Maple Grove)	Corepower Yoga (10 metro locations)	Pure Barre (St. Louis Park)	Cycle Quest (Eden Prairie)	Tenacity Fitness & Endurance (Oakdale)	En Fuego Fitness (Jackson, WI)	Koru Fitness (Ramsey)
Type/ Speciality	Speciality Yoga	Speciality Yoga	Isometric Toning	Indoor Cycling	Group Fitness Classes	Group Fitness Classes	Les Mills™ Group Fitness Classes (plus Zumba®)
Number of Formats Offered	5	12	1	6	10	5	7
Child Care	No	No	No	No	No	Yes	No
Membership Monthly Fee (Unlimited)	\$150	\$159	\$225	\$100	\$135	\$65	\$79



Target Market

Market Overview

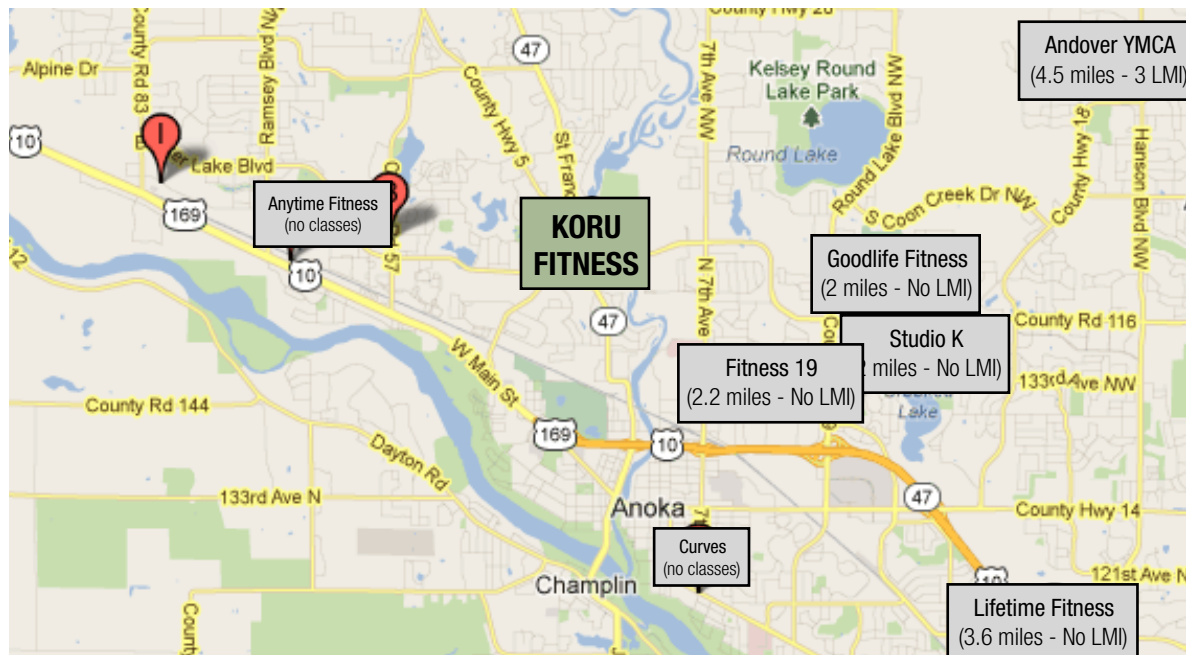
Koru Fitness, Inc. is marketed to the busy individual who wants a fun group exercise work out close to home. They want fitness classes that will keep them motivated, involve social interaction, and maximize their results all within an hour or less. The members will be able to come in, have an "Exertainment" experience, and go home to their families feeling energized and happy. Women ages 25–45 with one or more children will be the primary consumer, which also makes up about 50% of the population in the area. Men will also be targeted because three of the programs (BODYATTACK™, BODYCOMBAT™ and BODYPUMP™) appeal to them.

Anoka and Ramsey Location Area Demographics

DEMOGRAPHICS	1 mile radius	3 miles radius	5 miles radius
2010 Population			
Total Population	5,269	48,103	110,278
Male Population	50.2%	50.0%	49.9%
Female Population	49.8%	50.0%	50.1%
Median Age	30.4	34.1	34.1
2010 Income			
Median HH Income	\$82,121	\$73,556	\$82,716
Per Capita Income	\$30,911	\$31,199	\$32,806
Average HH Income	\$92,885	\$83,673	\$93,278
2010 Households			
Total Households	1,689	17,765	38,577
Average Household Size	3.08	2.66	2.84
2010 Housing			
Owner Occupied Housing Units	88.6%	70.2%	79.1%
Renter Occupied Housing Units	8.4%	26.2%	17.7%
Vacant Housing Units	3.0%	3.7%	3.3%
Population			
1990 Population	2,121	33,886	74,707
2000 Population	4,087	44,427	100,381
2010 Population	5,269	48,103	110,278
2015 Population	5,456	49,025	113,230
1990-2000 Annual Rate	6.78%	2.75%	3%
2000-2010 Annual Rate	2.51%	0.78%	0.92%
2010-2015 Annual Rate	0.7%	0.38%	0.53%

Market Needs

The Ramsey, MN area is an untapped market for a fitness center that offers group fitness classes. Depending on traffic lights, trains, and time of day, it can take 20 minutes or more to travel to one of these facilities. The busy people of Ramsey and Anoka want and need something closer to home, and on the west side of the Rum River. The map below indicates the proximity of neighboring clubs offering classes in reference to the preferred location for KORU Fitness.



There are several other clubs that offer group fitness classes, personal training, cardio equipment, free weights, etc. They also offer pools, hot tubs, saunas, steam rooms, and elaborate child care, but most members don't need or use most of the equipment and amenities the clubs offer. Because there are so many other areas for the large clubs to focus on, the group fitness department is often overlooked in terms of support, resources, and quality control. A 2009 AC Nielsen Research IHRSA (International Health, Racquet & Sportsclub Association) says 90% of all exercisers report that they prefer to exercise in a group, and 60% choose their club based on what group fitness classes are offered. However, it's not only the classes that are offered that attract and retain members, but having rock-star instructors who know how to pack a room. Since Koru Fitness, Inc. offers its members the world's BEST fitness classes by licensing Les Mills™ programs, and hires only excellent, highly motivating instructors, we are filling the needs and desires of the majority population in Andover, Anoka, Ramsey and surrounding communities. Koru Fitness, Inc. gives its members everything they're looking for in a group fitness club, at competitive pricing, convenient to where they live, and always delivers consistent life-changing fitness experiences.

Strategy and Implementation

Marketing Plan

Overview

The marketing strategy of Koru Fitness, Inc. is to establish anticipation of the club's opening in the community so that it can hit the ground running with memberships immediately upon opening. To that end, the following tactics will be used:

- Direct mail of postcards to a list of 1,000–3,000 households in the 1–3 mile radius.
- Advertisements in local newspapers and magazines.
- Flyers in the area around the site of the gym (i.e. Rum River Library, Subway, etc.)
- Launch of the website in anticipation of opening.
- Utilizing social media outlets such as Facebook, Twitter and You Tube to create buzz.
- Handing out coupons and walking in the Ramsey Happy Day's parade on September 8th.
- Targeting Mom's Clubs around the area

After opening, the following tactics will be used going forward:

- Direct mail to additional households out to a 5 mile radius.
- Facebook and Twitter updates as well as You Tube videos of classes.
- Advertising quarterly launches (new choreography and music) on an outdoor sign with specific themes each quarter. (See appendix for sample themes.)
- Highly visible signage of promotions located on St. Francis Boulevard.

Positioning

For the busy person who needs a fun and affordable place to work out with their neighbors and friends. Koru Fitness, Inc. offers world-class Les Mills™ fitness classes which will give them the weight-training and cardio benefits in a non-intimidating group setting. Participants won't know whether it's a workout or a party!

Unlike our competitors, Koru Fitness, Inc. offers exactly what the busy individual needs, without paying for extra amenities they don't use. It is close to home saving members travel time and money. Koru Fitness boasts a state of the art fitness studio, excellent instructors, and Les Mills classes which are not offered anywhere else in the north metro. With quick and easy access, participants receive an “Exertainment” experience with every workout.

Pricing

Our pricing strategy will be similar to that of speciality clubs, and slightly more than area competitors (YMCA and Lifetime Fitness) because the classes we offer are exclusive to Koru Fitness, Inc. After an initiation fee of \$99, Koru Fitness, Inc. will offer unlimited monthly memberships at \$79/person, \$129/dual, \$120 for a 10 class punch card, and single class drop-in rate of \$20/class. Koru Fitness, Inc. will offer a 20% discount during the first month to attract members.

For the first 3 months, Koru Fitness, Inc. will be paying its talented instructors a higher hourly rate than our competitors, as well as assist financially with the training they need. Koru Fitness, Inc. will also pay each instructor for three hours of practice time per program they are teaching, quarterly throughout the year. After we are established and the instructors have had a chance to build and promote their classes, the pay structure will change to a merit-based system. This will allow us to hire the best instructors, monitor quality control, and have a built-in motivational factor that will keep them inspired to work hard, insure the integrity of each program, all the while keeping them and Koru's members inspired and happy.

Promotion

We plan on having several promotions throughout the year. The biggest promotions will happen at opening and two other times throughout the year. There will also be quarterly special events at the time of new program launches. Some examples include:

- Try before you buy punch card for first-time customers. 7 classes for \$20 to be used w/in 30 days. No credit card or commitment.
- Initiation Fee waived for the first 50–100 members.
- The first 100 members to sign up with automatic monthly renewal will secure the 20% discounted rate until they cancel.
- Friend referral program.
- Discounted rate for students and possibly teachers offered during the summer.
- Discounts for Military, police and firefighters.
- Health Plan reimbursement program.
- Large quarterly events at the time of each program launch.
- Monthly specials for discounted packages.
- Member appreciation specials for existing members only.

Distribution

Memberships can be purchased directly at the facility or online through the use of mindbodyonline.com, a scheduling and management software designed for fitness facilities. Promotional products like clothing, headbands, yoga mats, nutrition bars, etc. will be available for purchase on location only.

Financial Plan

Koru Fitness, Inc. sought the guidance of SCORE (a nonprofit business mentoring association) to assist with the financial planning and solid business planning advice. Using a financial planning template provided by SCORE, Koru Fitness, Inc. has prepared financial projections spanning a 3-year period. The mentors at SCORE have reviewed the attached detailed financial plan and are satisfied with numbers and projections. The attached Excel workbook contains the following:

- Required Start-Up Funds
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- Income Statement (covering 3 years)
- Cash Flow Statement (covering 3 years)
- Balance Sheet (covering 3 years)
- Year End Summary
- Financial Ratios
- Breakeven Analysis
- Amortization Schedule
- Financial Diagnostics

Assumptions

Based off current research studies on fitness trends and demographic information gathered from the 2010 census, Koru Fitness, Inc. is basing the membership and financial projections from the following assumptions:

- 50% of people regularly exercise.
- The demographics of the area are 50% women with a median age of 30 years old, which is Koru Fitness, Inc.'s target market.
- People will drive 5 miles to a fitness facility.
- 5% of the female population within a 5 mile radius is 2,757 which is the potential member base.
- The chart below shows Koru Fitness' very conservative growth in members compared to the female population base (median age-34).

	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	8th Month	14th Month	18th Month
# of Members	50	75	100	120	140	160	200	230	290
% of female population in 1 mile radius	1.9%	2.8%	3.8%	4.6%	5.4%	6.2%	7.6%	8.9%	11%
% of female population in 3 mile radius	0.2%	0.3%	0.4%	0.5%	0.58%	0.6%	0.8%	0.9%	1.2%
% of female population in 5 mile radius	0.09%	0.13%	0.18%	0.21%	0.21%	0.3%	0.36%	0.4%	0.5%

- Koru Fitness, Inc. will offer 112 classes per month. Of those classes, it is assumed that half of them will have at least one person who will pay the drop-in rate.

Appendix

Program Information

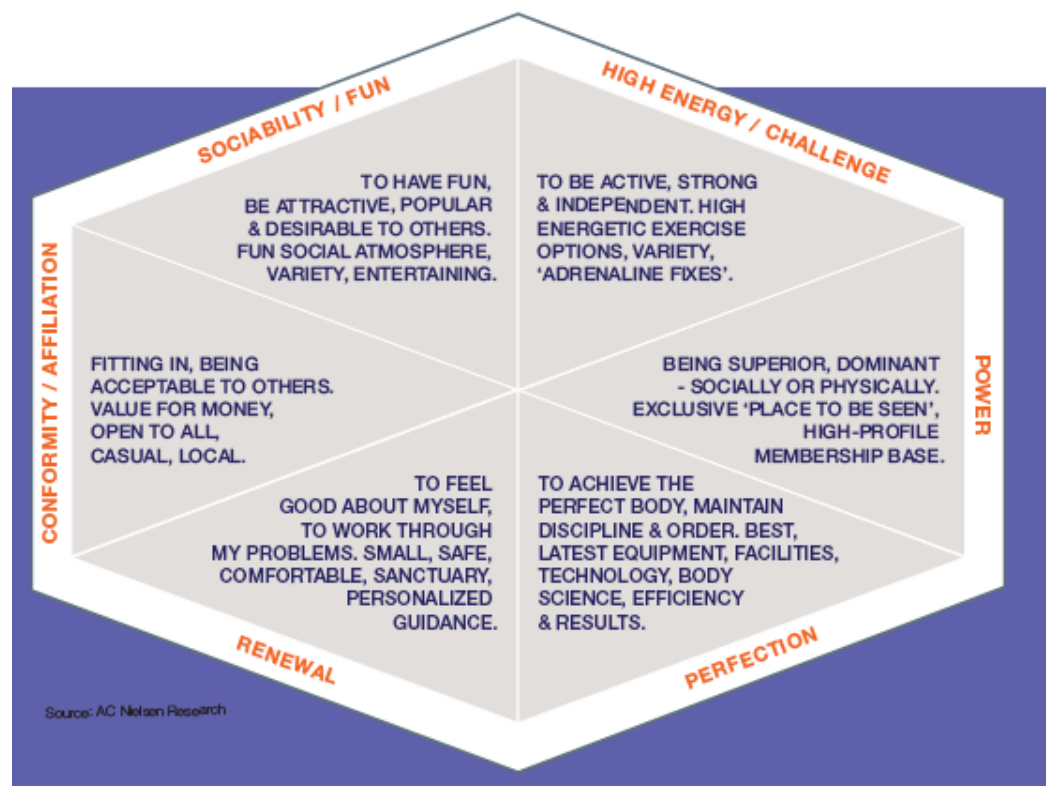
Program	Description	Benefits
BODYATTACK™	BODYATTACK™ is the sports-inspired cardio workout for building strength and stamina. This high-energy interval training class combines athletic aerobic movements with strength and stabilization exercises. Dynamic instructors and powerful music motivate everyone towards their fitness goals - from the weekend athlete to the hard-core competitor! Like all the LES MILLS™ programs, a new BODYATTACK™ class is released every three months with new music and choreography.	• Burn loads of calories • Tone and shape your body • Raise your overall fitness and stamina for high energy sports • Improve your coordination and agility • Develop strength through core conditioning work • Enhance your bone health and density • Increase your heart and lung capacity through a full-body cardio workout
BODYCOMBAT™	BODYCOMBAT™ is the empowering cardio workout where you are totally unleashed. This fiercely energetic program is inspired by martial arts and draws from a wide array of disciplines such as karate, boxing, taekwondo, tai chi and muay thai. Supported by driving music and powerful role model instructors, you strike, punch, kick and kata your way through calories to superior cardio fitness. Like all the LES MILLS™ programs, a new BODYCOMBAT™ class is produced every three months with new music and choreography.	• Improves heart and lung function and reduces the risk of heart disease • Tones and shapes key muscle groups • Burns calories for a leaner body • Improves co-ordination and agility • Improves bone density • Improves posture and core strength and stability • Builds self-confidence
BODYFLOW™	BODYFLOW™ is the Yoga, Tai Chi, Pilates workout that builds flexibility and strength and leaves you feeling centered and calm. Controlled breathing, concentration and a carefully structured series of stretches, moves and poses to music create a holistic workout that brings the body into a state of harmony and balance. Like all the LES MILLS™ programs, a new BODYFLOW™ class is released every three months with new music and choreography.	• Improve your joint flexibility and range of movement • Increase your core strength • Improve your cardio-vascular function • Burn calories • Reduce your stress levels • Provide a lasting sense of well-being and calm • Focus your mind and raise your level of consciousness
BODYSTEP™	BODYSTEP™ is the energizing step workout that makes you feel liberated and alive. Using a height-adjustable step and simple movements on, over and around the step you get huge motivation from sing-a-long music and approachable instructors. Cardio blocks push fat burning systems into high gear followed by muscle conditioning tracks that shape and tone your body. Like all the LES MILLS™ programs, a new BODYSTEP™ class is released every three months with new music and choreography.	• Burn lots of calories for a leaner body • Improve your strength through core conditioning work • Raise your overall fitness levels • Improve your coordination • Improve your bone health and density • Increase your heart and lung capacity through a full-body cardio workout

Program Information (continued)

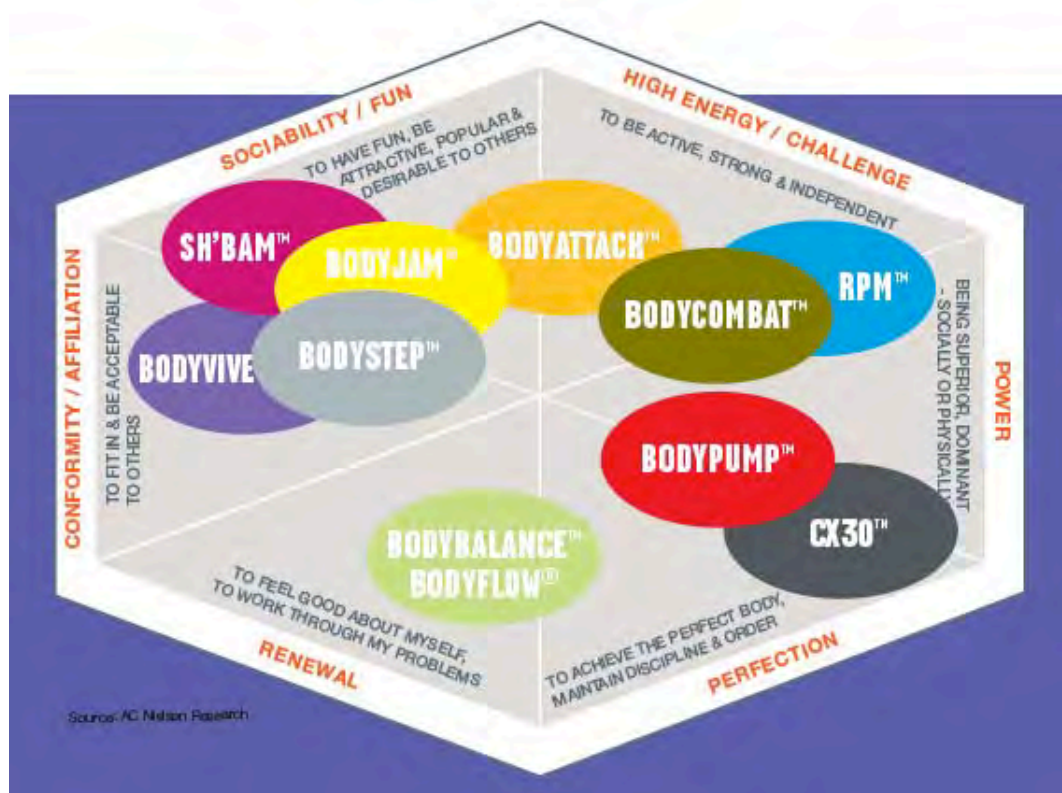
Program	Description	Benefits
BODYPUMP™	BODYPUMP™, the original LES MILLS™ barbell class, will sculpt, tone and strengthen your entire body, fast! Great bodies aren't born, they are transformed, using the proven BODYPUMP™ formula: THE REP EFFECT™ a breakthrough in resistance workout training. Focusing on low weight loads and high repetition movements, you'll burn fat, gain strength and quickly produce lean body muscle conditioning. BODYPUMP™ is one of the world's fastest ways to get in shape as it challenges all of your major muscle groups while you squat, press, lift and curl. The cutting-edge BODYPUMP™ choreography, and chart-topping music is refreshed every three months, so with your choice of weight and highly-trained instructors you can get the group effect and the results you've been looking for! BODYPUMP™ is enjoyed by millions of people around the world!	• Improve your strength • Perform 70-100 repetitions per body part totaling up to 800 repetitions in a single workout • Improve your general fitness • Shape and tone your muscles • Protect your bones and joints from injury • Get into shape fast • Feel confident
SH'BAM™	Featuring simple but seriously hot dance moves, SH'BAM™ is the perfect way to shape up and let out your inner star - even if you're dance challenged. Set to a soundtrack of chart-topping popular hits, dance music that is heard in the hottest nightclubs around the world, familiar classics remixed and modernized Latin beats, SH'BAM™ is the ultimate fun and sociable way to exercise. Each 45-minute SH'BAM™ class is vibrant, unique and varied - and like all the LES MILLS™ programs, a new SH'BAM™ release is produced every three months with new music and choreography.	• Benefit from interval training peaks • Get in the fat burn zone without the "hard work" workout • Learn hot new dance moves • Improve coordination • Increase cardiovascular fitness • Have loads of fun, get an emotional high and forget you're even exercising

NEEDSCOPE Model

The Needscope Model based off AC Nielsen Research says that people choose products and services to satisfy different emotional needs. Below are the six main categories.



The programs being offered at Koru Fitness, Inc. targets each of the six categories.



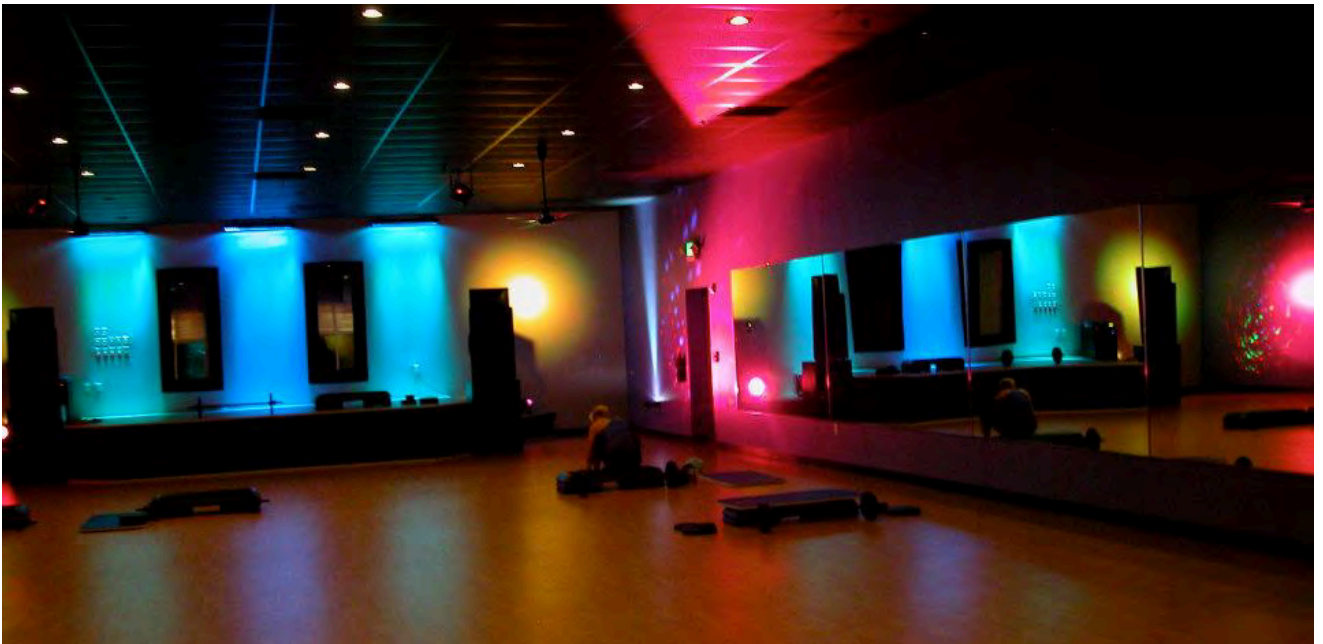
Sample Instructor Program Kits



Relevant continuing education and training included in every kit



Studio Vision



CONFIDENTIAL - DO NOT DISSEMINATE. This business plan contains confidential, trade-secret information and is shared only with the understanding that you will not share its contents or ideas with third parties without the express written consent of the plan author.

Sample Promotion and Marketing Materials



Memo

To: Ramsey EDA
From: Mike Mulrooney, Economic Development Consultant
CC: Patrick Brama, Kurt Ulrich
Date: October 8, 2012
Re: Koru Fitness Loan Request

As we discussed at our last meeting, Koru Fitness wishes to proceed ahead with the development of a new fitness center in the City of Ramsey. A copy of the business plan is attached for your review. The business is a start up work out facility designed in an art studio format. The studio will feature a large stage for instructors offering optimum viewing for every participant. The business will be located at the intersection of Bunker Lake Blvd and Highway 47.

The following is the proposed financing structure for the project.

Uses of Funds	Amount	Rate	Term	Debt Service
Working Capital	\$ 54,000			
Equipment	\$ 54,000			
Leasehold Improvements	\$ 69,000			
Total Project Costs	\$ 177,000			
Sources of Funds				
Bremer Bank	\$ 65,000	5.50%	10	\$ 8,465
City of Ramsey	\$ 34,500	3.25%	10	\$ 4,045
Landlord	\$ 47,500			
Owner Equity	\$ 30,000			
Total Sources of Funds	\$ 177,000			\$ 12,510

Ownership and Management

Koru Fitness will be owned equally by Nicole Kutches and Gary Nereson. They are related parties (father-daughter). Nicole will comprise the onsite management. She has an extensive background in the exercise industry as note by her resume contained in the business plan.

Guarantors/Obligors

We recommend that the EDA require personal guarantees from both shareholders. Nereson and Kutches have outstanding credit and strong financial statements. The Experian credit scores for Nereson and Kutches are 758 and 859 respectively. These scores are considered to be in the low risk category. Nereson's personal financial statement reflects a significant net worth that is more than adequate to cover the loan amount.

Collateral

The primary lender for this project is Bremer Bank. The bank plans to approve the financing for this project using the SBA 7(a) loan program. In this structure, the bank/SBA will have a first lien position on all business assets. The Ramsey RLF loan will be in a second collateral position. While this can be looked at as an unsecured loan, given the credit of the borrowers and their historical performance in other business ventures, I feel that this is a risk worth taking.

Key Risks

- Start up Business
- No historical cash flow to determine repayment ability

Key Strengths

- Experienced management team
- Strong personal balance sheet
- Outstanding credit
- Sound business plan

Recommendation

Recommend approval as presented subject to

1. Bremer Bank/SBA approval
2. Equity requirements met by owner
3. Clear title
4. Execution of a loan agreement
5. Personal guarantees of owners

8.21.2012

Dear Business Loan Officer,

Thank you for taking the time to consider me a candidate for a SBA loan. I am starting up a group fitness focused fitness facility along with my father. We have submitted an offer on a lease space at Rivers Bend Plaza at the corner of St. Francis Blvd. and Bunker Lake Blvd. in Ramsey, MN. If negotiations proceed as hoped for we may have a lease agreement and build out starting in the beginning of Sept. (Our hope is to be operational by Nov. 1). We are looking for a \$90,000 to \$100,000 loan.

The name of the facility is called Koru Fitness, Inc. because the programs I'm offering are all created in New Zealand, and the koru is a national symbol of New Zealand. It is a spiral shape based on the shape of a new unfurling silver fern frond and symbolizes new life, growth, strength and peace. As a life-long member of the community, I've noticed a need for a group fitness facility in the area of Ramsey, MN. I've grown up here and I believe my community needs what Koru Fitness, Inc. has to offer.

There are three components that will set Koru Fitness, Inc. above the rest of those out there offering fitness classes.

- 1.) Partnering with Les Mills International (LMI) to bring the world's best fitness classes to my community.
- 2.) Hiring only excellent, highly-motivated and thoroughly trained instructors.
- 3.) State-of-the-art fitness studio that is unique to anything else in the area.

I have 18 years experience in the fitness industry, 11 of those years teaching LMI programs at my local YMCA. I've taught several different formats in my career and LMI programs are simply the best. By bringing more LMI programs to the north metro, I will change the group fitness experience to be fun, educational, effective and safe for everyone. Koru Fitness, Inc. will do just this by:

- 1.) Being a group fitness focused facility .
- 2.) Having quality control over instructors and classes.
- 3.) Keeping instructors current on education and fitness trends through the educational resources provided by LMI.
- 4.) Marketing materials that will educate participants on LMI and how they will improve their health.
- 5.) Providing "Exertainment for every BODY."

I am experienced and knowledgeable about the industry and I've done my research. Outlined in my Business Plan is how I intend to make Koru Fitness, Inc. a success and get my community moving and loving it!

Thank you,



Nicole Kutches

Nicole Kutches

16158 Iodine St. NW • Ramsey, MN 55303 • 612.207.3244 • npkutches@comcast.net

Objective	Establish and operate a unique group fitness only studio, the only one of its kind in the north metro.		
Core Competencies	Member retention and relationships Leadership and motivation	Scheduling Problem-solving	Accountability Management
Professional Experience	<i>YMCA of the Twin Cities – Emma B. Howe & Andover Locations</i> Group Fitness Instructor: February 2001—present • Certified in BodyPUMP (2003), BodyFLOW (2006), BodySTEP (2007), Cardio Kickboxing, Pilates, and Cycle • Develop relationships with participants <i>Lifetime Fitness – Coon Rapids, MN</i> Group Fitness Instructor: October 1997 – November 2000 • Formats include: Step, Cycle, Boot camp, and Core training <i>HealthQuest Athletic Club – Ramsey, MN</i> Group Fitness Instructor: May 1997 – September 2000 • Formats include: Step, Hi-Low floor exercise, <i>Meditech Communications – St. Paul, MN</i> Project Manager: August 2010 – June 2011 • Managed staff, resources, and external vendors • Point of contact for incoming client requests • Assisted Account Executives with development of proposals, cost estimates and headed project time lines • Managed daily deadlines for multiple clients • Tracked projects from start to finish providing status reports throughout the project • Developed and implemented best practices for project flow minimizing risk of errors <i>Independent Contractor</i> Freelance Project Manager, Web Developer, and Digital Production Artist: April 2009—present • Self-marketing • Project management of print and interactive media projects for local agencies • Web site development using XHTML web standards and full CSS layout • Provide production design needs to small agencies and individuals in the metro area <i>Peggy Lauritsen Design Group—Minneapolis, MN</i> Project/Production Manager: May 2005—April 2009 • Point of contact for incoming client requests • Managed internal resources, staff and external vendors IT Manager: February 2001—April 2009 Production Artist: February 2001—May 2005 <i>North Suburban Access Corp—Roseville MN</i> Facilities Coordinator: April 1998—August 2000		
Education/ Achievements	Augsburg College, Minneapolis, MN Bachelor of Arts in Mass Communication	1996 Gopher State Bodybuilding competition 1998 Mr./Ms. Minnesota Bodybuilding competition BodySTEP AIM I (2011) & II (2012) BodyPUMP AIM I (2012)	
Certifications/ Certificates	Women Venture: Planning to Succeed National Exercise Trainers Association Principles of YMCA Health & Fitness Foundations of Group Exercise YMCA Group Exercise Instructor YMCA Pilates Instructor	NETA Kickboxing Instructor BodyPUMP BodyFLOW BodySTEP CPR/AED/O ₂	
Certificates (non-field related)	Lynda.com XHTML and HTML Essential Training	Anoka-Ramsey Community College, Coon Rapids, MN Achieving Top Search Engine Positions Introduction to CSS and XHTML Web Development Certificate	

LOAN AGREEMENT

1. **Parties.** The parties to this Agreement are as follows:

City of Ramsey, a Minnesota Municipal Corporation, 7550 Sunwood Drive NW, Ramsey, Minnesota 55303, (hereinafter referred to as “Lender”).

Koru Fitness, Inc., a Minnesota Corporation, 16158 Iodine Street NW, Ramsey, Minnesota 55303, (hereinafter referred to as “Borrower”).

Nicole Kutches whose address is 16158 Iodine Street NW, Ramsey, Minnesota 55303, (hereinafter referred to as “Guarantor”).

Gary Nereson whose address is 13415 NW Heather Street, Andover, Minnesota 55304, (hereinafter referred to as “Guarantor”).

2. **Date of Agreement:** The date of this Agreement is November 13, 2012.
3. **Term of this Agreement.** The term of this Agreement shall be from the date of this Agreement set forth above and continue thereafter until all indebtedness has been paid in full.
4. **Purpose of this Agreement.** Borrower has requested credit accommodations from Lender to which Lender has agreed. Lender has granted to Borrower the following credit accommodations, on the conditions set forth herein:

Term Loan of Thirty Four Thousand Five Hundred and 00/100 Dollars (\$34,500.00) to be used as working capital (hereinafter referred to as the “Loan”).

5. **Promissory Note.** In consideration of the receipt of the Loan, Borrower shall repay to the Lender the Loan pursuant to the terms of the Promissory Note of even date (the “Note”), the form of which is attached hereto as Exhibit A and which terms include the following: interest at a rate of 3.25% per annum; Principal and Interest payments of \$337.13 per month beginning January 1, 2013 and continuing on the first day of each month thereafter, until December 31, 2023, on which day the entire remaining principal balance plus accrued interest shall be due and payable in full; the Note may be prepaid in full at any time during the loan term with no prepayment penalty, subject only to the requirement that the Borrower provide Lender with at least 30 days written notice of the intent to prepay the obligation. Partial prepayments will not be allowed.
6. **Secured Collateral.** The Note shall be secured by a Security Interest in all business assets owned by Borrower (the “Collateral”). The Collateral shall be located at 16158 Iodine Street NW, Ramsey, MN.

7. **Personal Guarantee.** The Note shall be personally guaranteed by the principals of the Borrower, Nicole Kutches and Gary Nereson. The form of the said personal guaranties is attached hereto as Exhibit B.
8. **Covenants and Warranties.** Borrower covenants, represents and warrants to the Lender as follows:
 - a. Borrower is a Minnesota corporation in good standing and has the legal authority to undertake the obligations contemplated by this Loan Agreement.
 - b. Borrower will maintain policies of product liability and general liability insurance in such amounts and with such insurers as are reasonably satisfactory to Lender.
 - c. Borrower will locate its business operations and locate the Collateral at 16158 Iodine Street NW, Ramsey, MN 55303, so long as any balance is due and owing to Lender pursuant to the Note.
 - d. All financial statements and other information relating to the financial condition of Borrower which have been furnished to Lender prior to the date hereof are true and accurate as of the date of this Loan Agreement.
 - e. Borrower shall provide to Lender annually during the term of the Note as soon as available, and in any event within thirty (30) days after the deadline for filing, a copy of the Borrower's U.S. Income Tax Returns prepared by an independent certified public accountant acceptable to Lender. The said Tax Returns provided shall be inclusive of all schedules and statements.
 - f. A Breach of any of the covenants declared in this paragraph 6. shall be an Event of Default as defined in the Note.
9. **Costs.** In any proceeding to enforce the terms and conditions of the Note, the Lender shall be entitled to recover its costs and expenses including reasonable attorney fees from Borrower.
10. **Purpose of Loan:** The Loan is made pursuant to the Lender's Revolving Loan Fund (the "RLF"). The RLF is a City of Ramsey program administered by the City's Economic Development Authority ("EDA") and is designed to assist businesses in acquiring financing to expand business operations in the City of Ramsey, Minnesota. The Borrower agrees to utilize the Loan proceeds in furtherance of this purpose.
11. **Conflict of Interest Prohibition:** The Borrower acknowledges that none of its shareholders, directors, officers, or employees are related to Lender by way of being an employee, agent, consultant, officer, or elected or appointed official of Lender.
12. **Data Privacy:** The Borrower agrees that all data collected, created, received, maintained, or disseminated, or used in conjunction with the Loan is governed by the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13 (the "Act") or any other applicable Minnesota statutes and any Minnesota administrative rule adopted to

implement the Act, as well as Minnesota statutes and Federal regulations on data privacy. The Borrower agrees to allow Lender to abide by these statutes, rules, and regulations, including any amendments thereto, as deemed necessary by Lender in servicing the Loan.

13. **Accuracy of Information:** Borrower acknowledges and certifies that the financial information provided by it to LENDER is accurate in all respects and fairly represents the financial condition of Borrower's business.
14. **Job Posting.** Borrower agrees to post all new positions it has for employment opportunities with the Anoka County Jobs and Training Center located at 3201 – 89th Avenue NE, Blaine, MN 55434, telephone no. (763) 783-4800, and to keep a written record of all persons interviewed and hired. The written record shall be reasonable available to Lender upon demand. The Borrower also agrees to consult with the Anoka Ramsey Community College and the Anoka County Jobs and Training Center to assist Borrower in developing its ongoing employee selection and training programs.
15. **Default defined.** Default under this Agreement shall consist of any one or more of the following events:
 - a. Failure to pay when due any amount required of Borrower or any Guarantor under this Agreement or under any promissory note, security agreement, or other loan instrument or document executed in connection with this Agreement.
 - b. Failure to perform any act or deed required of Borrower or any Guarantor or failure to refrain from any act prohibited, under this Agreement or under any related instrument or document executed in connection with this Agreement.
 - c. Any warranty, representation, or statement made or furnished to Lender by or on behalf of Borrower or any Guarantor which is false or misleading in any material respect, either now or at the time made or furnished.
 - d. The dissolution or termination of Borrower's existence as a going business, insolvency, appointment of a receiver for any part of Borrower's or any Guarantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or by or against any Guarantor.
 - e. Failure to discharge taxes or other liens, other mortgages or charges levied or assessed against the Collateral (other than the liens created under this Agreement by the parties).
 - f. Lender, in good faith, deems itself insecure.
 - g. Any other event defined as an event of default in any separate promissory note, security agreement, mortgage or other instrument or document executed in connection with this Agreement.

- h. Death of any Guarantor to the extent life insurance assigned or pledged to Lender, or other sources of funds or security are unavailable to reasonably substitute for the financial security which the deceased Guarantor had provided to the Lender with his/her Guaranty during his/her life.
 - i. Any attempt by Guarantor to revoke the guaranty or impair its enforceability.
16. **Remedies.** In the event default occurs, Lender may exercise anyone or more of the following rights and remedies.
- a. Declare the entire balance of the Loan referred to in this Agreement or any or all loans governed by this Agreement as immediately due and payable.
 - b. Take possession of the Collateral by self help or judicial action, foreclosure, or other procedures and dispose of the Collateral pursuant to the Uniform Commercial Code and/or other applicable laws of the State Government.
 - c. Commence and prosecute an action to collect the debt from Borrower or any Guarantor, or any or all of them.
 - d. Exercise such additional or alternative remedies as are available to Lender under the terms of this Agreement, under any instrument or document executed in connection with this Agreement, or under applicable law.

Dated: November _____, 2012

Koru Fitness, Inc.

The City of Ramsey

By: _____
Nicole Kutches, President

By: _____
Kurt Ulrich, its City Administrator

EXHIBIT A
TO LOAN AGREEMENT

NOTE

\$34,500.00

Ramsey, Minnesota
December 1, 2012

FOR VALUE RECEIVED, KORU FITNESS, INC. a Minnesota Corporation ("Borrower"), hereby promises to pay to the order of **THE CITY OF RAMSEY**, a Minnesota Municipal Corporation ("Lender"), the principal sum of **Thirty-Four Thousand Five Hundred and 00/100 Dollars (\$34,500.00)** and all other amounts advanced by Lender to or on behalf of Borrower pursuant to the Loan Agreement (as hereinafter defined) and interest thereon from the date hereof until the maturity hereof, at the rate of **three and one quarters percent (3.25%)** per annum, plus interest on any overdue principal, if any. All computations of interest shall be based upon a 365 day year.

Borrower shall pay to Lender monthly principal and interest payments on this Note on the first day of the first calendar month subsequent to the date on which the loan proceeds are received in connection with the closing of the loan and shall continue on the twenty-ninth day of each calendar month thereafter for a period of one hundred twenty (120) months through December 31, 2023 (the "Loan Maturity Date"). All monthly payments shall consist of a combined principal and interest installment of \$337.13 each, provided, however, that the payment due on the Loan Maturity Date shall be in the amount necessary to pay all remaining unpaid principal and unpaid accrued interest due on the Loan.

Borrower shall make all payments hereunder in lawful money of the United States and in same day or immediately available funds. All principal and interest payments shall be paid to Lender at **The City of Ramsey, 7550 Sunwood Drive NW, Ramsey, MN 55303** or at such other location as requested by Lender in writing.

This Note is the Note referred to in the Loan Agreement, dated November 13, 2012 between Borrower and Lender (together with all Exhibits, supplements and amendments thereto, the "Loan Agreement") which is incorporated herein by reference. Terms used herein have the meanings assigned to those terms in the Loan Agreement, unless otherwise defined herein. Payment of this Note is secured by a Security Agreement and the Guaranties as defined in the Loan Agreement and hereafter collectively referred to as the "Loan Documents."

Should the indebtedness represented by this Note or any part hereof be collected at law or in equity or in bankruptcy, receivership or other court proceedings, or should this Note be placed in the hands of attorneys for collection after default, the Borrower agrees to pay, in addition to the principal, if any, interest due and payable hereon and any other sums due and payable hereon, all costs of collecting or attempting to collect this note, including reasonable attorneys' fees and expenses (including those incurred in connection with any appeal).

Borrower and all endorsers and guarantors of this Note hereby waive presentment, demand, notice, protest, stay of execution, and all other defenses to payment generally, assent to the terms hereof, and agree that any renewal, extension, or postponement of the time for payment or any other indulgence or any substitution, exchange, or release of collateral or the additional release of any person or entity primarily or secondarily liable, may be affected without notice to and without releasing Borrower, any endorser or any guarantor from any liability hereunder or under any related guaranty.

Neither this Note, the Loan Agreement nor any other loan document shall require the payment or permit the collection of interest or any late payment charge in excess of the maximum rate permitted by law. If herein or in the Loan Agreement or any other Loan Document any excess of interest or late payment charge in such respect is provided for or shall be adjudicated to be so provided for, neither the Borrower, nor its successors or assigns shall be obligated to pay such interest or late payment charge in excess of the maximum amount permitted by law, and the right to demand the payment of any such excess shall be and hereby is waived, and this provision shall control any other provision of this note or the Loan Agreement or any other Loan Documents.

This Note, the Loan Agreement and the other loan documents are not subject to any valid right of rescission, set-off, abatement, diminution, counterclaim or defense as against Lender, including the defense of usury, and, the operation of any of the terms of the loan, or the exercise of any right thereunder, will not render the Loan unenforceable, in whole or in part, or subject to any right of rescission, set-off, abatement, diminution, counterclaim or defense, including the defense of usury, and Lender has not taken any action which would give rise to the assertion of any of the foregoing and no such right of rescission, set-off, abatement, diminution, counterclaim or defense, including the defense of usury, has been asserted with respect thereto.

This Note is subject to the following additional terms and conditions:

1. Events of Default. The occurrence or existence of any one or more of the following shall constitute an “event of default” hereunder.
 - a. Monetary. Borrower’s failure to pay within five (5) calendar days after the due date thereof any principal, interest, or other payment required under the terms of this Note or the Loan Agreement; or Borrower shall fail to pay, when due (but subject to any applicable grace period) any other Indebtedness of Borrower to Lender or any third parties.
 - b. Performance of Obligations. (i) Borrower’s failure to perform or observe any term, covenant, condition or obligation contained in the Loan Agreement or in the other Loan Documents within ten (10) Business Days after receipt of written notice from Lender or such longer cure period as may be provided in the Loan Documents; provided, however, if such default cannot be cured within such period, Borrower shall have such longer period of time to cure such default provided, in Lender’s sole reasonable discretion, Borrower is proceeding with due diligence, but in no

event shall such period of time exceed thirty (30) Business Days; or (ii) Borrower's failure to perform or observe any term, covenant, condition or obligation owed to Lender contained in any loan agreement, credit agreement or other agreement, document or instrument (other than this Note and the other Loan Documents), subject to applicable grace periods;

- c. Representations and Warranties. Any representation, warranty, certificate, or other statement (financial or otherwise) made or furnished by or on behalf of Borrower or a guarantor, if any, to Lender in or in connection with the Loan or any of the Loan Documents, or as an inducement to Lender to make the Loan, shall be false, incorrect incomplete or misleading in any material respect when made or furnished.
- d. Liens, Attachment; Condemnation. (i) The sequestration or attachment of, or any levy or execution upon the assets of Borrower, which sequestration, attachment, levy or execution is not released, expunged or dismissed within thirty (30) days and before the sale of the assets affected thereby;
- e. Death; Withdrawal. The death, retirement, incapacity, withdrawal or dissolution, as applicable, of Nicole Kutches, principal of Borrower and guarantor;
- f. Transfer of Property or Interest in Borrower. Borrower shall not, without the prior written consent of Lender, sell, transfer, mortgage, pledge, hypothecate, assign, encumber or otherwise dispose of, whether voluntarily, involuntarily or by operation of law, all or any part of its business assets (except for equipment and inventory in the ordinary course of its business), or sell, transfer, mortgage, pledge, hypothecate, assign, encumber or otherwise dispose of, whether voluntarily, involuntarily or by operation of law any interest (whether general or limited partnership interest, limited liability company interest, stock or otherwise) in Borrower;
- g. Adverse Financial Condition. Any change in the financial condition of Borrower, or, guarantor, or any other person or entity from the condition shown on the financial statement(s) submitted to Lender and relied upon by Lender in making the Loan which change has a Material Adverse Effect;
- h. Termination or Revocation of Guaranty. Any guarantor shall terminate or revoke or attempt or purport to terminate or revoke its guaranty of Borrower's obligations to Lender;
- i. Voluntary Bankruptcy; Insolvency; Dissolution. (i) The filing of a petition by Borrower for relief under the Bankruptcy Reform Act of 1978 (11 USC §101-1330), or under any other present or future federal or state law regarding bankruptcy, reorganization or other debtor relief (the "Bankruptcy Code"); (ii) the filing of any pleading or an answer by Borrower in any involuntary proceeding under the Bankruptcy Code or

other debtor relief law which admits the jurisdiction of the court or the petition's material allegations regarding Borrower's insolvency; (iii) a general assignment by Borrower for the benefit of creditors; (iv) Borrower applying for, or the reappointment of, a receiver, trustee, custodian or liquidator of Borrower or any of its property; or (v) the filing by or against Borrower of a petition seeking the liquidation or dissolution of Borrower or the commencement of any other procedure to liquidate or dissolve Borrower and or any guarantor;

- j. Involuntary Bankruptcy. The failure of Borrower to effect a full dismissal of any involuntary petition under the Bankruptcy Code or any other debtor relief law that is filed against Borrower or in any way restrains or limits Borrower or Lender regarding the Loan, the Improvements or the Assets, prior to the earlier of the entry of any court order granting relief sought in such involuntary petition, or thirty (30) days after the date of filing of such involuntary petition; or
- k. Remedies. Upon the occurrence or existence of any Event of Default (other than an Event of Default referred to in (i) or (j)), and at any time thereafter during the continuance of such Event of Default, Lender may, by written notice to Borrower, declare all outstanding obligations payable by Borrower hereunder, as well as all other obligations owed by Borrower to Lender under any other loan or credit agreement, to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the note to the contrary notwithstanding. Upon the occurrence or existence of any Event of Default described in (i) or (j), immediately and without notice, all outstanding Obligations payable by Borrower hereunder, as well as all other obligations owed by Borrower to Lender under any other loan or credit agreement, shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Note to the contrary notwithstanding. In addition to the foregoing remedies, upon the occurrence or existence of any Event of Default, Lender may exercise any other right, power or remedy granted to it by the Loan Documents or otherwise permitted to it by law, either by suit in equity or by action at law, or both.

Borrower shall pay fees and expenses of Lender as provided in the Loan Agreement. This Note shall be governed by and construed in accordance with the laws of the State of Minnesota without reference to conflicts of law rules.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Note as of the date and year first above written.

KORU FITNESS, INC
a Minnesota corporation

By: _____
Nicole Kutches, President

**EXHIBIT B
TO LOAN AGREEMENT**

UNCONDITIONAL GUARANTEE

Lender Loan Number	Tba
Loan Name	Koru Fitness, Inc.
Guarantors	Nicole Kutches Gary Nereson
Borrower	Koru Fitness, Inc., a Minnesota Corporation
Lender	The City of Ramsey, a Minnesota Municipal Corporation
Date	November 13, 2012
Note Amount	\$34,500.00

1. GUARANTEE:

Guarantors unconditionally guarantee payment to Lender of all amounts owing under the Note/Loan Agreement. This guarantee shall be in effect until the Note is paid in full. Guarantors must pay all amounts due under the Note when Lender makes written demand upon Guarantors. Lender is not required to seek payment from any other source before demanding payment from Guarantors.

2. NOTE:

The "Note" is the promissory note dated December 1, 2012 in the principal amount of \$34,500.00 and no/100 Dollars, from Borrower to Lender. It includes any assumptions, renewal, substitution, or replacement of the Note, and multiple notes under a line of credit.

3. DEFINITIONS:

"Collateral" means any property taken as security for payment of the Note or any guarantee of the Note.

"Loan" means the loan evidenced by the Note.

"Loan Documents" and "Loan Agreement" means the documents related to the Loan signed by the Borrower, Guarantors or anyone who pledges collateral.

4. LENDER'S GENERAL POWERS:

Lender may take any of the following actions at any time, without notice, without Guarantor's consent, and without making demand upon Guarantor:

- A. Modify the terms of the Note or any other Loan Document except to increase the amounts due under the Note;
- B. Refrain from taking any action on the Note, the Collateral, or any guarantee;
- C. Release any Borrower or any guarantor of the Note;
- D. Compromise or settle with the Borrower or any guarantor of the Note;
- E. Substitute or release any of the Collateral, whether or not Lender receives anything in return;
- F. Foreclose upon or otherwise obtain, and dispose of, any Collateral at public or private sale, with or without advertisement;
- G. Bid or buy at any sale of Collateral by Lender or any other lienholder, at any price Lender chooses; and
- H. Exercise any rights it has, including those in the Note and other Loan Documents.

These actions will not release or reduce the obligations of Guarantor or create any rights or claims against Lender.

5. GOVERNING LAW

This guaranty shall be governed by the laws of the State of Minnesota.

6. RIGHTS, NOTICES, AND DEFENSES THAT GUARANTOR WAIVES:

To the extent permitted by law,

A. Guarantor waives all rights to:

- 1) Require presentment, protest, or demand upon Borrower;
- 2) Redeem any Collateral before or after Lender disposes of it;
- 3) Have any disposition of Collateral advertised; and
- 4) Require a valuation of Collateral before or after Lender disposes of it.

B. Guarantor waives any notice of:

- 1) Any default under the Note;
- 2) Presentment, dishonor, protest, or demand;
- 3) Execution of the Note;
- 4) Any action or inaction on the Note or Collateral, such as disbursements, payment, nonpayment, acceleration, intent to accelerate, assignment, collection activity, and incurring enforcement expenses;
- 5) Any change in the financial condition or business operations of Borrower or any guarantor;
- 6) Any changes in the terms of the Note or other Loan Documents, except increases in the amounts due under the Note; and
- 7) The time or place of any sale or other disposition of Collateral.

C. Guarantor waives defenses based upon any claim that:

- 1) Lender failed to obtain any guarantee;
- 2) Lender failed to obtain, perfect, or maintain a security interest in any property offered or taken as Collateral;
- 3) Lender or others improperly valued or inspected the Collateral;
- 4) The Collateral changed in value, or was neglected, lost, destroyed, or underinsured;

- 5) Lender impaired the Collateral;
- 6) Lender did not dispose of any of the Collateral;
- 7) Lender did not conduct a commercially reasonable sale;
- 8) Lender did not obtain the fair market value of the Collateral;
- 9) Lender did not make or perfect a claim upon the death or disability of Borrower or any guarantor of the Note;
- 10) The financial condition of Borrower or any guarantor was overstated or has adversely changed;
- 11) Lender made errors or omissions in Loan Documents or administration of the Loan;
- 12) Lender did not seek payment from the Borrower, any other guarantors, or any Collateral before demanding payment from Guarantor;
- 13) Lender impaired Guarantor's suretyship rights;
- 14) Lender modified the Note terms, other than to increase amounts due under the Note. If Lender modifies the Note to increase the amounts due under the Note without Guarantor's consent, Guarantor will not be liable for the increased amounts and related interest and expenses, but remains liable for all other amounts;
- 15) Borrower has avoided liability on the Note; or
- 16) Lender has taken an action allowed under the Note, this Guarantee, or other Loan Documents.

7. DUTIES AS TO COLLATERAL:

Guarantor will preserve the Collateral pledged by Guarantor to secure this Guarantee. Lender has no duty to preserve or dispose of any Collateral.

8. SUCCESSORS AND ASSIGNS:

Under this Guarantee, Guarantor includes heirs and successors, and Lender includes successors and assigns.

9. GENERAL PROVISIONS:

- A. ENFORCEMENT EXPENSES. Guarantor promises to pay all expenses Lender incurs to enforce this Guarantee, including, but not limited to, attorney's fees and costs.
- B. SUBROGATION RIGHTS. Guarantor has no subrogation rights as to the Note or the Collateral until the Note is paid in full.
- C. JOINT AND SEVERAL LIABILITY. All individuals and entities signing as Guarantor are jointly and severally liable.
- D. DOCUMENT SIGNING. Guarantor must sign all documents necessary at any time to comply with the Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- E. FINANCIAL STATEMENTS. Guarantor must give Lender financial statements as Lender requires.
- F. LENDER'S RIGHTS CUMULATIVE, NOT WAIVED. Lender may exercise any of its rights separately or together, as many times as it chooses. Lender may delay or forgo enforcing any of its rights without losing or impairing any of them.
- G. ORAL STATEMENTS NOT BINDING. Guarantor may not use an oral statement to contradict or alter written terms of the Note or this Guarantee, or to raise a defense to this Guarantee.
- H. SEVERABILITY. If any part of this Guarantee is found to be unenforceable, all other parts will remain in
- I. CONSIDERATION. The consideration for this Guarantee is the Loan or any accommodation by Lender as to the Loan.

10. GUARANTOR ACKNOWLEDGMENT OF TERMS.

Guarantor acknowledges that Guarantor has read and understands the significance of all terms of the Note and this Guarantee, including all waivers.

11. GUARANTOR NAME(S) AND SIGNATURE(S):

By signing below, the individual or entity becomes obligated as Guarantor under this Guarantee.

Nicole Kutches, Individually

Gary Nereson, Individually

City of Ramsey

Economic Development Revolving Loan Fund Guidelines

As Amended February 2005

City of Ramsey
Community Development Division
15153 Nowthen Boulevard NW
Ramsey, Minnesota 55303

Table of Contents

Economic Development Revolving Loan Guidelines

I	Purpose	Page 1
II	Authorization	Page 1
III	Mission	Page 1
IV	Program Objective	Page 1
V	Eligible Activities	Page 1
VI	Ineligible Activities	Page 2
VII	Loan and Term Conditions	Page 2
VIII	Administration	Page 5
IX	Delinquency	Page 9
X	Default	Page 9
XI	Recaptured Funds	Page 9
XII	Fund Acknowledgement	Page 10
XIII	State Economic Development Revolving Loan Fund Guidelines	Page 10

Economic Development Revolving Loan Guidelines

I. Purpose.

The purpose of these guidelines is to establish policies and procedures to regulate, coordinate, and facilitate the workflow for underwriting new financing requests, servicing revolving loans, and ensuring borrower compliance with loan terms and conditions.

II. Authorization and Funding Sources.

Chapter 469 of the Minnesota State Statutes, as amended, authorizes the City of Ramsey to make loans to prospective private businesses. The revolving loan fund was capitalized through funds made available by the City of Ramsey and the Minnesota Department of Employment and Economic Development.

III. Mission.

The mission of the revolving loan fund is to increase the City's tax base, create and retain permanent private sector jobs and improve economic opportunity and living standards for the citizens of Ramsey by promoting local business development and expansion, by attracting out-of-state business expansion, leveraging private sector funds, and assisting with the development of new technologies.

IV. Program Objective.

The objective of the revolving loan fund is to fill the financing gap between project costs and private debt financing and private equity by making direct low-interest rate loans for certain approved activities to businesses within the Ramsey city limits.

V. Eligible Activities.

- A. Loan funds may be used to assist small businesses primarily by providing financial assistance for the following types of activities, including but not limited to: growth and expansion, rehabilitation, code compliance, employee recruitment and retention through housing initiatives, and facade enhancement.

B. Eligible costs. Eligible costs may include the following:

1. Land improvements. Improvements to the land which are a portion of the project cost including but not limited to: grading, new streets or street improvements, parking lots, utilities, and landscaping.
2. Purchase or renovation of building. Purchase and, if necessary, renovation of an existing industrial or commercial facility is permitted.
3. Purchase machinery or equipment. Purchase of major items of machinery and equipment independent of land and buildings. These items must be defined to have a useful life of at least 5 years.
4. Building construction. Construction of a new building and/or a major addition to an existing building.
5. Leasehold improvements. Revolving loan funds may be used for certain leasehold improvements provided the lease is equal to or greater than the term of the loan and the City secures a lien on the land or building, and improvements.

VI. Ineligible Activities. Certain applicants, projects, activities, and costs are ineligible for revolving loan funds.

- A. Ineligible activities. Funds may not be used for nonprofit institutions, retail businesses, gambling organizations, lending or investment organizations, land speculation, or any activity deemed illegal by federal, state, or local law or ordinance.
- B. Ineligible costs. Ineligible costs include but are not limited to: management fees, financing costs, franchise fees, debt repayment or consolidation, moving costs, refinancing, and operating costs or working capital.

VII. Loan Terms and Conditions

The City shall make available to eligible applicants direct low-interest loans for the purpose of encouraging economic development, job creation and job retention to meet business needs, and preservation of business districts in the City of

Ramsey.

- A. Loan amount. There are maximum and minimum loan amounts for eligible projects.
 - 1. Maximum loan amount. The maximum loan available from the revolving loan fund for each eligible project is limited to \$300,000.00 or 40% of total project cost, whichever is less.
 - 2. Minimum loan amount. The minimum loan amount available from the revolving loan fund for each eligible project is \$25,000.00.
- B. Interest rate. The interest rate shall be a fixed-rate and will be equal to the 10-year Treasury bond rate at the date of funding but shall not be less than 3.0%.
- C. Term. The term of the loan will be tied to the useful life of the assets being financed. The following general terms apply:
 - 1. Machinery/equipment. The term of the loan for machinery/equipment shall not exceed 7 years.
 - 2. Land/building acquisition. The term of the loan for land/building shall not exceed 15 years.
 - 3. New construction/renovation. The term of the loan for new construction/renovation shall not exceed 15 years.
 - 4. Balance due. All balances will be due and payable if and when the loan recipient sells or otherwise transfers any or part of his/her interest in the property or fails to meet any of the guidelines established within this document before the maturity date of the loan or relocates any part or all of the business outside the City of Ramsey.
- D. Wage and job goals.
 - 1. Wage and Job goals shall be established for all loans in excess of \$75,000. The wage and job goals will be identified in the Loan Agreement between the City of Ramsey and the borrower. The loan

agreement, must include: (1) the number of jobs created, which may include separate goals for the number of part-time or full-time jobs, or, in cases where job loss is specific and demonstrable, goals for the number of jobs retained; (2) wage goals for any jobs created or retained; and (3) wage goals for any jobs to be enhanced through increased wages. If the creation or retention of jobs is determined not to be a goal after a public hearing, the wage and job goals may be set at zero.

2. A business that receives revolving loan funds must agree to list any vacant or new position with the Minnesota Department of Employment and Economic Development.
- E. Equity participation. There shall be a minimum 10% owner equity investment of total project costs required of all applicants.
- F. Collateral requirements. All loan agreements will be secured by one or more of the following; promissory note, mortgage, or security agreement as required by the City; and
1. The revolving fund may take a subordinate position to the primary lender on the assets financed; and
 2. Surety deposits shall be required for certain construction contracts as set forth in Minnesota Statutes 290.9705.
- G. Letters of Commitment. Letters of commitment from all funding sources must be submitted for the application to be deemed complete.
- H. Personal guaranty. Personal guarantees of persons with ownership interest of 20% or greater are required. Personal guarantees of persons with ownership interest between 5% to 19% may be required by the City but are discretionary.
- I. Loan repayments. Loan payments must begin within one month of receipt of the Revolving Loan. The City of Ramsey may make exceptions to this rule on a case-by-case basis.
- J. Loan prepayment. Prepayments are permitted where the Borrower makes the EDA whole for any losses or costs associated with the prepayment.

- K. Notice of award or denial. Applicants will be notified in writing not more than fourteen (14) days after final action has been taken on their revolving loan fund application by the City.
- L. Loan closing documents. The City will close the loan within sixty (60) days of final City approval of the loan application. At that time, the City will deliver to the Borrower all closing documents and a final debt service schedule. In exchange, the Borrower will deliver to the City its loan obligation which is defined as a bond, note, or other evidence of obligation issued by the Borrower to evidence its indebtedness under the loan agreement.
- M. Post closing amendments and modifications. Requests for amendments and modifications following award, closing or disbursement of funds to the underwriting of the original request require City approval and shall be presented at the next scheduled meeting of the EDA.
- N. Loan declination. The City will not make a loan if it determines the loan amount would place an undue burden on the financial resources of the Borrower or the Borrower cannot demonstrate adequate financial capacity to repay the loan or the City determines that making the loan is not in the best interest of the City.
- O. Appeal. There will be a complaint and appeal procedure for aggrieved applicants:
 - 1. Written notice. Applicants will receive written notice of denial of the loan and the reasons(s) for the determination within fourteen (14) days of the determination.
 - 2. Petition. The aggrieved applicant may petition the EDA in writing for reconsideration within fourteen (14) days from date of the written notice of denial. Any request to appear before the EDA must be in writing and must be submitted at least seven (7) days prior to the EDA's scheduled meeting. Upon receipt of the written petition for reconsideration, the EDA shall consider the petition at its next scheduled meeting and advise the petitioner in writing of its decision within fourteen (14) days of that meeting. The EDA's decision will be final.
 - 3. Re-application. Applicants aggrieved by the EDA's final decision may re-apply for revolving loan funds after ninety (90) days if the concerns in the

preceding application are adequately and appropriately addressed.

VIII. Administration.

- A. Loan review committee. The Ramsey EDA will serve as the loan review committee. The final determination on all revolving loan applications rests with the City Council.
- B. Conflict of Interest. All city officials and employees shall comply with the applicable conflict of interest regulations set forth in the City Code.
- C. Staff responsibility. Community development staff shall have the general responsibility for coordinating the application process, reviewing loan application, preparing applications and recommendations for review by the EDA, and coordinating the loan approval and service process as set forth in Subsections D -- G of this section.
- D. Pre-application process. All parties seeking revolving loan funds must file a pre-application. Pre-application forms may be obtained from the Community Development Department.
 - 1. There will be a pre-application form that must be completed and submitted to the Community Development Department for review and approval.
 - 2. The pre-application form will request information regarding the applicant, project scope, and project costs.
 - 3. Upon Community Development Department approval, the applicant will be forwarded a revolving loan fund application.
 - 4. Pre-application forms may be submitted on an open basis throughout the year.
- E. Application process. All parties seeking revolving loan funds must file an application. Application forms may be obtained from the Community Development Department.
 - 1. Components of application. Only completed applications will be reviewed for consideration by community development staff. A completed application is one that satisfies the checklist provided below:

- a. Business plan describing the scope of the project, including site plans, building plans, renderings, or blueprints;
 - b. Project budget;
 - c. Private financing commitment;
 - d. Equity investment commitment;
 - e. Proposed security;
 - f. Company financial statements (3 years);
 - g. Personal financial statements (2 years);
 - h. Credit check release;
 - i. Mortgage or lease of property to be improved;
 - j. Proof of insurance of property to be improved;
 - k. Number of jobs to be created or retained;
 - l. Wage information;
 - m. Amount of loan request; and
 - n. Other documentation as requested.
 2. Incomplete applications. Community development staff, in its sole discretion, will determine if the application is complete and actionable. Incomplete applications will be assigned *pending* status and the applicant will be informed in writing of the missing documentation.
 3. Transmittal. Applications transmitted by oral, telegraphic, facsimile, or e-mail will not be accepted.
 4. Determination of eligibility. Applicant eligibility will be determined by community development staff using criteria enumerated in subsection D (1) of this section.
 5. Site inspection. As part of the eligibility determination process, the city will inspect the property or building designated for improvements for compliance with the city administrative ordinances and zoning codes.
 6. Credit check. A credit check for the company and each of its principal owners shall be conducted by community development staff.
- F. Loan approval process. Community development staff will prepare loan applications and make recommendations to the EDA.
1. EDA agenda. Upon determining the eligibility of the completed application

and reviewing for credit worthiness and soundness of plan, community development staff will place loan application the on the agenda for the EDA's next scheduled meeting.

2. Criteria. The EDA will base their decision on the economic benefit to the City of Ramsey, credit underwriting typical to the lending community including the borrower's ability to repay the loan and the collateral offered to secure the loan, the number of jobs to be created or retained, wage rates of jobs created or retained, and increase in the local tax base.
 3. EDA action. Upon placement on the agenda, the EDA shall approve, deny, or postpone for consideration at a future meeting the loan application request.
 4. Notification of EDA action. The applicant shall be notified in writing within fourteen (14) days of the EDA's decision in accordance with the requirements set forth in Section VII, Subsection M of these guidelines.
 5. Approval. If approved, the applicant will be sent a written commitment letter that will outline the terms and conditions of the loan approval. A copy of the commitment letter will be signed by the Borrowers and Guarantors signifying acceptance of the terms and conditions of the loan proposal and the conditions for funding. Upon the return of the executed commitment letter, community development staff will begin the loan closing process with the City Attorney.
 6. Closing. The City Attorney will prepare documentation and coordinate the closing with the Borrower or the Borrower's counsel.
- G. Loan servicing. Community development staff will coordinate loan servicing activities.
1. Monitoring. Community development staff will monitor loans for compliance with the accepted terms and conditions including job creation statistics and wage and benefit levels.
 2. Reports. Community development staff and finance staff are responsible for ensuring that all required reports are filed in a timely manner.
 3. Records. Computer files and conventional paper files will be maintained for the purpose of documenting, tracking, and monitoring program and project

activities. Program records will be maintained by the Community Development staff and financial records will be maintained primarily by the Finance Division. Where applicable, the following records will be maintained:

a. Program records. The following program information will be maintained in the program project file, including but not limited to:

- i. Environmental report;
- ii. Eligibility determination records as set forth in Section VIII, Subsection E (1) (a-n);
- iii. Property inspection report;
- iv. Progress reports;
- v. EDA Resolutions;
- vi. Correspondence;
- vii. Loan documents; and
- viii. Executed loan agreement.

b. Financial records. The following financial information will be maintained in the financial project file, including but not limited to:

- i. Copy of the executed loan agreement;
- ii. Disbursement data;
- iii. Progress reports;
- iv. Repayment data; and
- v. Amortization tables.

4. Record retention. All program and financial records, supporting documents, statistical records, environmental review records and other records pertinent to the revolving loan program shall be maintained for a period of at least three (3) years from the final project report and project closeout date.

IX. Delinquency. There shall be a notification procedure for delinquent loans.

A. The finance officer is responsible for the timely posting and of all loan repayments.

B. Thirty day notice. Upon thirty (30) days delinquency, the finance officer will notify the Finance Director (FD) of the delinquency and the Director shall send the borrower a delinquency notice requesting payment within fifteen

(15) days. A copy of the letter shall be forwarded to the City Administrator (CA).

C. Forty-five day notice. If payment has not been received by the 45th day a second delinquency notice will be sent to the Borrower by the FD requesting payment within fifteen (15) days. A copy of the letter shall be forwarded to the CA.

D. Sixty day notice. If payment has not been received by the 60th day, the FD will attempt to contact the Borrower by telephone to the delinquency. The FD shall also send a notice of default to borrower via certified mail requesting immediate payment and advising the borrower the delinquency will be placed on the EDA agenda for discussion at the next scheduled meeting.

E. Ninety day notice. If no repayment plan is submitted by the Borrower, or if there is no attempt by the Borrower to negotiate the amount due, the FD will contact the CA and the City Attorney to sending a 90 day letter calling due the loan in full.

F. Negotiation. Throughout this process, every attempt will be made to preserve the company, the jobs, and the loan funds.

X. Default. If the EDA determines a loan to be in default it will pass a resolution declaring the entity in default and convey the matter to the City Attorney for disposition.

XI. Recaptured funds. The Ramsey Economic Development Revolving Loan Fund will serve as the repository for all loan repayments. These recaptured funds are available to other applicants for utilization as gap financing for certain approved economic development projects. The revolving loan fund shall be administered by a financial management system in compliance with all state and federal requirements.

XII. Funding acknowledgement. For projects financially supported by revolving loan funds the Borrower shall:

A. Acknowledge revolving loan fund support in certain written materials

including company brochures, reports, newsletters, and press releases; and

- B. On the building or expansion construction site post a sign acknowledging financial support from the State of Minnesota and the City of Ramsey.

XIII. Guidelines for the regulation of State Economic Development Revolving Loan Funds.

- A. General. The following rules, regulations, policies, and procedures govern state economic development revolving loan funds.
- B. Incorporation by Reference. The dissemination, use, and regulation of state economic development revolving loan funds shall be generally governed by guidelines including:
 - 1. The Minnesota Investment Fund (MS.116J.8731).

Meeting Date: 11/13/2012

By: Tim Gladhill, Community Development

Information

Title:

Introduce Ordinance to Amend City Code Chapter 117, Article II, Division 8 (Signs) Related to Temporary, Construction, Real Estate, and Off-Premise Signs

Background:

In reviewing sign permits approved over the past several years, Staff has identified several topics for discussion:

- Temporary Signs
- Real Estate Signs
- Construction Signs

The last major revision to the City's Sign Code was completed in 2008. This revision was completed in response to a Minnesota Supreme Court ruling regarding a local Minnesota city's ordinance and content-based regulation. This revision attempted to best match the feedback from said court ruling, removing all references to content-based regulation. In addition, dynamic display technology began to emerge, especially for billboard technology. Since then, the City has processed two (2) minor adjustments to the Sign Code. Staff has also been monitoring new, emerging technology and surrounding communities' sign regulations. Based on that analysis, and feedback from previous applicants, Staff is suggesting the following changes.

The following recommendations are based on previous reviews and feedback received from sign applicants, and is intended to provide a more flexible set of standards that better matches the community's goals and desires.

The case includes two (2) attachments related to revised text. 'Redlined Text' is a document with all language included in the amended sections. 'Ordinance' is a shortened version for publication that only includes sections that are proposed for revision. To best understand the context of each amendment, refer to 'Redlined Text'.

Notification:

The Public Hearing was properly published in the Anoka County Union, the City's official newspaper.

Observations:

The following is a summary of existing standards and proposed amendments to the City's general sign regulations. In reviewing potential amendments, the Planning Commission should focus on standards to address size, location, duration, and construction specifications. Sign regulations should not be based on the content of the sign. Please note that these sign regulations do not apply to The COR development, as that area carries its own standards due to the architectural requirements of the development.

Temporary Signs

The most frequent request Staff responds to is in regard to temporary signs. The temporary sign regulations are currently drafted in an effort to mainly address the portable, interchangeable letter signs. Largely due to aesthetics, these types of signs are limited to six (6) weeks per calendar year per parcel (or per business on a multi-tenant parcel), with a bonus four (4) weeks afforded to those parcels with no documented sign violations within the past twelve (12) months. In a cursory review of surrounding communities, the timeline established in Ramsey is average to above average. Temporary Signs are limited to fifty (50) square feet.

Staff has not proposed any changes in the draft ordinance at this time, but is seeking feedback from the Planning Commission on any desired amendments. The City could consider separate timeframes based on construction

specifications. For example, the City could consider interchangeable letter signs differently than vinyl affixed lettering or banners.

Real Estate Signs

The second most frequent request for information Staff receives is in regard to real estate signs. With the 2008 sign code update, Staff was working off recommendations that real estate signs should not be treated any differently than temporary signs. Staff suggests considering these closer to non-commercial speech signs. These signs are not advertising for a product or service itself occurring on the site, rather indicating that the space itself is available. Staff believes there is a greater public benefit in providing exemptions to real estate signs in order to protect the health, safety, and welfare associated with vacant areas. The current draft does not specify a limit on the size. The Planning Commission could consider a size limitation.

Construction Signs

City Code does currently have provisions that actually require certain construction related signs. However, the Sign Code is silent on Construction Signs. The attached draft provides an exemption to the temporary sign regulations for these required types of signage. The current draft does not specify a size limit. The Planning Commission could consider a size limitation. If that is the case, Staff would recommend either 32 or 64 square feet per face, based on the standard size of a sheet of plywood typically used for these types of signs. Alternatively, these signs could be limited to the size allowed for permanent signs in the underlying zoning district.

Dynamic Display Signs

Over the past several years, technology related to dynamic display continues to evolve and improve. The City's current standards aim to reduce driver distraction by addressing length of display, animation, brightness, and size/percentage of overall sign. Currently, dynamic display is limited to 35% of the total sign face.

As Staff has reviewed multiple requests for dynamic display, it has become evident that the percentage limitation has become somewhat of a barrier, especially on higher speed roads where a larger display may actually be more beneficial by making the sign more readable. Staff suggests considering removing the percentage limitation and focus on an overall size limitation. By focusing on limiting the size, brightness, and other distracting factors, a percentage of the overall sign face may not be necessary. There are a few examples in the near vicinity of larger dynamic displays to consider.

Also, the City has received a request for the use of dynamic display for a portable, temporary sign. The entire sign face would be dynamic. Sizes for temporary, portable dynamic displays could be limited to traditional temporary sign limitations of 32 square feet or 50 square feet.

Off-Premise Signs

Currently, all off-premise signs are considered billboards, which are currently prohibited. Staff suggests a more flexible definition of off-premise, perhaps focusing on proximity rather than limiting to just the parcel on which the activity is occurring. The attached draft creates allowances for shared signage at shared access and shared signage for unified developments.

Funding Source:

Preparation of the ordinance is being handled as part of regular Staff duties.

Staff Recommendation:

The Planning Commission met on Thursday, October 4th, 2012 and recommended approval of the ordinance amending City Code Chapter 117, Article II, Division 8 (Signs), with an amendment to the draft to include a maximum size for Real Estate Signs (included in current draft).

Committee Action:

Motion to adopt the ordinance amending City Code Chapter 117, Article II, Division 8 (Signs).

Attachments

First Amendment

Dynamic Display

RSF Study

Sample Ordinance

ALL Revised Text

Proposed Ordinance

Form Review

Inbox	Reviewed By	Date
Tim Gladhill (Originator)	Tim Gladhill	11/07/2012 10:59 AM
Kurt Ulrich	Kurt Ulrich	11/07/2012 03:44 PM
Form Started By: Tim Gladhill		Started On: 10/08/2012
	Final Approval Date: 11/07/2012	



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RISK MANAGEMENT INFORMATION

SIGN ORDINANCES AND THE FIRST AMENDMENT

This memorandum discusses some of the basics of designing a sign ordinance that meets the requirements of the First Amendment.

General First Amendment Principles

The First Amendment protects signs as speech, and courts will look very closely at any attempts to regulate signs.

There are a few rules for regulating signs:

1. Do not regulate based on content.
2. Do not favor commercial speech (advertising) over noncommercial speech.
3. Restrictions on signs must accomplish a substantial government interest and be no broader than necessary. The main substantial governmental interests recognized by courts are traffic safety and aesthetics.

With this background in mind, there are several steps cities can take when drafting ordinances.

Provisions All Sign Ordinances Should Have

Every sign ordinance should probably contain the following provisions:

Statement of Purpose

Tells why the ordinance was drafted and how it should be applied. Should state clearly that it is not intended to have content-based restrictions and should not be applied that way. Provides a quick clear statement of government purposes and how the ordinance fulfills those purposes rather than needing to review your legislative record if challenged.

Sample Ordinance

View a sample sign ordinance from the city of Hopkins in the Land Use area of the League website at www.lmc.org.

Substitution Clause

Provides that for every sign that is allowed, any non-commercial message could be legally substituted. Ensures that non-commercial speech is never discriminated against based on content because it will always allow a noncommercial message on any sign. Many ordinances inadvertently define signs in terms of advertising and may incidentally seem to allow only commercial messages. A substitution clause may correct these mistakes by providing a catch-all allowance of noncommercial messages notwithstanding other provisions.

This material is provided as general information and is not a substitute for legal advice.
Consult your attorney for advice concerning specific situations.

Severability Clause

Provides that if any provision of the ordinance is found to be invalid, the remainder of the ordinance stands on its own and is still valid. May prevent a flaw in part of the ordinance from invalidating all of it.

Acknowledgement of election season pre-emption

Minnesota Statute 211B.045 requires municipalities to allow noncommercial signs of any size during election season, from August 1 until ten days after the election.

Do not misinterpret this language. It gives extra protection to noncommercial speech during election season. It does not limit political signs to only that time.

Content Neutral regulations based on time, place, and manner

Regulations should be objectively based on time, place, and manner, not content. Examples include regulations based on size, brightness, zoning district, spacing, and movement.

Provisions All Sign Ordinances Should Avoid**Unfettered discretion**

Avoid discretionary approval by the city. Having discretion creates the potential for favoring some messages or messengers over others, whether or not that discretion is actually abused. Permit requirements should be transparent and objective.

Exemptions or favoritism

Avoid exempting certain groups or messages, such as church signs or official flags, from permit requirements. This could be content-based discrimination.

Exemptions also may “water down” the substantial government interest. For example, if an ordinance prohibits temporary signs but allows a long list of exemptions, it suggests the city is not really concerned about temporary signs.

This is different from providing exemptions based on valid time, place, or manner restrictions, such as exempting all signs under a certain size from permitting requirements.

Inadvertently treating non-commercial speech differently by defining “sign” as “advertising”

Beware of over-defining terms. This occasional problem is the combination of a few steps:

1. Signs are defined as advertising devices.
2. The ordinance allows signs as defined.
3. All other signs are prohibited.

This arguably prohibits noncommercial speech, which is unconstitutional.

Common Questions and Issues

Off-premise advertising (Billboards)

Off-premise advertising consists of commercial signs that do not advertise for a business on the same premises as the sign. It is legal to forbid off-premise advertising, so long as the prohibition does not extend to noncommercial messages.

Flags

Be cautious of regulations that might favor some types of flags, particularly the United States Flag, over other flags. This is a good place for the substitution clause; if one type of noncommercial flag would be acceptable, any noncommercial flag should be allowed.

Yard Signs

Some courts have held that yard signs are constitutionally protected and cannot be prohibited. Be especially cautious about provisions that favor some messages over others, such as exemptions for real estate or construction project signs.

Electronic Signs

Electronic signs present new challenges, as the technology is capable of new levels of brightness, movement, flashing, and potential distraction. Most sign ordinances do not adequately address these issues. The League has commissioned a study on the traffic safety implications of the technology. Cities may wish to consider moratoriums while the study is conducted and then drafting ordinances that apply the information to each community. A moratorium may prevent electronic signs from becoming grandfathered.

More Information

Learn more about dynamic signage in:

- *Regulating Dynamic Signage*

It's available at www.lmc.org.

Summary

Keep in mind these basic rules of thumb:

1. Do not regulate content.
2. Do not favor commercial speech over noncommercial speech.
3. Provide and follow clear procedures.
4. Explain your rationale and purpose.
5. Avoid exceptions.

There are exceptions to these rules, but they should be approached cautiously and with legal advice.

For assistance or sample ordinances, contact one of the LMCIT land use attorneys: Paul Merwin at 651-281-1278; or Jed Burkett at 651-281-1247.



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RISK MANAGEMENT INFORMATION REGULATING DYNAMIC SIGNAGE

Executive summary

Cities have authority and responsibility to regulate dynamic signs as appropriate for each community. There is no single correct approach to regulation. Because the regulation of signs involves the First Amendment, courts hold sign regulations to a higher standard than most land use regulations. Cities still have considerable discretion to regulate, as long as they do so reasonably and without regard to sign content.

Introduction

In the fall of 2006, a number of Minnesota cities were surprised by the appearance of large electronic billboards akin to giant television screens. These signs are the next generation of sign displays with the ability to feature changing images and movement—known collectively as dynamic signs. Attempts to regulate them resulted in litigation in at least one community- Minnetonka. In developing a regulatory response, Minnetonka partnered with the League of Minnesota Cities to commission a study, conducted by SRF Engineering, on the impact of such dynamic signs on traffic safety. This memorandum discusses the legal framework of regulating dynamic signage in light of the recent litigation and study.

More Information

Find the results of the SRF Consulting Group's research on dynamic signage in:

- *"Dynamic" Signage: Research Related to Driver Distraction and Ordinance Recommendations*

It's available in the Land Use area of the League website at www.lmc.org.

Regulatory framework

While the federal and state government can enact and have enacted laws regulating signs, those regulations only provide minimum standards. Courts have explicitly recognized that cities have the ability to regulate signs, including dynamic signs, more restrictively.

There is no uniform system of regulation that cities must follow. Each community is different and has different needs that local ordinances may reflect. Such regulations must meet the same basic legal tests for all sign regulation.

Most city land use decisions get a very deferential standard of review known as *rational basis* review. Under this level of review, city decision will be upheld if they have any rational basis.

Because sign regulations implicate free speech rights which are protected by the First Amendment, they are subjected to higher levels of scrutiny. The highest level of scrutiny, called *strict scrutiny*,

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Consult your attorney for advice concerning specific situations.

applies when government tries to regulate based on the content of speech. The only content-based sign regulation that courts have upheld is treating off-premise signs (billboards) differently than on-premise signs that advertise the business on the same property.

One distinction that may seem like it is content based, but our federal court of appeals has said is not, is a ban on dynamic signs with an exception for time and temperature displays. The court held

that because of their unique nature, allowing only time and temp displays is not a prohibited content-based regulation. It is important not to overstate this, however. Regulations that go further and carve out a broader exception for “public information” are likely to be struck down as impermissibly content-based.

Sign regulations that are not content based are subject to *intermediate scrutiny*, which tests whether the regulation is substantially related to a significant government interest. This roughly translates to “regulate for a good reason.” Cities should take care that the *scope* of the regulation is not excessive when viewed in light of all of the regulatory objectives, and that they do not create exceptions to the regulations that cannot be justified by reference to one or more of the city’s articulated objectives

Big-picture regulatory tools

The available research on traffic impacts supports significant content-neutral limits or even bans on dynamic signs for safety reasons. The studies confirm that billboards can tend to distract drivers, dynamic features contribute to the distraction, and even short distractions can increase the risk of accidents. This is not surprising as promotional materials put out by sign companies themselves boast the signs’ ability to hold viewer attention as a benefit of dynamic signs.

Safety is only one concern. Cities may also regulate signs based on values, preferences, and aesthetics. Not every sign is appropriate in every community or every neighborhood. Not every community wishes to become Las Vegas or even downtown Minneapolis.

Cities can take a number of different macro-level approaches to regulation. Some examples include:

1. Complete or near-complete bans that do not allow dynamic signs at all.
2. Allow dynamic signs with restrictions such as minimum display time, allowing only a percentage of a sign to change, or text size limitations.
3. Allow different things in different zoning districts, such as allowing brighter dynamic signs in a downtown business district than in residential neighborhoods.
4. Offering incentive programs to billboard companies to allow dynamic signs in exchange for removal of non-conforming static signs.
5. Encourage dynamic displays. Some communities like the clean, new look of dynamic signs and encourage them to remove old blighted and poorly maintained signs.

More Information

Learn more about sign regulations and free speech in:

- *Sign Ordinances and the First Amendment*

It’s available at www.lmc.org.

Regulating sign aspects

A content-neutral regulation that regulates dynamic signage will be subject to intermediate scrutiny, so a community must show a regulation is substantially related to a significant government interest. In plain language, you must articulate what problem a regulation is intended to address and how the regulation addresses it.

There are at least six aspects of dynamic signs that regulations may address:

1. **Duration of messages/ speed of changeover.** Studies have described the Zeigarnik effect, a psychological need to see a task through to its end. In the case of dynamic signs, a driver's desire to read an entire message before it changes or to complete a scrolling message has been shown to negatively impact drivers' tendencies to maintain a constant speed or remain in a lane. To address these issues, many cities have imposed minimum message durations that might vary depending on community preference and traffic conditions.
2. **Motion, animation, and video.** Motion can range from simple visual effects to full realistic video. Motion can extend the period of time a driver will keep watching a sign, increasing distractedness. Cities may prohibit motion or limit it either to specific areas or to specific characteristics such as a motion time frame calibrated to traffic speed.
3. **Brightness.** Brightness can be a safety factor, particularly at night, as sudden brightness can be distracting or diminish night vision. A number of communities limit brightness based on time of day and by color displayed. This can be difficult to quantify and measure.
4. **Sign placement and spacing.** The number of signs and their location can be a big factor in driver awareness. A large number of signs can increase distractedness. Poorly placed signs may block views or cause distraction in unsafe areas. Cities may impose site standards and spacing requirements. These may present regulatory challenges as spacing may be dependent on the actions of neighboring property owners.
6. **Size of signs.** Size can have impacts in several ways. Too big, and it obstructs views and distracts. Too small, and it takes longer to read and encourages sign users to sequence messages. Cities may limit dynamic signs or the percentage of a sign that can be dynamic.
7. **Text size and legibility.** Signs that are difficult to read invite increased driver focus. Regulations can, for example, require minimum sizes based on road speed.

The specifics of how to regulate each of these aspects is up to each community. Because review of regulations must face intermediate scrutiny, cities have to take some extra steps when drafting and adopting ordinances.

For each aspect regulated, cities should consider adopting findings or local studies that articulate the reason and any support for the regulation. The SRF study and other materials can provide a scientific basis for a number of regulatory steps. In addition, cities may choose more stringent regulation in order to take a conservative approach to protecting safety.

Moving forward

It is recommended that cities think about dynamic signs as early as possible. Regardless of your city's approach, it is better to make a rational choice rather than by having dynamic signs arrive before you have thought about the issue. Once the signs are up, Minnesota's nonconforming use law arguably grants them "grandfathered" status, with a narrow exception for safety.

Sample Ordinance

View a sample sign ordinance from the city of Hopkins in the Land Use area of the League website at www.lmc.org.

If your city would like more information about regulating dynamic signs, Paul Merwin, LMCIT Senior Land Use Attorney, can provide assistance and refer you to more information and resources. Contact Paul at (651) 281-1278 or pmerwin@lmc.org.

Disclaimer: This memorandum is intended as general information only and should not be read as legal advice or as creating an attorney-client relationship. This memo addresses general concerns and has not been reviewed in the context of a specific client or situation. This memo was drafted as a loss control document and is intended to avoid conflicts rather than form an opinion as to the legality or defensibility of any action.

Paul Merwin 07/07

**“DYNAMIC” SIGNAGE:
RESEARCH RELATED TO DRIVER DISTRACTION
AND
ORDINANCE RECOMMENDATIONS**

Submitted by
SRF Consulting Group, Inc.

Prepared for
City of Minnetonka

June 7, 2007

TABLE OF CONTENTS

	<u>Page No.</u>
1.0 INTRODUCTION	1
2.0 PURPOSE OF STUDY AND METHODOLOGY	1
3.0 SELECTED RESEARCH FINDINGS	2
3.1 Expert Opinions	3
3.2 Billboards: a Source of Driver Distraction?.....	4
3.3 “Dynamic” Billboards: an Additional Source of	6
3.3.1 Other Information	9
3.4 How Much Distraction Is a Problem?.....	10
3.5 How Does “Brightness” Affect Driver Distraction?.....	15
3.6 Billboard and Other Signage Regulation: a	16
Minnesota Perspective	
3.7 Billboard and Other Signage Regulation: Other.....	16
Perspectives	
4.0 SUGGESTED REGULATORY APPROACH.....	19
4.1 Definitions.....	19
4.2 Types of Regulatory Measures	19
4.2.1 Complete or Partial Prohibition of Electronic Signs.....	19
4.2.2 Size Limitations on Electronic Signs.....	20
4.2.3 Rate-of-Change Limitations on Electronic Signs	20
4.2.4 Motion, Animation, or Video Limitations on Electronic Signs.....	21
4.2.5 Sign Placement and Spacing.....	22
4.2.6 Text Size	22
4.2.7 Brightness Limitations on Electronic Signs.....	23
4.3 Public Review	24
5.0 CONCLUSIONS AND RECOMMENDATIONS	25

Appendix A – Current Sign Technologies

Appendix B – Outdoor Advertising Sign Brightness Definitions

Appendix C – Electronic Outdoor Advertising Device Visual Performance Definitions

LIST OF TABLES

	<u>Page No.</u>
Table 1: FHWA Reanalysis of Faustman’s Findings.....	5
Table 2: Crash Causation Summary.....	11
Table 3: Percentage of CDS Crashes Involving Inattention- Distraction Related Crash Causes	12
Table 4: Specific Sources of Distraction Among Distracted Drivers:	12
Table 5: Telespot Sign Crash Rates - Expressway Southbound	13
Table 6: Telespot Sign Crash Rates-Expressway Northbound	14
Table 7: Number of New Messages Displayed at Various Driver Speeds and..... Time Intervals Between Messages	21

LIST OF FIGURES

	<u>Page No.</u>
Figure 1: VicRoads’ Ten Point Road Safety Checklist.....	18

1.0 INTRODUCTION

This study was precipitated by concerns raised by the City of Minnetonka, Minnesota in regard to the installation of two LED (“light emitting diode”) billboards along Interstate 394 and Interstate 494. The LED function was applied to two existing “static” image billboards located adjacent to the interstate. Following installation of the LED function, the City turned off the power to the signs though a stop work order based on current city ordinance prohibiting flashing signs, which is broadly defined, as well as permitting requirements for the retrofitting of the signs to the upgraded technology. The billboard owner sued the City, and the court response to this legal action as of the writing of this study has been to allow limited use of the LED billboards. A moratorium on further signage of this type was established by the City to facilitate the study of issues related to driver distraction and safety and appropriate regulatory measures for LED and other types of changeable signage.

This study was undertaken on behalf of the City of Minnetonka to examine these issues. While the concerns were precipitated by LED billboards in particular, this report examines more broadly “dynamic” display signage which is defined as any characteristics of a sign that appear to have movement or that appear to change, caused by any method other than physically removing and replacing the sign or its components, whether the apparent movement or change is in the display, the sign structure itself, or any other component of the sign. This includes a display that incorporates a technology or method allowing the sign face to change the image without having to physically or mechanically replace the sign face or its components. This also includes any rotating, revolving, moving, flashing, blinking, or animated display and any display that incorporates rotating panels, LED lights manipulated through digital input, “digital ink” or any other method or technology that allows the sign face to present a series of images or displays. These capabilities may be provided by a variety of technologies which are discussed later in this report.

As the study progressed, additional communities within the Twin Cities Metropolitan Area, as well as the League of Minnesota Cities, expressed interest in these issues. However, it is not the intention of this report to provide a comprehensive study of all issues raised by dynamic signage, or other types of billboards, but rather to focus narrowly on the issues of concern to the City of Minnetonka.

2.0 PURPOSE OF STUDY AND METHODOLOGY

Driving a motor vehicle is a complex task that requires the ability to divide one’s attention. Simultaneously maintaining a steady and legal speed, changing lanes, navigating traffic and intersections, reading and interpreting street signs, drivers are often challenged by conditions that can change in the blink of an eye. Internal and external physical conditions can affect how safely the driving task is accomplished. Drug or alcohol intoxication, fatigue and/or distractions in the driving environment all can play a role in motor vehicle crashes. However, these conditions are rarely the sole reason for a crash. Rather, these conditions serve to exacerbate an already-complex driving environment and subsequent mistakes in judgment can lead to crashes.

Increasingly complex traffic and roadway environments require greater attention to and focus on the driving task.

The purpose of this study is to understand what existing transportation research tells us about the effects of dynamic signs on motorists. This study also explores regulatory measures enacted in other jurisdictions to address concerns related to driver distraction. Due to time and scope constraints, this report is not comprehensive, but rather addresses the most frequently cited and easily accessible information available. The report concludes with a discussion of regulatory options for the City of Minnetonka to consider in their formulation of policies to address dynamic signage.

Information collected for this report draws from a variety of sources including interviews with subject matter experts, government and academic research, and policies developed to regulate various types of signage.

Several city and county sign ordinances were used as references for policy and regulatory research. In some cases, ordinances were brought to our attention by planners and others following the sign ordinance issue. In others, Internet searches were conducted using words and references that apply specifically to dynamic signs.

Several sign manufacturers and sign companies provided an industry perspective through a workshop with the SRF Consulting Group and the City of Minnetonka staff on February 27, 2007. This meeting yielded information about sign characteristics that can be addressed through policy and regulatory measures. Daktronics, a company that manufactures and markets LED signs, was also helpful in this regard, providing informational materials about characteristics of signs that can be regulated and examples of city sign ordinances with which they are familiar.

3.0 SELECTED RESEARCH FINDINGS

This following section presents a summary of expert opinions and selected driver distraction research conducted by government and academic researchers examining roadside signage and its effects on the driving task. Studies are organized around critical questions with serious research ramifications.

- *Is there reason to believe that billboards are a source of distraction?*
- *Is there reason to believe that “dynamic” billboards are an additional source of distraction?*
- *How much distraction is a problem?*
- *How does “brightness” affect driver safety concerns?*
- *How should billboards and other signage be regulated from a driver safety perspective?*

3.1 Expert Opinions

A combination of researchers and public policy experts were interviewed for this study. Individuals were identified while conducting background research into driver distraction and were interviewed because of their credibility in the field.

Kathleen Harder, a researcher at the University of Minnesota, has conducted driver distraction research for a variety of applications, including research for Mn/DOT. She is an expert in the field of human factors and psychology. She indicated that electronic billboards pose a driver distraction threat because of their ability to display high resolution color images, their ability to change images, and their placement in relationship to the roadway, particularly in areas where the road curves, exits and entrances are present, merges, lane drops, weaving areas, key locations of official signs, and/or areas where roadways divide.

Greg Davis, a researcher with the FHWA Office of Safety Research and Development, in Washington, DC was involved in the 2001 FHWA study on electronic billboards. He was interviewed to gain a deeper understanding of this critical study and to learn of recent research in this area. Davis stated that while no research has established a direct cause and effect relationship between electronic outdoor advertising signs and crash rates, the lack of such a research finding does not preclude a causal relationship between electronic billboards and crashes. He advocated for a new study that can control all variables and determine if a cause and effect relationship exists.

Scott Robinson, an outdoor advertising regulator for Mn/DOT, wrote the 2003 technical memorandum that addresses allowable changes for outdoor advertising devices. Mr. Robinson indicated that the memo was originally written in 1998 to establish a permitted rate of change for tri-vision signs and that the application to electronic billboards was not considered. The minimum change rate of 4.9 seconds for 70 mph roadways and 6.2 seconds for 55 mph roadways was based on the travel time between static signs spaced at the minimum allowed distance apart. Mr. Robinson also indicated that the memo is not a Mn/DOT policy, statute or rule, but rather it was written to provide internal guidance.

Jerry Wachtel, an Engineering Psychologist and highway safety expert in private practice, was the lead author for the FHWA's original (1980) study on electronic billboards. He has continued his active involvement in this field, and advises Government agencies as well as the outdoor advertising industry on sign ordinances, sign operations, and the implications of the latest research on road safety. Mr. Wachtel believes that it is neither feasible from the perspective of research design and methodology, nor necessary from a regulatory perspective, to demonstrate a causal relationship between digital billboards and road safety. Rather, he believes that we have a strong understanding, based on many years of research, of driver information processing capabilities and limitations, and of the contributions to, and consequences of, driver distraction, on crash risk; and that this understanding is sufficient to support development of guidelines and ordinances for the design, placement, and operation of digital billboards so as to lessen their potentially adverse impact on road safety and traffic operations.

Wachtel also offered comments on drafts of this report. In later conversations related to his review, Wachtel stated his belief that even though visual fixations on roadway signs decrease as route familiarity increases, a strength of the new digital billboards is that they can present messages *that are always new*. Thus, the conclusion from the 1980 FHWA study is another argument against these billboards; namely, drivers spend more time looking at the unfamiliar signs than at familiar ones, suggesting digital billboards are more dangerous than traditional fixed billboards. Wachtel also suggested his preference for a goal to have any given driver experience only one, or a maximum of two, messages from an individual roadside sign.

3.2 Billboards: a Source of Driver Distraction? ¹

The purpose of a sign is to attract the attention of passersby so that a message is conveyed. To the degree signs attract the attention of vehicle drivers, they may distract them from the activity of driving. While this report primarily examines the impact of *dynamic* roadside advertising, the role traditional *static* advertising plays in driver distraction is discussed below.

The relationship between roadside advertising and crash rates has been the subject of several studies. The majority of this research was conducted in the 1950s, 60s and 70s. While some of the earliest studies have been subsequently criticized for flawed methodologies and improper statistical techniques, some findings emerge when the totality of the studies are examined. One of these findings is that the correlation between crash rates and roadside advertising is strongest in complex driving environments. For example, higher crash rates were found at intersections (generally considered a complex environment) that have advertising than those intersections that do not have advertising. A few of the studies that are important in this field are summarized below.

Minnesota Department of Transportation Field Study (1951) and Michigan State Highway Department Field Study (1952) ²

These two studies from the early 1950s used similar methods but came to significantly different conclusions. Recognized as the more scientifically rigorous study, the Minnesota study found that increases in the number of advertising signs per mile are correlated with increases in motor vehicle crash rates. It also found that intersections with at least four advertising signs experienced three times more crashes than intersections with no advertising signs. Conversely, the less rigorous Michigan study found the presence of advertising signs had no effect on the number of crashes.

Iowa State College, Do Road Signs Affect Accidents? (Lauer & McMonagle, 1955)³

A laboratory test was created to determine the effect of advertising signs on driver behavior. The results of this study found removing all advertising signs from the driver's field of vision did not improve driver performance. When signs were included, driver performance was slightly better. Note that laboratory methods used in this study are considered to be dated by today's standards.

Faustman (California Route 40) Field Study (1961)⁴ and Federal Highway Administration, Reanalysis of Faustman Field Study (1973)⁵

Two studies that appear to have stood the test of time are Faustman's original analysis of California Route 40 and its re-examination by FHWA more than a decade later. The original analysis tried to improve upon previous research by limiting variables, such as roadway geometric design and roadway access controls. The FHWA reanalysis focused on disaggregating the data and converting actual crashes to expected crash rates on specific roadway sections. Each of the sections was given a value based on the number of billboards on the section. A linear regression was performed to determine the expected crash rates. An analysis of variance of the regression coefficients found that the number of billboards on a section was statistically significant. The reanalysis found a strong correlation between the number of billboards and crash rates as shown in Table 1.

Table 1. FHWA Reanalysis of Faustman's Findings.

No. of Billboards	Expected No. of Accidents in a 5-year Period	Cumulative Increase in Accident Rate
0	5.92	
1	6.65	12.3
2	7.38	24.2
3	8.11	37.0
4	8.84	49.3
5	9.57	61.7

Federal Highway Administration

Safety and Environmental Design Considerations in the Use of Commercial Electronic Variable-Message Signage (Wachtel & Netherton, 1980)⁶

This extensive review provides a comprehensive discussion of roadside advertising research as of 1980. The study authors noted "attempts to quantify the impact of roadside advertising on traffic safety have not yielded conclusive results." The authors found that courts typically rule on the side of disallowing billboards because of the "readily understood logic that a driver cannot be expected to give full attention to his driving tasks when he is reading a billboard." Because the distraction evidence is not conclusive, these decisions were generally not based on empirical evidence.

The research review noted that accident reports often cite "driver distraction" as a default category used by uncertain law enforcement officers who must identify the cause of a crash. As a result, the authors believe crashes due to driver distraction are not always properly identified. In addition, law enforcement officers often fail to indicate the precise crash locations on crash reports, making it difficult to establish relationships between crashes and roadside features.

Accident Research Unit, School of Psychology, University of Nottingham
Attraction and distraction of attention with roadside advertisements (Crundall et al., 2005)⁷

This research used eye movement tracking to measure the difference between street-level advertisements and raised advertisements in terms of how they held drivers' attention at times when attention should have been devoted to driving tasks. The study found that street-level advertising signs are more distracting than raised signs.

3.3 “Dynamic” Billboards: an Additional Source of Distraction?

Signage owners or leasers want to incorporate dynamic features into their signage for a number of reasons: to enhance the sign's ability to attract attention, to facilitate display of larger amounts of information within the same sign area, to conveniently change message content, and to enhance profitability. As mentioned earlier, this report uses the term “dynamic” signs to refer to non-static signs capable of displaying multiple messages. Several studies documented the ability of a sign to accomplish the first of these goals.

University of Toronto
Observed Driver Glance Behavior at Roadside Advertising Signs (Beijer & Smiley, 2004)⁸

Research done at the University of Toronto compared driver behavior subject to passive (static) and active (dynamic) signs. The study found that about twice as many glances were made toward the active signs than passive signs. A disproportionately larger number of long glances (greater than 0.75 seconds) taken were toward the active signs. The duration of 0.75 seconds is important because it is close to the minimum perception-reaction time required for a driver to react to a slowing vehicle. For vehicles with close following distances, or under unusually complex driving conditions, a perception delay of this length could increase the chance of a crash. The following findings were reported in this study:

- 88% of the subjects made long glances (greater than 0.75 seconds).
- 22% of all glances made at all signs were long glances (greater than 0.75 seconds).
- 20% of all the subjects made long glances of over two seconds.
- As compared to static and scrolling text signs, video and tri-vision signs attracted more long glances.
- Video and scrolling text signs received the longest average maximum glance duration.
- All three of the moving sign types (video, scrolling text and tri-vision) attracted more than twice as many glances as static signs.

University of Toronto

Impact of Video Advertising on Driver Fixation Patterns (Smiley et al., 2001)⁹

Another study completed at the University of Toronto used similar eye fixation information in urban locations to show that drivers made roughly the same number of glances at traffic signals and street signs with and without full-motion video billboards present. This may be interpreted to mean that while electronic billboards may be distracting, they do not appear to distract drivers from noticing traffic signs. This study also found that video signs entering the driver's line of sight directly in front of the vehicle (e.g., when the sign is situated at a curve) are very distracting.

City of Seattle Report (Wachtel, 2001)¹⁰

The City of Seattle commissioned a report in 2001 to examine the relationship between electronic signs with moving/flashing images and driver distraction. The report found that electronic signs with moving images contribute to driver distraction for longer intervals than electronic signs with no movement. Following are major points made in the report:

- New video display technologies produce images of higher quality than previously available technologies. These signs have improved color, image quality and brightness.
- New video display technologies use LEDs with higher viewing angles. Drivers can read the sign from very close distances when they are at a large angle from the face of the sign.
- Signs with a visual story or message that carries for two or more frames are particularly distracting because drivers tend to focus on the message until it is completed rather than the driving task at hand.
- Research has shown that drivers expend about 80 percent of their attention on driving related tasks, leaving 20% of their attention for non-essential tasks.
- The Seattle consultant suggests a "10 second rule" as the maximum display time for a video message.

The expanded content of a dynamic sign also contributes to extended distraction from the driving task. The Seattle Report examined how this may be due in part to the *Zeigarnik effect* which describes the psychological need to follow a task to its conclusion. People's attention is limited by the ability to only focus on a small number of tasks at a time, and by the tendency to choose to complete one task before beginning another. In a driving environment, drivers' attention might be drawn to the sign rather than the task of driving because they are waiting to see a change in the message. This loss of attention could lead to unsafe driving behaviors, such as prolonged glances away from the roadway, slowing, or even lane departure.

While the Zeigarnik effect may be present in a wide variety of driving situations, possible scenarios that could affect drivers include:

- A scrolling message requires the viewer to concentrate as the message is revealed. Based on the size and resolution of the sign, and the length of the message, this could range from less than one second to many seconds.
- A sequence of images or messages that tell a story, during which the driver's attention may be captured for the entire duration that the sign is visible. Instead of merely glancing at the sign and then returning concentration to the driving task, more attention may be given to the message.
- Anticipation of a new image appearing, even if the expected new image is not related to the first image. In this case, the driver may be distracted while waiting for the change.

Federal Highway Administration

Safety and Environmental Design Considerations in the Use of Commercial Electronic Variable-Message Signage (Wachtel & Netherton, 1980)¹¹

This research provides information on the use of on-premise Commercial Electronic Variable-Message Signs (CEVMS) that display public service information (i.e., time and temperature) and advertising messages along the Interstate highway system. The research found the following major considerations:

- **Highway Safety Considerations**

The link between changing messages that attract drivers' attention and crashes has been an issue of concern since the earliest forms of electronic signage became available. This study thoroughly reviewed the literature seeking information regarding a potential link between CEVMS and crashes:

“Although a trend in recent findings has begun to point to a demonstrable relationship between CEVMS and accidents, the available evidence remains statistically insufficient to scientifically support this relationship.”

The study also noted that studies have not documented information about “such occurrences as ‘near misses’ or traffic impedances that are widely recognized as relevant to safety, and which may or may not be attributable to the presence of roadside advertising.”

- **Human Factors Considerations**

Human factors relate to all the elements that explain driver behavior, such as eye glances and driver responses to a variety of driving-related stimuli. The study makes the point that simple driving-related tasks consume relatively little information processing capacity. However, when other conditions, such as congestion, complicated roadway geometries, or weather are also considered, the marginal extra

amount of attention required to read roadside advertisements could lead to driving errors that could cause crashes.

“The enormous flexibility of display possessed by CEVMS makes it possible to use them in ways that can attract drivers' attention at greater distances, hold their attention longer, and deliver a wider variety of information and image stimuli than is possible by the use of conventional advertising signs.”

Texas Transportation Institute for FHWA, Impacts of Using Dynamic Features to Display Messages on Changeable Message Signs (Dudek et al., 2005) ¹²

This study examined the comprehension times for three different scenarios for DOT-operated changeable message signs. The scenarios evaluated were:

- Flashing an entire one-phase message
- Flashing one line of a one-phase message while two other lines of the message remain constant
- Alternating text on one line of a three-line CMS while keeping the other two lines of text constant on the second phase of the message

The findings of this study were:

- Flashing messages did not produce faster reading times.
- Flashing messages may have an adverse effect on message comprehension for unfamiliar drivers.
- Average reading times for flashing line messages and two-phase messages were significantly longer than for alternating messages.
- Message comprehension was negatively affected by flashing line messages.

While this research did not evaluate advertising-related signs, it does demonstrate that flashing signs require more of the driver's time and attention to comprehend the message. In the case of electronic billboards, this suggests that billboards that flash may require more time and attention to read than static ones.

3.3.1 OTHER INFORMATION

NHTSA Driver Distraction Internet Forum (2000) ¹³

The National Highway Traffic Safety Administration held an internet forum to gather research and public comment related to driver distraction with an emphasis on the use of cell phones, navigation systems, wireless Internet and other in-vehicle devices. During this forum, participants were invited to take a poll to determine the most prominent driver

distraction issues. Electronic billboards were identified as one of six noted sources of distraction.

Parliament of Victoria, Australia, Report of the Road Safety Committee on the Inquiry into Driver Distraction (2006)¹⁴

This report identified road signs and advertising as one of the largest sources of driver distraction. At least three billboards near Melbourne, Australia display moving images.

“The Committee considers these screens to be at the high end of potential visual distraction and accordingly, present a risk to drivers.”

The study also included a quote from the Manager of the Road User Behaviour group at VicRoads (the State's road and traffic authority) from a December 2005 hearing:

What we do know is when there is movement involved, such as flicker or movement in the visual periphery, that this is more likely to capture a driver's attention. We actually are hard-wired as human beings to movement, so particularly moving screens and information that scrolls at intersections and in highly complex driving situations – these are risky, and in particular researchers have been most concerned about those sort of advertising materials.

This opinion would suggest that electronic signs can present a distraction to drivers.

3.4 How Much Distraction Is a Problem?

A number of studies were identified that discussed concerns with driver distraction generally. It should be noted that some of the studies cited use specific crash data that is ten or more years old. Direct comparison of distraction sources to influences of today may not be completely valid due to increased technological sophistication of distracting influences. These could include in-vehicle technology (e.g., navigation systems, MP3 players, DVD players, CD players, computer systems, etc.) as well as other potentially distracting influences (e.g., cell phones, text messaging, dynamic signage, other roadway elements, etc.) that were not commonplace when the data for these studies was collected:

**Australian Road Research Board
Investigations of Distraction by Irrelevant Information (Johnston & Cole, 1976)¹⁵**

This research used five experiments to test whether drivers could maintain efficient performance in their driving tasks while being subjected to content that was information rich, but irrelevant to driving. The findings were that a small, but statistically significant amount of performance degradation was observed when the participant was under a critical load of stimuli.

National Highway Traffic Safety Administration/ Virginia Tech Transportation Institute

Impact of Driver Inattention on Near-Crash/Crash Risk: An Analysis Using the 100-Car Naturalistic Driving Study Data (Klauer et al., 2006)¹⁶

This study analyzed the data from a driving database developed by the National Highway Traffic Safety Administration. This database contained exhaustive data recorded by instrumented vehicles that measured glance position, impairment, drowsiness, risk taking and many other parameters potentially involved in crash causation. Vehicles were instrumented so that an observer did not need to be in the vehicle to collect data. Automated data collection reduced the problem of an observer influencing driver behavior. The study found that glances of two seconds or greater doubled the risk of crashes or near-crashes. The study also found that 22 percent of crashes are accompanied by “secondary-task” distraction whether inside or outside the vehicle.

National Highway Traffic Safety Administration/ Virginia Tech Transportation Institute

Driver Inattention is a Major Factor in Serious Traffic Crashes (2001)¹⁷

The National Highway Traffic Safety Administration commissioned a study to examine the causes of crashes. The study gathered information from four areas throughout the country and used data from the National Automotive Sampling System (NASS) from April 1996-April 1997 for analysis. The geographic areas were selected because they had good crash investigation practices and high interview completion rates. The results of this study are summarized in Table 2.

Table 2. Crash Causation Summary

Causal Category	Percentage of Drivers Contributing to Causation
Driver Inattention	22.7
Vehicle Speed	18.7
Alcohol Impairment	18.2
Perceptual Errors	15.1
Decision Errors	10.1
Incapacitation	6.4
Other	8.8

Association for the Advancement of Automotive Medicine

The Role of Driver Inattention in Crashes; New Statistics from the 1995 Crashworthiness Data System (Wang, 1996)¹⁸

This report analyzed the NHTSA 1995 Crash Worthiness Data System (CDS). It found that the greatest source of driver distraction (3.2 percent) was due to a specified person, object or event outside the vehicle. The full results of the study are presented in Table 3.

Table 3. Percentage of CDS Crashes Involving Inattention-Distraction Related Crash Causes

Data Element	% of Drivers	% of Crashes
Attentive or not distracted	46.6 %	28.4 %
Looked but did not see	5.6 %	9.7 %
Distracted by other occupant [specified]	0.9 %	1.6 %
Distracted by moving object in vehicle [specified]	0.3 %	0.5 %
Distracted while dialing, talking, or listening to cellular phone [location and type of phone specified]	0.1 %@	0.1 %@
Distracted while adjusting climate controls	0.2 %@	0.3 %@
Distracted while adjusting radio, cassette, CD [specified]	1.2 %	2.1 %
Distracted while using other device/object in vehicle [specified]	0.1 %	0.2 %
Sleepy or fell asleep	1.5 %	2.6 %
Distracted by outside person, object, or event [specified]	2.0 %	3.2 %
Eating or drinking	0.1 %	0.2 %
Smoking-related	0.1 %	0.2 %
Distracted/inattentive, details unknown	1.5 %	2.6 %
Other distraction [specified]	1.3 %	2.2 %
Unknown/No Driver	38.5 %	46.0 %

Weighted driver N = 4,627,000 (7,943, unweighted); weighted crash N = 2,619,000 (4,536);
 In order for a crash to be classified "attentive," all involved drivers had to be classified "attentive."
 @ - estimate based on 5-9 cases.

University of North Carolina Highway Safety Research Center
The Role of Driver Distraction in Traffic Crashes (Stutts et al., 2001)¹⁹

A study prepared by the University of North Carolina Highway Safety Research Center for the AAA Foundation for Traffic Safety examined the sources of driver distraction in traffic crashes. The data came from the CDS from 1995-1999. Of the thirteen specific sources of distraction tracked by the study, the greatest source of distraction was an outside person, object or event. While the study does not break down the sources of outside distraction, it does show that distractions outside the vehicle are the largest factor in distraction-related crashes. The results of this study are presented in Table 4.

Table 4. Specific Sources of Distraction Among Drivers in Distraction-Related Crashes

Specific Distraction	Percentage of Drivers
Outside person, object or event	29.4
Adjusting radio, cassette, CD	11.4
Other occupant in vehicle	10.9
Moving object in vehicle	4.3
Other device/object brought into vehicle	2.9
Adjusting vehicle/climate controls	2.8
Eating or drinking	1.7
Using/dialing cell phone	1.5
Smoking related	0.9
Other distraction	25.6
Unknown distraction	8.6
Total	100.0

Three studies were found which attempted to measure driver behavior specifically in response to dynamic signage. Two of these studies demonstrated a potential relationship between dynamic signage and crash rates:

Minnesota Department of Transportation, The Effectiveness and Safety of Traffic and Non-Traffic Related Messages Presented on Changeable Message Signs (CMS) (Harder, 2004) ²⁰

This study used a driving simulator to measure the effect of Department of Transportation changeable message signs on traffic flow. The two messages evaluated were a “crash ahead” warning and an AMBER Alert (child abduction information). The research found that just over half of the participants used the “crash ahead” message and 60 percent could recall the AMBER Alert with scores of Good or Better. Over one fifth of the participants slowed down by at least 2 mph upon seeing the AMBER Alert, demonstrating that messages relevant to drivers are associated with changes in at least some drivers’ travel speed .

Decision of the Outdoor Advertising Board in the Matter of John Donnelly & Sons, Permittee, Telespot of New England, Inc., Intervenor, and Department of Public Works, Intervenor, with Respect to Permit Numbered 19260 as Amended (1976) ²¹

This proceeding documents the Commonwealth of Massachusetts Outdoor Advertising Board’s ruling regarding one of the first changeable signs. This sign was located near an arterial road in Boston and used magnetic discs to portray a message that changed every 30 seconds. The original sign permit was rejected based on four criteria, one of which was safety. Upon appeal, the Massachusetts Department of Public Works allowed the permit based on the fact that the sign would give the public a benefit. However, they ultimately determined that the sign was a safety hazard based on crash rates before and after the sign was installed. Tables 5 and 6 show the change in crash rates.

Table 5. Telespot Sign Crash Rates - Expressway Southbound

	Average per year (1/1/1970- 12/31/1972)	Average per year (1/1/1973- 3/31/1975)	Average Percent Change
Crashes where the sign was viewable (north of sign)	29.0	20.0	-31.0
Crashes where the sign was not viewable (south of sign)	39.0	15.6	-60.0

Table 6. Telespot Sign Crash Rates - Expressway Northbound

	Average per year (1/1/1970- 12/31/1972)	Average per year (1/1/1973- 3/31/1975)	Average Percent Change
Crashes where the sign was viewable (south of sign)	46.3	42.7	-7.8
Crashes where the sign was not viewable (north of sign)	8.0	1.8	-77.5

This analysis shows that while crash rates decreased on comparable sections in the years after the sign was installed, the sections where the sign was visible experienced smaller crash rate decreases. Due to these arguments, the Board ruled that the operation of the sign must be terminated.

Wisconsin Department of Transportation

Milwaukee County Stadium Variable Message Sign Study – Impacts of an Advertising Variable Message Sign on Freeway Traffic (1994)²²

A study prepared by the Wisconsin Department of Transportation (WisDOT) examined crash rates before and after an advertising variable message sign was installed in 1984 on the Milwaukee County Stadium, home of the Milwaukee Brewers professional baseball team. Crash statistics were analyzed for the three years before and the one and three years after the sign was installed. As they are often associated with driver distraction, side-swipe and rear-end crashes, as well as total crashes, were examined for both the eastbound and westbound directions. The sign was much more visible to eastbound traffic due to the stadium's proximity to the roadway and the amount of visual obstructions for westbound traffic.

The analysis found an increase in crash rates for all crash types in the eastbound direction after the sign was installed. Most pronounced was an 80 percent increase in side-swipe crashes after the first year of installation. Results in the westbound direction were mixed, with a 29 percent decrease in crashes the first year the sign was in place and a 35 percent increase in the three years the sign was in place. Although no control roadway sections were studied, an interview with the study author revealed that the introduction of a sign on a high volume curving roadway may have introduced enough distraction to an already demanding driving environment to explain the higher crash rate in the eastbound direction. The study author also stated that the study was not able to establish a causal relationship between the sign and the crash rates.²³

Federal Highway Administration

Research Review of Potential Safety Effects of Electronic Billboards on Driver Attention and Distraction (2001)²⁴

The Federal Highway Administration published a comprehensive report in 2001 that consisted of a literature search, literature review and a description of research needs for

the topic of electronic billboards (EBBs). While the study did not conduct any new research, it does provide an excellent summary of the role electronic billboards play in traffic safety and includes good descriptions of the terminology related to electronic billboards. Selected findings from that synthesis are provided below:

“In most instances, researchers were not able to verify that an EBB was a major factor in causing a crash. Only one study since the 1980 review and one lawsuit were identified.”

“Studies were identified that verified that: an increase in distraction, a decrease in conspicuity, or a decrease in legibility may cause an increase in the crash rate.”

“Commercial EBBs are designed to ‘catch the eye’ of drivers. Their presence may distract drivers from concentrating on the driving task and visual surrounds.”

“There is indication that individual differences in age and driving experience may be important considerations in driver distraction, and are relevant to understanding driver responses to the external environment. Furthermore, research regarding driver familiarity of their route demonstrated that visual fixations on roadway signs decreases as route familiarity increases. This research may show that there is a difference between commuter and visiting drivers.”

Based on these findings, the FHWA recommended additional research to further demonstrate how roadway characteristics, sign characteristics and legibility, driver characteristics and other potential driver distractions affect traffic safety. FHWA was contacted to see if any new information was available. Greg Davis, a Research Psychologist with the FHWA Office of Safety R&D, indicated that the FHWA has not performed additional studies on the topic since the report was published. He stated that there is “no direct correlation between electronic outdoor advertising signs and crash rates”. He referred to a before/after study of electronic signs installed along a freeway in Las Vegas that found no change in crash rates. He went on to say that the lack of a research finding that links signs with crash rates does not mean that a causal relationship does not exist. He indicated that he has been contacted by several law enforcement agencies regarding the link between driver distraction and dynamic message signs/electronic billboards. He indicated that this is a timely and pertinent topic for many states due to the increasing popularity and capabilities of electronic outdoor advertising devices, and he expects further research to be forthcoming. He advocates for a new study that can control for all variables and determine if a cause and effect relationship exists.²⁵

3.5 How Does “Brightness” Affect Driver Safety Concerns?

The brightness of any sign, static or dynamic, raises concerns with discomfort or disability glare to the driver that may arise when viewing any lighted object. *Disability Glare* occurs when a

driver is exposed to a light source so bright that it temporarily blinds the driver, impairing their ability to perform driving tasks. This temporary blindness is brief, but can be dangerous. *Discomfort Glare* occurs when a light source is bright enough to distract or encourage the driver to look away from the light, but is not blinding. Discomfort glare is of particular concern in cases where a bright sign is located in the same line of sight as a traffic sign, signal or another vehicle.

While concerns about glare are not unique to dynamic signs, newer sign technologies, which often include dynamic components, have the technical capability to emit more light and/or respond to ambient light conditions, raising additional concerns about sign brightness in areas where signs compete with regulatory traffic signs or signals.

3.6 Billboards and Other Signage Regulation: a Minnesota Perspective

Roadside signage is governed by policies and laws at the federal, state and local levels. Minnesota Statute, Chapter 173 seeks to “reasonably and effectively regulate and control the erection or maintenance of advertising devices on land adjacent to such highways.” The statute requires adherence to federal statutes with respect to interstate and primary systems of highways.

Minnesota Statute Ch. 173.16 Subd. 3. regulates lighting of signs. Signs which are “illuminated by any flashing light or lights, except those giving public service information” (time, date, temperature, weather or news) are prohibited. This section also states:

(b) Advertising devices shall not be erected or maintained which are not effectively shielded so as to prevent beams or rays of light from being directed at any portion of the traveled way of an interstate or primary highway, of such intensity or brilliance as to cause glare or impair the vision of the operator of any motor vehicle; or which otherwise interfere with any driver’s operation of a motor vehicle are prohibited.

and

(c) Outdoor advertising devices shall not be erected or maintained which shall be so illuminated that they interfere with the effectiveness of or obscure any official traffic sign, device or signal.

3.7 Billboard and Other Signage Regulation: Other Perspectives

During the course of this study, several articles were found which summarize regulation of dynamic signage in other states:

Wisconsin Department of Transportation *Electronic Billboards and Highway Safety (2003)* ²⁶

The Wisconsin Department of Transportation also published a literature review report to further explain the current state of EBB research. Although much of the information is

mentioned in other sections of this report, the Wisconsin review did summarize Wisconsin's regulations for electronic billboards.

- No message may be displayed for less than one-half second;
- No message may be repeated at intervals of less than two seconds;
- No segmented message may last longer than 10 seconds;
- No traveling message may travel at a rate slower than 16 light columns per second or faster than 32 columns per second (light column defined as pixel column);
- No variable message sign lamp may be illuminated to a degree of brightness that is greater than necessary for adequate visibility.

National Alliance of Highway Beautification Agencies (1999) ²⁷

Although this survey is eight years old, it generated the following information related to electronic billboards:

- Nine states had specific regulations governing signs,
- Nine states had regulations on tri-vision signs that were either being drafted or in pending legislation,
- Fifteen states had regulations regarding moving parts and/or lights,
- Nine state had no regulations on tri-vision signs, and
- Six states and Washington, DC, prohibited tri-vision signs.

An investigation into state outdoor advertising regulations was also conducted.

- Thirty-six states had prohibitions on signs with red, flashing, intermittent, or moving lights,
- Twenty-nine states prohibited signs that were so illuminated as to obscure or interfere with traffic control devices, and
- Twenty-nine states prohibited signs located on interstate or primary highway outside of the zoning authority of incorporated cities within 500 ft of an interchange or intersection at grade or safety roadside area.

Parliament of Victoria, Australia, Report of the Road Safety Committee on the Inquiry into Driver Distraction (2006) ²⁸

This report, cited earlier for its driver distraction opinions, identifies road signs and advertising as one of the largest sources of driver distraction. VicRoads, the state's road and traffic authority, has implemented the following regulations.

Figure 1. VicRoads' Ten Point Road Safety Checklist

An advertisement, or any structure, device or hoarding for the exhibition of an advertisement, is considered to be a road safety hazard if it:

1. obstructs a driver's line of sight at an intersection, curve or point of egress from an adjacent property; or
2. obstructs a driver's view of a traffic control device, or is likely to create a confusing or dominating background which might reduce the clarity or effectiveness of a traffic control device; or
3. could dazzle or distract drivers due to its size, design or colouring, or it being illuminated, reflective, animated or flashing; or
4. is at a location where particular concentration is required (eg. high pedestrian volume intersection); or
5. is likely to be mistaken for a traffic control device, for example, because it contains red, green or yellow lighting, or has red circles, octagons, crosses or triangles, or arrows; or
6. requires close study from a moving or stationary vehicle in a location where the vehicle would be unprotected from passing traffic; or
7. invites drivers to turn where there is fast moving traffic or the sign is so close to the turning point that there is no time to signal and turn safely; or
8. is within 100 metres of a rural railway crossing; or
9. has insufficient clearance from vehicles on the carriageway; or
10. could mislead drivers or be mistaken as an instruction to drivers.

VicRoads also gives operational requirements for electronic advertising message signs. Signage must:

- not display animated or moving images, or flashing or intermittent lights;
- remain unchanged for a minimum of 30 seconds;
- not be visible from a freeway; and
- satisfy the ten-point checklist.

4.0 SUGGESTED REGULATORY APPROACH

Local governments regulate electronic outdoor advertising devices in widely varying degrees. Some cities completely prohibit the use of all electronic signs (sometimes specifying LED signs), while others have no regulations specific to electronic signs. Between those two extremes, there are many levels and types of control that can be applied.

The primary concerns to keep in mind when considering sign regulations are 1) First Amendment rights, which can be affected by regulations that affect the content of a sign's message, and therefore should be avoided, and 2) changing technology, which can quickly make a sign ordinance no longer applicable if the ordinance has been specifically written to address a certain type of sign technology. Performance based measures may therefore be preferable as they remain viable even as sign technology advances.

4.1 Definitions

Signage discussions often include a number of different words or phrases used to describe the technical characteristics of signage devices or their components (such as LEDs). For the purpose of zoning, some additional terms are also used to describe sign characteristics. Any regulatory efforts should take care to precisely define terminology. One possible resource in this effort is "Street Graphics and the Law," published by the American Planning Association (APA) Planning Advisory Service²⁹.

4.2 Types of Regulatory Measures

4.2.1 Complete or Partial Prohibition of Electronic Signs

Some cities have completely prohibited the use of electronic outdoor advertising devices. For example, the City of Maple Valley, WA prohibits all types of electronic outdoor advertising devices including animated signs, electronic changeable message signs, flashing signs or displays, moving signs, scrolling displays, and traveling displays. This applies to both on-premise and off-premise signs.

Other cities are very selective about where electronic signs are allowed, allowing them only in certain zoning districts. There are very few "standard" approaches. For the most part, each local

government tailors their regulations to their own situation. One approach adopted by cities is to prohibit electronic outdoor advertising devices in residential zoning districts, and for a certain distance away from residential zoning districts, similar to the zoning limitations placed on illuminated signs. Some ordinances require that electronic signs be situated such that the sign face is not visible from nearby residences.

4.2.2 Size Limitations on Electronic Signs

Another way of regulating electronic signs is to limit their size. Again, there is no set standard for this. One ordinance reviewed for the purpose of this study limits the electronic portion of a sign to no more than 50 percent of the sign face with the overall size determined by whatever the sign ordinance allows for a particular zoning district. Other examples of electronic sign size limitations include five square feet, 1,000 square inches, 20 square feet, and so forth. In other ordinances, there is no differentiation made between the size of electronic signs and other signs.

According to input from representatives of the sign industry, the smaller the size of the electronic sign, the more desirable it is for businesses to use frequent message changes, or sequenced messages, where more than one screen of text is used to convey an entire message.

4.2.3 Rate-of-Change Limitations on Electronic Signs

Many communities that allow electronic signs also regulate the rate at which the messages on the signs can be changed. Research on sign codes has shown this to range from as little as four seconds to as long as 24 hours.

The Interstate 394 sign between Ridgedale Drive and Plymouth Road is visible for approximately 45 seconds at free flow traffic speeds. Depending on text size, the message may not be readable by drivers during this entire duration, but the message changes can attract attention from long distances. Depending on how often the message changes occur and the speed of traffic, drivers on this segment could see a varying number of discrete messages. Table 7 provides the number of message changes a driver would see at different change durations and traffic speeds.

Table 7. Number of New Messages Seen at Various Driver Speeds and Time Intervals Between Messages

Speed (mph)	Time sign is clearly visible* (seconds)	Number of Messages Seen					
		<i>Message Display Time (seconds)</i>					
		6	8	10	60	1800 (30 minutes)	3600 (1 hour)
30	60	11	9	7	2	1	1
45	40	8	6	5	2	1	1
55	33	7	5	4	2	1	1

*Assuming the sign is clearly visible from one-half mile away.

Prohibiting displays from changing quickly can minimize potential driver distraction, but it would significantly limit the message owner’s ability to convey information that does not fit on one screen of the sign. Using two or more successive screens to convey a message is referred to as sequencing. Based on the studies summarized in part 3 of this Report, including the glance duration studies performed by Klaur for the FHWA in 2006 and by Beijer & Smiley in 2004, and Wachtel’s analysis for Seattle of the Zeigarnik effect, a message delivery system such as sequencing that requires or induces a driver to watch the sign for several seconds increases the likelihood of driver distraction. Based on information from the sign industry, for sequencing to be effective in a marketing sense, a brief rate-of-change (1-2 seconds) is generally used before transitioning into the next screen.

Some codes specify how an image changes, while other codes prohibit the use of transitions. The change from one image to another can be accomplished by various techniques: no transition – simply a change from one screen to another, or fading or dissolving one image into the next. Flashing, spinning, revolving, or other more distracting transition methods can be prohibited, allowing businesses to use sequencing in an effective manner without making the signs overly distracting. Another way of regulating distracting transitions is to require a very short time of a dark or empty screen between images.

4.2.4 Motion, Animation, or Video Limitations on Electronic Signs

Motion on a sign can consist of everything from special text effects (spinning, revolving, shaking, flashing, etc.) to simple graphics, such as balloons or bubbles rising across the screen, to more realistic moving images that have the appearance of a television screen. According to sign industry representatives, video imagery on a sign is referred to as “animation” if the sign is limited to the capability of 10 frames per second. Fewer frames per second make the moving image look more like animation. Imagery produced by signs that have the capability of processing up to 30 frames per second is accurately referred to as “video” imaging.

Many communities that allow dynamic signs do not allow the application of any type of motion, animation, or video on the signs. However, Seattle was obliged to allow video imagery on their signs after earlier signage code regulating certain types of signs was not strictly enforced. In addition to requiring a dark period between successive messages to overcome the Zeigarnik effect, Seattle also limits the duration of the video message to a minimum of two seconds and a

maximum of 10 seconds. This time frame was established based upon careful calculations of the streets from which these signs could be seen, speed limits and traffic volumes in addition to the community's concern over the extent to which moving images could distract drivers. However, Seattle also limits the size of their electronic signs to a maximum of 1,000 square inches, with no single dimension greater than three feet, thus minimizing the effect of video images.

4.2.5 Sign Placement and Spacing

Regulating the number of dynamic sign potentially visible to a driver at any one time as well as the position of the sign in relationship to the roadway may reduce distraction to drivers. Spacing requirements should consider the speed, width and horizontal and vertical alignment of the roadway.

Some communities have established minimum distances between electronic signs. Establishing an adequate distance between these types of devices seems particularly important if a fairly fast rate of change is allowed for the purpose of facilitating sequenced messages or if animation and video imaging is allowed. Closely spaced signs attempting to convey sequenced messages may simply create visual overload and an over-stimulated driving environment. Research conducted to date has not yielded information about optimal electronic sign spacing. Seattle adopted a 35-foot spacing requirement for their electronic signs based upon multiple levels of analysis of the downtown city environment in which these signs are present.

Due to the varying characteristics of individual roadways in this regard, overlay districts allowing dynamic signage with conditions specific to that area could be considered. Overlay districts could also take into account other locational factors such as offset from the roadway and conspicuity. Determining appropriate offsets from the roadway must consider roadway clear zone requirements as well as spacing of frontage roads and access points, while also considering the signage too far outside the driver's line of sight may be a further distraction. Conspicuity, a sign's ability to stand out from its surroundings, should also be considered.

4.2.6 Text Size

Legibility is another important property of signage. The preferred approach used within highway signing is that drivers can read text that is 1 inch high from 30 feet away. Larger text is needed for signs to be legible at greater distances. Large, legible text allows the driver to read the billboard from varying distances and focus on the driving task. Conversely, with small text, the driver is more likely to focus on the sign for a longer period of time and possibly be more adversely distracted. However, the size or type of text or the amount of text due is rarely regulated.

4.2.7 Brightness Limitations on Electronic Signs

One of the main concerns about the use of electronic signs, regardless of whether they consist of changeable text, animation, or video, is the brightness of the image. The brightness of an object can be characterized in two ways. *Illuminance* is the total brightness of all the light at a point of measurement. Illuminance often describes ambient light and can be measured with a standard light meter such as is used in photography. *Luminance* is the measure of the light emanating from an object with respect to its size and is the term is used to quantify electronic sign brightness. The unit of measurement for luminance is nits, which is the total amount of light emitted from a sign divided by the surface area of the sign (candelas per square meter).

Many, but not all, LED-type signage can be time-programmed to respond to day and nighttime light levels. Higher-end signage types are equipped with photo cells to respond to ambient light conditions. Despite these controls, LED signs have been observed that are considered to be excessively bright. Sign industry representatives indicate that excessive brightness can be the result of 1) sign malfunction or improper wiring, 2) lack of photo cell and/or dimming mechanism, or 3) operator error or lack of understanding that brightness is not necessarily an advantage, especially if it makes a sign unreadable or unpleasant to look at. They also maintain that the intent of the electronic sign industry is to establish a brightness level that is similar to a traditional internally or externally lit sign. Recent observations of sign technicians calibrating the Interstate 394 LED billboard noted that the brightness controls are not calibrated to specific nit levels, but rather vary in proportion to a set maximum level, like a volume control dial on a typical car radio.

To control the extent to which electronic signs are a distraction or the extent to which they are readable, many local governments have adopted regulations that limit nit levels. At this time, ordinances that use nit level limitations typically differentiate between day time and night time nit levels. A common daytime nit limitation ranges from 5,000 to 7,000 nits. A common nighttime limitation is 500 nits, although in areas that are extremely dark at night, with very little in the way of ambient light levels, less than 500 nits may be appropriate. Other communities have taken this farther, such as Lincoln, Nebraska, whose sign code incorporates a graph of varying ambient light levels ranging from night time to a bright sunny day and all conditions between those two extremes, and has correlating nit limitations for the various ambient light levels.

Enforcement of these types of regulations is challenging as luminance of electronic signs is very difficult to measure in the field. Typically, sign luminance is measured and calibrated in a controlled factory setting using a spectral photometer to measure the light output. This calibration setting is then used in conjunction with a photo cell to control the brightness of the sign. The higher the ambient light levels, the brighter the sign. There are different nit thresholds for various colors. White is most often used to set dimming levels because at a constant nit level, white has the most intensity as perceived by the human eye.

Lincoln uses a light meter to conduct testing on electronic signs and found a wide range of luminance levels. One small electronic sign had luminance levels of 13,000 nits. The process that Lincoln uses to check luminance levels is to hold a luminance meter close to the face of the sign so that it captures only the light emitted from the sign. They have not had any requests to

measure the brightness of LED billboards, so the viability of using this approach on billboards has not been explored.

In Seattle, sign luminance was found too difficult to measure, so signs are visually inspected when complaints from the public are received. Sign owners are then contacted and asked to adjust sign luminance accordingly.

Both Mesa, Arizona and Lincoln, Nebraska have included a requirement for written certification from the sign manufacturer that the light intensity has been preset not to exceed the illumination levels established by their code, and the preset intensity level is protected from end user manipulation by password protected software or other method approved by the appropriate city official. This language appears to offer the advantage of ensuring that electronic signs, at a minimum, cannot exceed a certain established level of brightness.

At a minimum, it is important for communities to require all electronic signs to be equipped with a dimmer control. A requirement for both a dimmer control and a photo cell, which constantly keeps track of ambient light conditions and adjusts sign brightness accordingly, is optimal.

Over time, the LEDs used in electronic signs have a tendency to lose some of their intensity, and an owner may choose to have the sign adjusted and calibrated, which involves adjusting the level of electrical current in a manner that affects the brightness of the sign. This occurs over the course of two or three years. Having maximum nit levels established would ensure that the sign company has upper limits to work with as far as adjusting the sign is concerned.

4.3 Public Review

Most communities establish rules within their sign code and do not create opportunities for electronic signs to be approved through conditional use permits or special use permits. Some communities with special overlay districts, or areas that are oriented toward entertainment and night life, have established a review process for electronic signs, or for various functions of electronic signs such as animation and video.

Other communities take the opposite approach, where they allow electronic signs with no controls whatsoever, except in certain special areas, such as a historic overlay district, or a historic downtown district, where the signs are prohibited. Each community needs to tailor their application of electronic signs to meet their needs.

As of the writing of this report, no ordinances have been discovered that have a special review committee just for the purpose of electronic signs. Typically, sign regulations established in the zoning ordinance would be reviewed in accordance with existing review and approval processes. As with other development features, dynamic signage should be either prohibited, permitted, or conditional depending upon the zoning district and/or the specific features of the sign as established within the city's regulations (i.e. size, specific location with respect to the adjacent roadway, zoning district, proximity of sensitive uses). The recommended review process for permitted dynamic signs should be the same as procedures already in place for administrative

review. For dynamic signs requiring a Conditional Use Permit (CUP), the standard process for public notification and a public hearing before the planning commission should apply.

5.0 CONCLUSIONS AND RECOMMENDATIONS

Driver distraction plays a significant role in traffic safety. Driver distraction is a factor in one in four crashes, and of those crashes involving driver distraction, one in four involves distractions outside the vehicle. The extent to which dynamic signage contributes to traffic safety has been examined in this study. Following are some of the major findings from a review of available research.

- Drivers that are subjected to information-rich content that is irrelevant to the driving task (such as digital advertising) may be temporarily distracted enough to cause a degradation in their driving performance. This degradation could lead to a crash.
- The unlimited variety of changing content allows dynamic signage to attract drivers' attention at greater distances and hold their attention longer than traditional static billboards.
- Several studies have found a correlation between crashes and the complexity of the driving environment. For example, crash rates are higher at intersections because the difficulty of the driving task is increased by the roadway's complexity. Complex driving environments place a high demand on drivers' attention. Introducing a source of distraction in an already demanding driving environment is more likely to result in crashes. This is illustrated by the 1994 Wisconsin DOT study that examined crash rates before and after installation of an electronic sign on a high-volume curving roadway. Introduction of this sign was identified as a likely factor of the 80 percent increase in side-swipe crashes that was experienced.
- Many studies have noted a correlation between outdoor advertising signs and crash rates, but have not established a *causal* relationship between the signs and crash rates. Driving is a complex task influenced by multiple factors. It is not necessary to establish a direct causal relationship between outdoor advertising signs and crash rates to show that they can make the driving task less safe. While the research shows that driver distraction is a key factor in many motor vehicle crashes, this often includes many interacting factors that distract drivers. The specific driver distraction danger that advertising signs contribute is difficult to quantify. A study that could control for multiple variables (human factors, vehicle, enforcement and the roadway environment) would be needed to provide a definitive statement on the level of driver distraction that signs produce. Such a study would likely find that not all advertising signs cause distraction that would lead to crashes, but some signs in some situations are more likely to contribute to crashes than others.

Overall, the literature review conducted for the purpose of this study identifies a relationship between driver distraction and electronic outdoor advertising devices. As indicated, driver distraction is a significant factor in crashes. The purpose of dynamic signage is to attract the attention of people in vehicles, so a natural conclusion from that knowledge is that drivers may be distracted by them. Professional traffic engineering judgment concludes that driver distraction generally contributes to a reduction in safe driving characteristics.

For this reason, state departments of transportation have carefully studied the design and location of dynamic signs within the highway right-of-way. Their goal is to convey a message to the traveling public in a manner that is as straight-forward and readable as possible without being a visual “attraction”. The goal of the outdoor advertising sign is to be a visual attraction outside the right-of-way, possibly making it a source of driver distraction. Nevertheless, the actual change in crash rates influenced by the presence of any specific device has not been quantified in a manner that fully isolates the impacts of an electronic sign. Recent studies conducted by FHWA and others have cited the need for further research.

In the interest of promoting public safety, this report recommends that electronic signs be viewed as a form of driver distraction and a public safety issue. Therefore, the ordinance recommendations identified here should be considered. These recommendations should be reviewed in the future as additional research becomes available.

With respect to regulatory measures for electronic outdoor advertising signs, it is important that local governments take a thorough approach to updating their ordinances to address this issue. For example, an ordinance that addresses sign motion, but does not address brightness and intensity levels may leave the door open for further controversy. This report seeks to identify all of the aspects of electronic outdoor advertising devices that are subject to regulation. It does not specifically state what those regulations should be (e.g. the size of electronic signs), since these are all things that policy makers and staff must take into careful consideration. Further, as driver distraction and resulting influences on safety do not, in a practical sense, distinguish between on-premise and off-premise signage, this distinction is not highlighted in the recommendations below.

Regulatory Measures recommended for consideration

To properly address the issue of dynamic signage, it is recommended that the sign code address the following:

1. Identify specific areas where dynamic signs are prohibited. This would typically be done by specifying certain zoning districts where they are not allowed under any circumstances. If dynamic signs are to be allowed in specific areas, this could be done by zoning district (only higher level commercial districts are recommended for consideration) or by zoning overlay related to specific purposes (e.g. entertainment or sports facility district) or to specific roadway types.
2. Determine the acceptable level of operational modes in conjunction with such zoning districts or overlays. The various levels include:
 - a. Static display only, with no transitions between messages,
 - b. Static display with fade or dissolve transitions, or transitions that do not have the effect of moving text or images,
 - c. Static display with scrolling, traveling, spinning, zooming in, or similar special effects that have the appearance of movement, animation, or changing in size, or get revealed sequentially rather than all at once (e.g. letters dropping into place, etc.), and

d. Full animation and video.

3. If one of the forms of static display is identified as the preferred operational mode, a minimum display time should be established. This display time should correspond to the operation roadway speed (rather than posted speed limit), allowing at most one image transition during the time that the sign is visible to a driver traveling at the operational speed.

If a shorter minimum display time is considered, the effects of message sequencing should be considered. Wait intervals of more than 1-2 seconds between sequenced messages have the potential to become more of a distraction as viewers wait impatiently for the next screen, in an effort to view the complete message.

4. If the community wishes to accommodate animation or video in some or all locations where dynamic are permitted, a minimum and maximum duration of a video image should be established. The purpose for establishing a time limit is to ensure that the message is conveyed in a short, concise time frame that does not cause slowing of traffic to allow drivers to see the entire message. Given the creativity of advertising, these video images may be seen as a form of entertainment, and people typically like to see an entertaining message through to the end.

Differentiate between zoning districts where dynamic signs are permitted by right, and zoning districts, overlay districts, or special districts where they should only be allowed through the approval of a Conditional Use Permit. A CUP would involve public notification and review and approval by the Planning Commission. Other options would include a design review board or other dispute resolution process.

5. Consider the establishment of minimum distance requirements between electronic outdoor advertising devices in relation to the zoning district or roadway context in which the signs are allowed.
6. Consider size limitations on dynamic signs for zoning districts where they are allowed. This may vary from one district to another.
7. Consider if dynamic signs are allowed independently, or if they must be incorporated into the body of another sign, and therefore become a limited percentage of the overall sign face.
8. Establish a requirement for that all dynamic signs that emit light be equipped with mechanisms that allow brightness to be set at specific nit levels and respond accurately to changing light conditions. The City must establish the authority to disable or turn the device off if it malfunctions in a manner that creates excessive glare or intensity that causes visual interference or blind spots, and require that the device remain inoperable until such time that the owner demonstrates to the appropriate city official that the device is in satisfactory working condition. If such technology is not available, consideration should be given to banning dynamic signs that emit light until such time as the technology allows brightness levels to be precisely controlled.

9. Consider maximum brightness levels that correlate to ambient (day or night condition, lighting of surrounding context) light levels. A maximum daytime and separate nighttime nit/footcandle level should be established. Consider wording that requires the sign to automatically adjust its nit level based on ambient light conditions.
10. Consider a requirement for a written certification from the sign manufacturer that the individual sign's maximum light intensity has been preset not to exceed the maximum daytime illumination levels established by the code, and that the maximum intensity level is protected from end user manipulation by password protected software or other method approved by the appropriate city official.
11. Require sign owners to provide an accurate field method of ensuring that maximum light levels are not exceeded. If such a method cannot technically be provided, consider banning dynamic signs that emit light until such time as the technology is available.

APPENDICES

Appendix A

Current Sign Technologies

Appendix A – Current Sign Technologies

Roadside signage has long been used to alert and direct travelers to retail businesses, lodging, attractions and other destinations. Until the 20th century much of this image was “static” in nature, presenting a single image that could only be altered by repainting or otherwise removing an image and replacing it with another. With the advent of motorized travel, signage became more “dynamic” or active in its efforts to attract the traveler’s attention as they moved at ever increasing speeds. Initially, motion was created by flashing bulbs or alternating sets of neon tubes.

Today’s technologies allow for an increasingly sophisticated display of images that can be manipulated by a few strokes of a keyboard. Simpler forms of signs capable of displaying multiple images include “tri-vision” signs which present a series of images through mechanical rotation of multi-sided vertical strips. The rotation occurs at regular intervals presenting a series of static images. Other forms are electronically produced, allowing for a wide range of colors, messages and images depending on the level of technology, and typically produced by light emitted by the sign face. Basic levels of technology present letters or numbers in a single color of light, such as “time and temperature” signs or gas pricing signs. Many of these signs can present longer images in a scrolling fashion, or can provide simple animations.

Recent advances have introduced a variety of technologies to the outdoor advertising arena. The largest impact has been made with LED signs which offer an inexpensive yet powerful approach that combines full motion, brilliant colors and a readable display. Other technologies are in development, including “digital ink” signs that offer a changeable medium on a surface that looks like a normal vinyl billboard. These signs manipulate ink on the surface, allowing for a dynamic presentation of images without being internally illuminated.

The various sign technologies are referenced by a wide array of terms: “changeable message signs,” “electronic billboards,” “animated signs.” In general, this report focuses on the broad range of signage types which are capable of displaying multiple images through electronic manipulation, which we will refer to as “dynamic” signing. Reference to specific signage types is made when necessary to discussion of specific issues (e.g. the brightness of LED signage).

Appendix B

Outdoor Advertising Sign Brightness Definitions

Appendix B – Outdoor Advertising Sign Brightness Definitions

This appendix defines various technical terms that are used to describe the operational aspects of electronic billboards.

Billboard Illuminance

Billboard illumination is typically discussed using two terms: illuminance and luminance. Because this section includes some technical jargon, a glossary that further defines terms used in outdoor advertising is provided in Appendix C.

Illuminance: The amount of light that is incident to the surface of an object. This is the method for describing ambient light levels or the amount of light that is projected onto a front-lit sign. This parameter is typically measured in lux (footcandles x meters). For the purposes of dimming, illuminance is discussed to describe the ambient light that hits the photocell.

Luminance: The amount of light that emanates from an internally illuminated sign. This parameter is measured in nits. The nit levels necessary for the sign to be legible vary with the ambient light conditions. On a sunny day, the nit levels must be very high, while at night, the levels must be very low to prevent the image from distorting and to prevent glare.

Billboard Luminance (Brightness)

Luminance is measured in nits (candelas/square meter) and describes how bright the image is. In essence, it is the amount of light that is radiated from the sign divided by the amount of surface area of the sign. No matter how big the sign is, the luminance of the sign is consistent. For example, the brightness of computer monitors is also measured in nits.

The European standard “EN 12966” specifies that at certain ambient light levels, the sign should output a given number of nits. There are different tables for each color due to the properties of how the human eye interprets each color. The color that is most often used to set dimming levels is white.

The FHWA has developed recommended practices for dynamic message signs installed within the roadway right-of-way. The standard is NEMA’s TS-4 “Hardware Standards for Dynamic Message Signs (DMS) With NTCIP Requirements.” Note that these standards were prepared for message signs deployed within the roadway right-of-way and should not be taken as recommended luminance levels for advertising signs. Table A-1 provides a simplified version of the NEMA TS-4 standard for the color white.

Table A-1 - Luminance Standards

Ambient Light (lux)	Approximate Light	Minimum Luminance (nits)	Maximum Luminance (nits)
40,000	Sunlight	12,400	62,000

10,000	Cloudy	12,400	-
4,000	Overcast	2,200	11,000
400	Sunrise/Sunset	600	3,000
40	Candlelight	250	1,250
less than 4	Moonlight	75	375

Source: NEMA TS-4 (2005)

Billboard Resolution

Billboards require far less resolution than print advertisements. For example, Clear Channel's LED "Digital Outdoor Network" LED bulletin-size (14' x 48') billboards require dimensions of only 208 pixels high by 720 pixels wide. If this image were to be printed at 300 dots per inch (dpi), a typical print resolution, the entire image would be less than 1.7 square inches. Therefore, it is ideal to keep the message on these signs simple and clear because they do not currently allow resolutions similar to printed images.

Dimming

To maintain readability, the brightness of a sign must be adjusted to match ambient light conditions. If this is not done, the image will appear too bright and can even degrade the image quality through a phenomenon called "blooming." If the image blooms, the brightest areas of the image bleed over into darker parts and the image clarity is degraded.

Dimming is typically controlled by a photocell, which measures the ambient light conditions and varies the light output of the sign based on preconfigured settings. As ambient light conditions darken, the photocell senses the decrease and lowers the light output of the sign. Some sign manufacturers do not incorporate photocells in their electronic signs.

Electronic billboard dimming can also be controlled by scheduled dimming according to time of day or manual dimming. On-premise signs may use any of these methods, but most, if not all, off-premise standard size electronic billboards are auto dimmed by photocell. Some signs include user-defined dimming curve capability allowing total control over sign brightness and adjustability to accommodate local brightness ordinances.

Appendix C

Electronic Outdoor Advertising Device Visual Performance Definitions

Appendix C – Electronic Outdoor Advertising Device Visual Performance Definitions

Conspicuity

Conspicuity is the property that related to the contrast between a sign and its background and its ability to stand out from its surroundings. This is a subjective property that depends on many factors of both the environment and the viewer.

Contrast

Contrast is the property that defines the relationship between the brightness of the brightest color possible to the darkest color possible on a sign. In times when ambient conditions are very bright, such as a sunny day, the darkest color may still be very bright due to the sun's reflection off the sign. In these cases, the lighter colored areas of the billboard's image must be much brighter than the contrasting dark areas.

Legibility

The ability of the driver to read a sign is related to its legibility. Large, legible text allows the driver to read the billboard from varying distances and focus on the driving task. Conversely, with small text the driver is more likely to focus on the sign for a longer period of time and possibly wait until the sign is very close.

State departments of transportation use NEMA's TS-4 document for this criterion. This document specifies many characteristics related to legibility including character height, resolution and color.

Glare

Disability Glare

The first form of glare is disability glare. This occurs when a driver is exposed to a light source so bright that it temporarily blinds the driver, impairing their ability to perform driving tasks. This temporary blindness is brief, but can be dangerous.

Discomfort Glare

Discomfort glare is when a light source is bright enough to distract or encourage the driver to look away from the light, but is not blinding. Discomfort glare is of particular concern in cases where a bright sign is located in the same line of sight as a traffic sign, signal or another vehicle.

Frequency of Change

The frequency of change is determined by the interval of time between sign image changes. The rate of change can usually be adjusted by the owner and operator of the sign. Frequency

of change is highly variable, with some on-premise signs changing faster than once per second. While no standard is generally accepted, local government agencies have used ordinances to limit the frequency to anywhere from 5 seconds to 24 hours.

Interactive signs

Interactive signs change their message based on the person viewing it. For example, the carmaker MINI has installed variable message signs that display a customized message to car owners who have special key dongles containing a radio frequency identification (RFID) chips when the dongle is in close proximity to the sign.

Another example is a microphone system that identifies the radio stations passing drivers are listening to and displays a specific message for that station.

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MEMORANDUM

TO: Tom Grundhoefer
League of Minnesota Cities

FROM: Karen Sprattler, Senior Associate 
SRF Consulting Group, Inc.

DATE: June 21, 2007

SUBJECT: DYNAMIC" SIGNAGE: RESEARCH RELATED TO DRIVER DISTRACTION AND
ORDINANCE RECOMMENDATIONS REPORT

This study was originally commissioned in response to litigation brought by Clear Channel Communications, Inc. in response to actions taken by the City of Minnetonka, Minnesota in regard to the installation of two LED ("light emitting diode") billboards along Interstate 394 and Interstate 494. This study was undertaken to examine issues surrounding the Minnetonka billboards. While the concerns were precipitated by LED billboards in particular, this report examines more broadly "dynamic" display signage. However, this report is not the intended to be a comprehensive study of all issues raised by dynamic signage or other types of billboards,

As the study progressed, additional communities and the League of Minnesota Cities expressed interest in these issues. While it is true that the study was prepared for the City of Minnetonka, it is acknowledged that the many of the findings and conclusions, and the broader discussion of many of the issues of concern may be useful to other communities involved in similar situations.

H:\Projects\5995\Final Report\Study disclaimer 062007 KS.doc

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Annotated Sample Sign Ordinance- City of Hopkins

Comment: The following regulations reflect the policy choices of the City of Hopkins. Different communities may make different policy decisions.

SECTION I – PURPOSE AND DEFINITIONS

570.01. Findings, purpose and effect.

a. Findings. The city council hereby finds as follows:

1. Exterior signs have a substantial impact on the character and quality of the environment.
2. Signs provide an important medium through which individuals may convey a variety of messages.
3. Signs can create traffic hazards, aesthetic concerns and detriments to property values, thereby threatening the public health, safety and welfare.
4. The city's zoning regulations have, since as early as 1966, included the regulation of signs in an effort to provide adequate means of expression and to promote the economic viability of the business community, while protecting the city and its citizens from a proliferation of signs of a type, size, location and character that would adversely impact upon the aesthetics of the community and threaten the health, safety and welfare of the community. The regulation of the physical characteristics of signs within the city has had a positive impact on traffic safety and the appearance of the community.

b. Purpose and intent. It is not the purpose or intent of this sign ordinance to regulate the message displayed on any sign; nor is it the purpose or intent of this article to regulate any building design or any display not defined as a sign, or any sign which cannot be viewed from outside a building. The purpose and intent of this article is to:

1. Regulate the number, location, size, type, illumination and other physical characteristics of signs within the city in order to promote the public health, safety and welfare.
2. Maintain, enhance and improve the aesthetic environment of the city by preventing visual clutter that is harmful to the appearance of the community.
3. Improve the visual appearance of the city while providing for effective means of communication, consistent with constitutional guarantees and the city's goals of public safety and aesthetics.

4. Provide for fair and consistent enforcement of the sign regulations set for herein under the zoning authority of the city.

c. Effect. A sign may be erected, mounted, displayed or maintained in the city if it is in conformance with the provisions of these regulations. The effect of this sign ordinance, as more specifically set forth herein, is to:

1. Allow a wide variety of sign types in commercial zones, and a more limited variety of signs in other zones, subject to the standards set forth in this sign ordinance.

2. Allow certain small, unobtrusive signs incidental to the principal use of a site in all zones when in compliance with the requirements of this sign ordinance.

3. Prohibit signs whose location, size, type, illumination or other physical characteristics negatively affect the environment and where the communication can be accomplished by means having a lesser impact on the environment and the public health, safety and welfare.

4. Provide for the enforcement of the provisions of this sign ordinance.

570.03 Severability

If any section, subsection, sentence, clause, or phrase of this Sign Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Sign Ordinance. The City Council hereby declares that it would have adopted the Sign Ordinance in each section, subsection, sentence, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

570.05 Definitions.

The following words and terms, when used in this Sign Ordinance, shall have the following meanings, unless the context clearly indicates otherwise:

Abandoned sign - any sign and/or its supporting sign structure which remains without a message or whose display surface remains blank for a period of one (1) year or more, or any sign which pertains to a time, event or purpose which no longer applies, shall be deemed to have been abandoned. Signs applicable to a business temporarily suspended because of a change in ownership or management of such business shall not be deemed abandoned unless the property remains vacant for a period of one (1) year or more. Any sign remaining after demolition of a principal structure shall be deemed to be abandoned. Signs which are present because of being legally established nonconforming signs or signs which have required a conditional use permit or a variance shall also be subject to the definition of abandoned sign.

Awning - a roof-like cover, often of fabric, plastic, metal or glass designed and intended for protection from the weather or as a decorative embellishment, and which projects from a wall or

roof of a structure primarily over a window, walk, or the like. Any part of an awning which also projects over a door shall be counted as an awning.

Awning sign - a building sign or graphic printed on or in some fashion attached directly to the awning material.

Balloon sign - a sign consisting of a bag made of lightweight material supported by helium, hot, or pressurized air which is greater than twenty-four (24) inches in diameter.

Building - any structure used or intended for supporting or sheltering any use or occupancy.

Building sign - any sign attached or supported by any structure used or intended for supporting or sheltering any use or occupancy.

Cabinet sign - any wall sign that is not of channel or individually mounted letter construction.

Canopy - a roof-like cover, often of fabric, plastic, metal, or glass on a support, which provides shelter over a doorway.

Canopy sign - any sign that is part of or attached to a canopy, made of fabric, plastic, or structural protective cover over a door or entrance. A canopy sign is not a marquee and is different from service area canopy signs.

Changeable copy sign - a sign or portion thereof with characters, letters, or illustrations that can be changed or rearranged without altering the face or the surface of the sign. Changeable copy signs do not include signs upon which characters, letters or illustrations change or rearrange only once in a 24-hour period.

Commercial Speech – speech advertising a business, profession, commodity, service or entertainment.

Elevation - the view of the side, front, or rear of a given structure(s).

Elevation area - the area of all walls that face any lot line.

Erect - activity of constructing, building, raising, assembling, placing, affixing, attaching, creating, painting, drawing or any other way of bringing into being or establishing.

Flag - any fabric or similar lightweight material attached at one end of the material, usually to a staff or pole, so as to allow movement of the material by atmospheric changes and which contains distinctive colors, patterns, symbols, emblems, insignia, or other symbolic devices.

Flashing sign - a directly or indirectly illuminated sign which exhibits changing light or color effect by any means, so as to provide intermittent illumination which includes the illusion of intermittent flashing light by means of animation. Also any mode of lighting which resembles zooming, twinkling, or sparkling.

Freestanding sign - any sign which has supporting framework that is placed on, or anchored in, the ground and which is independent from any building or other structure.

Frontage - the line of contact of a property with the public right-of-way.

Grade - grade shall be construed to be the final ground elevation after construction. Earth mounding criteria for landscaping and screening is not part of the final grade for sign height computation.

Ground sign - any freestanding sign with its sign face mounted on the ground or mounted on a base at least as wide as the sign and which has a total height not exceeding eight (8) feet.

Height of sign - the height of the sign shall be computed as the vertical distance measured from the base of the sign at grade to the top of the highest attached component of the sign.

Hotel, motel, motor hotel - any building or combination of buildings contained six or more rooms used for sleeping purposes by guest on a transient basis.

Illuminated sign - any sign which contains an element designed to emanate artificial light internally or externally.

Interior sign - a sign which is located within the interior of any building, or within an enclosed lobby or court of any building, and a sign for and located within the inner or outer body, court or entrance of any theater.

Issuing Authority - the City of Hopkins Department of Economic Development and Planning

Legally established nonconforming sign - any sign and its support structure lawfully erected prior to the effective date of this ordinance which fails to conform to the requirements of this ordinance. A sign which was erected in accordance with a variance granted prior to the adoption of this ordinance and which does not comply with this ordinance shall be deemed to be a legal nonconforming sign. A sign which was unlawfully erected shall be deemed to be an illegal sign.

Marquee - any permanent roof-like structure projecting beyond a theater building or extending along and projecting beyond the wall of that building, generally designed and constructed to provide protection from the weather.

Marquee sign - any building sign painted, mounted, constructed or attached in any manner, on a marquee.

Monument sign - any freestanding sign with its sign face mounted on the ground or mounted on a base at least as wide as the sign and which has a height exceeding eight (8) feet.

Multiple tenant site - any site which has more than one (1) tenant, and each tenant has a separate ground level exterior public entrance.

Non-commercial speech – dissemination of messages not classified as Commercial Speech which include, but are not limited to, messages concerning political, religious, social, ideological, public service and informational topics.

Off-premise sign – a commercial speech sign which directs the attention of the public to a business, activity conducted, or product sold or offered at a location not on the same premises where such business sign is located. For purposes of this sign ordinance, easements and other appurtenances shall be considered to be outside such platted parcel of land and any sign located or proposed to be located in an easement or other appurtenance shall be considered an off-premise sign.

On-premise messages – identify or advertise an establishment, person, activity, goods, products or services located on the premises where the sign is installed.

Parapet (wall) - that portion of building wall that rises above the roof level.

Pole sign - see Pylon Sign.

Portable sign - any sign which is manifestly designed to be transported, including by trailer or on its own wheels, even though the wheels of such sign may be removed and the remaining chassis or support is converted to another sign or attached temporarily or permanently to the ground since this characteristic is based on the design of such a sign.

Porte cochere - a roofed structure or roof-like cover, extending from the entrance of a building and which provides shelter over a doorway.

Principal building - the building in which the principal primary use of the lot is conducted. Lots with multiple principal uses may have multiple principal buildings, but storage buildings, garages, and other clearly accessory uses shall not be considered principal buildings.

Projecting sign - any sign which is affixed to a building or wall in such a manner that its leading edge extends more than two (2) feet beyond the surface or such building or wall face.

Property owner - legal owner of property as officially recorded by Hennepin County.

Public notices - official notices posted by public officers, employees or their agents in the performance of their duties, or as directed by such officers, employees or agents.

Public street right-of-way - the planned right-of-way for a public street.

Pylon sign - any freestanding sign which has its supportive structure(s) anchored in the ground and which has a sign face elevated above ground level by pole(s) or beam(s) and with the area below the sign face open.

Residential district - any district zoned for residential uses.

Roof - the exterior surface and its supporting structure on the top of a building or structure. The structural make-up of which conforms to the roof structures, roof construction and roof covering sections of the Uniform Building Code.

Roof line - the upper-most edge of the roof or in the case of an extended facade or parapet, the upper-most height of said facade.

Roof sign - any sign erected and constructed wholly on and above the roof of a building, supported by the roof structure, and extending vertically above the highest portion of the roof.

Roof sign, integral - any building sign erected or constructed as an integral or essentially integral part of a normal roof structure of any design, so that no part of the sign extends vertically above the highest portion of the roof and so that no part of the sign is separated from the rest of the roof by a space of more than six (6) inches.

Rotating sign - a sign or portion of a sign which turns about on an axis.

Setback, front - the minimum horizontal distance permitted between the public right-of-way and a structure on the premises. In instances in which a property fronts on more than one (1) street, front setbacks are required on all street frontages.

Setback, rear - the minimum horizontal distance permitted between the property line opposite the principal street frontage and a structure on the premises.

Setback, side - the minimum horizontal distance permitted between the side lot line and a structure on the premises.

Shimmering signs - a sign which reflects an oscillating sometimes distorted visual image.

Sign – any letter, word or symbol, poster, picture, statuary, reading matter or representation in the nature of advertisement, announcement, message or visual communication, whether painted, posted, printed, affixed or constructed, including all associated brackets, braces, supports, wires and structures, which is displayed for informational or communicative purposes.

Sign face - the surface of the sign upon, against, or through which the message of the sign is exhibited.

Sign structure - any structure including the supports, uprights, bracing and framework which supports or is capable of supporting any sign.

Site - a plot or parcel of land, or combination of contiguous lots or parcels of land, which are intended, designated, and/or approved to function as an integrated unit.

Stringer - a line of string, rope, cording, or an equivalent to which is attached a number of pennants.

Suspended sign - any building sign that is suspended from the underside of a horizontal plane surface and is connected to this surface.

Total site signage - the maximum permitted combined area of all freestanding and wall identification signs allowed on a specific property.

Visible - capable of being seen by a person of normal visual acuity (whether legible or not) without visual aid.

Wall - any structure which defines the exterior boundaries or courts of a building or structure and which has a slope of sixty (60) degrees or greater with the horizontal plane.

Wall sign - any building sign attached parallel to, but within two (2) feet of a wall, painted on the wall surface of, or erected and confined within the limits of an outside wall of any building or structure, which is supported by such wall or building, and which displays only one (1) sign surface.

Window sign - any building sign, pictures, symbol, or combination thereof, designed to communicate information about an activity, business, commodity, event, sale, or service, that is placed inside a window or upon the window panes or glass and is visible from the exterior of the window.

SECTION II – ADMINISTRATION AND ENFORCEMENT

570.07. **Permit required.**

No sign shall be erected, altered, reconstructed, maintained or moved in the city without first securing a permit from the city. The content of the sign shall not be reviewed or considered in determining whether to approve or deny a sign permit. Application for a permit shall be in writing addressed to the issuing authority and shall contain the following information:

- a. names and addresses of the owners of the display structure and property;
- b. the address at which any signs are to be erected;
- c. the lot, block and addition at which the signs are to be erected and the street on which they are to front;
- d. a complete set of plans showing the necessary elevations, distances, size and details to fully and clearly represent the construction and place of the signs;
- e. the cost of the sign;
- f. type of sign (i.e. wall sign, monument sign, etc.);
- g. certification by applicant indicating the application complies with all requirements of the sign ordinance; and
- h. if the proposed sign is along state trunk highway or interstate highway, the application shall be accompanied by proof that the applicant has obtained a permit from the state for the sign.

The issuing authority shall approve or deny the sign permit in an expedited manner no more than 30 days from the receipt of the complete application, including applicable fee. All permits not approved or denied within 30 days shall be deemed approved. If the permit is denied, the issuing authority shall prepare a written notice of within 10 days its decision, describing the applicant's appeal rights under Section 525.15, and send it by certified mail, return receipt requested, to the applicant.

Comment:

The timeline for a permit decision is not required to be 30 days. However, the provisions of Minn. Stat. 15.99 would likely apply and require a decision to be made within 60 days, or 120 days with an extension.

570.09 Exemptions.

The following signs shall not require a permit. These exemptions, however, shall not be construed as relieving the owner of the sign from the responsibility of its erection and maintenance, and its compliance with the provisions of this ordinance or any other law or ordinance regulating the same.

- a. The changing of the display surface on a painted or printed sign only. This exemption, however, shall apply only to poster replacement and/or on-site changes involving sign painting elsewhere than directly on a building.
- b. Signs six (6) square feet or less in size.

570.11. Fees.

Sign permit fees are set by Chapter X.

570.13. Repairs.

Any sign located in the city which may now be or hereafter become out of order, rotten or unsafe, and every sign which shall hereafter be erected, altered, resurfaced, reconstructed or moved contrary to the provisions of this section, shall be removed or otherwise properly secured in accordance with the terms of this section by the owners thereof or by the owners of the grounds on which said sign shall stand, upon receipt of proper notice so to do, given by the issuing authority. No rotten or other unsafe sign shall be repaired or rebuilt except in accordance with the provisions of this section and upon a permit issued by the issuing authority.

570.15. Removal.

In the event of the failure of the owner or person, company or corporation having control of any sign, or the owner of the ground on which the sign is located, to remove or repair said sign within 60 days after the use is terminated, a notice shall be given pursuant to subsection 430.09 and the sign may be removed by the city at the expense of the owner or manager of the sign, or the owner of the ground upon which the sign stands.

570.17. Violations.

Violation of this section is a misdemeanor. Each day that the violation continues is a separate offense.

SECTION III – GENERAL PROVISIONS

570.18 **Size**

No sign shall exceed 250 square feet in area.

Comment: This size limitation reflects the policy choice of the City of Hopkins. Different communities may impose different size restrictions.

570.19. **Regulations.**

Subd. 1. General. Except as hereinafter provided, no signs shall be erected or maintained at any angle to a building or structure which sign extends or projects over the sidewalk, street or highway. No sign which is erected or maintained flat against any building or structure shall extend or project more than fifteen inches over the sidewalk, street or highway.

Subd. 2. Exceptions. The provisions of this subsection do not prohibit:

- a. the erection and maintenance of signs, either illuminated or unilluminated, which are on the sides of a marquee which is firmly attached to and a part of a theatre or other building, providing such signs are an integral part of the marquee and do not project above or below the marquee; or
- b. the erection and maintenance of signs, not illuminated, which are attached to the marquee and which do not project more than 16 inches above the marquee.

570.21. **Below marquee.**

No sign, either illuminated or non-illuminated, may project below a marquee.

570.23. **Electrical signs.**

Electrical signs must be installed in accordance with the current electrical code and a separate permit from the building official must be obtained prior to placement.

570.25. **Unauthorized signs.**

The following signs are unauthorized signs:

- a. Any sign, signal, marking or device which purports to be or is an imitation of or resembles any official traffic control device or railroad sign or signal, or emergency vehicle signal, or which attempts to direct the movement of traffic or which hides from

view or interferes with the effectiveness of any official traffic-control device or any railroad sign or signal.

- b. All off-premise signs.
- c. Signs painted, attached or in any other manner affixed to trees, rocks, or similar natural surfaces, or attached to public utility poles, bridges, towers, or similar public structures.
- d. Portable signs.
- e. Changeable copy signs.

570.27. **Setbacks.**

Subd. 1. Yards. Signs shall conform to building yard regulations for the zoning district in which the signs are located except as otherwise specified in this section.

	B-1	B-2	B-3	B-3 Abutting County Road	Residential
Front Yard	10'	1 '	1 '	10'	5'
Side Yard	5'	0'	0'	5'	5'
Rear Yard	5'	5'	10'	10'	5'
				I-1	I-2
Front Yard				10'	10'
Side Yard				10'	10'
Rear Yard				10'	10'
Rear Yard - abutting R District				20'	20'

570.29. **Area.**

The area within the frame shall be used to calculate the square footage except that the width of a frame exceeding 12 inches shall constitute sign face, and if such letters or graphics be mounted directly on a wall or fascia or in such way as to be without a frame the dimensions for calculating the square footage shall be the area extending six inches beyond the periphery formed around such letters or graphics in a plane figure bounded by straight lines connecting the outermost points thereof. Each surface utilized to display a message or to attract attention shall be measured as a separate sign and shall be calculated in the overall square footage. Symbols, flags, pictures, wording, figures or other forms of graphics painted on or attached to windows, walls, awnings, free-standing structures, suspended by balloons, or kites or on persons, animals, or vehicles are considered a sign and are included in calculating the overall square footage.

570.31. **Canopies, marquees and fixed awnings.**

Canopies, marquees and fixed awnings are an integral part of the structure to which they are attached. They are allowed in the Business and Industrial Districts if they meet following requirements and the applicable square footage requirements.

- a. an awning, canopy or marquee may not project into the public right-of-way nearer than 30 inches to the street curb or curb line;
- b. awnings, canopies or marquees may have no part of the structure other than supports nearer the ground surface than seven feet;
- c. the architectural style of the awning, canopy or marquee may be consistent with the building being served;
- d. awnings, canopy or marquees projecting into the required yards may not be enclosed except with a transparent material permitting through vision; and
- e. awnings, canopies or marquees built over the public right-of-way must be included in a liability insurance policy holding the city free of all responsibility.

570.33. Illumination

External illumination for signs shall be so constructed and maintained that the source of light is not visible from the public right-of-way or residential property.

570.35. Height.

The top of a sign, including its superstructure, if any, shall be no higher than the roof of the building to which such sign may be attached or 35 feet above ground level, whichever height is less; except that the height of any changeable sign which is attached to or an integral part of a functional structure, such as a water tower, smoke stack, radio or TV transmitting tower, beacon or similar structure shall be no higher than such structure. Signs, including any superstructure standing or erected free of any building or other structure, shall not exceed an overall height of 35 feet from ground level and shall be located on land in an area which is landscaped or if such land is part of an approved parking area, it shall be surfaced or paved as required in the zoning code.

570.36 Retroactive affect.

This sign ordinance shall apply to all sign applications applied for and/or pending prior to its enactment.

570.365 Non-commercial speech.

Notwithstanding any other provisions of this sign ordinance, all signs of any size containing Non-Commercial Speech may be posted from August 1 in any general election year until ten (10) days following the general election and thirteen (13) weeks prior to any special election until ten (10) days following the special election.

Comment: Note that this provision does not mean that the stated times are the only times that noncommercial signs or political signs may be posted.

SECTION IV – SPECIFIC REGULATIONS BY ZONING DISTRICT

570.37. Permitted signs by district.

Subd. 1 Residential Districts

a. Within residential zoning districts, signs are permitted as follows:

<u>District</u>	<u>Maximum sign area of single sign</u>	<u>Total area of all signs</u>
R-1, R-2	8 square feet per surface	16 square feet
R-3, R-4, R-5, R-6	12 square feet per surface	24 square feet

b. The following types of signs are not permitted in residential zoning districts:

1. Awning signs;
2. Balloon signs;
3. Canopy signs;
4. Flashing signs;
5. Marquee signs;
6. Pole signs;
7. Pylon signs; and
8. Shimmering signs.

Subd. 2 Business Districts

a. Within business zoning districts, signs are permitted as follows:

<u>District</u>	<u>Maximum sign area of single sign</u>	<u>Total area of all signs</u>
B-1, B-2	60 square feet	2 square feet per front foot of building abutting a public right-of-way 50 feet or more in width.
B-3, B-4	80 square feet	3 square feet per front foot of lot (narrowest footage on a corner lot) abutting public right-of-way 50 feet or more in width.

Subd. 3 Industrial Districts

a. Within industrial zoning districts, signs are permitted as follows:

<u>District</u>	<u>Maximum sign area of single sign</u>	<u>Total area of all signs</u>
I-1, I-2	250 square feet	4 square feet per front foot of Lot plus 1 square foot per foot of side yard abutting a public right-of-way of 50 feet or more. Least width of frontage shall be considered front yard.

570.39. Permitted signs: business park district.

Subd. 1. Wall Signs. Each tenant other than those in multi-tenant buildings may have one flat wall sign, not extending more than 18 inches from the face of the building, except that such sign age may extend from the face of the roof over a covered walk. Such wall signs shall not exceed 15% of the area of the wall to which the sign is attached, to a maximum of 96 square feet.

Subd. 2. Monument signs. Uses other than those in multi-tenant buildings may have a monument sign that shall not exceed 80 square feet per surface area, and 15 feet in height, and is setback a minimum 20 feet from the property lines.

Subd. 3. Multi-tenant signs. Each tenant in a multi-tenant building may have a flat wall sign, not extending more than 18 inches from the face of the building. The aggregate area of such signs shall not exceed 5% of the area of the wall to which they are attached.

Subd. 4. Multi-tenant monument signs. One monument sign shall be permitted for each multi-tenant building provided the surface area of the sign does not exceed 100 square feet per side, 15 feet in height, and is setback in no case less than 20 feet from the property lines. The area may be increased to a maximum of 150 square feet per side for developments of over 20 acres.

Subd. 5. Canopies and Awnings. The design of canopies shall be in keeping with the overall building design in terms of location, size, and color. No canopies with visible wall hangers shall be permitted. Signage on canopies may be substituted for allowed building signage and shall be limited to 25% of the canopy area. Internally illuminated canopies must be compatible with the overall color scheme of the building.

SECTION V – NON-CONFORMING USES

570.41. Non-conforming signs: compliance.

It is recognized that signs exist within the zoning districts which were lawful before this sign ordinance was enacted, which would be prohibited, regulated or restricted under the terms of this chapter or future amendments. It is the intent of this sign ordinance that nonconforming signs shall not be enlarged upon, expanded or extended, nor be used as grounds for adding other signs or uses prohibited elsewhere in the same district. It is further the intent of this sign ordinance to permit legal nonconforming signs existing on the effective date of this sign ordinance, or amendments thereto, to continue as legal nonconforming signs provided such signs are safe, are

maintained so as not to be unsightly, and have not been abandoned or removed subject to the following provisions:

- a. No sign shall be enlarged or altered in a way which increases its nonconformity.
- b. Should such sign or sign structure be destroyed by any means to an extent greater than fifty (50) percent of its replacement cost and no building permit has been applied for within 180 days of when the property was damaged, it shall not be reconstructed except in conformity with the provisions of this ordinance.
- c. Should such sign or sign structure be moved for any reason for any distance whatsoever, it shall thereafter conform to the regulations for the zoning district in which it is located after it is moved.
- d. No existing sign devoted to a use not permitted by the zoning code in the zoning district in which it is located shall be enlarged, extended or moved except in changing the sign to a sign permitted in the zoning district in which is it located.
- e. When a structure loses its nonconforming status all signs devoted to the structure shall be removed and all signs painted directly on the structure shall be repainted in a neutral color or a color which will harmonize with the structure.

SECTION VI – Noncommercial Speech

570.43 Substitution Clause

The owner of any sign which is otherwise allowed by this sign ordinance may substitute non-commercial copy in lieu of any other commercial or non-commercial copy. This substitution of copy may be made without any additional approval or permitting. The purpose of this provision is to prevent any inadvertent favoring of commercial speech over non-commercial speech, or favoring of any particular non-commercial message over any other non-commercial message. This provision prevails over any more specific provision to the contrary.

PART II - CODE OF ORDINANCES
Chapter 117 - ZONING AND SUBDIVISIONS
ARTICLE II. - ZONING
DIVISION 8. - SIGNS
Subdivision I. - In General

Subdivision I. - In General

[Sec. 117-457. - Purpose.](#)
[Sec. 117-458. - Substitution clause.](#)
[Sec. 117-459. - Variations.](#)
[Sec. 117-460. - Conflict.](#)
[Sec. 117-461. - Violations.](#)
[Sec. 117-462. - Removal of signs by the zoning administrator.](#)
[Sec. 117-463. - General restrictions.](#)
[Sec. 117-464. - Prohibited signs.](#)
[Sec. 117-465. - Temporary signs.](#)
[Secs. 117-466—117-483. - Reserved.](#)

Sec. 117-457. - Purpose.

The purpose of this division is to protect and promote the general welfare, health, safety and order within the city through the establishment of a comprehensive and impartial series of standards, regulations and procedures governing the erection, use and/or display of devices, signs or symbols serving as a visual communicative media to persons situated within or upon public rights-of-way or properties. The provisions of this division are intended to encourage creativity, a reasonable degree of freedom of choice, an opportunity for effective communication and a sense of concern for the visual amenities on the part of those designing and displaying communicative media for the types regulated by this division, while at the same time assuring that the public health and welfare is not endangered.

(Code 1978, § 9.12.01; Ord. No. 94-02, 2-28-1994; Ord. No. 08-07, § 2, 2-12-2008; Ord. No. 08-25, § 2, 8-12-2008)

Sec. 117-458. - Substitution clause.

The owner of any sign that is otherwise allowed by this division may substitute noncommercial speech in lieu of any other commercial speech or noncommercial speech. The owner of any sign that is otherwise allowed by this division may substitute commercial speech in lieu of any other commercial speech or noncommercial speech. This substitution of copy may be made without any additional approval or permitting. The purpose of this division is to prevent any inadvertent favoring of commercial speech over noncommercial speech, favoring of noncommercial speech over commercial speech, favoring any particular commercial speech over any other commercial speech, or favoring of any particular noncommercial speech over any other noncommercial speech. This division prevails over any more specific provision to the contrary.

Sec. 117-459. - Variations.

Request for variations from the provisions of this division shall be processed by the applicant applying to the zoning administrator for a conditional use permit, which conditional use permit procedure shall be as prescribed in section 117-50.

(Code 1978, § 9.12.24; Ord. No. 94-02, 2-28-1994; Ord. No. 03-31, 9-15-2003; Ord. No. 08-07, § 2, 2-12-2008; Ord. No. 08-25, § 2, 8-12-2008)

PART II - CODE OF ORDINANCES
Chapter 117 - ZONING AND SUBDIVISIONS
ARTICLE II. - ZONING
DIVISION 8. - SIGNS
Subdivision I. - In General

Sec. 117-460. - Conflict.

If any portion of this division is found to be in conflict with any other provision of any zoning, building, fire, safety or health ordinance of the city, the provision that establishes the higher standard shall prevail.

(Code 1978, § 9.12.25; Ord. No. 94-02, 2-28-1994; Ord. No. 08-07, § 2, 2-12-2008; Ord. No. 08-25, § 2, 8-12-2008)

Sec. 117-461. - Violations.

(a) When, in the opinion of the zoning administrator, a violation of this Code exists, the zoning administrator shall issue a written order to either the owner of the sign, or the owner of the property, or tenant leasing the property, on which the sign is placed. The order shall specify those sections of this Code involved, describe the violation and shall direct that the violation be corrected within five days from the date of the order, unless otherwise specified by the zoning administrator. If the violation is not corrected, the violation will be penalized through the administrative citation or removal, whichever is appropriate.

(b) If the zoning administrator or building official finds that a sign is abandoned or is structurally, or electrically defective, or in any way endangers the public, the zoning administrator or building official shall issue a written order to the owner of the sign and occupant of the premises stating the nature of the violation and requiring repair or removal of the sign within 60 days of the date of the order.

(Code 1978, § 9.12.21; Ord. No. 94-02, 2-28-1994; Ord. No. 03-31, 9-15-2003; Ord. No. 08-07, § 2, 2-12-2008; Ord. No. 08-25, § 2, 8-12-2008)

Sec. 117-462. - Removal of signs by the zoning administrator.

(a) The zoning administrator may cause the removal of any illegal sign, any sign remaining after a business permanently closes, or any sign not properly maintained in cases of emergency, or after failure to timely comply with written orders for removal or repair. After removal or demolition of the sign, a notice shall be mailed to the sign owner and owner of the property where the sign was located stating the nature of the work and the date on which it was performed and demanding payment of the costs as certified by the zoning administrator together with an additional 50 percent for inspection and incidental costs.

(b) If the amount specified in the notice is not paid within 30 days after mailing of the notice, it shall become a lien against the parcel where the sign was located and shall be certified as an assessment against the property together with ten percent interest for collection in the same manner as the real estate taxes.

(c) The owner of the parcel upon which the sign is located shall be presumed to be the owner of all signs thereon unless facts to the contrary are brought to the attention of the zoning administrator.

(d) In case of emergency, the zoning administrator or building official may cause the immediate removal of a dangerous or defective sign without notice. Signs removed in this manner must present a hazard to the public safety as defined in the state building code.

(Code 1978, § 9.12.22; Ord. No. 94-02, 2-28-1994; Ord. No. 08-07, § 2, 2-12-2008; Ord. No. 08-25, § 2, 8-12-2008)

PART II - CODE OF ORDINANCES
Chapter 117 - ZONING AND SUBDIVISIONS
ARTICLE II. - ZONING
DIVISION 8. - SIGNS
Subdivision I. - In General

Sec. 117-463. - General restrictions.

- (a) *Address sign.* One address sign shall be required per main building in all districts.
- (b) *Bench sign.* Bench signs shall be permitted only at bus stops.
- (c) *Ground sign.* A ground sign shall not project higher than 25 feet as measured from base of sign or grade of the nearest adjacent roadway, whichever is lower. Any ground sign within 50 feet of any intersection of street right-of-way lines and/or driveway entrances shall have a minimum vertical clearance of 12 feet above the centerline of the pavement unless it can be shown that it can comply with subsections (e)(2)a and b of this section.
- (d) *Canopies or marquees.* Canopies and marquees shall be considered to be an integral part of the structure to which they are an accessory. Signs may be attached to a canopy or marquee, but such structures shall not be considered as part of the wall area and thus shall not warrant additional sign area.
- (e) *Location.*
- (1) No sign other than governmental signs shall be erected or temporarily placed within any street or public right-of-way or upon any public easement.
 - (2) A permit for a sign to be located within 50 feet of any street or highway regulatory or warning sign, or any traffic sign or signal, or of any crossroad or crosswalk, will not be issued unless:
 - a. The sign will not interfere with the ability of drivers and pedestrians to see any street or highway sign, or any traffic sign or signal, or any crossroad or crosswalk; and
 - b. The sign will not distract drivers nor offer any confusion to any street or highway, sign, or any traffic sign or signal.
 - (3) A sign shall not be located so as to extend over any lot line or within 15 feet of any point of vehicular access from a parcel to a public roadway.
- (f) *Dynamic display and illumination.*
- (1) Based on findings conducted by scientific studies, the city finds that dynamic displays should be allowed on signs with appropriate regulation in order to minimize their proliferation and their potential threats to public safety.
 - (2) Regulations. Dynamic displays on signs are subject to the following conditions:
 - a. Size. No dynamic display shall exceed 35 percent of the actual copy and graphic area of a sign. The remainder of the sign must not have the capability to have dynamic displays, even if not used. Only one dynamic display area is permitted on a sign face. On-premise signs may include dynamic displays. Dynamic display signs shall not exceed the size allowed by this Chapter. Dynamic displays are not in addition to the size allowed for static signs.
 - b. Frequency of display change. A dynamic display may not change more often than once every three seconds, and no part of the display may include flashing or scrolling text, and no part of the display may flash or scroll at any time. The images display must be static, and the transition from one display to another must be instantaneous without special effects. The dynamic display shall not be allowed to project full-motion video. Subtle transition animations

PART II - CODE OF ORDINANCES
Chapter 117 - ZONING AND SUBDIVISIONS
ARTICLE II. - ZONING
DIVISION 8. - SIGNS
Subdivision I. - In General

shall be allowed.

c. **Brightness.** No sign may be brighter than is necessary for clear and adequate visibility, or that it interferes with the effectiveness of a traffic sign or signal, or that it distracts a driver from motor vehicle operation.

d. **Troubleshooting.** Dynamic displays must be designed and equipped to freeze the device in one position if a malfunction occurs. The display must also be equipped with a means to immediately discontinue the display if it malfunctions, and the sign owner must immediately stop the dynamic display when notified by the city that it is not complying with the standards of this section.

(g) *Institutional and recreational identification sign.* One wall and/or ground sign shall be permitted to identify the civic, philanthropic, educational, public or religious organization or recreational use occupying the parcel. There shall not be more than one ground sign for each parcel. The gross surface area of a ground sign shall not exceed 100 square feet for each exposed face nor exceed an aggregate gross surface area of 200 square feet. Such facilities having more than one point of entrance or street frontage may erect secondary identification signs not to exceed 50 square feet for each exposed face at the additional entrance points or street frontages.

(h) *Institutional attraction boards.* There shall not be more than one institutional attraction board for each principal building and it may be either wall or ground type or constructed as a part of the institutional identification sign. The gross surface area of an attraction board shall not exceed 50 square feet for each exposed face nor exceed an aggregate gross surface area of 100 square feet. An attraction board shall not be located so as to extend over any lot line or within 15 feet of any point of vehicular access from any parcel to a public roadway. Attraction boards shall not exceed 15 feet in height as measured from the base of the sign or building to which the sign is to be affixed or the grade of the nearest adjacent roadway, whichever is higher.

(i) *Pennants.* The use of pennants is permitted in any commercial district provided the pennants are securely anchored and maintained in good repair, including replacement or removal when weather damage is evident. The zoning administrator, or his designee, shall have the authority to identify and notify property owners and/or occupants of the parcel on which the pennants have been determined to be in violation of this Code. Failure to remove or replace the pennants within ten days of notification shall be sufficient cause for the zoning administrator or his designee to remove said pennants. The property owner shall be billed for all costs incurred by the city in administering this subdivision.

(j) *Banners.* The use of banners is permitted in any commercial district as permanent wall signage provided the banner is securely anchored and maintained in good repair, including replacement or removal when weather damage is evident. The square footage dedicated to banners is limited to 50 percent of the total square footage allowance for wall signs. Facilities choosing to utilize wall banners in addition to other permanent wall signage shall be required to obtain a separate sign permit for the maximum square footage allowed for banners and payment of the permanent sign fee.

(k) *Flags.* The display of flags shall be permitted in all districts. However, the total square footage area of any flags used as advertising copy or as attention getting devices for commercial purposes shall be considered as permanent signage and counted towards the total allowable sign area permitted by this section for the parcel on which the flag is displayed. Flag height is restricted to 25 feet.

(l) *Directional signs.* Directional or instructional signs are restricted to on-site direction and instruction,

PART II - CODE OF ORDINANCES
Chapter 117 - ZONING AND SUBDIVISIONS
ARTICLE II. - ZONING
DIVISION 8. - SIGNS
Subdivision I. - In General

with the exception of governmental signs, temporary real estate signs and public event signs, and shall not exceed four square feet in size. Such signs shall only provide direction or instruction to guide persons to facilities intended to serve the public.

(m) *Maintenance.*

(1) The surface and structure of all signs must be kept refinished as necessary to prevent the sign surface from becoming unkempt in appearance. The zoning administrator shall use the following guidelines to determine if the sign is unkempt: evidence of rust, peeling paint, structural damage, message damage, and/or weathering.

(2) When any sign for which a permit is required is removed, the zoning administrator shall be notified and the entire sign and its components shall be removed.

(3) The permit owner shall be responsible for all of the requirements of this section, including the liability for expense of removal and maintenance incurred by the city.

(n) *Sign content.* No sign shall contain obscene images or statements in violation of Minn. Stats. § 617.241.

(Code 1978, § 9.12.03; Ord. No. 94-02, 2-28-1994; Ord. No. 03-31, 9-15-2003; Ord. No. 08-07, § 2, 2-12-2008; Ord. No. 08-25, § 2, 8-12-2008)

Sec. 117-464. - Prohibited signs.

(a) *"A" frame or sandwich board signs.* "A" frame or sandwich board signs are prohibited.

(b) *Advertising device signs.* Advertising device signs are prohibited except as provided for in section 117-465

(c) *Whirling devices, searchlights, streamers, balloons and other gas-filled figures.* Whirling devices, searchlights, streamers, balloons, and other gas filled figures, are prohibited except as a temporary sign as provided for in section 117-465

(d) *Flashing or scrolling signs, devices or lights.* Flashing signs, devices, or lights are not permitted in any district except as provided for in section 117-463(f).

(e) *Portable signs.* Portable signs are prohibited except as temporary signs as provided for in section 117-465

(f) *Projecting signs.* No projecting sign shall be permitted in any district.

(g) *Roof signs.* Roof signs are prohibited in any zoning district.

(h) *Signs on parked vehicles.* Signs painted or mounted on or attached to vehicles, trailers or equipment where the apparent primary purpose of the vehicle or equipment is to display said sign are prohibited. However, this is not in any way intended to prohibit signs placed on or affixed to vehicles and trailers, such as lettering on motor vehicles, where the sign is incidental to the primary use of the vehicle, trailer and/or any other type of mobile equipment.

(i) *Signs on trees and utility poles.* Signs which are attached or otherwise affixed to trees or other vegetation or utility poles are prohibited.

PART II - CODE OF ORDINANCES
Chapter 117 - ZONING AND SUBDIVISIONS
ARTICLE II. - ZONING
DIVISION 8. - SIGNS
Subdivision I. - In General

(j) *Signs painted on walls.* Signs painted on an exterior wall, fascia, parapet or a chimney of a building or on a fence are prohibited.

(k) *Signs which imitate traffic control devices.* Signs which imitate, interfere with, obstruct the view of, or can be confused with any authorized traffic control sign, signal, or other device are prohibited.

(l) *Billboards.* No billboards shall be permitted in any zoning district of the city, except as otherwise provided in this Division and except that off-premise signs may be located on adjacent parcels or at shared entrances. Shared entrances shall be encumbered by a recordable easement, filed with the Anoka County Recorder. If a sign is placed on an adjacent parcel, it requires approval from the parcel owner and counts against the allowable signage for the parcel it is located.

(Code 1978, § 9.12.04; Ord. No. 94-02, 2-28-1994; Ord. No. 03-31, 9-15-2003; Ord. No. 08-07, § 2, 2-12-2008; Ord. No. 08-25, § 2, 8-12-2008)

Sec. 117-465. - Temporary signs.

(a) Temporary signs are defined as signs which are erected or displayed for a limited period of time and not affixed to a state building code approved structure. A sign is considered temporary if it is not intended to remain on the property permanently and has not received a permanent sign permit and/or is not intended to be constructed per the state building code.

(1) *Duration.* Temporary signs shall be permitted for up to six weeks per year per parcel, or per business on multitenant business parcels. The six-week limit may be extended up to four weeks if there have been no sign violations in the past year by the entity who erects the sign.

(2) *Location.* Temporary signs must be located fully on private property, with the permission of the property owner. The city will remove any signs in the public right-of-way, or erected without permission from the property owner.

(3) *Number.* All properties are limited to two temporary signs per parcel. In locations where there are multiple businesses on one parcel (a multitenant facility), three signs are permitted.

(4) *Size.* Temporary signs shall be limited to 50 square feet in size.

(5) *Dynamic display.* Temporary signs may consist of dynamic display, provided all standards of Section 117-463 Subd. (f) are complied with.

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(6) *Permits and fees.* All temporary signs shall be required to obtain a temporary sign permit. The temporary sign permit application shall specify the exact times and dates the temporary sign is to be erected, the size of the sign, the location of the sign, contact information, and other information deemed necessary by the zoning administrator to determine that the temporary sign is erected within applicable code. The Temporary Sign Permit shall be clearly displayed on the temporary sign. The fee for the temporary sign permit shall be established by ordinance as part of the rates and charges. The fee shall only be collected for the first permit per parcel or per business in a multi-tenant facility. The provisions of this division apply to all temporary signs, and appropriate penalties for violations will be assessed, as outlined in section 117-461

A. *Exemptions from temporary sign Permit.* Signs less than 15 square feet in size and all temporary signs in residential districts (R-1 Residential, R-2 Residential, R-3 Residential) are exempt from temporary sign permitting requirements.

PART II - CODE OF ORDINANCES
Chapter 117 - ZONING AND SUBDIVISIONS
ARTICLE II. - ZONING
DIVISION 8. - SIGNS
Subdivision I. - In General

(b) Balloons, gas filled figures, streamers, whirling devices and revolving searchlights or any such attention-getting device that is not specifically a sign may be permitted up to four weeks per year, for one week at a time.

(Code 1978, § 9.12.05; Ord. No. 94-02, 2-28-1994; Ord. No. 08-07, § 2, 2-12-2008; Ord. No. 08-25, § 2, 8-12-2008; Ord. No. 10-11, § 2, 7-27-2010)

Secs. 117-466 – Other Temporary Signs

(a) Real Estate Signs. One temporary real estate sign constructed of durable materials located on the premises is permitted for sale or lease of building or vacant lot for each street frontage. Real Estate Signs are limited to the following maximum sizes:

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(1) Residential Districts. Real Estate Signs may not exceed 32 square feet in residentially zoned districts.

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(2) Commercial and Employment Districts. Real Estate Signs may not exceed 64 square feet in commercially or employment zoned districts. Real Estate Signs erected on walls of buildings may not exceed 15% of the front façade of said structure.

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(b) Construction Signs. One temporary construction sign constructed of durable materials located on the premises is permitted on each street frontage of a development under construction.

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Secs. 117-467 – Unified Development Signs

(a) General provisions. A unified development is a development that consists of multiple parcels of similar zoning district and bound by major roadways consisting of arterial or collector designation or higher. Signs for multi-tenant commercial and employment developments may be erected to include off-premise copy under the following conditions:

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(1) The sign must identify the development at the top of the sign and may include provisions for individual users within the development.

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(2) The sign must be located within 500 feet of the development and may not be separated from the development by an arterial road.

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(43) The sign must not exceed 250 square feet per face (500 square feet aggregate) and 30 feet in height.

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(54) The sign may include dynamic display not to exceed 100 square feet per face (200 square feet aggregate).

(65) The sign will not be included in the total signage permitted for the property in which it is located.

(76) The general location of area identification signs for commercial and employment districts must be approved by the Planning Commission as part of a Master Sign Plan approved as part of site plan approval.

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117-468—117-483. - Reserved.

ORDINANCE #12-__

CITY OF RAMSEY
ANOKA COUNTY STATE OF MINNESOTA

AN AMENDMENT TO CHAPTER 117 WHICH IS KNOWN AS THE ZONING AND SUBDIVISION OF LAND CHAPTER OF THE CITY CODE OF RAMSEY, MINNESOTA.

AN ORDINANCE AMENDING ARTICLE II, DIVISION 8 ("SIGNS") OF CHAPTER 117 OF THE CITY CODE OF RAMSEY, MINNESOTA.

The City of Ramsey ordains:

SECTION 1. AMENDMENT

Article II, Division 8 of Ramsey City Code shall be amended as follows:

Sec. 117-463. - General restrictions.

(f) *Dynamic display and illumination.*

(1) Based on findings conducted by scientific studies, the city finds that dynamic displays should be allowed on signs with appropriate regulation in order to minimize their proliferation and their potential threats to public safety.

(2) Regulations. Dynamic displays on signs are subject to the following conditions:

a. Size. ~~No dynamic display shall exceed 35 percent of the actual copy and graphic area of a sign. The remainder of the sign must not have the capability to have dynamic displays, even if not used. Only one dynamic display area is permitted on a sign face. On-premise signs may include dynamic displays. Dynamic display signs shall not exceed the size allowed by this Chapter. Dynamic displays are not in addition to the size allowed for static signs.~~

b. Frequency of display change. A dynamic display may not change more often than once every three seconds, ~~and no part of the display may include flashing or scrolling text, and no part of the display may flash or scroll at any time.~~ The images display must be static, and the transition from one display to another must be instantaneous without special effects. The dynamic display shall not be allowed to project full-motion video. Subtle transition animations shall be allowed.

c. Brightness. No sign may be brighter than is necessary for clear and adequate visibility, or that it interferes with the effectiveness of a traffic sign or signal, or that it distracts a driver from motor vehicle operation.

d. Troubleshooting. Dynamic displays must be designed and equipped to freeze the device in one position if a malfunction occurs. The display must also be equipped with a means to immediately discontinue the display if it malfunctions, and the sign owner must immediately stop the dynamic display when notified by the city that it is not complying with the standards of this section.

Sec. 117-464. - Prohibited signs.

(l) Billboards. No billboards shall be permitted in any zoning district of the city, except as otherwise provided in this Division and except that off-premise signs may be located on adjacent parcels or at shared entrances. Shared entrances shall be encumbered by a recordable easement, filed with the Anoka County Recorder.

Sec. 117-465. - Temporary signs.

(5) Dynamic display. Temporary signs may consist of dynamic display, provided all standards of Section 117-463 Subd. (f) are complied with.

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Secs. 117-466 – Other Temporary Signs

(a) Real Estate Signs. One temporary real estate sign constructed of durable materials located on the premises is permitted for sale or lease of building or vacant lot for each street frontage.

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(1) Residential Districts. Real Estate Signs may not exceed 32 square feet in residentially zoned districts.

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(2) Commercial and Employment Districts. Real Estate Signs may not exceed 64 square feet in commercially or employment zoned districts. Real Estate Signs erected on walls of buildings may not exceed 15% of the front façade of said structure.

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(b) Construction Signs. One temporary construction sign constructed of durable materials located on the premises is permitted on each street frontage of a development under construction.

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Secs. 117-467 – Unified Development Signs

(a) General provisions. A unified development is a development that consists of multiple parcels of similar zoning district and bound by major roadways consisting of arterial or collector designation or higher. Signs for multi-tenant commercial and employment developments may be erected to include off-premise copy under the following conditions:

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(1) The sign must identify the development at the top of the sign and may include provisions for individual users within the development.

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(2) The sign must be located within 500 feet of the development and may not be separated from the development by an arterial road.

(3) The sign must not exceed 250 square feet per face (500 square feet aggregate) and 30 feet in height.

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(4) The sign may include dynamic display not to exceed 100 square feet per face (200 square feet aggregate).

(5) The sign will not be included in the total signage permitted for the property in which it is located.

(6) The general location of area identification signs for commercial and employment districts must be approved by the Planning Commission as part of a Master Sign Plan approved as part of site plan approval.

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117-468—117-483. - Reserved.

SECTION 2. SUMMARY

The following official summary of Ordinance #12-__ has been approved by the City Council of the City of Ramsey as clearly informing the public of the intent and effect of the Ordinance.

It is the intent of this Ordinance to amend the standards in Article II, Division 8 of Chapter 117 of the Ramsey City Code to amend sign standards in the City related to size and animation of dynamic display signs, establishment of separate provisions for real estate signs and construction signs, and allow for provisions for minor off-premise signs, not to include billboards.

SECTION 3. EFFECTIVE DATE

The effective date of this ordinance is thirty (30) days after its passage and publication, subject to City Charter Section 3.9.

Adopted by the Ramsey City Council the 23rd day of October 2012.

Mayor

ATTEST:

City Clerk

Introduction Date:

Posting Dates:

Adoption Date:

Publication Date:

Effective Date:

CC Regular Session**4. 7.****Meeting Date:** 11/13/2012**By:** Diana Lund, Finance

Information**Title:**

Introduce Ordinance for 2013 Schedule of Rates, Fees and Charges

Background:

Effective June 30, 1991, Ordinance #91-08 amended S7.01.10 of the City Code to allow the City Council to annually set fees.

Attached is the proposed 2013 Schedule of Rates, Fees and Charges. The attached schedule shows most fees remaining constant with those adopted in 2012.

Most changes are within the utility section. The sewer and water connection rates have been reduced to reflect the recommendation of the Comprehensive Sewer and Water study that was prepared and adopted in the late spring of this year.

The proposed 2013 schedule was presented at a worksession on October 9, 2012 and the recommendation was to bring forward as is for adoption in November.

The 2013 schedule will become effective January 1, 2013.

Council Action:

Introduce Ordinance #12-XX - 2013 Schedule of Rates, Fees and Charges.

Attachments2013 Schedule of Proposed Fees & ChargesOrd 2013 Rates & Fees

Form Review**Inbox**

Kurt Ulrich

Reviewed By

Kurt Ulrich

Date

11/07/2012 05:15 PM

Form Started By: Diana Lund

Started On: 11/02/2012 02:00 PM

Final Approval Date: 11/07/2012

CITY OF RAMSEY
2013 PROPOSED SCHEDULE OF RATES, FEES AND CHARGES

SERVICE OR LICENSE	SPECIAL NOTES	2012 Adopted	2013 Proposed
Administrative Hearings/Citations/Abate			
Administrative Citation: Abatement Fee		25% of cost of abatement or \$750, whichever is less	25% of cost of abatement or \$750, whichever is less
Administrative Citation: Violations of 10 - Animals		25.00	25.00
Administrative Citation: Violations of 26 - Rental Property		75.00	75.00
	2nd offense w/in 12 months	250.00	250.00
	3rd offense w/in 12 months	500.00	500.00
Administrative Citation: Violations of 30 - Public Nuisance		75.00	75.00
	1st offense after failure to abate within 14 days	250.00	250.00
	2nd offense w/in 12 months	500.00	500.00
	3rd offense w/in 12 months	75.00	75.00
Administrative Citation: Violations of 42 - Dump Garbage/Refuse		250.00	250.00
	2nd offense w/in 12 months	500.00	500.00
	3rd offense w/in 12 months	25.00	25.00
Administrative Citation: Violations of 54 - Prohibited Parking		75.00	75.00
Administrative Citation: Violations of 54 - Recreational Vehicles		250.00	250.00
	2nd offense w/in 12 months	500.00	500.00
	3rd offense w/in 12 months	25.00	25.00
Administrative Citation: Violations of 54 - Time Zone Parking		75.00	75.00
Administrative Citation: Violations of 105 - Construction		250.00	250.00
	2nd offense w/in 12 months	500.00	500.00
	3rd offense w/in 12 months	75.00	75.00
Administrative Citation: Violations of 105 - Exterior Completion		250.00	250.00
	2nd offense w/in 12 months	500.00	500.00
	3rd offense w/in 12 months	75.00	75.00
Administrative Citation: Violations of 105 - No Permit		250.00	250.00
	2nd offense w/in 12 months	500.00	500.00
	3rd offense w/in 12 months	75.00	75.00
Administrative Citation: Violations of 105 - Property Identification		250.00	250.00
	2nd offense w/in 12 months	500.00	500.00
	3rd offense w/in 12 months	75.00	75.00
Administrative Citation: Violations of 113 - Sewage		250.00	250.00
	2nd offense w/in 12 months	500.00	500.00
	3rd offense w/in 12 months	25.00	25.00
Administrative Citation: Violations of 117 - Off Street Parking		75.00	75.00
Administrative Citation: Violations of 117 - Signs		250.00	250.00
	2nd offense w/in 12 months	500.00	500.00
	3rd offense w/in 12 months	75.00	75.00
Administrative Citation: Violations of 117 - Landscaping		250.00	250.00
	2nd offense w/in 12 months	500.00	500.00
	3rd offense w/in 12 months	250.00	250.00
Administrative Hearing: Filing Fee		250.00	250.00

CITY OF RAMSEY
2013 PROPOSED SCHEDULE OF RATES, FEES AND CHARGES

SERVICE OR LICENSE	SPECIAL NOTES	2012 Adopted	2013 Proposed
Alcoholic Beverages			
3.2 beer off-sale		100.00	100.00
3.2 beer on-sale		200.00	200.00
Change of Name-Liquor Establishment		50.00	50.00
Liquor license investigation fee	Corporate	500.00	500.00
	Partnership	500.00	500.00
	Sole Proprietor	500.00	500.00
Liquor off-sale		380.00	380.00
	Texas Payment System; License Reduced by:		
	\$100-More State Sales Conditions		
	\$100-Purchase/Utility ID Technology		
Liquor on-sale		500.00	500.00
Liquor on-sale Sunday		200.00	200.00
Wine license investigation fee	Corporate	500.00	500.00
	Partnership	500.00	500.00
	Sole Proprietor	500.00	500.00
Wine on-sale		1,000.00	1,000.00
2 day closing (optional)		300.00	300.00
Amusement & Commercial Recreation			
Temporary Amusement Center (Carnivals, Circus)		250.00	250.00
Low risk gambling investigation fee - New applicant only	Limit \$100.00	100.00	100.00
Low risk gambling investigation fee - Single Events		50.00	50.00
Fire Works, Sales-Business selling only fireworks	Ordinance Adopted 6/11/02	350.00	350.00
Fire Works, Sales-Retail Sellers		100.00	100.00
Parade Permit		100.00	100.00
Special Events - Ex: Music festival, performing arts, parades, carnivals, SK Ruff	Including Clean Up Fees, Electrical Inspection Fees etc. determined per event by CC + Staff Time @ 2.30* wage/hour	\$50 Application fee + License Fee to be determined per event by CC + Staff Time @ 2.30* wage/hour	\$50 Application fee + License Fee to be determined per event by CC + Staff Time @ 2.30* wage/hour
All Other Misc Permit/Licenses		\$50 Admin fee + Staff time @ 2.30/hr if needed	\$50 Admin fee + Staff time @ 2.30/hr if needed
Building Construction			
Administrative Fee-Process Returned Bid Permits		25.00	25.00
Basement Finish	Cover 3 trips	141.00	141.00
Building permit		1997 UBC Table 1A	1997 UBC Table 1A
Building plan check (65% of bid, permit) 1997 UBC Table 1A		65% of Bid, Permit Fee	65% of Bid, Permit Fee
Plan Check Fee for Duplicate Plans		25% of Bid, Permit Fee	25% of Bid, Permit Fee
Plan Check Fee for Accessory Structures	Garages, Remodels, Additions, etc.	65% of Bid, Permit Fee	65% of Bid, Permit Fee
Plan Check Fee for changes, additions, or revisions to plans		47.00/hr/Minimum 1 hr	47.00/hr/Minimum 1 hr
Air Conditioner Replacement		47.00	47.00
Deck Permit		94.00	94.00
Demo Permit		94.00	94.00
Electrical Permit Fee		Per Attached Sheet	Per Attached Sheet
Erosion Control Easement	State Required	1500.00	1500.00
Fence Permit	Over 6 feet in height	LMC Fee Table	LMC Fee Table
Fireplace Permit	Cover 2 trips	94.00	94.00
Furnace Replacement		47.00	47.00
Inspections-After Hours/Weekend		70.50/hr/minimum 2 hr	70.50/hr/minimum 2 hr
Investigation Fee	Work Sented Without a Permit	Equal to Permit Fee	Equal to Permit Fee

CITY OF RAMSEY

SERVICE OR LICENSE		SPECIAL NOTES		2012 Adopted	2013 Proposed
	Gas Water Heater Replacement			47.00	47.00
	Lawn Irrigation-Residential		Cover 1 trip	47.00	47.00
	Lawn Irrigation-Commercial (Muni)			60.00	60.00
	Mechanical Permit-Residential		New Construction	150.00	150.00
			Remodel/Addition	94.00	94.00
	Mechanical permit-Commercial		New Construction	1% of Job Value/Minimum \$200.00	1% of Job Value/Minimum \$200.00
			Remodel/Addition	1% of Job Value/Minimum \$100.00	1% of Job Value/Minimum \$100.00
	Plan Check fee (65% of commercial mechanical permit)			65% of Comm Mech Permit fee	65% of Comm Mech Permit fee
	Moving Structure Permit			94.00	94.00
	Moving Structure Permit Site Inspection			94.00	94.00
	Mobile Home Tie Down			45.00	45.00
	Mobile Home Water Hookup			60.00	60.00
	Outside Consultants-Plan check and/or inspections		All administrative and Overhead Costs	Actual Costs	Actual Costs
	Permit/Inspection Coord./Replacement or Duplicate			5.00	5.00
	Plumbing permit- Residential/Single Family		New Construction	200.00	200.00
			Remodel/Addition	94.00	94.00
	Plumbing permit- Commercial		New Construction	1% of Job Value/Minimum \$300.00	1% of Job Value/Minimum \$300.00
			Remodel/Addition	1% of Job Value/Minimum \$150.00	1% of Job Value/Minimum \$150.00
	Re-inspection Fees		Cover 2 trips	47.00 per trip	47.00 per trip
	Re-Roofing/Shingling Permit-Residential			94.00	94.00
	Re-Roofing/Shingling Permit-Commercial/Multi-Family			LMC Fee Table	LMC Fee Table
	Re-Siding Permit		Cover 2 trips	94.00	94.00
	Replacement Windows		Residential/perm inspection	94.00	94.00
	Septic system permit-residential			150.00	150.00
	Septic system permit-commercial			250.00	250.00
	Septic Tank Installation Permit-Residential			150.00	150.00
	Service Availability Charge (SAC)		[current MCES rates]	2,365.00	2,435.00
	SAC Handling Fee - per address			25.00	25.00
	Septic Tank Pumping Permit			10.00	10.00
	Sewer permit (Utility Connection)-Residential			75.00	75.00
	Sewer permit (Utility Connection)-Commercial			2% of Job Value/Minimum \$250.00	2% of Job Value/Minimum \$250.00
	Site Evaluation Fee			45.00	45.00
	Swimming pool permit			125.00	125.00
	Vacuum Breaker Verification for Irrigation System (RPZ)-Residential			47.00	47.00
	Vacuum Breaker Verification for Irrigation System (RPZ)-Commercial			60.00	60.00
	Water Availability Charge (WAC) - per address		Per 2012 Comprehensive Water System Study	1,640.00	1,148.00
	Water Softener Permit-residential		Site Specific	15.00	15.00
	Water permit (Utility Connection)-Residential			75.00	75.00
	Water permit (Utility Connection)-Commercial			2% of Job Value/Minimum \$250.00	2% of Job Value/Minimum \$250.00
	Business				
	Administrative Fee- Process Returned Business Permits			25.00	25.00
	Business Registration Certificate (BRC)		Original Application	30.00	30.00
	Contractor License		All Contractors	50.00	50.00
	Garbage & refuse hauler			50.00	50.00
	Graveling sales			250.00	250.00
	License Late Fee			15% of license fee/month	15% of license fee/month

CITY OF RAMSEY
2013 PROPOSED SCHEDULE OF RATES, FEES AND CHARGES

SERVICE OR LICENSE	SPECIAL NOTES	2012 Adopted	2013 Proposed
Motor vehicle sales/rental		175.00	175.00
Multiple dwelling/Residential Rental		75.00/unit	75.00/unit
Pawn broker/Precious Metals		4,000.00	4,000.00
Transaction Fee-Pawnbroker enters		1.35/per transaction	1.35/per transaction
Transaction Fee-Store Entered		2.10/per transaction	2.10/per transaction
Pawn broker investigation fee		500.00	500.00
Out-of-state investigation		1,500.00	1,500.00
In-state investigation		500.00	500.00
Second Hand Dealer investigation fee		500.00	500.00
Out-of-state investigation		1,500.00	1,500.00
Transient merchant/pediatric solicitor		100 + 35 per person backgrounded	100 + 35 per person backgrounded
City Financing			
Interest rate charge - non-bonded programs		UST fees, rates as of 9/1	UST fees, rates as of 2 points
Bonded projects will be dependent upon interest rates being paid			
Equipment Rental/When Available			
Chipper (Sitting see PW Maintenance Worker below)		Per Fema Schedule of Equipment Rates + staffing	45.50/hr
Water Truck (Sitting see PW Maintenance Worker below)		Per Fema Schedule of Equipment Rates + staffing	42.00/hr
Loader (Sitting see PW Maintenance Worker below)		Per Fema Schedule of Equipment Rates + staffing	70.00/hr
Motor grader (Sitting see PW Maintenance Worker below)		Per Fema Schedule of Equipment Rates + staffing	70.00/hr
Art Equipment Rental not listed above		Per Fema Schedule of Equipment Rates + staffing	Per FEMA schedule
Public Works Maintenance Worker			2.30 x wage/hr
Portable Toilet			Actual Cost
Facility Use			
Amnuna Lease - City Owned Property (PDS towers)		Per Individual Agreement	Per Individual Agreement
Concession stand/pavilion/melter per day/event - residents		Includes 7.125% sales tax	35.00
Concession stand/pavilion/melter per day/event - non-res.		Includes 7.125% sales tax	55.00
Key deposit - per building			55.00
Soccer/baseball field maintenance - youth teams		Includes 7.125% sales tax	10.00/game
Football field maintenance - youth teams		Includes 7.125% sales tax	44.00/week
Soccer field maintenance - youth teams			
Full Size		Includes 7.125% sales tax	35.00/week
1/2 Size		Includes 7.125% sales tax	18.00/week
		Includes 7.125% sales tax	10.00/week
Field Layout Field Soccer, Football, Lacrosse			100.00
Tennis court - non-residents		Includes 7.125% sales tax	17.00
Basketball court - non-residents		Includes 7.125% sales tax	17.00
Volleyball court - non-residents		Includes 7.125% sales tax	17.00
Horseshoe pit - non-residents		Includes 7.125% sales tax	17.00
Lighted ballfield Deposit Fee			100/individual
			500/athletic organization
Lighted ballfield - residents		Includes 7.125% sales tax	14.00/hr
Lighted ballfield - non-residents		Includes 7.125% sales tax	14.00/hr + 25.00
Lights - Used By ARAA			Actual Cost
Athletic Field Marking Paint - ARAA			Actual Cost
Municipal/Park Center - Damage Deposit per event			100.00

CITY OF RAMSEY

SERVICE OR LICENSE	SPECIAL NOTES	2012 Adopted	2013 Proposed
Municipal Center per day/event - RESIDENTS			
Alexander Ramsey Room	Includes 7.125% sales tax	100.00	100.00
Lake Itasca Room		75.00	75.00
Mississippi River/Rum River or Trott Brook Room		50.00	50.00
	After Hour/Weekend Fee	95.00+54.00/hr	95.00+54.00/hr
	Audio/visual equipment use	95.00+54.00/hr	95.00+54.00/hr
Municipal Center per day/event - NON-RESIDENTS	Includes 7.125% sales tax		
Alexander Ramsey Room		125.00	125.00
Lake Itasca Room		100.00	100.00
Mississippi River/Rum River or Trott Brook Room		75.00	75.00
PACT SCHOOL FIELD MAINTENANCE	After Hour/Weekend Fee	125.00+54.00/hr	125.00+54.00/hr
	Audio/visual equipment use	125.00+54.00/hr	125.00+54.00/hr
	5% Increase per year	551.00	551.00
Park Center per day/event - residents	Includes 7.125% sales tax	95.00	95.00
Park Center per day/event - nonresidents	Includes 7.125% sales tax	125.00	125.00
Picnic Table Moving		65.00/Trip	65.00/Trip
Ramsey Amphitheater Rental:			
Resident	3-Hour Minimum	50.00	50.00
Non-Resident	3-Hour Minimum	75.00	75.00
Sports tournament damage deposit	Per Field	150.00	150.00
Sportsball tour: rental per field/per event		240.00	240.00
Warming house per day/event - residents		95.00	95.00
Warming house per day/event - non-res.		125.00	125.00
Miscellaneous			
Cemetery Plot (Trott Brook Cemetery)		700.00	700.00
Cemetery Plot Perpetual Care		200.00	200.00
Comp Plan CD		10.00	10.00
City Information-CD Formals		10.00/disc	10.00/disc
Kennel License (Administrative)	4th Dog on Property	30.00	30.00
Maps - City (28X 24)		5.00	5.00
Maps - Zoning (28 X 34)		15.00	15.00
Maps - Zoning/Address (34 X 44)		25.00	25.00
Maps-Zoning or Comp Plan (11 X 17)		6.00	6.00
Maps - Plat		10.00	10.00
Maps - Topo aerials per half section		20.00	20.00
Maps- Parks & Trails 11 X 17)		6.00	6.00
Maps - Parks & Trails (36 X 24)		15.00	15.00
Maps-Land Ward/Pondnet	With Addresses	25.00	25.00
Notary Fee	Same State	3.00	3.00
Photo copies - standard	Up to 100 pages, over 100 pages plus self time	0.25	0.25
B	Up to 100 pages, over 100 pages plus self time	0.25	0.25

CITY OF RAMSEY

[illegible]

CITY OF RAMSEY
2013 PROPOSED SCHEDULE OF RATES, FEES AND CHARGES

SERVICE OR LICENSE	SPECIAL NOTES	2012 Adopted	2013 Proposed
Special Council, HRA or Commission meeting fee		350.00	
Temporary Structure encrow		500.00	
TIF/Conduit Debt Application Fee		4000 (+ legal fee deposit)	
Vacation of easement application		200.00	
Vacation of easement encrow		300.00	
Variance application		200.00	
Variance encrow		400.00	
Zoning Permit		25.00	
Platting or Subdividing			
Address Change		175.00	
Administrative (interior lot lines) encrow		225.00	
Administrative (interior lot lines) asp.		200.00	
Major Subdivision encrow		1500.00	
Major Subdivision application		300.00	
Minor subdivision encrow		900.00	
Minor subdivision application		200.00	
Registered land survey encrow		300.00	
Registered land survey application		200.00	
Professional Services			
Administrative Fee (Project Related Activity-Staff admin)	Consultants hired for project. Ex: Hakanson Anderson	3% of contractor bill	3% of contractor bill
Attorney - municipal		At City cost	At City cost
Attorney - non-municipal		At City cost	At City cost
City Staff Services		2.30 x wage/hr	2.30 x wage/hr
Police Officer		76/hr	76/hr
Other professional /staff services		2.30 X wage/hr	2.30 X wage/hr
Public Safety			
Alarms: False (3rd offense)	In a Calendar Year	75.00	75.00
Alarms: False (4th offense)	In a Calendar Year	150.00	150.00
Alarms: False (5th offense)	In a Calendar Year	225.00	225.00
Alarms: False (6th offense)	In a Calendar Year	300.00	300.00
Car Seat Check - Non-Resident only		25.00	25.00
Clandestine Drug Labs Remediation	Recovery of Public Costs	125% of Recovery Costs (Recovery Cost + 25% admin Fee)	
Copies: Audio/Video CD/DVD		20.00	20.00
Copies: Incident/Investigative Reports	Per statute Ch1 63 sec 8 adopted 8/1/05	.25/page	.25/page
Copies: Statistical Summary Reports		5.00	5.00
Dangerous Dog License		500.00	500.00
Dog Impoundment fee		125.00+board	125.00+board
Dog Impoundment fee - If Non Licensed		145.00 +board	145.00 +board
Dog Impoundment fee (2nd offense)	w/in 12 months (+50.00 each addtl w/in 12 mo)	175.00 +board	175.00 +board
Dog license - duplicate		5.00	5.00
Dog license - male/female - 3 yr. license		20	20
Dog license - male/female neutered/spayed - 3 yr. license		10	10
Fire Prevention:			
Fire Suppression Fees:			
Permit			
Valuation based/1997 UBC Fee Table 1-A			Valuation based/1997 UBC Fee Table 1-A

CITY OF RAMSEY
2013 PROPOSED SCHEDULE OF RATES, FEES AND CHARGES

SERVICE OR LICENSE	SPECIAL NOTES	2012 Adopted	2013 Proposed
Plan Review		Minimum of 23.50 65% of permit fee	Minimum of 23.50 65% of permit fee
		\$5.00 Minimum State Surcharge	\$5.00 Minimum State Surcharge
Fire Alarm Fees: Permit			
		Valuation based/1997 UBC Fee Table 1-A	Valuation based/1997 UBC Fee Table 1-A
Plan Review		Minimum of 23.50 65% of permit fee	Minimum of 23.50 65% of permit fee
		\$5.00 Minimum State Surcharge	\$5.00 Minimum State Surcharge
Temporary Assembly/Tent Permit (Greater than 100 sq. ft.)		50.00/ per tent	50.00/ per tent
Aboveground Tank Storage		100.00/ per tank	100.00/ per tank
Underground Tank Storage		100.00/ per tank	100.00/ per tank
Fuel Tank Storage Removal		100.00/ per tank	100.00/ per tank
Daycare Inspection Fee		50.00	50.00
Permit Re-Inspection Fee		50.00	50.00
Fireworks/Pyrotechnic Display Permit		200.00	200.00
Fireworks-Retail Sale Permit-Retailer only selling fireworks			
Fireworks-Retail Sale Permit-All other retailers			
Double Permit Fee		2 x normal permit fee	2 x normal permit fee
Lock Box Fee			
Surface Mount		215.00	215.00
Recessed Box		255.00	255.00
All Others			
Fire Code Re-Inspection Fee		Actual cost + 10% Admin fee	Actual cost + 10% Admin fee
Gas Line Hit By Contractors	Effective 4-1-10	140.00	140.00
Open Burn Permits:		300.00	300.00
Open burn permit application	Residential	25.00	25.00
	Commercial	50.00	50.00
Open burn permit fire suppression escrow		500.00	500.00
Open burn permit fire suppression services		300.00/hr - min 300.00	300.00/hr - min 300.00
Illegal Burning	Effective 4-1-10	200.00	200.00
Subsequent Site Evaluations		45.00/visit	45.00/visit
Fire Service Fee:			
Disaster Assistance		300.00/hr per truck	300.00/hr per truck
Ordinance Violations		300.00/hr	300.00/hr
Victim Service Fee		300.00/hr per truck	300.00/hr per truck
Hunting Permit (Bow) per person		5.00	5.00
Hunting Permit (Shotgun) per person		5.00	5.00
Hunting Permit (Target Shooting) per person		10.00	10.00
Lessor of Goose Standing		500.00	500.00
Personal Injury Accidents/Extraction Charge for Non-Residents	Effective 4-1-10	20.00/ed	20.00/ed
Photo CD		10.00/transaction	10.00/transaction
Photo Electronic Transfer		5.00 min chg + 1.00/print	5.00 min chg + 1.00/print
Photo Prints			
Vehicle Lockout		20.00	20.00

CITY OF RAMSEY
2013 PROPOSED SCHEDULE OF RATES, FEES AND CHARGES

SERVICE OR LICENSE	SPECIAL NOTES	2012	
		Adopted	Proposed
Vehicle Storage		10.00/day	10.00/day
Reimbursements			
Miscellaneous vehicle (IRS allowable rate)	Always follow IRS adopted rate	.555/mile	.555/mile
Right-of-Way			
Permit Fee - Boring/Open Trench		\$95-\$15/Driveaway, \$20/Road Closing + \$10,000 Bond per mile	\$95-\$15/Driveaway, \$20/Road Closing + \$10,000 Bond per mile
Boulevard Tree Replacement		\$700/Tree	\$700/Tree
Permit Fee - Overhead		\$75+\$1.05/linear foot	\$75+\$1.05/linear foot
Street and Traffic Charges			
Developer contribution:			
street and/or traffic signs	Developer Installed	25.00/sq yard	25.00/sq yard
Bituminous Paving/Patching		Price + Tax	Price + Tax
Culverts		74.00/Hr	74.00/Hr
Street Sweeping: Equipment Only:	Per FEMA Schedule of Equipment Rates		
Tobacco			
Cigarette Sales (vending and over-the counter)		250.00	250.00
Cigarette Sales with age verification technology		150.00	150.00
UTILITY RATES			
Assessment Charge for Unpaid Items Assessed	Administration fee	\$75/ACCT	\$75/ACCT
Interest Rate on Unpaid Items Assessed		10%	10%
Penalty/late payment	Penalty due on current billing		
Recycling Rates			
Residential Curbside Program regular	Per Ace Contract	8.85/yr	8.85/yr
Sewer Rates			
Residential/Single dwelling usage fee/yr	Per 2012 Comprehensive Water System Study	66.79	66.79
Multi-family (apt) & commercial usage fee/yr		66.79-2.89/1000 gal. in excess of 20,000 gal.	66.79-2.89/1000 gal. in excess of 20,000 gal.
Connection charges, equivalent	Per 2012 Comprehensive Water System Study	1,271.00	1,099.00
Connection charges, commercial/ind.	Per 2012 Comprehensive Water System Study	3,824.00	3,308.00
Lateral Benefit Charges	Per 2012 Comprehensive Water System Study	3,847.00	3,328.00
Street Lights			
Developer contribution:			
Installation of Cobra street light		1300.00/light	1300.00/light
traditional subdivision street light (w/100 ft or wire)	Developer Installed	\$2,600/light	\$2,600/light
New ROW COR Lights		\$294/light	\$294/light
street light O & M 3 year @ \$98/yr			
Residential billing:			
urban subdivision street light rate per lot (>7/92)		9.01/yr	9.01/yr
rural subdivision street light rate per lot		14.85/yr	14.85/yr
priority street light rate per residential lot		1.37/yr	1.37/yr

CITY OF RAMSEY

2013 Proposed	
10.03/ gqr	
40.12/REU/ gqr	
448.00	
4,465.00	
35.70	
	\$2.38 per 1,000 for 1st 15,000 gallons
	\$2.47 per 1,000 for 15,001-25,000
	\$2.55 per 1,000 for 25,001-40,000
	\$2.70 per 1,000 for 40,001-60,000
	\$2.91 per 1,000 for 60,001-99,000
	\$3.22 per 1,000 for 99,001-201,000
	\$3.85 per 1,000 for 201,001 and above
	Written Warning & Registered Letter
50.00	
100.00	
	Water Services turned off
\$75/ gqr	
140.00	
65.00	
275.00	
45.00	
Cost plus 5%	
100.00	
150.00	
150.00	
500.00	
750.00	
1,538.00	
5,835.00	
6,143.00	

FEMA's SCHEDULE OF EQUIPMENT RATES

DEPARTMENT OF HOMELAND SECURITY FEDERAL EMERGENCY MANAGEMENT AGENCY RECOVERY DIRECTORATE PUBLIC ASSISTANCE DIVISION WASHINGTON, D.C. 20472

The rates on this Schedule of Equipment Rates are for applicant-owned equipment in good mechanical condition, complete with all required attachments. Each rate covers all costs eligible under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121, et seq., for ownership and operation of equipment, including depreciation, overhead, all maintenance, field repairs, fuel, lubricants, tires, OSHA equipment and other costs incidental to operation. Standby equipment costs are not eligible.

Equipment must be in actual operation performing eligible work in order for reimbursement to be eligible. LABOR COSTS OF OPERATOR ARE NOT INCLUDED in the rates and should be approved separately from equipment costs.

Information regarding the use of the Schedule is contained in 44 CFR § 206.228 Allowable Costs. Rates for equipment not listed will be furnished by FEMA upon request. Any appeals shall be in accordance with 44 CFR § 206.208 Appeals.

THESE RATES ARE APPLICABLE TO MAJOR DISASTERS AND EMERGENCIES DECLARED BY THE PRESIDENT ON OR AFTER SEPTEMBER 15, 2010.

Cost Code	Equipment	Specification	Capacity/Size	HP	Notes	Unit	Rate
8490	Aerial Lift, Self-Propelled	Max. Platform Height	37 ft	to 15	Articulated, Telescoping, Scissor.	hour	\$8.25
8491	Aerial Lift, Self-Propelled	Max. Platform Height	60 ft	to 30	Articulated, Telescoping, Scissor.	hour	\$12.25
8492	Aerial Lift, Self-Propelled	Max. Platform Height	70 ft	to 50	Articulated, Telescoping, Scissor.	hour	\$21.00
8493	Aerial Lift, Self-Propelled	Max. Platform Height	125 ft	to 85	Articulated and Telescoping.	hour	\$55.00
8494	Aerial Lift, Self-Propelled	Max. Platform Height	150 ft	to 130	Articulated and Telescoping.	hour	\$67.00
8486	Aerial Lift, Truck Mntd	Max. Platform Height	40 ft		Articulated and Telescoping. Add to Truck rate for total rate.	hour	\$6.75
8487	Aerial Lift, Truck Mntd	Max. Platform Height	61 ft		Articulated and Telescoping. Add to Truck rate for total rate.	hour	\$12.25
8488	Aerial Lift, Truck Mntd	Max. Platform Height	80 ft		Articulated and Telescoping. Add to Truck rate for total rate.	hour	\$23.50
8489	Aerial Lift, Truck Mntd	Max. Platform Height	100 ft		Articulated and Telescoping. Add to Truck rate for total rate.	hour	\$34.00
8010	Air Compressor	Air Delivery	41 cfm	to 10	Hoses Included.	hour	\$1.50
8011	Air Compressor	Air Delivery	103 cfm	to 30	Hoses Included.	hour	\$7.00
8012	Air Compressor	Air Delivery	130 cfm	to 50	Hoses Included.	hour	\$9.25
8013	Air Compressor	Air Delivery	175 cfm	to 90	Hoses Included.	hour	\$20.00
8014	Air Compressor	Air Delivery	400 cfm	to 145	Hoses Included.	hour	\$27.50
8015	Air Compressor	Air Delivery	575 cfm	to 230	Hoses Included.	hour	\$45.50
8016	Air Compressor	Air Delivery	1100 cfm	to 355	Hoses Included.	hour	\$61.00
8017	Air Compressor	Air Delivery	1600 cfm	to 500	Hoses Included.	hour	\$80.00
8040	Ambulance			to 150		hour	\$25.50
8041	Ambulance			to 210		hour	\$32.50
8060	Auger, Portable	Hole Diameter	18 in	to 6		hour	\$1.30
8061	Auger, Portable	Hole Diameter	18 in	to 13		hour	\$3.50
8062	Auger, Tractor Mntd	Max. Auger Diameter	36 in	to 13	Includes digger, boom and mounting hardware. Add to Tractor rate for total rate.	hour	\$1.30
8063	Auger, Truck Mntd	Max. Auger Size	24 in	to 100	Includes digger, boom and mounting hardware. Add to Truck rate for total rate.	hour	\$29.00
8070	Automobile			to 130	Transporting people.	mile	\$0.50
8071	Automobile			to 130	Transporting cargo.	hour	\$13.00
8072	Automobile, Police			to 250	Patrolling.	mile	\$0.60
8073	Automobile, Police			to 250	Stationary with engine running.	hour	\$16.25
8110	Barge, Deck	Size	50'x35'x7.25'			hour	\$34.00
8111	Barge, Deck	Size	50'x35'x9'			hour	\$49.00
8112	Barge, Deck	Size	120'x45'x10'			hour	\$60.00
8113	Barge, Deck	Size	160'x45'x11'			hour	\$75.00
8050	Board, Arrow			to 8	Trailer Mounted.	hour	\$3.15
8051	Board, Message			to 5	Trailer Mounted.	hour	\$8.50
8133	Boat, Push	Size	45'x21'x6'	to 435	Flat hull.	hour	\$150.00
8134	Boat, Push	Size	54'x21'x8'	to 525	Flat hull.	hour	\$200.00
8135	Boat, Push	Size	58'x24'x7.5'	to 705	Flat hull.	hour	\$250.00
8136	Boat, Push	Size	64'x25'x8'	to 870	Flat hull.	hour	\$300.00

FEMA's SCHEDULE OF EQUIPMENT RATES

Cost Code	Equipment	Specification	Capacity/Size	HP	Notes	Unit	Rate
8130	Boat, Row				Heavy duty.	hour	\$0.85
8131	Boat, Runabout	Size	13'x5'	to 50	Outboard.	hour	\$14.00
8132	Boat, Tender	Size	14'x7'	to 100	Inboard with 360 degree drive.	hour	\$28.00
8120	Boat, Tow	Size	55'x20'x5'	to 870	Steel.	hour	\$250.00
8121	Boat, Tow	Size	60'x21'x5'	to 1050	Steel.	hour	\$300.00
8122	Boat, Tow	Size	70'x30'x7.5'	to 1350	Steel.	hour	\$450.00
8123	Boat, Tow	Size	120'x34'x8'	to 2000	Steel.	hour	\$830.00
8140	Boat, Tug	Length	16 ft	to 100		hour	\$33.50
8141	Boat, Tug	Length	18 ft	to 175		hour	\$53.00
8142	Boat, Tug	Length	26 ft	to 250		hour	\$85.00
8143	Boat, Tug	Length	40 ft	to 380		hour	\$150.00
8144	Boat, Tug	Length	51 ft	to 700		hour	\$225.00
8419	Breaker, Pavement, Hand-Held	Weight	25-90 lb			hour	\$0.65
8420	Breaker, Pavement			to 70		hour	\$31.25
8150	Broom, Pavement	Broom Length	72 in	to 35		hour	\$12.30
8151	Broom, Pavement	Broom Length	96 in	to 100		hour	\$19.75
8153	Broom, Pavement, Mntd	Broom Length	72 in	to 18	Add to Prime Mover rate for total rate.	hour	\$8.00
8154	Broom, Pavement, Pull	Broom Length	84 in	to 20	Add to Prime Mover rate for total rate.	hour	\$10.25
8270	Bucket, Clamshell	Capacity	1.0 cy		Includes teeth. Does not include Clamshell & Dragline.	hour	\$3.60
8271	Bucket, Clamshell	Capacity	2.5 cy		Includes teeth. Does not include Clamshell & Dragline.	hour	\$8.75
8272	Bucket, Clamshell	Capacity	5.0 cy		Includes teeth. Does not include Clamshell & Dragline.	hour	\$11.25
8273	Bucket, Clamshell	Capacity	7.5 cy		Includes teeth. Does not include Clamshell & Dragline.	hour	\$14.50
8275	Bucket, Dragline	Capacity	2.0 cy		Does not include Clamshell & Dragline.	hour	\$2.90
8276	Bucket, Dragline	Capacity	5.0 cy		Does not include Clamshell & Dragline.	hour	\$6.60
8277	Bucket, Dragline	Capacity	10 cy		Does not include Clamshell & Dragline.	hour	\$10.50
8278	Bucket, Dragline	Capacity	14 cy		Does not include Clamshell & Dragline.	hour	\$13.50
8180	Bus			to 150		hour	\$20.00
8181	Bus			to 210		hour	\$23.00
8182	Bus			to 300		hour	\$27.00
8190	Chain Saw	Bar Length	16 in			hour	\$1.75
8191	Chain Saw	Bar Length	25 in			hour	\$3.20
8192	Chain Saw, Pole	Bar Size	18 in			hour	\$1.60
8200	Chipper, Brush	Chipping Capacity	6 in	to 35	Trailer Mounted.	hour	\$7.50
8201	Chipper, Brush	Chipping Capacity	9 in	to 65	Trailer Mounted.	hour	\$16.00
8202	Chipper, Brush	Chipping Capacity	12 in	to 100	Trailer Mounted.	hour	\$21.75
8203	Chipper, Brush	Chipping Capacity	15 in	to 125	Trailer Mounted.	hour	\$30.75
8204	Chipper, Brush	Chipping Capacity	18 in	to 200	Trailer Mounted.	hour	\$45.50
8210	Clamshell & Dragline, Crawler		149,999 lb	to 235	Bucket not included in rate.	hour	\$86.00
8211	Clamshell & Dragline, Crawler		250,000 lb	to 520	Bucket not included in rate.	hour	\$121.00
8212	Clamshell & Dragline, Truck			to 240	Bucket not included in rate.	hour	\$130.00
8712	Cleaner, Sewer/Catch Basin	Hopper Capacity	5 cy		Truck Mounted. Add to Truck rate for total rate.	hour	\$16.00
8713	Cleaner, Sewer/Catch Basin	Hopper Capacity	14 cy		Truck Mounted. Add to Truck rate for total rate.	hour	\$21.50
8220	Compactor			to 10		hour	\$11.00
8221	Compactor, Towed, Vibratory Drum			to 45		hour	\$17.50
8222	Compactor, Vibratory, Drum			to 75		hour	\$25.00
8223	Compactor, Pneumatic, Wheel			to 100		hour	\$29.00
8225	Compactor, Sanitation			to 300		hour	\$98.00
8226	Compactor, Sanitation			to 400		hour	\$163.00
8227	Compactor, Sanitation			to 535		hour	\$225.00
8228	Compactor, Towed, Pneumatic, Wheel		10000 lb		Add to Prime Mover rate for total rate.	hour	\$7.50

FEMA's SCHEDULE OF EQUIPMENT RATES

Cost Code	Equipment	Specification	Capacity/Size	HP	Notes	Unit	Rate
8229	Compactor, Towed, Drum Static		20000 lb		Add to Prime Mover rate for total rate.	hour	\$12.25
8500	Crane	Max. Lift Capacity	8 MT	to 80		hour	\$27.00
8501	Crane	Max. Lift Capacity	15 MT	to 150		hour	\$55.00
8502	Crane	Max. Lift Capacity	50 MT	to 200		hour	\$95.00
8503	Crane	Max. Lift Capacity	70 MT	to 300		hour	\$155.00
8504	Crane	Max. Lift Capacity	110 MT	to 350		hour	\$220.00
8496	Crane, Truck Mntd	Max. Lift Capacity	24000 lb		Add to Truck rate for total rate.	hour	\$10.00
8497	Crane, Truck Mntd	Max. Lift Capacity	36000 lb		Add to Truck rate for total rate.	hour	\$18.00
8498	Crane, Truck Mntd	Max. Lift Capacity	60000 lb		Add to Truck rate for total rate.	hour	\$30.00
8195	Cutter, Brush	Cutter Size	8 ft	to 150		hour	\$90.00
8196	Cutter, Brush	Cutter Size	8 ft	to 190		hour	\$100.00
8197	Cutter, Brush	Cutter Size	10 ft	to 245		hour	\$120.00
8670	Derrick, Hydraulic Digger	Max. Boom Length	60 ft		Includes hydraulic pole alignment attachment. Add to Truck rate.	hour	\$21.00
8671	Derrick, Hydraulic Digger	Max. Boom Length	90 ft		Includes hydraulic pole alignment attachment. Add to Truck rate.	hour	\$39.00
8580	Distributor, Asphalt	Tank Capacity	500 gal		Insulated tank, and circulating spray bar.	hour	\$12.00
8581	Distributor, Asphalt	Tank Capacity	1000 gal		Truck Mounted. Includes burners, insulated tank, and circulating spray bar. Add to Truck rate.	hour	\$13.00
8582	Distributor, Asphalt	Tank Capacity	4000 gal		Truck Mounted. Includes burners, insulated tank, and circulating spray bar. Add to Truck rate.	hour	\$25.00
8250	Dozer, Crawler			to 75		hour	\$31.00
8251	Dozer, Crawler			to 105		hour	\$40.00
8252	Dozer, Crawler			to 160		hour	\$65.00
8253	Dozer, Crawler			to 250		hour	\$80.00
8254	Dozer, Crawler			to 360		hour	\$135.00
8255	Dozer, Crawler			to 565		hour	\$250.00
8256	Dozer, Crawler			to 850		hour	\$340.00
8260	Dozer, Wheel			to 300		hour	\$55.00
8261	Dozer, Wheel			to 400		hour	\$110.00
8262	Dozer, Wheel			to 500		hour	\$150.00
8263	Dozer, Wheel			to 625		hour	\$200.00
8280	Excavator, Hydraulic	Bucket Capacity	0.5 cy	to 45	Crawler, Truck & Wheel. Includes bucket.	hour	\$18.00
8281	Excavator, Hydraulic	Bucket Capacity	1.0 cy	to 90	Crawler, Truck & Wheel. Includes bucket.	hour	\$39.00
8282	Excavator, Hydraulic	Bucket Capacity	1.5 cy	to 160	Crawler, Truck & Wheel. Includes bucket.	hour	\$65.00
8283	Excavator, Hydraulic	Bucket Capacity	2.5 cy	to 265	Crawler, Truck & Wheel. Includes bucket.	hour	\$120.00
8284	Excavator, Hydraulic	Bucket Capacity	4.5 cy	to 420	Crawler, Truck & Wheel. Includes bucket.	hour	\$200.00
8285	Excavator, Hydraulic	Bucket Capacity	7.5 cy	to 650	Crawler, Truck & Wheel. Includes bucket.	hour	\$240.00
8286	Excavator, Hydraulic	Bucket Capacity	12 cy	to 1000	Crawler, Truck & Wheel. Includes bucket.	hour	\$400.00
8240	Feeder, Grizzly			to 35		hour	\$17.00
8241	Feeder, Grizzly			to 55		hour	\$30.00
8242	Feeder, Grizzly			to 75		hour	\$44.00
8300	Fork Lift	Capacity	6000 lb	to 60		hour	11.75
8301	Fork Lift	Capacity	12000 lb	to 90		hour	\$17.00
8302	Fork Lift	Capacity	18000 lb	to 140		hour	\$23.00
8303	Fork Lift	Capacity	50000 lb	to 215		hour	\$50.00
8310	Generator	Prime Output	5.5 kW	to 10		hour	\$3.25
8311	Generator	Prime Output	16 kW	to 25		hour	\$8.00
8312	Generator	Prime Output	43 kW	to 65		hour	\$17.00
8313	Generator	Prime Output	100 kW	to 125		hour	\$34.00
8314	Generator	Prime Output	150 kW	to 240		hour	\$50.00
8315	Generator	Prime Output	210 kW	to 300		hour	\$60.00
8316	Generator	Prime Output	280 kW	to 400		hour	\$85.00

FEMA's SCHEDULE OF EQUIPMENT RATES

Cost Code	Equipment	Specification	Capacity/Size	HP	Notes	Unit	Rate
8317	Generator	Prime Output	350 kW	to 500		hour	\$95.00
8318	Generator	Prime Output	530 kW	to 750		hour	\$150.00
8319	Generator	Prime Output	710 kW	to 1000		hour	\$200.00
8320	Generator	Prime Output	1100 kW	to 1500		hour	\$375.00
8321	Generator	Prime Output	2500 kW	to 3000		hour	\$500.00
8755	Golf Cart	Capacity	2 person			hour	\$3.20
8330	Graders	Moldboard Size	10 ft	to 110	Includes Rigid and Articulate	hour	\$34.50
8331	Graders	Moldboard Size	12 ft	to 150	Includes Rigid and Articulate	hour	\$58.00
8332	Graders	Moldboard Size	14 ft	to 225	Includes Rigid and Articulate	hour	\$70.00
8350	Hose, Discharge	Diameter	3 in		Per 25 foot length. Includes couplings.	hour	\$0.13
8351	Hose, Discharge	Diameter	4 in		Per 25 foot length. Includes couplings.	hour	\$0.19
8352	Hose, Discharge	Diameter	6 in		Per 25 foot length. Includes couplings.	hour	\$0.50
8353	Hose, Discharge	Diameter	8 in		Per 25 foot length. Includes couplings.	hour	\$0.75
8354	Hose, Discharge	Diameter	12 in		Per 25 foot length. Includes couplings.	hour	\$1.35
8355	Hose, Discharge	Diameter	16 in		Per 25 foot length. Includes couplings.	hour	\$2.20
8356	Hose, Suction	Diameter	3 in		Per 25 foot length. Includes couplings.	hour	\$0.23
8357	Hose, Suction	Diameter	4 in		Per 25 foot length. Includes couplings.	hour	\$0.43
8358	Hose, Suction	Diameter	6 in		Per 25 foot length. Includes couplings.	hour	\$0.80
8359	Hose, Suction	Diameter	8 in		Per 25 foot length. Includes couplings.	hour	\$1.35
8360	Hose, Suction	Diameter	12 in		Per 25 foot length. Includes couplings.	hour	\$2.45
8361	Hose, Suction	Diameter	16 in		Per 25 foot length. Includes couplings.	hour	\$3.90
8517	Jackhammer (Dry)	Weight Class	25-45 lb			hour	\$1.00
8518	Jackhammer (Wet)	Weight Class	30-55 lb			hour	\$1.15
8380	Loader, Crawler	Bucket Capacity	0.5 cy	to 32	Includes bucket.	hour	\$11.50
8381	Loader, Crawler	Bucket Capacity	1 cy	to 60	Includes bucket.	hour	\$19.00
8382	Loader, Crawler	Bucket Capacity	2 cy	to 118	Includes bucket.	hour	\$42.00
8383	Loader, Crawler	Bucket Capacity	3 cy	to 178	Includes bucket.	hour	\$78.00
8384	Loader, Crawler	Bucket Capacity	4 cy	to 238	Includes bucket.	hour	\$115.00
8540	Loader, Skid-Steer	Operating Capacity	1000 lb	to 35		hour	\$11.00
8541	Loader, Skid-Steer	Operating Capacity	2000 lb	to 65		hour	\$18.00
8542	Loader, Skid-Steer	Operating Capacity	3000 lb	to 85		hour	\$22.00
8401	Loader, Tractor, Wheel			to 81		hour	\$25.00
8390	Loader, Wheel	Bucket Capacity	0.5 cy	to 38		hour	\$15.50
8391	Loader, Wheel	Bucket Capacity	1 cy	to 60		hour	\$21.50
8392	Loader, Wheel	Bucket Capacity	2 cy	to 105		hour	\$28.75
8393	Loader, Wheel	Bucket Capacity	3 cy	to 152		hour	\$40.00
8394	Loader, Wheel	Bucket Capacity	4 cy	to 200		hour	\$52.00
8395	Loader, Wheel	Bucket Capacity	5 cy	to 260		hour	\$68.00
8396	Loader, Wheel	Bucket Capacity	6 cy	to 305		hour	\$82.00
8397	Loader, Wheel	Bucket Capacity	7 cy	to 360		hour	\$95.00
8398	Loader, Wheel	Bucket Capacity	8 cy	to 530		hour	\$140.00
8570	Loader-Backhoe, Wheel	Loader Bucket Capacity	0.5 cy	to 40	Loader and Backhoe Buckets Included.	hour	\$14.75
8571	Loader-Backhoe, Wheel	Loader Bucket Capacity	1 cy	to 70	Loader and Backhoe Buckets Included.	hour	\$23.50
8572	Loader-Backhoe, Wheel	Loader Bucket Capacity	1.5 cy	to 95	Loader and Backhoe Buckets Included.	hour	\$33.00
8573	Loader-Backhoe, Wheel	Loader Bucket Capacity	1.75 cy	to 115	Loader and Backhoe Buckets Included.	hour	\$38.00
8410	Mixer, Concrete Portable	Batching Capacity	10 cft			hour	\$3.25
8411	Mixer, Concrete Portable	Batching Capacity	12 cft			hour	\$4.25
8412	Mixer, Concrete, Trailer Mntd	Batching Capacity	11 cft	to 10		hour	\$8.75
8413	Mixer, Concrete, Trailer Mntd	Batching Capacity	16 cft	to 25		hour	\$15.25
8075	Motorcycle, Police					mile	\$0.35
8633	Mulcher, Trailer Mntd	Working Capacity	7 tph	to 35		hour	\$10.25
8634	Mulcher, Trailer Mntd	Working Capacity	10 tph	to 55		hour	\$15.75
8635	Mulcher, Trailer Mntd	Working Capacity	20 tph	to 120		hour	\$24.75
8430	Paver, Asphalt, Towed				Does not include Prime Mover.	hour	\$7.00
8431	Paver, Asphalt			to 50	Includes wheel and crawler equipment.	hour	\$65.00
8432	Paver, Asphalt			to 125	Includes wheel and crawler equipment.	hour	\$115.00
8433	Paver, Asphalt			to 175	Includes wheel and crawler equipment.	hour	\$125.00
8434	Paver, Asphalt			to 250	Includes wheel and crawler equipment.	hour	\$140.00
8436	Pick-up, Asphalt			to 110		hour	\$55.00
8437	Pick-up, Asphalt			to 150		hour	\$83.00
8438	Pick-up, Asphalt			to 200		hour	\$110.00
8439	Pick-up, Asphalt			to 275		hour	\$140.00
8660	Plow, Cable	Plow Depth	24 in	to 30		hour	\$10.25

FEMA's SCHEDULE OF EQUIPMENT RATES

Cost Code	Equipment	Specification	Capacity/Size	HP	Notes	Unit	Rate
8681	Plow, Cable	Plow Depth	36 in	to 65		hour	\$27.75
8682	Plow, Cable	Plow Depth	48 in	to 110		hour	\$31.75
8450	Plow, Snow, Grader Mntd	Width	to 10 ft		Add to Grader for total rate.	hour	\$16.00
8451	Plow, Snow, Grader Mntd	Width	to 14 ft		Add to Grader for total rate.	hour	\$24.00
8452	Plow, Snow, Truck Mntd	Width	to 15 ft		Add to Truck rate for total rate.	hour	\$10.75
8453	Plow, Snow, Truck Mntd	Width	to 15 ft		With leveling wing. Add to Truck rate for total rate.	hour	\$18.50
8470	Pump			to 4	Does not include Hoses.	hour	\$2.15
8471	Pump			to 6	Does not include Hoses.	hour	\$3.20
8472	Pump			to 10	Does not include Hoses.	hour	\$4.10
8473	Pump			to 15	Does not include Hoses.	hour	\$7.75
8474	Pump			to 25	Does not include Hoses.	hour	\$9.25
8475	Pump			to 40	Does not include Hoses.	hour	\$16.00
8476	Pump			to 60	Does not include Hoses.	hour	\$18.75
8477	Pump			to 95	Does not include Hoses.	hour	\$28.50
8478	Pump			to 140	Does not include Hoses.	hour	\$31.00
8479	Pump			to 200	Does not include Hoses.	hour	\$36.00
8480	Pump			to 275	Does not include Hoses.	hour	\$80.00
8481	Pump			to 350	Does not include Hoses.	hour	\$95.00
8482	Pump			to 425	Does not include Hoses.	hour	\$120.00
8483	Pump			to 500	Does not include Hoses.	hour	\$135.00
8484	Pump			to 575	Does not include Hoses.	hour	\$155.00
8485	Pump			to 650	Does not include Hoses.	hour	\$180.00
8510	Saw, Concrete	Blade Diameter	14 in	to 14		hour	\$6.00
8511	Saw, Concrete	Blade Diameter	26 in	to 35		hour	\$13.50
8512	Saw, Concrete	Blade Diameter	48 in	to 65		hour	\$23.00
8513	Saw, Rock			to 100		hour	\$30.00
8514	Saw, Rock			to 200		hour	\$80.00
8521	Scraper	Scraper Capacity	16 cy	to 250		hour	\$90.00
8522	Scraper	Scraper Capacity	23 cy	to 365		hour	\$130.00
8523	Scraper	Scraper Capacity	34 cy	to 475		hour	\$200.00
8524	Scraper	Scraper Capacity	44 cy	to 600		hour	\$240.00
8560	Snow Blower	Capacity	2,000 tph	to 400		hour	\$140.00
8561	Snow Blower	Capacity	2,500 tph	to 500		hour	\$160.00
8562	Snow Blower	Capacity	3,500 tph	to 600		hour	\$180.00
8550	Snow Blower, Truck Mntd	Capacity	600 tph	to 75	Does not include Truck.	hour	\$37.50
8551	Snow Blower, Truck Mntd	Capacity	1400 tph	to 200	Does not include Truck.	hour	\$70.00
8552	Snow Blower, Truck Mntd	Capacity	2000 tph	to 340	Does not include Truck.	hour	\$110.00
8553	Snow Blower, Truck Mntd	Capacity	2500 tph	to 400	Does not include Truck.	hour	\$120.00
8558	Snow Thrower, Walk Behind	Cutting Width	25 in	to 5		hour	\$3.25
8559	Snow Thrower, Walk Behind	Cutting Width	60 in	to 15		hour	\$7.00
8630	Sprayer, Seed	Working Capacity	750 gal	to 30	Trailer & Truck mounted. Does not include Prime Mover.	hour	\$9.75
8631	Sprayer, Seed	Working Capacity	1250 gal	to 50	Trailer & Truck mounted. Does not include Prime Mover.	hour	\$15.00
8632	Sprayer, Seed	Working Capacity	3500 gal	to 115	Trailer & Truck mounted. Does not include Prime Mover.	hour	\$25.75
8458	Spreader, Chemical	Capacity	5 cy	to 4	Trailer & Truck mounted. Does not	hour	\$4.00
8423	Spreader, Chlp	Spread Hopper Width	12.5 ft	to 152		hour	\$50.00
8424	Spreader, Chlp	Spread Hopper Width	16.5 ft	to 215		hour	\$80.00
8425	Spreader, Chlp, Mntd	Hopper Size	8 ft	to 8	Trailer & Truck mounted.	hour	\$3.30
8455	Spreader, Sand	Mounting	Tailgate, Chassis			hour	\$3.30
8456	Spreader, Sand	Mounting	Dump Body			hour	\$5.50
8457	Spreader, Sand	Mounting	Truck (10 yd)			hour	\$7.50
8440	Striper	Paint Capacity	40 gal	to 22		hour	\$8.75
8441	Striper	Paint Capacity	90 gal	to 60		hour	\$19.00
8442	Striper	Paint Capacity	120 gal	to 122		hour	\$37.00
8445	Striper, Truck Mntd	Paint Capacity	120 gal	to 460		hour	\$70.00
8446	Striper, Walk-behind	Paint Capacity	12 gal			hour	\$3.35
8157	Sweeper, Pavement			to 110		hour	\$59.00
8158	Sweeper, Pavement			to 230		hour	\$74.00
8590	Trailer, Dump	Capacity	20 cy		Does not include Prime Mover.	hour	\$8.00

FEMA's SCHEDULE OF EQUIPMENT RATES

Cost Code	Equipment	Specification	Capacity/Size	HP	Notes	Unit	Rate
8591	Trailer, Dump	Capacity	30 cy		Does not include Prime Mover.	hour	\$14.00
8600	Trailer, Equipment	Capacity	30 ton			hour	\$10.25
8601	Trailer, Equipment	Capacity	40 ton			hour	\$12.50
8602	Trailer, Equipment	Capacity	60 ton			hour	\$15.00
8603	Trailer, Equipment	Capacity	120 ton			hour	\$25.00
8640	Trailer, Office	Trailer Size	8' x 24'			hour	\$1.70
8641	Trailer, Office	Trailer Size	8' x 32'			hour	\$1.75
8642	Trailer, Office	Trailer Size	10' x 32'			hour	\$2.60
8610	Trailer, Water	Tank Capacity	4000 gal		Includes a centrifugal pump with sump and a rear spraybar.	hour	\$11.00
8611	Trailer, Water	Tank Capacity	6000 gal		Includes a centrifugal pump with sump and a rear spraybar.	hour	\$14.00
8612	Trailer, Water	Tank Capacity	10000 gal		Includes a centrifugal pump with sump and a rear spraybar.	hour	\$16.50
8613	Trailer, Water	Tank Capacity	14000 gal		Includes a centrifugal pump with sump and a rear spraybar.	hour	\$20.50
8650	Trencher			to 40	Walk-behind, Crawler & Wheel Mounted. Chain and Wheel.	hour	\$11.75
8651	Trencher			to 85	Walk-behind, Crawler & Wheel Mounted. Chain and Wheel.	hour	\$25.00
8290	Trowel, Concrete	Diameter	48 in	to 12		hour	\$4.50
8680	Truck, Concrete Mixer	Mixer Capacity	13 cy	to 300		hour	\$75.00
8720	Truck, Dump	Struck Capacity	8 cy	to 220		hour	\$35.00
8721	Truck, Dump	Struck Capacity	10 cy	to 320		hour	\$45.00
8722	Truck, Dump	Struck Capacity	12 cy	to 400		hour	\$60.00
8723	Truck, Dump	Struck Capacity	18 cy	to 400		hour	\$65.00
8724	Truck, Dump, Off	Struck Capacity	28 cy	to 450		hour	\$105.00
8690	Truck, Fire	Pump Capacity	1000 gpm			hour	\$70.00
8691	Truck, Fire	Pump Capacity	1250 gpm			hour	\$80.00
8692	Truck, Fire	Pump Capacity	1500 gpm			hour	\$85.00
8693	Truck, Fire	Pump Capacity	2000 gpm			hour	\$90.00
8694	Truck, Fire Ladder	Ladder length	75 ft			hour	\$125.00
8695	Truck, Fire Ladder	Ladder length	150 ft			hour	\$150.00
8700	Truck, Flatbed	Maximum Gvw	15000 lb	to 200		hour	\$20.00
8701	Truck, Flatbed	Maximum Gvw	25000 lb	to 275		hour	\$22.00
8702	Truck, Flatbed	Maximum Gvw	30000 lb	to 300		hour	\$25.00
8703	Truck, Flatbed	Maximum Gvw	45000 lb	to 380		hour	\$43.00
8730	Truck, Garbage	Capacity	25 cy	to 255		hour	\$47.00
8731	Truck, Garbage	Capacity	32 cy	to 325		hour	\$55.00
8800	Truck, Pickup				Transporting people.	mile	\$0.50
8801	Truck, Pickup		1/2 ton			hour	\$14.00
8802	Truck, Pickup		1 ton			hour	\$20.00
8803	Truck, Pickup		1 1/4 ton			hour	\$22.00
8804	Truck, Pickup		1 1/2 ton			hour	\$25.00
8805	Truck, Pickup		1 3/4 ton			hour	\$30.00
8790	Truck, Tractor	4 x 2	30000 lb	to 220		hour	\$32.00
8791	Truck, Tractor	4 x 2	45000 lb	to 310		hour	\$45.00
8792	Truck, Tractor	6 x 4	50000 lb	to 400		hour	\$55.00
8780	Truck, Water	Tank Capacity	2500 gal	to 175	Include pump and rear spray system.	hour	\$31.00
8781	Truck, Water	Tank Capacity	4000 gal	to 250	Include pump and rear spray system.	hour	\$42.00
8620	Tub Grinder			to 440		hour	\$85.00
8621	Tub Grinder			to 630		hour	\$120.00
8622	Tub Grinder			to 760		hour	\$150.00
8623	Tub Grinder			to 1000		hour	\$270.00
8753	Vehicle, Recreational			to 10		hour	\$3.00
8750	Vehicle, Small			to 30		hour	\$7.00
8761	Vibrator, Concrete			to 4		hour	\$1.15
8770	Welder, Portable			to 16	Includes ground cable and lead cable.	hour	\$5.00
8771	Welder, Portable			to 34	Includes ground cable and lead cable.	hour	\$11.50
8772	Welder, Portable			to 50	Includes ground cable and lead cable.	hour	\$18.00
8773	Welder, Portable			to 80	Includes ground cable and lead cable.	hour	\$22.00

**ORDINANCE #12-XX
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

AN ORDINANCE ESTABLISHING PERMIT FEES, SERVICE CHARGES, AND VARIOUS OTHER FEES TO BE COLLECTED BY THE CITY OF RAMSEY.

The City of Ramsey ordains:

SECTION 1. AUTHORITY

This ordinance is adopted pursuant to and under the authority of the Charter of the City of Ramsey.

SECTION 2. PURPOSE

Per S701.10 (Fees) the purpose of this Ordinance is to establish the Permit Fees, service Charges, and Other Fees that will be collected by the City in year 2013. This is known as the Schedule of Rates, Fees and Charges.

SECTION 3. SCHEDULE

The attached permit fees and service charges are hereby established for the year 2013.

SECTION 4. EFFECTIVE DATE

This Ordinance becomes effective 30 days after its passage and publication, subject to City Charter Section 5.04.

PASSED by the City Council of the City of Ramsey, Minnesota, the 23rd day of November, 2012.

Mayor

ATTEST:

City Clerk

Introduction date:	November 13, 2012
Posting dates:	November 13, 2012-November 27, 2012
Adoption date:	November 27, 2012
Publication date:	November 30, 2012
Effective date:	January 1, 2013

CC Regular Session**4. 8.****Meeting Date:** 11/13/2012**Submitted For:** Tim Gladhill**By:** Jo Thieling, Administrative Services

Information**Title:**

Approve Request to Declare Surplus Property

Background:

Staff is requesting Council declare the following property surplus and authorize sale of same:

1. Hewlett-Packard DesignJet 1050C Plotter. The plotter is not currently functional. The plotter is experiencing a critical software error and is not functional. HP has stated it will no longer support the equipment. The City's current printer vendor/service company may be able to fix the equipment, but the cost will likely exceed the useful life of the equipment. The 2013 budget includes funding to replace a plotter/large-format scanner. With the recent relocation of Staff, the Engineering, Planning, and Building Divisions can consolidate to one (1) plotter/large-format scanner.

Council Action:

Motion to declare the above mentioned items as surplus and authorize sale/auction of same.

Form Review

Inbox	Reviewed By	Date
Hakanson Anderson Engineering	Shane Nelson	10/26/2012 12:05 PM
Len Linton	Len Linton	10/31/2012 10:21 AM
Kurt Ulrich	Kurt Ulrich	10/31/2012 04:47 PM
Form Started By: Jo Thieling		Started On: 10/26/2012

Final Approval Date: 10/31/2012

CC Regular Session**4. 9.****Meeting Date:** 11/13/2012**By:** Jackie Lipski, Finance

Information**Title:**

Adopt Resolution #12-11-XXX Approving Cash Disbursements Made and Authorizing Payment of Accounts Payable Invoicing Received During the period of October 17, 2012 through November 7, 2012

Funding Source:

N/A

Council Action:

Motion to Adopt Resolution #12-11-XXX Approving Cash Disbursements Made and Authorizing Payment of Accounts Payable Invoicing Received During the period of October 17, 2012 through November 7, 2012.

AttachmentsBills List 11132012Resolution 11132012

Form Review

Inbox	Reviewed By	Date
Diana Lund	Kathy Schmitz	11/08/2012 04:07 PM
Kurt Ulrich	Kurt Ulrich	11/08/2012 04:11 PM
Form Started By: Jackie Lipski		Started On: 11/07/2012 10:34 AM
Final Approval Date: 11/08/2012		

RAMSEY CITY COUNCIL MEETING 11/13/2012 BILLS LIST

DISBURSEMENTS TO BE APPROVED THIS MEETING:

DISBURSEMENT TYPE:

**SUBMITTED
FOR
APPROVAL**

Purchase Journal:

Prepays 10/17/12-11/7/12

145,545.09

Accounts Payable 10/17/12-11/7/12

279,457.66

Payroll 10/25/12

157,713.03

TOTAL SUBMITTED FOR APPROVAL THIS MEETING

\$ 582,715.78

	APPROVED PREV. MTG	2012 Y.T.D.
<u>DISBURSEMENTS PREVIOUSLY APPROVED AND PAID:</u>		
NET PAYROLL TOTAL	\$ 112,441.32	\$ 2,445,179.28
- CORRECTION TO PAYROLL		
PREPAIDS	621,494.63	7,375,179.80
- PREPAID ADJUSTMENTS		
WIRE TRANSFERS FOR DEBT SERVICE		665,030.83
- CORRECTION TO D.S.		
ACCOUNTS PAYABLE INVOICING - PREVIOUS MEETING:		
- BILLS LIST SUBMITTED	245,966.06	4,975,405.77
ADD (DELETE) BILLS LIST SUBMITTED		
PAY ESTIMATE(S)	640,745.28	4,027,233.01
- CHECKS VOIDED	0.00	0.00
TOTAL CASH DISBURSEMENTS PREVIOUSLY APPROVED	\$ 1,620,647.29	\$ 19,488,028.69

10/23/2012 -- 12/31/2012

Check #	Date	Amount	Supplier / Explanation	PO #	Doc No	Inv No	Account No	Subledger	Account Description
89600	10/23/2012		100012 ACE SOLID WASTE INC						
		30.21	SEPT/OCT 12 TRASH/RECYCLE		64724	0009818831	9605.6374		REFUSE/RECYCLING
		30.22	SEPT/OCT 12 TRASH/RECYCLE		64724	0009818831	9601.6374		REFUSE/RECYCLING
		30.22	SEPT/OCT 12 TRASH/RECYCLE		64724	0009818831	9602.6374		REFUSE/RECYCLING
		30.76	SEPT/OCT 12 TRASH/RECYCLE		64724	0009818831	0220.6374		REFUSE/RECYCLING
		90.65	SEPT/OCT 12 TRASH/RECYCLE		64724	0009818831	0311.6374		REFUSE/RECYCLING
		165.34	SEPT/OCT 12 TRASH/RECYCLE		64724	0009818831	0194.6374		REFUSE/RECYCLING
		228.68	SEPT/OCT 12 TRASH/RECYCLE		64724	0009818831	0452.6374		REFUSE/RECYCLING
		606.08							
89601	10/23/2012		113319 ANTEA GROUP						
		2,000.00	RE:COR WETLAND MITIGATION		64725	R1588023	9605.6315		MISCELLANEOUS PROFESSION
		6,437.50	RE:WETLAND DELINEATION		64726	R1588022	9605.6315		MISCELLANEOUS PROFESSION
		8,437.50							
89602	10/23/2012		101185 DO ALL PRINTING COM INC						
		153.90	POSTERS- DRAW JULY 12,2012		64727	17237	0452.6249		MISCELLANEOUS OPERATING
		51.30	POSTER- DRAW SEPT 6, 2012		64728	17786	0452.6249		MISCELLANEOUS OPERATING
		102.60	POSTER- DRAW JULY 19 AND 26		64729	17339	0452.6249		MISCELLANEOUS OPERATING
		76.95	POSTER- DRAW AUG 16 AND 23		64730	17574	0452.6249		MISCELLANEOUS OPERATING
		202.85	BEAR SIGNS		64731	17074	0452.6249		MISCELLANEOUS OPERATING
		6.41	PARK PATRON PICNIC CARDS		64732	17752	0452.6249		MISCELLANEOUS OPERATING
		594.01							
89603	10/23/2012		112959 PREMIUM WATERS INC						
		28.84	AUG/SEPT WATER FD		64733	621332-09-30	0220.6489		OTHER CONTRACTED SERVICE
		28.84							
89604	10/23/2012		100290 USA MOBILITY INC						
		6.36	OCT 2012 BILLING		64734	V0317755J	0311.6323		CELLULAR PHONES
		168.87	OCT 2012 BILLING		64734	V0317755J	0220.6249		MISCELLANEOUS OPERATING
		175.23							
89605	10/23/2012		112719 WHEELS OF THUNDER						
		868.50	NOV/DEC NEWSLETTER LESS BARNET		64735	102312	9101.4609		OTHER MISCELLANEOUS REVE
		868.50							
89695	10/25/2012		111377 ANOKA MUNICIPAL UTILITY						
		28.51	14034 DYSPROSIUM ST -LIGHT		64756	22-610280-00SEP T 12	9603.6371		ELECTRIC UTILITIES
		33.70	BUNKER LK & DYSPOSIUM		64757	22-612000-01 SEPT 12	9603.6371		ELECTRIC UTILITIES
		115.45	CTY RD 116 & HWY 47-SIGNAL		64758	22-613120-01 SEPT 12	9603.6371		ELECTRIC UTILITIES
		58.35	RAMSEY STREET LIGHTS		64759	22-990005-01 SEPT 12	9603.6371		ELECTRIC UTILITIES
		236.01							
89696	10/25/2012		101185 DO ALL PRINTING COM INC						
		64.12	BANNER EDA/HRA		64760	17601	9295.6249		MISCELLANEOUS OPERATING
		64.13	BANNER EDA/HRA		64760	17601	9230.6249		MISCELLANEOUS OPERATING
		361.32	SHIRTS- HAPPY DAYS 5K		64761	18016	9295.6249		MISCELLANEOUS OPERATING
		361.33	SHIRTS- HAPPY DAYS 5K		64761	18016	9230.6249		MISCELLANEOUS OPERATING
		7.18	PLEDGE CARDS PD		64762	17917	0280.6249		MISCELLANEOUS OPERATING
		858.08							
89697	10/25/2012		113098 GREEN TREE SERVICING LLC						

CITY OF RAMSEY

Council Check Register

10/23/2012 -- 12/31/2012

Check #	Date	Amount	Supplier / Explanation	PO #	Doc No	Inv No	Account No	Subledger	Account Description
		150.00	ADMIN FEE- RE: 16259 COQUINA		64763	102412	9605.1730		IMPROVEMENTS OTHER THAN
		150.00							
89698	10/25/2012		100678 PETTY CASH						
		2.13	POSTAGE RECYLING DAY		64764	102512	9604.6249		MISCELLANEOUS OPERATING
		3.89	MAYOR'S MTG- COOKIES		64764	102512	0111.6249		MISCELLANEOUS OPERATING
		5.39	DESSERT PW/CC MTGS		64764	102512	0111.6249		MISCELLANEOUS OPERATING
		8.00	PD PARKING		64764	102512	0211.6331		TRAVEL & LODGING
		10.58	DESSERT MAYOR/CC MTGS		64764	102512	0111.6249		MISCELLANEOUS OPERATING
		12.85	D. BUSCH- FARWELL PARTY		64764	102512	0153.6249		MISCELLANEOUS OPERATING
		13.00	BACKGROUND RECORDS		64764	102512	0211.6249		MISCELLANEOUS OPERATING
		17.25	LUNCHESES- TRAINING PD		64764	102512	0211.6331		TRAVEL & LODGING
		73.09							
89699	10/25/2012		103119 ROSSUM, BEN						
		66.15	REIMBURSE FOR FUEL		64765	102512	0211.6223		GASOLINE
		66.15							
89700	10/25/2012		100506 US POSTMASTER						
		1,525.50	NOV/DEC RAM RES/CHAMBER MAG		64766	102512	0195.6322		POSTAGE
		1,525.50							
89701	10/25/2012		100510 VERIZON WIRELESS						
		26.02	SEPT/OCT 2012 BILLING		64767	2812501048	0301.6323		CELLULAR PHONES
		26.02	SEPT/OCT 2012 BILLING		64767	2812501048	0111.6249		MISCELLANEOUS OPERATING
		52.04	SEPT/OCT 2012 BILLING		64767	2812501048	0130.6323		CELLULAR PHONES
		104.08							
89702	10/26/2012		107962 GENESIS EMPLOYEE BENEFITS						
		4,040.20			64744	10241216181211	9101.2176		LIFE/HEALTH-EMPLOYEE
		4,040.20							
89703	10/26/2012		100257 LAW ENFORCEMENT LABOR SRV INC						
		405.00			64574	101012914062	9101.2177		UNION DUES
		405.00			64748	1024121618122	9101.2177		UNION DUES
		810.00							
89704	10/26/2012		100298 MN AFSCME COUNCIL 5						
		462.67			64575	101012914063	9101.2177		UNION DUES
		462.67			64749	1024121618123	9101.2177		UNION DUES
		925.34							
89705	10/30/2012		111364 ASSURANT EMPLOYEE BENEFITS						
		1,030.83	NOV 12 LIFE INS		64768	5413144NOV12	9101.2170		DENTAL/DISABILITY/LIFE
		1,030.83							
89706	10/30/2012		100297 CENTERPOINT ENERGY						
		45.96	7550 SUNWOOD DR		64769	6702493-5SEPT12	0194.6373		GAS
		20.85	6701 HIGHWAY		64770	6011580-5SEPT12	9410.6373	00041012	GAS
		66.81							
89707	10/30/2012		100117 CONNEXUS ENERGY						
		1,714.03	COR TWO		64771	764673-303781OC T12	9468.6315		MISCELLANEOUS PROFESSION
		1,714.03							
89708	10/30/2012		106583 DELTA DENTAL PLAN OF MINNESOTA						

CITY OF RAMSEY

Council Check Register

10/23/2012 -- 12/31/2012

Check #	Date	Amount	Supplier / Explanation	PO #	Doc No	Inv No	Account No	Subledger	Account Description
		1,891.80	NOV 12 DENTAL INS		64772	4969907	9101.2170		DENTAL/DISABILITY/LIFE
		1,891.80							
89709	10/30/2012		100189 G AND K SERVICES INC						
		125.86	MATS		64773	1006116197	0220.6489		OTHER CONTRACTED SERVICE
		125.86							
89710	10/30/2012		113327 GSCGM TROOP # 11375						
		53.00	REFUND DAM/KEY 19589 & 22422		64774	102912	9804.1160		KEY & DAMAGE DEPOSIT
		100.00	REFUND DAM/KEY 19589 & 22422		64774	102912	9804.1160		KEY & DAMAGE DEPOSIT
		153.00							
89711	10/30/2012		100989 KRUGE AIR, INC						
		7,277.83	ELECTRIC DRAIN VLAVE		64775	0086229	9410.6315	00041001	MISCELLANEOUS PROFESSION
		7,277.83							
89712	10/30/2012		111834 MINNESOTA DEPARTMENT OF HEALTH						
		350.00	WELL INSPECTION-7157 HWY 10		64776	102512	9410.6315	00041009	MISCELLANEOUS PROFESSION
		350.00							
89713	10/30/2012		100413 RANDALL AND GOODRICH, P.L.C						
		918.50	SEPT 2012 CIVIL BILLING		64777	102912	9496.6304		LEGAL FEES
		3,668.85	SEPT 2012 CIVIL BILLING		64777	102912	0161.6304		LEGAL FEES
		4,587.35							
89714	10/30/2012		113137 SPECIALTY TURF AND AG INC						
		411.47	REPLACE CHECK 89338-NOT CASHED		64779	133582	9805.6315		MISCELLANEOUS PROFESSION
		411.47							
89715	10/30/2012		111688 STEWART TITLE OF MN						
		95.47	REPLACE CH81886 1-13-2010		64778	103012	9601.4651		WATER REVENUE
		95.47							
89716	10/30/2012		108616 UNCLAIMED PROPERTY UNIT						
		44.40	UTIL. REFUND RE:6174 146TH AVE		45134	012209	9601.4651		WATER REVENUE
			Supplier 111343 NADEM, PEGGY						
		44.40							
89717	11/1/2012		102953 AMERIGAS OF ANOKA						
		188.77	2 100# CYLINDERS		64850	28997157	0311.6249		MISCELLANEOUS OPERATING
		188.77							
89718	11/1/2012		113027 BLUE CROSS BLUE SHIELD- EAP						
		123.00	EAP OCT 2012		64853	2562227	0130.6315		MISCELLANEOUS PROFESSION
		123.00							
89719	11/1/2012		100297 CENTERPOINT ENERGY						
		13.63	MISC CITY GAS ACCOUNTS		64852	8000014064-2SEP T 12	9605.6373		GAS
		13.64	MISC CITY GAS ACCOUNTS		64852	8000014064-2SEP T 12	9601.6373		GAS
		13.64	MISC CITY GAS ACCOUNTS		64852	8000014064-2SEP T 12	9602.6373		GAS
		40.91	MISC CITY GAS ACCOUNTS		64852	8000014064-2SEP T 12	0311.6373		GAS
		45.68	MISC CITY GAS ACCOUNTS		64852	8000014064-2SEP T 12	0452.6373		GAS

CITY OF RAMSEY

Council Check Register

10/23/2012 -- 12/31/2012

Check #	Date	Amount	Supplier / Explanation	PO #	Doc No	Inv No	Account No	Subledger	Account Description
		79.07	MISC CITY GAS ACCOUNTS		64852	8000014064-2SEP T 12	0220.6373		GAS
		53.33	14515 E TOWN CENTER- GAS		64860	8782239-1 SEPT 12	9601.6373		GAS
		259.90							
89720	11/1/2012		113163 CENTURY MANUFACTURING CORPORATI						
		708.38	ORANGE DEGREASER		64851	513535	0311.6249		MISCELLANEOUS OPERATING
		45.57			64851	513535	9101.2082		SALES/USE TAX PAYABLE
		662.81							
89721	11/1/2012		110734 CITY OF RAMSEY						
		19.77	ACCT 709988723		64858	110112	9601.4651		WATER REVENUE
		100.00	ACCT 718953		64858	110112	9601.4651		WATER REVENUE
		469.39	ACCT 676705915		64858	110112	9601.4651		WATER REVENUE
		589.16							
89722	11/1/2012		100116 CONNEXUS ENERGY						
		787.34	16300 ST FRANCIS- IRRIGATION		64862	444931-267449OC T12	0452.6371		ELECTRIC UTILITIES
		787.34							
89723	11/1/2012		111692 GRIMES DESIGN						
		1,410.75	HOSE REPAIR		64855	21217	9601.6249		MISCELLANEOUS OPERATING
		1,410.75							
89724	11/1/2012		100351 NCPERS MINNESOTA						
		224.00	NOV 2012 LIFE INS		64856	70481112 NOV12	9101.2170		DENTAL/DISABILITY/LIFE
		224.00							
89725	11/1/2012		100988 NORTHERN SAFETY TECHNOLOGY						
		723.83	MISC SUPPLIES		64857	30907	9602.6257		OTHER VEHICLE PARTS
		723.83							
89726	11/1/2012		100382 PITNEY BOWES INC						
		346.96	INK CART/TAPE STRIPS/EZ SEAL		64861	459907	0130.6249		MISCELLANEOUS OPERATING
		346.96							
89727	11/1/2012		100410 RAMSEY FIRE DEPT PETTY CASH						
		129.67	REIMBURSE PETTY CASH		64859	103012	0220.6249		MISCELLANEOUS OPERATING
		129.67							
89728	11/6/2012		100404 CENTURYLINK						
		65.35	OCT-NOV 2012 BILLING		64917	763 422-1452 795 NOV12	0452.6321		TELEPHONE
		65.35							
89729	11/6/2012		106616 MARTIN MCALLISTER, INC						
		1,200.00	NEW FIREFIGHTERS FALL 2012		64918	8098	0130.6305		MEDICAL/PSYCHOLOGICAL FE
		1,200.00							
89730	11/6/2012		100413 RANDALL AND GOODRICH, P.L.C						
		2,833.00	OCT 2012 PROSECUTION BILLING		64920	110112	0161.6304		LEGAL FEES
		2,833.00							
89731	11/6/2012		109397 SOPHIA RAMSEY LLC						
		5,880.00	REIMBURSE SAC 3RD PYMT		64921	102612	9230.6315		MISCELLANEOUS PROFESSION

CITY OF RAMSEY

Council Check Register

10/23/2012 -- 12/31/2012

Check #	Date	Amount	Supplier / Explanation	PO #	Doc No	Inv No	Account No	Subledger	Account Description
		5,880.00							
89732	11/6/2012		101103 SPRINT						
		47.50	SEPT-OCT 2012 BILLING		64919	570683319-131	0191.6323		CELLULAR PHONES
		82.10	SEPT-OCT 2012 BILLING		64919	570683319-131	0130.6323		CELLULAR PHONES
		97.80	SEPT-OCT 2012 BILLING		64919	570683319-131	0111.6249		MISCELLANEOUS OPERATING
		183.72	SEPT-OCT 2012 BILLING		64919	570683319-131	0194.6323		CELLULAR PHONES
		200.95	SEPT-OCT 2012 BILLING		64919	570683319-131	0220.6323		CELLULAR PHONES
		342.72	SEPT-OCT 2012 BILLING		64919	570683319-131	0301.6323		CELLULAR PHONES
		409.96	SEPT-OCT 2012 BILLING		64919	570683319-131	9601.6323		CELLULAR PHONES
		512.97	SEPT-OCT 2012 BILLING		64919	570683319-131	0311.6323		CELLULAR PHONES
		611.52	SEPT-OCT 2012 BILLING		64919	570683319-131	0452.6323		CELLULAR PHONES
		1,163.64	SEPT-OCT 2012 BILLING		64919	570683319-131	0211.6323		CELLULAR PHONES
		3,652.88							
89733	11/6/2012		100510 VERIZON WIRELESS						
		74.51	SEPT/OCT 2012 BILLING		64922	2818038286	0130.6323		CELLULAR PHONES
		74.51							
90228028	10/25/2012		100398 PUBLIC EMPLOYEES RETIREMENT AS						
		50.00			64737	1023121626242	9101.2174		PERA-EMPLOYEE
		50.00			64738	1023121626243	9101.2183		PERA-EMPLOYER
		12,449.70			64751	1024121618125	9101.2174		PERA-EMPLOYEE
		16,669.01			64752	1024121618126	9101.2183		PERA-EMPLOYER
		29,218.71							
90675001	10/25/2012		100223 ICMA RETIREMENT TRUST 457						
		1,764.18			64742	1024121618121	9101.2175		DEFERRED COMPENSATION
		1,764.18							
92796475	10/25/2012		107784 VILLAGE BANK						
		1,515.68			64721	1018121451282	9101.2171		FEDERAL WITHHOLDING
		2,131.39			64722	1018121451283	9101.2173		FICA & MEDICARE-EMPLOYEE
		2,869.11			64723	1018121451284	9101.2182		FICA & MEDICARE-EMPLOYER
		257.43			64740	1023121626245	9101.2173		FICA & MEDICARE-EMPLOYEE
		348.57			64741	1023121626246	9101.2182		FICA & MEDICARE-EMPLOYER
		8,943.58			64743	10241216181210	9101.2182		FICA & MEDICARE-EMPLOYER
		21,154.23			64754	1024121618128	9101.2171		FEDERAL WITHHOLDING
		6,852.92			64755	1024121618129	9101.2173		FICA & MEDICARE-EMPLOYEE
		44,072.91							
95120202	10/25/2012		100301 MN CHILD SUPPORT PAYMENT CNTR						
		352.63			64736	1023121626241	9101.2185		GARNISHMENTS/SUPPORT
		697.27			64750	1024121618124	9101.2185		GARNISHMENTS/SUPPORT
		1,049.90							
96034602	10/25/2012		110305 HARTFORD LIFE INSURANCE COMPAN						
		435.53			64571	1010129140613	9101.2176		LIFE/HEALTH-EMPLOYEE
		440.92			64745	10241216181212	9101.2176		LIFE/HEALTH-EMPLOYEE
		38.80	COBRA PAYMENT		64745	10241216181212	9101.2176		LIFE/HEALTH-EMPLOYEE
		915.25							
97082496	10/25/2012		100601 MN DEPT OF REV WH						
		846.40			64720	1018121451281	9101.2172		STATE WITHHOLDING
		3.57			64739	1023121626244	9101.2172		STATE WITHHOLDING
		8,310.73			64753	1024121618127	9101.2172		STATE WITHHOLDING
		9,160.70							

CITY OF RAMSEY

Council Check Register

10/23/2012 -- 12/31/2012

<u>Check #</u>	<u>Date</u>	<u>Amount</u>	<u>Supplier / Explanation</u>	<u>PO #</u>	<u>Doc No</u>	<u>Inv No</u>	<u>Account No</u>	<u>Subledger</u>	<u>Account Description</u>
99102551	10/25/2012		111465 STATE STREET BANK						
		2,579.00			64746	10241216181213	9101.2175		DEFERRED COMPENSATION
		<u>2,579.00</u>							
99102554	10/25/2012		111465 STATE STREET BANK						
		385.05			64747	10241216181214	9101.2176		LIFE/HEALTH-EMPLOYEE
		<u>385.05</u>							
		<u>145,545.09</u>	Grand Total						

Payment Instrument Totals

Check Total	56,399.39
Transfer Total	89,145.70
Total Payments	<u>145,545.09</u>

CITY OF RAMSEY
Create Payment Control Groups

Bank Account 00002224 CASH IN BANK
Version LOGIS003V
Originator JLIPSKI
Payment Instrument Check Payment
Pay Through Date 12/31/2012

Number	Payee Name / Mailing Address	Stub Message	Ty	Document Number	Item	Co	Due Date	Invoice Number	Payment Amount
111610	A DYNAMIC DOOR CO. INC.	SERVICE AT PW	PV	64863	001	09101	10/29/2012	21210233	1,065.64
	A DYNAMIC DOOR CO. INC.	SERVICE AT PW	PV	64863	002	09101	10/29/2012	21210233	1,532.00
	4588 194TH AVENUE NE EAST BETHEL MN 55092							Summary Total	2,597.64
								Payment Amount	2,597.64
100012	ACE SOLID WASTE INC	CITY RECYCLE NOV 12	PV	64864	001	09604	11/1/2012	0009898430	23,617.70
	ACE SOLID WASTE INC 6601 MCKINLEY STREET NW RAMSEY MN 55303							Summary Total	23,617.70
								Payment Amount	23,617.70
100013	ADVANCE CONSULTING GROUP INC	OCTOBER 2012 SERVICES	PV	64923	001	09230	11/4/2012	110412	4,809.75
	ADVANCE CONSULTING GROUP INC 13868 CRANE STREET NW SUITE 100 ANDOVER MN 55304							Summary Total	4,809.75
								Payment Amount	4,809.75
100017	AIRGAS NORTH CENTRAL	CARBON DIOXIDE	PV	64780	001	09101	10/2/2012	9009073228	26.80
	AIRGAS NORTH CENTRAL PO BOX 802588	GASES	PV	64865	001	09101	10/10/2012	9009294667	91.06
	CHICAGO IL 60680-2588							Summary Total	91.06
		MISC GASES	PV	64866	001	09101	9/30/2012	9904646328	20.52
								Summary Total	20.52
								Payment Amount	138.38
100019	ALLINA MEDICAL CLINIC	PRE EMPLY MISC	PV	64867	001	09101	9/30/2012	85275	1,695.00
	ALLINA MEDICAL CLINIC P O BOX 60 NW 5685 MINNEAPOLIS MN 55440-0060							Summary Total	1,695.00
								Payment Amount	1,695.00
108664	AMERICAN VENDING INC	COFFEE AND MISC	PV	64868	001	09101	10/9/2012	6840	117.10
	AMERICAN VENDING INC 10787 93RD AVENUE N MAPLE GROVE MN 55369							Summary Total	117.10

CITY OF RAMSEY
Create Payment Control Groups

Bank Account	00002224	CASH IN BANK
Version	LOGIS003V	
Originator	JLIPSKI	
Payment Instrument		Check Payment
Pay Through Date	12/31/2012	

Payee		Stub	Document			Due	Invoice	Payment	
Number	Name / Mailing Address	Message	Ty	Number	Itm	Co	Date	Number	Amount
Payment Amount								117.10	
100026	ANDERSON IRRIGATION	BAL. DUE ON 07-3508	PV	64781	001	09805	10/9/2012	07-3508A	3,232.26
Summary Total								3,232.26	
ANDERSON IRRIGATION 3200 MAIN STREET NE SUITE 240 MINNEAPOLIS MN 55448								3,232.26	
Payment Amount								3,232.26	
100028	ANDOVER WHEEL AND FRAME INC	WHEEL ALIGNMENT FOR 566	PV	64808	001	09101	10/16/2012	6493	59.00
Summary Total								59.00	
ANDOVER WHEEL AND FRAME INC 13476 HANSON BLVD ANDOVER MN 55304								59.00	
Payment Amount								59.00	
100029	ANOKA AREA CHAMBER OF COMMERCE	MEETING OCT 2012 (3)	PV	64809	001	09101	10/10/2012	17948	45.00
Summary Total								45.00	
ANOKA AREA CHAMBER OF COMMERCE 12 BRIDGE SQUARE ANOKA MN 55303								45.00	
Payment Amount								45.00	
100052	ANOKA POLICE DEPARTMENT	ANIMAL CONTAINMENT OCT 2012	PV	64924	001	09101	11/1/2012	110112	305.00
Summary Total								305.00	
ANOKA POLICE DEPARTMENT 275 HARRISON STREET ANOKA MN 55303								305.00	
Payment Amount								305.00	
100058	ANOKA RAMSEY FARM AND GARDEN	LIQUID FENCE	PV	64810	001	09101	10/18/2012	9373-15	144.27
Summary Total								144.27	
ANOKA RAMSEY FARM AND GARDEN 7435 HIGHWAY 10 RAMSEY MN 55303								144.27	
Payment Amount								144.27	
107123	BERGE,MIKE	CLOTH REIMB 2012- M. BERGE	PV	64869	001	09101	10/31/2012	103112	75.87
Summary Total								75.87	
MIKE BERGE 15538 FOX STREET NW								75.87	

R04570

CITY OF RAMSEY
Create Payment Control Groups

Bank Account 00002224 CASH IN BANK
Version LOGIS003V
Originator JLIPSKI
Payment Instrument Check Payment
Pay Through Date 12/31/2012

Payee		Stub	Document				Due	Invoice	Payment
Number	Name / Mailing Address	Message	Ty	Number	Itm	Co	Date	Number	Amount
ANDOVER MN 55304									
Payment Amount									75.87
103641	BOYER TRUCKS ROGERS	BRACKET/CLAMP- RETURN	PD	64812	001	09101	10/22/2012	119850R	213.78-
Summary Total									213.78-
	BOYER TRUCKS								
	2601 NE BROADWAY	MUFFLER/CLAMP/BRACKE T 662	PV	64813	001	09101	10/19/2012	119745R	515.65
MINNEAPOLIS MN 55413									
Summary Total									515.65
Payment Amount									301.87
100095	BRIGGS AND MORGAN PA INC	RE: FLAHERTY & COLLINS PROP	PV	64925	001	09214	10/31/2012	509962	1,826.32
Summary Total									1,826.32
	BRIGGS AND MORGAN P O BOX 64591 ST PAUL MN 55164-0591								
Payment Amount									1,826.32
106670	CENTRAL POWER DISTRIBUTORS INC	MISC PARTS	PV	64811	001	09101	10/19/2012	183346	7.19
Summary Total									7.19
	CENTRAL POWER DISTRIBUTORS INC 3801 THURSTON AVENUE ANOKA MN 55303								
Payment Amount									7.19
110734	CITY OF RAMSEY	3RD QTR 7650 SUNWOOD DR	PV	64870	001	09240	10/25/2012	444931372 OCT 12	106.53
Summary Total									106.53
	CITY OF RAMSEY P O BOX 251100	3RD QTR 7550 SUNWOOD DR	PV	64871	001	09101	10/25/2012	444931294 OCT12	1,693.49
Summary Total									1,693.49
	ST PAUL MN 55125-6100	3RD QTR 6701 HWY 10	PV	64872	001	09410	10/25/2012	719019- OCT 12	378.05
Summary Total									378.05
Payment Amount									2,178.07
100116	CONNEXUS ENERGY	STREET LIGHTS	PV	64926	001	09603	10/22/2012	759126-303101OCT 12	9,903.90
Summary Total									9,903.90
	CONNEXUS ENERGY PO BOX 1808	CITY SIRENS	PV	64927	001	09101	10/22/2012	759126-303095OCT12	90.78

CITY OF RAMSEY
Create Payment Control Groups

Bank Account	00002224	CASH IN BANK
Version	LOGIS003V	
Originator	JLIPSKI	
Payment Instrument		Check Payment
Pay Through Date	12/31/2012	

Payee		Stub	Document				Due	Invoice	Payment
Number	Name / Mailing Address	Message	Ty	Number	Itm	Co	Date	Number	Amount
MINNEAPOLIS MN 55480-1808				Summary Total					90.78
		WELL/WTR TWR/LIFT STATION	PV	64928	001	09601	10/22/2012	759126-303102OCT12	12,266.31
		WELL/WTR TWR/LIFT STATION	PV	64928	002	09601	10/22/2012	759126-303102OCT12	545.88
				Summary Total					12,812.19
		TRAFFIC SIGNAL	PV	64929	001	09101	10/22/2012	759126-303100OCT12	425.34
				Summary Total					425.34
		PW MISC ACCOUNTS	PV	64930	001	09101	10/22/2012	759126-303106OCT12	363.99
		PW MISC ACCOUNTS	PV	64930	002	09101	10/22/2012	759126-303106OCT12	121.33
		PW MISC ACCOUNTS	PV	64930	003	09101	10/22/2012	759126-303106OCT12	121.33
		PW MISC ACCOUNTS	PV	64930	004	09101	10/22/2012	759126-303106OCT12	121.33
		PW MISC ACCOUNTS	PV	64930	005	09101	10/22/2012	759126-303106OCT12	2,928.96
				Summary Total					3,656.94
				Payment Amount					26,889.15
100118	CONSTRUCTION BULLETIN	RUM RIVER HILLS STORM SEWER	PV	64816	001	09605	10/8/2012	73278	148.75
SGC HORIZON LLC				Summary Total					148.75
	P O BOX 791	RUM RIVER ST SWR/NORTH COMMONS	PV	64817	001	09605	10/12/2012	73647	148.75
	ARLINGTON HEIGHTS IL 60006	RUM RIVER ST SWR/NORTH COMMONS	PV	64817	002	09605	10/12/2012	73647	148.75
				Summary Total					297.50
		NORTH COMMONS	PV	64818	001	09499	10/19/2012	73769	148.75
				Summary Total					148.75
				Payment Amount					595.00
100120	CONTINENTAL RESEARCH CORP	MISC SUPPLIES	PV	64874	001	09101	10/12/2011	376911	407.91
CONTINENTAL RESEARCH CORP PO BOX 15204 ST LOUIS MO 63110				Summary Total					407.91
				Payment Amount					407.91
100122	COOP'S LOCKSMITH SERVICES	3 KEYS	PV	64875	001	09101	10/24/2012	38960	6.42
COOP'S LOCKSMITH SERVICES 220 WEST MAIN STREET RAMSEY MN 55303				Summary Total					6.42
				Payment Amount					6.42

CITY OF RAMSEY
Create Payment Control Groups

Payee		Stub	Document				Due	Invoice	Payment
Number	Name / Mailing Address	Message	Ty	Number	Itm	Co	Date	Number	Amount
100125	COUNTRYSIDE PRINTING INC	PD FORMS	PV	64782	001	09101	10/17/2012	31276	171.11
	COUNTRYSIDE PRINTING			Summary Total					171.11
	6250 BUNKER LAKE BLVD	SEPTIC PERMITS	PV	64815	001	09101	10/16/2012	31274	212.79
	NW			Summary Total					212.79
	SUITE 113			Summary Total					90.84
	RAMSEY MN 55303	HAPPY DAYS ENVELOPES	PV	64819	001	09297	10/19/2012	31285	90.84
				Summary Total					90.84
		CARDS- BUSINESS NETWORK	PV	64876	001	09230	10/18/2012	31279	254.15
				Summary Total					254.15
		BUSINESS CARDS	PV	64877	001	09101	10/19/2012	31284	83.36
		BUSINESS CARDS	PV	64877	002	09101	10/19/2012	31284	41.68
		BUSINESS CARDS	PV	64877	003	09101	10/19/2012	31284	41.69
				Summary Total					166.73
				Payment Amount					895.62
100144	DEHN OIL COMPANY	LITH PLUS 35 LBS	PV	64931	001	09101	10/30/2012	25018758	130.92
	DEHN OIL COMPANY			Summary Total					130.92
	6735 141ST AVENUE NW			Payment Amount					130.92
	RAMSEY MN 55303								
107691	DEPT EMPLOYMENT AND ECONOMIC DEVELOPMENT	QTR 3 12 UNEMPLOYMENT BENEFITS	PV	64831	001	09702	10/25/2012	102512	543.42
	DEPT EMPLOYMENT AND ECONOMIC DEVELOPMENT			Summary Total					543.42
	332 MINNESOTA STREET			Payment Amount					543.42
	SAINT PAUL MN 55101-1351								
106065	DIVERSIFIED TEXTURING AND ENGRAVING	NAMEPLATES ENGRAVED	PV	64878	001	09101	10/24/2012	2203	258.00
	DIVERSIFIED TEXTURING AND ENGRAVING			Summary Total					258.00
	1609 99TH LANE NE			Payment Amount					258.00
	BLAINE MN 55449-4430								

R04570

CITY OF RAMSEY
Create Payment Control Groups

Bank Account 00002224 CASH IN BANK
Version LOGIS003V
Originator JLIPSKI
Payment Instrument Check Payment
Pay Through Date 12/31/2012

Number	Payee Name / Mailing Address	Stub Message	Ty	Document Number	Itm	Co	Due Date	Invoice Number	Payment Amount
101185	DO ALL PRINTING COM INC	BIG CHECKS	PV	64820	001	09101	10/17/2012	18314	88.44
	DO ALL PRINTING COM INC 6360 HIGHWAY 10 NW RAMSEY MN 55303							Summary Total	88.44
								Payment Amount	88.44
113306	DOCUMENT TECHNOLOGY SOLUTIONS	CONTRACT OCT/NOV 2012	PV	64932	001	09101	10/22/2012	INV65700	340.13
	DOCUMENT TECHNOLOGY SOLUTIONS 9401 JAMES AVENUE SOUTH SUITE.120 BLOOMINGTON MN 55431							Summary Total	340.13
								Payment Amount	340.13
109416	DUSTBUSTER'S PAVEMENT SWEEPING, LLC	RAMP SWEEPING	PV	64821	001	09240	10/2/2012	196115	300.00
	DUSTBUSTER'S PAVEMENT SWEEPING, LLC 1380 126TH AVENUE NW COON RAPIDS MN 55448							Summary Total	300.00
								Payment Amount	300.00
100158	ECM PUBLISHERS INC	NOTICE-PUBLIC ACCURACY	PV	64822	001	09101	10/19/2012	01806047	26.88
	ECM PUBLISHERS INC 4095 COON RAPIDS BLVD							Summary Total	26.88
	COON RAPIDS MN 55433	AD FOR BID PROJECT 2012-28	PV	64823	001	09101	10/12/2012	01805789	307.50
								Summary Total	307.50
		AD- BIDS NORTH COMMONS	PV	64879	001	09499	10/19/2012	01806046	261.37
								Summary Total	261.37
		ORD-VACATE EASEMENT	PV	64933	001	09101	10/26/2012	01806367	61.50
								Summary Total	61.50
		LEGAL- ORD 12-17	PV	64934	001	09101	10/26/2012	01806469	61.50
								Summary Total	61.50
		NOTICE- ELECTION BALLOT	PV	64935	001	09101	10/26/2012	01806366	451.50
								Summary Total	451.50
								Payment Amount	1,170.25

R04570

CITY OF RAMSEY
Create Payment Control Groups

Bank Account 00002224 CASH IN BANK
Version LOGIS003V
Originator JLIPSKI
Payment Instrument Check Payment
Pay Through Date 12/31/2012

Payee	Stub	Document	Due	Invoice	Payment				
Number	Name / Mailing Address	Message	Ty	Number	Itm	Co	Date	Number	Amount
113199	ENFORCEMENT LIGHTING	INSTALL ON TAHOE 321	PV	64936	001	09101	11/1/2012	110112	1,800.00
	ENFORCEMENT LIGHTING			Summary Total					1,800.00
	23058 NAVAJO STREET NW								
	ST FRANCIS MN 55070								
				Payment Amount					1,800.00
108141	ERICKSON, JEFF	SCADA LOG IN- FEE	PV	64783	001	09601	10/23/2012	102312	29.99
	JEFF ERICKSON			Summary Total					29.99
	7669 157TH AVENUE NW								
	RAMSEY MN 55303								
				Payment Amount					29.99
113321	FACTORY MOTOR PARTS	BRAKES/ROTORS 343	PV	64880	001	09101	10/22/2012	6-1302635	136.93
	FACTORY MOTOR PARTS			Summary Total					136.93
	3731 THURSTON AVENUE								
	ANOKA MN 55303								
				Payment Amount					136.93
107099	FASTENAL	MISC PARTS	PV	64784	001	09101	10/8/2012	MNTC891311	18.15
	FASTENAL COMPANY			Summary Total					18.15
	P O BOX 978	MISC PARTS	PV	64881	001	09101	10/11/2012	MNTC891426	16.36
	WINONA MN 55987			Summary Total					16.36
				Payment Amount					34.51
100186	FRANKENSIGNS INC	FIN.ADMIN SIGN REDO	PV	64824	001	09402	10/12/2012	259494	283.22
	FRANKENSIGNS			Summary Total					283.22
	P O BOX 49301	SIGNS- ENGINEERING	PV	64882	001	09101	10/16/2012	259508	69.47
	BLAINE MN 55449			Summary Total					69.47
				Payment Amount					352.69
100189	G AND K SERVICES INC	UNIFORMS- CLEANING	PV	64785	001	09101	10/10/2012	1006171587	74.00
	G AND K SERVICES INC	UNIFORMS- CLEANING	PV	64785	002	09101	10/10/2012	1006171587	10.00
	PO BOX 1450-NW 7536	UNIFORMS- CLEANING	PV	64785	003	09101	10/10/2012	1006171587	67.32
	MINNEAPOLIS MN	UNIFORMS- CLEANING	PV	64785	004	09101	10/10/2012	1006171587	67.32
	55485-7536			Summary Total					218.64
		UNIFORMS- CLEANING	PV	64883	001	09101	10/17/2012	1006182626	74.00
		UNIFORMS- CLEANING	PV	64883	002	09101	10/17/2012	1006182626	10.00

CITY OF RAMSEY
Create Payment Control Groups

Bank Account 00002224 CASH IN BANK
Version LOGIS003V
Originator JLIPSKI
Payment Instrument Check Payment
Pay Through Date 12/31/2012

Number	Payee Name / Mailing Address	Stub Message	Ty	Document Number	Itm	Co	Due Date	Invoice Number	Payment Amount
		UNIFORMS- CLEANING	PV	64883	003	09101	10/17/2012	1006182626	140.34
		UNIFORMS- CLEANING	PV	64883	004	09101	10/17/2012	1006182626	140.35
		Summary Total							364.69
		UNIFORMS - CLEANING	PV	64884	001	09101	10/24/2012	1006193645	74.00
		UNIFORMS - CLEANING	PV	64884	002	09101	10/24/2012	1006193645	10.00
		UNIFORMS - CLEANING	PV	64884	003	09101	10/24/2012	1006193645	67.32
		UNIFORMS - CLEANING	PV	64884	004	09101	10/24/2012	1006193645	67.32
		Summary Total							218.64
		Payment Amount							801.97
113316	GRAHAM TIRE COMPANY	TIRES FOR 565	PV	64788	001	09101	9/24/2012	4324488	402.64
	GRAHAM TIRE COMPANY 950 N STATE STREET FAIRMONT MN 56031								402.64
		Summary Total							402.64
		Payment Amount							402.64
100650	GRAINGER	V BELTS	PV	64885	001	09101	10/8/2012	9945559665	240.97
	GRAINGER INC DEPT. 806511127 PALATINE IL 60038-0001								240.97
		Summary Total							240.97
		Payment Amount							240.97
100205	GREAT LAKES WEATHER SERVICE INC	1 YR CONTRACT 2012-2013	PV	64886	001	09101	10/10/2012	101214	885.00
	GREAT LAKES WEATHER SERVICE INC N137 SWALLOW DRIVE STETSONVILLE WI 54480								885.00
		Summary Total							885.00
		Payment Amount							885.00
111609	GREAT RIVER PRINTING	NOV/DEC 12 NEWSLETTER	PV	64939	001	09101	10/29/2012	7812	6,737.20
	GREAT RIVER PRINTING 6999 OXFORD STREET ST LOUIS PARK MN 55426								6,737.20
		Summary Total							6,737.20
		Payment Amount							6,737.20
109262	GREENBERG IMPLEMENT INC	MISC PARTS	PV	64937	001	09101	10/31/2012	PS80131	25.39
	GREENBERG IMPLEMENT INC 19745 NOWTHEN BLVD NW								25.39
		Summary Total							25.39
		MISC PARTS FOR POLE	PV	64938	001	09101	10/24/2012	PS79991	81.21

R04570

CITY OF RAMSEY
Create Payment Control Groups

Bank Account 00002224 CASH IN BANK
Version LOGIS003V
Originator JLIPSKI
Payment Instrument Check Payment
Pay Through Date 12/31/2012

Payee		Stub	Document			Due	Invoice	Payment	
Number	Name / Mailing Address	Message	Ty	Number	Itm	Co	Date	Number	Amount
		SAW							
	RAMSEY MN 55303								
							</		

R04570

CITY OF RAMSEY
Create Payment Control Groups

Bank Account 00002224 CASH IN BANK
Version LOGIS003V
Originator JLIPSKI
Payment Instrument Check Payment
Pay Through Date 12/31/2012

Payee	Stub	Document	Due	Invoice	Payment
Number	Name / Mailing Address	Message	Ty	Number	Amount
112872	IVERSON HOMES INC	REFUND ERO ESC 14617 QUICKSILV	PV	64789 001 09804 10/18/2012 112530	1,500.00
	IVERSON HOMES INC 2605 CAMPUS DRIVE PLYMOUTH MN 55441			Summary Total	1,500.00
				Payment Amount	1,500.00
101031	KAPLER, DEAN	REIMB FOR CONF	PV	64787 001 09101 10/23/2012 102312	170.94
	DEAN KAPLER 16350 YTRIUM STREET NW RAMSEY MN 55303			Summary Total	170.94
				Payment Amount	170.94
111501	LANDFORM PROFESSIONAL SERVICES	CONTRACT SER- SEPT 2012	PV	64790 001 09295 10/17/2012 21033	15,000.00
	LANDFORM PROFESSIONAL SERVICES	CONTRACT SER- SEPT 2012	PV	64790 002 09295 10/17/2012 21033	668.82
	105 5TH AVENUE SOUTH SUITE 513 MINNEAPOLIS MN 55401			Summary Total	15,668.82
		COR GRAPHICS	PV	64889 001 09295 10/4/2012 20982	5,889.00
				Summary Total	5,889.00
		CONTRACT THROUGH 9-30-2012	PV	64944 001 09496 10/18/2012 21040	15,725.59
				Summary Total	15,725.59
				Payment Amount	37,283.41
100256	LANO EQUIPMENT INC	FILTERS FOR 671	PV	64791 001 09101 10/8/2012 217067	3.17
	LANO EQUIPMENT INC 6140 HIGHWAY 10 NW ANOKA MN 55303			Summary Total	3.17
		FILTERS FOR 671	PV	64792 001 09101 10/5/2012 217043	56.94
				Summary Total	56.94
				Payment Amount	60.11
112622	LOFFLER COMPANIES INC	TONER	PV	64945 001 09101 10/24/2012 1476378	187.03
	LOFFLER COMPANIES INC 1101 EAST 78TH STREET # 200 BLOOMINGTON MN 55420			Summary Total	187.03
				Payment Amount	187.03

CITY OF RAMSEY
Create Payment Control Groups

Bank Account 00002224 CASH IN BANK
Version LOGIS003V
Originator JLIPSKI
Payment Instrument Check Payment
Pay Through Date 12/31/2012

Payee	Stub	Document	Due	Invoice	Payment
Number	Name / Mailing Address	Ty Number Itm Co	Date	Number	Amount
100266 LOGIS	SEPT 2012 BILLING	PV 64825 001 09101	9/30/2012	35719	9,982.00
LOGIS					9,982.00
5750 DULUTH STREET	NETWORK SEPT 2012	PV 64826 001 09101	9/30/2012	35762	744.00
GOLDEN VALLEY MN 55422-4036					744.00
					10,726.00
100843 LUECK, THOMAS	REIMBURSE- CONF TZD	PV 64946 001 09101	11/6/2012	110612	34.97
THOMAS LUECK					34.97
18624 PERIDOT ST NW					
RAMSEY MN 55303					34.97
107317 MADSEN, AARON	2012 CLOTHING ALL A. MADSEN	PV 64827 001 09101	10/24/2012	102412	111.94
AARON MADSEN					111.94
15460 VANADIUM ST NW					
RAMSEY MN 55303					111.94
100271 MAIN MOTORS	CAP FOR 667	PV 64828 001 09101	10/19/2012	284623	22.11
MAIN MOTORS					22.11
435 WEST MAIN STREET					
ANOKA MN 55303					22.11
100961 MCDOWALL, MICHAEL	2012 CLOTH ALL M. MCDOWALL	PV 64829 001 09101	10/24/2012	102412	269.92
MICHAEL MCDOWALL					269.92
14730 I20TH STREET					
BECKER MN 55308					269.92
100283 MENARDS COON RAPIDS	TARPS	PV 64891 001 09101	10/10/2012	5742	93.84
MENARDS COON RAPIDS					93.84
3045 MAIN STREET					
COON RAPIDS MN 55433					93.84
100284 MENARDS ELK RIVER	BATTERIES	PV 64890 001 09101	10/21/2012	7125	55.84

CITY OF RAMSEY
Create Payment Control Groups

Bank Account 00002224 CASH IN BANK
Version LOGIS003V
Originator JLIPSKI
Payment Instrument Check Payment
Pay Through Date 12/31/2012

Payee	Stub	Document	Due	Invoice	Payment
Number	Name / Mailing Address	Message	Ty	Number	Amount
	MENARDS ELK RIVER			Summary Total	55.84
	19521 EVANS STREET NW	MISC SUPPLIES	PV	64892 001 09101 10/16/2012 6783	365.12
	ELK RIVER MN 55330-1077			Summary Total	365.12
				Payment Amount	420.96
100285	MET COUNCIL	WASTEWATER DEC 2012	PV	64947 001 09602 11/5/2012 0001002532	45,089.42
	ENVIRONMENTAL SRV				
	MET COUNCIL ENVIRONMENTAL SRV			Summary Total	45,089.42
	SDS-12-1064				
	P O BOX 86				
	MINNEAPOLIS MN 55486-1064			Payment Amount	45,089.42
100287	METRO FIRE INC	MISC UNIFORMS	PV	64893 001 09101 10/3/2012 45326	3,889.03
	METRO FIRE INC			Summary Total	3,889.03
	13915 LINCOLN ST NE	MISC SUPPLIES	PV	64894 001 09101 10/2/2012 45305	218.73
	SUITE D				
	HAM LAKE MN 55304			Summary Total	218.73
	HELMETS	PV	64895 001 09101 10/11/2012 45403	731.51	
				Summary Total	731.51
	MISC UNIFORMS	PV	64896 001 09101 10/8/2012 45363	238.94	
				Summary Total	238.94
				Payment Amount	5,078.21
108201	METRO TENT RENTAL	RAIL EVENT	PV	64948 001 09295 10/10/2012 3461	66.79
	METRO TENT RENTAL	RAIL EVENT	PV	64948 002 09295 10/10/2012 3461	66.80
	9273 188TH AVE NW			Summary Total	133.59
	ELK RIVER MN 55330			Payment Amount	133.59
113320	MICHAEL LEE INC	REFUND ERO ESC 15910	PV	64793 001 09804 10/18/2012 112879	1,500.00
	ST ANDREW				
	MICHAEL LEE INC			Summary Total	1,500.00
	1890 WOODDALE DRIVE	REFUND LAND ESC	PV	64794 001 09252 10/18/2012 101812	7,000.00
	SUITE 400	15910 ST ANDRE			
	WOODBURY MN 55125			Summary Total	7,000.00
				Payment Amount	8,500.00
106555	MINNEAPOLIS, CITY OF	TRANSACTION FEES	PV	64830 001 09101 10/9/2012 400413003280	94.80

R04570

CITY OF RAMSEY
Create Payment Control Groups

Bank Account 00002224 CASH IN BANK
Version LOGIS003V
Originator JLIPSKI
Payment Instrument Check Payment
Pay Through Date 12/31/2012

Payee	Stub	Document	Due	Invoice	Payment
Number	Name / Mailing Address	Message	Ty	Number	Amount
		SEPT 2012			
	MINNEAPOLIS FINANCE DEPT P O BOX 77038 MINNEAPOLIS MN 55480-7738			Summary Total	94.80
				Payment Amount	94.80
100303	MINNESOTA CONWAY INC MINNESOTA CONWAY 575 MINNEHAHA AVE WEST ST PAUL MN 55103-1573	RECHARGES	PV	64897 001 09101 10/11/2012 47127	31.74
				Summary Total	31.74
				Payment Amount	31.74
100341	MTI DISTRIBUTING INC MTI DISTRIBUTING INC SDS 12-1900 P O BOX 86 MINNEAPOLIS MN 55486-1900	MISC PARTS	PV	64795 001 09101 10/5/2012 877206.00	307.48
				Summary Total	307.48
				Payment Amount	307.48
100345	NAPA AUTO PARTS ELK RIVER NAPA AUTO PARTS ELK RIVER 17137 YALE STREET NW P O BOX 1041 ELK RIVER MN 55330	FAB/LOOM SPLIT POLY	PV	64796 001 09101 10/10/2012 647699	14.43
				Summary Total	14.43
		AIR FILTER FOR 375	PV	64797 001 09101 9/25/2012 645184	14.58
				Summary Total	14.58
		AIR/FUEL FILTERS	PV	64798 001 09101 10/5/2012 647016	51.18
				Summary Total	51.18
		AUTO SEALANT	PV	64799 001 09101 10/9/2012 647511	5.33
				Summary Total	5.33
		CABIN AIR FILTER 642	PV	64800 001 09101 10/9/2012 647495	26.86
				Summary Total	26.86
		BRAKE PADS/OIL FOR 563	PV	64832 001 09101 10/1/2012 646202	180.47
		BRAKE PADS/OIL FOR 563	PV	64832 002 09101 10/1/2012 646202	51.18
				Summary Total	231.65
		MISC SUPPLIES	PV	64833 001 09101 10/22/2012 649868	11.95
				Summary Total	11.95
		AIR FILTER/WIPER BLADES 667	PV	64834 001 09101 10/19/2012 649414	56.13

R04570

CITY OF RAMSEY
Create Payment Control Groups

Bank Account 00002224 CASH IN BANK
Version LOGIS003V
Originator JLIPSKI
Payment Instrument Check Payment
Pay Through Date 12/31/2012

Payee		Stub	Document				Due	Invoice	Payment
Number	Name / Mailing Address	Message	Ty	Number	Itm	Co	Date	Number	Amount
Summary Total									56.13
Payment Amount									412.11
112624	NELSON, CINDY	MILEAGE TO TRAINING OCT 2012	PV	64835	001	09101	10/25/2012	102512	49.28
Summary Total									49.28
CINDY NELSON 19460 MARMOSET STREET NW NOWTHEN MN 55303									49.28
Payment Amount									49.28
100354	NEWMAN SIGNS	SIGN MATERIAL	PV	64898	001	09101	10/4/2012	0254309	315.05
Summary Total									315.05
NEWMAN SIGNS PO BOX 1728 JAMESTOWN ND 58402-1728									315.05
Payment Amount									315.05
100363	NORTHERN SANITARY SUPPLY CO	TOWELS	PV	64899	001	09101	10/12/2012	157726	49.95
Summary Total									49.95
NORTHERN SANITARY SUPPLY CO 341 COON RAPIDS BLVD									73.42
MISC SUPPLIES									73.42
MINNEAPOLIS MN 55433									123.37
Summary Total									123.37
Payment Amount									123.37
103461	NORTHERN TECHNOLOGIES INC	SERVICES FOR SEPT 2012	PV	64836	001	09496	9/28/2012	092812	138.00
Summary Total									138.00
NORTHERN TECHNOLOGIES INC 6588 141ST AVENUE N.W.									3,222.00
SEPT 12- SUNWOOD DR									3,222.00
RAMSEY MN 55303									3,291.00
RE NORTH COMMONS									3,291.00
Summary Total									3,291.00
Payment Amount									6,651.00
112759	ON SITE SANITATION INC	ALPINE PARK	PV	64902	001	09101	10/13/2012	A-476178	44.89
Summary Total									44.89
ON SITE SANITATION INC 95 WOODLYNN AVE									179.56
ELMCREST PARK									179.56
ST PAUL MN 55117									44.89
FLINTWOOD TERRACE									44.89

R04570

CITY OF RAMSEY
Create Payment Control Groups

Bank Account 00002224 CASH IN BANK
Version LOGIS003V
Originator JLIPSKI
Payment Instrument Check Payment
Pay Through Date 12/31/2012

Number	Payee Name / Mailing Address	Stub Message	Ty	Document Number	Itm	Co	Due Date	Invoice Number	Payment Amount
Summary Total									44.89
	FOX PARK		PV	64905	001	09101	10/13/2012	A-476181	44.89
Summary Total									44.89
	RIVERDALE PARK		PV	64906	001	09101	10/13/2012	A-476182	44.89
Summary Total									44.89
	RIVERBENDS PARK		PV	64907	001	09101	10/13/2012	A-476183	44.89
Summary Total									44.89
	THE DRAW PARK		PV	64908	001	09101	10/13/2012	A-476461	133.59
Summary Total									133.59
	TITTERUD PARK		PV	64909	001	09101	10/13/2012	A-476184	44.89
Summary Total									44.89
Payment Amount									582.49
110480	OPUS 21 MANAGEMENT SOLUTIONS	SEPT 2012 BILLING	PV	64801	001	09601	10/14/2012	120924	51.69
	OPUS 21 MANAGEMENT SOLUTIONS	SEPT 2012 BILLING	PV	64801	002	09601	10/14/2012	120924	41.34
	680 COMMERCE DRIVE SUITE 160	SEPT 2012 BILLING	PV	64801	003	09601	10/14/2012	120924	41.34
	WOODBURY MN 55125	SEPT 2012 BILLING	PV	64801	004	09601	10/14/2012	120924	31.01
		SEPT 2012 BILLING	PV	64801	005	09601	10/14/2012	120924	41.34
		SEPT 2012 BILLING	PV	64801	006	09601	10/14/2012	120924	171.44
Summary Total									35.28
Payment Amount									35.28
111320	PARAMOUNT AUTO SERVICE	ALIGNMENT/TIRE CHECK 352	PV	64838	001	09101	10/18/2012	032605	59.95
	PARAMOUNT AUTO SERVICE								
	7151 RIVERDALE DRIVE								
	RAMSEY MN 55303								
Summary Total									59.95
Payment Amount									59.95
107461	PHILIPS HEALTHCARE	FIRST AID SUPPLIES PD	PV	64949	001	09101	10/17/2012	924967853	318.86
	PHILIPS HEALTHCARE								
	P O BOX 100355								
	ATLANTA GA 30384-0355								
Summary Total									318.86
Payment Amount									318.86
111366	RAMSEY, ROBERT	DATA PLAN	PV	64839	001	09101	10/25/2012	102512	25.00

R04570

CITY OF RAMSEY
Create Payment Control Groups

Bank Account 00002224 CASH IN BANK
Version LOGIS003V
Originator JLIPSKI
Payment Instrument Check Payment
Pay Through Date 12/31/2012

Number	Payee Name / Mailing Address	Stub Message	Document Ty	Number	Item	Co	Due Date	Invoice Number	Payment Amount
	ROBERT RAMSEY 9495 164TH LANE NW RAMSEY MN 55303								Summary Total 25.00
									Payment Amount 25.00
100421	REGAL AWARDS AND TROPHIES	3 LAZER PLATES	PV	64910	001	09101	10/15/2012	12334	11.22
	REGAL AWARDS AND TROPHIES 530 WEST MAIN STREET ANOKA MN 55303								Summary Total 11.22
									Payment Amount 11.22
100921	RETROFIT RECYCLING INC	BOXES	PV	64802	001	09601	10/9/2012	0060189	90.00
	RETROFIT RECYCLING INC 3855 HWY 14 WEST OWATONNA MN 55060								Summary Total 90.00
									Payment Amount 90.00
113322	RICK'S PLUMBING INC	WATER METER WORK	PV	64911	001	09410	10/8/2012	12239	500.00
	RICK'S PLUMBING INC 1701 221ST AVENUE NW CEDAR MN 55011								Summary Total 500.00
									Payment Amount 500.00
101018	RIVERBLOOD, MARK	MISC REIMBURSEMENTS	PV	64803	001	09101	10/23/2012	102312	282.56
	MARK RIVERBLOOD 4433 75TH AVENUE PRINCETON TWP. MN 55371								Summary Total 282.56
									Payment Amount 282.56
112475	S AND T OFFICE PRODUCTS INC	WALL CALENDAR	PV	64840	001	09101	10/11/2012	01PK9205	4.60
	S AND T OFFICE PRODUCTS INC 1000 KRISTEN COURT ST PAUL MN 55110								Summary Total 4.60
									Payment Amount 4.60
100431	SAFETY KLEEN CORPORATION	RECYCLE OIL	PV	64804	001	09101	9/30/2012	927660811	101.00

CITY OF RAMSEY
Create Payment Control Groups

Bank Account	00002224	CASH IN BANK
Version	LOGIS003V	
Originator	JLIPSKI	
Payment Instrument		Check Payment
Pay Through Date	12/31/2012	

	Payee	Stub		Document		Due	Invoice	Payment
Number	Name / Mailing Address	Message	Ty	Number	Itm	Co	Date	Amount
	SAFETY KLEEN CORPORATION PO BOX 382066 PITTSBURGH PA 15250-8066							Summary Total 101.00
								_____ Payment Amount 101.00
100854	ST PAUL, CITY OF CITY OF ST PAUL 15 W KELLOGG BLVD 700 CITY HALL ST PAUL MN 55102	ASPHALT	PV	64873	001	09101	10/11/2012	124839 72.03
								_____ Summary Total 72.03
								_____ Payment Amount 72.03
112996	STANTEC CONSULTING SERVICES INC STANTEC CONSULTING SERVICES INC 13980 COLLECTIONS CENTER DRIVE CHICAGO IL 60693	SERVICES THROUGH OCT 2012 SERVICES THROUGH OCT 2012 SERVICES THROUGH OCT 2012	PV	64912	001	09804	10/15/2012	631606 465.00
			PV	64912	002	09804	10/15/2012	631606 744.00
			PV	64912	003	09804	10/15/2012	631606 696.45
								_____ Summary Total 1,905.45
								_____ Payment Amount 1,905.45
113353	STORBAKKEN, CHAD AND MELODIE CHAD AND MELODIE STORBAKKEN 16021 OSMIUM STREET NW RAMSEY MN 55303	REIMBUSE FOR BUILD PERMIT	PV	64950	001	09101	11/5/2012	110512 211.00
								_____ Summary Total 211.00
								_____ Payment Amount 211.00
112324	STRANDQUEST, JONI JONI STRANDQUEST 2940 199TH AVENUE NW CEDAR MN 55011	RE PARK PATRON PICNIC 2012	PV	64914	001	09101	10/14/2012	101412 710.47
								_____ Summary Total 710.47
								_____ Payment Amount 710.47
100469	STREICHES POLICE EQUIPMENT STREICHES POLICE EQUIPMENT LB# 7873 PO BOX 9438	EAR MUFFS AND RANGE BAG MISC SUPPLIES PD	PV	64805	001	09101	10/12/2012	1965847 133.57
								_____ Summary Total 133.57
			PV	64841	001	09101	10/15/2012	1966287 1,802.76
								_____ Summary Total 1,802.76

CITY OF RAMSEY
Create Payment Control Groups

Payee		Stub	Document				Due	Invoice	Payment
Number	Name / Mailing Address	Message	Ty	Number	Itm	Co	Date	Number	Amount
	MINNEAPOLIS MN 55440-9438	CREDIT- RETURN IRRITANT	PD	64842	001	09101	4/6/2012	CM255502	205.07-
Summary Total									205.07-
Payment Amount									1,731.26
100474	SUPERIOR STRIPING INC	PARKING LOT STRIPING	PV	64913	001	09290	10/18/2012	32357	250.00
	SUPERIOR STRIPING INC	PARKING LOT STRIPING	PV	64913	002	09290	10/18/2012	32357	100.00
	14021 BASALT STREET NW RAMSEY MN 55303			Summary Total					350.00
Payment Amount									350.00
100485	TIMESAVER OFF SITE SECRETARIAL INC	OCT 2012 MEETING	PV	64843	001	09101	10/12/2012	M19393	405.20
	TIMESAVER OFF SITE SECRETARIAL INC			Summary Total					405.20
	28601 HUB DRIVE	OCT 12 MEETINGS	PV	64844	001	09101	10/12/2012	M19381	964.18
	MADISON LAKE MN 56063-4179			Summary Total					964.18
Payment Amount									1,369.38
112688	TITAN MACHINERY	LATCH FOR 601	PV	64951	001	09101	10/25/2012	VC05556	19.88
	TITAN MACHINERY			Summary Total					19.88
	6340 COUNTY ROAD 101 EAST	FELLING TRAILER	PV	64952	001	09101	6/7/2012	4735	15,491.86
	SHAKOPEE MN 55379			Summary Total					15,491.86
Payment Amount									15,511.74
108522	TOTAL CONTROL SYSTEMS, INC	REPAIR JET TRUCK CAMERA	PV	64915	001	09601	10/8/2012	6309	729.80
	TOTAL CONTROL SYSTEMS, INC P O BOX 40 STANCHFIELD MN 55080			Summary Total					729.80
Payment Amount									729.80
112024	TOWMASTER	SERVICE TRUCK 662	PV	64806	001	09101	10/5/2012	342764	675.45
	TOWMASTER 61381 US HWY 12 LITCHFIELD MN 55355			Summary Total					675.45
Payment Amount									675.45

CITY OF RAMSEY
Create Payment Control Groups

Bank Account	00002224	CASH IN BANK
Version	LOGIS003V	
Originator	JLIPSKI	
Payment Instrument		Check Payment
Pay Through Date	12/31/2012	

Payee	Stub	Document	Due	Invoice	Payment				
Number	Name / Mailing Address	Message	Ty	Number	Item	Co	Date	Number	Amount
108110	TRI COUNTY LAW ENFORCEMENT ASSOCIATION	2012- DUES	PV	64953	001	09101	10/24/2012	I02412	50.00
	TRI COUNTY LAW ENFORCEMENT ASSOCIATION P O BOX 46086 EDEN PRAIRIE MN 55344-9172				Summary Total				50.00
					Payment Amount				50.00
111742	TWIN CITY WATER CLINIC INC	SEPT 2012 WATER TESTS	PV	64807	001	09601	10/1/2012	2800	150.00
	TWIN CITY WATER CLINIC INC 617 13TH AVENUE SOUTH HOPKINS MN 55343	OCT 2012 WATER TESTS	PV	64954	001	09601	11/1/2012	2890	150.00
					Summary Total				150.00
					Summary Total				150.00
					Payment Amount				300.00
100508	VANCE BROTHERS INC	TACK OIL	PV	64916	001	09101	10/12/2012	23968	64.13
	VANCE BROTHERS INC P O BOX 877366 KANSAS CITY MO 64187-7366				Summary Total				64.13
					Payment Amount				64.13
100539	WRIGHT TIRE SERVICE INC	TIRES FOR 352	PV	64846	001	09101	10/17/2012	85390	400.57
	WRIGHT TIRE SERVICE INC 710 WEST MAIN STREET ANOKA MN 55303	TIRE REPAIR FOR 611	PV	64847	001.	09101	10/12/2012	85153	94.81
		TIRES FOR 566	PV	64848	001	09101	10/15/2012	85274	629.49
		TIRES FOR 675	PV	64849	001	09101	10/18/2012	85440	867.55
					Summary Total				867.55
					Payment Amount				1,992.42
112515	WSB AND ASSOCIATES INC	SUNWOOD/ARMSTRONG SEPT 2012	PV	64845	001	09496	10/19/2012	3 OCT 2012	11,748.50
	WSB AND ASSOCIATES INC 701 XENIA AVENUE SOUTH SUITE 300 MINNEAPOLIS MN 55416				Summary Total				11,748.50
					Payment Amount				11,748.50

R04570

CITY OF RAMSEY
Create Payment Control Groups

Bank Account 00002224 CASH IN BANK
Version LOGIS003V
Originator JLIPSKI
Payment Instrument Check Payment
Pay Through Date 12/31/2012

Payee	Stub	Document	Due	Invoice	Payment				
Number	Name / Mailing Address	Message	Ty	Number	Item	Co	Date	Number	Amount

Total Amount to be Processed

279,457.66

Total Number of Payments to be Processed

94

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION #12-11-XXX

RESOLUTION APPROVING CASH DISBURSEMENTS MADE AND AUTHORIZING PAYMENT OF ACCOUNTS PAYABLE INVOICING RECEIVED DURING THE PERIOD OF OCTOBER 17, 2012 THROUGH NOVEMBER 7, 2012.

WHEREAS, the City of Ramsey Finance Department has made cash disbursements and received accounts payable invoicing during the period of October 17, 2012, through November 7, 2012, in the amount of \$582,715.78; and

WHEREAS, the City Council of the City of Ramsey is required to authorize payment for all disbursement transactions.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA, as follows:

- 1) That the Ramsey City Council hereby approves the cash disbursements made and authorizes payment of the accounts payable invoices as detailed in the attached Bills List for the period October 17, 2012, through November 7, 2012, in the amount of \$582,715.78.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember , and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following abstained:

and the following were absent:

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 13th day of November 2012.

Mayor

ATTEST:

City Clerk

Meeting Date: 11/13/2012

By: Diana Lund, Finance

Information

Title:

Adopt Resolution #12-11-XXX Adopting the 2013 Parking Ramp Maintenance Budget and Approve attached Resolution #12-11-XXX Allocating the Parking Ramp Maintenance Costs per the adopted 2013 budget based on each parcels allocated share as outlined.

Background:

The city adopted an amended and restated Parking Improvement Use and Maintenance Agreement (PUMA) for Parking District A (City Municipal Ramp) on April 30, 2012. This agreement obligates the owner of each parcel in Parking District A to pay the City for costs the city has or will incur to maintain, repair and replace the District A parking improvements based on an allocated costs assigned to each parcel.

Per the agreement, the city is required to prepare a budget for formal adoption at least 30 days prior to fiscal year end or by November 30 outlining the anticipated parking maintenance costs for the next fiscal year and adopt a resolution allocating the budgeted parking maintenance costs among the parcels per the parcels "allocated share".

The city's 2013 Parking Ramp Maintenance Budget is attached that also includes the calculation of each parcels allocated share.

Recommendation:

Approve attached Resolution #12-11-XXX Adopting the 2013 Parking Ramp Maintenance Budget

And

Approve attached Resolution #12-11-XXX Allocating the Parking Ramp Maintenance Costs per the adopted 2013 budget based on each parcels allocated share as outlined.

Council Action:

Motion to recommend Council adopt Resolution #12-11-XXX Adopting the 2013 Parking Ramp Maintenance Budget

and

Motion to recommend Council adopt Resolution #1-11-XXX authorizing the allocation of the budgeted parking maintenance costs among the parcels as outlined.

Attachments

2013 Parking Ramp Budget

Resolution Adopting 2013 Park Ramp Maintenance Budget

Resolution Authorizing Allocation of 2013 Park Ramp Maintenance Costs

Form Review

Inbox

Kurt Ulrich

Reviewed By

Kurt Ulrich

Date

11/07/2012 05:11 PM

Form Started By: Diana Lund

Started On: 10/19/2012 11:05 AM

Final Approval Date: 11/07/2012

Parking Ramp Maint Costs

Object #	2013 Budget
6102-6133 Snow Removal - 3 8 Hour events	\$ 10,398
6102-6133 Maintenance Labor (Dan & Don 100 hr each)	\$ 5,610
6315 Fire Ext recharge	\$ 300
6315 Fire Alarm inspection	\$ 550
6249 Bulbs	\$ 2,500
6315 Elevator	\$ 4,624
6315 Wash Glass Windows	\$ 533
6315 Security	\$ 336
6315 Mn Dept Of Labor-Elevator Lic	\$ 200
6249 Misc Supplies	\$ 500
6321 Phone	\$ 1,514
6371 Electric-Connexus	\$ 45,714
6372 Water	\$ 447
6315 Mechanical Repairs	\$ 2,000
6315 Sweeping	\$ 660
6361 Liability Insurance (annual 7% increase)	\$ 19,245
6102-6133 Administration of Agreement (1%)	\$ 1,224
10% Contingency	\$ 9,635
Total Exp	\$ 105,990

Total Budgeted Expense	<u>\$ 105,990</u>

Stall Allocation % of Parking Ramp Costs

Transit: 350 Stalls	\$ 46,370
City Hall: 150 stalls	\$ 19,874
F&C: The Residence: 300 stalls	\$ 39,746
Total Parking Ramp Allocation	<u>\$ 105,990</u>

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION #12-11-XXX

RESOLUTION ADOPTING THE 2013 CITY OF RAMSEY PARKING RAMP MAINTENANCE BUDGET

WHEREAS, the City of Ramsey Adopted an Amended and Restated Parking Improvement Use and Maintenance Agreement (PUMA) for Parking District A (Municipal Center Ramp) on April 30, 2012; and

WHEREAS, the City of Ramsey is required to annually adopt a budget of parking ramp maintenance costs on or before the date thirty days prior to the beginning of each full fiscal year; and

WHEREAS, on or before the date thirty days prior to each full fiscal year, the City Council must adopt a resolution allocating the budgeted parking maintenance costs for that fiscal year among the benefitting parcels; and

WHEREAS, That the annual budget of the City of Ramsey for the fiscal year beginning January 1, 2013 is hereby adopted for the Parking Ramp Maintenance Fund in the amount of \$105,990.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RAMSEY, COUNTY OF ANOKA, STATE OF MINNESOTA, as follows:

That the annual budget of the City of Ramsey for the fiscal year beginning January 1, 2013 is hereby adopted for the Parking Ramp Maintenance Fund as follows:

Expenses:

Operating Expenses	\$105,990

That the motion for the adoption of the foregoing resolution was duly seconded by Councilmember and upon vote being taken thereon, the following voted in favor:

the following voted against the same:

and the following abstained:

and the following were absent:

whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this 13th of November, 2012.

Mayor

ATTEST:

City Clerk

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION #12-11-XXX

RESOLUTION AUTHORIZING THE ALLOCATION OF THE 2013 PARKING MAINTENANCE COSTS PER ALLOCATED SHARE ASSIGNED TO EACH PARCEL WITHIN PARKING DISTRICT A

WHEREAS, the City of Ramsey Adopted an Amended and Restated Parking Improvement Use and Maintenance Agreement (PUMA) for Parking District A (Municipal Center Ramp) on April 30, 2012; and

WHEREAS, the City of Ramsey is required to annually adopt a budget of parking ramp maintenance costs on or before the date thirty days prior to the beginning of each full fiscal year; and

WHEREAS, on or before the date thirty days prior to each full fiscal year, the City Council must adopt a resolution allocating the budgeted parking maintenance costs for that fiscal year among the benefitting parcels; and

WHEREAS, the share of the anticipated annual parking maintenance costs the City allocates to each parcel for each given fiscal year will be determined by multiplying the parcel's allocated share, which is the number of parking spaces assigned to that parcel within Parking District A divided by the total number of parking spaces within Parking District A.

WHEREAS, for fiscal year 2013 the parcel allocation of the 800 stalls is calculated as such:

Transit Parcel:	350 Stalls
City Hall Parcel:	150 Stalls
F&C Residence at the COR Parcel:	300 Stalls

WHEREAS, for fiscal year 2013, the budgeted park maintenance costs of \$105,990 will be allocated as such based off of the stall allocation listed above:

Transit Parcel Budget Allocation:	\$46,370
City Hall Parcel Budget Allocation:	\$19,874
F&C Residence at the COR Parcel Budget Allocation:	\$39,746

WHEREAS, for fiscal year 2013, the owners of each parcel must pay to the City the amount of the parking maintenance costs that the City Council has allocated to the parcel as listed above, by February 28, 2013.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RAMSEY, COUNTY OF ANOKA, STATE OF MINNESOTA, as follows:

- 1) That the Ramsey City Council hereby approves the annual allocation of 2013 budgeted Parking Ramp Maintenance Costs as follows:

Transit Parcel Budget Allocation: \$46,370

City Hall Parcel Budget Allocation: \$19,874

F&C Residence at the COR Parcel Budget Allocation: \$39,746

with payment due to the City By February 28, 2013.

That the motion for the adoption of the foregoing resolution was duly seconded by Councilmember and upon vote being taken thereon, the following voted in favor:

the following voted against the same:

and the following abstained:

and the following were absent:

whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this 13th of November, 2012.

Mayor

ATTEST:

City Clerk

CC Regular Session**4. 11.****Meeting Date:** 11/13/2012**By:** Colleen Lasher, Administrative Services

Information**Title:**

Adopt Resolution #12-11-XXX to Accept the City Administrator's Performance Evaluation

Background:

As part of the City Administrator's 2011/2012 360 degree performance evaluation, Mr. Ulrich, all direct reports, and all Councilmembers completed the performance evaluation for the time period of August 2011 through September 2012.

The results were compiled and the Mayor and City Administrator met privately on October 18, 2012 to discuss the evaluation. On October 23, 2012, as allowed by Minnesota Statute 13D.05, Subd. 3, which states "a public body may close a meeting to evaluate the performance of an individual who is subject to its authority" the City Administrator met with the full City Council in closed session to discuss the results of his performance evaluation. It was the consensus of the City Council to accept Mr. Ulrich's annual performance evaluation for the period of August 2011 through September 2012. Mr. Ulrich stated that he intends to meet one-on-one with each Councilmember to review individual concerns.

Funding Source:

There is no funding required for this action.

Council Action:

Motion to adopt resolution #12-11-XXX accepting Mr. Kurt Ulrich's performance evaluation for the time period of August 2011 through September 2012.

AttachmentsResolution

Form Review**Inbox**
Kurt Ulrich**Reviewed By**
Kurt Ulrich**Date**
11/07/2012 05:17 PM
Started On: 11/05/2012 08:04 AM

Form Started By: Colleen Lasher

Final Approval Date: 11/07/2012

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION #

**A RESOLUTION ACCEPTING THE CITY ADMINISTRATOR'S
PERFORMANCE EVALUATION**

WHEREAS, a 360 degree performance evaluation was completed for the City Administrator for the time period of August 2011—September 2012; and

WHEREAS, the City Council and the City Administrator discussed the City Administrator's performance in closed session on October 23, 2012; and

WHEREAS, it was the consensus of the City Council to accept Mr. Ulrich's performance.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA, as follows:**

The City Council accepts City Administrator Ulrich's performance evaluation for the time period of August 2011-September 2012

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember , and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following abstained:

and the following were absent:

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 13th day of November, 2012.

CC Regular Session**4. 12.****Meeting Date:** 11/13/2012**By:** Diana Lund, Finance

Information**Title:**

Report From the Finance Committee of October 23, 2012 - Agenda Item - Award Contract for Banking Services

Background:

Staff Reviewed the proposals received for banking services from Bank of the West and Village Bank. The Finance Committee was in agreement with staff's recommendation to select Bank of the West for the City's banking services effective January 1, 2013.

Recommendation:

Ratify the recommendation of the Finance Committee.

Council Action:

Ratify the recommendation of the Finance Committee that the award for banking services be made to Bank of the West for services to begin January 1, 2013.

AttachmentsBank Ratings for ProposalBank of the West ProposalVillage Bank Proposal

Form Review**Inbox**

Kurt Ulrich

Reviewed By

Kurt Ulrich

Date

11/07/2012 03:45 PM

Form Started By: Diana Lund

Started On: 10/19/2012 11:03 AM

Final Approval Date: 11/07/2012

**Banking Service
Analysis of Proposals
October, 2012**

Evaluation Considerations:

- 1) Banking institutions' financial statistics, including size, profitability, assets, equity, liquidity, and management.
- 2) Responsiveness of the proposal in clearly stating an understanding of the City's banking service requirements.
- 3) Banking institutions' ability to provide services required by the City.
- 4) Cost of providing banking services.

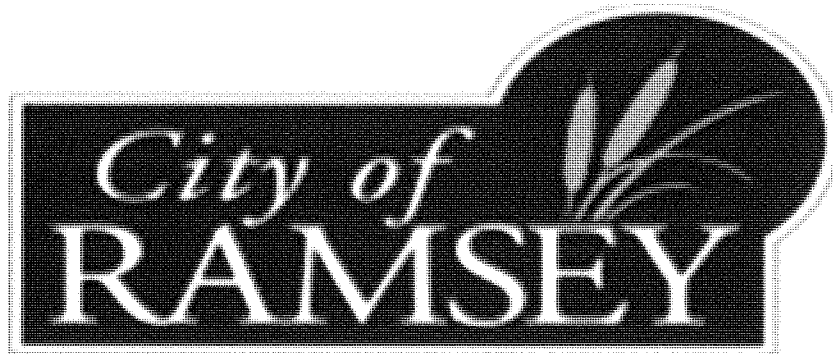
	Bank of the West				Village Bank		
	Weight	Rating	Score		Weight	Rating	Score
1) Scope of Services	3	4	12		3	3	9
2) Rate of interest on funds	2	1	2		2	1	2
3) Bank Stability	3	4	12		3	2	6
4) Professionalism	2	3	6		2	2	4
5) Pricing-service fees	3	2	6		3	2	6
6) Reputation	2	3	6		2	3	6
7) Community oriented	2	3	6		2	3	6
8) Technology	3	4	12		3	2	6
9) Availability	3	3	9		3	3	9
Total Score			71				54

Weight: Range 1 (least important) - 3 (most important)

Rating: Range 1(lowest) - 5 (highest)



PROPOSAL FOR BANKING SERVICE



PRESENTED BY:

Joan Wood
Vice President
Branch Manager
14125 St Francis Blvd
Ramsey, MN 55303
☎763-567-2164 ☎763-422-1007
joan.wood@bankofthewest.com

Melissa Sutton
Assistant Vice President
Cash Management Consultant
250 Marquette Ave Ste. 575
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Chris Randall
Financial Services Officer
14125 St. Francis Blvd
Ramsey, MN 55303
☎763-567-2162 ☎763-422-1007
chris.randall@bankofthewest.com

October 12th, 2012 4:30 p.m. CST



PROPOSAL FOR BANKING SERVICE



Table of Contents

Table of Contents.....	2
Tab 1: Letter of Transmittal.....	3
Tab 2: Independence of the Proposer.....	5
Tab 3: Profile of Proposer.....	12
Tab 4: Scope of Services and Additional Recommended Services.....	15
Tab 5: Compensation and Service Charges.....	24
Tab 6 : Exhibits.....	26



October 12th, 2012

Diana Lund
Finance Director
City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303

RE: Banking Services RFP

Dear Ms. Lund:

Thank you for allowing Bank of the West the opportunity to submit a response to The City of Ramsey (the City) Request for Proposal for Banking Services. With over a hundred years of banking history and extensive experience servicing government agencies, Bank of the West presents the ideal combination of strength, soundness and experience required to serve the complex needs of government entities.

Today, Bank of the West supports more than 6,077 Public Fund accounts with over \$2.3 billion in deposits, collateralized in accordance with state codes. Our team is staffed with credentialed, experienced professionals who have significant expertise in the economic challenges that government entities face today. A wide range of cash management services and a seasoned banking staff form a knowledgeable, pro-active and secure banking partner that will position the City to achieve its strategic goals.

We have reviewed the requirements contained in the RFP and there are a few points we would light to highlight.

- If safety and soundness is one of your main objectives, we are the bank for you. Please review our ratings included in this proposal. We have the ability to meet your collateral requirements of 110% in accordance with Minnesota state statutes.
- Finding solutions and streamlining your day to day activities are our number one goal. We are a community bank with big bank services, so you never have to worry about outgrowing us.
- We have the ability to receive a daily file from your lockbox provider, Opus 21, as long as the file format meets the requirements. The specifications are included in the exhibits section as well as more information regarding the process of image clearing services.
- We will agree to a one year contract with a chance to renew each year thereafter as stated in your request. We will review the contact each year thereafter to make sure





the contract and structure still makes sense for both parties. It is our goal to keep you as a long time happy customer and we will work together to ensure this happens.

- We will be able to provide you with an increased Earnings Credit Rate of .46% as well as earn a rate of return of .05% in a Money Market Savings account. We offer repurchase sweeps, however, do not recommend them in most scenarios due to the low rate of return and the cost of the sweep.
- The banking world is ever changing. We want to ensure you know we are a partner who will keep you abreast of the changes so you can rest assured your deposits will always be safe and secure and your cash will be leveraged to give you the most bank for your buck.
- Should we earn your business we intend to meet with you on an annual basis (or by request) to review the cash management products and services you have with us to ensure they still make sense. In addition, if we see any product that could benefit your bottom line or create efficiency, we will be sure to bring those to your attention. We want to be an innovative partner to the City.

If you wish to contact some of our existing clients to see what they have to say about banking with Bank of the West, we would be happy to provide you with a list of references upon your request. We would like to thank you for your time in advance for considering our proposal. Please contact us with any questions.

Sincerely,

Joan Wood
Vice President
Branch Manager

Melissa Sutton
Assistant Vice President
Cash Management Consultant

Chris Randall
Financial Service Officer
Ramsey Branch





PROPOSAL FOR BANKING SERVICE



Tab 2: Independence of Proposer

A. Describe any business, investment or family relationships with the City, City officials, appointed employees or department heads.

Chris Randall's father, Gerald Randall, is a partner in the law firm Randall & Goodrich, with the city attorney, William Goodrich. This partnership also banks with Bank of the West.

B. Describe any formal independence guidelines used by your institution.

Policy: Conflict of Interest
Revised: September 11, 2011

Our reputation for honesty and integrity is the sum of the personal reputations of every Bank of the West team member. You should manage your personal and business affairs to avoid situations that might lead to an actual, potential or perceived conflict between self-interest and responsibility to customers, the community or Bank of the West.

A conflict of interest arises in situations where personal activities or outside interests may directly or indirectly influence judgment in carrying out your responsibilities for Bank of the West. The appearance of a conflict of interest may be just as damaging to our reputation as a real conflict. While we depend on you to be the primary judge of your own conduct, this policy and these guidelines have been developed with the intention of providing you with uniform guideposts that help prevent conflicts which could result in reputational, regulatory or legal risk for Bank of the West, team members or customers.

It is our policy that team members (including accounts or legal entities in which you control or hold 20% or more of the capital or the voting right) will not engage, directly or indirectly, in any activity, outside interest, financial relationship or investment that conflicts with Bank of the West's interests, competes with Bank of the West, or interferes with your Bank of the West responsibilities, whether or not there is any personal financial or other gain to the team member. Additionally, team members and their immediate families (defined as spouse, domestic partner, child, parent, grandparent, grandchild, sibling, and step and in-law relations of same, and any other person dependent upon a team member or living in their home for more than a year) should avoid entering into relationships, transactions or situations where it may appear that they are improperly benefiting from their relationship with Bank of the West or which are in violation of laws governing fiduciary relationships. You should avoid using Bank of the West's name in any manner, which may imply our endorsement of any outside activity or product. You should also avoid discussing and/or communicating the affairs of Bank of the West with anyone, including through Internet social media sites unless there is a legitimate business reason for that person to know.



PROPOSAL FOR BANKING SERVICE



Team members engaging in activities where there may be a question of conflict of interest, or where there is an obligation to report, should document their activities, have their manager review it, and send this information to the Human Resources Compliance Manager for review and approval (team members should use the "Conflict of Interest Form" for this approval process). Should you have a question about a particular activity or outside interest, you should consult MyHR Support Center immediately. Actions by team members inconsistent with this policy may result in a disciplinary action up to and including immediate termination of employment.

DISCLOSURE AND APPROVAL PROCEDURES

Per the Guidelines below, team members must disclose certain outside interests and activities and obtain prior written approval before engaging in or continuing to engage in certain outside interests and activities. Team members are expected to follow these disclosure and approval procedures.

You must have prior approval from your department head or group head before engaging in any type of secondary employment or outside directorship. If you are considering secondary employment or outside directorship, you must report your intentions to your immediate supervisor in sufficient time to obtain prior approval.

Requests for approval must be prepared and submitted on a "Conflict of Interest Form." Your immediate supervisor should submit the form to the department head or group head for review. The department head or group head should forward the form to the Human Resources Compliance Manager for approval.

Upon approval, the Human Resources Compliance Manager will notify the department head or group head if the request is approved or denied. The "Conflict of Interest" form will be forwarded to the Team Member Records Unit for inclusion in your file, and a copy of the form will be returned to you.

GUIDELINES

It is impossible to set forth each situation in which a conflict of interest or the appearance of a conflict of interest may arise. Possible situations include, but are not limited to:

Outside Financial Interests

You must disclose to Bank of the West any personal outside financial interests, which represent more than a nominal portion of a business enterprise. It is against our policy for team members or their immediate families to approve, vote on, or take part in any way in transactions between Bank of the West and any such financial interests. You are not required to report financial interest in employer-sponsored 401k plans or other similar retirement investment accounts.



PROPOSAL FOR BANKING SERVICE



A team member may not have a financial interest in another bank, savings and loan association, finance company or any other institution that competes with Bank of the West.

Outside Business Interests or Activities

You must disclose to Bank of the West any management ownership or positions held in outside businesses. The operation or ownership of an outside business by a team member involving lending, investing or any other service also rendered by Bank of the West is considered a conflict of interest and is against our policy.

Outside Directorships

You must disclose to Bank of the West any current or potential outside directorship or other significant function (whether paid or unpaid and whether in an industrial, commercial, educational or not-for-profit organization) so we may determine whether a conflict of interest exists. You must receive prior written approval from the Human Resources Compliance Manager before continuing or accepting outside directorships. In serving as a director of an outside organization, you must not make or approve loans to that organization or represent Bank of the West in any other transactions with that organization.

A team member may not become a director of another bank, savings and loan association, finance company or any other institution that competes with Bank of the West.

Interest in the Enterprise of a Customer or Supplier

Team members (including accounts and legal entities which they control or hold an interest) and their immediate families must refrain from taking a personal interest of any kind in a transaction carried out by Bank of the West, whether with a customer or supplier or for its own account, or carried out by a customer or supplier, unless they have prior written authorization from Bank of the West.

Similarly, unless written disclosure is provided to and approved by Bank of the West, it is against our policy for a team member, or any member of their immediate family, to hold any direct or indirect financial interest in the business of a Bank of the West customer or supplier, or in any enterprise to which financing or other products/services are, or may be, extended or offered by Bank of the West. "Interest" as used in this section does not include an interest in a company whose shares are publicly traded, or an interest in a family owned business.

Outside Employment and Compensation

Bank of the West discourages outside employment, but it may be allowed if it does not interfere, compete or conflict with Bank of the West's interests. You must obtain prior written approval from your manager and the Human Resources Compliance Manager before accepting outside employment by completing a "Conflict of Interest Form." Even if such approval is given, team members are expected to devote their full and best efforts to Bank of the West during all working hours.



PROPOSAL FOR BANKING SERVICE



It is against our policy for a team member to work for another bank, savings and loan association, finance company or other institution that competes directly with Bank of the West.

A team member who has received approval from the Human Resources Compliance Manager to serve as an officer, director, or team member of an outside organization or to engage in other outside employment can normally retain all compensation paid for such service. Honorariums received by a team member for publications, public speaking, appearances, teaching, and the like may also be retained by the team member. However, you must obtain approval from your manager prior to engaging in such activities. Once approval is obtained, you must seek guidance from Corporate Communications with respect to public speaking and media relations policies. In most outside activities, you will not be allowed to present yourself as a Bank of the West representative.

Community and Political Activities

While you are encouraged to take an active part in community, religious and political affairs on your own time, your involvement must be on an individual basis, and must avoid inference that Bank of the West is endorsing or taking a particular position that is in conflict with the interests of Bank of the West.

Under no circumstance may a team member authorize any direct or indirect political contribution of Bank of the West funds or other property of Bank of the West.

You must disclose to Bank of the West any public or political office you seek or hold so we may determine whether a conflict of interest exists. You must receive prior written approval from the Human Resources Compliance Manager before seeking or remaining in a public or political office. In serving as a public or political official, you must not make or approve loans to that public or political entity or represent Bank of the West in any other transactions with that public or political entity.

Loans to Relatives, Creditors and Others

Team members with authority to make Bank of the West loans may not grant credit to relatives or to businesses owned or operated by relatives. It is also against our policy for you to grant credit to personal creditors, Bank of the West customers wishing to purchase your private property or the private property of your relatives, or to businesses in which you are an officer, director or employee or in which you or your relatives have a financial interest.

Loans from Bank Customers, Suppliers or Team members

It is against our policy for a team member to borrow money from Bank of the West customers, suppliers or fellow team members. This restriction does not apply to loans from recognized lending institutions or normal credit granted by businesses for purchases carried on account.

Individual Fiduciary Activity

Team members may serve in a fiduciary capacity only for immediate family members.



PROPOSAL FOR BANKING SERVICE



Outside Securities Accounts (BWIS)

In accordance with applicable regulatory rules, team members of BancWest Investment Services (BWIS) must disclose all of their outside brokerage accounts in writing to the BWIS Compliance Officer or on the Outside Brokerage Account Questionnaire. In addition, BWIS team members must notify the firm(s) executing their outside brokerage accounts of their association with BWIS. Industry regulations and Bank of the West require that duplicate confirmations and duplicate monthly statements of all outside account(s) be sent to the BWIS Compliance Department. It is the responsibility of BWIS team members to arrange for such duplicate confirmations and statements.

The above requirements extend to accounts in the name of BWIS team members' spouses and persons with whom BWIS team members have a financial interest and have discretionary authority. [See BWIS Broker-Dealer Compliance Manual.]

Disclosure of Information

It is against our policy for a team member to establish a personal, business, financial or other relationship with a customer without Bank of the West's prior knowledge and approval. You must always disclose to Bank of the West information that may affect Bank of the West's position in a credit or other Bank related transaction.

Personal Fees, Commissions or Money

It is against our policy for a team member to accept, directly or indirectly, personal fees, commissions, or services in connection with customer banking transactions. Such compensation must be politely refused if offered.

Gifts or Favors

It is improper for team members (including accounts or legal entities in which you control or hold an interest) or your immediate family to accept or give a gift, favor, invitation, gratuity, honoraria or any other item of value (whether physical or non-physical) (e.g. objects, financial income and all types of services including designation as beneficiary of a life insurance policy, bequests or the making available of other benefits), either directly or indirectly, from a customer, supplier or from any other person having or seeking a relationship with Bank of the West. This rule does not apply to (a) food, refreshments, or entertainment at business meals or business meetings, (b) advertising or promotional material of nominal value, (c) awards from charitable organizations, or (d) gifts of nominal value given on special occasions such as year-end holidays. ('Nominal value' would be within your ability to reciprocate on a personal basis or with a legitimate claim to Bank of the West for reimbursement under similar circumstances. Questions regarding 'nominal value,' or gifts in general, should be directed to the Human Resources Compliance Manager.) Accepting such gifts may imply to the team member or the giver of the gift that a reciprocal favor is expected. Gifts of more than nominal value must be politely declined.

All cash gifts or other means of payment whatever the circumstances are prohibited and must be politely refused if offered. In addition, both applicable law and our policy prohibit any team members from directly seeking, accepting or receiving anything of



PROPOSAL FOR BANKING SERVICE



value in a business transaction for the benefit of Bank of the West or themselves (other than normal authorized compensation or permissible gifts as described above). Similarly prohibited is the offering of anything of value with the intent to influence or reward an officer, director, team member or agent of a financial institution. These restrictions on gifts are aimed at avoiding situations in which you find yourself indebted to a customer, supplier, or other party, facing a potential conflict of interest, or exposed to a risk that may compromise the proper execution of your employment responsibilities. These restrictions are also aimed at maintaining impartiality and independence of decisions.

Wealth Management Personnel

Team members in the Wealth Management area of Bank of the West must exercise particular care in handling personal investments in order to avoid any conflict with the execution of orders for customers, as well as any possible misuse of material insider information.

Personal Transactions

Bank of the West team members must not extend loans, accept loan payments, open new accounts, issue ATM cards, accept deposits, cash checks, pay out withdrawals, waive or reverse fees, or otherwise approve or process any transaction for themselves, for relatives or friends, or on any account on which they are a signer [Employee-Signer Accounts - See Guidelines for Ethical Conduct.]

In addition, you (including accounts and legal entities which you control or hold an interest) and your immediate family must refrain from the following personal transactions:

Any purchase or sale of goods or services with a customer with whom you have direct professional relations,

Any purchase or sale of goods or services with Bank of the West

Any purchase or sale of goods or services that imitates, accompanies or takes place alongside a transaction or service carried out by a customer or Bank of the West, unless such purchases or sales relate to a public offering, relate to a team member benefit program, or where the team member has obtained authorization from Bank of the West.

Referrals to Other Financial Resources

Team members must not refer customers to lawyers, tax advisors, accountants, financial planners or other financial resources or otherwise endorse the services provided by such resources, except as authorized by Bank of the West. Team members must not accept gifts, favors or payments of any kind arising from such a referral.

Professional Conduct

You must conduct yourself in a professional manner at all times and not engage in or facilitate any discriminatory, harassing or other inappropriate behavior directed towards fellow team members, customers, suppliers or others in the context of activities related to Bank of the West. Personal conflicts you may have with others should not enter the workplace or affect the interests of Bank of the West.



PROPOSAL FOR BANKING SERVICE



Non-Interference with Bank Relationships

You must not persuade or attempt to persuade any customer, supplier, contractor or any other person with any actual or potential relationship with Bank of the West to terminate, curtail, or not enter into a relationship with Bank of the West, or to in any way reduce the monetary or other benefits to Bank of the West of such relationship, except as authorized by Bank of the West.



PROPOSAL FOR BANKING SERVICE



Tab 3: Profile of Proposer

Bank of the West, with \$62.3 billion in assets at March 31, 2012, is a full-service commercial bank serving the personal and business banking needs of customers in nineteen states through a network of more than 660 retail and commercial locations. A subsidiary of holding company BancWest Corporation, Bank of the West has resources and capabilities that make it one of the largest financial services providers west of the Mississippi, while emphasizing personalized customer service.

Founded in 1874, Bank of the West originates commercial, small business and consumer loans and leases, as well as providing a range of other individual and commercial deposit, banking, trust and investment products. Through four major business areas – *Commercial Banking, Regional Banking, National Finance and Wealth Management* – Bank of the West and its subsidiaries offer clients a broad range of retail, small business and commercial banking products and services to fit their evolving financial needs. In addition to banking products, the Bank and its subsidiaries provide clients with comprehensive investment services through BancWest Investment Services, and insurance products and services through BW Insurance Agency, Inc.

BancWest Corporation is a partnership of two dynamic financial institutions: First Hawaiian Bank and Bank of the West. BancWest Corporation serves more than four million households and business accounts through over 700 retail branch banking locations and dozens of commercial banking offices in twenty Western and Midwestern states, and overseas in Guam and Saipan. The banks have representative offices in Tokyo, Japan and Taipei, Taiwan and an offshore location in Grand Cayman, West Indies.

BancWest Corporation is a wholly owned subsidiary of *BNP Paribas (BNPP)*, a European leader in banking and financial services and *the fifth highest rated bank in the world according to Standard & Poor's*. Present in more than 80 countries, BNPP has more than 200,000 employees with a significant presence in the United States and Europe, and strong positions in Asia and the emerging markets.



PROPOSAL FOR BANKING SERVICE



Provide a description of your institution's financial status, officers, and business practices and philosophy, including:

A. Current summary financial data, including summary income statements and balance sheets, and financial ratios.

RATINGS

Bank of the West has strong investment-grade credit ratings from S&P, Moody's and Fitch. We maintain a strong balance sheet and demonstrate a consistent financial performance.

BANK OF THE WEST CREDIT RATINGS			
Rating Agency:	S&P	MOODY'S	FITCH
Long Term	A	A2	A+
Short Term	A-1	P-1	F1

BNP PARIBAS CREDIT RATINGS			
Rating Agency:	S&P	MOODY'S	FITCH
Long Term	AA-	Aa3	A+
Short Term	A-1+	P-1	F1+

STRONG CAPITAL POSITION

Bank of the West is one of the 25 largest commercial banks out of over 9,400 in the United States. Bank of the West's Tier 1 Capital ratio was 14.20% in Q4, 2011, a capital position that is significantly higher than regulatory requirements.

CAPITAL RATIO	BANK OF THE WEST Q4, 2011
Tier 1 Risk-Based Capital Ratio	14.20%
Total Risk-Based Capital Ratio	15.45%
Tier 1 Leverage Ratio	11.57%

Bank of the West's Annual Financial Statements can be downloaded here:
<https://www.bankofthewest.com/about-us/our-company/annual-reports.html>

We have also printed paper copy for your records.



PROPOSAL FOR BANKING SERVICE



B. Names and positions of officers at the local branch(s) of the institution.

Chris Randall, Financial Services Officer
Paulette Bork, Assistant Customer Service Manager
Penny Coons, Customer Service Manager
Joan Wood, Area Manager, Vice President
Melissa Sutton, Cash Management Consultant, Assistance Vice President

C. Formally defined statement of institution's goals.

Our long term strategic initiatives are designed to ensure we keep our company strong and customer focused. We take pride in ensuring that our customers interact with knowledgeable bankers, fully committed to helping them achieve their professional goals. We are proud that our high-quality customer service has been recognized by the prestigious consulting firm Greenwich Associates for excellence in business banking and that Money magazine named Bank of the West the best regional bank in 2011. For more information, we have attached our 2011 Annual Report for your review in the exhibits section.



PROPOSAL FOR BANKING SERVICE



Tab 4: Scope of Services

A. FDIC/FSLIC Insurance on deposits at limits prescribed by law.

Until the end of 2012, all funds in a non-interest bearing account will be fully FDIC insured. We have the ability to fully collateralize any interest bearing account with balances greater than \$250,000 (so any amount above and beyond FDIC coverage) in accordance with state and federal laws.

B. Pledged collateral to the City, in a form acceptable under State Statutes.

Bank of the West's pledged collateral is in accordance with Minnesota State Statutes.

C. Daily "sweep" to money market checking, money market savings, electronic funds transfer (ACH for payroll), and other accounts as necessary.

You will have the ability to make online transfers via WebDirect, our online treasury platform. Those transfers can include, but not limited to account transfers, ACH, Wires, and Stop Payments. If you are looking for an automatic sweep to an investment account such as a Repurchase sweep, we offer this solution. Given the current economic times, many clients chose to set up a Money Market Savings Account rather than a Repurchase Sweep.

D. Depository for federal withholding and FICA taxes.

If you wish to have a separate account for your federal withholdings and FICA taxes to be taken from, we can accommodate this.

E. Wire transfer services

We can set you up with the ability to initiate wire transfers online through WebDirect. You can set up necessary separation of duties and/or layers of approval through the site if you wish. Should you move forward with Bank of the West, you will be provided training on WebDirect so you are familiar with how to use the system.



PROPOSAL FOR BANKING SERVICE



F. Online Services

The Bank's WebDirect Cash Management system offers a full suite of cash management services to meet your specific needs. You can select from the following modules:

- *Account Reconciliation* – We offer full, partial and deposit reconciliation services and you can upload check issues online as single items or in batches using a simple Excel file
- *Account Transfers* – Make real time transfers between Bank of the West accounts
- *ACH* – Make individual electronic transactions online or import batches using a standard ACH file format and process through the Automated Clearing House
- *Bill Payment* – Eliminate the burden of check writing and the uncertainty of mail delays by creating payments online
- *Customer Administration* – Control access to accounts and functions. Monitor usage with audit logs and operator reports
- *Electronic Images* – Retrieve images of paper items such as paid checks and deposits
- *Information Reporting* – Retrieve balance, summary and detail of account activity by 8:00 a.m. CST.
 - Previous Day account balance with summary and detail information
 - Current Day account balance with summary and detail information
 - Information Reporting account subtotal report
- *Positive Pay* – Prevent fraud by monitoring account activity. Send us a file of the checks issued each day and we will cross reference this against the checks being presented for payment against your account. An image of any item(s) not matching the information included in the file you sent us will be available for you to make a pay no pay decision.
- *Special Reports* – Receive electronic versions of monthly bank statements, account analysis and investment statements, as well as ACH, Account Reconciliation, Cash Vault and EDI reports
- *Stop Payments* – Conveniently place a stop payment for a single check or range of checks with real time confirmations. Also provides the capability to renew or delete a stop
- *Wire Transfers* – Create one time or recurring payments to domestic or international locations in US or foreign currency with real time confirmations



PROPOSAL FOR BANKING SERVICE



INFORMATION REPORTING

With WebDirect, the City has the power to obtain convenient access to current and previous day account balances and transaction detail, 24/7. The innovative design of WebDirect allows the City to choose only the reports, and services needed, and as those needs change or grow, the City can easily add on other features. The following types of reports are available through WebDirect:

Previous Day Account Balance with summary and detail information including:

- Balance and detail reports, including float breakdown: ledger balance, available balance, day 1 float, day 2 float.
- Check images and deposit tickets
- Miscellaneous credit and debit images

Current Day Account Balance with summary and detail information including:

- Incoming wire transfers with all associated detail
- Controlled disbursement funding and detail of checks
- Detail lockbox report
- ACH transactions
- Memo post transactions
- All other electronic, intra-day activity on your accounts

Special Reports

- Depository services reports
- ACH service with numerous specialized reports
- Account reconciliation with various specialized reports
- Cash vault receipts and adjustment reports
- Account analysis statement
- Monthly bank account statements
- Investment sweep reports

Security Administration

One of Bank of the West's key advantages is our online Administration module (Admin). From here, Administrators can build users and can customize access by:

- Restricting/Limiting account access
- Restricting/Limiting transaction size
- Restricting/Limiting online module access

Admin can also generate audit reports that report on user activity via the "User Audit Log". The User Audit Log shows exactly what time (in CST) each user logged into WebDirect and what modules they accessed. It also details each transaction executed during that user's session. We also provide the IP address of the PC the user used to access WebDirect. Reports are exportable in Excel format.

As users join and leave the City, you can also pull reports to review user permissions using the "User Profile Report". Your team can manage user access to ensure that each user has the appropriate rights. This report can also be exported as an Excel file.



PROPOSAL FOR BANKING SERVICE



Under a Dual Control setting, the City will have the peace of mind knowing that changes made to users by Administrators must be approved by another Administrator.

Image Retrieval

WebDirect Images: Bank of the West provides a default 90-day archive of images through the online banking platform WebDirect. Images of deposits, checks written, and any other paper transaction are available for viewing. Electronic transactions are searchable and available on WebDirect for 90-days as a default. (Note: images of electronic transactions are not available because there is no paper item negotiated and therefore no item to scan/capture). Additional storage (180-day or 1-year) is available through WebDirect at an additional cost.

Stop Payment

The City can place a stop payment on a single check or on a range of checks online via WebDirect's Stop Payment module, at a local branch office or by calling our client services.

When the stop payment is placed, the system will simultaneously perform an automatic check inquiry from an inventory of 90 days of paid check history. If the check has not been paid within the last 90 days, a stop payment will be placed. WebDirect is available 24 hours a day, 7 days a week with one hour scheduled for routine system maintenance from 2:00 a.m. – 3:00 a.m. (CST) daily.

Training

The Bank and the City will work together to determine exact requirements, expectations, training, timing and task responsibility. **A demo can be facilitated upon request**.

Hardware

- Intel Pentium® II or higher class processor.
- Microsoft Windows® 2000 or XP
- Microsoft Internet Explorer® version 6.0 or higher*
- Internet Access (broadband recommended)
- For network settings, refer to your IT department

G. Interest compounded daily on a money market account(s) (include rate).

Interest is compounded monthly in our Money Market Savings Accounts. Interest paid out in our fully collateralized Money Market Savings Account is .05%. *rates are subject to change with market changes and fluctuations.



PROPOSAL FOR BANKING SERVICE



H. Same day credit of deposits and incoming wire transfer (include cutoff time for deposits)

Availability is assigned as follows:

All paper checks deposited and received before the cutoff time published in the branch, cash vault, or any other department/office, will receive collected funds in accordance with the following schedule:

• Bank of the West Checks	Same Day
• U.S Government Checks	One Day
• Financial Institutions	One Day
• In City Institutions	One Day
• Out of District	One Day
• Other Checks: Canadian, Foreign*, Country*	Two Days

Collected funds are stated in whole business days. Fractional float is applied to each transit check deposited. For all local and non-local items, 95% of the face value of the item is available on day 1 and the remaining 5% is available on day 2.

This schedule is subject to change without notice.

ACH Cut-off Times

Customer Input Method	Cut-Off Time		
	Book Transfer (Same Day Settlement)	Next Day Settlement	2 or more Days Settlement
Direct Transmission	7:30 p.m. CST	7:30 p.m. CST	7:30 p.m. CST
Internet	7:30 p.m. CST	7:30 p.m. CST	7:30 p.m. CST

Wire Availability and Cut-off Times

Type of Transfer	(All times listed are in CENTRAL Standard Time.) Input Method		
	Telephone	Internet	Automatic Standing Transfer
Intra-district (within Fed district)	8:00 a.m. 4:30 p.m.	8:00 a.m. 4:30 p.m.	8:00 a.m. 4:30 p.m.
Inter-district (between Fed districts)	8:00 a.m. 4:30 p.m.	8:00 a.m. 4:30 p.m.	8:00 a.m. 4:30 p.m.
Book transfer/Internal	8:00 a.m. 6:00 p.m.	8:00 a.m. 7:00 p.m.	8:00 a.m. 6:00 p.m.
Drawdown	8:00 a.m. 4:00 p.m.	8:00 a.m. 4:30 p.m.	8:00 a.m. 4:30 p.m.
International	8:00 a.m. 4:30 p.m.	8:00 a.m. 4:30 p.m.	8:00 a.m. 4:00 p.m.



PROPOSAL FOR BANKING SERVICE



I. Electronic Deposits

Please see above for availability schedules. If you chose to make check deposits through remote capture, the availability schedule changes. Checks on Bank of the West are given same day credit. All other checks are 50% day 1 and 50% day 2.

J. Lockbox Service

It is my understanding Opus 21 is processing your lockbox payments on your behalf. Currently, they are depositing the checks and sending Village Bank an ACH file weekly. We have the ability to accept certain file formats from 3rd party vendors (in this case Opus 21) on a daily basis. In the exhibits section we have detailed out the specifications for this. Opus 21 can send us images of the checks processed and you will receive the same credit as describe above for electronic deposits. The service is called Image Clearing Service as is explained in more detail under Letter N, Electronic Check Imaging.

K. Competitive Investment Options

These are effective Tuesday, October 09, 2012 and are only to be used as indicative rates for the purpose of Bank of the West's proposal to the city of Ramsey.

<u>Term</u>	<u>Rate</u>
Up to 89 days	0.03
90-179 days	0.05
180-239 days	0.10
240-359 days	0.10
360 days	0.12
18 months	0.19
2 years	0.30
3 years	0.45
4 years	0.65
5 years	0.90

*Money Market Savings Accounts are fully collateralized and are at a rate of .05%. Subject to change with market fluctuations.

L. Electronic balance & Transaction reporting

Please see above under online banking services F.



PROPOSAL FOR BANKING SERVICE



M. Positive Pay Services

Bank of the West assists in mitigating fraud risk with daily Positive Pay services.

How Positive Pay Works

1. Prior to your checks being printed and released, you provide us with an "issue file" containing the account number, check number, dollar amount and issue date of each item.
2. As each check is presented to the Bank for payment we electronically match them to the checks listed on your issue file. Checks matching your issue file are paid.
3. Any check *not* matching the checks listed on your issue file is identified as an "exception", and is presented to you for a "pay" or "return" decision via WebDirect online. You may view images of exception items online to assist with your "pay" or "return" decision.
4. Using simple drop-down menus make your final "pay" or "return" decision by 3:00 p.m. (CST) each day.

Positive Pay Reports

Our reports are easy to use and we integrate the Exception Report with images of the checks for additional check authentication. The following Positive Pay reports are available via WebDirect:

- Positive Pay Exception Report
- Positive Pay Customer Transactions
- Positive Pay User Transactions
- Customer Recap Report

N. Electronic Check Imaging – Receive electronic check images from a lockbox for utility customer account payments

Bank of the West offers a service called Image Clearing Service (ICS). We can receive a daily file from Opus 21 to process your lockbox items. This would benefit the City because you don't have to wait for the weekly ACH to receive your funds. The specifications are attached in the Exhibits sections along with the communication profile for sending the file. Please feel free to pass this along to Mike at Opus 21 to ensure file capability. A brief overview of ICS:

How it works (ICS is subject to Eligibility Requirements)

- Customer (Opus 21) will scan their checks using their vendor's approved scanner and software.
- At end of day, the customer's Remote Deposit Capture software will process all the checks and create an industry standard Image Deposit File (X9.37)
- Image Deposit File is securely transmitted over the public internet.
- Files will be transmitted to BOW's Secure Transport via a web portal or using the customer's transmission software.
- Files transmitted via Portal has file Limit of 2 Gig.



PROPOSAL FOR BANKING SERVICE



- Email acknowledging the receipt of the deposit.
- Transaction Processing will pick up the files every few minutes throughout the day.
- Image Deposit Files will be processed and cleared through the "optimal" clearing channel
- Customers can review their image deposits on WebDirect
- Commercial Customers will receive the float assignment of 50% one day availability on all local and non-local deposits made through Image Clearing Services. The remaining 50% will be available on day 2. All on-us checks deposited will continue to receive same day availability.
- Financial Customer will have a varied float assignment based on the item pricing selected. See the pricing section.

O. Responsive, accurate, cooperative and courteous customer service.

Bank of the West prides itself on being a commercial bank with "big bank services" and "community bank service". The local staff at the Ramsey branch will get to know your employee's by name if they do not already so that when you walk into the branch you are always greeted and feel welcomed. You will have multiple contacts locally (both in Ramsey and the metro area) to take care of you should questions come up. More importantly, we have an entire service team within the cash management group where you can inquire with questions. Having experts in each field allows us to deliver on high class service.

P. Additional Recommended services:

IMAGE EXPRESS

In addition to being able to access images on WebDirect, Images of paper transactions are available through two methods that include longer archiving:

Online: the City can access an online archive of paper transactions including deposits, deposit items (not available in any other image service), and checks written. This online service will archive images for seven years starting from the beginning date of service.

CD-ROM: another storage option is our CD ROM. Via secure login the City can receive a monthly CD that is indexed and searchable for ease in executing research tasks, and includes monthly statements and images of deposits, checks written and other paper transactions. CD ROMs are produced monthly, multiple copies can be delivered to multiple locations and each disc can hold 20,000 items with front and back images. The disc is available within 5 days after month-end cut-off.

City personnel can search the CD-ROM using various criteria such as serial number, account number, dollar amount or date paid. Once the check image has been located, the City can print a copy of the image directly on its printer. The City can select the cycle which best meets its disbursement reporting requirements including daily, weekly, semi-monthly, monthly or quarterly.



PROPOSAL FOR BANKING SERVICE



ACH POSITIVE PAY

ACH Positive Pay is a web-based security tool that prevents unauthorized ACH transactions from posting to the City's account. It has an easy-to-use web interface that gives the City the opportunity to review incoming ACH credit and ACH debit "exceptions", and to make a "pay" or "return" decision online. The many benefits include:

- Fraud Mitigation – Monitor and manage ACH credit and debit items before transactions are posted to accounts.
- Security – Advanced online security features help reduce the possibility of unauthorized access.
- Convenience – Provides the convenience of setting up filters to permit previously authorized ACH transactions to post without having to be reviewed.
- Notifications – Set up alerts regarding specific ACH activity that may affect your accounts.

BANK AT WORK

Bank of the West Rewards Your Employees!

Bank of the West is pleased to extend our Bank at Work program to all full and part-time employees of the City. This program is free to the City and offers *free and discounted products and services* to your active employees while Bank of the West is your primary bank. Bank at Work features include:

- Free Checking – No monthly service charge or minimum balance requirement on a personal checking account with Check Safekeeping
- Free Regular Savings account when linked to a checking account – No monthly service charge or minimum account balance required
- Free eTimeBanker – our online banking service – with free personal Bill Pay
- Free Debit Card – The easiest way to pay for purchases
- Free box of Bank of the West corporate image checks or \$5.00 off any wallet style checks
- Annual fee waived for the first year on Overdraft Protection
- 0.25% Annual Percentage Rate reduction on Home Equity and Auto Loans with automatic loan payment from a Bank of the West checking account
- 1% Annual Percentage Rate reduction on your new Home Equity Line of Credit with automatic payments from your Bank of the West checking account



PROPOSAL FOR BANKING SERVICE



Tab 5: Compensation and Service Charges

1. Daily Deposits – 200 items (20 deposits with 10 items each).
Approximately 2500 checks are deposited annually. Deposits are made on a daily basis except holidays and weekends. Each deposit consists primarily of checks.

A "proposed analysis statement" is inserted at the end of this tab for your review. Please note these numbers are based upon information provided in this RFP in addition to numbers provided to us by Denelle for the utility payments through Opus 21 (Lockbox and ACH items). Should any of the implementation require programming costs (example image clearing service) we will discuss this in further detail.

2. Checks – 250 items – approximately 3000 checks written annually payable to various vendors.

Please see proposed analysis statement.

3. Wire Transfers: Outgoing – 5, Incoming 5
Certain purchases/maturities of investments are wired to/from City's checking account.

Pricing provided is assuming you are initiating the wires online. If you wish to initiate wires at the branch, please let us know and we will update the proposal. It is more cost effective for you to do it online.

4. Returned NSF check/ACH – Approximately 1-5 per month.
Varies upon quarterly utility billing cycle. Incoming ACH payments for utilities average approximately 5 NSF transactions from resident accounts. Non-utility checks average 1 per month.

Pricing included in proposed analysis statement.

5. Credit Card EFT's – Daily
The City contracts with RevTrak to process credit card transactions initiated on the city's website, phone, and municipal center. Funds are deposited into the city's checking account daily as an EFT.

Please see proposed analysis statement– these are considered ACH credits to your account in the proposed analysis statement. We assumed 20 ACH credits for the proposal.

6. ACH Fee's – Approx. 220 Items
Two payrolls with approximately 75 items each, one monthly payroll of approximately 30 items each. Quarterly firefighter payroll of approximately 60 items each. Approximately 2600 payroll payments issued annually. Includes all full-time and regular part-time, seasonal workers (all bi-weekly); elected/appointed



PROPOSAL FOR BANKING SERVICE



positions (monthly); firefighters (quarterly). Most payroll employee and employer contributions/withholdings are paid by electronic transfer.

For the estimated proposed analysis statement that follows, we have used your estimate of approximately 220 items. In addition to the 220 items, we are including an additional 296 items to account for the utility payments that Opus 21 is processing on your behalf through Village Bank today. Denelle advised us that 2nd quarter billing had about 889 accounts, so we are taking the months average to provide you with a better idea of the costs. The ACH returns from the utility payments were divided out to average about 1.67 per month, or 5 a quarter for basis of the proposed analysis statement.

7. Misc. service charges – such as internet charges, daily sweep, monthly service charge, stop payments, etc.

Please see proposed analysis statement to follow. Please note, we offer investment sweeps, however, do not recommend them as typically money market savings accounts will give you a higher rate of return and there is not a fee associated with having them.

8. Future Services – Electronic Accounts Payable Service

The city is researching implementing an alternative ACH payment method for payment claims to the city. The possible implementation date may be as soon as January 1, 2013. Our financial institution should be able to accept a balanced upload file generated from our financial system to process ACH Transactions. The city issues payments two times per month plus processes immediate payments as needed (not more than two times per week).

Pricing for ACH services is included below. Please see ACH per Item pricing to get an idea of what this would cost based upon how many of your vendors/suppliers would be interested in this. You will notice, it is much more cost effective than cutting a check. We do not accept balanced files, only unbalanced. We do not accept balanced files because this opens the bank and the City up to fraud. For example, the person sending the ACH file could "balance" the file by putting their personal account number on there, and then withdraw the funds. So, if you send an unbalanced file, the bank balances it with the account we have on file for you.

Miscellaneous Information:

The process for handling additional collateral is as follows:

The rule for collateralization of public funds in Minnesota is that we set aside securities with a value of 110% of the funds on deposit not covered by FDIC insurance. The balance is checked daily in order to ensure compliance. Upon receipt of deposit, we will assign the appropriate amount of collateral and provide the City with a detailed list of the securities we're using, including CUSIP and market value.

Proposed Analysis Statement



City of Ramsey RFP

Prepared October 2012

Balance and Compensation Information - Balance information is estimated. Our knowledge of the average deposits is around \$3MM

For purposes of this proposal we assumed \$2MM in the operating account and \$1MM would be in a Savings Account @ .05%

Average Daily Ledger Balance	\$2,000,000.00
Less Average Daily Float	\$100,000.00
Average Daily Collected Balance	\$1,900,000.00
Less Legal Reserve Requirement (10%)	\$190,000.00
Balance Available for Earnings Credit	\$1,710,000.00

Analyzed Position	ECR	Fee Basis	Balance Basis
Earnings on Available Balances	0.46%	\$666.25	\$1,710,000.00
Less Total Monthly Service Charges		\$616.72	\$1,758,762.04
Analyzed Charges Due After Earnings Credit		-\$49.53	
Balance Shortage for the Current Period			-\$48,762.04
Net Additional Recommended Service Charges		\$276.10	\$787,381.95
Analyzed Charges Due After Earnings Credit as Recommended		\$226.57	\$646,143.99

Service Charge Detail	Volume	Unit Price	Charge	Compensating Balance
Miscellaneous Services				
Checks Paid	250	0.120	\$30.00	85,554.00
Deposits Processed	20	0.500	\$10.00	28,518.00
Branch Currency Deposited	0	0.0009	\$0.00	0.00
Returned Items (Checks)	1	7.5000	\$7.50	21,388.50
Interest on Uncollected Funds	0	0.0725	\$0.00	0.00
Deposit Administration Fee	2,000	0.1500	\$300.00	855,539.97
Monthly Account Maintenance	1	10.000	\$10.00	28,518.00
On Us Check Deposited	0	0.080	\$0.00	0.00
Not on Us Check Deposited	200	0.120	\$24.00	68,443.20
Incoming ACH Credits & Debits	20	0.0800	\$1.60	4,562.88
Subtotal			\$383.10	1,092,524.54
Information Reporting Services				
WebDirect Mid-Market Pkg (1-5 Accounts)	1	40.000	\$40.00	114,072.00
Additional Accounts	0	10.000	\$0.00	0.00
Previous Day Information Reporting (1-500 Items)	500	0.000	\$0.00	0.00
Current Day Information Reporting (1-500 Items)	500	0.000	\$0.00	0.00
Current Day/Previous Information Reporting (501 - 1000 Items)	0	0.100	\$0.00	0.00
Account Transfers	0	1.000	\$0.00	0.00
Stop Payment 6 Month	0	8.000	\$0.00	0.00
Stop Payment 12 Month	0	16.000	\$0.00	0.00
Deposit Statements via WebDirect	1	1.000	\$1.00	2,851.80
Analysis Statements via WebDirect	1	1.000	\$1.00	2,851.80
One Time Set Up Fee	0	100.000	One Time	0.00
Subtotal			\$42.00	119,775.60
WebDirect ACH Transfer				
WebDirect ACH Transfer Base Fee	1	20.000	\$20.00	57,036.00
WebDirect ACH Items (item includes utility payment averages)	516	0.100	\$51.60	147,152.88
ACH Returned Item	1.67	5.000	\$8.35	23,812.53
ACH Special Reports (Return / NOC)	1.67	1.000	\$1.67	4,762.51
Subtotal			\$81.62	232,763.91
WebDirect Money Transfer				
Incoming Wires	5	9.000	\$45.00	128,331.00
WebDirect Wire Transfer Base Fee	1	20.000	\$20.00	0.00
Book Transfer (Wire to another BOTW Account)	0	7.000	\$0.00	0.00
Domestic Wire Transfer	5	9.000	\$45.00	128,331.00
International Wires	0	15.000	\$0.00	0.00
Subtotal			\$110.00	256,661.99

Proposed Analysis Statement



City of Ramsey RFP

Prepared October 2012

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Service Charge Detail	Volume	Unit Price	Charge	Compensating Balance
Sweep Services				
Investment Sweep (Investment Rate of .05%)	0	150.000	0.00	0.00
Subtotal			0.00	0.00

TOTAL SERVICE CHARGES **\$616.72** **1,758,762.04**

Additional Recommended Services

Electronic Deposit Service

EDS Monthly Maintenance - Customer Level	1	40.000	40.00	114,072.00
Electronic Deposit	20	0.400	8.00	22,814.40
EDS Items	200	0.060	12.00	34,221.60
Scanner Purchase	1	\$400-\$1200	One Time	
One Time set up fee	1	100.000	One Time	
<i>Fees Eliminated by Implementing Service</i>	0			
Deposits Processed	20	-0.500	(10.00)	(28,518.00)
Checks Deposited - On US	0	-0.080	0.00	0.00
Checks Deposited - Not on us	200	-0.120	(24.00)	(68,443.20)
Subtotal			26.00	74,146.80

Image Clearing Service

Monthly Maintenance	1	40.000	40.00	114,072.00
Electronic Deposit	20	0.400	8.00	22,814.40
ICS Items (Average for last 6 months provided from Denelle)	2,035	0.060	122.10	348,204.77
One Time set up and testing fee	1	100.000	One Time	
Subtotal			170.10	485,091.16

Stand Alone Positive Pay

Positive Pay Monthly Maintenance	1	30.000	\$30.00	85,554.00
Positive Pay Issue Input - Per Item	250	0.100	\$25.00	71,295.00
Positive Pay Exception Item with Image	0	1.250	\$0.00	0.00
Positive Pay Exception Return	0	5.000	\$0.00	0.00
Subtotal			\$55.00	156,848.99

ACH Block/Filter/ ACH Positive Pay Services

ACH Positive Pay Company Set Up	1	25.000	One Time	
ACH Positive Pay Monthly Maintenance	1	20.000	\$20.00	57,036.00
ACH Block/ Filter per Account (1-5 Accounts)	1	5.000	\$5.00	14,259.00
ACH Debit Filter - Recurring	0	1.000	\$0.00	0.00
ACH Debit Filter Maintenance (one time)	0	2.500	\$0.00	0.00
Subtotal			\$25.00	14,259.00

Proposed Analysis Statement



City of Ramsey RFP

Prepared October 2012

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Analyzed Charges Due After Earnings Credit as Recommended		\$226.57	\$646,143.99

Service Charge Detail	Volume	Unit Price	Charge	Compensating Balance
Image Services				
Image Express Online	0	100.000	\$0.00	0.00
CD ROM per CD	0	20.000	\$0.00	0.00
Images Written to CD	0	0.060	\$0.00	0.00
Subtotal			\$0.00	0.00
TOTAL ADDITIONAL RECOMMENDED SERVICE CHARGES			276.10	787,381.95

Notes:

1. Required Balances are calculated as follows: Total Fees / Actual Days in Period x 366 Day Base / ECR x Reserve Rate
2. The earnings credit rate is based on several market indicators and is subject to change monthly
3. Fees stated in this pro-forma are valid for ninety (90) days.
4. Other fees such as one-time setup charges and software licenses may apply
5. For purposes of this proforma, volumes and balances were obtained from: JP Morgan March analysis
6. Electronic Deposit Service requires the purchase of a bank approved scanner, Costs vary \$400 to \$1200



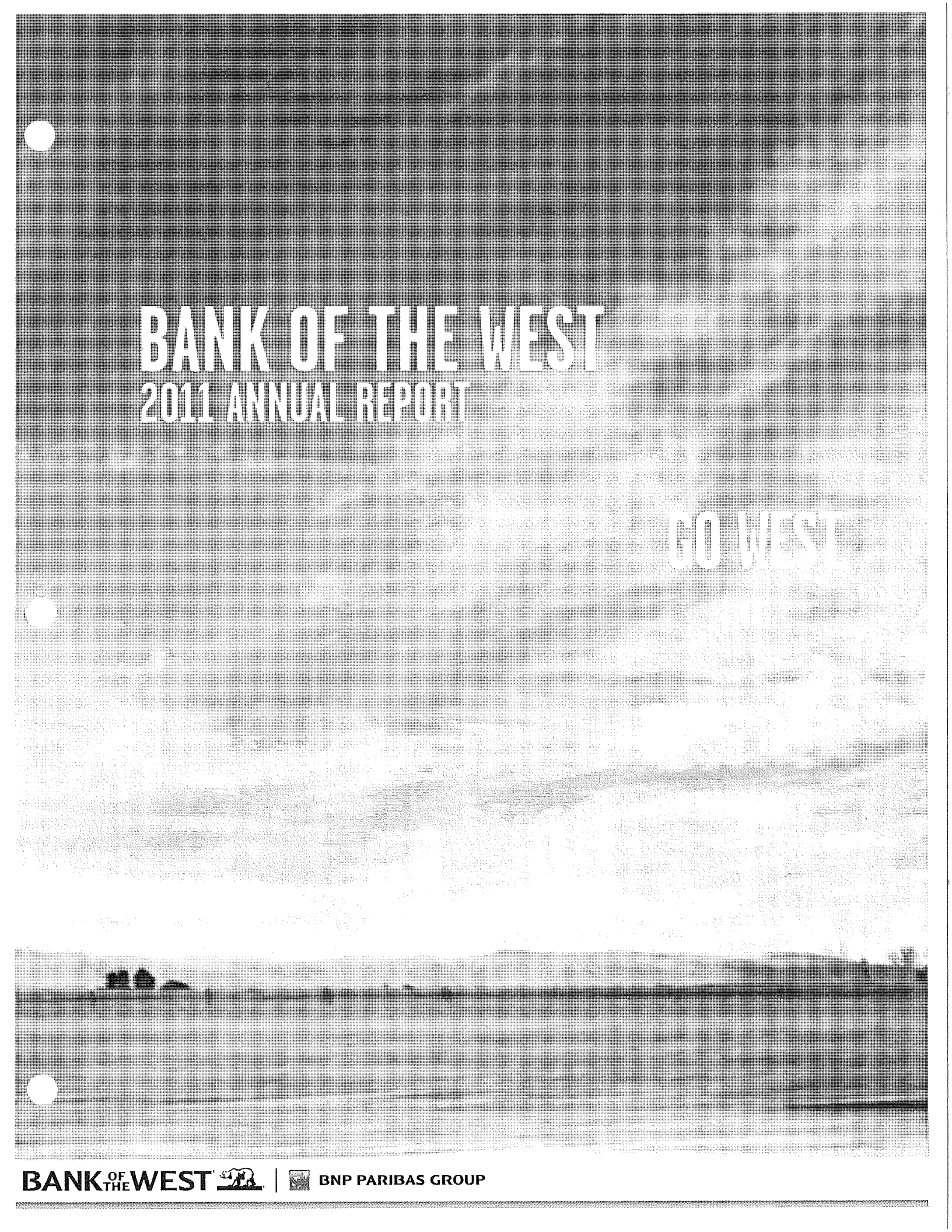
PROPOSAL FOR BANKING SERVICE



Tab 6: Exhibits

The following Exhibits Are Attached:

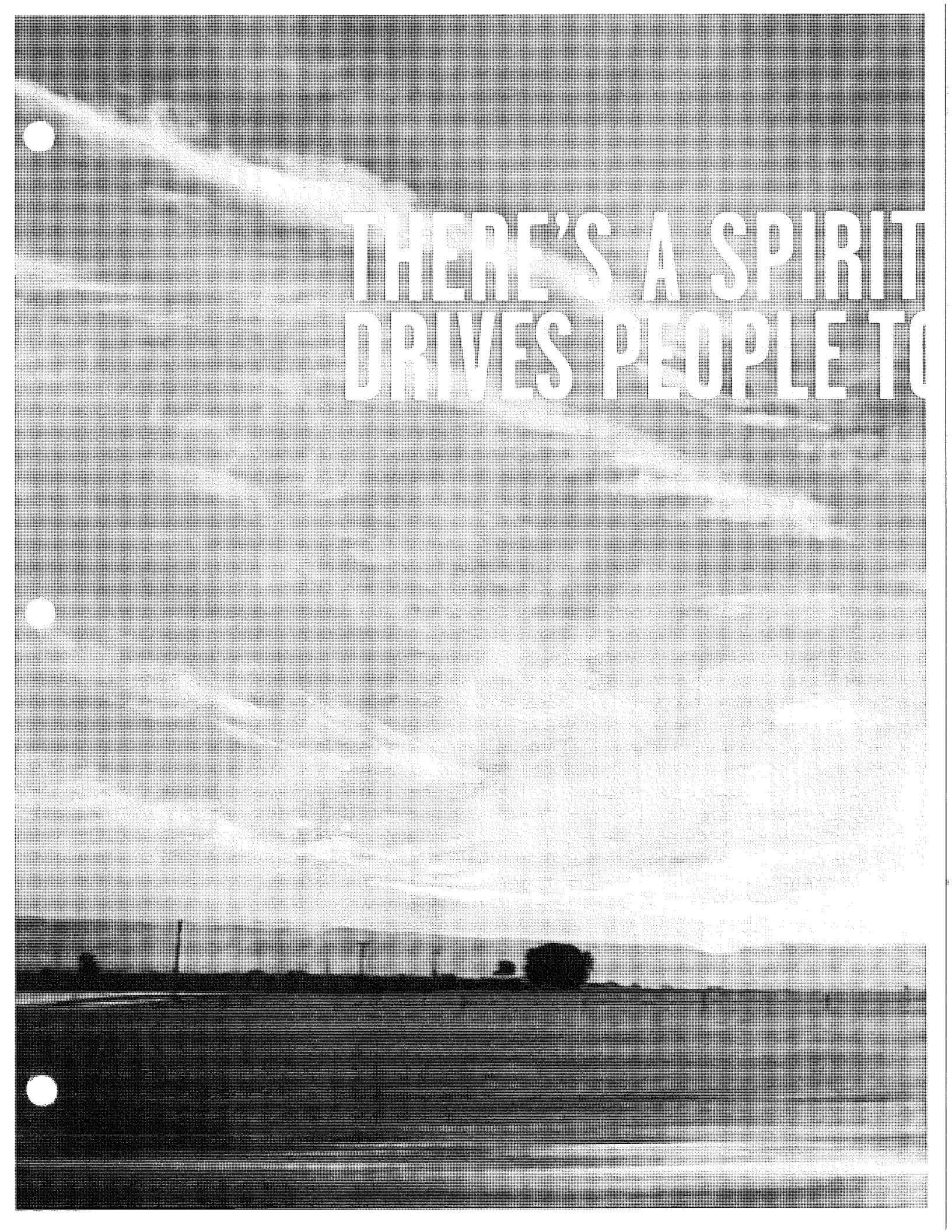
2011 Annual Report
Financial Statements
ICS Specifications
Communication Profile



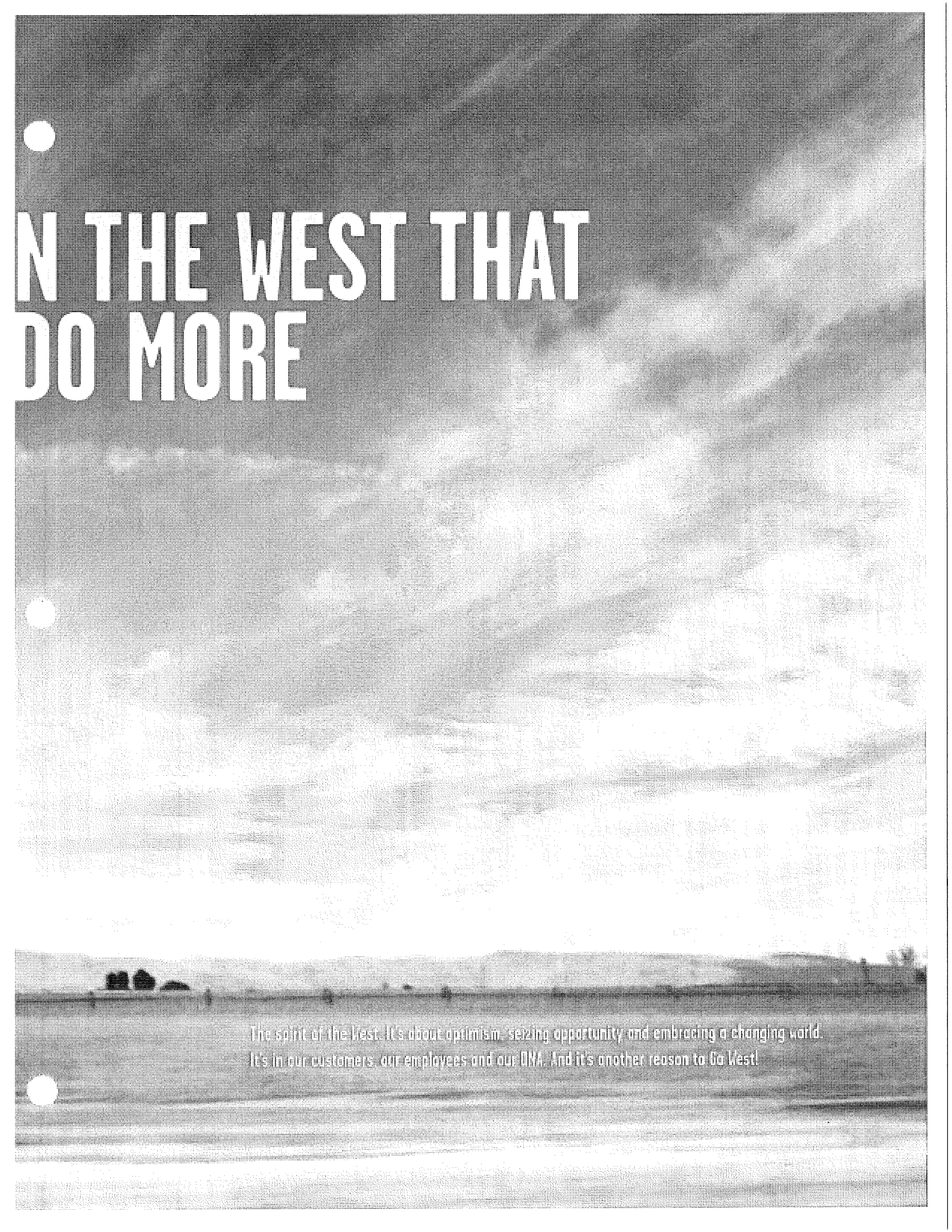
BANK OF THE WEST

2011 ANNUAL REPORT

GO WEST

A black and white photograph of a cloudy sky over a flat landscape. The sky is filled with large, dramatic clouds. In the foreground, there is a dark, flat area, possibly a field or a road. In the middle ground, there is a fence line and some distant hills or mountains. The overall mood is somber and atmospheric.

**THERE'S A SPIRIT
DRIVES PEOPLE TO**



IN THE WEST THAT DO MORE

The spirit of the West. It's about optimism, seizing opportunity and embracing a changing world.
It's in our customers, our employees and our DNA. And it's another reason to Go West!

TO OUR CUSTOMERS AND COMMUNITIES

Bank of the West enjoyed another positive year in 2011. We gratefully attribute much of this success to the extraordinary businesses and individuals who have given us the opportunity to serve them and contribute to their growth.

The Bank achieved full-year net income of \$442 million – more than double 2010 earnings. These results – combined with the strong performance of our sister bank, First Hawaiian Bank – produced meaningful results for our holding company, BancWest Corporation. For the full-year 2011, BancWest earned \$517.7 million, up 102 percent from 2010. Our parent company BNP Paribas achieved a full-year 2011 profit of €6 billion (\$7.86 billion).

Our performance in 2011 built on the firm financial foundation that has been a keystone of Bank of the West's business model for more than a century. But our strong results would not be possible without the trust of our more than 1.6 million customers. We are honored to be chosen to help them achieve their financial aspirations. As a profitable, well-capitalized bank backed by a stable global parent, we were able throughout the year to extend credit to businesses and consumers and provide the deposit, cash management and investment products that our customers need.

Bank of the West's combination of financial strength and detailed understanding of client needs allowed us to expand lending in 2011 and help grow the communities where we live and work. Commercial lending grew, including a dramatic increase in credit to small businesses, which are vital to job creation.

For more than 135 years, and through all economic cycles, individuals, families, public entities, non-profits and businesses large and small have entrusted Bank of the West with their deposits. In 2011, our total deposits rose by 11 percent, including an 8 percent increase in core deposits. This increase in deposits is testimony to our customers' satisfaction and trust.

We appreciate this trust, and we strive to deepen relationships with clients and provide for their diverse financial needs. In 2011, Bank of the West remained focused on building out our services and product sets to better meet the needs of our clients. We introduced an enhanced Wealth Management offering, for example, and opened several dedicated Wealth Centers to serve affluent individuals and families. Our Commercial Banking Group added offices in Chicago and Phoenix. We added small business bankers and mortgage bankers to better serve customers across our 19-state footprint.

The Bank also made important progress in 2011 on our long-term strategic initiatives that are designed to ensure we keep our company strong and customer-focused in the future. In the continued low interest rate environment, we took steps to diversify our revenue base. We invested in new products and delivery channels, gained market share in key segments, and continued to recruit extraordinarily talented people, which we have always known are the foundation of any great customer-focused organization.

We take pride in ensuring that customers interact with knowledgeable bankers, fully committed to helping them achieve their personal and professional financial goals. Our 10,000 employees worked hard once again last year to show our customers that they are at the core of everything we do at Bank of the West. We are proud that our high-quality customer service has been recognized by the prestigious consulting firm Greenwich Associates for excellence in business banking and that *Money* magazine named Bank of the West the Best Regional Bank in the West in 2011. We are grateful for our team members' good efforts and the dedication of our executive management team and Board of Directors, including Stefaan Decraene, Head of International Retail Banking and member of the Executive Committee of BNP Paribas, who joined our Board in 2011.

Finally, our commitment to the Bank's extraordinary customers inspired us in 2011 to begin a major branding campaign: Go West! You see it on the cover of this Annual Report, in our more than 650 branches, and in our television and national print marketing campaigns. We believe this simple phrase embodies the spirit of the West – the optimism, the breadth of opportunity, the determination. It's this spirit of the West – the spirit we see every day in our extraordinary customers – that inspires all of us at Bank of the West.

Michael Shepherd
Chairman and CEO

Maura Markus
President and COO

March 30, 2012

We are inspired by our customers and community partners. Their spirit of determination and optimism – the spirit of the West – is what we see each day and what drives us to work hard and deliver on our customer commitment. We are proud of our positive performance in 2011 – rising profitability, recognition for service, and investments in our Bank's future.



BANK OF THE WEST

A diversified bank to fulfill multiple financial needs

Commercial Banking

- Cash Management Services that can help streamline accounting functions
- Commercial Deposit and Fixed Income Products
- Commercial Credit, including term loans, working capital and loan syndications
- Equipment Finance for direct and indirect equipment financing and vendor equipment financing
- Global Trade Services with foreign exchange and financing services and overseas offices
- Capital Market Services to put capital to work and manage interest rate and currency risks

Business Banking

- Business Checking, including interest checking, value package checking and analyzed business checking
- Web Direct online banking for efficient and secure management of business finances
- Small Business Loans for short-term working capital and long-term business needs, including SBA loans
- Business Credit Cards for diverse needs
- Business Services including cash management, foreign exchange and merchant and payroll services

Pacific Rim Banking

- Deposit Services for personal, small- and medium-sized business and corporate needs
- Loan Products including personal and business loans, real estate and construction loans, and equipment finance
- Personal Banking Services online and through branches with multilingual staff
- Business Services that can help with new enterprises in the U.S. and assist new Asian immigrants in building credit histories in the U.S.
- Representative offices in Tokyo and Taipei

Bank of the West's diversified business model enables us to provide the array of financial products and services needed by families and individuals, small businesses and large commercial enterprises. Our Commercial Banking Group serves businesses with annual revenue of \$25 million and up. Our Business Banking Division provides expertise in deposit and cash management services and conventional and SBA loans. The Pacific Rim Banking Division serves tens of thousands of Asian and Asian-American families, businesses and corporations.

Wealth Management

- Private Client Advisors offering personalized wealth guidance
- BancWest Investment Services providing investment products and brokerage services
- Retirement, Trust and Estate Services
- Business Succession Planning
- Online Portfolio Services

Personal Banking

- Checking Accounts for diverse needs, including Choice Interest Checking
- Debit Cards for access to more than 700 Bank of the West ATMs
- Savings and Money Market Accounts and CDs
- Retirement Savings, including Money Market IRAs and Flexible IRAs
- Mobile Banking that includes mobile web and text banking
- Online Statements, Bill Pay and Budgeting Tools
- Insurance Services for individuals, families and businesses

Consumer Finance

- Mortgages including jumbos, fixed-rate, adjustable, FHA and VA for home purchases and refinancing
- Home Equity Loans and Lines of Credit
- Recreational Vehicle and Boat Loans offered nationwide
- Auto Loans for new and used vehicles providing quick decisions on loan applications
- Credit Cards with no annual fees, competitive rates and compelling rewards

Our Wealth Management Group's Private Client Advisors offer expert guidance to high net worth families and individuals. Bank of the West's Personal Banking meets the banking needs of families and individuals through our 659 branches and our online, mobile and telephone banking services. Consumer Finance provides mortgages and home equity loans in 19 Western states, credit cards, and auto, recreational vehicle and boat loans nationwide.

THEY'VE SHOWN CREATIVITY



Ron McQuate, CFO of the Pac-12, Commercial Banking Customer

"From our founding in a Portland, Oregon, hotel in 1915, we have come to be known as the Conference of Champions." says Ron McQuate, CFO of the Pac-12. Conference schools are home to more than 100 Nobel Laureates. If the Pac-12 were a nation, its athletes would have placed 5th in the 2008 Summer Olympic Games medal count. "We are an athletic conference that embodies the traditions of the West—opportunity, excellence, innovation. That spirit of innovation is really now at the forefront in the conference's headquarters in Walnut Creek, California, as we start to push the envelope in college athletics through a digital portal and plans to construct a broadcast facility that will provide programming for seven dedicated Pac-12 TV channels. Bank of the West has been there for our essential banking needs and as a sponsor. Now, in the midst of our growth they've shown creativity in their financial solutions that we appreciate and that help us achieve our business goals."

COMMERCIAL BANKING

We have built our commercial bank on relationships.

Our relationship managers' dedication to knowing our clients' financial priorities and our ability to package products and services to meet the needs of growing businesses have made Bank of the West the commercial bank of choice for nearly 10,000 corporate customers.

The Bank's business banking services were recognized in 2011 by the prestigious consulting firm Greenwich Associates for Excellence in Middle Market Banking. The Bank received six awards, including national recognition for overall satisfaction, financial stability, relationship manager performance, and treasury management satisfaction and product capabilities.

In 2011, our National Banking Division extended its network of regional offices, opening locations in Phoenix and Chicago. The addition of these offices brings to 19 the number of National Banking Offices from Seattle to New York that facilitate the delivery of our full range of deposit, cash management and credit products to companies with annual revenues of \$25 million and up.

Relationship banking and industry expertise

Our knowledgeable and dedicated commercial bankers work with corporate executives who look to Bank of the West for capital to expand their business, for corporate cards to manage cash flow, for foreign exchange for their overseas business, and for equipment leasing. We are dedicated to relationships based on trust and a commitment to steadily support our customers for the long term.

Bank of the West offers financial expertise in specialized sectors such as agriculture, including corporate agribusiness, wineries, dairies, greenhouses and nurseries, as well as government and public institutions, religious institutions, and commercial real estate.

In 2011, the Bank introduced Canadian corporate cards and purchasing cards that facilitate Canadian-dollar transactions for companies based in the U.S. and elsewhere.

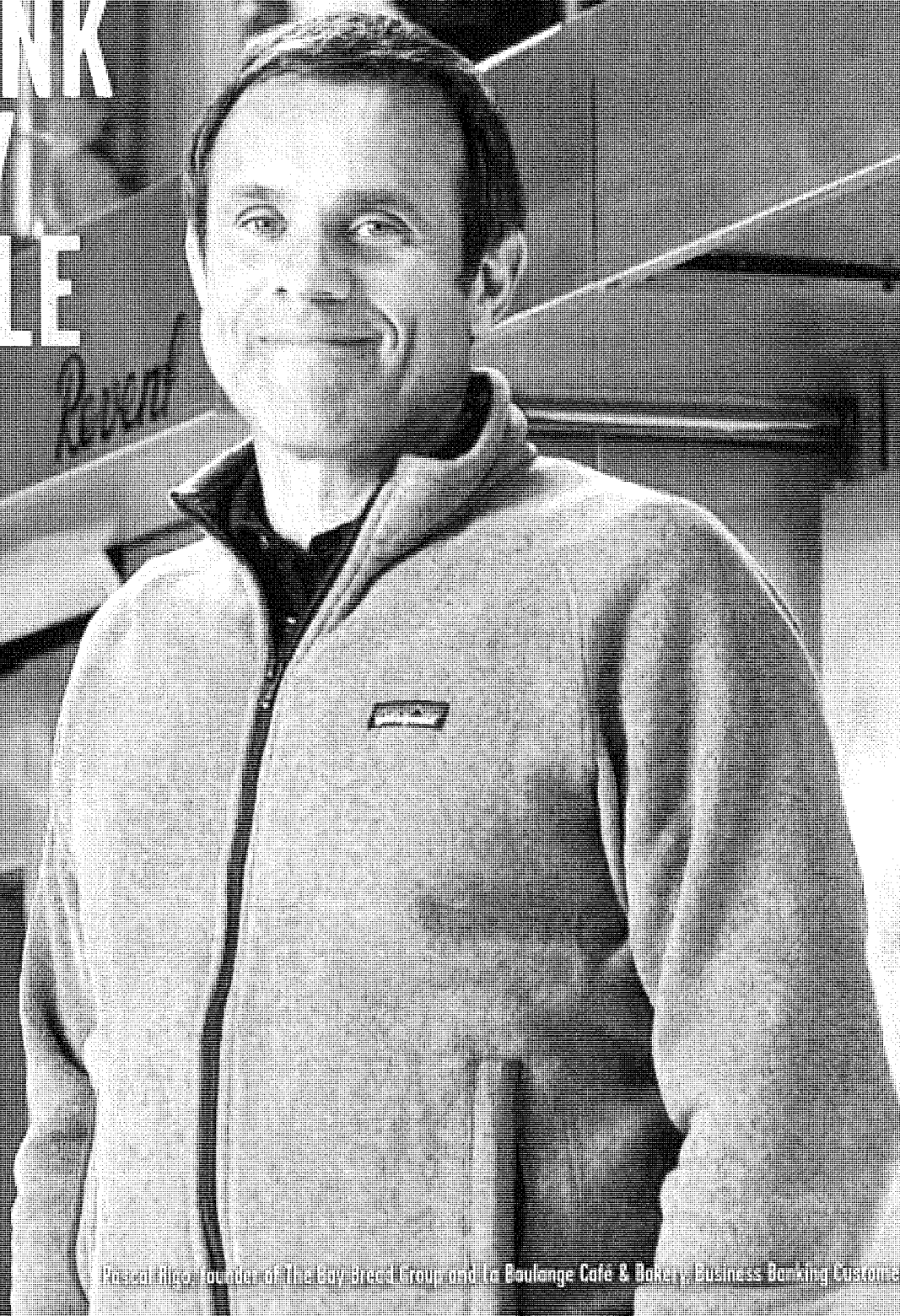
Broad product offering

Our commercial customers receive the benefits of relationship banking that extend beyond our loan and deposit products. We provide corporate cards and cash management services, and our commercial customers have access to our Capital Markets team to help maximize return on working capital, preserve liquidity, and hedge interest rate risk.

Many U.S. companies increasingly need global finance capabilities. The Global Trade Network of our parent company BNP Paribas provides trade finance in 54 countries to help companies succeed overseas. Coordinating with BNP Paribas, Bank of the West is able to provide companies the customer-focused attention of a local commercial banker and access to the breadth of products provided by one of the world's largest and strongest financial groups.

#2
agribusiness
bank in
the nation

THE BANK IS VERY FLEXIBLE



Pascal Rigot, founder of The Bay Bread Group and La Boulange Café & Bakery, Business Banking Customer

"I started to bake when I was seven years old and never stopped," says Pascal Rigot. Poised in Bordeaux, he dreams of owning a bakery in California. He started one in Los Angeles after the owner of the restaurant where he worked offered to buy from him if Pascal had his own bakery. Four months later, he was selling bread to 70 of Los Angeles' finest hotels and restaurants. He moved to San Francisco and founded The Bay Bread Group, a wholesale artisan bakery. A few years later, he opened La Boulange Café & Bakery. Today he has four baking facilities in Northern and Southern California, 18 cafes and 400 employees. "You need to genuinely love what you do and the people you do it for — your customers, your employees, everybody. It needs to transcend everything that you do. We love our customers and I think they feel it." Bank of the West has helped finance his company's growth. "The Bank is very knowledgeable — really looking at the right things on the balance sheet. They understand the business. There are a lot of things that we like. Flexibility is a great word — the Bank is very flexible."

BUSINESS BANKING

Small business is big at Bank of the West.

In 2011 we more than doubled the number of small business bankers to keep pace with strong demand for credit from small businesses.

We understand small business and we understand businesses need choices when it comes to loans. That's why our business bankers are knowledgeable in conventional loans and lines of credit as well as in Small Business Administration lending.

Access to credit

As the economy began to expand again, many business owners were eager to invest in their companies and grow. That required access to credit. And Bank of the West has made lending a focus. Direct small business lending through our more than 650 branches rose 81 percent in 2011 compared to 2010. Small Business Administration (SBA) loans increased 58 percent.

Our Bank moved up to become the fifth largest provider in 2011 of SBA 504 loans, which help business owners acquire commercial real estate. And in SBA 7a lending, we moved from being in the top 100 in 2010 to being among the nation's top 40 in 2011.

We are not done. Bank of the West is continuing to expand our business banking capabilities. During 2012, Bank of the West expects to add more than 50 bankers to the 63 now working on the small- and medium-sized business banking team.

A range of business banking products

Our relationships with customers rarely end with a loan. We understand growing businesses require more than

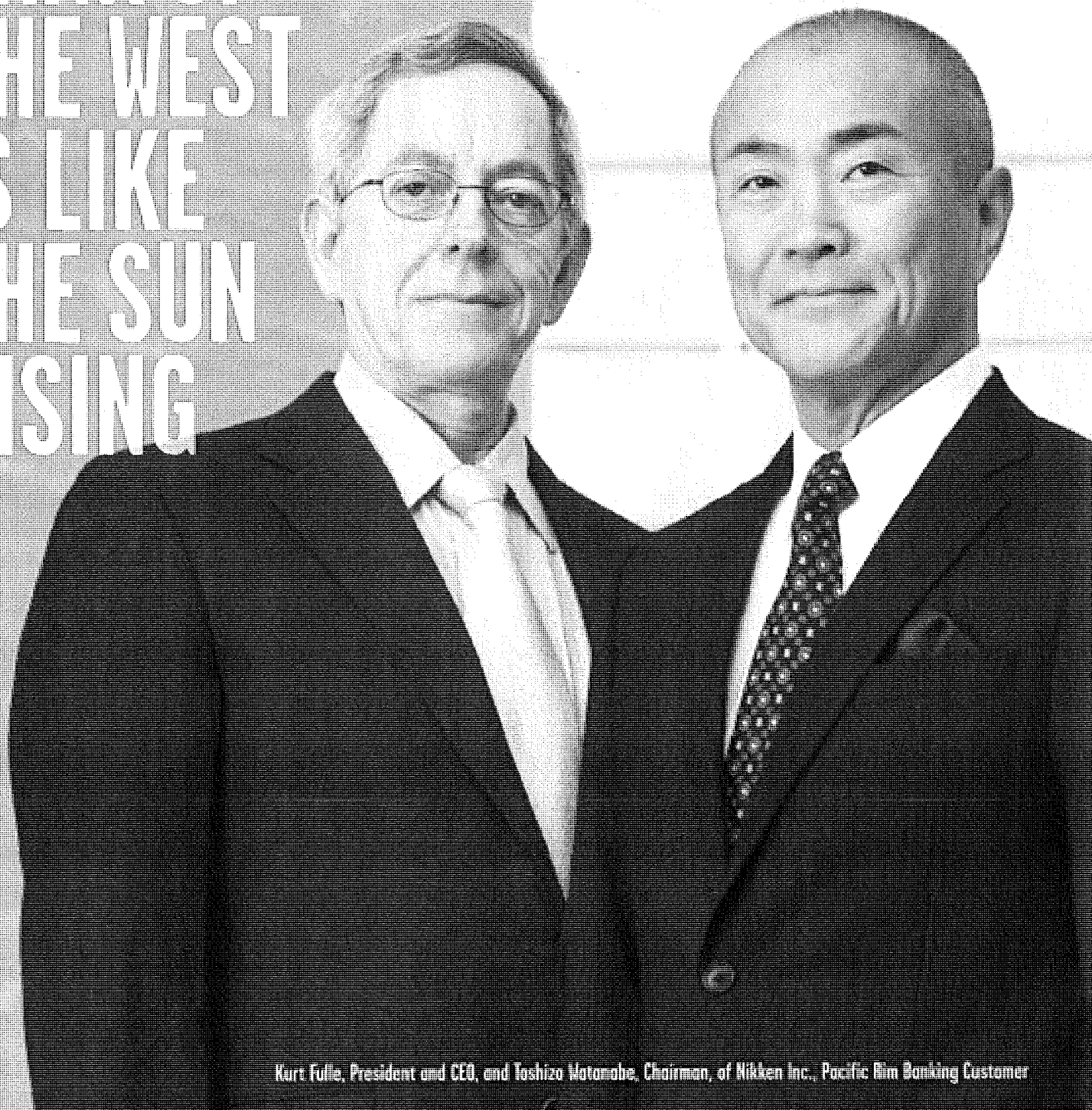
financing. We provide checking and savings accounts, plus credit cards and cash management services that enable small and medium-sized businesses to manage their cash flow — and their business — more effectively. Our small business customers also take advantage of our equipment leasing and insurance capabilities.

Small- and medium-sized businesses are a cornerstone of our communities and our economy and a vital source of jobs. In fact, according to the SBA's data, Bank of the West's SBA lending in 2011 contributed to the creation of more than 1,000 jobs.

We are building on those 2011 results. We have a long tradition of lasting relationships with business owners, whether they are entrepreneurs, franchisees, or partners in family-owned businesses. We see tremendous opportunities to continue lending, providing deposit products and sharing financial advice to help businesses thrive and our economy grow.

58%
increase in
SBA loans
from 2010

BANK OF THE WEST IS LIKE THE SUN RISING



Kurt Fullie, President and CEO, and Toshizo Motomabe, Chairman, of Nikken Inc., Pacific Rim Banking Customer

"Ours is a business that offers people a better, more satisfying way of life. Nikken provides people the opportunity to become an entrepreneur and achieve their financial goals. It is based on empowering oneself," says Kurt Fullie, President and CEO of Nikken Inc., a direct marketer of health and nutritional products that has flourished since 1975. "Our mission is to inspire people to discover this new way of living, and to provide them the means to make it their own. The products are very effective and unique. Hundreds of thousands of people have had positive experiences with our products." For many years, Nikken has counted on Bank of the West for its banking needs. "The relationship is sound, because their service level is exemplary. The best compliment is we never really think much about our banking relationship because they've always been there for us. Bank of the West is like the sun rising every morning – they are always there, ready to serve."

PACIFIC RIM BANKING

謝謝, ありがとう, 감사합니다, Cám Ơn. Thank you.

Our Pacific Rim Banking Division speaks one language: relationship banking.

Bank of the West's Pacific Rim bankers offer clients a full range of business, corporate, personal, wealth and international banking services. Clients have access to more than 180 bilingual relationship managers able to communicate in Mandarin, Cantonese, Taiwanese, Japanese, Korean, Vietnamese and Tagalog, and, of course, English.

Committed to the Asian market

Bank of the West is strongly committed to the Asian and Asian-American clients we work with, and our customers know they can depend on our relationship managers to understand the issues and opportunities unique to their families and their businesses. Amidst the growth of the Pacific Rim economies, we're anticipating the many ways we can contribute to the financial success of each client – whether they are a first-time entrepreneur, a growing family business or a large organization building on a long tradition of success.

With \$3 billion in deposits, our Pacific Rim Banking Division has grown to nearly 38,000 families and individuals, 6,000 business customers, including many Asia-based corporations, and about 1,000 corporate banking relationships with U.S. subsidiaries of Japanese corporations.

We provide knowledgeable and dedicated relationship managers through a network of offices in key U.S. cities and 19 specialized branches in Asian-American communities in California. In addition to personal banking and wealth

management, we support a large commercial banking clientele, including entrepreneurs and business owners with operations in both the United States and in Asia. The Pacific Rim Division has a strong tradition of deep corporate banking relationships with U.S. subsidiaries of Asia-based corporations.

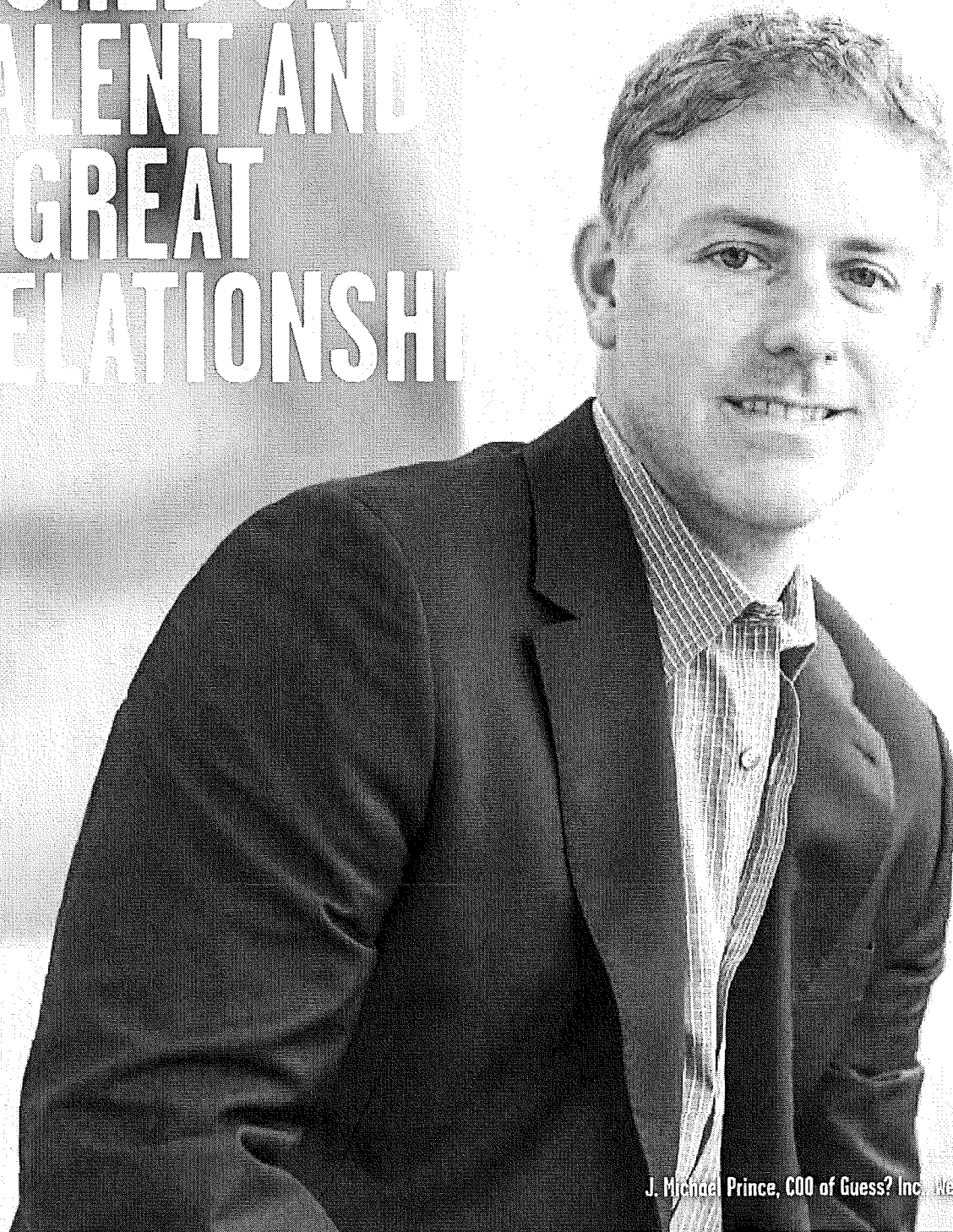
From New York to Tokyo

Through representative banking offices in Chicago and New York and corporate banking offices in select California cities, clients with operations in the United States and Asia can access credit and deposit services – including cash management, foreign exchange, global trade finance and other banking services.

To serve a growing number of U.S. subsidiaries of Asian-based companies, Bank of the West operates representative offices in Tokyo and Taipei. BNP Paribas China's International Business Development Desk can meet the banking needs of subsidiaries of Bank of the West's customers in China.

180+
bilingual
relationship
managers

'WORLD CLASS TALENT AND A GREAT RELATIONSHIP'



J. Michael Prince, COO of Guess? Inc. Wealth Management Client

"Growing up in rural Oklahoma, I never envisioned that I would be part of the global sports and fashion world," says J. Michael Prince, COO of Guess? Inc. "Over the years, I have had the good fortune to work for 'world class' global brands such as Converse, Nike, and most recently, Guess? While my career developed, I learned the importance of working with the 'best and brightest' and developing strong partnerships with people you trust." One of those strong relationships has been with Bank of the West and its parent company BNP Paribas. Both were instrumental when Guess? recently refinanced its multi-million dollar credit facility. "On a personal level, the Wealth Management and personal banking teams have been critical in assisting me with refinancing my home and evaluating financial options that help me plan for the future. From the bankers in its National Banking Division to its Wealth Management Group, Bank of the West provides 'world class' talent and a great relationship."

WEALTH MANAGEMENT

We believe Wealth Management clients at Bank of the West gain access to something unique: the financial expertise and commitment to personal service of our Private Client Advisors, a team of technical experts, and the global resources of our parent BNP Paribas. There is a passion to deliver a distinctive experience at Bank of the West.

Changing client needs

Client needs are changing, and it is our dedication to go beyond their expectations that inspired Bank of the West to refine and reintroduce our Wealth Management offering in the spring of 2011. Our goal? Enhance the way we work with each client. During the year, our Wealth Management Group introduced a new Private Client Services model focused even more strongly on nurturing deep relationships with affluent and high net worth individuals and families.

Dedicated Wealth Management Client Centers are a cornerstone of our approach. In 2011, we opened these centers in five cities — Denver, Los Angeles, Pasadena, Palo Alto and San Jose. We also broke ground on a flagship location in San Francisco to open in 2012.

Private Client Advisors

Clients today are looking for integrated banking and investment services, an advisory-based relationship, a comprehensive range of solutions, and outstanding service. Our Private Client Advisors (PCAs) are focused on personally understanding each client and their overall financial goals. After developing a comprehensive picture of the issues a client faces, PCAs bring together experts and solutions from across the Bank to meet those needs. We introduced nearly 30 PCAs in 2011 and plan to grow to more than 50 in 2012.

Our emphasis on relationship building extends to the Bank's broker-dealer subsidiary, BancWest Investment Services (BWIS), member FINRA/SIPC. BWIS has shifted its financial advisors' focus to providing clients with more holistic investment product solutions, such as managed money programs, while continuing to serve the retirement and education savings needs of clients in our branches.

As the Wealth Management Group reintroduced itself and invested in its offering during the year, the business gained momentum, attracting more than \$2 billion in new client balances, which include investments, loans and deposits. We are honored by those clients who have allowed us to serve them, but we measure our success by what our new model allows us to give to our clients — an advisory-based relationship that provides comprehensive solutions to meet their financial needs.

\$2
billion
new client
balances
in 2011

THEY
REALLY
GET
TO
KNOW



Jorge Mendoza, founder of Sav-On Supplies, Personal Banking Customer

"Before I was 10 years old, I was working the fields in Mexico. As a teenager in the '80s I worked the apple orchards of Washington State. I started working. And I saw the need to work very hard," says Jorge Mendoza. In 2000, he started a business in his garage. Now, Sav-On Supplies sells automotive paints and supplies from two Southern California locations and employs a dozen people. "Every year we have had growth — anywhere from 10 percent to close to 40 percent. Honesty, integrity and value in what you do go a long ways." He has several business and personal accounts with Bank of the West. On the road a lot, he relies on the branches. "It's nice to actually know the branch managers. They say 'Hi' to you every time you walk in. It's not like other banks. When I go to Bank of the West it's always that warm feeling, you are actually a person, actually a human being. They care about what you are doing and they really get to know you."

PERSONAL BANKING

Personal banking at Bank of the West is truly personal.

We work hard every day for our customers, because we are not just a place to get a loan or a checking account. We believe that Bank of the West is more than our 659 branches in 19 states, more than our 700 ATMs, more than an online banking platform, more than an iPhone® app.

Sure, personal banking is about convenience. A place to get cash on the go, tools to transfer money to a daughter in Chicago, a quick way to view that account balance in the supermarket checkout line.

More than convenience

In today's busier-than-ever world, we get convenience. But we know banking has to be more than convenience. It's about providing choices. Smart and personalized choices, so customers can bank when and where they prefer and, more importantly, manage their personal finances and build their financial future and the financial future of their families.

Personal banking to us begins with listening. We've been listening to our customers for more than 135 years. Our branch staff and customer service representatives take the time to learn the goals of our customers, the product needs of our customers, the names of our customers. That's personal.

Committed to our customers

Maybe that's why in 2011 *Money* magazine named Bank of the West the Best Regional Bank in the West. And why Bank of the West ranked #1 in customer loyalty among large U.S. banks, according to Bain & Company Inc.'s *Customer Loyalty in Retail Banking, Americas 2011*. Bain's study found that customers praised Bank of the West for, among other things, service and the care we demonstrate for their well-being.

We appreciate awards. They are one indicator that families and individuals value our commitment to their financial well-being. And we are building on that commitment. In 2011 we introduced a mobile app for the iPhone® and enhanced our online banking and bill pay features. We installed more than 100 image-processing ATMs so customers can more easily deposit checks or cash without deposit slips or envelopes.

We also introduced new checking and savings products designed for the ways our customers manage their personal finances. To more easily interact with customers and the public, we launched Bank of the West on Facebook.

We are making further investments in mobile and online banking, enhancing our network of branches and introducing new product choices to ensure our customers continue to experience the level of service they've come to enjoy from personal banking at Bank of the West.

#1
in customer
loyalty
among large
U.S. banks

OUR DNA SEEMS SIMILAR



Bryan DeBoer, President and COO of Lithia Motors Inc., Consumer Finance Customer

"We promote an entrepreneurial spirit. We rely on the knowledge of the people in our stores and give them the autonomy to deliver great customer service," says Lithia Motors COO Bryan DeBoer. Founded in 1946 by his grandfather, Lithia has grown from a few stores in Southern Oregon to become one of the nation's ten largest auto dealers with 86 stores in 11 Western states. Lithia offers personal, convenient, flexible hometown service combined with the large company advantages of selection, competitive pricing, broad access to financing and consistent service. Bank of the West finances many of the cars Lithia sells and provides commercial banking services. "There's this downhome feeling to the Bank that fits our company. Our DNA seems similar. Our roots are grounded in relationships rather than what the numbers say or the bank telling us 'You should do this or that.' They have always been about 'What are you looking for and how can we accommodate you?'"

CONSUMER FINANCE

We know that in a slow economy consumer credit can sometimes be hard to find. That's why over the years — through economic ups and downs — we have not faltered in our tried and true model of consumer finance.

Our approach starts with putting our customers at the core of what we do, and this proved to be the right approach once again in 2011. In a year when the Mortgage Bankers Association reported lending nationwide declined 37 percent, we increased our mortgage originations. And as the auto industry and consumer spending improved, we were there to help. Our auto loan originations in 2011 increased 27 percent.

Prudent lending standards

Our prudent and dependable approach to lending meant that through the recent economic downturn we stood by consumers by continuing to provide credit for the purchase of autos, recreational vehicles and boats. When home values declined we stood by our customers by continuing to offer mortgages and home equity lines of credit. Through economic peaks and lulls the Bank of the West approach to all our consumer finance products — credit cards, mortgages, home equity loans, RV, marine and auto loans — has held steady.

Now we are growing to further meet the needs of American families. In 2011, we increased by 34 percent the number of mortgage bankers serving our 19-state footprint. For the second consecutive year we originated more than \$2 billion in new mortgages so families and individuals could achieve their dreams of homeownership from the banks of the Missouri River to the Malibu coast.

We remained the largest RV lender in America in 2011. Our combined auto, RV and boat lending originations grew by more than 12 percent compared to 2010. Our financial strength, which enables us to lend steadily, and our commitment to

customer service are valuable assets. Essex Credit Corporation, a Bank subsidiary, is the preferred lender for members of Costco and Sam's Club, as well as other affinity clubs and specialty manufacturers.

Commitment to dealerships

We took our auto finance expertise into new territories in 2011, adding approved dealerships in Illinois and Texas. And we introduced improved technology so we can now give dealers and their customers swift and accurate decisions on applications — frequently in less than 60 seconds.

Our expertise in vehicle finance, combined with our customer focus and financial strength, has allowed us to deepen our banking relationships with many auto, RV and marine dealerships. From New Jersey to Oregon, dealers turn to us to finance their inventory floor plans and provide other financial products and services.

Bank of the West has financed autos, RVs, boats, homes and credit card purchases for decades. We are committed to helping consumers achieve their dreams. Our prudent approach to lending met the needs of individuals and families in 2011. And as the economic recovery begins to take hold, we expect to be there for consumers in 2012 and beyond.

#1
RV lender
in the nation

THEY CARE. THEY ARE STEADFAST.



Oral Lee Brown, founder of the Oral Lee Brown Foundation, 2011 Bank of the West Philanthropy Award Recipient

"To help a child give him a job, to free a child give him an education," says Oral Lee Brown, who promised college to a classroom of underprivileged kids in the 1980s. Then to another class. And another. And another. Twenty-five years after creating the Oral Lee Brown Foundation, she has helped more than 130 kids go to college. Living and working in Oakland and raised in Mississippi where she worked the cotton fields for two bucks a day, she knows hardship, hard work and the value of an education. Her relationship with Bank of the West began with a CD but soon became more than just a business relationship. "There are a number of aspects that the Bank has involved itself with in its relationship with the Oral Lee Brown Foundation. They care. They are steadfast. They are always trying to come up with ideas to help. The Bank shows an interest not only from a banking standpoint but also as a good organization: 'What else can we do to make the lives of these kids more bearable considering their situation and the times we are involved in?'"

COMMUNITY SUPPORT

Commitment to community is at the heart of our approach to banking.

We understand that meeting the needs of our customers and communities is based on mutual trust. Trust begins by offering responsible financial products and services; it is deepened through a commitment to exceptional customer service and enhanced by our culture of giving back to the communities in which we live and work.

Commitment to community at Bank of the West means employees and executives volunteering; it means donations to nonprofit groups in every county in our 19-state footprint; it means celebrating community involvement with our annual Bank of the West Philanthropy Awards; it means sponsoring concerts and events; and it means lending and investing in under-served neighborhoods.

Investing in neighborhoods

We know reinvestment in our neighborhoods benefits all of us. That is why we established a \$75 billion community support goal in 2002. Since then, we have reached 95 percent of that goal, including \$7.2 billion in community development loans. Last year alone we made \$1.3 billion in community development loans, \$51.3 million in community development investments, and the Bank, along with our Charitable Foundation and employees, donated \$7 million to 2,400 nonprofit organizations. Responding to increased needs in our communities for economic development, we invested in affordable housing and homeownership, small business development and free income tax preparation services.

Bank of the West employees are passionate about their community involvement: they serve in board positions and volunteer in our communities. Our employees lend their financial expertise to schools and community organizations to teach financial education to individuals of all ages. In 2011, our financial education efforts reached 11,000 students, providing them with the tools to promote self-sufficiency. Our employees

volunteered 10,000 hours of their time toward making our communities better and more sustainable places to live.

Sponsoring community events

Civic and cultural events are important to the vitality of every community. Last year, Bank of the West was once again the official bank of the Pac-12. We hosted the Bank of the West Classic, the longest running women's tennis tournament in the world, and we sponsored numerous public events and concerts — such as Cheyenne Frontier Days, and one of the country's largest free outdoor concerts, Bank of the West Celebrates America in Omaha.

Through sponsorships, grants, donations of time, and loans to promote community development, Bank of the West is determined to promote the well-being of the neighborhoods and communities where we work and live.

We understand that communities are the product of our interconnections and that reinvestment in our neighborhoods makes us all stronger.

95%
of \$75 billion
community
support goal
reached.

RETAIL AND COMMERCIAL LOCATIONS

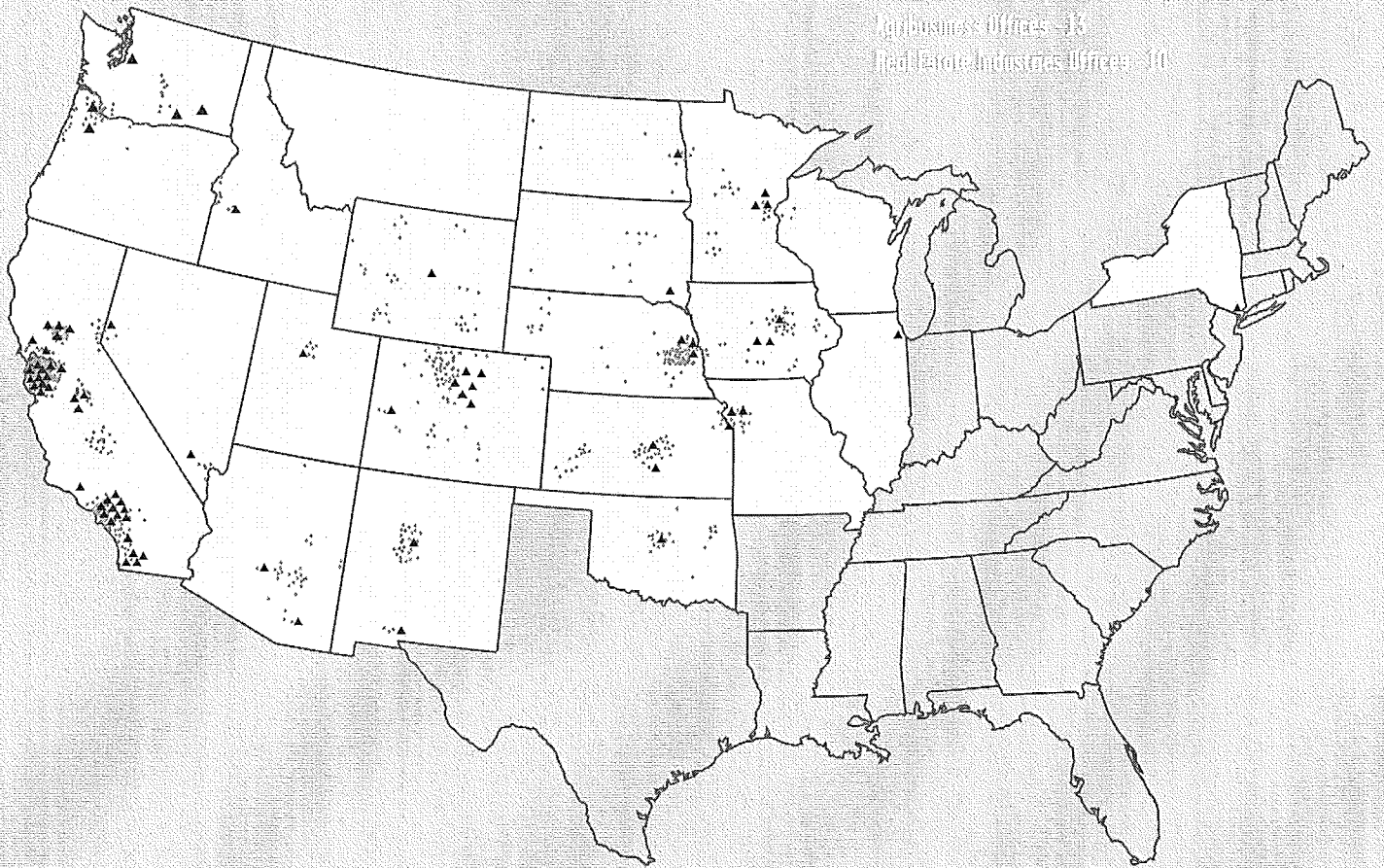
● Branch Locations - 659

▲ Offices - 77

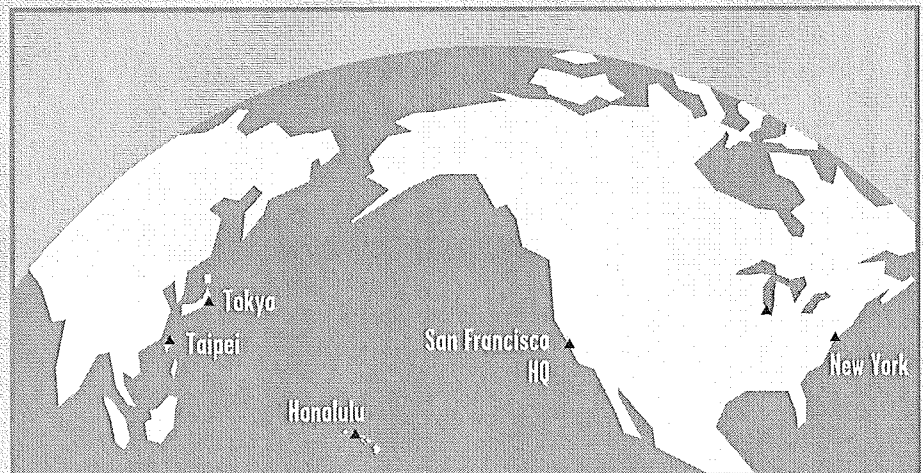
Commercial and Corporate Banking Offices - 54

Agribusiness Offices - 13

Real Estate Industries Offices - 10



Branches in San Francisco, Los Angeles, and New York City are representative offices in each of the three major U.S. cities. Taipei and Tokyo are also representative offices in Asia. Bank of America Bank (BNA) is located in Taipei.



AWARD WINNING BANKING

RETAIL BANKING



Money magazine named Bank of the West Best Regional Bank in the West for 2011. In addition, Bank of the West ranked #1 in customer loyalty among large U.S. banks according to Bain & Company Inc.'s *Customer Loyalty in Retail Banking, Americas 2011*. Research company TNS gave Bank of the West a 2011 TNS Choice Award for outstanding performance in the consumer banking marketplace in the West.

BUSINESS BANKING



Bank of the West's business banking services were recognized in 2011 by the prestigious consulting firm Greenwich Associates for Excellence in Middle Market Banking. The Bank received six awards, including national recognition for overall satisfaction, financial stability, relationship manager performance, and treasury management satisfaction and product capabilities.

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EXECUTIVE MANAGEMENT COMMITTEE

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Chairman & Chief Executive Officer

Maura Markus
President & Chief Operating Officer

Thibault Fulconis
Vice Chairman
Finance Group

John Bahnken
Senior Executive Vice President
Wealth Management Group

Michael Bracco
Senior Executive Vice President
Chief Administrative Officer

Duke Dayal
Executive Vice President
Chief Financial Officer

Donald Duggan
Senior Executive Vice President
Banking Services

Scott Germer
Senior Executive Vice President
Risk Management

Andrew Harmening
Senior Executive Vice President
Regional Banking Group

Gilles Karpowicz
Director of Audit and Inspection

Russell Playford
Senior Executive Vice President
Chief Risk Officer

Jean-Marc Torre
Senior Executive Vice President
Commercial Banking Group

Vanessa Washington
Senior Executive Vice President
General Counsel and Secretary

Paul Wible
Senior Executive Vice President
National Finance Group



Left to right: Scott Germer, Jean-Marc Torre, John Bahnken, Thibault Fulconis, Michael Shepherd, Michael Bracco, Vanessa Washington, Duke Dayal, Gilles Karpowicz, Russell Playford, Maura Markus, Paul Wible, Andrew Harmening, Donald Duggan

SENIOR MANAGEMENT COMMITTEE

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Branch Support and
Financial Services Manager

Chris Ball
Deputy General Counsel

Dan Beck
Controller

Ross Biatek
Audit and Inspections

Sue Bulloch
National Finance Group
Financial Manager

Bob Dalrymple
Great Plains Division

Richard Davis
Southern California Division

Michelle Di Gangi
Small & Medium Enterprises Division

Bernard Digeon
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Risk Manager

Ted Dunn
Syndications

Eric Eisenberg
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James Fujinaga
President & CEO
BancWest Investment Services

Kirsten Garen
Chief Information Officer

Tani Gorton
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Mark Glusky
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Raj Gopal
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Indirect Consumer Lending

Dan Mikes
Religious Institution Banking

Paul Nakae
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Strategy and Administration

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Rocky Mountain Division

Andrew Rosen
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George Stanfield
Southwest Division

Michael Stead
Capital Markets

Roger Sturdevant
Agribusiness Division

John Thomason
Corporate Real Estate

Bill Williamson
Northwest Division

Dan Wilson
National Banking Division
Area Manager

Gina Wolley
Regional Banking Group Administration
and Branch Support

SENIOR VICE PRESIDENTS

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Sales and Marketing

Lance Berg
Corporate Communications

Jill Gonzalez
Card Services Division

John Hyché
Syndications

Lori Rivers
National Finance Group
Projects and Systems

Dan Rosenbaum
Corporate Development and Strategy

George Saleh
Operations Manager
Commercial and Treasury Services

BOARD OF DIRECTORS

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Bank of the West

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Head of U.S. Retail Banking
BNP Paribas, Paris

Richard Daniel
Vice Chair and CFO (retired)
Bankers Trust

Stefaan Decruene
Member of the Executive Committee and
Head of International Retail Banking
BNP Paribas, Paris

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First Hawaiian Bank
Chairman, Alexander & Baldwin, Inc.
Trustee, Estate of S.M. Damon

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Chancellor
University of California, Irvine

Stuart A. Hall
President & CEO (retired)
Liberty Northwest

Guido van Hauwermeiren
Head of Coverage for International Strategic
Clients Corporate and Investment Banking
BNP Paribas, New York

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Commission (retired)
California Superintendent of Banking,
and Commissioner of Financial Institutions
1995-98

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Port of Los Angeles

Vivien Levy-Garboua
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Direction Générale
BNP Paribas, Paris

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Del Monte Foods

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Bank of the West

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Retail Banking
BNP Paribas, Paris

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Senior Partner
Pillsbury Winthrop Shaw Pittman

Frank Roncey
Global Head of Risk Retail and
Corporate Risk Management Group
BNP Paribas, Paris

Michael Shepherd
Chairman & CEO
BancWest Corporation
Chairman & CEO
Bank of the West

Tim Taylor
President & CEO (retired)
Public Service Co. of Colorado

Admiral Robert L. Toney
U.S. Navy (retired)

Jacques H. Wahl
Senior Advisor to the Chairman (retired)
BNP Paribas
Former Director & President
Banque Nationale de Paris

FINANCIAL HIGHLIGHTS

AUDITED FINANCIAL STATEMENTS

The financial highlights immediately below are extracted from the Bank's audited financial statements for 2011. These detailed financial statements are available in print or online at:
<https://www.bankofthewest.com/about-us/our-company/annual-reports.html>

(dollar amounts in thousands)	2011	2010	2009
Net interest income	\$1,783,045	\$1,783,045	\$1,704,645
Total noninterest income	358,682	358,682	158,408
Total noninterest expense	1,354,005	1,354,005	1,329,713
Net income (loss)	184,600	184,600	(403,356)
Return on average assets	0.31%	0.31%	(.63)%
Total assets	57,652,826	57,652,826	60,000,590
Total loans and leases	43,115,160	43,115,160	44,476,351
Total deposits	39,547,244	39,547,244	40,205,146
Total risk based capital ratio	14.59%	14.59%	11.08%

STRONG CREDIT RATINGS

Credit ratings* are a key measure of capital strength and financial stability. They are also recognition from rating agencies of a strong balance sheet and consistent financial performance.

Agency	Rating
Moody's	A1
Standard & Poor's	A+
Fitch	AA-

* long-term deposit ratings

STRONG CAPITAL POSITION

Bank of the West is one of the largest commercial banks in the United States. Our capital position exceeds regulatory requirements.

	Bank of the West Q4, 2011	Well-Capitalized Requirement
Tier 1 Leverage Ratio	11.57%	5.00%
Tier 1 Risk-Based Capital Ratio	14.20%	6.00%
Total Risk-Based Capital Ratio	15.45%	10.00%

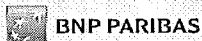
As of December 31, 2011

BANK OF THE WEST

Headquartered and chartered in San Francisco, California, Bank of the West is a full-service commercial bank with \$62.4 billion in assets and \$44 billion in deposits at December 31, 2011. The bank operates more than 700 branch and commercial banking offices in 19 states – Arizona, California, Colorado, Idaho, Iowa, Kansas, Minnesota, Missouri, Oklahoma, Oregon, Nevada, New Mexico, Nebraska, North Dakota, South Dakota, Utah, Washington, Wisconsin and Wyoming. Bank of the West originates commercial, small business and consumer loans and leases, and offers a wide range of banking, insurance, trust and investment solutions for individuals and businesses. See www.bankofthewest.com.



Bank of the West is a subsidiary of BancWest Corporation, a bank holding company with assets of approximately \$78.1 billion at December 31, 2011. BancWest Corporation also owns First Hawaiian Bank, with \$15.8 billion in assets at December 31, 2011 and 63 branches in Hawaii, Guam and Saipan. See www.bancwestcorp.com.



BNP Paribas (www.bnpparibas.com) has a presence in 80 countries with nearly 200,000 employees, including more than 150,000 in Europe. It ranks highly in its three core activities: Retail Banking, Investment Solutions and Corporate and Investment Banking. In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the leader in consumer lending. BNP Paribas is rolling out its integrated retail banking model across Mediterranean basin countries, in Turkey, in Eastern Europe and a large network in the western part of the United States. In its Corporate and Investment Banking and Investment Solutions activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas and solid and fast-growing businesses in Asia.

CORPORATE ADDRESS

Bank of the West

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Phone: 415.765.4800
www.bankofthewest.com

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Corporate Communications
corporate.communications@bankofthewest.com

For financial information about
Bank of the West and BancWest Corporation:

Duke Dayal
Chief Financial Officer
cfo@bankofthewest.com

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Taipei, Republic of China



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BANK OF THE WEST AND SUBSIDIARIES

GO WEST

Report of Independent Auditors

To the Board of Directors and Stockholders
of Bank of the West and its Subsidiaries:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, consolidated statements of changes in equity and comprehensive income, and consolidated statements of cash flows present fairly, in all material respects, the financial position of Bank of the West and its subsidiaries (the "Bank") at December 31, 2011 and December 31, 2010, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
San Francisco, CA
March 5, 2012

BANK OF THE WEST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(dollars in thousands)	Year Ended December 31,	
	2011	2010
Interest income		
Loans	\$1,891,344	\$1,997,946
Lease financing	134,069	144,464
Securities available for sale	188,237	181,550
Other	5,797	4,470
Total interest income	2,219,447	2,328,430
Interest expense		
Deposits	156,459	255,502
Short-term borrowings	637	863
Long-term debt	154,108	289,020
Total interest expense	311,204	545,385
Net interest income	1,908,243	1,783,045
Provision for credit losses	319,865	512,782
Net interest income after provision for credit losses	1,588,378	1,270,263
Noninterest income		
Service charges on deposit accounts	153,698	173,556
Trust and investment services income	18,684	17,647
Brokerage service fees	41,105	46,336
Credit and debit card fees	109,503	102,789
Other service charges and fees	98,240	89,323
Net gains (losses) on debt securities available for sale ⁽¹⁾	34,099	(35,951)
Income from bank-owned life insurance	23,318	21,624
Net gains on customer accommodation derivatives	15,603	10,271
Loss on credit guarantee derivative	(6,351)	(73,201)
Write-downs of other real estate owned assets, net	(34,174)	(36,770)
Other	60,935	43,058
Total noninterest income	514,660	358,682
Noninterest expense		
Salaries and employee benefits	764,103	697,617
Occupancy	131,606	134,434
Outside services	124,201	125,089
FDIC assessments	61,886	85,060
Intangible amortization	51,455	55,712
Equipment	56,328	56,558
Advertising and marketing	38,618	41,817
Collection and repossession	47,320	33,710
Other	132,478	124,008
Total noninterest expense	1,407,995	1,354,005
Income before income taxes and noncontrolling interest	695,043	274,940
Income tax expense	251,936	89,600
Net income before noncontrolling interest	443,107	185,340
Net income attributable to noncontrolling interest	1,096	740
Net income attributable to Bank of the West	\$ 442,011	\$ 184,600

⁽¹⁾ Includes other-than-temporary impairment (OTTI) losses of \$1.9 million and \$8.2 million recognized in earnings (\$1.9 million and \$12.3 million of total OTTI losses, net of nil and \$4.1 million recognized in other comprehensive income) for the years ended December 31, 2011 and 2010, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

BANK OF THE WEST AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31,	
(dollars in thousands, except per share amounts)	2011	2010
Assets		
Cash and due from banks	\$ 763,987	\$ 683,530
Interest-bearing deposits in other banks	2,832,249	118,738
Trading assets	6,000	5,500
Securities available for sale	7,717,655	6,128,762
Loans held for sale	244,509	107,440
Loans and leases:		
Loans and leases	43,427,394	43,007,720
Less allowance for loan and lease losses	870,188	1,059,017
Net loans and leases	42,557,206	41,948,703
Premises and equipment, net	451,035	446,469
Customers' acceptance liability	4,101	7,469
Goodwill	4,201,513	4,201,143
Other intangibles, net	170,447	205,700
Other real estate owned and repossessed personal property	156,049	195,017
Interest receivable	167,562	158,852
Bank-owned life insurance	1,301,847	1,289,392
Other assets	1,834,144	2,156,111
Total assets	\$62,408,304	\$57,652,826
Liabilities and Equity		
Deposits:		
Interest-bearing	\$32,261,182	\$28,257,259
Noninterest-bearing	11,734,014	11,289,985
Total deposits	43,995,196	39,547,244
Federal funds purchased and securities sold under agreements to repurchase	352,060	733,172
Short-term borrowings	1,560	6,465
Acceptances outstanding	4,101	7,469
Long-term debt	5,676,868	5,812,535
Liability for pension benefits	202,057	162,769
Other liabilities	964,004	761,593
Total liabilities	51,195,846	47,031,247
Equity:		
Common stock, par value \$0.001 per share in 2011 and 2010		
Authorized — 20,000,000 shares		
Issued and outstanding — 5,548,359 shares at December 31, 2011 and 2010	6	6
Additional paid-in capital	9,730,732	9,728,178
Retained earnings	1,469,882	1,027,871
Accumulated other comprehensive loss	(10,664)	(158,325)
Total Bank of the West stockholder's equity	11,189,956	10,597,730
Noncontrolling interest	22,502	23,849
Total equity	11,212,458	10,621,579
Total liabilities and equity	\$62,408,304	\$57,652,826

The accompanying notes are an integral part of these consolidated financial statements.

BANK OF THE WEST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND COMPREHENSIVE INCOME

(dollars in thousands)	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Bank of the West Stockholder's Equity	Non- controlling Interest	Total Equity
	Shares	Amount						
Balance, January 1, 2010	5,039,194	\$5	\$8,332,394	\$ 843,271	\$(234,584)	\$ 8,941,086	\$ 5,774	\$ 8,946,860
Comprehensive income:								
Net income	-	-	-	184,600	-	184,600	740	185,340
Other comprehensive income (loss), net of tax:								
Pension	-	-	-	-	(7,394)	(7,394)	-	(7,394)
Net change in unrealized gains on securities available for sale	-	-	-	-	76,651	76,651	-	76,651
Net change in unrealized gains on cash flow derivative hedges	-	-	-	-	7,002	7,002	-	7,002
Comprehensive income	-	-	-	184,600	76,259	260,859	740	261,599
Stock options	-	-	2,333	-	-	2,333	-	2,333
Stock issuance	509,165	1	1,000,000	-	-	1,000,001	-	1,000,001
Capital infusion	-	-	393,451	-	-	393,451	-	393,451
Noncontrolling interest	-	-	-	-	-	-	17,335	17,335
Balance, December 31, 2010	5,548,359	\$6	\$9,728,178	\$1,027,871	\$(158,325)	\$10,597,730	\$23,849	\$10,621,579
Comprehensive income:								
Net income	-	-	-	442,011	-	442,011	1,096	443,107
Other comprehensive income (loss), net of tax:								
Pension	-	-	-	-	(26,034)	(26,034)	-	(26,034)
Net change in unrealized gains on securities available for sale	-	-	-	-	168,770	168,770	-	168,770
Net change in unrealized gains on cash flow derivative hedges	-	-	-	-	4,925	4,925	-	4,925
Comprehensive income	-	-	-	442,011	147,661	589,672	1,096	590,768
Stock options	-	-	2,554	-	-	2,554	-	2,554
Noncontrolling interest	-	-	-	-	-	-	(2,443)	(2,443)
Balance, December 31, 2011	5,548,359	\$6	\$9,730,732	\$1,469,882	\$ (10,664)	\$11,189,956	\$22,502	\$11,212,458

The accompanying notes are an integral part of these consolidated financial statements.

BANK OF THE WEST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(dollars in thousands)	Year Ended December 31,	
	2011	2010
Cash flows from operating activities		
Net income	\$ 442,011	\$ 184,600
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	319,865	512,782
Net (gains) losses on securities available for sale	(34,099)	35,951
Net gains on sale of loans	(22,006)	(21,620)
Net increase in trading assets	(500)	(393)
Depreciation, amortization and accretion, net	195,168	168,777
Deferred income taxes	(24,060)	(18,899)
Decrease in interest receivable and other assets	72,510	39,858
Increase in interest payable and other liabilities	142,678	141,907
Change in fair value of credit guarantee derivative	6,351	73,201
Originations of loans held for sale	(1,092,158)	(1,052,128)
Proceeds from sales of loans held for sale	1,123,551	1,046,169
Other, net	82,383	49,217
Net cash provided by operating activities	1,211,694	1,159,422
Cash flows from investing activities		
Securities available for sale:		
Proceeds from maturities and prepayments	1,429,134	3,100,984
Proceeds from sales	4,423,454	2,524,515
Purchases	(7,163,979)	(5,241,818)
Net (increase) decrease in loans resulting from originations and collections	(1,325,460)	521,729
Purchases of loans and leases	(105,473)	(68,514)
Proceeds from sales of loans	188,394	37,891
Purchase of premises, equipment and software	(83,112)	(55,738)
Decrease in bank-owned life insurance investments	10,863	6,481
Other, net	159,665	182,292
Net cash (used) provided by investing activities	(2,466,514)	1,007,822
Cash flows from financing activities		
Net increase (decrease) in deposits	4,568,447	(488,381)
Net (decrease) increase in short-term borrowings under three months	(386,483)	211,680
Proceeds from issuance of short-term borrowings	468	5,371
Proceeds from issuance of long-term debt	2,100,000	-
Repayment of long-term debt	(2,232,297)	(3,741,704)
Proceeds from issuance of common stock	-	1,000,001
Noncontrolling interest	(1,347)	2,966
Net cash provided (used) by financing activities	4,048,788	(3,010,067)
Net increase (decrease) in cash and cash equivalents	2,793,968	(842,823)
Cash and cash equivalents at beginning of year	802,268	1,645,091
Cash and cash equivalents at end of year	\$ 3,596,236	\$ 802,268
Supplemental disclosures		
Interest paid	\$ 322,457	\$ 577,167
Income taxes paid	324,291	48,016
Noncash investing and financing activities:		
Capital infusion	-	393,451
Transfer from deposits for the settlement of credit guarantee derivative	120,495	169,521
Transfers into loans held for sale	259,037	42,136
Transfers from loans to foreclosed properties	126,882	171,432
Increase in loans and leases due to consolidation of variable interest entities	-	15,109

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization and Summary of Significant Accounting Policies

Bank of the West (“BOW”) is a State of California chartered bank. BOW has 659 retail branch banking locations (645 full service retail branches and 14 limited service retail offices) and other commercial banking offices located in Arizona, California, Colorado, Idaho, Iowa, Kansas, Minnesota, Missouri, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin and Wyoming providing a wide range of financial services to both consumers and businesses. BOW also has branches serving Pacific Rim customers, specializing in domestic and international products and services in predominantly Asian American communities. In addition, the Bank has a commercial banking office in New York and an offshore office in the Cayman Islands. Lending and other services focus on corporate, consumer and smaller middle market businesses. Bank of the West’s principal subsidiaries include Essex Credit Corporation (“Essex”), BW Insurance (“BWI”) and BancWest Investment Services, Inc. (“BWIS”). The terms “the Bank,” “we,” “our,” “us” and similar terms as used in this report refer to Bank of the West and its subsidiaries.

BancWest Corporation (“BancWest”), a financial holding company, as of December 31, 2011 and 2010, owned 100% and 83.22% of the outstanding common stock of the Bank, respectively. The balance of the Bank’s common stock at December 31, 2010 was held by BNP Paribas (“BNPP”). During 2011, BancWest repaid the outstanding debt owed to BNPP that was collateralized by these common shares of the Bank’s stock. The Bank issued 509,165 shares of common stock to BancWest in 2010, which received the related funding from BNPP. The Bank also had authorized 1,000,000 shares of preferred stock, none of which were issued or outstanding at December 31, 2011 and 2010.

BancWest is a wholly owned subsidiary of BNPP, a financial institution based in France. BancWest’s other bank subsidiary (wholly owned) is First Hawaiian Bank.

Regulation

The Bank’s primary regulators are the Federal Deposit Insurance Corporation (“FDIC”) and the California Department of Financial Institutions. The Bank is a member of the Federal Home Loan Bank System and is required to maintain an investment in the capital stock of the Federal Home Loan Bank (“FHLB”). The Bank maintains insurance on its customer deposit accounts with the FDIC, which requires quarterly assessments of deposit insurance premiums.

Basis of Presentation

The accounting and reporting policies of the Bank and its subsidiaries conform to accounting principles generally accepted in the United States (“GAAP”). The accompanying consolidated financial statements include the accounts of the Bank and all of its wholly-owned, majority-owned or controlled subsidiaries and variable interest entities (“VIEs”) if the Bank determines it is the primary beneficiary. All material intercompany transactions among the Bank and its consolidated entities have been eliminated.

For consolidated entities where it holds less than a 100% interest, the Bank reports income or loss attributable to noncontrolling shareholders in the consolidated statements of income, and the equity interest attributable to noncontrolling shareholders in the equity section of the consolidated balance sheets.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in accordance with GAAP requires management to make judgments using estimates and assumptions. Actual results could differ from these estimates and assumptions.

Reclassifications

Certain amounts in the financial statements and notes thereto for the prior year have been reclassified to conform to the current financial statement presentation.

Cash and Due from Banks

Cash and due from banks include amounts due from other financial institutions as well as in-transit clearings. For purposes of the consolidated statement of cash flows, the Bank includes as cash and cash equivalents, cash and due from banks, interest-bearing deposits in other banks and federal funds sold and securities purchased under agreements to resell (with original maturities of less than three months).

Securities

Securities are classified as trading, available for sale or held-to-maturity.

Securities used for trading purposes are classified as trading and are carried at fair value with unrealized gains and losses included in the consolidated statements of income.

Investments in debt securities and marketable equity securities having readily determinable fair values and not used for trading purposes are classified as available for sale and are carried at estimated fair value with net unrealized gains and losses included in accumulated other comprehensive income (loss), net of applicable income taxes. Amortization of premiums and accretion of discounts for the available for sale securities are included in interest income. Upon sale, realized gains and losses are reported in earnings. Refer to Note 16 for information on fair value measurement of the securities.

Nonmarketable equity securities are carried at cost and included in other assets.

The Bank evaluates its investment securities portfolio for impairment on a quarterly basis. The cost basis of a security is written down through a charge to earnings when a decline in fair value below amortized cost is considered to be other-than-temporary ("OTTI"). The new cost basis is not increased for subsequent recoveries in fair value.

For a debt security, OTTI is recognized in earnings when the Bank intends to sell or will more likely than not be required to sell before recovery of its amortized cost basis. However, even if the Bank does not intend to sell the security, we evaluate the expected cash flows to be received on the security to determine if a potential credit loss exists, which is recognized as a charge to earnings. Amounts relating to factors other than credit losses are recorded in other comprehensive income ("OCI"). For equity securities, the Bank evaluates the securities for OTTI based on the length of time fair value is below cost and the severity of the differences, the Bank's intent and ability to hold the security until forecasted recovery of the fair value of the security, and the investee's financial condition and capital strength.

Loans Held for Sale

Loans that the Bank intends to sell are classified as held for sale ("HFS") and are carried at the lower of cost or fair value. Fair value is determined on an individual loan basis and collective basis for commercial and consumer loans, respectively. Fair value is measured based on collateral value, estimated cash flows or prevailing market prices for loans with similar characteristics. Any excess between cost and fair value upon transfer to held for sale is recorded through the allowance for credit losses. Subsequent declines in fair value or recoveries of such declines are recognized as increases or decreases in a valuation allowance and reported in noninterest income. Gains and losses upon sale are reported as part of noninterest income.

Loan origination fees and direct costs on loans held for sale are deferred until the related loan is sold and recognized in noninterest income upon sale.

For consumer loans originated for sale, the Bank enters into short-term loan commitments to fund the loans that it originates at specified rates and also enters into forward commitments to sell those loans at specified prices. Such interest rate lock commitments to fund the loans and the commitments to sell those loans are accounted for as derivatives at fair value with subsequent changes in fair value recorded through noninterest income.

Loans and Leases

Loans and leases make up a portfolio that the Bank has the intent and the ability to hold for the foreseeable future or until maturity or payoff. The Bank's loans and lease portfolio is divided into two portfolio segments, which are the same segments used by the Bank to determine the allowance for credit losses, commercial and consumer. The portfolio segments are well diversified by borrower, collateral and industry. The Bank further disaggregates its portfolio segments into various classes of loans for purposes of monitoring and assessing credit risk as described below.

Commercial Loans

The Bank disaggregates the commercial loan portfolio into the following classes:

- Loans to businesses for commercial, industrial and professional purposes ("Commercial & industrial");
- Loans that are secured by real estate properties ("Commercial real estate");
- Loans secured by real estate to finance land development and construction of industrial, commercial, residential or farm building ("Construction");
- Indirect and direct leases to finance commercial equipment purchases ("Equipment leases");
- Loans to finance agricultural production and other loans to farmers ("Agriculture").

Consumer Loans

The Bank disaggregates the consumer loan portfolio into the following classes:

- Consumer loans and leases such as autos, marine, recreational vehicles, personal lines of credit and credit cards ("Installments and lines");
- Closed-end loans secured by first and junior liens on 1-4 family residential properties ("Residential secured – closed-end");
- Revolving, open-end loans secured by 1-4 family residential properties ("Residential secured – revolving, open-end").

Loans that the Bank originates are recorded at the principal amount outstanding, net of unamortized deferred loan origination fees and costs. Loans purchased by the Bank are initially measured at fair value at the date of acquisition at a premium or discount, as appropriate. At the time of acquisition, the seller's estimate for expected credit losses is not carried over or recorded by the Bank as a credit loss allowance against the loans (see Allowance for Credit Losses below).

Net deferred fees or costs and premiums and discounts are recognized in earnings over the contractual term of the loans, adjusted for actual prepayments, using the interest method or on a straight line basis for revolving loans.

Interest income is accrued unless the loan is determined to be impaired and placed on nonaccrual status (see Nonaccrual Loans and Leases below). The Bank recognizes unaccreted or unamortized fees, costs, premiums and discounts on loans and leases paid in full as a component of interest income.

Direct financing leases are carried at the aggregate of lease payments receivable plus estimated residual value less unearned income. Unearned income on financing leases is accreted over the lives of the leases to provide a constant periodic rate of return on the net investment in the lease. The Bank reviews commercial lease residual values at least annually and recognizes residual value impairments that are deemed to be other-than-temporary through earnings.

The Bank also charges other loan and lease fees consisting of delinquent payment charges and servicing fees, including fees for servicing loans sold to third parties, and recognizes such fees as income when earned.

Nonaccrual Loans and Leases

The Bank generally places a loan or lease on nonaccrual status when management believes that full and timely collection of principal or interest has become doubtful; or it is 90 days past due as to principal or interest payments based on its contractual terms, unless it is well secured and in the process of collection. The Bank determines loans to be past due if payment is not received in accordance with contractual terms.

When the Bank places a loan or lease on nonaccrual status, previously accrued but uncollected interest is reversed against interest income of the current period. When there are doubts about the ultimate collection of the recorded balance on a nonaccrual loan or lease, cash payments by the borrower are applied as a reduction of the principal balance, under the cost recovery method. Otherwise, the Bank records such payments as income.

Nonaccrual loans and leases are generally returned to accrual status when either (1) they become current as to principal and interest, there is a sustained period of repayment performance by the borrower and the bank expects payment of remaining contractual principal and interest; or (2) they are both well secured and in the process of collection.

Not all impaired loans or leases are placed on nonaccrual status; for example, restructured loans performing under restructured terms beyond a specific period may be classified as accruing, but may still be deemed impaired (see Allowance for Credit Losses and Troubled Debt Restructurings below).

Allowance for Credit Losses

The Bank maintains an allowance for loan and lease losses (the "Allowance") against the carrying value of the loans and leases to absorb estimated probable credit losses within the portfolio. The Allowance is maintained at a level which, in management's judgment, is adequate to absorb probable losses that have been incurred and can be reasonably estimated as of the balance sheet date. The Allowance is increased through provisions for loan and lease losses charged to earnings and reduced by principal charge-offs, net of recoveries.

The Allowance consists of two components, allocated and unallocated. The Bank determines the allocated component of the Allowance by measuring credit impairment on (i) an individual basis for larger balance loans in the commercial portfolio that are on nonaccrual status and commercial and mortgage loans in a troubled debt restructuring, and (ii) on a collective basis for groups of loans with similar risk characteristics and large groups or pools of homogeneous loans with smaller balances that are not evaluated on a case-by-case basis such as credit card, residential mortgages and consumer installment loans.

The Bank considers a loan to be impaired on an individual basis when, based on current information and events, it is probable that it will be unable to collect all amounts due according to the contractual terms of the loan. The Bank measures impairment by comparing the present value of the expected future cash flows discounted at the loan's effective interest rate with the recorded investment in the loan, except for collateral-dependent loans. For collateral dependent loans, the Bank measures impairment by comparing the fair value of the collateral on an "as-is" basis less disposition costs with the recorded investment in the loan. On a case-by-case basis, the Bank may measure impairment based upon a loan's observable market price.

For loans assessed on a collective basis, the calculation of the allocated reserve considers historical loss experience for each type of loan, management's ongoing review of internal risk ratings and associated trends and factors including:

- Trends in the volume and severity of delinquent loans, nonaccrual loans, troubled debt restructuring and other loan modifications;
- Trends in the quality of risk management and loan administration practices including findings of internal and external reviews of loans and effectiveness of collection practices;

- Changes in the quality of the Bank's risk identification process and loan review system;
- Changes in lending policies and procedures including underwriting standards and collection, charge-off and recovery practices;
- Changes in the nature and volume of the loan portfolio;
- Changes in the concentration of credit and the levels of credit;
- Changes in the national and local economic business conditions, including the condition of various market segments.

The unallocated component of the Allowance is maintained to cover uncertainties in our estimate of credit losses. While the Bank's allocated reserve methodology strives to reflect all risk factors, there may still be certain unidentified risk elements. The purpose of the unallocated reserve is to capture these factors. The relationship of the unallocated component to the total Allowance may fluctuate from period to period. Management evaluates the adequacy of the Allowance based on the combined total of allocated and unallocated components.

In addition to the Allowance, we also maintain a reserve for losses on unfunded loan commitments and letters of credit which is recorded within other liabilities. We determine this reserve using estimates of the probability of the ultimate funding and losses related to those credit exposures based on a methodology similar to our methodology for determining the Allowance.

While the Bank has a formal methodology to determine the adequate and appropriate level of the allowance for credit losses, estimates of inherent loan, lease and unfunded commitment losses involve judgment and assumptions as to various factors, including current economic conditions. Management's determination of adequacy of the total allowance for credit losses is based on quarterly evaluations of the above factors. Accordingly, the provision for credit losses will vary from period to period based on management's ongoing assessment of the adequacy of the Allowance. See Note 5 for discussion on how the Bank's experience and current economic conditions have influenced management's determination of the Allowance.

Charge-off and Recovery Policies for Loans and Leases

The Bank's policy is to charge off a loan or lease when there is evidence that the loan or lease balance is uncollectible. A commercial loan or lease that is individually assessed for impairment is charged off when potential recovery of the recorded loan balance is uncertain as a result of shortfall in collateral value or borrowers' financial difficulty. Consumer installment loans and leases are generally charged off, partially or fully, upon reaching a predetermined delinquency status that ranges from 120 to 180 days depending on the type of consumer installment loans and leases.

Recoveries of amounts that have previously been charged off are credited to the Allowance and are generally recorded only to the extent that cash or other assets are received.

Troubled Debt Restructurings

On July 1, 2011, we adopted an amendment to the accounting guidance related to the classification of loans as TDRs. This amendment clarified when a restructuring such as a loan modification is considered a TDR. For additional information, see "Recent Accounting Standards – A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring," below.

In situations where for economic or legal reasons related to the borrower's financial difficulties, the Bank grants a concession to the borrower that it would not otherwise consider, the related loan is classified as a troubled debt restructuring ("TDR"). Concessions generally include modifications to the loan's terms, including but not limited to interest rate modifications and reductions, principal or interest forgiveness, term extensions or renewals, or any other actions that may minimize the potential economic loss to the Bank.

A nonaccrual loan involved in a TDR continues to be recorded as nonaccrual until some period of performance on the restructured terms, generally six months, can be evidenced. Loans whose contractual terms have been modified in a TDR and are current at the time of restructuring remain on accrual status if payment in full under the restructured terms is expected.

Regardless of its accrual status, the Bank continues to measure and recognize impairment on an individual basis for its restructured commercial loans. For residential secured loans, we assess for individual impairment at time of restructure.

Premises and Equipment

Premises and equipment, including leasehold improvements, are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives as follows:

Premises	10-39 years
Furniture and equipment	3-20 years
Leasehold improvements	Shorter of the lease term or estimated remaining life

We periodically evaluate our long-lived assets for impairment. We perform these evaluations whenever events or changes in circumstances suggest that the carrying amount of an asset or group of assets is not recoverable. If impairment recognition criteria are met, an impairment charge would be reported in noninterest expense. For the years ended December 31, 2011 and 2010, the Bank's evaluation did not result in any impairment.

Goodwill

The net assets of entities acquired by the Bank are recorded at their estimated fair value at the acquisition date, and the excess of the cost of an acquired entity over the fair value of the identifiable net assets acquired represents goodwill.

Goodwill is not amortized, but is tested for impairment annually, or whenever events or changes in circumstances suggest that the carrying value may not be recoverable. The Bank first compares the fair value of an identified reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit exceeds its carrying value, the goodwill of the reporting unit is not considered impaired. Otherwise, the Bank measures impairment as the difference between the recorded goodwill and the implied fair value of the reporting unit's goodwill.

Other Intangible Assets

Core deposit and other intangible assets determined to have finite lives are amortized over their estimated useful lives. They are generally amortized using accelerated methods over estimated useful lives of five to ten years. The Bank reviews core deposit intangibles for impairment annually or whenever events or changes in circumstance indicate that we may not recover our investment in the underlying deposits. Other finite-lived intangible assets are reviewed for impairment whenever events or changes in circumstance suggest the carrying value may not be recoverable.

Internal-use Software Development Costs

The Bank incurs costs to purchase and develop computer software, classified as other intangibles. The treatment of costs to purchase or develop the software depends on the nature of the costs and the stage of construction. Costs incurred in the initial design and evaluation phase, such as the cost of performing feasibility studies and evaluating alternatives are charged to expense. Costs incurred in the committed project planning and design phase, and in the construction and installation phase, are capitalized as part of the cost of the software. The Bank stops capitalizing costs when the software is substantially completed and ready for its intended use at which point it begins to amortize.

Internal-use software development costs are amortized over their estimated useful lives, generally five to seven years. The Bank reviews internal-use software development costs for impairment annually or

whenever changes in circumstances indicate that the carrying amount of the assets may not be recoverable from their expected use and eventual disposition. If such an asset is considered impaired, the impairment to be recognized is measured as the amount by which the carrying basis of the asset exceeds its fair value.

Other Real Estate Owned and Repossessed Personal Property

Other real estate owned ("OREO") and repossessed personal property are primarily comprised of properties that we acquired through foreclosure proceedings. Assets acquired in satisfaction of a defaulted loan are recorded at fair value upon acquisition. The amount by which the recorded investment in the loan exceeds the fair value (less estimated costs to sell) is charged off against the Allowance. The amount by which the fair value (less estimated costs to sell) exceeds the recorded investment in the loan is recognized first against prior charge-off (as a recovery) with any excess recognized through noninterest income. Subsequent declines in fair value and recoveries in those declines of the assets are recognized in a valuation allowance through noninterest income. Gains and losses upon sale of the foreclosed asset are reported as part of noninterest income.

Transfers and Servicing of Financial Assets

The Bank enters into loan participations and loan sales, including originations to sell residential mortgage loans to the Federal National Mortgage Association ("FNMA"). The Bank records these transactions as sales and derecognizes the financial assets in accordance with GAAP.

Any interests in the loans retained by the Bank in a participation are recognized by allocating the carrying amount of the loans between the participating interests sold and interests retained based on their relative fair values at the date of transfer. Gain or loss on the sale of the participating interests is based on the proceeds received and the allocated carrying amount of assets transferred.

The Bank retains the servicing on mortgage loans sold which is recognized as a mortgage servicing right ("MSR") on our balance sheet in other intangibles, net. Our servicing activities include collecting principal, interest, tax and insurance payments from borrowers while accounting for and remitting payments to investors on behalf of the borrowers. MSRs are initially recognized at fair value at the date of transfer as a component of the sales proceeds and subsequently amortized and carried at the lower of cost or fair value. Fair value of MSRs is determined based on the present value of estimated future net servicing income. The MSRs are amortized over the estimated period that net servicing income is expected to be received. Projections of the amount and timing of estimated future net cash flows are calculated using management's best estimates including, prepayment speeds, forward yield curves and default rates. These estimates are updated based on actual results, industry trends and other economic considerations.

The Bank periodically evaluates its MSR assets for impairment by evaluating the fair value of those assets based on a disaggregated, discounted cash flow method. For purposes of measuring impairment, MSRs are stratified based on predominant risk characteristics, such as loan category or maturity. We assess impairment using a present value of expected cash flows model for each strata based upon assumptions for estimated servicing income and expense as discussed in Note 3, Loans Held for Sale and Servicing Activity. The impairment, if any, is measured as the amount by which the carrying value of the servicing right strata exceeds its estimated fair value. Impairment is recognized through a valuation allowance and a charge to earnings if it is considered to be temporary or through a direct write-down of the asset and a charge to earnings if it is considered other than temporary.

Securities purchased under agreements to resell and securities sold under agreements to repurchase are treated as collateralized financing transactions and are recorded at the amounts at which the securities were acquired or sold plus accrued interest. The fair value of collateral either received from or provided to a third party is continually monitored and additional collateral is obtained or is requested to be returned to the Bank as in accordance with the agreement. The Bank or a custodian holds all collateral.

Fair Value

The Bank uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Fair value is defined as the exchange price that would be received

for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants on the measurement date. Trading assets, securities available for sale, certain other assets and certain liabilities are recorded at fair value on a recurring basis in accordance with applicable accounting guidance. The Bank may also be required to record other assets at fair value on a nonrecurring basis, such as loans held for sale and impaired loans held for investment. These nonrecurring fair value adjustments typically involve application of lower of cost or fair value accounting or write-downs of individual assets.

The Bank values its assets and liabilities based on observable market prices or parameters or derived from such prices or parameters, if available. If observable prices or inputs are not available, fair values are measured using valuation models. In the case of securities, fair values are adjusted for credit rating, prepayment assumptions, credit loss assumptions and market liquidity.

Fair value measurements are classified within one of three levels in a valuation hierarchy based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets to which the Bank has access on the measurement date.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. See Note 16 for more information regarding fair value measurements.

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated to the U.S. dollar equivalent at the rate of exchange at the balance sheet date. Transactions in foreign currencies are translated to the U.S. dollar equivalent at the rate of exchange in effect at the time of the transaction. Foreign currency gains and losses are included in the consolidated statement of income within other noninterest income in the period in which they occur.

Lease Commitments

Lease commitments are transactions entered into by the Bank where the Bank is the lessee. Leases are classified as capital or operating depending on the terms and conditions of the contracts; the accounting for these leases depends on the nature of the lease transactions. For assets accounted for as capital leases, depreciation is recorded on a straight-line basis over the period of the lesser of the lease term or asset life. Lease obligations recorded under capital leases are reduced by lease payments net of imputed interest. Operating leases are contracts that do not transfer substantially all of the benefits and risk of ownership and do not meet the accounting requirements for capital lease classification. Operating lease payments are charged as rental expense on a straight-line basis over the lease term. Lease incentives received as part of the lease agreement are recognized as a reduction of rental expense on a straight-line basis over the term of the lease.

Income Taxes

The Bank is included in the consolidated federal income tax return filed by BancWest. We also file various combined and separate company state returns according to the laws of the particular state. Federal and state income taxes are generally allocated to individual subsidiaries as if each had filed a separate return. Amounts equal to income tax benefits of those subsidiaries having taxable losses or credits are reimbursed by other subsidiaries which would have incurred current income tax liabilities.

The Bank recognizes current income tax expense in an amount which approximates the amount of tax to be paid or refunded for the current period. The Bank recognizes deferred income tax liabilities and assets for the expected future tax consequences of events that the Bank includes in our financial statements or tax returns. Under this method, the Bank determines deferred income tax liabilities and assets based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse. Deferred tax assets are recognized if it is more likely than not that they will be realized. Realization is dependent on generating sufficient taxable income prior to expiration of any loss carry forward balance. The Bank's net tax asset is presented as a component of other assets.

Income tax benefits are recognized and measured based upon a two-step model: (1) a tax position must be more-likely-than-not to be sustained based solely on its technical merits in order to be recognized, and (2) the benefit is measured as the largest dollar amount of that position that is more-likely-than-not to be sustained upon settlement. The difference between the benefit recognized and the tax benefit claimed on the return is referred to as an unrecognized tax benefit. Foreign taxes paid are generally applied as credits to reduce federal income taxes payable. Tax-related interest is recognized as a component of income tax expense. Penalties are recognized as a component of other noninterest expense.

Derivative Instruments and Hedging Activities

Derivatives are recognized on the consolidated balance sheet at fair value and designated as (1) a hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment ("fair value" hedge), (2) a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow" hedge) or (3) held for trading, customer accommodation or not designated for hedge accounting ("free standing derivative instrument").

The Bank formally documents the relationship between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking various hedge transactions. The Bank also formally assesses both at the inception of the hedge and on a quarterly basis, whether the derivative instruments are considered effective in offsetting changes in fair values of or cash flows related to hedged items. For a fair value hedge, changes in the fair value of the derivative instrument and changes in the fair value of the hedged asset or liability or of an unrecognized firm commitment attributable to the hedged risk are recorded in current period income. For a cash flow hedge, to the extent that the hedge is considered effective, changes in the fair value of the derivative instrument are recorded in other comprehensive income within stockholder's equity. The fair value is subsequently reclassified into the income statement in the same period and classification of the hedged transaction. Any portion of the changes in fair value of derivatives designated as a hedge that is deemed ineffective is recorded in current period earnings.

For free standing derivative instruments, changes in the fair values are reported in current period income.

Valuations of derivative assets and liabilities reflect the value of the instrument including the values associated with counterparty risk and the Bank's own credit standing; refer to Note 15, Derivative Financial Instruments for additional information.

The Bank occasionally purchases or originates financial instruments that contain embedded features that may require recognition as separate embedded derivative instruments. Such embedded derivatives are separated from the hybrid financial instrument and carried at fair value with changes recorded in current period earnings.

Recent Accounting Standards

The following Accounting Standard Updates (“ASU”) were issued during the year by the Financial Accounting Standards Board (“FASB”) and are applicable to the Bank:

ASU No. 2011-02: Receivables (Topic 310) – A Creditor’s Determination of Whether a Restructuring is a Troubled Debt Restructuring:

In April 2011, the FASB issued guidance to clarify existing standards for determining whether a modification represents a TDR from the perspective of the creditor. The guidance became effective in the third quarter of 2011 and must be applied retrospectively to January 1, 2011. Refer to Note 5 for the impact of the application of this guidance in 2011.

ASU No. 2011-04: Fair Value Measurement (Topic 820) – Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs (International Financial Reporting Standards):

In May 2011, the FASB issued new guidance on the measurement of fair value and expanded disclosure requirements in an effort to develop a single, converged fair value framework between U.S. GAAP and IFRS. This ASU is largely consistent with the existing fair value measurement principles in U.S. GAAP; however it expanded the existing disclosure requirements for fair value and amended how the fair value measurement guidance in ASC 820 is applied. The amendments in this ASU are effective for the Bank for fiscal years beginning on January 1, 2012 and are to be applied prospectively.

ASU No. 2011-05: Comprehensive Income (Topic 220) – Presentation of Comprehensive Income:

In June 2011, the FASB issued revised guidance on the presentation of comprehensive income and its components in the financial statements. As a result of the guidance, the Bank will be required to present net income and other comprehensive income either in a single continuous statement or in two separate, but consecutive statements. The ASU does not change the items that must be reported in other comprehensive income or the determination of net income. The new guidance is applied retrospectively. This ASU is effective for the Bank for fiscal years beginning on January 1, 2012.

ASU No. 2011-08: Intangibles – Goodwill and Other (Topic 350) – Testing Goodwill for Impairment:

In September 2011, the FASB issued revised guidance intended to simplify how an entity tests goodwill for impairment. As a result of the guidance, an entity will be allowed to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. An entity will not be required to calculate the fair value of a reporting unit unless the entity determines, based on a qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. The accounting guidance is effective for the Bank on January 1, 2012. The accounting guidance is not expected to have a material impact on the Bank’s consolidated financial statements.

ASU No. 2011-11: Balance Sheet (Topic 210): Disclosure about Offsetting Assets and Liabilities:

In December 2011, the FASB issued new disclosure requirements about the nature of an entity’s rights to setoff and related arrangements associated with its financial instruments and derivative instruments. The new disclosures are designed to make financial statements that are prepared under GAAP more comparable to those prepared under IFRS. This ASU is effective for the Bank for fiscal years beginning on January 1, 2013 and will be applied retrospectively.

ASU No. 2010-20: Receivables (Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses:

In July 2010, the FASB issued new guidance that requires the Bank to provide more robust and disaggregated disclosures about the credit quality of financing receivables, allowances for credit losses and troubled debt restructurings. Except for troubled debt restructuring disclosures, the new disclosure guidance became effective for the Bank’s 2010 financial statements. New disclosures related to troubled debt restructurings are effective for our 2011 financial statements.

2. Securities Available for Sale

Amortized cost and fair value of securities available for sale at December 31, 2011 and 2010 were as follows:

(dollars in thousands)	2011				2010			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. Treasury and other U.S. Government agencies and corporations	\$1,009,189	\$ 18,776	\$ (382)	\$1,027,583	\$ 174,181	\$ 126	\$ (76)	\$ 174,231
Government sponsored agencies	119,233	541	(13)	119,761	483,192	958	(1,039)	483,111
Mortgage and asset-backed securities:								
Government agencies ⁽¹⁾	4,043,843	129,337	(283)	4,172,897	239,209	1,429	(1,116)	239,522
Government sponsored agencies ⁽¹⁾	1,444,937	30,776	(11)	1,475,702	1,178,263	33,605	(329)	1,211,539
Collateralized debt obligations	65,192	-	(20,059)	45,133	127,674	-	(60,682)	66,992
Collateralized loan obligations	171,510	-	(42,855)	128,655	223,390	-	(93,484)	129,906
Other asset-backed securities	1,782	44	(1)	1,825	8,546	50	(924)	7,672
Collateralized mortgage obligations:								
Government agencies	9,623	99	-	9,722	1,084,543	15,813	(828)	1,099,528
Government sponsored agencies	59,260	433	-	59,693	1,451,179	5,943	(19,699)	1,437,423
States and political subdivisions	649,698	25,091	(4,201)	670,588	1,299,297	18,885	(45,589)	1,272,593
Equity securities	6,160	254	(318)	6,096	6,244	271	(270)	6,245
Total securities available for sale	\$7,580,427	\$205,351	\$(68,123)	\$7,717,655	\$6,275,718	\$77,080	\$(224,036)	\$6,128,762

⁽¹⁾ Backed by residential real estate.

The following tables present the unrealized gross losses and fair values of securities in the available for sale portfolio by length of time that individual securities in each category have been in a continuous loss position.

(dollars in thousands)	December 31, 2011					
	Less Than 12 Months		12 Months or More		Total	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
U.S. Treasury and other U.S. Government agencies and corporations	\$ (382)	\$146,753	\$ -	\$ -	\$ (382)	\$146,753
Government sponsored agencies	(13)	50,368	-	-	(13)	50,368
Mortgage and asset-backed securities:						
Government agencies ⁽¹⁾	(283)	127,828	-	-	(283)	127,828
Government sponsored agencies ⁽¹⁾	(10)	47,216	(1)	23	(11)	47,239
Collateralized debt obligations	-	-	(20,059)	45,133	(20,059)	45,133
Collateralized loan obligations	-	-	(42,855)	128,655	(42,855)	128,655
Other asset-backed securities	(1)	47	-	-	(1)	47
State and political subdivisions	(360)	9,975	(3,841)	59,255	(4,201)	69,230
Equity securities	-	-	(318)	5,824	(318)	5,824
Total securities available for sale	\$(1,049)	\$382,187	\$(67,074)	\$238,890	\$(68,123)	\$621,077

⁽¹⁾ Backed by residential real estate.

(dollars in thousands)	December 31, 2010					
	Less Than 12 Months		12 Months or More		Total	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
U.S. Treasury and other U.S. Government agencies and corporations	\$ (75)	\$ 90,839	\$ (1)	\$ 330	\$ (76)	\$ 91,169
Government sponsored agencies	(1,039)	330,445	-	-	(1,039)	330,445
Mortgage and asset-backed securities:						
Government agencies ⁽¹⁾	(1,069)	189,008	(47)	890	(1,116)	189,898
Government sponsored agencies ⁽¹⁾	(329)	97,620	-	-	(329)	97,620
Collateralized debt obligations	-	-	(60,682)	66,992	(60,682)	66,992
Collateralized loan obligations	-	-	(93,484)	129,906	(93,484)	129,906
Other asset-backed securities	-	-	(924)	3,492	(924)	3,492
Collateralized mortgage obligations:						
Government agencies	(828)	141,128	-	-	(828)	141,128
Government sponsored agencies	(19,699)	695,627	-	-	(19,699)	695,627
State and political subdivisions	(27,740)	550,576	(17,849)	165,041	(45,589)	715,617
Equity securities	-	-	(270)	5,957	(270)	5,957
Total securities available for sale	\$(50,779)	\$2,095,243	\$(173,257)	\$372,608	\$(224,036)	\$2,467,851

⁽¹⁾ Backed by residential real estate.

For the securities in the above tables, at year-end we did not have the intent to sell and determined it was more likely than not that we would not be required to sell the securities prior to recovery of the amortized cost basis. We have also assessed each of the securities in the above tables for credit impairment. We frequently monitor the credit ratings of individual investments within our portfolio and believe that the majority of our unrealized loss positions are due to changes in interest rates and illiquidity within the markets. The Bank may occasionally sell securities at a loss when it decides to restructure portions of the portfolio due to changing market conditions. For equity securities, we consider numerous factors in determining whether impairment exists, including our intent and ability to hold the securities for a period of time sufficient to recover the securities' cost basis.

The following is a description of our security categories, including a description of the nature of the unrealized losses and other-than-temporary impairment ("OTTI") losses within our portfolio:

U.S. Treasury and other U.S. Government agencies and corporations

The unrealized losses associated with United States ("U.S.") Treasury and federal agency securities are driven primarily by changes in interest rates. We do not estimate any credit losses due to guarantees provided by the U.S. Government.

Government sponsored agencies

The unrealized losses associated with U.S. Government sponsored agencies are driven primarily by changes in interest rates. We do not estimate any credit losses due to backing provided by the United States Government.

Mortgage and asset-backed securities:

Government agencies and government sponsored agencies

The unrealized losses associated with federal agency mortgage-backed securities are primarily driven by changes in interest rates. These securities are issued by U.S. Government or government sponsored entities and do not have any expected credit losses given government guarantees.

Collateralized debt obligations

The unrealized losses associated with collateralized debt obligations for securities backed by trust preferred hybrid capital issued by other financial institutions are driven primarily by changes in interest rates and market illiquidity. We estimate credit impairment using a cash flow model that incorporates default rates, loss severities and prepayment rates.

Collateralized loan obligations

The unrealized losses associated with collateralized loan obligations, related to securities backed by commercial loans and individual corporate debt obligations, stem from changes in interest rates and market illiquidity. We estimate credit impairment using a cash flow model that incorporates default rates, loss severities and prepayment rates.

Other asset-backed securities

The unrealized losses associated with other asset-backed securities are driven by changes in interest rates and market illiquidity. These securities will continue to be monitored as part of our ongoing portfolio review process.

Collateralized mortgage obligations:**Government agencies and government sponsored agencies**

The unrealized losses associated with federal agency collateralized mortgage obligations are primarily driven by changes in interest rates. These securities are issued by U.S. Government or government sponsored entities and do not have any expected credit losses given government guarantees.

State and political subdivisions

The unrealized losses associated with securities of U.S. states and political subdivisions are primarily driven by changes in interest rates and illiquidity within the markets. These securities will continue to be monitored as part of our ongoing portfolio review process.

Equity securities

The unrealized losses on equity securities are associated with changes in market prices for Community Reinvestment Act-sponsored corporations. The unrealized losses are due to temporary declines in the equity markets.

Assessment of Other-Than-Temporary Impairment

The Bank tests for other-than-temporary impairment of investment securities on a quarterly basis. For 2011 and 2010, we recognized OTTI for certain of our debt securities classified as available for sale. Prior to recording OTTI, we assessed whether we intended to sell or if it was more likely than not that we would have been required to sell a security before recovery of its amortized cost basis, less any current period credit losses. For a debt security that is considered other-than-temporarily impaired that we did not intend to sell and will not be required to sell before recovery of its amortized cost basis less any current period credit losses, we separate the amount of the impairment into the amount that is credit related (credit loss component) and the amount due to all other factors. The credit loss component is recognized in earnings and is the difference between the security's amortized cost basis and the present value of its expected future cash flows discounted at the security's original purchase yield (except for those securities that are beneficial interests in securitized financial assets). The remaining difference between the security's fair value and the present value of expected future cash flows is due to factors that are not credit related and, therefore, is not required to be recognized as a loss in the income statement, but instead is recognized in OCI. We believe that we will fully collect the carrying value of securities on which we have recorded a non-credit-related impairment in OCI.

All collateralized loan obligations and one municipal security that were other-than-temporarily impaired were sold and the related gains and losses were recognized in earnings in 2011. In 2010, previously other-than-temporarily impaired private label mortgage-backed and collateralized debt obligations backed by residential and trust preferred capital were sold. The slow economic recovery continues to negatively affect the creditworthiness of state and local governments, which could result in impairment as the Bank holds bonds issued from various local governments. However, the Bank has reduced its exposure to state and political subdivision debt significantly since 2010. Several other factors including the unemployment level, illiquidity, and credit rating downgrades could continue to negatively affect the real estate market and the value of our portfolio.

Gross realized gains and losses on securities available for sale for the periods indicated were as follows:

(dollars in thousands)	Year Ended December 31,	
	2011	2010
Realized gains	\$ 74,171	\$ 77,468
Realized losses ⁽¹⁾	(40,072)	(113,419)
Realized net gains (losses)	\$ 34,099	\$ (35,951)

⁽¹⁾ Includes other-than-temporary impairment recognized in the income statement of \$1.9 million and \$8.2 million for 2011 and 2010, respectively. The 2010 amount is net of a \$25 million recovery of OTTI.

The table below presents activity related to the credit component recognized in earnings on debt securities held by the Bank for which a portion of the OTTI loss remains in other comprehensive income for the years ending December 31, 2011 and 2010. The credit loss component represents the difference between the present value of expected future cash flows and the amortized cost basis of the security prior to considering credit losses. OTTI recognized in earnings for credit-impaired debt securities is presented as additions in two components based upon whether the current period is the first time the debt security was credit-impaired (initial credit impairment) or is not the first time the debt security was credit-impaired (subsequent credit impairments). The credit loss component is reduced if we sell, intend to sell or believe we will be required to sell previously credit-impaired debt securities. Additionally, the credit loss component is reduced if we receive or expect to receive cash flows in excess of what we previously expected to receive over the remaining life of the credit-impaired debt security, the security matures or is fully written down.

(dollars in thousands)	2011	2010
Balance, beginning of period	\$ 6,478	\$ 147,515
Additions related to the credit component of securities on which OTTI impairment losses were:		
Previously recognized	-	21,286
Not previously recognized	845	1,979
Reductions for securities sold	(7,323)	(164,302)
Balance, end of period	\$ -	\$ 6,478

The fair value, yield and amortized cost of securities available for sale at December 31, 2011, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because debt issuers may have the right to call or prepay obligations.

(dollars in thousands)	Total Amount	Weighted Average Yield	Remaining Contractual Principal Maturity							
			Within One Year		After One But Within Five Years		After Five Years But Within Ten Years		After Ten Years	
			Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
U.S. Treasury and other										
U.S. Government agencies and corporations	\$1,027,583	0.90%	\$ -	-%	\$ 840,632	0.87%	\$186,848	1.03%	\$ 103	2.44%
Government sponsored agencies	119,761	0.91	18,772	2.03	100,989	0.70	-	-	-	-
Mortgage and asset-backed securities:										
Government agencies	4,172,897	3.17	12	4.25	905	4.43	2,609	5.22	4,169,371	3.17
Government sponsored agencies	1,475,702	2.46	54	4.35	5,750	5.32	324,000	2.42	1,145,898	2.46
Collateralized debt obligations	45,133	1.21	-	-	-	-	-	-	45,133	1.21
Collateralized loan obligations	128,655	1.18	-	-	-	-	128,655	1.18	-	-
Other asset-backed securities	1,825	5.49	-	-	8	8.26	198	2.70	1,619	5.82
Collateralized mortgage obligations:										
Government agencies	9,722	1.08	-	-	-	-	-	-	9,722	1.08
Government sponsored agencies	59,693	1.70	-	-	-	-	59,693	1.70	-	-
State and political subdivisions ⁽¹⁾	670,588	6.19	12,017	5.92	105,236	5.99	69,797	5.86	483,538	6.29
Estimated fair value of debt securities ⁽²⁾	\$7,711,559	2.90%	\$30,855	3.55%	\$1,053,520	1.43%	\$771,800	2.13%	\$5,855,384	3.27%
Total amortized cost of debt securities	7,574,267		30,453		1,034,479		798,357		5,710,978	

⁽¹⁾ The weighted average yields were calculated on a taxable equivalent basis.

⁽²⁾ The weighted average yields, except for yields of state and political subdivisions, were calculated on the basis of the cost and effective yields weighted for the scheduled maturity of each security.

Securities with an aggregate carrying value of \$4.4 billion and \$4.6 billion were pledged to secure public deposits, repurchase agreements and derivative liability positions at December 31, 2011 and 2010, respectively. At December 31, 2011 and 2010, there were no secured parties that had the right to repledge or resell these securities.

We held no securities of any single issuer (other than the U.S. Government and government sponsored agencies) which were in excess of 10% of consolidated stockholder's equity at December 31, 2011 and 2010.

3. Loans Held for Sale and Servicing Activity

Loans held for sale include mortgage loans that we originate for sale to Fannie Mae ("FNMA") and certain commercial loans which we no longer intend to hold to maturity. Mortgage loans are sold to FNMA on a non-recourse basis for which we also retain the rights to service the sold loans. In addition, during 2011, we designated certain commercial loans for sale to non-affiliated parties on a non-recourse basis, of which approximately 90% were nonperforming. We do not have any continuing involvement in these nonperforming commercial loans after their sale.

The following table summarizes the activity on loans held for sale for the years ended December 31, 2011 and 2010:

(dollars in thousands)	2011		2010 ⁽¹⁾
	Commercial	Mortgage	Mortgage
Loans originated for sale	\$ -	\$1,092,515	\$1,052,128
Loans transferred to held for sale	259,037	-	42,136
Loans sold during the year	87,745	1,112,958	1,046,169
Net gains on sale of loans recorded in noninterest income	1,908	17,069	20,142

⁽¹⁾ We did not have any commercial loans held for sale in 2010.

For the years ended December 31, 2011 and 2010, the Bank did not record any adjustments to record loans held for sale at the lower of cost or fair value.

Our mortgage loan servicing activities include collecting principal, interest, tax and insurance payments from borrowers while accounting for and remitting payments to investors, taxing authorities and insurance companies. We also monitor delinquencies and execute foreclosure proceedings. Due to similar risks underlying the residential mortgages and nature of assumptions for estimating the fair value of servicing assets, management has determined that there is a single recognized class of servicing asset.

Mortgage servicing income is recorded in noninterest income as a part of other service charges and fees and is reported net of the amortization of the servicing assets. The unpaid principal amount of mortgage loans serviced for others was \$2.5 billion and \$1.6 billion for the years ended December 31, 2011 and 2010, respectively. Gross servicing fees include contractually specified fees, late charges and ancillary fees, and were \$5.1 million and \$2.6 million for the years ended December 31, 2011 and 2010, respectively.

The changes in MSRs using the amortization method including valuation allowance were:

(dollars in thousands)	2011	2010
Carrying amount, balance at beginning of year	\$14,384	\$ 6,929
Additions ⁽¹⁾ :		
Assumption of servicing obligations resulting from asset transfers	10,594	10,015
Subtractions ⁽¹⁾ :		
Amortization	(4,634)	(2,547)
Application of valuation allowance to adjust carrying values of servicing assets	(1,110)	(13)
Carrying amount, balance at end of year	\$19,234	\$14,384
Valuation allowance for servicing assets:	2011	2010
Beginning balance	\$ 24	\$ 11
Provisions	1,110	13
Balance at end of year	\$ 1,134	\$ 24

⁽¹⁾ The Bank did not purchase or sell any servicing obligations during the years ended December 31, 2011 and 2010. Additionally, there was no other-than-temporary impairment recorded and no other changes that affected the balance during the years ended December 31, 2011 and 2010.

The MSR asset class is stratified based on loan term and interest rate for purposes of determining impairment. Each stratum is evaluated to determine if the amortized cost basis of the MSR exceeds the fair value. The fair value of each stratum is determined using a present value of expected cash flows model, which is based upon assumptions for future net servicing income. The model incorporates significant inputs classified as Level 3. Those inputs reflect assumptions that market participants use in estimating

future net servicing income such as future prepayment speeds, discount rate, cost to service the assets including expected delinquency and foreclosure related costs, escrow account earnings, contractual servicing fee income, late fees and other ancillary income. Impairment of an MSR stratum is recognized through a valuation allowance to the extent the estimated fair value of the stratum falls below its amortized cost basis.

The fair value of the amortized MSRs were:

(dollars in thousands)	2011	2010
Balance at beginning of year	\$15,886	\$ 7,475
Balance at end of year	19,245	15,886

Key assumptions used in determining the lower of cost or fair value of the Bank's MSRs were as follows:

	2011	2010
Weighted average constant prepayment rate	11.23%	12.19%
Weighted average life in years (of the MSR)	5.66	6.28
Weighted average note rate	3.95%	4.81%
Weighted average discount rate	10.00%	10.00%

In addition to loans held for sale and certain loans which we no longer intend to hold to maturity, the Bank participates out certain commercial loans in transactions negotiated with other financial institutions. The Bank continues to maintain the servicing relationship with borrowers for the entire loan and receives a nominal fee from these borrowers to cover the costs of servicing activities. At the end of 2011 and 2010, the Bank recognized \$300 million and \$373 million (net of charge-offs), respectively, as its retained interest in the unpaid principal balance of the loans. The unpaid principal balance of loans sold as participating interests at the end of 2011 and 2010 was \$309 million and \$371 million, respectively. As the Bank sold the participating interests concurrently with the loan origination, there was no difference between the fair value and carrying amount of the loans transferred and therefore no gain or loss on sale was recognized in 2011 and 2010.

4. Loans and Leases

At December 31, 2011 and 2010, loans and leases were comprised of the following:

(dollars in thousands)	2011		2010 ⁽²⁾	
	Outstanding	Commitments ⁽¹⁾	Outstanding	Commitments ⁽¹⁾
Commercial:				
Commercial and industrial	\$ 7,626,489	\$ 6,653,590	\$ 6,596,037	\$ 5,496,030
Commercial real estate	8,959,459	410,008	9,349,060	281,098
Construction	725,068	481,821	1,019,614	281,299
Equipment leases	2,641,125	-	2,364,198	-
Agriculture	2,026,176	1,379,487	1,883,867	993,358
Consumer:				
Installments and lines	11,130,273	1,059,716	10,599,290	1,131,820
Residential secured – closed-end	8,051,983	10,205	8,906,869	-
Residential secured – revolving, open-end	2,266,821	2,257,564	2,288,785	2,173,200
Total loans and leases	\$43,427,394	\$12,252,391	\$43,007,720	\$10,356,805

⁽¹⁾ Commitments to extend credit represent unfunded amounts and are reported net of participations sold to other lenders.

⁽²⁾ Certain reclassifications were made to prior year amounts to conform to current year presentation by loan class for all loans and allowance for credit loss tables.

Outstanding loan balances at December 31, 2011 and 2010 are net of unearned income, including net deferred loan fees, of \$206.6 million and \$227.4 million, respectively.

Loans totaling \$26.6 billion were pledged to collateralize the Bank's borrowing capacity at the Federal Reserve Bank and Federal Home Loan Bank at December 31, 2011.

Our leasing activities consist primarily of leasing automobiles and commercial equipment. Generally, lessees are responsible for all maintenance, taxes and insurance on the leased property.

The following lists the components of the net investment in financing leases, which includes equipment and consumer leases at December 31:

(dollars in millions)	2011	2010
Total minimum lease payments to be received	\$2,761	\$2,538
Estimated residual values of leased property	247	276
Less: Unearned income	241	265
Net investment in financing leases⁽¹⁾	\$2,767	\$2,549

⁽¹⁾ Includes auto leases of \$126 million and \$185 million at December 31, 2011 and 2010, respectively.

At December 31, 2011, minimum lease receivables for the five succeeding years and thereafter were as follows:

(dollars in millions)	Lease Receivable
2012	\$ 978
2013	784
2014	533
2015	356
2016	186
2017 and thereafter	171
Gross minimum payments	3,008
Less: Unearned income	241
Net minimum receivable	\$2,767

In the normal course of business, the Bank makes loans to executive officers and directors of the Bank and to entities and individuals affiliated with those executive officers and directors. The aggregate amount of all such extensions of credit was \$4.0 million and \$4.2 million as of December 31, 2011 and 2010, respectively. Such loans are made on terms no less favorable to the Bank than those prevailing at the time for comparable transactions with other persons or, in the case of certain residential real estate loans, on terms that were widely available to employees of the Bank who were not directors or executive officers.

In the course of evaluating the credit risk presented by a customer and the pricing that will adequately compensate the Bank for assuming that risk, management may require a certain amount of collateral support. The type of collateral held varies, but may include accounts receivable, inventory, land, buildings, equipment, income-producing commercial properties and residential real estate. The Bank has the same collateral policy for loans whether they are funded immediately or on a delayed basis (loan commitments).

A commitment to extend credit is a legally binding agreement to lend funds to a customer usually at a stated interest rate and for a specified purpose. Such commitments have fixed expiration dates and generally require a fee. The extension of a commitment gives rise to credit risk. The actual liquidity requirements or credit risk that the Bank will experience will be lower than the contractual amount of commitments to extend credit because a significant portion of those commitments are expected to expire without being drawn upon. Additionally, certain commitments are subject to loan agreements containing covenants regarding the financial performance of the customer that must be met before the Bank is required to fund the commitment. For our consumer loan commitments, the Bank may reduce or cancel such commitments by providing prior notice to the borrower or, in some cases, without notice as legally permitted.

The Bank further manages the potential credit risk in commitments to extend credit by limiting the total amount of arrangements, both by individual customer and in the aggregate, by monitoring the size and maturity structure of these portfolios and by applying the same credit standards maintained for all of its related credit activities. A significant portion of our loan and lease portfolio is located in California and, to a lesser extent, the remaining states within our footprint. The risk inherent in our loan and lease portfolio is dependent upon the economic stability of those states, which affects property values, and the financial well-being and creditworthiness of the borrowers.

Standby letters of credit totaled \$1.1 billion and \$868.5 million at December 31, 2011 and 2010, respectively. Standby letters of credit are issued on behalf of customers in connection with contracts between the customers and third parties. Under standby letters of credit, the Bank assures that the third parties will receive specified funds if customers fail to meet their contractual obligations. The liquidity risk to the Bank arises from its obligation to make payment in the event of a customer's contractual default. The Bank also had commitments for commercial and similar letters of credit of \$26.0 million and \$65.7 million at December 31, 2011 and 2010, respectively. The commitments outstanding as of December 31, 2011 have maturities ranging from January 1, 2012 to July 25, 2018. In connection with the issuance of such commitments, fees are charged based on contract terms and recognized into income when they are earned.

Credit Quality of Loans and Leases

A significant portion of the Bank's loan and lease portfolio consists of high credit quality loans.

The Bank assesses the credit quality of its commercial loans and leases with an internal credit risk grading system using a ten-point credit risk scale and categorizes the loans and leases consistent with industry guidelines in the following grades: pass, special mention and classified.

Risk grades one through six (or Pass grades) represent loans with strong to acceptable credit quality where the loan is protected by adequate collateral and the borrower is not facing financial difficulties. Risk grade seven (or Special Mention grade) represents loans with borrowers that have potential credit weaknesses which, if not checked or corrected, will weaken the Bank's repayment prospects. Risk grades eight through ten (or Classified grades) represent loans characterized by the distinct possibility that the bank will sustain partial or entire loss. In particular, risk grade eight represents borrowers who have a well-defined weakness but no loss in principal balance is currently anticipated. Risk grade nine represents loans with doubtful borrowers but partial loss is probable based on facts existing at the time of assessment. Risk grade ten represents loans with borrowers who are incapable of repayment or loans that are considered uncollectable and are therefore, charged off. All loans in risk grades nine and ten and certain loans in risk grade eight that are on nonaccrual status are considered impaired loans. Risk grades of commercial loans are reviewed on an ongoing basis and upon a credit event.

The following represents the credit quality of each class of commercial loans and leases based on our internal risk grading system as of December 31, 2011, and 2010:

(dollars in thousands)	December 31, 2011			
	Pass	Special Mention	Classified	Total
Commercial and industrial	\$ 7,020,903	\$ 279,584	\$ 326,002	\$ 7,626,489
Commercial real estate	7,639,315	616,102	704,042	8,959,459
Construction	372,167	191,092	161,809	725,068
Equipment leases	2,529,157	41,864	70,104	2,641,125
Agriculture	1,786,545	145,774	93,857	2,026,176
Total Commercial	\$19,348,087	\$1,274,416	\$1,355,814	\$21,978,317

(dollars in thousands)	December 31, 2010			
	Pass	Special Mention	Classified	Total
Commercial and industrial	\$ 5,786,991	\$ 281,852	\$ 527,194	\$ 6,596,037
Commercial real estate	7,656,667	580,601	1,111,792	9,349,060
Construction	355,832	350,765	313,017	1,019,614
Equipment leases	2,190,796	99,960	73,442	2,364,198
Agriculture	1,507,491	224,570	151,806	1,883,867
Total Commercial	\$17,497,777	\$1,537,748	\$2,177,251	\$21,212,776

Consumer loans are assessed for credit quality by delinquency status and are placed into one of two categories. The first category is for borrowers who are current in their payments in accordance with their contractual terms and the second category is for borrowers who have missed one or more payments and are past due 30 days or more. The following represents the credit quality of each class of consumer loans and leases based on the delinquency status as of December 31, 2011 and 2010:

(dollars in thousands)	Residential secured - closed-end	Residential secured - revolving, open-end	Installments and lines	Total
December 31, 2011:				
Current ⁽¹⁾	\$7,905,241	\$2,249,983	\$11,014,540	\$21,169,764
Past Due	146,742	16,838	115,733	279,313
Total	\$8,051,983	\$2,266,821	\$11,130,273	\$21,449,077
December 31, 2010:				
Current ⁽¹⁾	\$8,561,439	\$2,258,385	\$10,447,563	\$21,267,387
Past Due	345,430	30,400	151,727	527,557
Total	\$8,906,869	\$2,288,785	\$10,599,290	\$21,794,944

⁽¹⁾ Includes loans that are contractually current but on nonaccrual status.

5. Allowance for Credit Losses

The allowance for credit losses reflects management's estimate of credit losses inherent in the loan and lease portfolio and reserve for unfunded lending commitments. We consider the allowance for credit losses of \$893.9 million at the end of 2011 to be adequate to cover such losses. Changes in the allowance for credit losses were:

(dollars in thousands)	December 31,	
	2011	2010
Balance at beginning of year	\$1,059,017	\$1,220,661
Provision for credit losses	319,865	512,782
Charge-offs:		
Commercial:		
Commercial and industrial	(64,809)	(132,851)
Commercial real estate	(194,336)	(117,840)
Construction	(46,043)	(66,581)
Equipment leases	(30,737)	(52,818)
Agriculture	(8,703)	(69,769)
Total commercial ⁽¹⁾	(344,628)	(439,859)
Consumer:		
Installments and lines	(157,169)	(211,568)
Residential secured – closed-end	(80,827)	(93,950)
Residential secured – revolving, open-end	(25,491)	(27,277)
Total consumer	(263,487)	(332,795)
Total charge-offs	(608,115)	(772,654)
Recoveries:		
Commercial:		
Commercial and industrial	19,800	20,054
Commercial real estate	22,519	9,821
Construction	22,108	12,649
Equipment leases	14,346	14,117
Agriculture	4,419	2,281
Total commercial	83,192	58,922
Consumer:		
Installments and lines	28,768	32,006
Residential secured – closed-end	9,622	6,023
Residential secured – revolving, open-end	1,598	1,277
Total consumer	39,988	39,306
Total recoveries	123,180	98,228
Net charge-offs	(484,935)	(674,426)
Balance at end of year	\$ 893,947	\$1,059,017
Components:		
Allocated Loan and Leases	\$ 775,188	\$ 966,400
Unallocated Loan and Leases	95,000	92,617
Total Allowance for Loans and Leases	870,188	1,059,017
Reserve for Unfunded Commitments	23,759	-
Allowance for Credit Losses	\$ 893,947	\$1,059,017

⁽¹⁾ Includes \$143.4 million of charge-offs due to loans transferred to HFS.

The following table summarizes the activity in the allowance for loan and lease losses by commercial and consumer portfolio segments for the year ended December 31, 2011.

(dollars in thousands)	December 31, 2011			
	Commercial	Consumer	Unallocated	Total
Balance at beginning of year	\$ 454,809	\$ 511,591	\$92,617	\$1,059,017
Provision for loan and lease losses	138,357	155,366	2,383	296,106
Charge-offs	(344,628)	(263,487)	-	(608,115)
Recoveries	83,192	39,988	-	123,180
Net charge-offs	(261,436)	(223,499)	-	(484,935)
Balance at end of year	\$ 331,730	\$ 443,458	\$95,000	\$ 870,188

The following table disaggregates our allocated component of the allowance for loan and lease losses and recorded investment in loans by impairment methodology as of December 31, 2011.

(dollars in thousands)	December 31, 2011					
	Allocated allowance for loan and lease losses			Recorded investment in loans		
	Commercial	Consumer	Total	Commercial	Consumer	Total
Collectively evaluated	\$308,185	\$443,458	\$751,643	\$21,437,062	\$21,449,077	\$42,886,139
Individually evaluated	23,545	-	23,545	541,255	-	541,255
Total	\$331,730	\$443,458	\$775,188	\$21,978,317	\$21,449,077	\$43,427,394

The following table summarizes the activity in the allowance for loan and lease losses by commercial and consumer portfolio segments for the year ended December 31, 2010.

(dollars in thousands)	December 31, 2010			
	Commercial	Consumer	Unallocated	Total
Balance at beginning of year	\$ 565,146	\$ 602,514	\$53,001	\$1,220,661
Provision for loan and lease losses	270,600	202,566	39,616	512,782
Charge-offs	(439,859)	(332,795)	-	(772,654)
Recoveries	58,922	39,306	-	98,228
Net charge-offs	(380,937)	(293,489)	-	(674,426)
Balance at end of year	\$ 454,809	\$ 511,591	\$92,617	\$1,059,017

The following table disaggregates our allocated component of the allowance for loan and lease losses and recorded investment in loans by impairment methodology as of December 31, 2010.

(dollars in thousands)	December 31, 2010					
	Allocated allowance for loan and lease losses			Recorded investment in loans		
	Commercial	Consumer	Total	Commercial	Consumer	Total
Collectively evaluated	\$374,779	\$511,591	\$886,370	\$20,164,039	\$21,794,944	\$41,958,983
Individually evaluated	80,030	-	80,030	1,048,737	-	1,048,737
Total	\$454,809	\$511,591	\$966,400	\$21,212,776	\$21,794,944	\$43,007,720

Our total allowance for credit losses decreased compared to the prior year as a result of modest improvements in the current economic conditions for most sectors. The improvement is reflected through our estimate for a lower provision for credit losses for 2011 relative to 2010. While there are some signs of improvement in economic conditions, there remains considerable underlying potential volatility. High unemployment, a fragile recovery in the housing sector, commodity volatility and a stressed commercial real estate sector are all factors that may continue to negatively influence the majority of our loan and lease portfolios.

Impaired Loans

The following tables present information related to impaired loans that are individually assessed as of December 31, 2011 and 2010:

(dollars in thousands)	December 31, 2011					
	Commercial Product					
	Commercial & industrial	Commercial real estate	Construction	Equipment leases	Agriculture	Total
Recorded investment in impaired loans						
Impaired loans and leases with related allowance	\$ 53,657	\$ 63,202	\$ 12,275	\$ 1,954	\$ 2,808	\$133,896
Impaired loans and leases with no related allowance	57,819	186,574	102,676	7,366	52,924	407,359
Total impaired loans	\$111,476	\$249,776	\$114,951	\$ 9,320	\$55,732	\$541,255
Allowance for loan and lease losses on impaired loans	9,009	12,910	760	692	174	23,545
Total unpaid principal balance	138,128	283,320	162,546	9,320	71,464	664,778
Average recorded investment in impaired loans and leases	188,854	392,228	200,906	14,148	72,425	868,561

(dollars in thousands)	December 31, 2010					
	Commercial Product					
	Commercial & industrial	Commercial real estate	Construction	Equipment leases	Agriculture	Total
Recorded investment in impaired loans						
Impaired loans and leases with related allowance	\$ 92,683	\$130,755	\$ 82,669	\$13,787	\$ 15,460	\$ 335,354
Impaired loans and leases with no related allowance	99,435	366,973	169,365	4,467	73,143	713,383
Total impaired loans	\$192,118	\$497,728	\$252,034	\$18,254	\$ 88,603	\$1,048,737
Allowance for loan and lease losses on impaired loans	\$ 33,303	\$ 28,417	\$ 9,209	\$ 6,074	\$ 3,027	\$ 80,030
Total unpaid principal balance	275,358	588,595	372,250	18,253	145,160	1,399,616
Average recorded investment in impaired loans and leases	203,322	442,276	309,598	23,769	111,801	1,090,766

Impaired loans without a related allowance for credit losses are generally collateralized by assets with fair values (on an "as-is" basis) in excess of the recorded investment in the loans. Payments on impaired loans are generally applied to reduce the outstanding principal balance of such loans. Interest income recognized on impaired loans was not material for 2011 and 2010.

Troubled Debt Restructuring

In situations where for economic or legal reasons related to the borrower's financial difficulties, the Bank grants a concession to the borrower that it would not otherwise consider, the related loan is classified as a TDR. At December 31, 2011 and 2010, loan modifications that qualified as TDRs amounted to \$653.1 million and \$354.1 million for commercial loans (including those that were held for sale) and \$266.3 million and \$190.8 million for consumer loans, respectively. The Bank had \$19.5 million and \$3.7 million of commitments to lend additional funds and letters of credit to customers whose troubled debt have been restructured as of December 31, 2011 and 2010, respectively.

For our commercial loan portfolio, concessions granted by the Bank generally include term extensions, renewals, forbearances of principal or interest payments and interest rate modifications for each of the classes shown below. In addition, for smaller balance nonperforming loans, we may use third party collection agencies who generally enter into payment or settlement arrangements with the borrowers in order to protect as much of the Bank's investment in the loan as possible. For our consumer loan portfolio, concessions generally include term extensions, interest rate reductions, payment deferrals and temporary payment reductions.

The following table provides a summary of the financial effects of the modifications during 2011, as well as the outstanding balance at December 31, 2011. In addition, the table provides a summary of loans outstanding at December 31, 2011 that were modified as TDRs within the previous 12 months for which there was a payment default during the period. A payment default is defined as 90 days past due for commercial portfolio and 60 days past due for consumer portfolio. For the commercial portfolio, these are mostly interest only payment defaults.

(dollars in thousands)	2011				
	Financial Effects			Subsequent Defaults	
	Pre Modification Loan Balance	Post Modification Loan Balance	Balance at December 31, 2011	Number of Contracts	Balance at December 31, 2011
Commercial TDRs:					
Commercial and industrial	\$149,255	\$146,407	\$121,440	1	\$ 1,126
Commercial real estate	167,205	162,944	114,133	6	11,372
Construction	80,693	73,497	50,150	-	-
Equipment leases	16,174	16,094	15,079	-	-
Agriculture	58,853	56,951	47,645	-	-
Consumer TDRs:					
Installments and lines	16,889	16,889	13,470	29	1,174
Residential secured – closed-end	98,360	102,152	87,871	45	7,351
Residential secured – revolving, open-end	636	636	668	-	-
Total	\$588,065	\$575,570	\$450,456	81	\$21,023

Commercial TDR loans, for which we either forbore our rights to take legal action in relation to past due payments or used third party collection agencies, are not considered to be in subsequent payment default and were \$20.7 million at December 31, 2011.

Nonaccrual and Past Due Loans and Leases

Total nonaccrual loans and leases were \$769.9 million and \$1,484.4 million as of December 31, 2011 and 2010, respectively. The following table presents information relating to the past due and nonaccrual status of the loans and leases by class:

(dollars in thousands)	December 31, 2011					
	Current	30 - 89 days past due	More than 90 days	Total loans and leases	Loans and leases on nonaccrual status	Past due 90 days or more but still accruing
Commercial:						
Commercial and industrial	\$ 7,529,482	\$ 53,019	\$ 43,988	\$ 7,626,489	\$111,588	\$ 5,361
Commercial real estate	8,755,994	95,894	107,571	8,959,459	280,563	8,064
Construction	652,001	38,257	34,810	725,068	93,988	2,956
Equipment leases	2,609,384	16,506	15,235	2,641,125	34,860	-
Agriculture	1,978,119	15,846	32,211	2,026,176	42,846	7,372
Consumer:						
Installments and lines	11,005,003	115,733	9,537	11,130,273	9,537	-
Residential secured – closed-end	7,722,443	148,697	180,843	8,051,983	185,737	733
Residential secured – revolving, open-end	2,239,166	16,838	10,817	2,266,821	10,817	-
Total	\$42,491,592	\$500,790	\$435,012	\$43,427,394	\$769,936	\$24,486

December 31, 2010

(dollars in thousands)	Current	30 - 89 days past due	More than 90 days	Total loans and leases	Loans and leases on nonaccrual status	Past due 90 days or more but still accruing
Commercial:						
Commercial and industrial	\$ 6,398,455	\$ 49,378	\$148,204	\$ 6,596,037	\$ 250,543	\$15,127
Commercial real estate	8,820,776	135,674	392,610	9,349,060	603,417	23,483
Construction	820,476	49,379	149,759	1,019,614	258,990	7,648
Equipment leases	2,309,821	24,326	30,051	2,364,198	57,650	-
Agriculture	1,797,118	25,431	61,318	1,883,867	91,714	994
Consumer:						
Installments and lines	10,447,563	137,219	14,508	10,599,290	13,536	972
Residential secured – closed-end	8,558,994	164,937	182,938	8,906,869	200,433	724
Residential secured – revolving, open-end	2,258,386	22,271	8,128	2,288,785	8,128	-
Total	\$41,411,589	\$608,615	\$987,516	\$43,007,720	\$1,484,411	\$48,948

6. Premises and Equipment

At December 31, 2011 and 2010, premises and equipment were comprised of the following:

(dollars in thousands)	2011	2010
Premises	\$696,611	\$692,687
Equipment ⁽¹⁾	264,307	262,176
Total premises and equipment	960,918	954,863
Less accumulated depreciation and amortization	509,883	508,394
Net book value	\$451,035	\$446,469

⁽¹⁾ Includes in process equipment not subject to depreciation of \$7.4 million and \$10.1 million at December 31, 2011 and 2010, respectively.

Occupancy and equipment expenses include depreciation and amortization expenses of \$52.1 million and \$56.0 million for 2011 and 2010, respectively.

The Bank is obligated under a number of capital and noncancelable operating leases for premises and equipment with terms, including renewal options, up to 50 years, many of which provide for periodic adjustment of rentals based on changes in various economic indicators. Under the premises leases, we are also required to pay real property taxes, insurance and maintenance. The following table shows future minimum payments under leases with terms in excess of one year as of December 31, 2011:

(dollars in thousands)	Capital Leases	Operating Leases	Less Sublease Income	Net Lease Payments
2012	\$ 1,479	\$ 63,645	\$ 3,819	\$ 61,305
2013	1,501	60,187	2,987	58,701
2014	1,546	52,531	2,165	51,912
2015	1,514	45,442	969	45,987
2016	1,437	40,878	531	41,784
2017 and thereafter	14,736	199,103	299	213,540
Total minimum payments	\$22,213	\$461,786	\$10,770	\$473,229
Less interest on capital leases	11,515			
Total principal payable on capital leases⁽¹⁾	\$10,698			

⁽¹⁾ Excludes purchase accounting adjustments of \$5.0 million.

The table above includes operating leases for approximately 326,000 square feet of administrative office space in San Ramon, CA with a monthly expense of \$0.7 million. The Bank started recognizing expense in November 2010. The lease agreements extend through December 31, 2025 and were entered into to consolidate multiple back offices from other nearby locations.

Rental expense, net of rental income, for all operating leases was \$63.4 million and \$61.4 million for 2011 and 2010, respectively.

The Bank did not enter into any sale-leaseback transactions in 2011 or 2010. The Bank amortized \$5.8 million of deferred gains relating to its prior sale-leaseback transactions into earnings for both 2011 and 2010. The Bank has no obligations or circumstances which require our continuing involvement with any of these properties.

7. Credit Guarantee Derivative

On March 31, 2010 (the “transaction date”), the Bank entered into a Collateralized Credit Guarantee Derivative Agreement (the “Guarantee”) with its parent. Under the Guarantee, BancWest agreed to reimburse the Bank for principal charge-offs, write-downs on foreclosed assets and foregone interest for a specific portfolio of commercial loans and foreclosed properties (the “covered assets”) for a period of seven years. BancWest makes payments to the Bank under the Guarantee on a quarterly basis, but is not entitled to claim any recoveries on or gains on sale of the covered assets by the Bank.

At the transaction date, the fair value of the Guarantee was estimated at \$393.5 million and was based upon the expected future claims to be made under the Guarantee. The transaction was accounted for as a capital contribution to the Bank, and the fair value is reported in other assets within the Consolidated Balance Sheet. To secure payments under the Guarantee, BancWest sent to the Bank collateral in the form of a non-interest bearing cash deposit of \$1.1 billion.

The Guarantee is recognized as a derivative, measured at fair value with changes in fair value recorded through earnings. At December 31, 2011, the estimated fair value of the Guarantee asset was \$23.9 million; the notional amount of the derivative agreement was \$460.8 million and the value of the cash collateral was \$0.9 billion. At December 31, 2010, the estimated fair value of the Guarantee asset was \$150.7 million; the notional amount of the derivative agreement was \$796.6 million and the value of the cash collateral was \$1.0 billion. The decline in the fair value of the Guarantee asset since inception was primarily driven by changes in credit forecasts, and decreases in the covered asset principal balances due to charge-offs and paydowns. The net impact of the Guarantee on earnings as of December 31, 2011, was a loss of \$6.3 million (reported within noninterest income) due to a \$126.8 million decrease in the fair value of the Guarantee significantly offset by payments for claims made under the Guarantee for \$120.5 million. The net impact of the Guarantee on earnings as of December 31, 2010, was a loss of \$73.2 million due to a \$242.7 million decrease in the fair value of the Guarantee significantly offset by payments for claims made under the Guarantee for \$169.5 million.

8. Goodwill and Other Intangible Assets

We performed impairment testing of goodwill in the fourth quarter of 2011 and the fourth quarter of 2010 and no impairment of goodwill was found. Our estimates of fair value were based upon factors such as projected future cash flows, discount rates, and other uncertain elements that require significant judgments. While we use available information to prepare our estimates and perform impairment evaluations, actual results in the future could differ significantly. Impairment tests in future periods may result in impairment charges which could materially impact our future reported results. The table below provides the breakdown of goodwill by reportable segment.

(dollars in millions)	Regional Banking	Commercial Banking	National Finance	Wealth Management	Total
Balance as of January 1, 2010:	\$2,921	\$840	\$421	\$17	\$4,199
Purchase accounting adjustments:					
Wachovia branch purchase ⁽¹⁾	1	-	-	-	1
Insurance agency acquisitions	-	-	-	1	1
Balance as of December 31, 2010:	\$2,922	\$840	\$421	\$18	\$4,201
Purchase accounting adjustments:					
Insurance agency acquisitions	-	-	1	-	1
Other	-	-	1	(1)	-
Balance as of December 31, 2011:	\$2,922	\$840	\$423	\$17	\$4,202

⁽¹⁾ In January 2010, the Bank acquired deposits of approximately \$265 million of two former Wachovia branches from Wells Fargo located in Northern California.

The details of our finite-lived intangible assets are presented below:

(dollars in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Balance as of December 31, 2011:			
Core Deposits	\$398,878	\$326,681	\$ 72,197
Software ⁽¹⁾	198,432	130,774	67,658
Other Intangible Assets ⁽²⁾	52,822	22,230	30,592
Total	\$650,132	\$479,685	\$170,447
Balance as of December 31, 2010:			
Core Deposits	\$398,878	\$293,706	\$105,172
Software ⁽¹⁾	195,705	122,308	73,397
Other Intangible Assets ⁽²⁾	42,942	15,811	27,131
Total	\$637,525	\$431,825	\$205,700

⁽¹⁾ Includes in process software not subject to amortization of \$14.4 million and \$16.1 million at December 31, 2011 and 2010, respectively.

⁽²⁾ Includes mortgage servicing rights. Refer to Note 3 for additional information.

Intangible amortization expense included in noninterest expense was \$51.5 million and \$55.7 million for 2011 and 2010, respectively. For the years ended December 31, 2011 and 2010, the Bank's review did not result in any material impairment.

The table below presents the estimated future annual amortization expense for finite-lived intangible assets for the years ending December 31:

(dollars in thousands)	
2012	\$33,566
2013	27,689
2014	24,829
2015	21,331
2016	17,053

9. Variable Interest Entities

A VIE is an entity that has either a total equity investment that is insufficient to finance its activities without additional subordinated financial support or whose equity investors lack the ability to control the entity's activities. Under existing accounting guidance, a VIE is consolidated by its primary beneficiary, the party that has both the power to direct the activities that most significantly impact the VIE and a variable interest that could potentially be significant to the VIE.

The Bank evaluates whether an entity is a VIE upon its creation and upon the occurrence of significant events such as a change in an entity's assets or activities. The determination of whether the Bank is the primary beneficiary involves performing a qualitative analysis of the VIE that includes its capital structure, contractual terms including the rights of each variable interest holder, the activities of the VIE that most significantly impact its economic performance, whether the Bank has the power to direct those activities and our obligation to absorb losses or the right to receive benefits significant to the VIE.

Limited liability companies

The Bank has investments in numerous limited liability companies ("LLCs") for the purpose of managing foreclosed properties seized to mitigate losses to the Bank and its partners by selling the collateral. These LLCs have similar risks and characteristics and therefore have been aggregated for disclosure purposes. For some of these entities, the Bank is responsible for managing the daily operations. The Bank is the primary beneficiary when it has the power to direct the activities that significantly impact the performance of the LLCs and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIEs. Profits and losses of the entities are allocated to the Bank and its

third-party partners in accordance with their respective ownership percentages. The Bank's maximum exposure to losses associated with the foreclosed properties incorporates not only potential losses associated with the assets recorded on the balance sheet but also potential losses under other contractual arrangements. Creditors, if any, of the consolidated VIEs do not have recourse on the general credit of the Bank.

In addition to the investments in LLCs for managing foreclosed properties, the Bank has formed CLAAS Financial Services, LLC with the purpose of providing lease and loan financing to commercial entities acquiring agricultural equipment. The Bank owns a 51% interest in the LLC and provides for all of its funding. As a result, the Bank carries the greatest variability in the LLC and has the obligation to absorb a majority of the expected losses. The Bank also has the power to direct key activities of the LLC that significantly drive its performance through control of the Board of Directors. Since the Bank is the primary beneficiary of this entity, it is consolidated in our financial statements.

Tax credit investments

The Bank owns several limited partnership interests in low-income housing developments in conjunction with the Community Reinvestment Act. The Bank is not the primary beneficiary of these entities and in most instances, the Bank is one of many limited partners and our interest in the partnerships may decrease as new limited partners are added. Limited partners do not participate in the control of the partnerships' businesses. The general partners, which are either developers or nonprofit organizations, exercise the day-to-day control and management of the projects. The general partners have exclusive control over the partnerships' businesses and have all of the rights, powers, and authority generally conferred by law or necessary, advisable or consistent with accomplishing the partnerships' businesses. As a limited partner, the Bank does not have an active role in any of the partnerships and our involvement is limited to providing financial support, as stated within the contractual agreements and therefore we are not the primary beneficiary.

The business purpose of these entities is to provide affordable housing within the Bank's service area in return for tax credits and tax loss deductions. The Bank has not received additional income or incurred additional expenses as a result of our involvement with these entities. Because we are the limited partner, our maximum exposure would never exceed our investment, including our subscription amount. In the unlikely event that the general partners do not adhere to their contractual obligations to provide financial support to low-income housing, the Bank may be subject to tax credit recapture rules and would record income or expense related to the project, including recognition of a gain or loss on the disposition or termination of its partnership interest. Bargain purchase options are available for the general partners to purchase the Bank's portion of interests in the limited partnerships.

Consolidated VIEs

The following table presents information on assets and liabilities of the consolidated VIEs as they are included in these line items in our consolidated balance sheets at December 31:

(dollars in thousands)	2011	2010
Assets		
Cash and due from banks	\$ 3,746	\$ 3,717
Loans and leases:		
Loans and leases	223,733	153,878
Less allowance for loan and lease losses	1,479	871
Net loans and leases	222,254	153,007
Other real estate owned assets	3,461	7,026
Interest receivable	-	148
Other assets	120	21
Total Assets	\$229,581	\$163,919
Liabilities		
Long-term debt	54,987	76,330
Total liabilities	\$ 54,987	\$ 76,330

Unconsolidated VIEs

The following tables present the carrying amount of assets, liabilities and our maximum exposure to loss related to our unconsolidated VIEs in our consolidated balance sheets at:

December 31, 2011			
(dollars in thousands)	Total Assets ⁽¹⁾	Total Liabilities ⁽¹⁾	Maximum Exposure to Loss
Tax credit investments	\$152,877	\$66,124	\$277,856
Limited liability company	3,837	-	3,837

⁽¹⁾ Reported in other assets or other liabilities.

December 31, 2010			
(dollars in thousands)	Total Assets ⁽¹⁾	Total Liabilities ⁽¹⁾	Maximum Exposure to Loss
Tax credit investments	\$109,464	\$23,407	\$219,435
Limited liability company	3,842	-	3,842

⁽¹⁾ Reported in other assets or other liabilities.

10. Regulatory Capital Requirements

The Bank is subject to various regulatory capital requirements administered by federal banking agencies. If the Bank fails to meet minimum capital requirements, these agencies can initiate certain discretionary and mandatory actions. Such regulatory actions could have a material effect on the Bank's financial statements. The Bank constantly monitors its regulatory capital levels and, if necessary, may obtain capital from its Parent company through BNP Paribas or by other means. In 2010, the Bank received \$1 billion in capital through the issuance of common stock to help ensure compliance with the regulatory capital requirements.

Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of its assets and certain off-balance sheet items as calculated under regulatory accounting practices. These capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain adequate levels of Tier 1 and Total capital to risk-weighted assets and Tier 1 capital to average assets. The table below sets forth those ratios at December 31, 2011 and 2010.

(dollars in thousands)	Actual		For Capital Adequacy Purposes		To be Well-Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2011						
Tier 1 capital to risk-weighted assets	\$6,679,424	14.20%	\$1,882,089	4.00%	\$2,823,133	6.00%
Total capital to risk-weighted assets	7,271,352	15.45	3,764,178	8.00	4,705,222	10.00
Tier 1 leverage ratio ⁽¹⁾	6,679,424	11.57	2,309,521	4.00	2,886,902	5.00
As of December 31, 2010						
Tier 1 capital to risk-weighted assets	\$5,979,172	13.32%	\$1,795,229	4.00%	\$2,692,843	6.00%
Total capital to risk-weighted assets	6,546,329	14.59	3,590,457	8.00	4,488,072	10.00
Tier 1 leverage ratio ⁽¹⁾	5,979,172	11.22	2,132,475	4.00	2,665,594	5.00

⁽¹⁾ The leverage ratio consists of a ratio of Tier 1 capital to average assets, excluding goodwill and certain other items. The minimum leverage ratio guideline is 3% for banking organizations that do not anticipate or are not experiencing significant growth, and that have well-diversified risk, excellent asset quality, high liquidity, good earnings, are considered strong banking organizations and rated a composite 1 under the Uniform Financial Institution Rating System established by the Federal Financial Institution Examination Council. For all others, the minimum ratio is 4%.

Pursuant to applicable laws and regulations, the Bank is deemed to be well-capitalized. To be well-capitalized, a bank must have a total risk-based capital ratio of 10.00% or greater, a Tier 1 risk-based capital ratio of 6.00% or greater, a leverage ratio of 5.00% or greater and not be subject to any agreement, order or directive to meet a specific capital level for any capital measure. These capital ratios represent the relative risk inherent within our balance sheet.

11. Deposits

The following table represents the maturity distribution of time certificates of deposit at December 31, 2011:

(dollars in thousands)	
2012	\$7,263,575
2013	755,042
2014	397,355
2015	693,798
2016	647,662
2017 and thereafter	207,226
Total	\$9,964,658

Time certificates with a denomination of \$100,000 and greater totaled \$6.5 billion and \$5.0 billion at December 31, 2011 and 2010, respectively. Total brokered time certificates of deposit totaled \$738.0 million and \$95.2 million at December 31, 2011 and 2010, respectively.

Total deposits reclassified to loans due to overdrafts at December 31, 2011 and 2010 were \$5.1 million and \$7.1 million, respectively.

In March 2010, the Bank received \$1.1 billion of noninterest-bearing cash deposits to collateralize the Guarantee. The collateralized deposits on hand were \$858.6 million and \$1.0 billion at December 31, 2011 and 2010, respectively. Refer to Note 7 for additional information.

12. Short-Term Borrowings

At December 31, 2011 and 2010, short-term borrowings were comprised of the following:

(dollars in thousands)	2011	2010
Federal funds purchased and securities sold under agreements to repurchase	\$352,060	\$733,172
Advances from Federal Home Loan Banks and other short-term borrowings	1,560	6,465
Total short-term borrowings	\$353,620	\$739,637

The table below shows selected information for short-term borrowings:

(dollars in thousands)	2011	2010
Federal funds purchased and securities sold under agreements to repurchase:		
Weighted-average interest rate at December 31	0.05%	0.09%
Highest month-end balance	\$1,178,962	\$4,433,701
Average daily outstanding balance	640,517	720,107
Weighted-average daily interest rate paid	0.10%	0.12%
Advances from Federal Home Loan Banks and other short-term borrowings:		
Weighted-average interest rate at December 31	-	-
Highest month-end balance	\$ 32,574	\$ 89,665
Average daily outstanding balance	2,191	13,724
Weighted-average daily interest rate paid	0.04%	0.01%

The Bank treats securities sold under agreements to repurchase as collateralized financings. The Bank reflects the obligations to repurchase the identical securities sold as liabilities, with the dollar amount of

securities underlying the agreements remaining in the asset accounts. At December 31, 2011, the outstanding balance of these agreements was \$327.5 million with a weighted average maturity of 4 days.

At December 31, 2011, the Bank had \$8.0 billion of credit lines available from other U.S. financial institutions. Of this amount, \$0.9 billion is available from First Hawaiian Bank and \$1.7 billion is available from BNP Paribas of New York. At December 31, 2011, the Bank had drawn down on the available credit lines of credit by \$125 million, from non-affiliated U.S. financial institutions and \$55 million from BNP Paribas of New York.

13. Long-Term Debt

At December 31, 2011 and 2010, long-term debt was comprised of the following:

(dollars in thousands)	Rate(s)	2011	2010
Fixed-rate advances from the Federal Home Loan Bank due through 2035 ⁽¹⁾⁽²⁾⁽⁴⁾	2.87% to 7.96%	\$2,010,776	\$2,758,042
Fixed-rate advances from the Federal Home Loan Bank due through 2018 ⁽¹⁾⁽³⁾⁽⁶⁾	1.22% to 3.37%	1,145,839	830,000
Floating-rate advances from the Federal Home Loan Bank due through 2013 ⁽¹⁾⁽²⁾⁽⁶⁾	1 mo. LIBOR +0.02% to +0.19%	350,000	1,050,000
Floating-rate advances from the Federal Home Loan Bank due through 2013 ⁽¹⁾⁽³⁾	3 mo. LIBOR -0.02% to +0.07%	1,100,000	-
Fixed-rate Temporary Liquidity Guarantee Program (TLGP) unsecured senior debt through 2012 ⁽⁵⁾	2.15%	1,000,013	1,000,997
Fixed-rate unsecured lines of credit with BNP Paribas due through 2015 ⁽²⁾	2.89% to 4.71%	54,500	75,900
Floating-rate subordinated note due 2011 ⁽⁵⁾	6 mo. LIBOR +3.75%	-	31,026
Fixed-rate subordinated note due 2011 ⁽⁵⁾	8.30%	-	50,036
Capital leases due through 2030 ⁽²⁾		15,740	16,534
Total long-term debt		\$5,676,868	\$5,812,535

⁽¹⁾ This debt is secured by real estate loans or securities. See Notes 2 and 4 to the financial statements for additional information.

⁽²⁾ Interest is payable monthly.

⁽³⁾ Interest is payable quarterly.

⁽⁴⁾ Fixed rate with partial repayment monthly.

⁽⁵⁾ Interest is payable semi-annually.

⁽⁶⁾ In 2011, the Bank terminated \$440 million of these advances and recognized a \$0.8 million loss on the termination.

As part of long-term and short-term borrowing arrangements, the Bank was subject to various covenants. At December 31, 2011 and 2010, the Bank was in compliance with all the covenants.

As of December 31, 2011, the principal payments due on long-term debt were as follows:

(dollars in thousands)	
2012	\$1,700,153
2013	2,666,651
2014	876,434
2015	162,953
2016	497
2017 and thereafter	269,030
Total⁽¹⁾	\$5,675,718

⁽¹⁾ Excludes fair valuation for debt that was hedged and purchase accounting adjustments totaling \$1.2 million.

14. Litigation

In the course of normal business, the Bank is subject to numerous pending and threatened lawsuits, some of which seek substantial relief or damages. While the Bank is not able to predict whether the outcome of such actions will materially affect our results of operations for a particular period, based upon consultation with counsel, management does not expect that the aggregate liability, if any, resulting from these proceedings would have a material effect on the Bank's consolidated financial position, results of operations or liquidity.

The Bank is named as a defendant in a putative class action complaint challenging the order in which the Bank posted debit card transactions to consumer deposit accounts prior to July 1, 2011. A series of similar putative class action complaints have been filed against a number of other banks, and these cases, along with the case against the Bank have been consolidated in multi-district litigation proceedings in the U.S. District Court for the Southern District of Florida (the "Action").

In January 2012, the Bank and the plaintiffs agreed to settle and release all claims asserted against the Bank in the Action subject to execution of a written settlement agreement. A Notice of Settlement was filed with the U.S. District Court for the Southern District of Florida in January 2012. The settlement is subject to both preliminary and final approval by the court. The settlement amount is not material to consolidated income and is recognized in the Bank's Consolidated Statement of Income as other noninterest expense for the year ended December 31, 2011 and is anticipated to be paid in 2012.

15. Derivative Financial Instruments

The Bank enters into derivative contracts to manage its interest rate risk, as well as for customer accommodation purposes. Derivative transactions are measured in terms of the notional amount but this amount is not recorded in the balance sheet and is not, when viewed in isolation, a meaningful measure of the risk profile of the instruments. Derivatives are also subject to credit risk associated with counterparties to the derivative contracts. The Bank measures that credit risk based on its assessment of the probability of counterparty default and includes that within the fair value of the derivative. The Bank manages counterparty credit risk by utilizing master netting and Collateral Support Annex (CSA) agreements which allow the Bank to call for immediate, full collateral coverage when credit-rating thresholds are triggered by counterparties. The Bank's CSA's are bilateral, and therefore contain provisions that require collateralization of the Bank's net liability derivative positions. Required collateral coverage is based on certain net liability thresholds and contingent upon the Bank's credit rating from two of the nationally recognized statistical rating organizations. If the Bank's credit rating were to fall below credit rating thresholds established in the collateral agreements, the counterparties could request immediate full collateral coverage for derivatives in net liability positions. At December 31, 2011 and 2010, the aggregate fair value of all derivatives under CSA's were in a net liability position of \$369 million and \$291 million to which the Bank posted \$194 million and \$266 million of investment securities as collateral, respectively, and as of December 31, 2011 posted \$154 million of restricted cash.

At December 31, 2011 and 2010, the Bank had \$2.8 billion and \$2 million notional amount of derivatives designated as fair value hedges, \$100 million and \$400 million notional amount of cash flow hedges and \$12.1 billion and \$11.6 billion notional amount as free standing derivatives, respectively.

Fair Value Hedges

The Bank's fair value hedges are primarily interest rate swaps that hedge the change in fair value related to interest rate changes of underlying fixed-rate debt. Changes in the fair value of derivatives designated as fair value hedges, and changes in the fair value of the hedged items, are recorded in noninterest income.

In July 2011 and August 2011, the Bank executed a total of \$1.2 billion of interest rate swaps to hedge underlying fixed-rate certificates of deposit with maturities ranging from April 2012 to August 2013. The Bank receives on average a fixed rate of 0.67% and pays on average three-month LIBOR plus 23 basis points. The interest rate swaps had a fair value loss of \$1.5 million at December 31, 2011.

In July 2011, the Bank executed two \$500 million interest rate swaps to hedge a total of \$1 billion notional of underlying fixed-rate TLGP debt with a maturity of March 27, 2012. The Bank receives a fixed rate of 2.15% and pays on average three-month LIBOR plus 176 basis points. On September 30, 2011, one of the \$500 million interest rate swap hedges was deemed ineffective and unwound; the swap was re-designated as a free standing derivative with subsequent gains and losses recorded to earnings. The effective and ineffective interest rate swaps had a total fair value gain of \$2.4 million at December 31, 2011.

In October 2011 and November 2011, the Bank executed a total of \$1 billion of interest rate swaps to hedge underlying fixed-rate FHLB advances with maturities ranging from March 2014 to March 2015. The Bank receives on average a fixed rate of 1.52% and pays on average one-month LIBOR plus 89 basis points. The interest rate swaps had a fair value gain of \$0.5 million at December 31, 2011.

In February 2000, the Bank entered into an agreement to hedge the fair value of a commercial loan which matured on April 2011. The Bank received one-month LIBOR plus 75 basis points and paid a fixed rate of 8.32%. This interest rate swap had a notional amount of \$2 million and a fair value loss of \$0.1 million at December 31, 2010.

In January 2010, the Bank executed a \$300 million interest rate swap to hedge an underlying fixed-rate FHLB advance that matured on January 3, 2011. On June 30, 2010, the hedge was deemed ineffective and unwound; the swap was re-designated as a free standing derivative with subsequent gains and losses recorded to earnings.

The total impact of amortization related to the carrying value adjustments of hedged items due to terminated fair value hedges for the years ended December 31, 2011 and 2010 was \$1.1 million and \$11.5 million, respectively.

Cash Flow Hedges

The Bank's cash flow hedges are interest rate swaps that hedge the forecasted cash flows of underlying variable-rate debt and variable-rate loans. Changes in the fair values of derivatives designated as cash flow hedges, to the extent effective, are recorded in other comprehensive income until income from the cash flows of the hedged items is realized. Any ineffectiveness which may arise during the hedging relationship is recognized in earnings in the period in which it arises. If a derivative designated as a cash flow hedge is terminated or deemed overall ineffective, the gain or loss in other comprehensive income is amortized to earnings over the period the forecasted hedged transactions impact earnings. If a hedged forecasted transaction is probable of not occurring, hedge accounting is ceased and any gain or loss included in other comprehensive income (loss) is reported in earnings immediately.

In November 2011, the Bank executed \$100 million of interest rate swaps to hedge forecasted cash flows of underlying variable-rate loans indexed to one-month LIBOR with maturity of December 2014. The Bank receives a fixed rate of 0.749% and pays one-month LIBOR plus nil spread. The interest rate swaps had \$0.2 million of unrealized gains in other comprehensive income at December 31, 2011. The estimated amount to be reclassified from other comprehensive income into earnings during the next 12 months is a gain of \$0.1 million.

At December 31, 2010, the Bank had \$400 million of interest rate swaps hedging floating-rate FHLB debt with maturities from April 2011 to April 2012 with \$9.5 million of unrealized losses in other comprehensive income, respectively, of which \$300 million matured during 2011. On December 28, 2011, a \$100 million interest rate swap with maturity in April 2012 was terminated along with the underlying variable-rate debt. As a result, \$1.1 million of fair value loss was reclassified from other comprehensive income and recognized immediately in earnings.

The total impact of amortization related to terminated cash flow hedges for the years ended December 31, 2011 and 2010 was expense of \$0.3 million and \$1.2 million, respectively.

Free Standing Derivatives

Free standing derivative instruments include derivative transactions entered into for purposes for which hedge accounting does not apply. These derivatives include interest rate swaps, interest rate collars, market linked equity swaps and options and forward commitments to fund and sell residential mortgage loans. The Bank acts as a seller and buyer of interest rate derivatives and foreign exchange contracts to accommodate customers. To mitigate the market and liquidity risk associated with these derivatives, the Bank enters into similar offsetting positions.

The following table is a summary of notional amounts and fair values of derivative instruments at:

(dollars in thousands)	December 31, 2011			December 31, 2010		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Asset derivatives ⁽¹⁾	Liability derivatives ⁽²⁾		Asset derivatives ⁽¹⁾	Liability derivatives ⁽²⁾
Derivatives designated as hedging instruments:						
Fair value hedges:						
Interest rate swaps	\$ 2,756,698	\$ 2,345	\$ 898	\$ 2,045	\$ -	\$ 51
Cash flow hedges:						
Interest rate swaps	100,000	179	-	400,000	-	9,529
Subtotal	2,856,698	2,524	898	402,045	-	9,580
Free standing derivatives:						
Interest rate swaps	9,214,482	429,080	397,892	8,917,090	345,261	298,507
Interest rate collars	-	-	-	400,000	600	20
Credit guarantee derivative ⁽³⁾	460,811	23,883	-	796,601	150,729	-
Market linked swaps	9,001	464	-	10,632	-	305
Purchased market linked options	435,629	29,309	-	31,631	3,083	-
Written market linked options ⁽⁴⁾	444,630	-	30,228	42,263	-	4,055
Purchased interest rate options	149,139	257	-	134,706	550	-
Written interest rate options	149,139	-	257	134,706	-	550
Commitments to purchase and sell foreign currencies	742,236	11,973	10,700	558,986	11,033	6,778
Purchased foreign exchange options	29,802	1,077	-	9,629	253	-
Written foreign exchange options	29,802	-	1,077	9,629	-	253
Subtotal	11,664,671	496,043	440,154	11,045,873	511,509	310,468
Free standing derivatives from mortgage sale activity:						
Forward contracts	238,053	26	1,302	301,981	3,100	381
Written interest rate options	231,430	4,989	-	286,990	975	1,411
Subtotal	469,483	5,015	1,302	588,971	4,075	1,792
Total free standing derivatives	12,134,154	501,058	441,456	11,634,844	515,584	312,260
Total derivatives	\$14,990,852	\$503,582	\$442,354	\$12,036,889	\$515,584	\$321,840

⁽¹⁾ The positive fair values of derivative assets are included in other assets.

⁽²⁾ The negative fair values of derivative liabilities are included in other liabilities.

⁽³⁾ This relates to the Guarantee as described in Note 7.

⁽⁴⁾ Includes bifurcated derivatives embedded in market linked instruments.

The following table shows the effect of fair value hedging on the Bank's pretax income due to interest rate contracts for the years ended December 31, 2011 and 2010:

(dollars in thousands)	December 31, 2011 Interest rate contracts hedging		December 31, 2010 Interest rate contracts hedging	
	Deposits	Long-term debt	Deposits	Long-term debt
Gains recorded in net interest income	\$ 562	\$ 2,025	\$5,038	\$6,659
Gains (losses) recorded in noninterest income:				
Recognized on derivatives	(1,870)	(900) ⁽¹⁾	-	(38) ⁽²⁾
Recognized on hedged items	1,683	1,892 ⁽¹⁾	-	(96) ⁽²⁾
Recognized as ineffective portion	(187)	992	-	(134)
Total	\$ 375	\$ 3,017	\$5,038	\$6,525

⁽¹⁾ A \$500 million swap hedging fixed-rate TLGP debt did not provide perfect offsetting fair valuation in certain periods due to the late term nature of the hedge; the cumulative effects of this led to hedge ineffectiveness at September 30, 2011. The hedge was unwound and the swap was re-designated as a free standing derivative.

⁽²⁾ A \$300 million swap hedging a fixed-rate FHLB advance did not provide perfect offsetting fair valuation in certain periods due to the late term nature of the hedge; the cumulative effects of this led to hedge ineffectiveness at June 30, 2010. The hedge was unwound and the swap was re-designated as a free standing derivative.

The following table summarizes the effect of cash flow hedging for the years ended December 31, 2011 and 2010:

(dollars in thousands)	2011	2010
Pretax loss recognized in OCI on derivatives (effective portion)	\$ (56)	\$ (4,939)
Pretax loss reclassified from cumulative OCI into net interest income (effective portion) ⁽¹⁾	8,346	16,727

⁽¹⁾ Includes net settlement of \$7.5 million and \$15.5 million, and amortization of fair value captured in OCI on terminated swaps of \$0.8 million and \$1.2 million for the years ending December 31, 2011 and 2010, respectively.

The following table shows the net gains (losses) recognized as noninterest income relating to free standing derivatives not recognized as hedging instruments, held by the Bank as of December 31, 2011 and 2010:

(dollars in thousands)	2011	2010
Interest rate swaps	\$ 3,019	\$ (1,669)
Interest rate collars	(137)	580
Credit guarantee derivative	(6,351)	(73,201)
Market linked equity swaps	970	23
Purchased market linked options	(4,132)	347
Written market linked options	3,827	(631)
Purchased interest rate options	(293)	(2,794)
Written interest rate options	344	2,374
Commitments to purchase and sell foreign currencies	12,373	11,021
Purchased foreign exchange options	(470)	(340)
Written foreign exchange options	613	479
Forward contracts	(3,994)	836
Total net gains (losses)	\$ 5,769	\$(62,975)

16. Fair Value

The following is a description of valuation methodologies used for assets and liabilities recorded at fair value and for estimating fair value for financial instruments not recorded at fair value:

Short-term financial assets

We do not measure short-term financial assets at fair value. As such, valuation techniques discussed herein for short-term financial assets are for estimations used in the fair value of financial instruments disclosure requirements. Short-term financial assets include cash and due from banks and due from customers on acceptances. The carrying amount is a reasonable estimate of fair value because of the relatively short time between the origination of the instrument and its expected realization.

Trading assets

Trading assets are measured at fair value on a recurring basis. Fair values of trading assets are based on quoted market prices of comparable instruments and are classified as Level 2. Trading assets include Federal Home Loan Bank discount notes.

Securities

Securities available for sale are measured at fair value on a recurring basis. Fair value measurement is based upon quoted prices if available. If quoted prices are not available for the specific security, the Bank may estimate the fair value of such instruments using a combination of observed transaction prices of comparable securities, independent pricing services, or other adjustments deemed necessary to properly reflect an exit price. Level 1 securities primarily include highly liquid government securities such as U.S. Treasuries as well as certain equity securities that have quoted prices available in active markets. Level 2 securities primarily include U.S. Government agency securities as well as non-Government agency securities, municipal bonds, and other equity securities, the pricing of which are derived using observable data such as prices on similar assets in active or inactive markets. Level 3 securities include collateralized debt obligations, collateralized loan obligations and other asset-backed securities where pricing was based on a qualified third-party source.

Loans held for sale

Loans held for sale are measured at fair value on a nonrecurring basis. For loans originated for investment and transferred to held for sale with declines in fair value that are attributable to credit quality, any reduction in the loan's value at the time of the transfer must be reflected as a write down of the recorded investment resulting in a new cost basis, with a corresponding reduction in the allowance for loan and lease losses. For mortgage loans held for sale, we use inputs from quoted prices or rates for assets in the active bond loans market and accordingly, classify them as Level 2. For commercial loans held for sale, we use price estimates from loan sale advisors less standard commission rates and accordingly, classify them as level 2.

Loans

Loans may be measured at fair value on a nonrecurring basis, generally when they become impaired. For secured loans and leases that are impaired, the Bank uses the fair value of collateral less costs to sell to determine the amount of impairment. The fair values of collateral for impaired loans are primarily based on real estate appraisal reports prepared by third party appraisers. The Bank reviews the third party's appraisal based on observable market data for reasonableness. As such, impaired loans are classified as Level 2.

Valuation techniques used in the fair value of financial instruments disclosure requirements primarily consist of discounted cash flow analyses, which include a liquidity premium and utilize interest rates currently being offered for loans with similar terms and credit quality.

Foreclosed assets

Foreclosed assets are measured at fair value on a nonrecurring basis. Foreclosed assets include foreclosed properties securing residential and auto loans. Foreclosed assets are adjusted to fair value less costs

to sell upon transfer of the loans to foreclosed assets. Subsequently, foreclosed assets are carried at the lower of carrying value or fair value less costs to sell. Fair value is generally determined using appraised values based on observable market data and, accordingly, we classify foreclosed assets as Level 2.

Assets for deferred compensation plans

Assets for deferred compensation plans are Level 1 securities consisting of money market funds held within a nonqualified deferred compensation trust. Fair value measurement of these assets is based upon quoted prices.

Deposits

We do not measure deposits at fair value. As such, valuation techniques discussed herein for deposits are primarily for estimations used in the fair value of financial instruments disclosure requirements. The fair values of deposits with no maturity date (e.g., interest and noninterest-bearing checking, regular savings, and certain types of money market savings accounts) are equal to the amount payable on demand at the reporting date (i.e., their carrying amounts). Fair values of fixed-rate certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently being offered on certificates to a schedule of aggregated expected monthly maturities on time deposits.

Short-term borrowings and long-term debt

We do not measure short-term borrowings or long-term debt at fair value. As such, valuation techniques discussed herein are primarily for estimations used in the fair value of financial instruments disclosure requirements. The fair values are estimated using quoted market prices or discounted cash flow analyses based on our current incremental borrowing rates for similar types of borrowing arrangements.

Derivatives

Most of our derivatives are traded in over-the-counter markets where quoted market prices are not readily available. For those derivatives, we measure fair value primarily using market observable inputs, such as yield curves. In addition, the fair valuations for derivatives include an adjustment for estimated credit risk. As such, we classify derivatives as Level 2. Examples of Level 2 derivatives are interest rate swaps and forward contracts. The fair value of the Guarantee is classified as a Level 3 fair value measurement since the Bank estimates its fair value using an internally developed discounted cash flow valuation model. The key assumptions in the model and the drivers of changes in fair value are credit loss forecasts to project the future potential payoffs from the Guarantee, the average remaining life of the covered assets, and the rate to discount the estimated claims under the Guarantee. The credit loss forecast is an internally developed estimate that incorporates the timing and amount of potential credit losses. The credit loss forecast also uses migration matrices to predict potential future credit ratings for the covered assets. The expected life of the Guarantee is based on management's best estimate at each balance sheet date.

Off-balance sheet financial instruments

The fair value of letters of credit and commitments to fund loans represents estimated fees that would be charged to enter into similar agreements with similar remaining maturities and is not presented herein. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. The fair value of these financial instruments is not material to our consolidated financial statements.

The table below presents the balances of assets, liabilities and derivatives measured at fair value on a recurring basis at December 31, 2011:

(dollars in thousands)	Level 1	Level 2	Level 3	Total
Trading assets	\$ -	\$ 6,000	\$ -	\$ 6,000
Securities available for sale:				
U.S. Treasury and other U.S. Government agencies and corporations	1,026,316	1,267	-	1,027,583
Government sponsored agencies	-	119,761	-	119,761
Mortgage and asset-backed securities:				
Government agencies ⁽¹⁾	-	4,172,897	-	4,172,897
Government sponsored agencies ⁽¹⁾	-	1,475,702	-	1,475,702
Collateralized debt obligations	-	-	45,133	45,133
Collateralized loan obligations	-	-	128,655	128,655
Other asset-backed securities	-	1,648	177	1,825
Collateralized mortgage obligations:				
Government agencies	-	9,722	-	9,722
Government sponsored agencies	-	59,693	-	59,693
State and political subdivisions and others	-	670,588	-	670,588
Equity securities	6,096	-	-	6,096
Total securities available for sale	1,032,412	6,511,278	173,965	7,717,655
Derivative assets	-	479,699	23,883	503,582
Other assets ⁽²⁾	25,175	371	33	25,579
Total assets measured at fair value on a recurring basis	\$1,057,587	\$6,997,348	\$197,881	\$8,252,816
Derivative liabilities	\$ -	\$ 442,354	\$ -	\$ 442,354
Other liabilities	-	336	-	336
Total liabilities measured at fair value on a recurring basis	\$ -	\$ 442,690	\$ -	\$ 442,690

⁽¹⁾ Backed by residential real estate.

⁽²⁾ Largely represents assets for deferred compensation plans.

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis at December 31, 2010:

(dollars in thousands)	Level 1	Level 2	Level 3	Total
Trading assets	\$ -	\$ 5,500	\$ -	\$ 5,500
Securities available for sale:				
U.S. Treasury and other U.S. Government agencies and corporations	-	174,231	-	174,231
Government sponsored agencies	-	483,111	-	483,111
Mortgage and asset-backed securities:				
Government agencies ⁽¹⁾	-	239,522	-	239,522
Government sponsored agencies ⁽¹⁾	-	1,211,539	-	1,211,539
Collateralized debt obligations	-	-	66,992	66,992
Collateralized loan obligations	-	-	129,906	129,906
Other asset-backed securities	-	6,809	863	7,672
Collateralized mortgage obligations:				
Government agencies	-	1,099,528	-	1,099,528
Government sponsored agencies	-	1,437,423	-	1,437,423
Other	-	-	-	-
State and political subdivisions and others	-	1,272,593	-	1,272,593
Equity securities	441	5,804	-	6,245
Total securities available for sale	441	5,930,560	197,761	6,128,762
Derivative assets	-	364,855	150,729	515,584
Other assets ⁽²⁾	25,414	907	92	26,413
Total assets measured at fair value on a recurring basis	\$25,855	\$6,301,822	\$348,582	\$6,676,259
Derivative liabilities	\$ -	\$ 321,840	\$ -	\$ 321,840
Other liabilities	-	72	-	72
Total liabilities measured at fair value on a recurring basis	\$ -	\$ 321,912	\$ -	\$ 321,912

⁽¹⁾ Backed by residential real estate.

⁽²⁾ Largely represents assets for deferred compensation plans.

For the years ended December 31, 2011 and December 31, 2010, there were no significant transfers in or out of Levels 1 or 2. The changes for 2011 in Level 3 assets measured at fair value on a recurring basis are summarized below. There were no Level 3 liabilities measured at fair value on a recurring basis for the year ended December 31, 2011:

(dollars in thousands)	Beginning balance	Total net losses included in net income ⁽¹⁾	Total net gains included in other comprehensive income	Purchases, sales, issuances and settlements, net	Transfers out of Level 3	Ending balance	Net unrealized gains (losses) included in net income for the year relating to assets held at year end
Securities available for sale:							
Collateralized debt obligations	\$ 66,992	\$(17,068)	\$40,622	\$ (45,413)	\$-	\$ 45,133	\$-
Collateralized loan obligations	129,906	(6,227)	50,631	(45,655)	-	128,655	-
Other asset-backed securities	863	-	207	(893)	-	177	-
Total securities available for sale	\$197,761	\$(23,295)	\$91,460	\$ (91,961)	\$-	\$173,965	\$-
Derivative assets	150,729	(6,351)	-	(120,495)	-	23,883	-
Other assets	92	-	-	(59)	-	33	-

⁽¹⁾ Included in noninterest income in the income statement.

The changes for 2010 in Level 3 assets measured at fair value on a recurring basis are summarized below. There were no Level 3 liabilities measured at fair value on a recurring basis for the year ended December 31, 2010:

(dollars in thousands)	Beginning balance	Total net losses included in net income ⁽¹⁾	Total net gains included in other comprehensive income	Purchases, sales, issuances and settlements, net	Transfers out of Level 3	Ending balance	Net unrealized gains (losses) included in net income for the year relating to assets held at year end
Securities available for sale:							
Non-government mortgage-backed securities ⁽²⁾	\$692,906	\$(23,246)	\$149,072	\$(818,732)	\$ -	\$ -	\$ -
Collateralized debt obligations	79,753	(7,483)	54,308	(59,586)	-	66,992	-
Collateralized loan obligations	136,975	(459)	58	(6,668)	-	129,906	(459)
Other asset-backed securities	5,984	(130)	9,407	(14,398)	-	863	-
Total securities available for sale	\$915,618	\$(31,318)	\$212,845	\$(899,384)	\$ -	\$197,761	\$(459)
Derivative assets	-	(73,200)	-	223,929	-	150,729	-
Other assets	3,673	-	-	(55)	(3,526) ⁽³⁾	92	-

⁽¹⁾ Included in noninterest income in the income statement.

⁽²⁾ Backed by residential real estate.

⁽³⁾ Related to the adoption of new accounting guidance for the consolidation of VIEs and transfers of financial assets.

The following table presents gains or losses in Level 3 assets from the above tables that were reported in noninterest income for the years ended December 31, 2011 and 2010:

(dollars in thousands)	2011	2010
Total losses included in earnings	\$(29,646)	\$(104,518)
Change in unrealized gains or losses relating to assets still held at reporting date	-	(459)

We may be required, from time to time, to measure certain other assets at fair value on a nonrecurring basis in accordance with GAAP. These adjustments to fair value usually result from application of lower of cost or fair value accounting or write downs of individual financial assets. The following table provides the level of valuation inputs used to determine each adjustment, the carrying value of the related individual assets or portfolios for assets measured at fair value on a nonrecurring basis, and total losses for the year ended:

(dollars in thousands)	Carrying Value			Total Losses for Year Ended
	Level 1	Level 2	Level 3	
December 31, 2011:				
Impaired loans	\$-	\$517,710 ⁽¹⁾	\$-	\$ -
Foreclosed assets	-	156,049	-	34,174
Loans held for sale	-	244,509 ⁽²⁾	-	-
December 31, 2010:				
Impaired loans	\$-	\$968,707 ⁽¹⁾	\$-	\$ -
Foreclosed assets	-	195,017	-	36,770
Loans held for sale	-	107,440	-	-

⁽¹⁾ The fair value adjustment is not related to actual losses but is related to the allocation of the allowance in order to adjust the carrying amount of the loan to the fair value of the collateral.

⁽²⁾ See Note 5, for related charge-offs at time of transfer to held for sale.

Fair Value of Financial Instruments

In compliance with GAAP, we disclose estimated fair values for certain financial instruments. Financial instruments include such items as loans, deposits, securities, interest rate and foreign exchange contracts, swaps and other instruments as defined by the standard.

Disclosure of fair values is not required for certain items such as lease financing, investments accounted for under the equity method of accounting, obligations for pension and other postretirement benefits, premises and equipment, other real estate owned, prepaid expenses, core deposit intangibles and other customer relationships, other intangible assets and income tax assets and liabilities. Accordingly, the aggregate fair value amounts presented do not purport to represent, and should not be considered representative of, the underlying "market" or franchise value of the Bank.

Reasonable comparisons of our fair value information to other financial institutions cannot necessarily be made as the fair value disclosure standard permits many alternative calculation techniques which require numerous assumptions used to estimate fair values.

This table is a summary of financial instruments, requiring fair value of financial instruments disclosure under GAAP, excluding certain short-term financial assets and liabilities, for which carrying amounts approximate fair value, trading assets, which are carried at fair value, securities available for sale (Note 2) and derivative financial instruments (Note 15).

(dollars in thousands)	2011		2010	
	Book Value	Fair Value	Book Value	Fair Value
Financial Assets				
Loans held for sale	\$ 244,509	\$ 244,509	\$ 107,440	\$ 107,440
Loans, net ⁽¹⁾	39,837,768	40,542,926	39,458,611	40,516,706
Financial Liabilities				
Deposits	\$43,995,196	\$44,093,985	\$39,547,244	\$39,578,059
Short-term borrowings ⁽²⁾	353,620	353,620	739,637	739,637
Long-term debt ⁽³⁾	5,661,128	5,812,918	5,796,001	5,965,192

⁽¹⁾ Excludes net leases of \$2,719 million and \$2,490 million at December 31, 2011 and 2010, respectively.

⁽²⁾ Includes federal funds purchased and securities sold under agreements to repurchase and short-term borrowings.

⁽³⁾ Excludes capital leases of \$15.7 million and \$16.5 million at December 31, 2011 and 2010, respectively.

17. Cash and Dividend Restrictions

Federal Reserve Board regulations require the Bank to maintain reserve balances against certain deposit liabilities with the Federal Reserve Bank. The average required reserve balance was \$160 million and \$135 million for the years ended December 31, 2011 and 2010, respectively.

California statutes limit the amount of dividends the Bank may declare or pay to the lesser of the Bank's retained earnings or the net income of the Bank for the prior three years less any dividends paid during those three years. Due to our net loss in 2009, the Bank could not declare or pay cash dividends in 2010 or 2011.

18. Accumulated Other Comprehensive Income (Loss)

Comprehensive income is defined as the change in equity from all transactions other than those with stockholders, and is comprised of net income and other comprehensive income. Accumulated other comprehensive income (loss) for the periods ended December 31, 2011 and December 31, 2010 is presented below:

(dollars in thousands)	Pretax Amount	Income Tax (Expense) Benefit	After-tax Amount ⁽¹⁾
Accumulated other comprehensive loss, December 31, 2009	\$(395,779)	\$ 161,195	\$(234,584)
Pension	(11,739)	4,345	(7,394)
Securities available for sale:			
Unrealized net gains on securities available for sale arising during the year	27,959	(11,351)	16,608
Reclassification of losses on previously credit-impaired securities included in net income	65,131	(26,443)	38,688
Reclassification of net realized losses on securities available for sale included in net income	35,951	(14,596)	21,355
Net change in unrealized gains on securities available for sale	129,041	(52,390)	76,651
Cash flow hedges:			
Unrealized net losses on cash flow derivative hedges arising during the year	(4,939)	2,005	(2,934)
Reclassification of net realized losses on cash flow derivative hedges included in net income	16,727	(6,791)	9,936
Net change in unrealized losses on cash flow derivative hedges	11,788	(4,786)	7,002
Other comprehensive income	129,090	(52,831)	76,259
Accumulated other comprehensive loss, December 31, 2010	\$(266,689)	\$ 108,364	\$(158,325)
Pension	(44,536)	18,502	(26,034)
Securities available for sale:			
Unrealized net gains on securities available for sale arising during the year	317,311	(128,828)	188,483
Reclassification of losses on previously credit-impaired securities included in net income	912	(370)	542
Reclassification of net realized gains on securities available for sale included in net income	(34,099)	13,844	(20,255)
Net change in unrealized gains on securities available for sale	284,124	(115,354)	168,770
Cash flow hedges:			
Unrealized net losses on cash flow derivative hedges arising during the year	(56)	23	(33)
Reclassification of net realized losses on cash flow derivative hedges included in net income	8,346	(3,388)	4,958
Net change in unrealized gains on cash flow derivative hedges	8,290	(3,365)	4,925
Other comprehensive income	247,878	(100,217)	147,661
Accumulated other comprehensive loss, December 31, 2011	\$ (18,811)	\$ 8,147	\$ (10,664)

⁽¹⁾ Accumulated other comprehensive loss, net of tax, consisted of net unrealized losses on securities with OTTI available for sale related to factors other than credit of nil and \$(542) at December 31, 2011 and 2010, respectively; net unrealized gains (losses) on securities available for sale of \$81,474 and \$(86,754) at December 31, 2011 and 2010, respectively; net unrealized gains (losses) on cash flow derivative hedges of \$83 and \$(4,842) at December 31, 2011 and 2010, respectively; and pension adjustments of \$(92,221) and \$(66,187) at December 31, 2011 and 2010, respectively.

19. Benefit Plans

The Bank has the following pension and other postretirement benefit plans:

Pension Benefits:

Funded Pension Plans

The Bank had previously offered the Employees' Retirement Plan ("ERP") of BancWest Corporation to its employees, which is a noncontributory defined benefit pension plan. The ERP was created from the merger of two separate plans: the First Hawaiian Bank Employee Plan and the Bank of the West Employee Plan. The Bank of the West Employee Plan was a cash balance pension plan that was frozen on January 1, 2010. At the freeze date, the plan stopped accruing benefits and was closed to new participants. However,

existing participants of the plan continue to earn interest until distributions are made in accordance with the plan requirements. The Bank did not incur an immediate gain or loss associated with the freezing of the plan; however, the overall cost of the plan is expected to decline.

Additionally, in connection with the acquisition of United California Bank (“UCB”) in 2002, the Bank assumed the pension obligations of UCB. UCB employees participated in a funded noncontributory final average pay defined benefit pension plan (“UCBP”) that was frozen on June 30, 2003 to new participants and benefit accruals.

Unfunded Pension Plans

The Bank also sponsored an unfunded excess benefit pension plan covering employees whose pay or benefits exceed certain regulatory limits and, for certain key executives, an unfunded supplemental executive retirement plan (“SERP”). The unfunded excess plan was frozen on January 1, 2010 to new participants and benefit accruals. The SERP was frozen in 2002 to new participants; however benefits continue to accrue for existing plan participants. The Bank did not incur an immediate gain or loss associated with the freezing of the plan; however, the overall cost of the plan is expected to decline.

Additionally, in connection with the acquisition of UCB in 2002, the Bank assumed the pension obligations of UCB’s unfunded supplemental pension benefit plan (“UCB SEP”) which was available to eligible key executives if certain requirements were met. The UCB SEP was frozen on June 30, 2003 to new participants and benefit accruals.

Other Postretirement Benefits:

Postretirement Medical and Life Insurance Plan

The Bank offers an unfunded postretirement medical and life insurance plan. The benefits include access to medical benefits and the payment of premiums for medical and life insurance benefits.

Executive Life Insurance Plan

The Bank also offered pre-and postretirement life insurance benefits for certain executives under the unfunded Executive Life Insurance Plan (the “ELIP”). The accumulated benefit obligation and expense amounts for the ELIP are included in Other Benefits in the tables that follow.

Pension Accounting

Accounting for defined benefit pension plans involves four key variables that are utilized in the calculation of the Bank’s annual pension costs. These factors include: (1) size of the employee population and their estimated compensation increases for active plans (2) actuarial assumptions and estimates, (3) expected long-term rate of return on plan assets and (4) the discount rate.

Pension expense is directly affected by the number of employees eligible for pension benefits, their estimated compensation increases for active plans and economic conditions, which include the actual return on plan assets. With the help of an actuary, management is able to estimate future expenses and plan obligations based on factors such as compensation increases, discount rates, mortality, turnover, retirement and disability rates.

The Bank uses the building block method to calculate the expected return on plan assets each year based on the balance of the pension asset portfolio at the beginning of the year and the expected long-term rate of return on that portfolio. The method requires (1) the percentage of total plan assets be multiplied by the expected asset return for each component of the plan asset mix, (2) the resulting weighted expected rates of return for each component be added together to determine the total rate of return and (3) the total be adjusted by considering the active management of the portfolio. Under this approach, forward-looking expected returns for each invested asset class are determined. Forward-looking capital market assumptions are typically developed by using historical returns as a starting point and applying a combination of macroeconomics, econometrics, statistical, and other technical analysis, such as spread differentials, to forecast the expected return going forward.

The following table shows the amount of pension and other postretirement benefits recognized in other comprehensive income:

(dollars in thousands)	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Amounts arising during the period:				
Net gain (loss) on pension assets	\$(18,107)	\$ 16,588	\$ -	\$ -
Net loss on obligations	(39,020)	(39,791)	(2,397)	(2,111)
Reclassification adjustments recognized as components of net periodic benefit cost during the period:				
Net loss	16,050	14,665	28	-
Net prior service cost (credit)	34	34	(1,124)	(1,124)
Amounts recognized in other comprehensive income	\$(41,043)	\$ (8,504)	\$(3,493)	\$(3,235)

The following table shows the amounts within accumulated other comprehensive income that have not yet been recognized as components of net periodic benefit costs:

(dollars in thousands)	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Net loss	\$(149,326)	\$(108,249)	\$(6,723)	\$(4,354)
Net prior service (cost) credit	(272)	(306)	1,069	2,193
Ending balance within accumulated other comprehensive income	\$(149,598)	\$(108,555)	\$(5,654)	\$(2,161)

The following table shows the amounts within accumulated other comprehensive income expected to be recognized as components of net periodic benefit costs during 2012:

(dollars in thousands)	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Amortization of net loss	\$24,670		\$ 224	
Amortization of net prior service cost (credit)	34	(306)	(1,069)	
Total	\$24,704		\$ (845)	

The following table summarizes the changes to the benefit obligation and fair value of plan assets, and the funded status for all Bank of the West plans for the years indicated:

(dollars in thousands)	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Benefit obligation at beginning of year	\$ 482,316	\$ 442,256	\$ 46,673	\$ 41,626
Service cost	824	1,457	1,566	3,530
Interest cost	24,477	24,448	2,334	2,419
Actuarial loss	39,020	39,791	1,574	2,111
Benefit payments	(27,075)	(25,636)	(3,162)	(3,013)
Benefit obligation at end of year	\$ 519,562	\$ 482,316	\$ 48,985	\$ 46,673
Fair value of plan assets at beginning of year	\$ 364,207	\$ 340,971	\$ -	\$ -
Actual return on plan assets	4,077	36,723	-	-
Employer contributions	20,000	7,500	3,162	3,013
Benefit payments	(22,304)	(20,987)	(3,162)	(3,013)
Fair value of plan assets at end of year	\$ 365,980	\$ 364,207	\$ -	\$ -
Funded status⁽¹⁾	\$(153,582)	(118,109)	\$(48,985)	\$(46,673)

⁽¹⁾ All amounts are recognized in liabilities in the Bank of the West consolidated balance sheet.

Amortization of the unrecognized net gain or loss is included as a component of net pension cost. If amortization results in an amount less than the minimum amortization required under GAAP, the minimum required amount is recorded. The minimum amount recorded under GAAP represents unrecognized net gains or losses that exceed 5% of the greater of the projected benefit obligation or the market-related value of plan assets as of the beginning of the year. The unrecognized amounts are amortized on a straight-line basis over the lesser of five years or the average remaining service period of active employees expected to receive benefits under the plan.

The accumulated benefit obligation for the Bank's defined benefit pension plans was \$517.1 million and \$478.9 million at December 31, 2011 and 2010, respectively.

Each of our pension plans had an accrued benefit liability at December 31, 2011 and 2010. The following table summarizes information for pension plans with benefit obligations in excess of plan assets as of December 31:

(dollars in thousands)	2011	2010
Projected benefit obligation	\$519,562	\$482,316
Accumulated benefit obligation	517,134	478,914

The following table sets forth the components of the net periodic benefit cost (credit) for Bank of the West at December 31:

(dollars in thousands)	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Service cost	\$ 824	\$ 1,457	\$ 1,566	\$ 3,530
Interest cost	24,477	24,448	2,334	2,419
Expected return on plan assets	(22,185)	(20,136)	-	-
Amortization of prior service cost (credit)	34	34	(1,124)	(1,124)
Recognized net actuarial loss (gain)	16,050	14,665	(794)	-
Total benefit cost	\$ 19,200	\$ 20,468	\$ 1,982	\$ 4,825

Assumptions

Weighted-average assumptions used to determine benefit obligations and net periodic benefit cost were as follows at December 31:

	ERP Pension Benefits		SERP Pension Benefits		Other Benefits ⁽¹⁾	
	2011	2010	2011	2010	2011	2010
Benefit Obligations:						
Discount rate	4.50%	5.25%	4.50%	5.25%	4.50%	6.00%
Rate of compensation increase	NA	NA	4.00%	4.00%	5.00%	5.00%
Net Periodic Benefit Cost:						
Discount rate	5.25%	5.75%	5.25%	5.75%	4.50%	6.00%
Expected long-term return on plan assets	6.00%	6.00%	NA	NA	NA	NA
Rate of compensation increase	NA	NA	4.00%	4.00%	5.00%	5.00%

⁽¹⁾ Includes the postretirement medical and life insurance plan, which used a discount rate of 4.50% and 5.25% in 2011 and 2010, respectively, for benefit obligations and a discount rate of 5.25% and 5.75% in 2011 and 2010, respectively, for net periodic benefit cost. The rate of compensation increase is not applicable to the postretirement medical and life insurance plan.

The assumed discount rate reflects management's estimate of the rate at which the benefits could be effectively settled. In selecting the discount rate, the Bank reviews the yield on high quality corporate bonds and resulting yield curves. The yield curve information is considered with the plans' projected benefit cash flows and resulting duration to select a single discount rate to calculate plan obligations for reporting purposes. The selected rate is rounded to the nearest 25 basis points.

Assumed health care cost trend rates at December 31, were as follows:

	2011	2010
Health care cost trend rate assumed for next year	7.5%	8.0%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.0%	5.0%
Year that the rate reaches the ultimate trend rate	2017	2017

Assumed health care cost trend rates have an impact on the amounts reported for the health care plans. A one-percentage-point change in the assumed health care cost trend rates would have the following pretax effect:

(dollars in thousands)	One-Percentage-Point Increase	One-Percentage-Point Decrease
Effect on 2011 total of service and interest cost components	\$ 103	\$ (63)
Effect on postretirement benefit obligation at December 31, 2011	1,318	(941)

Plan Assets

The assets within the Bank of the West Employees' Retirement Plan and the UCB Retirement Plan ("the Plans") are managed in accordance with the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plans' assets consist mainly of fixed income and equity securities of U.S. and foreign issuers and may include alternative investments such as real estate, private equity and other absolute return strategies.

Investment Strategy and Risk Management for the Plans' Assets

The long-term investment objective of the ERP and UCB plans is to earn an investment return which meets or exceeds the following benchmarks over the long term:

- The target rate of return should meet or exceed the current actuarial investment return assumption as reflected in the funding valuation rate.
- The target rate of return should meet or exceed a compounded annual long-term rate of return equal to or greater than the Plans' custom benchmark returns.

The Plans' assets are managed in accordance with the Retirement Committee's (the "Committee") guidelines. All transactions that utilize assets of the Trust will be undertaken for the sole benefit of the participants of the Plans.

The assets selected for the Plans may consist of individual security issues managed by the investment manager(s) or securities held in a well-diversified portfolio of a registered investment company or an exchange-traded fund. In addition, for the UCB plan, the assets selected for the plan must have readily ascertainable market value and must be marketable. The assets under this plan may also consist of a publicly traded mutual fund. Investment managers may be permitted to use derivative instruments to control portfolio risk.

The equity portion and debt portion of the Plans' assets may employ commingled assets or be individually invested expressly including the use of money market funds managed by a corporate trustee or by others.

In its desire to protect Plans' assets, the Committee imposes general guidelines on asset allocation. Asset allocations are based on the Committee's appraisal of current and long-term needs for liquidity and income of the Plans and its estimate of the investment returns from the various classes and types of investments. The asset allocations are likely to be the primary determinant of the Plans' returns and the associated volatility of returns for the Plans.

The target asset allocations for the two plans for the years ended December 31, 2011 and 2010 are as follows:

	Bank of the West Plan		UCB Plan	
	2011	2010	2011	2010
Equity	50%	45%	45%	45%
Fixed Income	45	50	50	50
Other	5	5	5	5
Total	100%	100%	100%	100%

Concentration of Risk

The Bank describes “risk” as the possibility of not achieving the Plans’ actuarial rates of return. Risks associated with the Plans’ investments include systematic and nonsystematic risk, interest rate, yield curve, reinvestment and credit risk and the combination of these risks. The Bank mitigates the credit risk of investments by establishing guidelines with the investment managers. Both the Bank and our investment managers monitor the diversity of the plans to ensure that they meet ERISA requirements. Equity securities in the Plans did not include BancWest or BNP Paribas stock at December 31, 2011 and 2010.

The tables below summarize the Bank’s pension plan assets by investment category at December 31, 2011 and 2010. The three-level hierarchy that describes the inputs used to measure assets at fair value is discussed in Note 1:

(dollars in thousands)	2011			
	Fair Value	Level 1	Level 2	Level 3
Asset Category				
Cash and equivalents	\$ 1,039	\$ 1,039	\$ -	\$ -
Fixed income:				
U.S. Government agency securities and corporate securities	125,713	125,713	-	-
Mutual funds	19,300	19,300	-	-
Other	20,184	9,762	-	10,422
Equity securities:				
Mutual funds	120,322	120,322	-	-
Exchange traded funds	33,603	33,603	-	-
Separate assets	29,254	29,254	-	-
Multi strategy mutual funds	16,565	10,464	6,101	-
Total plan assets	\$365,980	\$349,457	\$6,101	\$10,422

(dollars in thousands)	2010			
	Fair Value	Level 1	Level 2	Level 3
Asset Category				
Cash and equivalents	\$ 2,760	\$ 2,760	\$ -	\$ -
Fixed income:				
U.S. Government agency securities and corporate securities	122,686	122,686	-	-
Mutual funds	27,850	27,850	-	-
Other	17,492	7,487	-	10,005
Equity securities:				
Mutual funds	119,951	119,951	-	-
Exchange traded funds	26,276	26,276	-	-
Separate assets	29,197	29,197	-	-
Multi strategy mutual funds	17,995	12,184	5,811	-
Total plan assets	\$364,207	\$348,391	\$ 5,811	\$10,005

There were no transfers in or out of Levels 1 and 2 for the year ended December 31, 2011. The changes in our Level 3 pension plan assets for the year ended December 31, 2011, were as follows:

(dollars in thousands)	Contracts/Annuities
Beginning balance at December 31, 2010	\$10,005
Actual return on plan assets	522
Settlements	(1,820)
Purchases	1,786
Service fees	(71)
Ending balance at December 31, 2011	\$10,422

Valuation Methodologies

The following is a description of the valuation methodologies used for the Plans' assets measured at fair value:

- **Cash and equivalents** — this category includes cash and money market fund holdings. The fair values are based on a review of unadjusted quoted prices for identical assets in active markets.
- **Fixed income** — this category includes obligations issued and guaranteed by the U.S. Treasury, debt securities issued by U.S. corporations, SEC registered mutual funds, debt securities issued by a state, municipality or county, and an annuity contract (with interest guarantees) which participates in the general account of a major life insurance company. Except for the annuity contract, the fair values are based on a review of unadjusted quoted prices for identical assets in active markets. The fair value of the annuity contract is based on a contractually agreed upon value.
- **Equity securities** — this category includes SEC registered mutual funds, exchange-traded funds tracking domestic or international equity indices, and individual equities held in the form of common stock of companies in the Standard and Poor's 500 Index. The fair values are based on a review of unadjusted quoted prices for identical assets in active markets.
- **Multi strategy mutual funds** — this category includes SEC registered mutual funds investing in multiple asset strategies. The fair values are based on a review of quoted prices for identical and similar assets in active markets.

Contributions

Bank of the West expects to contribute \$5.0 million to its non-qualified defined benefit pension plans and \$4.4 million to its other postretirement benefit plans in 2012. Based on the funding requirements of the Pension Protection Act of 2006, Bank of the West anticipates making a contribution of approximately \$7.5 million to the ERP during 2012.

Estimated Future Benefit Payments

The following table presents the expected benefit payments, for the periods indicated:

(dollars in thousands)	Pension Benefits	Other Benefits
2012	\$ 25,477	\$ 4,368
2013	26,145	2,755
2014	26,887	6,029
2015	27,562	2,777
2016	29,063	4,205
2017 – 2021	165,069	19,410

401(k) Match Plan

The Bank matches 100% of employee contributions up to 6% of pay to the BancWest Corporation 401(k) Savings Plan, a defined contribution plan. The plan covers all employees who satisfy eligibility requirements. Matching employer contributions to the 401(k) plan for 2011 and 2010 were \$23.0 million and \$21.1 million, respectively.

Incentive Plan for Key Executives and Officer's Incentive Plan

The Bank has two incentive plans under which awards of cash are made to certain employees. One plan is for key executives; the Incentive Plan for Key Executives ("IPKE"), and the other plan is for employees below the level of key executives; the Officer's Incentive Plan ("OIP"). The IPKE and OIP limit the aggregate and individual value of the awards that could be issued in any one fiscal year. Both plans have the same limits on individual awards. Salary and employee benefits expense includes IPKE and OIP expense of \$37.9 million and \$29.7 million for 2011 and 2010, respectively.

Long-Term Incentive Plans

In 2006, BancWest created an incentive plan, the Phantom Stock Plan, which was designed to reward certain employees for their performance and BancWest's performance over a multi-year performance cycle. The Phantom Stock Plan's final cycle payout of \$4.5 million occurred during 2011. For the years ended December 31, 2011 and 2010, related salary and employee benefits expense for the Bank was \$0.7 million and \$1.0 million, respectively. In 2008, the Bank created a Performance Share Plan to replace the Phantom Stock Plan on a go-forward basis with employee benefit expense for the Bank at \$12.1 million and \$3.1 million for 2011 and 2010, respectively.

In 2008, the Bank created a new Long Term Incentive Plan ("LTIP") to replace the BancWest LTIP on a go-forward basis. The plan rewards selected key executives for the Bank of the West performance assessed over a three year performance cycle on a relative and absolute basis. Salary and employee benefits expense for the Bank includes LTIP expense of \$13.8 million and \$4.7 million for 2011 and 2010, respectively.

20. Income Taxes

For the years indicated, the expense (benefit) provision for income taxes was comprised of the following:

(dollars in thousands)	2011	2010
Current:		
Federal	\$212,592	\$ 76,178
States and other	63,404	32,321
Total current	275,996	108,499
Deferred:		
Federal	(16,305)	(23,501)
States and other	(7,755)	4,602
Total deferred	(24,060)	(18,899)
Total expense for income taxes	\$251,936	\$ 89,600

The components of the Bank's net deferred income tax asset at December 31, 2011 and 2010 were as follows:

(dollars in thousands)	2011	2010
Assets		
Allowance for loan and lease losses and nonperforming assets	\$578,539	\$619,997
Investment securities	-	34,328
Deferred compensation expenses	140,938	112,507
Depreciation expense	8,082	8,357
State income and franchise taxes	22,723	10,398
Other	42,847	27,964
Total deferred income tax assets	\$793,129	\$813,551
Liabilities		
Leases	\$201,926	\$226,016
Investment securities	81,645	-
Intangible assets	17,555	19,587
Total deferred income tax liabilities	301,126	245,603
Net deferred income tax assets	\$492,003	\$567,948

Net deferred income tax assets are included within other assets in the consolidated balance sheets.

Deferred taxes related to net unrealized gains (losses) on securities available for sale, net unrealized gains (losses) on derivatives, and employee benefit plan adjustments are recorded in cumulative OCI (see Note 18). These associated adjustments decreased OCI by \$100.2 million.

A valuation allowance for certain state capital loss carryforwards has been established in the amount of \$3.5 million as of December 31, 2010. Management believes it is unlikely that sufficient capital gains will be generated during the carryforward period to fully utilize the capital losses. There is no change to the valuation allowance in 2011.

With respect to all other deferred tax assets, no valuation allowances are required. Realization is dependent on generating sufficient taxable income in the future and, although realization is not assured, management believes it is more likely than not that all of the deferred tax assets will be realized. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income are reduced.

The following analysis reconciles the federal statutory income tax rate to the effective income tax rate for the years indicated:

(dollars in thousands)	2011		2010	
	Amount	%	Amount	%
Federal statutory income tax expense and rate	\$243,265	35.0%	\$ 96,229	35.0%
Foreign, state and local taxes expense, net of federal effect	38,317	5.5	26,021	9.5
Bank-owned life insurance	(9,351)	(1.4)	(8,571)	(3.1)
Non-taxable income, net	(13,246)	(1.9)	(21,188)	(7.7)
Tax credits	(7,427)	(1.1)	(5,599)	(2.1)
Other	378	0.1	2,708	1.0
Effective income tax expense and rate	\$251,936	36.2%	\$ 89,600	32.6%

The Bank and its subsidiaries file income tax returns with the federal government and various state and local jurisdictions. The Internal Revenue Service ("IRS") is in the process of examining the Bank's income tax returns for 2006 and 2007. During 2011, the IRS issued an agreed Revenue Agent's Report for tax years 2003-2005 and the IRS proposed no significant adjustments with respect to the Bank or its acquired entities. With few exceptions, the Bank and its acquired entities are no longer subject to federal, state, and local income tax examinations for years prior to 2003. As of December 31, 2011, the state tax jurisdictions have not proposed any significant adjustments. The Bank believes that there are no other

jurisdictions in which the outcome of unresolved issues or claims is likely to be material to our results of operations, financial position or cash flows. The Bank further believes that it has made adequate provision for all income tax uncertainties.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

(dollars in thousands)	2011	2010
Balance at January 1,	\$18,424	\$21,518
Additions based on tax positions related to the current year	3,655	2,475
Reductions for tax positions of prior years	(175)	(1,574)
Reductions relating to settlements with tax authorities	(2,179)	-
Reductions as a result of a lapse of the applicable statute of limitations	(530)	(3,995)
Balance at December 31,	\$19,195	\$18,424

Included in the balance of unrecognized tax benefits are \$13.1 million and \$12.6 million of tax benefits as of December 31, 2011 and 2010, respectively which, if recognized, will affect the effective tax rate.

During the year ended December 31, 2011, the Bank recognized approximately \$0.8 million (\$0.5 million, net of federal and state tax benefit) in interest and no penalties. The unrecognized tax benefit balances do not include \$2.9 million and \$3.7 million of the net accruals for the payment of interest and penalties for the years ended December 31, 2011 and 2010, respectively.

It is reasonably possible that the total amounts of unrecognized tax benefits will decrease within twelve months of the reporting date with respect to certain state tax liabilities of acquired companies that the Bank expects to be finalized with the tax jurisdictions. We estimate the possible change could be approximately \$3.5 million, which, if recognized, will affect the effective tax rate.

21. Transactions with Affiliates

The Bank participates in various transactions with its affiliates, including BancWest, First Hawaiian Bank, BNP Paribas and its affiliates.

These transactions are subject to federal and state statutory and regulatory restrictions and limitations which require, among other items, that certain transactions be collateralized, and be subject to quantitative limitations, and be on terms at least as favorable to the Bank as those prevailing at the time for similar non-affiliate transactions. These transactions have included the sales and purchases of assets, foreign exchange activities, financial guarantees, international services, interest rate swaps and intercompany deposits and borrowing.

Amounts due to and from affiliates and off-balance sheet transactions at December 31, 2011 and 2010 were as follows:

(dollars in thousands)	2011	2010
Cash and due from banks	\$ 44,910	\$ 45,701
Loans	-	6
Noninterest-bearing demand deposits ⁽¹⁾	8,562	1,018,597
Money market deposits ⁽¹⁾	1,156,614	67,941
Time certificates of deposit	253,412	219,438
Other assets	87,193	225,285
Other liabilities	170,935	116,845
Short-term borrowings	1,560	1,094
Fixed-rate unsecured lines of credit	54,500	75,900
Noncontrolling interest	22,502	23,849
Derivatives and off-balance sheet transactions:		
Credit guarantee derivative ⁽²⁾	460,811	796,601
Standby letters of credit	18,776	19,242
Guarantees received	154,488	141,220
Fair value hedge ⁽²⁾	831,000	2,045
Commitments to purchase foreign currencies ⁽²⁾	93,077	108,389
Commitments to sell foreign currencies ⁽²⁾	49,816	42,376
Interest rate contracts ⁽²⁾	2,210,411	2,864,853

⁽¹⁾ Predominately related to cash deposit to collateralize the Guarantee with BancWest comprised of noninterest bearing deposit in 2010 and money market deposit in 2011, refer to Note 7 for additional information.

⁽²⁾ Represents the notional amount of derivative financial instruments.

Interest expense to affiliates for 2011 and 2010 was \$13.9 million and \$107.6 million, respectively. Noninterest income from affiliate transactions, which includes fair value adjustments related to derivatives, was a net loss of \$130.0 million and \$169.0 million for 2011 and 2010, respectively.

22. Stock-based Compensation

The Bank participates in a BNPP stock option plan where certain members of Bank of the West's senior management team receive stock option awards from BNPP for shares of BNPP stock. The Bank accounts for these stock option awards at their fair values estimated on the grant dates using a trinomial tree pricing model as compensation expense over the vesting or requisite service periods. Upon exercise of the stock options, the Bank's senior management team receives shares of BNPP stock. The stock options were awarded in the years 2003 through 2011. The options do not vest until after the fourth year, at which time they are exercisable from the fourth anniversary through the tenth anniversary date (the expiration date) for the 2003 and 2004 grants and through the eighth anniversary date for the 2005 through 2011 grants. The range of exercise prices for the 2003-2011 options were \$52.81 through \$115.18. As of December 31, 2011, no stock options had expired.

Annual stock option awards are recognized over the vesting period and reflected as compensation expense, which was \$2.6 million and \$2.3 million for the years ending December 31, 2011 and 2010, respectively. The related income tax benefit was \$1.0 million and \$0.9 million for the years ended December 31, 2011 and 2010, respectively.

The following table is a summary of stock option activity:

	Number	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)
Options outstanding as of January 1, 2010:	819,960	\$92.93	4.79
Granted	87,735	69.77	
Exercised	(8,217)	65.04	
Forfeited	(46,843)	88.81	
Options outstanding as of December 31, 2010	852,635	91.04	4.00
2011:			
Granted	90,569	\$78.95	
Exercised	(12,847)	62.32	
Forfeited	(5,854)	75.49	
Options outstanding as of December 31, 2011	924,503	90.32	3.33

The total fair value of vested options and options exercised was \$5.9 million and \$0.5 million in 2011 and \$4.8 million and \$0.3 million in 2010, respectively.

The fair value of each stock option was estimated on the date of grant using a trinomial tree pricing model. The implied volatility used in measuring stock options is estimated on the basis of a range of ratings prepared by various dealing rooms. The level of volatility used by the Bank takes into account historical volatility trends for the Dow Jones Euro Stoxx Bank index and BNPP shares over a 10-year period. The weighted-average grant-date fair values of options granted during the years 2011 and 2010 were \$31.37 and \$34.28, respectively. Total unrecognized compensation costs related to nonvested shares was \$5.1 million and \$6.4 million and the weighted-average period in which these costs will be recognized was 2.24 and 2.17 years at December 31, 2011 and 2010, respectively. The following table presents the weighted-average assumptions used.

	2011	2010
Dividend yield	4.3%	2.0%
Expected volatility	28.5%	30.4%
Risk free interest rate	3.5%	3.1%
Expected life (in years)	8	8

A summary of the Bank's nonvested options and changes during the years ended December 31, 2011 and 2010 is presented below.

Nonvested Options Outstanding	Number	Weighted-Average Grant-Date Fair Value
Options outstanding at January 1, 2010	575,620	\$36.60
Granted	87,735	34.28
Vested	(166,531)	32.72
Forfeited	<u>(30,059)</u>	40.33
Options outstanding at December 31, 2010	466,765	37.30
2011:		
Granted	90,569	\$31.37
Vested	(173,062)	34.87
Forfeited	<u>(3,784)</u>	41.44
Options outstanding at December 31, 2011	380,488	38.62

A summary of the Bank's vested and exercisable options and changes during the years ended December 31, 2011 and 2010 is presented below.

Vested and Exercisable Options Outstanding	Number	Weighted- Average Grant-Date Fair Value	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (dollars in thousands)
Outstanding at January 1, 2010	244,340	\$36.55	\$74.76	3.36	\$ 99.16
Vested	166,531	32.72			
Exercised	(8,217)	41.92			
Forfeited	<u>(16,784)</u>	34.21			
Vested and exercisable options outstanding at December 31, 2010	385,870	35.67	89.53	2.75	472.78
2011:					
Vested	173,062	\$34.87			
Exercised	(12,847)	37.07			
Forfeited	<u>(2,070)</u>	35.35			
Vested and exercisable options outstanding at December 31, 2011	544,015	35.38	98.04	2.23	-

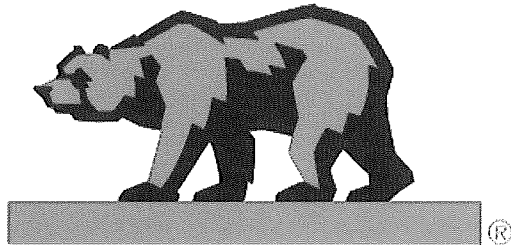
23. Subsequent Events

We have evaluated the effects of subsequent events that have occurred after December 31, 2011 and through March 5, 2012, the date of our financial statement issuance. Refer to Note 14 for details of a Notice of Settlement for a class action complaint in 2011.

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BANK OF THE WEST

Image Clearing Systems (ICS)
Specifications for ICS Product – Deposit Only
For Financial Institutions and Commercial Customers

Prepared By:	Michael Grazer
Publication Date:	11/19/2007
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Contents

Contents	2
1 Introduction.....	3
2 Testing the Image Clearing Services (ICS) File	3
3 File Security - Image Clearing Services (ICS) File	3
4 Specifications for Image Quality	4
4.1 IQA Specifications.....	4
5 Specifications for Image Clearing Services.....	5
5.1 File Structure.....	5
5.2 Data and Field Specifications	6
5.3 Deposit Maximum Amount Requirement.....	7
6 File Header Record (Type 01)	8
7 Deposit Header Record (Type 10)	10
8 Batch Header Record (Type 20)	11
9 Check Detail Record (Type 25)	12
10 Check Detail Addendum A Record (Type 26)	14
11 Check Detail Addendum C Record (Type 28).....	15
12 Image View Detail Record (Type 50).....	16
13 Image View Data Record (Type 52).....	17
14 Credit Detail Record (Type 61)	18
15 Batch Control Record (Type 70).....	21
16 Deposit Control Record (Type 90)	22
17 File Control Record (Type 99).....	23
18 Appendix A: Bank Holidays.....	24

1 Introduction

This formatting guide will define both the IQA standards and the ICS Image Deposit File. The ICS Image Deposit file uses the x9.37 standard Fed Format version 1.5 dated 11/1/2005 and identifies specific needs and requirements for the Bank of the West Image Clearing Services.

2 Testing - Image Clearing Services (ICS) File

When testing the x9.37 file with Bank of the West, please submit all your test files to the test server. Please refer the BOW Secure Portal Overview for the URL and other related details. All files delivered to the test site will be processed as test. There is an indicator in the file header (record type 1, field 3) that identifies a file as a test file. **If a file is delivered to the production site and the test indicator is set to production, the file will be processed as a production file.**

If a file is delivered to the test site, it will be processed as a test file regardless of the test indicator. If a file is presented as a test file to the production site, it will not be processed in production.

3 File Security- Image Clearing Services (ICS) File

Bank of the West provides multiple options for you to submit x.937 file. The description of these options is detailed in the Bank of the West Secure Portal Overview. The file will be through our secure web portal to the bank directly over a secure internet connection. All file delivery options provided offer secure connections between you and the bank using a minimum of 128 bit RC 4 encryption. In order to authenticate you, your authorized users or agents, we will provide you with User IDs and Passwords. Per our Cash Management Terms and Conditions, it is your responsibility to safeguard the use and protection of these credentials. ICS will provide an email to confirm the receipt of the file.



4 Specifications for Image Quality

4.1 IQA Specifications

Baseline Image Quality

Image quality checks will be performed for each set of Image View Records (Type 50, Type 52 & Type 54). If a mandatory field or fields within an Image View Record are invalid, the Record will be counted against the file rejection threshold (see 4.2 Record and Item Level Threshold Exception Information). All image items deposited as part of an Image Cash Letter must meet the following preliminary criteria:

- An individual item must have corresponding front and back image segments.
- The data size for each image segment must fall within the range acceptable for image data.
- Each image segment must be able to be decompressed.
- Each image segment must have a minimum resolution of 200 dpi.
- Each segment must be black and white and in the TIFF 6.0 CCITT Group 4 compression format.

Detailed Image Quality

Items that meet the preliminary quality criteria will be passed through an image quality engine. This engine will assess the overall quality of each segment based on particular quality metrics. These metrics include:

- **Missing / torn corners:** Analysis is performed to determine if any of the document's four corners are either folded or missing. Depending upon the particular document layout, a corner that is either folded or is torn away may cause vital information to be missing from the image.
- **Document length:** The length of the document may be above or below defined values. Ideally the length, as calculated by dividing the horizontal pixel count by the pixel density (dots per inch), is within standard check length specifications.
- **Document height:** The height of the document may be above or below defined values. Ideally the height, as calculated by dividing the vertical pixel count by the pixel density (dots per inch), is within standard check height specifications.
- **Document skew:** The document skew, defined as the measure of the angle formed between the horizontal edge of the physical document being scanned and the horizontal edge of the front of the document image, may be too great.
- **Image brightness:** The black pixel count may indicate the image is too dark or too light.
- **Noisy image:** If the black pixel distribution is outside of normal bounds, the image may be flagged.

Link to IQA Settings

Below is the link to the Fed IQA Settings for your reference:

http://www.frbsservices.org/files/servicesetup/check/pdf/iqa_settings.pdf



5 Specifications for Image Clearing Services

5.1 File Structure

5.1.1 Record Types

The following are record types established for Image Clearing Services:

File Header Record (Type 01)

Deposit Header Record (Type 10)

Batch Header Record (Type 20)

Check Detail Record (Type 25)

Check Detail Addendum A Record (Type 26)

Check Detail Addendum B Record (Type 27) *

Check Detail Addendum C Record (Type 28)

Return Record (Type 31) *

Return Addendum A Record (Type 32) *

Return Addendum B Record (Type 33) *

Return Addendum C Record (Type 34) *

Return Addendum D Record (Type 35) *

Account Totals Detail Record (Type 40) *

Non-Hit Totals Detail Record (Type 41) – *

Image View Detail Record (Type 50)

Image View Data Record (Type 52)

Image View Analysis Record (Type 54) *

Credit Detail Record (Type 61)

Batch Control Record (Type 70)

Box Summary Record (Type 75) – *

Routing Number Summary Record (Type 85) – *

Deposit Control Record (Type 90)

File Control Record (Type 99)

*** - Not Required for Bank of the West Image Clearing Specifications**

5.1.2 File Structure Requirements

In general, an x9.37 file contains one or more deposits each deposit must include a type 61 recorded as the first item in each deposit. Deposits contain one or more batches destined for Bank of the West and are identified in the Deposit Header Records.

For Financial Institutions customers, deposits should not exceed 20,000 items.

For Payment Processors, deposits should not exceed 100,000 items.

Batches within deposits usually contain no more than 200 Check Detail Records and must contain image records.

The maximum size of the file cannot exceed 2 Gig.

For Cash Management customers, deposits should not exceed 3000 items. Deposits must be in batches of 250 items or less.

Batches within deposits usually contain no more than 200 Check Detail Records and must contain image records.

5.1.3 Variable Length Records

Each record in the file is variable length and shall be preceded by a four (4) byte length field known as the Inserted Length Field (not represented in the record layouts). See X9.37 Standard for additional information on record creation.

5.1.4 File Name Syntax

The X9.37 file name syntax should be a unique static customer name identifier followed by a date stamp (MMDDYYYYHH24Mi) (using military time) with an extension of .x937. Here is an example of the syntax:

COMPANYA041520071306.x937 (April 15, 2007 1:06 PM)



BANK OF THE WEST

5.2 Data and Field Specifications

FIELD TYPE	TERM
A	Alphabetic
N	Numeric
B	Space
S	Special Character
AN	Alphanumeric
ANS	Alphanumeric/special
NB	Numeric Space
NS	Numeric/special
	Binary
NBSM	Numeric Space/special MICR
NBSMOS	Numeric Space/special MICR On-US

5.3 Deposit Maximum Amount Requirement

If the deposit is larger than \$99,999,999.99, the deposit must be split into multiple deposits.



BANK OF THE WEST

6 File Header Record (Type 01)

The File Header Record is required and is the first record in the file.

FIELD	FIELD NAME	USAGE	POSITION	SIZE	TYPE	VALUE
1	Record Type	M	01 – 02	2	N	01
2	Standard Level	M	03 – 04	2	N	03 (X9.37 – 2005)
3	Test File Indicator	M	05 – 05	1	A	P – Production File T – Test File (for BOTW internal use only)
4	Destination Routing Number	M	06 – 14	9	N	121100782
5	Originating Routing Number	M	15 – 23	9	N	Financial Institutions input your routing number. Non-financial institutions input DDA Account number .
6	File Creation Date	M	24 – 31	8	N	Format YYYYMMDD
7	File Creation Time	M	32 – 35	4	N	Format HHMM
8	Resend Indicator	M	36 – 36	1	A	N (Original File)
9	Reserved	M	37 – 54	18	B	Spaces
10	Reserved	M	55 – 72	18	B	Spaces
11	File ID ¹	C	73 – 73	1	AN	Must be a valid alpha/numeric value and be unique for each file for a given creation date.

¹ Fields 4,5,6,7 and 11 are concatenated by Bank of the West to ensure the file is unique. If there are two files with the same string, the file will be rejected by the system. Even if files are from different sources.



BANK OF THE WEST

12	Country Code	C	74 – 75	2	A	Spaces
13	Reserved	M	76 – 79	4	B	Spaces
14	Reserved	M	80 - 80	1	B	Spaces



7 Deposit Header Record (Type 10)

At least one Deposit Header Record is required.

FIELD	FIELD NAME	USAGE	POSITION	SIZE	TYPE	VALUE
1	Record Type	M	01 – 02	2	N	10
2	Collection Type Indicator	M	03 – 04	2	N	01 (Forward Presentment)
3	Destination Routing Number	M	05 – 13	9	N	121100782
4	Institution Routing Number	M	14 – 22	9	N	Financial Institutions input your routing number. Non-financial institutions, input 121100782
5	Deposit Business Date	M	23 – 30	8	N	YYYYMMDD
6	Deposit Creation Date	M	31 – 38	8	N	YYYYMMDD
7	Deposit Creation Time	M	39 – 42	4	N	Time Deposit was created Format: HHMM
8	Deposit Record Type Indicator	M	43 – 43	1	A	I (contains electronic images)
9	Deposit Record Document Type Indicator	M	44 – 44	1	A	G (image included no paper provided)
10	Deposit ID	C	45 – 52	8	AN	The deposit ID must be unique number for both BOW and Company. (use a unique number for within the day with a prefix of XX – where XX are company initials followed by unique cash letter identifier Example: Company A might use: CA123456
11	Reserved	M	53 – 66	14	B	Spaces
12	Reserved	M	67 – 76	10	B	Spaces
13	Fed Work Type	C	77 – 77	1	AN	Spaces
14	Reserved	M	78 – 79	2	B	Spaces
15	Reserved	M	80 - 80	1	B	Spaces

8 Batch Header Record (Type 20)

At least one Bundle Header Record is required.

FIELD	FIELD NAME	USAGE	POSITION	SIZE	TYPE	VALUE
1	Record Type	M	01 – 02	2	N	20
2	Collection Type Indicator	M	03 – 04	2	N	01 (Forward Presentment)
3	Destination Routing Number	M	05 – 13	9	N	121100782
4	Institution Routing Number	M	14 – 22	9	N	Financial Institutions input your routing number. Non-financial institutions, input 121100782
5	Batch Business Date	M	23 – 30	8	N	Business Date of Batch Format: YYYYMMDD Use the current business day unless it falls on a non-bank business day then use the next bank business day. Bank Holidays are listed in Appendix A.
6	Batch Creation Date	M	31 – 38	8	N	Date Batch was created Format: YYYYMMDD Use the current date.
7	Batch ID	M	39 – 48	10	AN	Spaces
8	Batch Sequence Number	M	49 – 52	4	NB	Should start with 1 for the first bundle in each cash letter and increment by 1 for each additional bundle in the same cash letter.
9	Cycle Number	C	53 – 54	2	AN	Spaces
10	Return Location Routing Number	C	55 – 63	9	N	For financial institutions, input your routing number. All others, input 121100782
11	User Field	C	64 – 68	5	ANS	Spaces
12	Reserved	M	69 – 80	12	B	Spaces

9 Check Detail Record (Type 25)

FIELD	FIELD NAME	USAGE	POSITION	SIZE	TYPE	VALUE
1	Record Type	M	01 – 02	2	N	25
2	Auxiliary On-Us	C	03 – 17	15	NBSM	* (see note below) Field 7 of the MICR Line (Serial Field) Right justify with leading Spaces. If the field is not present on the item, the field must be formatted with spaces
3	External Processing Code	C	18 – 18	1	ANS	* (see note below) Field 6 of the MICR Line (EPC) If the field is not present on the item, the field must be formatted with a space.
4	Payor Bank Routing Number	M	19 – 26	8	N	* (see note below) First 8 characters of Field 5 from the MICR Line (Routing Transit Number)
5	Payor Bank Routing Number Check Digit	M	27 – 27	1	N	* (see note below) Last character of Field 5 from the MICR Line (Routing Transit Number) known as the “check digit”.
6	On-Us	C	28 – 47	20	NBSMOS	* (see note below) Field 4 on the MICR Line (combination of Fields 4, 3, and 2) Right justify with leading Spaces. If the field is not present on the item, the field must be formatted with spaces needs clarification
7	Item Amount	M	48 – 57	10	N	U.S. Dollar value of the item
8	Institution Item Sequence Number	M	58 – 72	15	NB	This field should match the number endorsed on the back of the check. Right justified. Blank fill unused positions.



9	Documentation Type Indicator	C	73 – 73	1	AN	G (Image for this item)
10	Return Indicator	C	74 – 74	1	AN	Spaces
11	MICR Indicator	C	75 – 75	1	N	Spaces
12	BOFD Indicator	M	76 – 76	1	A	Y
13	Check Detail Record Addendum Count	M	77 – 78	2	N	
14	Correction Indicator	C	79 – 79	1	N	Spaces
15	Archive Type Indicator	C	80 – 80	1	AN	Spaces

* - Fields must be populated exactly as displayed in the MICR line of the check, including special characters like dashes and account number field symbols

- A dash on the check must be represented as a '-' in the field
- The On-Us field represents three fields on the check (4, 3, 2), the character used to separate these values is the '/'. Note: Include a trailing '/' in the onus field value when there is only an account number on the check.
- Field symbols are not required in the Auxiliary On-Us, External Processing Code, Routing Transit, or amount fields.

10 Check Detail Addendum A Record(Type 26)

The Check Detail Addendum A Record is Conditional, but required when the BOFD converts the physical item to an image. For use with Image Cash Letters only.

FIELD	FIELD NAME	USAGE	POSITION	SIZE	TYPE	VALUE
1	Record Type	M	01 – 02	2	N	26
2	Check Detail Addendum A Record Number	M	03 – 03	1	N	Number (Beginning with '1') representing the chronological order in which the record was created.
3	Bank Of First Deposit (BOFD) Routing Number	C	04 – 12	9	N	For Financial Institutions, input your RT. All others, input 121100782.
4	BOFD Business (Endorsement) Date	C	13 – 20	8	N	Business Date at the BOFD Format: YYYYMMDD
5	Reserved	M	21 – 35	15	B	Spaces
6	Reserved	M	36 – 53	18	ANS	Spaces
7	Reserved	M	54 – 58	5	ANS	Spaces
8	Reserved	M	59 – 73	15	ANS	Spaces
9	Truncation Indicator	C	74 – 74	1	A	Y (This BOFD is truncator of original check) N (This BOFD is not truncator of original check)
10	BOFD Conversion Indicator	M	75 – 75	1	B	2 (Original paper converted to image)
11	BOFD Correction Indicator	M	76 – 76	1	B	0 (No Repair)
12	Reserved	M	77 – 77	1	B	Spaces
13	Reserved	M	78 – 80	3	B	Spaces



BANK OF THE WEST

11 Check Detail Addendum C Record(Type 28)

The Check Detail Addendum C Record (Type 28) is required when the item is sent electronically by endorsers subsequent to the BOFD. For use with Image Cash Letters only.

FIELD	FIELD NAME	USAGE	POSITION	SIZE	TYPE	VALUE
1	Record Type	M	01 – 02	2	N	28
2	Check Detail Addendum C Record Number	M	03 – 04	2	N	This is the sequential type 28 record for this item, beginning with '1'
3	Endorsing Bank Routing Number	M	05- 13	9	N	
4	Endorsing Bank Endorsement Date	C	14-21	8	N	
5	Endorsing Bank Item Sequence Number	C	22 – 36	15	NB	
6	Truncation Indicator	C	37 – 37	1	A	
7	Endorsing Bank Conversion Indicator	C	38 – 38	1	AN	
8	Endorsing Bank Correction Indicator	C	39 – 39	1	N	
9	Return Reason	C	40 – 40	1	AN	
10	User Field	C	41 – 55	15	ANS	
11	Reserved	M	56 – 80	15	B	

Note: All fields that are conditional and are not used shall be filled with blanks.



12 Image View Detail Record (Type50)

The Image View Detail Record is required for each 25 and 61 record. Front and back view are required.

FIELD	FIELD NAME	USAGE	POSITION	SIZE	TYPE	VALUE
1	Record Type	M	01 – 02	2	N	50
2	Image Indicator	M	03 – 03	1	N	1 (Image View present, actual check)
3	Image Creator Routing Number	M	04 – 12	9	N	For financial institutions, input your routing number. All others, input 121100782
4	Image Creation date	M	13 – 20	8	N	Format YYYYMMDD
5	Image View Format Indicator	M	21 – 22	2	NB	0 (TIFF 6) Right justified – Space fill
6	Image View Compression Algorithm Identifier	M	23 – 24	2	NB	0 (Group 4 compression) Right justified – Space fill
7	Reserved	C	25 – 31	7	B	Spaces
8	Image Side	M	32 – 32	1	N	0=Front 1=Back
9	View Descriptor	M	33 – 34	2	N	0 (Full View)
10	Digital Signature Indicator	M	35 – 35	1	NB	0 (Digital Signature not present)
11	Digital Signature Method	C	36 – 37	2	N	Spaces
12	Security Key Size	C	38 – 42	5	N	Spaces
13	Start of Protected Data	C	43 – 49	7	N	Spaces
14	Length of Protected Data	C	50 – 56	7	N	Spaces
15	Image Recreate Indicator	C	57 – 57	1	N	Space
16	Reserved	C	58 – 65	8	B	Spaces
17	Reserved	M	66 – 80	15	B	Spaces



13 Image View Data Record (Type 52)

The Image View Data Record is required for each 25 and 61 record unless otherwise agreed between sender and receiver. One Type 52 record should always follow a Type 50 record.

FIELD	FIELD NAME	USAGE	POSITION	SIZE	TYPE	VALUE
1	Record Type	M	01 – 02	2	N	52
2	ECE Institution Routing Number	M	03 – 11	9	N	
3	Business Date	M	12 – 19	8	N	
4	Cycle Number	C	20 – 21	2	AN	
5	EDE Institution Item Sequence Number	M	22 – 36	15	NB	
6	Security Originator Name	C	37 – 52	16	ANS	Not used, blank fill
7	Security Authenticator Name	C	53 – 68	16	ANS	Not used, blank fill
8	Security Key Name	C	69 – 84	16	ANS	Not used, blank fill
9	Clipping Origin	M	85 – 85	1	NB	'0'
10	Clipping Coordinate h1	C	86 – 89	4	N	Not used, blank fill
11	Clipping Coordinate h2	C	90 – 93	4	N	Not used, blank fill
12	Clipping Coordinate v1	C	94 – 97	4	N	Not used, blank fill
13	Clipping Coordinate v2	C	98 – 101	4	N	Not used, blank fill
	Image Reference Key					
14	Length of Image Reference Key	M	102- 105	4	NB	'0'
15	Image Reference Key	C	(106 – (105+X))	Variable (X)	ANS	Omit Field
16	Length of Digital Signature	M	(106+X) – (110+X+Y)	Variable (Y)	Binary	Omit Field
17	Digital Signature	C	(111 + X)- (110)+X+Y	Variable (Y)	Binary	
18	Length of Image Data	M	(111+X+Y) – (117+X+Y)	7	NB	
19	Image Data	M	(118+X+Y) – (117+X+Y+Z)	Variable (Z)	Binary	

Note: All fields that are conditional and are not used shall be filled with blanks.



BANK OF THE WEST

14 Credit Detail Record (Type 61)

The Credit Record (Type 61) is not part of the DSTU X9.37-2003 standard. It has been liberated from a revision of the pending X9.100-180 standard which is to replace the X9.37 standard. A Credit Record (Type 61) must be the first item in a deposit. Multiple deposits may exist in a single ICL; each must begin with a 61 record

It must follow a 10, 20, 25, 26, 28, 52 or 61 records.

Standard Implementation

The amounts in the 61 record shall not be included in the 70, 90 or 99 records.

FIELD	FIELD NAME	USAGE	POSITION	SIZE	TYPE	VALUE
1	Record Type	M	01 – 02	2	N	61
2	Auxiliary On-Us	C	03 – 17	15	NBSM	Mandatory , if present on the MICR line. Right Justified – blank fill. In order for the customer to identify the source of their deposit, this field could be used for this purpose. (for deposit recon AKA Location ID). The format is 15 digit numeric.
3	External Processing Code	C	18-18	1	ANS	Mandatory, if present on the MICR line, blank fill unused positions.
4	Payor Bank Routing Number	M	19-27	9	N	500100015
5	Credit Account Number - On-Us	C	28-47	20	NBSMOS	Customer account number (On-us field). Right justified with leading blanks. Bank of the West uses only 9 digit account numbers. On Us symbols should be translated to '/', spaces may be omitted, blank fill unused positions.
6	Item Amount	M	48 – 57	10	N	Maximum Value Allowed: 99,999,999.99
7	Institution Item Sequence Number	M	58 – 72	15	NB	Unique Sequence number assigned by creating institution Right justified with leading zeros.
8	Documentation Type Indicator	C	73 – 73	1	AN	Blank

**BANK OF THE WEST**

9	Type of account code	C	74 – 74	1	AN	Blank
10	Source of work code	C	75 – 75	1	AN	Blank
11	Work Type	C	76 – 76	1	AN	Blank
12	Debit Credit Indicator	C	77 – 77	1	AN	2 Credit
13	Reserved	M	78 – 80	3	B	Blanks

NOTES:

- The On-Us field represents three fields on the check (4, 3, 2), the character used to separate these values is the '/'. Note: Include a trailing '/' in the On-Us field value when there is only an account number on the check.
- The Record 61 will have corresponding Type 50 and 52 records for front and back Deposit Ticket Images. The following fields are expected to be visible on the Deposit Ticket Image:

<u>Field</u>	<u>Required / Optional</u>

Customer Name	Optional

Deposit Amount	Required

Account Number	Required

Serial Number	Optional

Comments	Optional

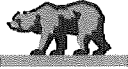
- The Record 61 item amount is not included in the Total Amounts fields for Records 70, 90, and 99.
- The Type 61 record and associated Type 50 and 52 records **shall** be included, as appropriate, in Item Count, Image Count, and Record Count fields in the Type 70, 90 and 99 records
- The 61 Record cannot occur prior to the Deposit Header Record (Type 10) or follow the Deposit Control Record (Record Type 90).
- The Type 61 record Amount field **shall not** be included in the 70, 90, or 99 records Total Amount fields
- A single Credit (61) Record can be used for each deposit. It can be located after the Batch Header (Record Type 20) but before the first Check Detail Record (Record



BANK OF THE WEST

Type 25). Its item amount (field 6) must match the Deposit Control Record (Record Type 90) Total Amount field.

- Credit Record (61) must be (offset) in balance by the accumulated Check Detail Record (Record type 25) Item Amounts.
- Offsetting records will be delimited by the Deposit Control Record (Record Type 90), followed by another deposit group or end of file record.
- If a credit is larger than \$99,999,999.99, the deposit must be split into multiple deposits.



BANK OF THE WEST

15 Batch Control Record (Type 70)

The Bundle Control Record (Type 70).

FIELD	FIELD NAME	USAGE	POSITION	SIZE	TYPE	VALUE
1	Record Type	M	01 – 02	2	N	70
2	Items within Batch Count	M	03 – 06	4	N	Total number of items sent within a Batch
3	Batch Total Amount	M	07 – 18	12	N	Total US dollar value of the items within the Batch. (exclude the Record 61)
4	MICR Valid Total Amount	C	19 – 30	12	N	Total US dollar value of all Check Detail Records (Type 25) Maximum Value Allowed: 99,999,999.99. Right justify with leading zeros. (exclude the Record 61)
5	Images within Batch Count	C	31 – 35	5	B	The total number of image views within a Batch. This is the number of 50/52 pairs of records. Since items should have both a front and back image, this number is twice the number of items (Field 2).
6	Reserved	C	36 – 55	20	B	Spaces
7	Reserved	M	56 – 80	25	B	Spaces



BANK OF THE WEST

16 Deposit Control Record (Type 90)

The Deposit Control Record is required.

FIELD	FIELD NAME	USAGE	POSITION	SIZE	TYPE	VALUE
1	Record Type	M	01 – 02	2	N	90
2	Bundle Count	M	03 – 08	6	B	Total number of Batches within Deposit.
3	Items within Deposit Count	M	09 – 16	8	N	Total number of items sent within the Deposit
4	Deposit Total Amount	M	17 – 30	14	N	Total US dollar value of the Deposit. (exclude the Record 61)
5	Images Within Deposit Count	C	31 – 39	9	A	Total number of image views within the Deposit. (exclude the Record 61) values.
6	Institution Name/Customer Name	C	40 – 57	18	A	Short name of the customer/financial institution that creates the Deposit Control Record. This could be the same value used in Record 10 field 11.
7	Settlement Date	C	58 – 65	8	B	Spaces
8	Reserved	M	66 – 80	15	B	Spaces



BANK OF THE WEST

17 File Control Record (Type 99)

The File Control Record is mandatory and required.

FIELD	FIELD NAME	USAGE	POSITION	SIZE	TYPE	VALUE
1	Reserved	M	01 – 02	2	B	99
2	Deposit Count	M	03 – 08	6	N	Total number of deposits within the file
3	Total Record Count	M	09 – 16	8	N	Total number of records of all types sent in the file (including 61 records and 99 record)
4	Total Item Count	M	17 – 24	8	N	Total number of items sent within the file (exclude the Record 61)
5	File Total Amount	M	25 – 40	16	N	Total US dollar value of the complete file Value Allowed: 99,999,999,999,999.99. (exclude the Record 61).
6	Immediate Origin Contact Name	C	41 – 54	14	ANS	Contact at the institution that creates the file.
7	Immediate Origin Contact Phone Number	C	55 – 64	10	N	Phone number of the contact at the institution that creates the file
8	Reserved	M	65 – 80	16	B	Spaces

18 Appendix A: Bank Holidays

The official holidays the Bank observes are:

New Year's Day - January 1st

Dr. Martin Luther King, Jr. Day - 3rd Monday in January

President's Day - 3rd Monday in February

Memorial Day - Last Monday in May

Independence Day - July 4

Labor Day - 1st Monday in September

Columbus Day - 2nd Monday in October

Veteran's Day - November 11

Thanksgiving Day - 4th Thursday in November

Christmas Day - December 25

When an official holiday falls on a Sunday, the Bank is closed in observance on the following Monday.

Receipt Date:	ICN:

SECURE TRANSPORT COMMUNICATION PROFILE

☐ **NEW**
 ☐ **CHANGE**
 ☐ **DELETE**

Implementation of data transmission may require one to two weeks, depending on communications requirements, and to allow sufficient time for testing. The information contained in this document will facilitate the set-up process. Please return the completed form to your Bank of the West Cash Management contact or fax it to their attention at (323) 727-3229. If you have any questions, please contact Bank of the West, Cash Management Customer Service at (800) 400-2781.

Company Name		Customer Contact
Address		Contact E-Mail Address
City, State, Zip		Customer Technical Contact
Telephone Number	Fax Number	Technical Contact E-Mail Address

Afterhours Transmission Support Number:
Afterhours Transmission Support Email:

THIRD PARTY VENDOR PROCESSING INFORMATION (if applicable)

Service Bureau/Vendor Name	
Technical Contact	Pager Number
Telephone Number	Mobile Number
E-Mail Address	
Alternate Contact	Pager Number
Telephone Number	Mobile Number
E-Mail Address	

Afterhours Transmission Support Number:
Afterhours Transmission Support Email:

TYPE OF TRANSMISSION

1. Transmission Mode Requested:

☐ Transmit (Transmitting data to Bank of the West)
☐ Receive (Receiving data from Bank of the West)

2. Transmission capability is requested for the following Bank of the West services:

☐ Image Clearing Service (ICS) Financial Institution
☐ Account Recon
☐ Lockbox
☐ BAI

☐ ICS Commercial Customer
☐ ACH
☐ Sharedraft Image Archive Load File(s)
☐ Other (Please specify)

3. Frequency:

☐ Daily
 ☐ Weekly
 ☐ Bi-weekly
 ☐ Semi-monthly
 ☐ Monthly

☐ Other, please specify: _____

TRANSMISSION OPTIONS

Bank of the West offers four options for transmitting your data files between Bank of the West and your computer. Using the following criteria, select your preferred transmission method and complete the transmission option. (ONLY complete what is related to your transmission option.)

Select Transmission Type Below:

☐ Secure Transport Web Portal
*(manual upload/download only)

- This method includes protocol-based encryption
- Most browsers supported
- Easiest to implement
- No firewall changes on BOTW side
- Supports web certificates

☐ SFTP/SCP/SSH

- This method includes protocol-based encryption
- Broad support of most client FTP packages
- Allows for client automation
- Support for SSH logon keys (RSA)
- No firewall changes need on BOTW side

☐ HTTPS/using Tumbleweed Client

- Requires customer to already have the Secure Transport/Tumbleweed Client
- This method includes protocol-based encryption
- May require Firewall changes on BOTW side.

☐ FTP Using PGP

- There is no protocol-based encryption
- Encryption must be done with PGP Keys
- Firewall changes required on BOTW side.

Password Notification and Confirmation of transfers Acknowledgement Email Address:
Special Requirements:

*Each Customer will get a userid and password to the Bank of the West Secure Transmit Portal which will be available as a contingent method to transmit your file to the Bank.

Thank you for completing the Secure Transport Transmission Form. Your Bank of the West Cash Management Consultant or Representative will provide this information to the Bank's Transmission Coordinator. Within a few days, the Bank of the West Transmission Coordinator will contact your company's Technical Contact (as provided by you on this form) to evaluate the compatibility between your system and the Bank of the West system. The Coordinator will discuss implementation and coordinate schedules for testing. Normal set up time, including testing, takes approximately one to two weeks depending on requirements. Testing takes place Monday through Friday between 8:00 a.m. and 4:30 p.m. (Pacific Time)

BANK USE ONLY		
CASH MANAGEMENT SALES:		
Contact List:	Name:	Phone:
Implementation Specialist		
Cash Management Consultant		

Proposal for Banking Services

Presented to:

**The City of Ramsey
October 11, 2012**

Submitted by:



**Randy Diers, President
763-780-2100**

Blaine Office
9298 Central Ave. NE
Blaine, MN 55434

Ramsey Office
7125 Riverdale Drive
Ramsey, MN 55303

East Bethel Office
18770 Hwy. 65 NE
East Bethel, MN 55011

St. Francis Office
3350 Bridge St. NW
St. Francis, MN 55070

TABLE OF CONTENTS

Title Page	1
Table of Contents	2
Letter of Transmittal	3
Independence of the Proposer	4
Profile of the Proposer	5
Scope of Services	6
Compensation and Service Charges	8
Miscellaneous Information	9
Attachments	10

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
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Letter of Transmittal

Village Bank respectfully submits this Proposal for Banking Services in response to your RFP seeking proposals from financial institutions to provide banking services to the City of Ramsey. We welcome the opportunity to provide financial services to the City of Ramsey as outlined in the RFP, effective January 1, 2013.

In evaluating Village Bank's proposal, please consider the following:

- Village Bank is a community-oriented bank focused on customer service. We strive to maintain and expand upon the many relationships we have built in Anoka County throughout the years.
- Village Bank utilizes various programs available through the Small Business Administration (SBA) whenever possible to assist in our lending process.
- Through our "Village Volunteers" Program, our employees are actively involved in the community by donating time and effort at various local charities, including the Anoka County Food Shelf, Toys for Joy, and Alexandra House.
- Village Bank has four full-service, convenient locations located throughout Anoka County.
- Many of our employees reside in Anoka County and actively support numerous County initiatives, as well as businesses throughout the County.

Our philosophy stems from our commitment to the communities we serve. We pride ourselves on knowing our customers and understanding their individual needs. Village Bank has proudly operated in Anoka County since 1991. Our owner, Donald Kveton, and his family currently reside in Ramsey, as do a number of our employees. Our Board of Directors live or work in Anoka County, and many have businesses in Ramsey and the surrounding areas.

The following individuals are authorized to make representations to the City of Ramsey on behalf of Village Bank.

Contacts

Randy Diers
President
9298 Central Avenue NE
Blaine, MN 55434
763-398-3579

Bill Rew
Chief Financial Officer
9298 Central Avenue NE
Blaine, MN 55434
763-398-3567

Independence of the Proposer

- A. Describe any business, investment or family relationships with the city, city officials, appointed employees or department heads.

Village Bank is not aware of any business, investment, or family relationships with any city official or employee.

- B. Describe any formal independence guidelines used by your institution.

Village Bank operates under a strict set of policies and procedures that govern employee activities relating to our institution. This includes compliance with state and federal laws relating to conflict of interest and bribery.

Profile of the Proposer

A. Attached is a two page overview of the bank's financial condition along with a complete copy of our most recent quarterly Call Report submitted to the FDIC.

B. List of Officers:

Donald Kveton, Chief Executive Officer/Owner

Randy Diers, President

Bill Rew, Chief Financial Officer

Darlene Jones, Senior Relationship Banker

C. Village Bank's Goals and Mission Statement are as follows:

Our Vision

To create lasting relationships built on trust and integrity, and to help make dreams come true.

Mission

To be the bank:

- Where our customers see us as their primary bank.
- Where our employees are envied by their peers.
- Where we value communities through our service and involvement.
- Where the shareholder's expectations are satisfied.

Core Values

- We are professional, honest, trustworthy, confidential and respectful at all times.
- Change is a continuous series of opportunities for improvement in the way we do business.
- Teamwork is working together to achieve our common goals.
- Excellence means always exceeding expectations.

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Scope of Services

- FDIC/FSLIC insurance on deposits – Deposits at FDIC-insured institutions, including Village Bank, are insured up to at least \$250,000 per depositor. In addition, all funds in a “noninterest-bearing transaction account” are insured in full by the Federal Deposit Insurance Corporation from December 31, 2010 through December 31, 2012. This temporary unlimited coverage is in addition to, and separate from, the coverage of at least \$250,000 that is available to depositors under the FDIC’s general deposit insurance rules.

The term “noninterest-bearing transaction account” includes a traditional checking account or demand deposit account on which the insured depository institution pays no interest. It also includes Interest on Lawyers Trust Accounts (“IOLTAs”). It does not include other accounts, such as traditional checking or demand deposit accounts that may earn interest, NOW accounts, and money-market deposit accounts.

- Pledged collateral to the Public Funds – We provide collateral for all deposits to Public Funds of a type and in the amount as required by Minnesota State Law. We provide Public Entities a statement at month end indicating deposit balances, along with collateral pledged to the account including any Federal Home Loan Banks Standby Letters of Credit. Wells Fargo provides a month end report on all securities pledged, including market valuation. For this proposal, we are streamlining the collateral process to include only Federal Home Loan Bank Standby Letters of Credit. Additional information regarding this proposal is detailed under Miscellaneous Information.
- Daily “sweep” to money market checking, money market savings, electronic funds transfer (ACH for payroll), and other accounts as necessary – We offer daily sweeps from the City’s checking account into other accounts at Village Bank. In addition, we offer electronic funds transfer (ACH for payroll).
- Depository for federal withholding and FICA taxes – Treasury tax and loan payments are no longer managed by Financial Institutions. Businesses are required to submit tax payments via ACH or check to the taxing authorities.
- Wire Transfer Services – We promptly process domestic wire transfers through the Federal Reserve Bank and send written confirmations of all wire transfers within 24 hours, unless you prefer to make other arrangements such as a phone call.
- Online Services – Online Banking provides access to all accounts 24 hours per day, 365 days per year. Internet banking features include the ability to:
 - View current account balances
 - Transfer between Village Bank accounts
 - Make payments to Village Bank loans
 - View pending transactions
 - View up to 24 months of statements

- Interest compounded daily on money market accounts include rate – Interest accrues daily and compounds monthly on money market accounts. Interest rates on these accounts are variable and change at the discretion of Village Bank. The current rates and tiers are as follows:

Information as of 10/11/12	Current APY
Money Market	
\$0.01 - \$4,999.99	0.10%
\$5,000 - \$99,999.99	0.15%
\$100,000 and over	0.25%

- Same day credit of deposits and incoming wire transfers – We process daily transactions on each business day with a cut-off time of 3:00 PM. All deposits and wires received up to this time would be credited on this same business day.
- Electronic deposits – All Village Bank accounts accept electronic deposits under the ACH System. In addition, we offer Internet banking services that all our customers can utilize for automatic debit and credit transfers to their accounts.
- Lockbox services – At the present time, Village Bank does not offer lockbox services.
- Competitive investment options – We offer certificates of deposit from terms of 3 months to 48 months for investment purposes. Current rates and terms are posted on our website, or you can contact Village Bank for a quote on rates and terms.
- Electronic balance and transaction reporting – Available through Village Bank's online banking service. There is no charge for viewing activity or transferring funds between bank accounts.
- Positive pay services – Village Bank's Positive Pay service identifies possible fraudulent checks to help safeguard against check fraud. Fees for this service include a \$50.00 set-up fee, a \$25.00 monthly fee for each account, and a \$0.25 per item exception processing fee in the event the customer does not complete the decision process in a timely manner. An online tutorial of this service is available on our website's Education Center.
- Electronic Check Imaging – Receive electronic check images from a lockbox for utility customer account payments – At the present time, Village Bank does not offer this service.
- Responsive, accurate, cooperative, and courteous customer service – Village Bank is a community bank focused on customer service. Our growth is built on our philosophy of building and fostering relationships with our clients. As with any small business, our goal is to excel at providing superior customer service.

Compensation and Service Charges

The City of Ramsey currently has a Simply Free Business Checking account at Village Bank. With this account, there is no minimum balance, no monthly service charge, along with 1,000 free monthly transactions. Transactions items over 1,000 are just \$0.25 each.

Based on the information provided in the RFP, the following expenses would be assessed on your account.

Service Fees as of 10/11/12	#	Per Item	Monthly	Notes
Per Deposit	20	\$0.00	\$0.00	Transactions over 1,000 per month are just \$0.25 each
Per Check Deposited	10	\$0.00	\$0.00	Transactions over 1,000 per month are just \$0.25 each
Per Check Written	250	\$0.00	\$0.00	Transactions over 1,000 per month are just \$0.25 each
Wires - Incoming	5	\$20.00	\$100.00	
Wires - Outgoing	5	\$20.00	\$100.00	
Returned Deposit Fee - Checks/ACH	6	\$4.00	\$24.00	
Credit Card EFT/ACH	1	\$0.00	\$0.00	No charges for ACH transactions initiated by RevTrak ACH
ACH - Monthly	1	\$20.00	\$20.00	
ACH - Per File	3	\$5.00	\$15.00	
ACH - Per Item Within File	220	\$0.05	\$11.00	
Internet Transfers or Sweeps	0	\$0.00	\$0.00	
Stop Payments	0	\$30.00	\$0.00	
NSF Returned Fee - Checks or ACH	1	\$32.00	\$32.00	\$32.00 per item; \$160.00 daily maximum
International Wire Fee	0	\$55.00	\$0.00	

Miscellaneous Information

Deposits at FDIC-insured institutions, including Village Bank, are insured up to at least \$250,000 per depositor. In addition, under the Dodd Frank Act, all funds in a “noninterest-bearing transaction account” are insured in full by the Federal Deposit Insurance Corporation from December 31, 2010 through December 31, 2012. This temporary unlimited coverage is in addition to, and separate from, the coverage of at least \$250,000 available to depositors under the FDIC’s general deposit insurance rules.

If the unlimited insurance coverage available through December 31, 2012 is not extended, Village Bank will purchase \$3,000,000 in Federal Home Loan Bank Standby Letter of Credits to insure up \$3,000,000 in deposits from the City of Ramsey through December 31, 2013. The costs for the Letter of Credit will be split evenly between Village Bank and the City of Ramsey. Currently, the cost of a standby letter of credit is 12.5 basis points. The cost for a \$3,000,000 standby letter of credit is \$3,750, which will be split evenly between Village Bank and the City of Ramsey. Any deposits in excess of \$3,000,000 will not be insured, which would not be in conformance with Minnesota Statutes 118A. Therefore, it is important that the City of Ramsey works closely with Village Bank to ensure the maximum coverage limit is not exceeded.

The pricing outlined in this proposal is effective January 1, 2013 through December 31, 2013.

ATTACHMENTS

REPORT OF CONDITION

Consolidating domestic subsidiaries of

Village Bank

in the state of MN at close of business on June 30, 2012

published in response to call made by (Enter additional information below)

Statement of Resources and Liabilities

Dollar Amounts in Thousands

ASSETS

Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin		6,233
Interest-bearing balances		22,513
Securities:		
Held-to-maturity securities		0
Available-for-sale securities		19,065
Federal funds sold and securities purchased under agreements to resell:		
Federal funds sold		0
Securities purchased under agreements to resell		0
Loans and lease financing receivables:		
Loans and leases held for sale		0
Loans and leases, net of unearned income	135,479	
LESS: Allowance for loan and lease losses	7,751	
Loans and leases, net of unearned income and allowance		127,728
Trading Assets		0
Premises and fixed assets (including capitalized leases)		5,625
Other real estate owned		8,188
Investments in unconsolidated subsidiaries and associated companies		0
Direct and indirect investments in real estate ventures		0
Intangible assets:		
Goodwill		0
Other intangible assets		0
Other assets		1,363
Total assets		190,715

REPORT OF CONDITION (Continued)

LIABILITIES

Dollar Amounts in Thousands

Deposits:

In domestic offices		176,560
Noninterest-bearing	41,513	
Interest-bearing	135,047	
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased		0
Securities sold under agreements to repurchase		0
Trading liabilities		0
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)		5,000
Subordinated notes and debentures		0
Other liabilities		1,430
Total liabilities		182,990

EQUITY CAPITAL

Bank Equity Capital		0
Perpetual preferred stock and related surplus		141
Common stock		20,859
Surplus (excludes all surplus related to preferred stock)		(13,611)
Retained earnings		336
Accumulated other comprehensive income		0
Other equity capital components		7,725
Total bank equity capital		0
Noncontrolling (minority) interest in consolidated subsidiaries		7,725
Total equity capital		190,715
Total liabilities and equity capital		

We, the undersigned directors (trustees), attest to the correctness of the Reports of Condition and Income (including the supporting schedules) for this report date and declare that the Reports of Condition and Income have been examined by us and to the best of our knowledge and belief have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct.

I, Bill Rew, CFO

(Name, Title)

of the above named bank do hereby declare
that this Report of Condition is true and
correct to the best of my knowledge and belief.

Director #1

Director #2

Director #3

Federal Financial Institutions Examination Council

Consolidated Reports of Condition and Income for a Bank With Domestic Offices Only—FFIEC 041

Report at the close of business June 30, 2012

(20120630)

(RCON 9999)

This report is required by law: 12 U.S.C. §324 (State member banks); 12 U.S.C. §1817 (State nonmember banks); 12 U.S.C. §161 (National banks) and 12 U.S.C. §1464 (Savings associations).

Unless the context indicates otherwise, the term "bank" in this report form refers to both banks and Savings associations.

This report form is to be filed by banks with domestic offices only. Banks with foreign offices (as defined in the instructions) must file FFIEC 031.

NOTE: Each bank's board of directors and senior management are responsible for establishing and maintaining an effective system of internal control, including controls over the Reports of Condition and Income. The Reports of Condition and Income are to be prepared in accordance with federal regulatory authority instructions. The Reports of Condition and Income must be signed by the Chief Financial Officer (CFO) of the reporting bank (or by the individual performing an equivalent function) and attested to by not less than two directors (trustees) for State nonmember banks and three directors for state member banks, national banks, and savings associations.

schedules) for this report date have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct to the best of my knowledge and belief.

We, the undersigned directors (trustees), attest to the correctness of the Reports of Condition and Income (including the supporting schedules) for this report date and declare that the Reports of Condition and Income have been examined by us and to the best of our knowledge and belief have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct.

I, the undersigned CFO (or equivalent) of the named bank, attest that the Reports of Condition and Income (including the supporting

Director (Trustee)

Signature of Chief Financial Officer (or Equivalent)

Director (Trustee)

Date of Signature

Director (Trustee)

Submission of Reports

Each bank must file its Reports of Condition and Income (Call Report) data by either:

To fulfill the signature and attestation requirement for the Reports of Condition and Income for this report date, attach your bank's completed signature page (or a photocopy or a computer-generated version of this page) to the hard-copy record of the data file submitted to the CDR that your bank must place in its files.

- (a) Using computer software to prepare its Call Report and then submitting the report data directly to the FFIEC's Central Data Repository (CDR), an Internet-based system for data collection (<https://cdr.ffiec.gov/cdr/>), or
- (b) Completing its Call Report in paper form and arranging with a software vendor or another party to convert the data into the electronic format that can be processed by the CDR. The software vendor or other party then must electronically submit the bank's data file to the CDR.

The appearance of your bank's hard-copy record of the submitted data file need not match exactly the appearance of the FFIEC's sample report forms, but should show at least the caption of each Call Report item and the reported amount.

For technical assistance with submissions to the CDR, please contact the CDR Help Desk by telephone at (888) CDR-3111, by fax at (703) 774-3946, or by e-mail at CDR.Help@ffiec.gov.

Village Bank

Legal Title of Bank (RSSD 9017)

St. Francis

City (RSSD 9130)

MN

55070

State Abbrev. (RSSD 9200)

Zip Code (RSSD 9220)

FDIC Certificate Number

33761

(RSSD 9050)

The estimated average burden associated with this information collection is 50.1 hours per respondent and is estimated to vary from 17 to 700 hours per response, depending on individual circumstances. Burden estimates include the time for reviewing instructions, gathering and maintaining data in the required form, and completing the information collection, but exclude the time for compiling and maintaining business records in the normal course of a respondent's activities. A Federal agency may not conduct or sponsor, and an organization (or a person) is not required to respond to a collection of information, unless it displays a currently valid OMB control number. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503, and to one of the following: Secretary, Board of Governors of the Federal Reserve System, Washington, DC 20551; Legislative and Regulatory Analysis Division, Office of the Comptroller of the Currency, Washington, DC 20219; Assistant Executive Secretary, Federal Deposit Insurance Corporation, Washington, DC 20429.

Consolidated Reports of Condition and Income for A Bank With Domestic Offices Only

Table of Contents

Signature Page _____	1	Schedule RC-G - Other Liabilities _____	RC-22
Contact Information _____	3,4	Schedule RC-K - Quarterly Averages _____	RC-23
Report of Income		Schedule RC-L - Derivatives and Off-Balance Sheet Items _____	RC-24, 25, 26, 27
Schedule RI - Income Statement _____	RI-1, 2, 3, 4	Schedule RC-M - Memoranda _____	RC-28, 29, 30
Schedule RI-A - Changes in Bank Equity Capital _____	RI-5	Schedule RC-N - Past Due and Nonaccrual Loans, Leases, and Other Assets _____	RC-31, 32, 33, 34, 35, 36
Schedule RI-B - Charge-offs and Recoveries on Loans and Leases and Changes in Allowance for Loan and Lease Losses _____	RI-5, 6, 7	Schedule RC-O - Other Data for Deposit Insurance and FICO Assessments _____	RC-37, 38, 39,40
Schedule RI-E - Explanations _____	RI-8, 9	Schedule RC-P— 1-4 Family Residential Mortgage Banking Activities (to be completed only by selected banks) _____	RC-41
Report of Condition		Schedule RC-Q— Assets and Liabilities Measured at Fair Value on a Recurring Basis (to be completed only by selected banks) _____	RC-42, 43
Schedule RC - Balance Sheet _____	RC-1, 2	Schedule RC-R - Regulatory Capital _____	RC-44, 45, 46 47, 48, 49
Schedule RC-A - Cash and Balances Due From Depository Institutions (to be completed only by selected banks) _____	RC-3	Schedule RC-S - Servicing, Securitization, and Asset Sale Activities _____	RC- 50, 51, 52
Schedule RC-B - Securities _____	RC-3, 4, 5, 6, 7, 8	Schedule RC-T - Fiduciary and Related Services _____	RC- 53, 54, 55, 56
Schedule RC-C - Loans and Lease Financing Receivables: Part I. Loans and Leases _____	RC- 9, 10, 11, 12, 13, 14	Schedule RC-V - Variable Interest Entities _____	RC-57
Part II. Loans to Small Businesses and Small Farms _____	RC-15, 16	Optional Narrative Statement Concerning the Amounts Reported in the Reports of Condition and Income _____	RC-58
Schedule RC-D - Trading Assets and Liabilities (to be completed only by selected banks) _____	RC-17, 18, 19		
Schedule RC-E - Deposit Liabilities _____	RC-20, 21		
Schedule RC-F - Other Assets _____	RC-22		

Contact Information for the Reports of Condition and Income

To facilitate communication between the Agencies and the bank concerning the Reports of Condition and Income, please provide contact information for (1) the Chief Financial Officer (or equivalent) of the bank signing the reports for this quarter and (2) the person at the bank - other than the Chief Financial Officer (or equivalent) - to whom questions about the reports should be directed. If the Chief Financial Officer (or equivalent) is the primary contact for questions about the reports, please provide contact information for another person at the bank who will serve as a secondary contact for communications between the Agencies and the bank concerning the Reports of Condition and Income. Enter "none" for the contact's e-mail address or fax number if not available. Contact information for the Reports of Condition and Income is for the confidential use of the Agencies and will not be released to the public.

Chief Financial Officer (or Equivalent) Signing the Reports

Bill Rew
Name (TEXT C490)
CFO
Title (TEXT C491)
brew@villagebankonline.com
E-mail Address (TEXT C492)
(763) 398-3567
Telephone: Area code/phone number/extension (TEXT C493)
(763) 780-3500
FAX: Area code/phone number (TEXT C494)

Other Person to Whom Questions about the Reports Should be Directed

Ann Goettsch
Name (TEXT C495)
EVP
Title (TEXT C496)
goettsch@villagebankonline.com
E-mail Address (TEXT 4086)
(763) 398-3532
Telephone: Area code/phone number/extension (TEXT 8902)
(763) 780-3500
FAX: Area code/phone number (TEXT 9116)

Emergency Contact Information

This information is being requested so the Agencies can distribute critical, time sensitive information to emergency contacts at banks. Please provide primary contact information for a senior official of the bank who has decision-making authority. Also provide information for a secondary contact if available. Enter "none" for the contact's e-mail address or fax number if not available. Emergency contact information is for the confidential use of the Agencies and will not be released to the public.

Primary Contact

Bill Rew
Name (TEXT C366)
CFO
Title (TEXT C367)
brew@villagebankonline.com
E-mail Address (TEXT C368)
(763) 398-3567
Telephone: Area code/phone number/extension (TEXT C369)
(763) 780-3500
FAX: Area code/phone number (TEXT C370)

Secondary Contact

Name (TEXT C371)
Title (TEXT C372)
E-mail Address (TEXT C373)
Telephone: Area code/phone number/extension (TEXT C374)
FAX: Area code/phone number (TEXT C375)

USA PATRIOT Act Section 314(a) Anti-Money Laundering Contact Information

This information is being requested to identify points-of-contact who are in charge of your bank's USA PATRIOT Act Section 314(a) information requests. Bank personnel listed could be contacted by law enforcement officers or the Financial Crimes Enforcement Network (FinCEN) for additional information related to specific Section 314(a) search requests or other anti-terrorist financing and anti-money laundering matters. Communications sent by FinCEN to the bank for purposes other than Section 314(a) notifications will state the intended purpose and should be directed to the appropriate bank personnel for review. Any disclosure of customer records to law enforcement officers or FinCEN must be done in compliance with applicable law, including the Right to Financial Privacy Act (12 U.S.C. 3401 et seq.).

Please provide information for a primary and secondary contact. Information for a third and fourth contact may be provided at the bank's option. Enter "none" for the contact's e-mail address if not available. This contact information is for the confidential use of the Agencies, FinCEN, and law enforcement officers and will not be released to the public.

Primary Contact

Krissy Stodola
Name (TEXT C437)
Executive Assistant
Title (TEXT C438)
kstodola@villagebankonline.com
E-mail Address (TEXT C439)
(763) 398-3559
Telephone: Area code/phone number/extension (TEXT C440)

Secondary Contact

Jenny Forschen
Name (TEXT C442)
Internal Auditor / Compliance Officer
Title (TEXT C443)
jforschen@villagebankonline.com
E-mail Address (TEXT C444)
(763) 398-8020
Telephone: Area code/phone number/extension (TEXT C445)

Third Contact

Elaine Lenzen
Name (TEXT C870)
Teller Manager
Title (TEXT C871)
elenzen@villagebankonline.com
E-mail Address (TEXT C872)
(763) 398-3553
Telephone: Area code/phone number/extension (TEXT C873)

Fourth Contact

Name (TEXT C875)

Title (TEXT C876)

E-mail Address (TEXT C877)

Telephone: Area code/phone number/extension (TEXT C878)

Village Bank

Legal Title of Bank

St. Francis

City

MN**55070**

State

Zip Code

FDIC Certificate Number: 33761

FFIEC 041
Page 5 of 71

RI-1

Consolidated Report of Income

for the period January 1, 2012 – June 30, 2012

All Report of Income schedules are to be reported on a calendar year-to-date basis in thousands of dollars.

Schedule RI—Income Statement

Dollar Amounts in Thousands		RIAD	Bil Mil Thou	
1. Interest Income:				
a. Interest and fee income on loans:				
(1) Loans secured by real estate:				
(a) Loans secured by 1-4 family residential properties		4435	668	1.a.1.a
(b) All other loans secured by real estate		4436	2,504	1.a.1.b
(2) Commercial and industrial loans		4012	997	1.a.2
(3) Loans to individuals for household, family, and other personal expenditures:				
(a) Credit cards		B485	0	1.a.3.a
(b) Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans)		B486	77	1.a.3.b
(4) Loans to foreign governments and official institutions		4056	0	1.a.4
(5) All other loans (1)		4058	67	1.a.5
(6) Total interest and fee income on loans (sum of items 1.a.(1)(a) through 1.a.(5))		4010	4,313	1.a.6
b. Income from lease financing receivables		4065	0	1.b
c. Interest income on balances due from depository institutions (2)		4115	48	1.c
d. Interest and dividend income on securities:				
(1) U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities)		B488	19	1.d.1
(2) Mortgage-backed securities		B489	163	1.d.2
(3) All other securities (includes securities issued by states and political subdivisions in the U.S.)		4060	12	1.d.3
e. Interest income from trading assets		4069	0	1.e
f. Interest income on federal funds sold and securities purchased under agreements to resell		4020	0	1.f
g. Other interest income		4518	14	1.g
h. Total interest income (sum of items 1.a.(6) through 1.g)		4107	4,569	1.h
2. Interest expense:				
a. Interest on deposits:				
(1) Transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)		4508	6	2.a.1
(2) Nontransaction accounts:				
(a) Savings deposits (includes MMDAs)		0093	60	2.a.2.a
(b) Time deposits of \$100,000 or more		A517	171	2.a.2.b
(c) Time deposits of less than \$100,000		A518	312	2.a.2.c
b. Expense of federal funds purchased and securities sold under agreements to repurchase		4180	0	2.b
c. Interest on trading liabilities and other borrowed money		4185	65	2.c

(1) Includes interest and fee income on "Loans to depository institutions and acceptances of other banks," "Loans to finance agricultural production and other loans to farmers," "Obligations (other than securities and leases) of states and political subdivisions in the U.S.," and "Loans to nondepository financial institutions and other loans."

(2) Includes interest income on time certificates of deposit not held for trading.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 6 of 71

RI-2

Schedule RI—Continued

		Year-to-date			
Dollar Amounts in Thousands		RIAD	Bil Mil Thou		
2. Interest expense (continued):					
d. Interest on subordinated notes and debentures		4200	0	2.d	
e. Total interest expense (sum of items 2.a through 2.d)		4073	614	2.e	
3. Net interest income (item 1.h minus 2.e)				4074	3,955
4. Provision for loan and lease losses				4230	1,765
5. Noninterest income:					
a. Income from fiduciary activities (1)		4070	0	5.a	
b. Service charges on deposit accounts		4080	381	5.b	
c. Trading revenue (2)		A220	0	5.c	
d. (1) Fees and commissions from securities brokerage		C886	0	5.d.1	
(2) Investment banking, advisory, and underwriting fees and commissions		C888	0	5.d.2	
(3) Fees and commissions from annuity sales		C887	0	5.d.3	
(4) Underwriting income from insurance and reinsurance activities		C386	0	5.d.4	
(5) Income from other insurance activities		C387	0	5.d.5	
e. Venture capital revenue		B491	0	5.e	
f. Net servicing fees		B492	0	5.f	
g. Net securitization income		B493	0	5.g	
h. Not applicable					
i. Net gains (losses) on sales of loans and leases		5416	0	5.i	
j. Net gains (losses) on sales of other real estate owned		5415	(289)	5.j	
k. Net gains (losses) on sales of other assets (excluding securities)		B496	12	5.k	
l. Other noninterest income*		B497	452	5.l	
m. Total noninterest income (sum of items 5.a through 5.l)				4079	556
6. a. Realized gains (losses) on held-to-maturity securities				3521	0
b. Realized gains (losses) on available-for-sale securities				3196	59
7. Noninterest expense:					
a. Salaries and employee benefits		4135	1,713	7.a	
b. Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest)		4217	549	7.b	
c. (1) Goodwill impairment losses		C216	0	7.c.1	
(2) Amortization expense and impairment losses for other intangible assets		C232	0	7.c.2	
d. Other noninterest expense*		4092	2,010	7.d	
e. Total noninterest expense (sum of items 7.a through 7.d)				4093	4,272
8. Income (loss) before income taxes and extraordinary items and other adjustments (item 3 plus or minus items 4, 5.m, 6.a, 6.b, and 7.e)				4301	(1,467)
9. Applicable income taxes (on item 8)				4302	0
10. Income (loss) before extraordinary items and other adjustments (item 8 minus item 9)				4300	(1,467)
11. Extraordinary items and other adjustments, net of income taxes*				4320	0
12. Net income (loss) attributable to bank and noncontrolling (minority) interests (sum of items 10 and 11)				G104	(1,467)
13. LESS: Net income (loss) attributable to noncontrolling (minority) interests (if net income, report as a positive value; if net loss, report as a negative value)				G103	0
14. Net income (loss) attributable to bank (item 12 minus item 13)				4340	(1,467)

* Describe on Schedule RI-E—Explanations

(1) For banks required to complete Schedule RC-T, items 14 through 22, income from fiduciary activities reported in Schedule RI, item 5.a, must equal the amount reported in Schedule RC-T, item 22.

(2) For banks required to complete Schedule RI, Memorandum item 8, trading revenue reported in Schedule RI, item 5.c, must equal the sum of Memorandum items 8.a through 8.e.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041

Page 7 of 71

RI-3

Schedule RI—Continued

Memoranda

	Dollar Amounts in Thousands	Year-to-date			
		RIAD	Bil Mil Thou		
1. Interest expense incurred to carry tax-exempt securities, loans, and leases acquired after August 7, 1986, that is not deductible for federal income tax purposes		4513	0		M.1
<i>Memorandum item 2 is to be completed by banks with \$1 billion or more in total assets. (1)</i>					
2. Income from the sale and servicing of mutual funds and annuities (included in Schedule RI, item 8)		8431	N/A		M.2
3. Income on tax-exempt loans and leases to states and political subdivisions in the U.S. (included in Schedule RI, items 1.a and 1.b)		4313	67		M.3
4. Income on tax-exempt securities issued by states and political subdivisions in the U.S. (included in Schedule RI, item 1.d.(3))		4507	8		M.4
5. Number of full-time equivalent employees at end of current period (round to nearest whole number)			Number		
		4150	62		M.5
<i>Memorandum item 6 is to be completed by: (1)</i>					
• banks with \$300 million or more in total assets, and					
• banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part I, item 3) exceeding five percent of total loans.					
6. Interest and fee income on loans to finance agricultural production and other loans to farmers (included in Schedule RI, item 1.a.(5))		4024	N/A		M.6
7. If the reporting bank has restated its balance sheet as a result of applying push down accounting this calendar year, report the date of the bank's acquisition (2)		RIAD	CCYY/MM/DD		
		9106	0		M.7
8. Trading revenue (from cash instruments and derivative instruments) (sum of Memorandum items 8.a through 8.e must equal Schedule RI, item 5.c)					
<i>Memorandum items 8.a through 8.e are to be completed by banks that reported average trading assets (Schedule RC-K, item 7) of \$2 million or more for any quarter of the preceding calendar year.</i>					
a. Interest rate exposures		8757	N/A		M.8.a
b. Foreign exchange exposures		8758	N/A		M.8.b
c. Equity security and index exposures		8759	N/A		M.8.c
d. Commodity and other exposures		8760	N/A		M.8.d
e. Credit exposures		F186	N/A		M.8.e
<i>Memoranda items 8.f and 8.g are to be completed by banks \$100 billion or more in total assets that are required to complete Schedule RI, Memorandum items 8.a through 8.e, above.(1)</i>					
f. Impact on trading revenue of changes in the creditworthiness of the bank's derivatives counterparties on the bank's derivative assets (included in Memorandum items 8.a through 8.e above)		K090	N/A		M.8.f
g. Impact on trading revenue of changes in the creditworthiness of the bank on the bank's derivative liabilities (included in Memorandum items 8.a through 8.e above)		K094	N/A		M.8.g
9. Net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account:					
a. Net gains (losses) on credit derivatives held for trading		C889	0		M.9.a
b. Net gains (losses) on credit derivatives held for purposes other than trading		C890	0		M.9.b
10. To be completed by banks with \$300 million or more in total assets:(1)					
Credit losses on derivatives (see instructions)		A251	N/A		M.10
11. Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year?		RIAD	YES / NO		
		A530	YES		M.11
<i>Memorandum item 12 is to be completed by banks that are required to complete Schedule RC-C, part I, Memorandum items 8.b and 8.c.</i>					
12. Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties (included in Schedule RI, item 1.a.(1)(a))		F228	N/A		M.12

(1) The asset size tests and the five percent of total loans test are generally based on the total assets and total loans reported on the June 30, 2011, Report of Condition.

(2) For example, a bank acquired on March 1, 2012, would report 2012/03/01

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041

Page 8 of 71

RI-4

Schedule RI—Continued**Memoranda — Continued**

Dollar Amounts in Thousands

	Year-to-date		
	RIAD	Bil Mil Thou	
<i>Memorandum item 13 is to be completed by banks that have elected to account for assets and liabilities under a fair value option.</i>			
13. Net gains (losses) recognized in earnings on assets and liabilities that are reported at fair value under a fair value option:			
a. Net gains (losses) on assets	F551	N/A	M.13.a
(1) Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk	F552	N/A	M.13.a.1
b. Net gains (losses) on liabilities	F553	N/A	M.13.b
(1) Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk	F554	N/A	M.13.b.1
14. Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities:			
a. Total other-than-temporary impairment losses	J319	0	M.14.a
b. Portion of losses recognized in other comprehensive income (before income taxes)	J320	0	M.14.b
c. Net impairment losses recognized in earnings (included in Schedule RI, items 6.a and 6.b) (Memorandum item 14.a minus Memorandum item 14.b)	J321	0	M.14.c

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041

Page 9 of 71

RI-5

Schedule RI-A—Changes in Bank Equity Capital

Indicate decreases and losses in parentheses.

Dollar Amounts in Thousands

	RIAD	Bil Mil Thou	
1. Total bank equity capital most recently reported for the December 31, 2011, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)	3217	9,208	1
2. Cumulative effect of changes in accounting principles and corrections of material accounting errors*	B507	0	2
3. Balance end of previous calendar year as restated (sum of items 1 and 2)	B508	9,208	3
4. Net income (loss) attributable to bank (must equal Schedule RI, item 14)	4340	(1,467)	4
5. Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions)	B509	0	5
6. Treasury stock transactions, net	B510	0	6
7. Changes incident to business combinations, net	4356	0	7
8. LESS: Cash dividends declared on preferred stock	4470	0	8
9. LESS: Cash dividends declared on common stock	4460	0	9
10. Other comprehensive income(1)	B511	(16)	10
11. Other transactions with parent holding company* (not included in items 5, 6, 8, or 9 above)	4415	0	11
12. Total bank equity capital end of current period (sum of items 3 through 11)(must equal Schedule RC, item 27.a)	3210	7,725	12

* Describe on Schedule RI-E - Explanations.

(1) Includes changes in net unrealized holding gains (losses) on available-for-sale securities, changes in accumulated net gains (losses) on cash flow hedges, and pension and other postretirement plan-related changes other than net periodic benefit cost.

Schedule RI-B—Charge-offs and Recoveries on Loans and Leases and Changes in Allowance for Loan and Lease Losses

Part I. Charge-offs and Recoveries on Loans and Leases

Part I includes charge-offs and recoveries through the allocated transfer risk reserve.

Dollar Amounts in Thousands

Part 1. Charge-offs and Recoveries on Loans and Leases

Part I includes charge-offs and recoveries through the allocated transfer risk reserve.

Dollar Amounts in Thousands

	(Column A) Charge-offs(1)		(Column B) Recoveries		
	Calendar year-to-date				
	RIAD	Bil Mil Thou	RIAD	Bil Mil Thou	
1. Loans secured by real estate:					
a. Construction, land development, and other land loans:					
(1) 1-4 family residential construction loans	C891	0	C892	0	1.a.1
(2) Other construction loans and all land development and other land loans	C893	827	C894	16	1.a.2
b. Secured by farmland	3584	0	3585	0	1.b
c. Secured by 1-4 family residential properties:					
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	5411	115	5412	0	1.c.1
(2) Closed-end loans secured by 1-4 family residential properties:					
(a) Secured by first liens	C234	160	C217	32	1.c.2.a
(b) Secured by junior liens	C235	315	C218	1	1.c.2.b
d. Secured by multifamily (5 or more) residential properties	3588	0	3589	0	1.d
e. Secured by nonfarm nonresidential properties:					
(1) Loans secured by owner-occupied nonfarm nonresidential properties	C895	1,022	C896	0	1.e.1
(2) Loans secured by other nonfarm nonresidential properties	C897	720	C898	1	1.e.2
2. Loans to depository institutions and acceptances of other banks	4481	0	4482	0	2
3. Not applicable					
4. Commercial and industrial loans	4638	658	4608	158	4
5. Loans to individuals for household, family, and other personal expenditures:					
a. Credit cards	B514	0	B515	0	5.a
b. Automobile Loans	K129	0	K133	0	5.b
c. Other (Includes revolving credit plans other than credit cards and other consumer loans)	K205	4	K206	0	5.c
6. Loans to foreign governments and official institutions	4643	0	4627	0	6
7. All other loans (2)	4644	20	4628	3	7
8. Lease financing receivables	4266	0	4267	0	8
9. Total (sum of items 1 through 8)	4635	3,841	4605	211	9

(1) Include write-downs arising from transfers of loans to a held-for-sale account.

(2) Includes charge-offs and recoveries on "Loans to finance agricultural production and other loans to farmers," "Obligations

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 10 of 71
RI-6

Schedule RI-B Continued

Part I. Continued
Memoranda

Dollar Amounts in Thousands

Part I. Continued		(Column A)		(Column B)					
		Charge-offs(1)		Recoveries					
		Calendar year-to-date							
Memoranda		RIAD		Bil Mil Thou		RIAD		Bil Mil Thou	
Dollar Amounts in Thousands									
1. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RI-B, part I, items 4 and 7, above		5409	0	5410	0	M.1			
2. Memorandum items 2.a through 2.d are to be completed by banks with \$300 million or more in total assets:(2)									
a. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 1, above)		4652	N/A	4662	N/A	M.2.a			
b. Loans to and acceptances of foreign banks (included in Schedule RI-B, part I, item 2, above)		4654	N/A	4664	N/A	M.2.b			
c. Commercial and industrial loans to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 4, above)		4646	N/A	4618	N/A	M.2.c			
d. Leases to individuals for household, family, and other personal expenditures (included in Schedule RI-B, part I, item 8, above)		F185	N/A	F187	N/A	M.2.d			
3. Memorandum item 3 is to be completed by:(2)									
• banks with \$300 million or more in total assets, and									
• banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part I, item 3) exceeding five percent of total loans:									
Loans to finance agricultural production and other loans to farmers (included in Schedule RI-B, part I, item 7, above)		4655	N/A	4665	N/A	M.3			
Memorandum item 4 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.									
4. Uncollectible retail credit card fees and finance charges reversed against income (i.e., not included in charge-offs against the allowance for loan and lease losses)									

Calendar year-to-date			
RIAD	Bil	Mil	Thou
C388			N/A

M.4

(1) Include write-downs arising from transfers of loans to a held-for-sale account.

(2) The \$300 million asset size test and the five percent of total loans test are generally based on the total assets and total loans reported on the June 30, 2011, Report of Condition.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 11 of 71
RI-7**Schedule RI-B Continued****Part II. Changes in Allowance for Loan and Lease Losses**

	Dollar Amounts in Thousands	RIAD	Bil Mil Thou	
1. Balance most recently reported for the December 31, 2011, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)		B522	9,616	1
2. Recoveries (must equal part I, item 9, column B, above)		4605	211	2
3. LESS: Charge-offs (must equal part I, item 9, column A, above less Schedule RI-B, part II, item 4)		C079	3,841	3
4. LESS: Write-downs arising from transfers of loans to a held-for-sale account		5523	0	4
5. Provision for loan and lease losses (must equal Schedule RI, item 4)		4230	1,765	5
6. Adjustments* (see instructions for this schedule)		C233	0	6
7. Balance end of current period (sum of items 1, 2, 5, and 6, less items 3 and 4) (must equal Schedule RC, item 4.c)		3123	7,751	7

* Describe on Schedule RI-E—Explanations.

	Dollar Amounts in Thousands	RIAD	Bil Mil Thou	
Memoranda				
1. Allocated transfer risk reserve included in Schedule RI-B, part II, item 7, above		C435	0	M.1
<i>Memorandum items 2 and 3 are to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.</i>				
2. Separate valuation allowance for uncollectible retail credit card fees and finance charges		C389	N/A	M.2
3. Amount of allowance for loan and lease losses attributable to retail credit card fees and finance charges		C390	N/A	M.3
<i>Memorandum item 4 is to be completed by all banks.</i>				
4. Amount of allowance for post-acquisition credit losses on purchased credit impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (included in Schedule RI-B, part II, item 7, above)		C781	0	M.4

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 12 of 71
RI-8

Schedule RI-E—Explanations

Schedule RI-E is to be completed each quarter on a calendar year-to-date basis.

Detail all adjustments in Schedule RI-A and RI-B, all extraordinary items and other adjustments in Schedule RI, and all significant items of other noninterest income and other noninterest expense in Schedule RI.

(See instructions for details.)

		Dollar Amounts in Thousands		Year-to-date		
				RIAD	Bl Mil Thou	
1. Other noninterest income (from Schedule RI, item 5.I)						
Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 5.I:						
	a.	Income and fees from the printing and sale of checks	C013	0		1.a
	b.	Earnings on/increase in value of cash surrender value of life insurance	C014	0		1.b
	c.	Income and fees from automated teller machines (ATMs)	C016	0		1.c
	d.	Rent and other income from other real estate owned	4042	145		1.d
	e.	Safe deposit box rent	C015	0		1.e
	f.	Net change in the fair values of financial instruments accounted for under a fair value option	F229	0		1.f
	g.	Bank card and credit card interchange fees	F555	192		1.g
	h.	Gains on bargain purchases	J447	0		1.h
TEXT						
i.	4461		4461	0		1.i
j.	4462		4462	0		1.j
k.	4463		4463	0		1.k
2. Other noninterest expense (from Schedule RI, item 7.d)						
Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 7.d:						
	a.	Data processing expenses	C017	127		2.a
	b.	Advertising and marketing expenses	0497	71		2.b
	c.	Directors' fees	4136	0		2.c
	d.	Printing, stationery, and supplies	C018	0		2.d
	e.	Postage	8403	0		2.e
	f.	Legal fees and expenses	4141	0		2.f
	g.	FDIC deposit insurance assessments	4146	380		2.g
	h.	Accounting and auditing expenses	F556	0		2.h
	i.	Consulting and advisory expenses	F557	104		2.i
	j.	Automated teller machine (ATM) and interchange expenses	F558	0		2.j
	k.	Telecommunications expenses	F559	0		2.k
TEXT						
l.	4464	Loan and collections	4464	279		2.l
m.	4467	OREO expenses	4467	692		2.m
n.	4468		4468	0		2.n
3. Extraordinary items and other adjustments and applicable income tax effect (from Schedule RI, item 11) (Itemize and describe all extraordinary items and other adjustments):						
TEXT						
a.(1)	4469		4469	0		3.a.1
(2)		Applicable income tax effect	4486	0		3.a.2
b.(1)	4487		4487	0		3.b.1
(2)		Applicable income tax effect	4488	0		3.b.2
c.(1)	4489		4489	0		3.c.1
(2)		Applicable income tax effect	4491	0		3.c.2

Schedule RI-E—Continued

		Dollar Amounts in Thousands		Year-to-date		
				RIAD	Bil Mil Thou	
4. Cumulative effect of changes in accounting principles and corrections of material accounting errors (from Schedule RI-A, item 2) (itemize and describe all such effects):						
a. TEXT						
a.	B526			B526	0	4.a
b. TEXT						
b.	B527			B527	0	4.b
5. Other transactions with parent holding company (from Schedule RI-A, item 11) (itemize and describe all such transactions):						
a. TEXT						
a.	4498			4498	0	5.a
b.	4499			4499	0	5.b
6. Adjustments to allowance for loan and lease losses (from Schedule RI-B, part II, item 6) (itemize and describe all adjustments):						
a. TEXT						
a.	4521			4521	0	6.a
b.	4522			4522	0	6.b
7. Other explanations (the space below is provided for the bank to briefly describe, at its option, any other significant items affecting the Report of Income):						
Comments?				RIAD	YES / NO	
				4769	NO	7

Other explanations (please type or print clearly):

TEXT (70 characters per line)

[illegible]

Village Bank

Legal Title of Bank

St. Francis

City

MN 55070

State Zip Code

FDIC Certificate Number: 33761

FFIEC 041
Page 14 of 71
RC-1**Consolidated Report of Condition for Insured Banks
and Savings Associations for June 30, 2012****All schedules are to be reported in thousands of dollars. Unless otherwise indicated,
report the amount outstanding as of the last business day of the quarter.****Schedule RC—Balance Sheet**

Dollar Amounts in Thousands			RCON	Bil Mil Thou	
Assets					
1. Cash and balances due from depository institutions (from Schedule RC-A):					
a. Noninterest-bearing balances and currency and coin(1)			0081	6,233	1.a
b. Interest-bearing balances(2)			0071	22,513	1.b
2. Securities:					
a. Held-to-maturity securities (from Schedule RC-B, column A)			1754	0	2.a
b. Available-for-sale securities (from Schedule RC-B, column D)			1773	19,065	2.b
3. Federal funds sold and securities purchased under agreements to resell:					
a. Federal funds sold			B987	0	3.a
b. Securities purchased under agreements to resell(3)			B989	0	3.b
4. Loans and lease financing receivables (from Schedule RC-C):					
a. Loans and leases held for sale			5369	0	4.a
b. Loans and leases, net of unearned income	B528	135,479			4.b
c. LESS: Allowance for loan and lease losses (must equal Report of Income Schedule RI B, part II, item 7)	3123	7,751			4.c
d. Loans and leases, net of unearned income and allowance (item 4.b minus 4.c)			B529	127,728	4.d
5. Trading assets (from Schedule RC-D)			3545	0	5
6. Premises and fixed assets (including capitalized leases)			2145	5,625	6
7. Other real estate owned (from Schedule RC-M)			2150	8,188	7
8. Investments in unconsolidated subsidiaries and associated companies			2130	0	8
9. Direct and indirect investments in real estate ventures			3656	0	9
10. Intangible assets:					
a. Goodwill			3163	0	10.a
b. Other intangible assets (from Schedule RC-M)			0426	0	10.b
11. Other assets (from Schedule RC-F)			2160	1,363	11
12. Total assets (sum of items 1 through 11)			2170	190,715	12

(1) Includes cash items in process of collection and unposted debits.

(2) Includes time certificates of deposit not held for trading.

(3) Includes all securities resale agreements, regardless of maturity.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 15 of 71

RC-2

Schedule RC - Continued

Dollar Amounts in Thousands				RC	CON	Bil	Mil	Thou	
Liabilities									
13. Deposits:									
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E)				2200		176,560			13.a
(1) Noninterest-bearing(1)				6631	41,513				13.a.1
(2) Interest-bearing				6636	135,047				13.a.2
b. Not Applicable									
14. Federal funds purchased and securities sold under agreements to repurchase:									
a. Federal funds purchased(2)				B993		0			14.a
b. Securities sold under agreements to repurchase(3)				B995		0			14.b
15. Trading liabilities (from Schedule RC-D)									
				3548		0			15
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-M)									
				3190		5,000			16
17. and 18. Not Applicable									
19. Subordinated notes and debentures(4)				3200		0			19
20. Other liabilities (from Schedule RC-G)				2930		1,430			20
21. Total liabilities (sum of items 13 through 20)				2948		182,990			21
22. Not Applicable									
Equity Capital									
Bank Equity Capital									
23. Perpetual preferred stock and related surplus				3838		0			23
24. Common stock				3230		141			24
25. Surplus (excludes all surplus related to preferred stock)				3839		20,859			25
26. a. Retained earnings				3632		(13,611)			26.a
b. Accumulated other comprehensive income(5)				B530		336			26.b
c. Other equity capital components (6)				A130		0			26.c
27. a. Total bank equity capital (sum of items 23 through 26.c)				3210		7,725			27.a
b. Noncontrolling (minority) interests in consolidated subsidiaries				3000		0			27.b
28. Total equity capital (sum of items 27.a and 27.b)				G105		7,725			28
29. Total liabilities and equity capital (sum of items 21 and 28)				3300		190,715			29

Memoranda**To be reported with the March Report of Condition.**

1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2011

RC	CON	Number
6724		N/A

M.1

- 1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank
- 2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)
- 3 = Attestation on bank management's assertion on the effectiveness of the bank's internal control over financial reporting by a certified public accounting firm

- 4 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)
- 5 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)
- 6 = Review of the bank's financial statements by external auditors
- 7 = Compilation of the bank's financial statements by external auditors
- 8 = Other audit procedures (excluding tax preparation work)
- 9 = No external audit work

To be reported with the March Report of Condition.

2. Bank's fiscal year-end date

RC	CON	MM / DD
8678		N/A

M.2

- (1) Includes noninterest-bearing demand, time, and savings deposits.
- (2) Report overnight Federal Home Loan Bank advances in Schedule RC, item 16, "Other borrowed money."
- (3) Includes all securities repurchase agreements, regardless of maturity.
- (4) Includes limited-life preferred stock and related surplus.
- (5) Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, and accumulated defined benefit pension and other post retirement plan adjustments.
- (6) Includes treasury stock and unearned Employee Stock Ownership Plan shares.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 16 of 71
RC-3**Schedule RC-A—Cash and Balances Due From Depository Institutions**

Schedule RC-A is to be completed only by banks with \$300 million or more in total assets.
Exclude assets held for trading.

Dollar Amounts in Thousands		RCON	Bil Mil Thou	
1. Cash items in process of collection, unposted debits, and currency and coin:				
a. Cash items in process of collection and unposted debits		0020	N/A	1.a
b. Currency and coin		0080	N/A	1.b
2. Balances due from depository institutions in the U.S.:				
a. U.S. branches and agencies of foreign banks		0083	N/A	2.a
b. Other commercial banks in the U.S. and other depository institutions in the U.S.		0085	N/A	2.b
3. Balances due from banks in foreign countries and foreign central banks:				
a. Foreign branches of other U.S. banks		0073	N/A	3.a
b. Other banks in foreign countries and foreign central banks		0074	N/A	3.b
4. Balances due from Federal Reserve Banks		0090	N/A	4
5. Total (sum of items 1 through 4) (must equal Schedule RC, sum of items 1.a and 1.b)		0010	N/A	5

Schedule RC-B—Securities

Exclude assets held for trading.

Exclude assets held for trading.

Dollar Amounts in Thousands	Held-to-maturity				Available-for-sale				
	(Column A) Amortized Cost		(Column B) Fair Value		(Column C) Amortized Cost		(Column D) Fair Value		
	RCON	Bil Mil Thou	RCON	Bil Mil Thou	RCON	Bil Mil Thou	RCON	Bil Mil Thou	
1. U.S. Treasury securities	0211	0	0213	0	1286	1,023	1287	1,037	1
2. U.S. Government agency obligations (exclude mortgage-backed securities):									
a. Issued by U.S. Government- agencies(1)	1289	0	1290	0	1291	0	1293	0	2.a
b. Issued by U.S. Government- sponsored agencies(2)	1294	0	1295	0	1297	1,903	1298	1,943	2.b
3. Securities issued by states and political subdivisions in the U.S.	8496	0	8497	0	8498	374	8499	391	3

(1) Includes Small Business Administration "Guaranteed Loan Pool Certificates," U.S. Maritime Administration obligations, and Export-Import Bank participation certificates.

(2) Includes obligations (other than mortgage-backed securities) issued by the Farm Credit System, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Financing Corporation, Resolution Funding Corporation, the Student Loan Marketing Association, and the Tennessee Valley Authority.

Schedule RC-B—Continued

Dollar Amounts in Thousands	Held-to-maturity						Available-for-sale										
	(Column A)			(Column B)			(Column C)		(Column D)								
	Amortized Cost			Fair Value			Amortized Cost		Fair Value								
	RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou					
4. Mortgage-backed securities (MBS):																	
a. Residential mortgage pass-through securities:																	
(1) Guaranteed by GNMA	G300			0	G301			0	G302			1,539	G303			1,586	4.a.1
(2) Issued by FNMA and FHLMC	G304			0	G305			0	G306			4,907	G307			4,990	4.a.2
(3) Other pass-through securities	G308			0	G309			0	G310			0	G311			0	4.a.3
b. Other residential mortgage-backed securities (include CMOs, REMICs, and stripped MBS):																	
(1) Issued or guaranteed by U.S. Government agencies or sponsored agencies.(1)	G312			0	G313			0	G314			7,471	G315			7,573	4.b.1
(2) Collateralized by MBS issued or guaranteed by U.S. Government agencies or sponsored agencies.(1)	G316			0	G317			0	G318			0	G319			0	4.b.2
(3) All other residential MBS	G320			0	G321			0	G322			0	G323			0	4.b.3
c. Commercial MBS:																	
(1) Commercial mortgage pass-through securities:																	
(a). Issued or guaranteed by FNMA,FHLMC or GNMA	K142			0	K143			0	K144			1,512	K145			1,545	4.c.1.a
(b). Other pass-through securities	K146			0	K147			0	K148			0	K149			0	4.c.1.b
(2) Other commercial MBS:																	
(a). Issued or guaranteed by U.S. Government agencies or sponsored agencies(1)	K150			0	K151			0	K152			0	K153			0	4.c.2.a
(b). All other commercial MBS	K154			0	K155			0	K156			0	K157			0	4.c.2.b

(1) U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 18 of 71

RC-5

Schedule RC-B—Continued

Dollar Amounts in Thousands	Held-to-maturity				Available-for-sale			
	(Column A)		(Column B)		(Column C)		(Column D)	
	Amortized Cost		Fair Value		Amortized Cost		Fair Value	
	RCON	Bil Mil Thou	RCON	Bil Mil Thou	RCON	Bil Mil Thou	RCON	Bil Mil Thou
5. Asset-backed securities and structured financial products:								
a. Asset-backed securities (ABS)	C026	0	C988	0	C989	0	C027	0
b. Structured financial products:								
(1) Cash	G336	0	G337	0	G338	0	G339	0
(2) Synthetic	G340	0	G341	0	G342	0	G343	0
(3) Hybrid	G344	0	G345	0	G346	0	G347	0
6. Other debt securities:								
a. Other domestic debt securities	1737	0	1738	0	1739	0	1741	0
b. Foreign debt securities	1742	0	1743	0	1744	0	1746	0
7. Investments in mutual funds and other equity securities with readily determinable fair values(1)								
					A510	0	A511	0
8. Total (sum of items 1 through 7) (total of column A must equal Schedule RC, item 2.a) (total of column D must equal Schedule RC, item 2.b)	1754	0	1771	0	1772	18,729	1773	19,065

(1) Report Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock in Schedule RC-F, item 4.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 19 of 71

RC-6

Schedule RC-B—Continued**Memoranda**

Dollar Amounts in Thousands		RCON	Bil Mil Thou	
1. Pledged securities(1)		0416	7,215	M.1
2. Maturity and repricing data for debt securities(1,2) (excluding those in nonaccrual status):				
a. Securities issued by the U.S. Treasury, U.S. Government agencies, and states and political subdivisions in the U.S.; other non-mortgage debt securities; and mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of:(3,4)				
(1) Three months or less	A549		257	M.2.a.1
(2) Over three months through 12 months	A550		0	M.2.a.2
(3) Over one year through three years	A551		1,316	M.2.a.3
(4) Over three years through five years	A552		1,185	M.2.a.4
(5) Over five years through 15 years	A553		1,638	M.2.a.5
(6) Over 15 years	A554		520	M.2.a.6
b. Mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of:(3,5)				
(1) Three months or less	A555		916	M.2.b.1
(2) Over three months through 12 months	A556		285	M.2.b.2
(3) Over one year through three years	A557		98	M.2.b.3
(4) Over three years through five years	A558		402	M.2.b.4
(5) Over five years through 15 years	A559		3,842	M.2.b.5
(6) Over 15 years	A560		1,033	M.2.b.6
c. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS; exclude mortgage pass-through securities) with an expected average life of:(6)				
(1) Three years or less	A561		659	M.2.c.1
(2) Over three years	A562		6,914	M.2.c.2
d. Debt securities with a REMAINING MATURITY of one year or less (included in Memorandum items 2.a through 2.c above)	A248		275	M.2.d
3. Amortized cost of held-to-maturity securities sold or transferred to available-for-sale or trading securities during the calendar year-to-date (report the amortized cost at date of sale or transfer)	1778		0	M.3
4. Structured notes (included in the held-to-maturity and available-for-sale accounts in Schedule RC-B, items 2, 3, 5, and 6):				
a. Amortized cost	8782		413	M.4.a
b. Fair value	8783		429	M.4.b

(1) Includes held-to-maturity securities at amortized cost and available-for-sale securities at fair value.

(2) Exclude investments in mutual funds and other equity securities with readily determinable fair values.

(3) Report fixed rate debt securities by remaining maturity and floating rate debt securities by next repricing date.

(4) Sum of Memorandum items 2.a.(1) through 2.a.(6) plus any nonaccrual debt securities in the categories of debt securities reported in Memorandum item 2.a that are included in Schedule RC-N, item 9, column C, must equal Schedule RC-B, sum of items 1, 2, 3, 4.c.(1), 5, and 6, columns A and D, plus residential mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages included in Schedule RC-B, item 4.a, columns A and D.

(5) Sum of Memorandum items 2.b.(1) through 2.b.(6) plus any nonaccrual mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages included in Schedule RC-N, item 9, column C, must equal Schedule RC-B, item 4.a, sum of columns A and D, less the amount of residential mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages included in Schedule RC-B, item 4.a, columns A and D.

(6) Sum of Memorandum items 2.c.(1) and 2.c.(2) plus any nonaccrual "Other mortgage-backed securities" included in Schedule RC-N, item 9, column C, must equal Schedule RC-B, sum of items 4.b and 4.c.(2), columns A and D.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 20 of 71

RC-7

Schedule RC-B—Continued**Memoranda — Continued**

Memoranda — Continued

Dollar Amounts in Thousands	Held-to-maturity				Available-for-sale				
	(Column A) Amortized Cost		(Column B) Fair Value		(Column C) Amortized Cost		(Column D) Fair Value		
	RCON	Bil Mil Thou	RCON	Bil Mil Thou	RCON	Bil Mil Thou	RCON	Bil Mil Thou	
Memorandum items 5.a through 5.f are to be completed by banks with \$1 billion or more in total assets.(1)									
5. Asset-backed securities (ABS)(for each column, sum of Memorandum items 5.a through 5.f must equal Schedule RC-B, item 5.a):									
a. Credit card receivables	B838	N/A	B839	N/A	B840	N/A	B841	N/A	M.5.a
b. Home equity lines	B842	N/A	B843	N/A	B844	N/A	B845	N/A	M.5.b
c. Automobile loans	B846	N/A	B847	N/A	B848	N/A	B849	N/A	M.5.c
d. Other consumer loans	B850	N/A	B851	N/A	B852	N/A	B853	N/A	M.5.d
e. Commercial and industrial loans	B854	N/A	B855	N/A	B856	N/A	B857	N/A	M.5.e
f. Other	B858	N/A	B859	N/A	B860	N/A	B861	N/A	M.5.f

(1) The \$1 billion asset size test is generally based on the total assets reported on the June 30, 2011, Report of Condition.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 22 of 71
RC-9**Schedule RC-C—Loans and Lease Financing Receivables****Part I. Loans and Leases**

Do not deduct the allowance for loan and lease losses or the allocated transfer risk reserve from amounts reported in this schedule. Report

- (1) loans and leases held for sale at the lower of cost or fair value,
(2) loans and leases held for investment, net of unearned income, and
(3) loans and leases accounted for at fair value under a fair value option.
Exclude assets held for trading and commercial paper.

Dollar Amounts in Thousands

	(Column A) To Be Completed by Banks with \$300 Million or More in Total Assets(1)			(Column B) To Be Completed by All Banks		
	RCON	Bil	Mil Thou	RCON	Bil	Mil Thou
1. Loans secured by real estate:						
a. Construction, land development, and other land loans:				F158	1,492	1.a.1
(1) 1-4 family residential construction loans						
(2) Other construction loans and all land development and other land loans				F159	17,127	1.a.2
b. Secured by farmland (including farm residential and other improvements)				1420	0	1.b
c. Secured by 1-4 family residential properties:						
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit				1797	5,653	1.c.1
(2) Closed-end loans secured by 1-4 family residential properties:						
(a) Secured by first liens				5367	12,481	1.c.2.a
(b) Secured by junior liens				5368	1,959	1.c.2.b
d. Secured by multifamily (5 or more) residential properties				1460	0	1.d
e. Secured by nonfarm nonresidential properties:						
(1) Loans secured by owner-occupied nonfarm nonresidential properties				F160	46,239	1.e.1
(2) Loans secured by other nonfarm nonresidential properties				F161	17,697	1.e.2
2. Loans to depository institutions and acceptances of other banks				1288	0	2
a. To commercial banks in the U.S.:						
(1) To U.S. branches and agencies of foreign banks	B532		N/A			2.a.1
(2) To other commercial banks in the U.S.	B533		N/A			2.a.2
b. To other depository institutions in the U.S.	B534		N/A			2.b
c. To banks in foreign countries:						
(1) To foreign branches of other U.S. banks	B536		N/A			2.c.1
(2) To other banks in foreign countries	B537		N/A			2.c.2
3. Loans to finance agricultural production and other loans to farmers				1590	0	3
4. Commercial and industrial loans				1766	26,639	4
a. To U.S. addressees (domicile)	1763		N/A			4.a
b. To non-U.S. addressees (domicile)	1764		N/A			4.b
5. Not applicable						
6. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):						
a. Credit cards				B538	0	6.a
b. Other revolving credit plans				B539	291	6.b
c. Automobile Loans				K137	149	6.c
d. Other consumer loans (includes single payment, installment, and all student loans)				K207	906	6.d
7. Loans to foreign governments and official institutions (including foreign central banks)				2081	0	7
8. Obligations (other than securities and leases) of states and political subdivisions in the U.S.				2107	4,817	8

(1) The \$300 million asset size test is generally based on the total assets reported on the June 30, 2011, Report of Condition.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 23 of 71
RC-10

Schedule RC-C—Continued

Part I. Continued

Part I. Continued

	(Column A) To Be Completed by Banks with \$300 Million or More in Total Assets(1)				(Column B) To Be Completed by All Banks			
Dollar Amounts in Thousands	RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou
9. Loans to nondepository financial institutions and other loans:								
a. Loans to nondepository financial institutions					J454	0		
b. Other loans					J464	29		
(1) Loans for purchasing or carrying securities (secured and unsecured)	1545	N/A						
(2) All other loans (exclude consumer loans)	J451	N/A						
10. Lease financing receivables (net of unearned income)					2165	0		
a. Leases to individuals for household, family, and other personal expenditures (i.e., consumer leases)	F162	N/A						
b. All other leases	F163	N/A						
11. LESS: Any unearned income on loans reflected in items 1-9 above					2123	0		
12. Total loans and leases, net of unearned income (sum of items 1 through 10 minus item 11) (must equal Schedule RC, sum of items 4.a and 4.b)					2122	135,479		

Memoranda

Dollar Amounts in Thousands				RCN	Bil	Mil	Thou	
1.Loans restructured in troubled debt restructurings that are in compliance with their modified terms(included in Schedule RC-C, Part 1, and not reported as past due or nonaccrual in Schedule RC-N,Memorandum item 1):								
a.Construction, land development, and other land loans:								
(1)1 - 4 family residential construction loans				K158			0	M.1.a.1
(2)Other construction loans and all land development and other land loans				K159			791	M.1.a.2
b. Loans secured by 1-4 residential properties				F576			614	M.1.b
c. Secured by multifamily (5 or more) residential properties				K160			0	M.1.c
d. Secured by nonfarm nonresidential properties:								
(1) Loans secured by owner-occupied nonfarm nonresidential properties				K161			0	M.1.d.1
(2) Loans secured by other nonfarm nonresidential properties				K162			1,162	M.1.d.2
e. Commercial and Industrial loans:				K256			1,117	M.1.e
Memorandum items 1.e.(1) and (2) are to be completed by banks with \$300 million or more in total assets (1) (Sum of Memorandum items 1.e.(1) and (2) must equal Memorandum item 1.e):								
(1) To U.S.addressees (domicile)				K163			N/A	M.1.e.1
(2) To non-U.S. addressees (domicile)				K164			N/A	M.1.e.2
f. All other loans(include loans to individuals for household, family, and other personal expenditures)				K165			1,065	M.1.f
Itemize loan categories included in memorandum item 1.f, above that exceed 10 percent of total loans restructured in troubled debt restructutings that are in compliance with their modified terms(sum of memorandum items 1.a through 1.e plus 1.f):								
(1) Loans secured by farmland				K166			0	M.1.f.1
(2) Loans to depository institutions and acceptances of other banks				K167			0	M.1.f.2
(3) Not applicable								

(1) The \$300 million asset size test is generally based on the total assets reported on the June 30, 2011, Report of Condition.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 24 of 71

RC-11

Schedule RC-C—Continued**Part I. Continued****Memoranda — Continued**

Dollar Amounts in Thousands

	RCON	Bil Mil Thou	
1.f. (4) Loans to individuals for household, family, and other personal expenditures:			
(a) Credit Cards	K098	0	M.1.f.4(a)
(b) Automobile Loans	K203	0	M.1.f.4(b)
(c) Other (includes revolving credit plans other than credit cards and other consumer loans)	K204	0	M.1.f.4(c)
(5) Loans to foreign governments and official institutions	K212	0	M.1.f.5
(6) Other loans(1)	K267	1,065	M.1.f.6
<i>Memorandum item 1.f.(6)(a) is to be completed by(2):</i>			
- Banks with \$300 million or more in total assets			
- Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part I, item 3) exceeding five percent of total loans			
(a) Loans to finance agricultural production and other loans to farmers included in Schedule RC-C, part I, Memorandum item 1.f.(6), above	K168	N/A	M.1.f.6(a)
2. Maturity and repricing data for loans and leases (excluding those in nonaccrual status):			
a. Closed-end loans secured by first liens on 1-4 family residential properties (reported in Schedule RC-C, part I, item 1.c.(2)(a), column B, above) with a remaining maturity or next repricing date of:(3,4)			
(1) Three months or less	A564	1,888	M.2.a.1
(2) Over three months through 12 months	A565	3,158	M.2.a.2
(3) Over one year through three years	A566	6,681	M.2.a.3
(4) Over three years through five years	A567	483	M.2.a.4
(5) Over five years through 15 years	A568	0	M.2.a.5
(6) Over 15 years	A569	0	M.2.a.6
b. All loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column B, above) EXCLUDING closed-end loans secured by first liens on 1-4 family residential properties (reported in Schedule RC-C, part I, item 1.c.(2)(a), column B, above) with a remaining maturity or next repricing date of:(3,5)			
(1) Three months or less	A570	26,417	M.2.b.1
(2) Over three months through 12 months	A571	28,003	M.2.b.2
(3) Over one year through three years	A572	48,167	M.2.b.3
(4) Over three years through five years	A573	7,393	M.2.b.4
(5) Over five years through 15 years	A574	1,169	M.2.b.5
(6) Over 15 years	A575	0	M.2.b.6
c. Loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column B, above) with a REMAINING MATURITY of one year or less (excluding those in nonaccrual status)	A247	47,610	M.2.c
3. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate)			
included in Schedule RC-C, part I, items 4 and 9, column B(6)	2746	0	M.3
4. Adjustable rate closed-end loans secured by first liens on 1-4 family residential properties (included in Schedule RC-C, part I, item 1.c.(2)(a), column B)	5370	0	M.4

(1) Includes "Loans to finance agricultural production and other loans to farmers," "Obligations (other than securities and loans) of states and political subdivisions in the US.," and "Loans to nondepository financial institutions and other loans."

(2) The \$300 million asset size test and the five percent of total loans test are generally based on the total assets and total loans reported on the June 30, 2011, Report of Condition.

(3) Report fixed rate loans and leases by remaining maturity and floating rate loans by next repricing date.

(4) Sum of Memorandum items 2.a.(1) through 2.a.(6) plus total nonaccrual closed-end loans secured by first liens on 1-4 family residential properties included in Schedule RC-N, item 1.c.(2)(a), column C, must equal total closed-end loans secured by first liens on 1-4 family residential properties from Schedule RC-C, part I, item 1.c.(2)(a), column B.

(5) Sum of Memorandum items 2.b.(1) through 2.b.(6) plus total nonaccrual loans and leases from Schedule RC-N, sum of items 1 through 8, column C, minus nonaccrual closed-end loans secured by first liens on 1-4 family residential properties included in Schedule RC-N, item 1.c.(2)(a), column C, must equal total loans and leases from Schedule RC-C, part I, sum of items 1 through 10, column B, minus total closed-end loans secured by first liens on 1-4 family residential properties from Schedule RC-C, part I, item 1.c.(2)(a), column B.

(6) Exclude loans secured by real estate that are included in Schedule RC-C, part I, items 1.a through 1.e, column B.

Schedule RC-C—Continued

Part I. Continued

Memoranda — Continued

Dollar Amounts in Thousands

	RCON	Bil Mil Thou	
5. To be completed by banks with \$300 million or more in total assets:(1) Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-C, part I, items 1.a through 1.e, column B)	B837	N/A	M.5
Memorandum item 6 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.			
6. Outstanding credit card fees and finance charges included in Schedule RC-C, part I, item 6.a.	C391	N/A	M.6
Memorandum item 7 is to be completed by all banks.			
7. Purchased credit-impaired loans held for investment accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (exclude loans held for sale):			
a. Outstanding balance	C779	0	M.7.a
b. Carrying amount included in Schedule RC-C, part I, items 1 through 9	C780	0	M.7.b
8. Closed-end loans with negative amortization features secured by 1-4 family residential properties:			
a. Total carrying amount of closed-end loans with negative amortization features secured by 1-4 family residential properties (included in Schedule RC-C, part I, items 1.c.(2)(a) and (b))	F230	0	M.8.a
Memorandum items 8.b and 8.c are to be completed by banks that had closed-end loans with negative amortization features secured by 1-4 family residential properties (as reported in Schedule RC-C, part I, Memorandum item 8.a.) as of December 31, 2011, that exceeded the lesser of \$100 million or 5 percent of total loans and leases, net of unearned income (as reported in Schedule RC-C, part I, item 12, column B).			
b. Total maximum remaining amount of negative amortization contractually permitted on closed-end loans secured by 1-4 family residential properties	F231	N/A	M.8.b
c. Total amount of negative amortization on closed-end loans secured by 1-4 family residential properties included in the carrying amount reported in Memorandum item 8.a above	F232	N/A	M.8.c
9. Loans secured by 1-4 family residential properties in process of foreclosure (included in Schedule RC-C, part I, items 1.c.(1), 1.c.(2)(a), and 1.c.(2)(b))	F577	0	M.9
Memorandum items 10 and 11 are to be completed by banks that have elected to measure loans included in Schedule RC-C, part I, items 1 through 9, at fair value under a fair value option.			
10. Loans measured at fair value (included in Schedule RC-C, part I, items 1 through 9):			
a. Loans secured by real estate:			
(1) Construction, land development, and other land loans	F578	N/A	M.10.a.1
(2) Secured by farmland (including farm residential and other improvements)	F579	N/A	M.10.a.2
(3) Secured by 1-4 family residential properties:			
(a) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	F580	N/A	M.10.a.3.a
(b) Closed-end loans secured by 1-4 family residential properties:			
(1) Secured by first liens	F581	N/A	M.10.a.3.b.1
(2) Secured by junior liens	F582	N/A	M.10.a.3.b.2
(4) Secured by multifamily (5 or more) residential properties	F583	N/A	M.10.a.4
(5) Secured by nonfarm nonresidential properties	F584	N/A	M.10.a.5
b. Commercial and industrial loans	F585	N/A	M.10.b
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):			
(1) Credit cards	F586	N/A	M.10.c.1
(2) Other revolving credit plans	F587	N/A	M.10.c.2
(3) Automobile loans	K196	N/A	M.10.c.3
(4) Other consumer loans	K208	N/A	M.10.c.4
d. Other loans	F589	N/A	M.10.d

(1) The \$300 million asset size test is generally based on the total assets reported on the June 30, 2011, Report of Condition.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 26 of 71
RC-13

Schedule RC-C—Continued

Part I. Continued

Memoranda — Continued

Dollar Amounts in Thousands		RCON	Bil Mil Thou	
11. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-C, part I, Memorandum Item 10):				
a. Loans secured by real estate:				
(1) Construction, land development, and other land loans	F590		N/A	M.11.a.1
(2) Secured by farmland (including farm residential and other improvements)	F591		N/A	M.11.a.2
(3) Secured by 1-4 family residential properties:				
(a) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	F592		N/A	M.11.a.3.a
(b) Closed-end loans secured by 1-4 family residential properties:				
(1) Secured by first liens	F593		N/A	M.11.a.3.b.1
(2) Secured by junior liens	F594		N/A	M.11.a.3.b.2
(4) Secured by multifamily (5 or more) residential properties	F595		N/A	M.11.a.4
(5) Secured by nonfarm nonresidential properties	F596		N/A	M.11.a.5
b. Commercial and industrial loans	F597		N/A	M.11.b
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):				
(1) Credit cards	F598		N/A	M.11.c.1
(2) Other revolving credit plans	F599		N/A	M.11.c.2
(3) Automobile loans	K195		N/A	M.11.c.3
(4) Other consumer loans	K209		N/A	M.11.c.4
d. Other loans	F601		N/A	M.11.d

Dollar Amounts in Thousands		(Column A) Fair value of acquired loans and leases at acquisition date	(Column B) Gross contractual amounts receivable at acquisition date	(Column C) Best estimate at acquisition date of of contractual cash flows not expected to be collected			
		RCON	Bil Mil Thou	RCON	Bil Mil Thou	RCON	Bil Mil Thou
12. Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year:							
a. Loans secured by real estate		G091	0	G092	0	G093	0
b. Commercial and industrial loans		G094	0	G095	0	G096	0
c. Loans to individuals for household, family, and other personal expenditures		G097	0	G098	0	G099	0
d. All other loans and all leases		G100	0	G101	0	G102	0

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 27 of 71

RC-14

Schedule RC-C—Continued**Part I. Continued****Memoranda — Continued**

Dollar Amounts in Thousands		RCN	Bil Mil Thou	
<i>Memorandum item 13 is to be completed by banks that had construction, land development, and other land loans (as reported in Schedule RC-C, part I, item 1.a, column B) that exceeded 100 percent of total risk-based capital (as reported in Schedule RC-R, item 21) as of December 31, 2011.</i>				
13. Construction, land development, and other land loans with interest reserves:				
a. Amount of loans that provide for the use of interest reserves (included in Schedule RC-C, part I, item 1.a, column B)	G376		0	M.13.a
b. Amount of interest capitalized from interest reserves on construction, land development, and other land loans that is included in interest and fee income on loans during the quarter (included in Schedule RI, item 1a.(1)(b))	RIAD			
	G377		0	M.13.b
<i>Memorandum item 14 is to be completed by all banks.</i>		RCN		
14. Pledged loans and leases	G378		43,214	M.14
<i>Memorandum item 15 is to be completed for the December report only.</i>				
15. Reverse mortgages:				
a. Reverse mortgages outstanding that are held for investment (included in Schedule RC-C, item 1.c, above):	RCN		Bil Mil Thou	
(1) Home Equity Conversion Mortgage (HECM) reverse mortgages	J466		N/A	M.15.a.1
(2) Proprietary reverse mortgages	J467		N/A	M.15.a.2
b. Estimated number of reverse mortgage loan referrals to other lenders during the year from whom compensation has been received for services performed in connection with the origination of the reverse mortgages:	RCN		Number	
(1) Home Equity Conversion Mortgage (HECM) reverse mortgages	J468		N/A	M.15.b.1
(2) Proprietary reverse mortgages	J469		N/A	M.15.b.2
c. Principal amount of reverse mortgage originations that have been sold during the year:	RCN		Bil Mil Thou	
(1) Home Equity Conversion Mortgage (HECM) reverse mortgages	J470		N/A	M.15.c.1
(2) Proprietary reverse mortgages	J471		N/A	M.15.c.2

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 28 of 71
RC-15

Schedule RC-C—Continued

Part II. Loans to Small Businesses and Small Farms

Report the number and amount currently outstanding as of the report date of business loans with "original amounts" of \$1,000,000 or less and farm loans with "original amounts" of \$500,000 or less. The following guidelines should be used to determine the "original amount" of a loan: (1) For loans drawn down under lines of credit or loan commitments, the "original amount" of the loan is the size of the line of credit or loan commitment was most recently approved, extended, or renewed prior to the report date. However, if the amount currently outstanding as of the report date exceeds this size, the "original amount" is the amount currently outstanding on the report date. (2) For loan participations and syndications, the "original amount" of the loan participation or syndication is the entire amount of the credit originated by the lead lender. (3) For all other loans, the "original amount" is the total amount of the loan at origination or the amount currently outstanding as of the report date, whichever is larger.

Loans to Small Businesses

1. Indicate in the box at the right whether all or substantially all of the dollar volume of your bank's "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2), and all or substantially all of the dollar volume of your bank's "Commercial and industrial loans" reported in Schedule RC-C, part I, item 4, (1) have original amounts of \$ 100,000 or less (If your bank has no loans outstanding in both of these two loan categories, place the word "NO" in the box to the right.)

RCON	YES / NO
6999	NO

1

If YES, complete items 2.a and 2.b below, skip items 3 and 4, and go to item 5.

If NO, and your bank has loans outstanding in either loan category, skip items 2.a and 2.b, complete items 3 and 4 below, and go to item 5.

If NO and your bank has no loans outstanding in both loan categories, skip items 2 through 4, and go to item 5.

2. Report the total number of loans currently outstanding for each of the following Schedule RC-C, part I, loan categories:

- a. "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2) (Note: Sum of items 1.e.(1) and 1.e.(2) divided by the number of loans should NOT exceed \$100,000.)

Number of Loans	
RCON	
5562	N/A
5563	N/A

2.a

- b. "Commercial and industrial loans " reported in Schedule RC-C, part I, Item 4,(1) (Note: Item 4,(1) divided by the number of loans should NOT exceed \$100,000.)

2.b

Dollar Amounts in Thousands

3. Number and amount currently outstanding of "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2) (sum of items 3.a through 3.c must be less than or equal to Schedule RC-C, part I, sum of items 1.e.(1) and 1.e.(2)):

(Column A) Number of Loans		(Column B) Amount Currently Outstanding	
RCON		RCON	Bill Mil Thou
5564	14	5565	610
5566	26	5567	3,791
5568	68	5569	23,362
5570	193	5571	5,430
5572	63	5573	7,328
5574	35	5575	8,446

- a. With original amounts of \$100,000 or less

3.a

- b. With original amounts of more than \$100,000 through \$250,000

3.b

- c. With original amounts of more than \$250,000 through \$1,000,000

3.c

4. Number and amount currently outstanding of "Commercial and industrial loans" reported in Schedule RC-C, part I, item 4 1 (sum of items 4.a through 4.c must be less than or equal to Schedule RC-C, part I, item 4 1):

- a. With original amounts of \$100,000 or less

4.a

- b. With original amounts of more than \$100,000 through \$250,000

4.b

- c. With original amounts of more than \$250,000 through \$1,000,000

4.c

(1) Banks with \$300 million or more in total assets should provide the requested information for "Commercial and industrial loans" based on the loans reported in Schedule RC-C, part I item 4.a, column A, "Commercial and industrial loans to U.S. addressees."

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041

Page 29 of 71

RC-16

Schedule RC-C—Continued

Part II. Continued

Agricultural Loans to Small Farms

5. Indicate in the box at the right whether all or substantially all of the dollar volume of your bank's "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, part I, item 1.b, and all or substantially all of the dollar volume of your bank's "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, part I, item 3, have original amounts of \$100,000 or less (If your bank has no loans outstanding in both of these two loan categories, place the word "NO" in the box to the right.)

RCN	YES / NO
6860	NO

5

If YES, complete items 6.a and 6.b below and do not complete items 7 and 8.

If NO and your bank has loans outstanding in either loan category, skip items 6.a and 6.b and complete items 7 and 8 below.

If NO and your bank has no loans outstanding in both loan categories, do not complete items 6 through 8.

6. Report the total number of loans currently outstanding for each of the following Schedule RC-C, part I, loan categories:

- a. "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, part I, item 1.b, (Note: Item 1.b divided by the number of loans should NOT exceed \$100,000.)
- b. "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, part I, item 3 (Note: Item 3 divided by the number of loans should NOT exceed \$100,000.)

Number of Loans	
RCN	
5576	N/A
5577	N/A

6.a

6.b

Dollar Amounts in Thousands

7. Number and amount currently outstanding of "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, part I, item 1.b (sum of items 7.a through 7.c must be less than or equal to Schedule RC-C, part I, item 1.b):

- a. With original amounts of \$100,000 or less
- b. With original amounts of more than \$100,000 through \$250,000
- c. With original amounts of more than \$250,000 through \$500,000

(Column A) Number of Loans		(Column B) Amount Currently Outstanding	
RCN		RCN	Bill Mil Thou
5578	N/A	5579	N/A
5580	N/A	5581	N/A
5582	N/A	5583	N/A
5584	N/A	5585	N/A
5586	N/A	5587	N/A
5588	N/A	5589	N/A

7.a

7.b

7.c

8. Number and amount currently outstanding of "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, part I, item 3 (sum of items 8.a through 8.c must be less than or equal to Schedule RC-C, part I, item 3):

- a. With original amounts of \$100,000 or less
- b. With original amounts of more than \$100,000 through \$250,000
- c. With original amounts of more than \$250,000 through \$500,000

8.a

8.b

8.c

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 30 of 71

RC-17

Schedule RC-D - Trading Assets and Liabilities

Schedule RC-D is to be completed by banks that reported average trading assets (Schedule RC-K, item 7) of \$2 million or more in any of the four preceding calendar quarters.

Dollar Amounts in Thousands		RCON	Bil Mil Thou	
Assets				
1. U.S. Treasury securities		3531	N/A	1
2. U.S. Government agency obligations (exclude mortgage-backed securities)		3532	N/A	2
3. Securities issued by states and political subdivisions in the U.S.		3533	N/A	3
4. Mortgage-backed securities (MBS):				
a. Residential mortgage pass-through securities issued or guaranteed by FNMA, FHLMC, or GNMA		G379	N/A	4.a
b. Other residential MBS issued or guaranteed by U.S. Government agencies or sponsored agencies(1)(include CMOs, REMICs, and stripped MBS)		G380	N/A	4.b
c. All other residential MBS		G381	N/A	4.c
d. Commercial MBS issued or guaranteed by U.S. Government agencies or sponsored agencies(1)		K197	N/A	4.d
e. All other commercial MBS		K198	N/A	4.e
5. Other debt securities:				
a. Structured financial products:				
(1) Cash		G383	N/A	5.a.1
(2) Synthetic		G384	N/A	5.a.2
(3) Hybrid		G385	N/A	5.a.3
b. All other debt securities		G386	N/A	5.b
6. Loans:				
a. Loans secured by real estate:				
(1) Construction, land development, and other land loans		F604	N/A	6.a.1
(2) Secured by farmland (including farm residential and other improvements)		F605	N/A	6.a.2
(3) Secured by 1-4 family residential properties:				
(a) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit		F606	N/A	6.a.3.a
(b) Closed-end loans secured by 1-4 family residential properties:				
(1) Secured by first liens		F607	N/A	6.a.3.b.1
(2) Secured by junior liens		F611	N/A	6.a.3.b.2
(4) Secured by multifamily (5 or more) residential properties		F612	N/A	6.a.4
(5) Secured by nonfarm nonresidential properties		F613	N/A	6.a.5
b. Commercial and industrial loans		F614	N/A	6.b
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):				
(1) Credit cards		F615	N/A	6.c.1
(2) Other revolving credit plans		F616	N/A	6.c.2
(3) Automobile Loans		K199	N/A	6.c.3
(4) Other consumer loans		K210	N/A	6.c.4
d. Other loans		F618	N/A	6.d
7. and 8. Not applicable				
9. Other trading assets		3541	N/A	9
10. Not applicable				
11. Derivatives with a positive fair value		3543	N/A	11
12. Total trading assets (sum of items 1 through 11) (must equal Schedule RC, item 5)		3545	N/A	12
Liabilities				
13. a. Liability for short positions		3546	N/A	13.a
b. Other trading liabilities		F624	N/A	13.b
14. Derivatives with a negative fair value		3547	N/A	14
15. Total trading liabilities (sum of items 13.a through 14) (must equal Schedule RC, item 15)		3548	N/A	15

(1) U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 31 of 71

RC-18

Schedule RC-D - Continued

Memoranda

Dollar Amounts in Thousands		RCON	Bill Mil Thou	
1. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-D, items 6.a.(1) through 6.d.):				
a. Loans secured by real estate:				
(1) Construction, land development, and other land loans	F625		N/A	M.1.a.1
(2) Secured by farmland (including farm residential and other improvements)	F626		N/A	M.1.a.2
(3) Secured by 1-4 family residential properties:				
(a) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	F627		N/A	M.1.a.3.a
(b) Closed-end loans secured by 1-4 family residential properties:				
(1) Secured by first liens	F628		N/A	M.1.a.3.b.1
(2) Secured by junior liens	F629		N/A	M.1.a.3.b.2
(4) Secured by multifamily (5 or more) residential properties	F630		N/A	M.1.a.4
(5) Secured by nonfarm nonresidential properties	F631		N/A	M.1.a.5
b. Commercial and industrial loans	F632		N/A	M.1.b
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):				
(1) Credit cards	F633		N/A	M.1.c.1
(2) Other revolving credit plans	F634		N/A	M.1.c.2
(3) Automobile Loans	K200		N/A	M.1.c.3
(4) Other consumer loans	K211		N/A	M.1.c.4
d. Other loans	F636		N/A	M.1.d
2. Loans measured at fair value that are past due 90 days or more:				
a. Fair value	F639		N/A	M.2.a
b. Unpaid principal balance	F640		N/A	M.2.b
3. Structured financial products by underlying collateral or reference assets (sum of Memorandum items 3.a through 3.g must equal Schedule RC-D, sum of items 5.a.(1) through (3)):				
a. Trust preferred securities issued by financial institutions	G299		N/A	M.3.a
b. Trust preferred securities issued by real estate investment trusts	G332		N/A	M.3.b
c. Corporate and similar loans	G333		N/A	M.3.c
d. 1-4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs)	G334		N/A	M.3.d
e. 1-4 family residential MBS not issued or guaranteed by GSEs	G335		N/A	M.3.e
f. Diversified (mixed) pools of structured financial products	G651		N/A	M.3.f
g. Other collateral or reference assets	G652		N/A	M.3.g
4. Pledged trading assets:				
a. Pledged securities	G387		N/A	M.4.a
b. Pledged Loans	G388		N/A	M.4.b
Memorandum items 5 through 10 are to be completed by banks that reported average trading assets (Schedule RC-K, item 7) of \$1 billion or more in any of the four preceding calendar quarters.				
5. Asset-backed securities:				
a. Credit card receivables	F643		N/A	M.5.a
b. Home equity lines	F644		N/A	M.5.b
c. Automobile loans	F645		N/A	M.5.c
d. Other consumer loans	F646		N/A	M.5.d
e. Commercial and industrial loans	F647		N/A	M.5.e
f. Other	F648		N/A	M.5.f
6. Retained beneficial interests in securitizations (first-loss or equity tranches)	F651		N/A	M.6
7. Equity securities (included in Schedule RC-D, item 9, above):				
a. Readily determinable fair values	F652		N/A	M.7.a
b. Other	F653		N/A	M.7.b
8. Loans pending securitization	F654		N/A	M.8

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 32 of 71

RC-19

Schedule RC-D - Continued**Memoranda - Continued**

Dollar Amounts in Thousands

		RCN	Bil Mil Thou	
9. Other trading assets (itemize and describe amounts included in Schedule RC-D, item 9, that are greater than \$25,000 and exceed 25 percent of the item): (1)				
TEXT				
a.	F655 N/A	F655	N/A	M.9.a
b.	F656 N/A	F656	N/A	M.9.b
c.	F657 N/A	F657	N/A	M.9.c
10. Other trading liabilities (itemize and describe amounts included in Schedule RC-D, item 13.b, that are greater than \$25,000 and exceed 25% of the item):				
TEXT				
a.	F658 N/A	F658	N/A	M.10.a
b.	F659 N/A	F659	N/A	M.10.b
c.	F660 N/A	F660	N/A	M.10.c

(1) Exclude equity securities.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 33 of 71
RC-20

Schedule RC-E—Deposit Liabilities

Dollar Amounts in Thousands		Transaction Accounts						Nontransaction Accounts					
		(Column A) Total transaction accounts (including total demand deposits)				(Column B) Memo: Total demand deposits(1) (included in column A)		(Column C) Total nontransaction accounts (including MMDAs)					
		RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou
Deposits of:													
1. Individuals, partnerships, and corporations (include all certified and official checks)		B549	55,112							B550	112,754		
2. U.S. Government		2202	0							2520	0		
3. States and political subdivisions in the U.S.		2203	4,412							2530	4,282		
4. Commercial banks and other depository institutions in the U.S.		B551	0							B552	0		
5. Banks in foreign countries		2213	0							2236	0		
6. Foreign governments and official institutions (including foreign central banks)		2216	0							2377	0		
7. Total (sum of items 1 through 6) (sum of columns A and C must equal Schedule RC, item 13.a)		2215	59,524			2210	41,450			2385	117,036		

Memoranda

Dollar Amounts in Thousands		RCON	Bil	Mil	Thou	
1. Selected components of total deposits (i.e., sum of item 7, columns A and C):						
a. Total Individual Retirement Accounts (IRAs) and Keogh Plan accounts		6835		9,000		M.1.a
b. Total brokered deposits		2365		7,000		M.1.b
c. Fully insured brokered deposits (included in Memorandum item 1.b above):(2)						
(1) Brokered deposits of less than \$100,000		2343		7,000		M.1.c.1
(2) Brokered deposits of \$100,000 through \$250,000 and certain brokered retirement deposit accounts		J472		0		M.1.c.2
d. Maturity data for brokered deposits:						
(1) Brokered deposits of less than \$100,000 with a remaining maturity of one year or less (included in Memorandum item 1.c.(1) above)		A243		7,000		M.1.d.1
(2) Brokered deposits of \$100,000 through \$250,000 with a remaining maturity of one year or less (included in Memorandum item 1.c.(2) above)		K219		0		M.1.d.2
(3) Brokered deposits of more than \$250,000 with a remaining maturity of one year or less (included in Memorandum item 1.b above)		K220		0		M.1.d.3
e. Preferred deposits (uninsured deposits of states and political subdivisions in the U.S. reported in item 3 above which are secured or collateralized as required under state law) (to be completed for the December report only)		5590		N/A		M.1.e
f. Estimated amount of deposits obtained through the use of deposit listing services that are not brokered deposits		K223		16,161		M.1.f
2. Components of total nontransaction accounts (sum of Memorandum items 2.a through 2.d must equal item 7, column C above):						
a. Savings deposits:						
(1) Money market deposit accounts (MMDAs)		6810		36,561		M.2.a.1
(2) Other savings deposits (excludes MMDAs)		0352		15,261		M.2.a.2
b. Total time deposits of less than \$100,000		6648		41,806		M.2.b
c. Total time deposits of \$100,000 through \$250,000		J473		19,385		M.2.c
d. Total time deposits of more than \$250,000		J474		4,022		M.2.d
e. Individual Retirement Accounts (IRAs) and Keogh Plan accounts of \$100,000 or more Included in Memorandum item 2.c and 2.d above		F233		3,457		M.2.e

(1) Includes interest-bearing and noninterest-bearing demand deposits.

(2) The dollar amounts used as the basis for reporting in Memorandum items 1.c.(1) and (2) reflect the deposit insurance limits in effect on the report date.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 34 of 71
RC-21**Schedule RC-E—Continued****Memoranda — Continued**

Dollar Amounts in Thousands		RCON	Bil Mil Thou	
3. Maturity and repricing data for time deposits of less than \$100,000:				
a. Time deposits of less than \$100,000 with a remaining maturity or next repricing date of:(1,2)				
(1) Three months or less		A579	8,259	M.3.a.1
(2) Over three months through 12 months		A580	19,464	M.3.a.2
(3) Over one year through three years		A581	12,466	M.3.a.3
(4) Over three years		A582	1,617	M.3.a.4
b. Time deposits of less than \$100,000 with a REMAINING MATURITY of one year or less (included in Memorandum items 3.a.(1) and 3.a.(2) above)(3)		A241	27,630	M.3.b
4. Maturity and repricing data for time deposits of \$100,000 or more:				
a. Time deposits of \$100,000 or more with a remaining maturity or next repricing date of:(1,4)				
(1) Three months or less		A584	2,880	M.4.a.1
(2) Over three months through 12 months		A585	10,588	M.4.a.2
(3) Over one year through three years		A586	8,367	M.4.a.3
(4) Over three years		A587	1,572	M.4.a.4
b. Time deposits of \$100,000 through \$250,000 with a REMAINING MATURITY of one year or less (included in Memorandum items 4.a.(1) and 4.a.(2) above)(3)		K221	11,316	M.4.b
c. Time deposits of more than \$250,000 with a REMAINING MATURITY of one year or less (included in Memorandum items 4.a.(1) and 4.a.(2) above)(3)		K222	2,151	M.4.c

(1) Report fixed rate time deposits by remaining maturity and floating rate time deposits by next repricing date.

(2) Sum of Memorandum items 3.a.(1) through 3.a.(4) must equal Schedule RC-E, Memorandum item 2.b.

(3) Report both fixed and floating rate time deposits by remaining maturity. Exclude floating rate time deposits with a next repricing date of one year or less that have a remaining maturity of over one year.

(4) Sum of Memorandum items 4.a.(1) through 4.a.(4) must equal Schedule RC-E, sum of Memorandum items 2.c and 2.d.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 35 of 71

RC-22

Schedule RC-F—Other Assets

Dollar Amounts in Thousands				RCON	Bil Mil Thou	
1. Accrued interest receivable(1)				B556	552	1
2. Net deferred tax assets(2)				2148	0	2
3. Interest-only strips receivable (not in the form of a security)(3)on:						
a. Mortgage loans				A519	0	3.a
b. Other financial assets				A520	0	3.b
4. Equity securities that DO NOT have readily determinable fair values(4)				1752	524	4
5. Life insurance assets						
a. General account life insurance assets				K201	0	5.a
b. Separate account life insurance assets				K202	0	5.b
c. Hybrid account life insurance assets				K270	0	5.c
6. All other assets (itemize and describe amounts greater than \$25,000 that exceed 25% of this item)				2168	287	6
a. Prepaid expenses (excluding prepaid assessments)	2166	169				6.a
b. Repossessed personal property (including vehicles)	1578	111				6.b
c. Derivatives with a positive fair value held for purposes other than trading	C010	0				6.c
d. Retained interests in accrued interest receivable related to securitized credit cards	C436	0				6.d
e. FDIC loss-sharing indemnification assets	J448	0				6.e
f. Prepaid deposit insurance assessments	J449	0				6.f
g. TEXT						
3549	3549	0				6.g
h. 3550	3550	0				6.h
i. 3551	3551	0				6.i
7. Total (sum of items 1 through 6) (must equal Schedule RC, item 11)				2160	1,363	7

(1) Includes accrued interest receivable on loans, leases, debt securities, and other interest-bearing assets.

(2) See discussion of deferred income taxes in Glossary entry on "income taxes."

(3) Report interest-only strips receivable in the form of a security as available-for-sale securities in Schedule RC, item 2.b, or as trading assets in Schedule RC, item 5, as appropriate.

(4) Includes Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock.

Schedule RC-G—Other Liabilities

Dollar Amounts in Thousands				RCON	Bil Mil Thou	
1. a. Interest accrued and unpaid on deposits(1)				3645	284	1.a
b. Other expenses accrued and unpaid (includes accrued income taxes payable)				3646	235	1.b
2. Net deferred tax liabilities(2)				3049	0	2
3. Allowance for credit losses on off-balance sheet credit exposures				B557	0	3
4. All other liabilities (itemize and describe amounts greater than \$25,000 that exceed 25% of this item)				2938	911	4
a. Accounts Payable	3066	0				4.a
b. Deferred compensation liabilities	C011	306				4.b
c. Dividends declared but not yet payable	2932	0				4.c
d. Derivatives with a negative fair value held for purposes other than trading	C012	0				4.d
e. TEXT						
3552 Deferred Gains FAS 66	3552	365				4.e
f. 3553	3553	0				4.f
g. 3554	3554	0				4.g
5. Total (sum of items 1 through 4) (must equal Schedule RC, item 20)				2930	1,430	5

(1) For savings banks, include "dividends" accrued and unpaid on deposits.

(2) See discussion of deferred income taxes in Glossary entry on "income taxes."

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 36 of 71
RC-23**Schedule RC-K—Quarterly Averages (1)**

Dollar Amounts in Thousands		RCON	Bil Mil Thou	
Assets				
1. Interest-bearing balances due from depository institutions		3381	24,289	1
2. U.S. Treasury securities and U.S. Government agency obligations(2) (excluding mortgage-backed securities)		B558	3,090	2
3. Mortgage-backed securities(2)		B559	15,029	3
4. All other securities(2,3) (includes securities issued by states and political subdivisions in the U.S.)		B560	374	4
5. Federal funds sold and securities purchased under agreements to resell		3365	0	5
6. Loans:				
a. Total loans		3360	140,584	6.a
b. Loans secured by real estate:				
(1) Loans secured by 1-4 family residential properties		3465	21,162	6.b.1
(2) All other loans secured by real estate		3466	84,511	6.b.2
c. Commercial and industrial loans		3387	31,603	6.c
d. Loans to individuals for household, family, and other personal expenditures:				
(1) Credit cards		B561	0	6.d.1
(2) Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans)		B562	1,390	6.d.2
7. To be completed by banks with \$100 million or more in total assets:(4) Trading assets		3401	0	7
8. Lease financing receivables (net of unearned income)		3484	0	8
9. Total assets(5)		3368	197,817	9
Liabilities				
10. Interest-bearing transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)		3485	18,167	10
11. Nontransaction accounts:				
a. Savings deposits (includes MMDAs)		B563	50,420	11.a
b. Time deposits of \$100,000 or more		A514	22,337	11.b
c. Time deposits of less than \$100,000		A529	45,537	11.c
12. Federal funds purchased and securities sold under agreements to repurchase		3353	0	12
13. To be completed by banks with \$100 million or more in total assets:(4) Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)		3355	8,824	13

Memorandum

Dollar Amounts in Thousands		RCON	Bil Mil Thou	
Memorandum item 1 is to be completed by:(4)				
• banks with \$300 million or more in total assets, and				
• banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part I, item 3) exceeding five percent of total loans.				
1. Loans to finance agricultural production and other loans to farmers		3386	N/A	M.1

- (1) For all items, banks have the option of reporting either (1) an average of DAILY figures for the quarter, or (2) an average of WEEKLY figures (i.e., the Wednesday of each week of the quarter).
- (2) Quarterly averages for all debt securities should be based on amortized cost.
- (3) Quarterly averages for all equity securities should be based on historical cost.
- (4) The asset size tests and the five percent of total loans test are generally based on the total assets and total loans reported on the June 30, 2011, Report of Condition.
- (5) The quarterly average for total assets should reflect all debt securities (not held for trading) at amortized cost, equity securities with readily determinable fair values at the lower of cost or fair value, and equity securities without readily determinable fair values at historical cost.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041

Page 37 of 71

RC-24

Schedule RC-L—Derivatives and Off-Balance Sheet Items

Please read carefully the instructions for the preparation of Schedule RC-L. Some of the amounts reported in Schedule RC-L are regarded as volume indicators and not necessarily as measures of risk.

Dollar Amounts in Thousands				RCON	Bil Mil Thou	
1. Unused commitments:						
a. Revolving, open-end lines secured by 1-4 family residential properties, e.g., home equity lines				3814	2,350	1.a
Items 1.a.(1) and 1.a.(2) are to be completed for the December report only.						
(1) Unused commitments for Home Equity Conversion Mortgage (HECM) reverse mortgages outstanding that are held for investment (included in item 1.a above)				J477	N/A	1.a.(1)
(2) Unused commitments for proprietary reverse mortgages outstanding that are held for investment (included in item 1.a above)				J478	N/A	1.a.(2)
b. Credit card lines				3815	0	1.b
Items 1.b.(1) and 1.b.(2) are to be completed by banks with either \$300 million or more in total assets or \$300 million or more in credit card lines.(1)						
(Sum of items 1.b.(1) and 1.b.(2) must equal item 1.b)						
(1) Unused consumer credit card lines				J455	N/A	1.b.(1)
(2) Other unused credit card lines				J456	N/A	1.b.(2)
c. Commitments to fund commercial real estate, construction, and land development loans:						
(1) Secured by real estate:						
(a) 1-4 family residential construction loan commitments				F164	701	1.c.1.a
(b) Commercial real estate, other construction loan, and land development loan commitments				F165	2,390	1.c.1.b
(2) NOT secured by real estate				6550	0	1.c.2
d. Securities underwriting				3817	0	1.d
e. Other unused commitments:						
(1) Commercial and industrial loans				J457	6,487	1.e.(1)
(2) Loans to financial institutions				J458	0	1.e.(2)
(3) All other unused commitments				J459	969	1.e.(3)
				3819	694	2
2. Financial standby letters of credit						
Item 2.a is to be completed by banks with \$1 billion or more in total assets.(1)						
a. Amount of financial standby letters of credit conveyed to others				3820	N/A	2.a
				3821	0	3
3. Performance standby letters of credit						
Item 3.a is to be completed by banks with \$1 billion or more in total assets.(1)						
a. Amount of performance standby letters of credit conveyed to others				3822	N/A	3.a
				3411	0	4
4. Commercial and similar letters of credit						
5. Not applicable						
6. Securities lent (including customers' securities lent where the customer is indemnified against loss by the reporting bank)				3433	0	6
7. Credit derivatives:						
a. Notional amounts:						
		(Column A) Sold Protection	(Column B) Purchased Protection			
		RCON	Bil Mil Thou	RCON	Bil Mil Thou	
(1) Credit default swaps		C968	0	C969	0	7.a.(1)
(2) Total return swaps		C970	0	C971	0	7.a.(2)
(3) Credit options		C972	0	C973	0	7.a.(3)
(4) Other credit derivatives		C974	0	C975	0	7.a.(4)
b. Gross fair values:						
(1) Gross positive fair value		C219	0	C221	0	7.b.(1)
(2) Gross negative fair value		C220	0	C222	0	7.b.(2)

(1) The asset size tests and the \$300 million credit card lines test are generally based on the total assets and credit card lines reported in June 30, 2011, Report of Condition.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 38 of 71
RC-25

Schedule RC-L—Continued

Dollar Amounts in Thousands		RCON	Bil Mil Thou	
7.c. Notional amounts by regulatory capital treatment:(1)				
(1) Positions covered under the Market Risk Rule:				
(a) Sold protection		G401	0	7.c.(1)(a)
(b) Purchased protection		G402	0	7.c.(1)(b)
(2) All other positions:				
(a) Sold protection		G403	0	7.c.(2)(a)
(b) Purchased protection that is recognized as a guarantee for regulatory capital purposes		G404	0	7.c.(2)(b)
(c) Purchased protection that is not recognized as a guarantee for regulatory capital purposes		G405	0	7.c.(2)(c)

Dollar Amounts in Thousands		Remaining Maturity of:						
		(Column A) One Year or Less		(Column B) Over One Year Through Five Years		(Column C) Over Five Years		
		RCON	Bil Mil Thou	RCON	Bil Mil Thou	RCON	Bil Mil Thou	
7.d. Notional amounts by remaining maturity:								
(1) Sold credit protection:(2)								
(a) Investment grade		G406	0	G407	0	G408	0	7.d.(1)(a)
(b) Subinvestment grade		G409	0	G410	0	G411	0	7.d.(1)(b)
(2) Purchased credit protection:(3)								
(a) Investment grade		G412	0	G413	0	G414	0	7.d.(2)(a)
(b) Subinvestment grade		G415	0	G416	0	G417	0	7.d.(2)(b)

8. Spot foreign exchange contracts		RCON	Tril Bil Mil Thou	
		8765	0	8
9. All other off-balance sheet liabilities (exclude derivatives) (Itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital")		3430	5,500	9
TEXT				
a. Securities borrowed	3432	0		9.a
b. Commitments to purchase when-issued securities	3434	0		9.b
c. Standby letters of credit issued by a Federal Home Loan Bank on the bank's behalf	C978	5,500		9.c
d. 3555	3555	0		9.d
e. 3556	3556	0		9.e
f. 3557	3557	0		9.f
10. All other off-balance sheet assets (exclude derivatives) (Itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital")		5591	0	10
TEXT				
a. Commitments to sell when-issued securities	3435	0		10.a
b. 5592	5592	0		10.b
c. 5593	5593	0		10.c
d. 5594	5594	0		10.d
e. 5595	5595	0		10.e

11. Year-to-date merchant credit card sales volume:		RCON	Tril Bil Mil Thou	
a. Sales for which the reporting bank is the acquiring bank	C223	0		11.a
b. Sales for which the reporting bank is the agent bank with risk	C224	0		11.b

(1) Sum of items 7.c.(1)(a) and 7.c.(2)(a) must equal sum of items 7.a.(1) through (4), column A. Sum of items 7.c.(1)(b), 7.c.(2)(b) and 7.c.(2)(c) must equal sum of items 7.a.(1) through (4), column B.

(2) Sum of items 7.d.(1)(a) and (b), columns A through C, must equal sum of items 7.a.(1) through (4), column A.

(3) Sum of items 7.d.(2)(a) and (b), columns A through C, must equal sum of items 7.a.(1) through (4), column B.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 39 of 71

RC-26

Schedule RC-L—Continued

Dollar Amounts in Thousands		(Column A)	(Column B)	(Column C)	(Column D)
Derivatives Position Indicators		Interest Rate Contracts	Foreign Exchange Contracts	Equity Derivative Contracts	Commodity and Other Contracts
12. Gross amounts (e.g., notional amounts) (for each column, sum of items 12.a through 12.e must equal sum of items 13 and 14):					
a. Futures contracts	Tril Bil Mil Thou RCON 8693 0	Tril Bil Mil Thou RCON 8694 0	Tril Bil Mil Thou RCON 8695 0	Tril Bil Mil Thou RCON 8696 0	12.a
b. Forward contracts	RCON 8697 0	RCON 8698 0	RCON 8699 0	RCON 8700 0	12.b
c. Exchange-traded option contracts:	RCON 8701	RCON 8702	RCON 8703	RCON 8704	
(1) Written options	0	0	0	0	12.c.1
(2) Purchased options	RCON 8705 0	RCON 8706 0	RCON 8707 0	RCON 8708 0	12.c.2
d. Over-the-counter option contracts:	RCON 8709	RCON 8710	RCON 8711	RCON 8712	
(1) Written options	0	0	0	0	12.d.1
(2) Purchased options	RCON 8713 0	RCON 8714 0	RCON 8715 0	RCON 8716 0	12.d.2
e. Swaps	RCON 3450 0	RCON 3826 0	RCON 8719 0	RCON 8720 0	12.e
13. Total gross notional amount of derivative contracts held for trading	RCON A126 0	RCON A127 0	RCON 8723 0	RCON 8724 0	13
14. Total gross notional amount of derivative contracts held for purposes other than trading	RCON 8725 0	RCON 8726 0	RCON 8727 0	RCON 8728 0	14
a. Interest rate swaps where the bank has agreed to pay a fixed rate	RCON A589 0				14.a
15. Gross fair values of derivative contracts:					
a. Contracts held for trading:	RCON 8733	RCON 8734	RCON 8735	RCON 8736	
(1) Gross positive fair value	0	0	0	0	15.a.1
(2) Gross negative fair value	RCON 8737 0	RCON 8738 0	RCON 8739 0	RCON 8740 0	15.a.2
b. Contracts held for purposes other than trading:	RCON 8741	RCON 8742	RCON 8743	RCON 8744	
(1) Gross positive fair value	0	0	0	0	15.b.1
(2) Gross negative fair value	RCON 8745 0	RCON 8746 0	RCON 8747 0	RCON 8748 0	15.b.2

Schedule RC-L—Continued*Item 16 is to be completed only by banks with total assets of \$10 billion or more.1*

Dollar Amounts in Thousands		(Column A) Banks and Securities Firms		(Column B) Monoline Financial Guarantors		(Column C) Hedge Funds		(Column D) Sovereign Governments		(Column E) Corporations and All Other Counterparties		
		RCON	Bl Mil Thou	RCON	Bl Mil Thou	RCON	Bl Mil Thou	RCON	Bl Mil Thou	RCON	Bl Mil Thou	
16. Over-the-counter derivatives:												
a. Net current credit exposure												
b. Fair value of collateral:												16.a
(1) Cash - U.S. dollar		G423	N/A	G424	N/A	G425	N/A	G426	N/A	G427	N/A	16.b(1)
(2) Cash - Other currencies		G428	N/A	G429	N/A	G430	N/A	G431	N/A	G432	N/A	16.b(2)
(3) U.S. Treasury securities		G433	N/A	G434	N/A	G435	N/A	G436	N/A	G437	N/A	16.b(3)
(4) U.S. Government agency and U.S. Government- sponsored agency debt securities		G438	N/A	G439	N/A	G440	N/A	G441	N/A	G442	N/A	16.b(4)
(5) Corporate bonds		G443	N/A	G444	N/A	G445	N/A	G446	N/A	G447	N/A	16.b(5)
(6) Equity securities		G448	N/A	G449	N/A	G450	N/A	G451	N/A	G452	N/A	16.b(6)
(7) All other collateral		G453	N/A	G454	N/A	G455	N/A	G456	N/A	G457	N/A	16.b(7)
(8) Total fair value of collateral (sum of items 16.b.(1) through (7))		G458	N/A	G459	N/A	G460	N/A	G461	N/A	G462	N/A	16.b(8)

(1) The \$10 billion asset size test is generally based on the total assets reported on the June 30, 2011, Report of Condition.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 41 of 71
RC-28

Schedule RC-M—Memoranda

Dollar Amounts in Thousands		RCON	Bll Mil Thou	
1. Extensions of credit by the reporting bank to its executive officers, directors, principal shareholders, and their related interests as of the report date:				
a. Aggregate amount of all extensions of credit to all executive officers, directors, principal shareholders, and their related interests		6164	1,883	1.a
b. Number of executive officers, directors, and principal shareholders to whom the amount of all extensions of credit by the reporting bank (including extensions of credit to related interests) equals or exceeds the lesser of \$500,000 or 5 percent of total capital as defined for this purpose in agency regulations		RCON 6165	Number 3	1.b
2. Intangible assets other than goodwill:				
a. Mortgage servicing assets		3164	0	2.a
(1) Estimated fair value of mortgage servicing assets		A590	0	2.a.1
b. Purchased credit card relationships and nonmortgage servicing assets		B026	0	2.b
c. All other identifiable intangible assets		5507	0	2.c
d. Total (sum of items 2.a, 2.b, and 2.c) (must equal Schedule RC, item 10.b)		0426	0	2.d
3. Other real estate owned:				
a. Construction, land development, and other land		5508	2,799	3.a
b. Farmland		5509	0	3.b
c. 1-4 family residential properties		5510	293	3.c
d. Multifamily (5 or more) residential properties		5511	0	3.d
e. Nonfarm nonresidential properties		5512	5,096	3.e
f. Foreclosed properties from "GNMA loans"		C979	0	3.f
g. Total (sum of items 3.a through 3.f) (must equal Schedule RC, item 7)		2150	8,188	3.g
4. Not Applicable				
5. Other borrowed money:				
a. Federal Home Loan Bank advances:				
(1) Advances with a remaining maturity or next repricing date of:(1)				
(a) One year or less		F055	5,000	5.a.1.a
(b) Over one year through three years		F056	0	5.a.1.b
(c) Over three years through five years		F057	0	5.a.1.c
(d) Over five years		F058	0	5.a.1.d
(2) Advances with a REMAINING MATURITY of one year or less (included in item 5.a.(1)(a) above)(2)		2651	5,000	5.a.2
(3) Structured advances (included in items 5.a.(1)(a)-(d) above)		F059	0	5.a.3
b. Other borrowings:				
(1) Other borrowings with a remaining maturity or next repricing date of:(3)				
(a) One year or less		F060	0	5.b.1.a
(b) Over one year through three years		F061	0	5.b.1.b
(c) Over three years through five years		F062	0	5.b.1.c
(d) Over five years		F063	0	5.b.1.d
(2) Other borrowings with a REMAINING MATURITY of one year or less (included in item 5.b.(1)(a) above)(4)		B571	0	5.b.2
c. Total (sum of items 5.a.(1)(a)-(d) and items 5.b.(1)(a)-(d)) (must equal Schedule RC, item 16)		3190	5,000	5.c

- (1) Report fixed rate advances by remaining maturity and floating rate advances by next repricing date.
- (2) Report both fixed and floating rate advances by remaining maturity. Exclude floating rate advances with a next repricing date of one year or less that have a remaining maturity of over one year.
- (3) Report fixed rate other borrowings by remaining maturity and floating rate other borrowings by next repricing date.
- (4) Report both fixed and floating rate other borrowings by remaining maturity. Exclude floating rate other borrowings with a next repricing date of one year or less that have a remaining maturity of over one year.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 42 of 71
RC-29**Schedule RC-M—Continued**

	Dollar Amounts in Thousands	RCON	YES / NO	
6. Does the reporting bank sell private label or third party mutual funds and annuities?		B569	NO	6
7. Assets under the reporting bank's management in proprietary mutual funds and annuities		B570	0	7
8. Primary Internet Web site address of the bank (home page), if any (Example: www.examplebank.com) (TEXT 4087) http://www.villagebankonline.com				8
9. Do any of the bank's Internet Web sites have transactional capability, i.e., allow the bank's customers to execute transactions on their accounts through the Web site?		4088	YES	9
10. Secured liabilities:				
a. Amount of "Federal funds purchased" that are secured (included in Schedule RC, item 14.a)		F064	0	10.a
b. Amount of "Other borrowings" that are secured (included in Schedule RC-M, items 5.b.(1)(a)-(d))		F065	0	10.b
11. Does the bank act as trustee or custodian for Individual Retirement Accounts, Health Savings Accounts, and other similar accounts?		G463	YES	11
12. Does the bank provide custody, safekeeping, or other services involving the acceptance of orders for the sale or purchase of securities?		G464	NO	12
13. Assets covered by loss-sharing agreements with the FDIC:				
a. Loans and leases (included in Schedule RC, items 4.a and 4.b):				
(1) Loans secured by real estate:				
(a) Construction, land development, and other land loans:				
(1) 1-4 family residential construction loans	K169	0	13.a.(1)(a)(1)	
(2) Other construction loans and all land development and other land loans	K170	0	13.a.(1)(a)(2)	
(b) Secured by farmland	K171	0	13.a.(1)(b)	
(c) Secured by 1-4 family residential properties:				
(1) Revolving open-end loans secured by 1-4 family residential properties and extended under lines of credit	K172	0	13.a.(1)(c)(1)	
(2) Closed-end loans secured by 1-4 family residential properties:				
(a) Secured by first liens	K173	0	13.a.(1)(c)(2)(a)	
(b) Secured by junior liens	K174	0	13.a.(1)(c)(2)(b)	
(d) Secured by multifamily(5 or more) residential properties	K175	0	13.a.(1)(d)	
(e) Secured by nonfarm, nonresidential properties:				
(1) Loans secured by owner-occupied nonfarm nonresidential properties	K176	0	13.a.(1)(e)(1)	
(2) Loans secured by other nonfarm nonresidential properties	K177	0	13.a.(1)(e)(2)	
(2) Not Applicable				
(3) Commercial and industrial loans	K179	0	13.a.(3)	
(4) Loans to individuals for household, family, and other personal expenditures:				
(a) Credit cards	K180	0	13.a.(4)(a)	
(b) Automobile loans	K181	0	13.a.(4)(b)	
(c) Other (includes revolving credit plans other than credit cards and other consumer loans)	K182	0	13.a.(4)(c)	

Schedule RC-M—Continued

	RCN	Bil Mil Thou	
13. a. (5) All other loans and all leases	K183	0	13.a.(5)
<i>Itemize the categories of loans and leases (as defined in Schedule RC-C, part 1) included in item 13.a.(5) above that exceed 10% of total loans and leases covered by loss-sharing agreements with the FDIC (sum of items 13.a.1.(1) through (5)):</i>			
(a) Loans to depository institutions and acceptances of other banks	K184	0	13.a.(5)(a)
(b) Loans to foreign government and official institutions	K185	0	13.a.(5)(b)
(c) Other loans(1)	K186	0	13.a.(5)(c)
<i>Item 13.a.(5)(c)(1) is to be completed by:(2)</i>			
- Banks with \$300 million or more in total assets			
- Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part 1, item 3) exceeding five percent of total loans			
(1) Loans to finance agricultural production and other loans to farmers included in Schedule RC-M, item 13.a.(5)(c), above	K178	N/A	13.a.(5)(c)(1)
(d) Lease financing receivables	K273	0	13.a.(5)(d)
b. Other real estate owned (included in Schedule RC, item 7):			
(1) Construction, land development, and other land	K187	0	13.b.(1)
(2) Farmland	K188	0	13.b.(2)
(3) 1-4 family residential properties	K189	0	13.b.(3)
(4) Multifamily (5 or more) residential properties	K190	0	13.b.(4)
(5) Nonfarm nonresidential properties	K191	0	13.b.(5)
(6) Not applicable			
(7) Portion of covered other real estate owned included in items 13.b.(1) through (5) above that is protected by FDIC loss-sharing agreements	K192	0	13.b.(7)
c. Debt securities (included in Schedule RC, items 2.a and 2.b)	J461	0	13.c
d. Other assets (exclude FDIC loss-sharing indemnification assets)	J462	0	13.d
14. Captive insurance and reinsurance subsidiaries:			
a. Total assets of captive insurance subsidiaries(3)	K193	0	14.a
b. Total assets of captive reinsurance subsidiaries(3)	K194	0	14.b
Item 15 is to be completed by institutions that are required or have elected to be treated as a Qualified Thrift Lender.			
15. Qualified Thrift Lender (QTL) test:			
a. Does the institution use the Home Owners' Loan Act (HOLA) QTL test or the Internal Revenue Service Domestic Building and Loan Association (IRS DBLA) test to determine its QTL compliance? (for the HOLA QTL test, enter 1; for the IRS DBLA test, enter 2)	RCN	Number	
	L133	N/A	15.a
b. Has the institution been in compliance with the HOLA QTL test as of each month end during the quarter or the IRS DBLA test for its most recent taxable year, as applicable?	RCN	YES / NO	
	L135	N/A	15.b

- (1) Includes "Loans to finance agricultural production and other loans to farmers," "Obligations (other than securities and loans) of states and political subdivisions in the U.S.," and "Loans to nondepository financial institutions and other loans"
- (2) The 300 million asset size test and the 5 percent of total loans test are generally based on the total assets and total loans reported on the June 30, 2011, Report of Condition.
- (3) Report total assets before eliminating intercompany transactions between the consolidated insurance or reinsurance subsidiary and other offices or consolidated subsidiaries of the reporting bank.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 44 of 71

RC-31

Schedule RC-N—Past Due and Nonaccrual Loans, Leases, and Other Assets

Dollar Amounts in Thousands	(Column A) Past due 30 through 89 days and still accruing				(Column B) Past due 90 days or more and still accruing				(Column C) Nonaccrual			
	RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou
1. Loans secured by real estate:												
a. Construction, land development, and other land loans:												
(1) 1-4 family residential construction loans	F172		0		F174		0		F176		0	
(2) Other construction loans and all land development and other land loans	F173		401		F175		0		F177		3,962	
b. Secured by farmland	3493		0		3494		0		3495		0	
c. Secured by 1-4 family residential properties:												
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	5398		0		5399		0		5400		110	
(2) Closed-end loans secured by 1-4 family residential properties:												
(a) Secured by first liens	C236		185		C237		0		C229		271	
(b) Secured by junior liens	C238		0		C239		0		C230		67	
d. Secured by multifamily (5 or more) residential properties	3499		0		3500		0		3501		0	
e. Secured by nonfarm nonresidential properties:												
(1) Loans secured by owner-occupied nonfarm nonresidential properties	F178		1,684		F180		0		F182		2,853	
(2) Loans secured by other nonfarm nonresidential properties	F179		267		F181		0		F183		1,332	
2. Loans to depository institutions and acceptances of other banks	B834		0		B835		0		B836		0	
3. Not applicable												
4. Commercial and industrial loans	1606		1,183		1607		0		1608		3,523	
5. Loans to individuals for household, family, and other personal expenditures:												
a. Credit cards	B575		0		B576		0		B577		0	
b. Automobile loans	K213		11		K214		0		K215		0	
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	K216		14		K217		0		K218		0	
6. Loans to foreign governments and official institutions	5389		0		5390		0		5391		0	
7. All other loans(1)	5459		0		5460		0		5461		0	
8. Lease financing receivables	1226		0		1227		0		1228		0	
9. Debt securities and other assets (exclude other real estate owned and other repossessed assets)	3505		0		3506		0		3507		0	

(1) Includes past due and nonaccrual "Loans to finance agricultural production and other loans to farmers," "Obligations (other than securities and leases) of states and political subdivisions in the U.S.," and "Loans to nondepository financial institutions and other loans."

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041

Page 45 of 71

RC-32

Schedule RC-N—Continued

Amounts reported in Schedule RC-N, items 1 through 8, above include guaranteed and unguaranteed portions of past due and nonaccrual loans and leases. Report in item 10 and 11 below certain guaranteed loans and leases that have already been included in the amounts reported in items 1 through 8.

		(Column A) Past due 30 through 89 days and still accruing				(Column B) Past due 90 days or more and still accruing				(Column C) Nonaccrual				
Dollar Amounts in Thousands		RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou	
10. Loans and leases reported in items 1 through 8 above that are wholly or partially guaranteed by the U.S. Government, excluding loans and leases covered by loss-sharing agreements with the FDIC_____														10
		K036	334			K037	0			K038	307			
a. Guaranteed portion of loans and leases included in item 10 above, excluding rebooked "GNMA loans"_____														10.a
		K039	243			K040	0			K041	99			
b. Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included in item 10 above_____														10.b
		K042	0			K043	0			K044	0			
11. Loans and leases reported in items 1 through 8 above that are covered by loss-sharing agreements with the FDIC:														
a. Loans secured by real estate:														
(1) Construction, land development, and other land loans:														
(a) 1-4 family residential construction loans_____		K045	0			K046	0			K047	0			11.a.(1)(a)
(b) Other construction loans and all land development and other land loans_____		K048	0			K049	0			K050	0			11.a.(1)(b)
(2) Secured by farmland_____		K051	0			K052	0			K053	0			11.a.2
(3) Secured by 1-4 family residential properties														
(a) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit_____		K054	0			K055	0			K056	0			11.a.(3)(a)
(b) Closed-end loans secured by 1-4 family residential properties:														
(1) Secured by first liens_____		K057	0			K058	0			K059	0			11.a.(3)(b)(1)
(2) Secured by junior liens_____		K060	0			K061	0			K062	0			11.a.(3)(b)(2)
(4) Secured by multifamily (5 or more) residential properties_____		K063	0			K064	0			K065	0			11.a.(4)
(5) Secured by nonfarm nonresidential properties:														
(a) Loans secured by owner-occupied nonfarm nonresidential properties_____		K066	0			K067	0			K068	0			11.a.(5)(a)
(b) Loans secured by other nonfarm nonresidential properties_____		K069	0			K070	0			K071	0			11.a.(5)(b)
b. Not applicable														
c. Commercial and industrial loans		K075	0			K076	0			K077	0			11.c

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 46 of 71
RC-33

Schedule RC-N—Continued

Dollar Amounts in Thousands	(Column A) Past due 30 through 89 days and still accruing				(Column B) Past due 90 days or more and still accruing				(Column C) Nonaccrual			
	RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou
11.d. Loans to individuals for household, family, and other personal expenditures:												
(1) Credit cards	K078		0		K079		0		K080		0	
(2) Automobile loans	K081		0		K082		0		K083		0	
(3) Other (includes revolving credit plans other than credit cards and other consumer loans)	K084		0		K085		0		K086		0	
e. All other loans and all leases	K087		0		K088		0		K089		0	
Itemize the past due and nonaccrual amounts included in item 11.e above for the loan and lease categories for which amounts were reported in Schedule RC-M, items 13.a.(5)(a) through (d):												
(1) Loans to depository institutions and acceptances of other banks	K091		0		K092		0		K093		0	
(2) Loans to foreign governments and official institutions	K095		0		K096		0		K097		0	
(3) Other loans(1)	K099		0		K100		0		K101		0	
Item 11.e.(3)(a) is to be completed by:(2)												
. Banks with \$300 million or more in total assets												
. Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part I, item 3) exceeding five percent of total loans												
(a) Loans to finance agricultural production and other loans to farmers included in Schedule RC-N, item 11.e.(3), above	K072		N/A		K073		N/A		K074		N/A	
(4) Lease financing receivables	K269		0		K271		0		K272		0	
f. Portion of covered loans and leases included in items 11.a through 11.e.3 above that is protected by FDIC loss-sharing agreements	K102		0		K103		0		K104		0	

- (1) Includes "Loans to finance agricultural production and other loans to farmers," "Obligations (other than securities and loans) of states and political subdivisions in the U.S.," and "Loans to nondepository financial institutions and other loans."
- (2) The \$300 million asset size test and the 5 percent of total loans test are generally based on the total assets and total loans reported on the June 30, 2011, Report of Condition.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

 FFIEC 041
 Page 48 of 71
 RC-35

Schedule RC-N—Continued
Memoranda—Continued

Memoranda—Continued		(Column A) Past due 30 through 89 days and still accruing				(Column B) Past due 90 days or more and still accruing				(Column C) Nonaccrual				
		RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou	
Dollar Amounts in Thousands														
1.f.(5) Loans to foreign governments and official institutions		K283		0		K284		0		K285		0		M.1.f.(5)
(6) Other Loans(1)		K286		0		K287		0		K288		0		M.1.f.(6)
Memorandum item 1.f.(6)(a) is to be completed by:(2) - Banks with \$300 million or more in total assets - Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part 1, item 3) exceeding five percent of total loans (a) Loans to finance agricultural production and other loans to farmers included in Schedule RC-N, Memorandum item 1.f.(6), above														
		K138		N/A		K139		N/A		K140		N/A		M.1.f.(6)(a)
2. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-N, items 4 and 7, above		6558		0		6559		0		6560		0		M.2
3. Memorandum items 3.a through 3.d are to be completed by banks with \$300 million in total assets:(2)														
a. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-N, item 1, above)		1248		N/A		1249		N/A		1250		N/A		M.3.a
b. Loans to and acceptances of foreign banks (included in Schedule RC-N, item 2, above)		5380		N/A		5381		N/A		5382		N/A		M.3.b
c. Commercial and industrial loans to non-U.S. addressees (domicile) (included in Schedule RC-N, item 4, above)		1254		N/A		1255		N/A		1256		N/A		M.3.c
d. Leases to individuals for household, family, and other personal expenditures (included in Schedule RC-N, item 8, above)		F166		N/A		F167		N/A		F168		N/A		M.3.d

(1) Includes "Loans to finance agricultural production and other loans to farmers," "Obligations (other than securities and loans) of states and political subdivisions in the U.S.," and "Loans to nondepository financial institutions and other loans."

(2) The \$300 million asset size test and the five percent of total loans test are generally based on the total assets and total loans reported on the June 30, 2011, Report of Condition.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 49 of 71
RC-36

Schedule RC-N—Continued

Memoranda—Continued

Memoranda—Continued	(Column A) Past due 30 through 89 days and still accruing				(Column B) Past due 90 days or more and still accruing				(Column C) Nonaccrual				
	RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou	
Dollar Amounts in Thousands													
Memorandum item 4 is to be completed by:(1) • banks with \$300 million or more in total assets • banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part I, item 3) exceeding five percent of total loans:													
4. Loans to finance agricultural production and other loans to farmers (included in Schedule RC-N, item 7, above)	1594	N/A			1597	N/A			1583	N/A			M.4
5. Loans and leases held for sale and loans measured at fair value (included Schedule RC-N, items 1 through 8, above):													
a. Loans and leases held for sale	C240	0			C241	0			C226	0			M.5.a
b. Loans measured at fair value:													
(1) Fair value	F664	0			F665	0			F666	0			M.5.b.(1)
(2) Unpaid principal balance	F667	0			F668	0			F669	0			M.5.b.(2)

	(Column A) Past due 30 through 89 days			(Column B) Past due 90 days or more				
Dollar Amounts in Thousands	RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou
Memorandum item 6 is to be completed by banks with \$300 million or more in total assets:(1)								
6. Derivative contracts:								
Fair value of amounts carried as assets	3529			N/A	3530			N/A
M.6								
7. Additions to nonaccrual assets during the quarter	RCON				Bil	Mil	Thou	
	C410			2,536				
8. Nonaccrual assets sold during the quarter	C411			0				
					M.8			

	(Column A) Past due 30 through 89 days and still accruing				(Column B) Past due 90 days or more and still accruing				(Column C) Nonaccrual				
Dollar Amounts in Thousands	RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou	
9. Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3):													
a. Outstanding balance	L183	0			L184	0			L185	0			M.9.a
b. Carrying amount included in Schedule RC-N, items 1 through 7, above	L186	0			L187	0			L188	0			M.9.b

(1) The \$300 million asset size test and the five percent of total loans test are generally based on the total assets and total loans reported on the June 30, 2011, Report of Condition.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 50 of 71
RC-37

Schedule RC-O—Other Data for Deposit Insurance and FICO Assessments

All FDIC-insured depository institutions must complete items 1 and 2, 4 through 9, 10, and 11, Memorandum items 1 and 5, and, if applicable, item 9.a, Memorandum items 2, 3, and 6 through 17 each quarter. Unless otherwise indicated, complete items 1 through 11 and Memorandum items 1 through 5 on an "unconsolidated single FDIC certificate number basis" (see instructions) and complete Memorandum items 6 through 17 on a fully consolidated basis.

Dollar Amounts in Thousands		RCON	Bil Mil Thou	
1. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations		F236	176,844	1
2. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions		F237	0	2
3. Not applicable				
4. Average consolidated total assets		K652	197,817	4
a. Averaging method used (for daily averaging, enter 1, for weekly averaging, enter 2)	Number K653 1			4.a
5. Average tangible equity(1)		K654	7,745	5
6. Holdings of long-term unsecured debt issued by other FDIC-insured depository institutions		K655	0	6
7. Unsecured "Other borrowings" with a remaining maturity of (sum of items 7.a through 7.d must be less than or equal to Schedule RC-M, items 5.b.(1)(a)-(d) minus item 10.b):				
a. One year or less		G465	0	7.a
b. Over one year through three years		G466	0	7.b
c. Over three years through five years		G467	0	7.c
d. Over five years		G468	0	7.d
8. Subordinated notes and debentures with a remaining maturity of (sum of items 8.a through 8.d must equal Schedule RC, item 19):				
a. One year or less		G469	0	8.a
b. Over one year through three years		G470	0	8.b
c. Over three years through five years		G471	0	8.c
d. Over five years		G472	0	8.d
9. Reciprocal brokered deposits (Included in Schedule RC-E, Memorandum item 1.b)		G803	0	9
Item 9.a is to be completed on a fully consolidated basis by all institutions that own another insured depository institution.				
a. Fully consolidated reciprocal brokered deposits		L190	N/A	9.a
10. Banker's bank certification:			YES / NO	
Does the reporting institution meet both the statutory definition of a banker's bank and the business conduct test set forth in FDIC regulations?		K656	NO	10
If the answer to item 10 is "YES," complete items 10.a and 10.b.			Bil Mil Thou	
a. Banker's bank deduction		K657	N/A	10.a
b. Banker's bank deduction limit		K658	N/A	10.b
11. Custodial bank certification:			YES / NO	
Does the reporting institution meet the definition of a custodial bank set forth in FDIC regulations?		K659	NO	11
If the answer to item 11 is "YES," complete items 11.a and 11.b.			Bil Mil Thou	
a. Custodial bank deduction		K660	N/A	11.a
b. Custodial bank deduction limit		K661	N/A	11.b

(1) Tangible equity is defined as Tier 1 capital as set forth in the banking agencies' regulatory capital standards and reported in Schedule RC-R, item 11.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 51 of 71
RC-38

Schedule RC-O—Continued

Memoranda

Dollar Amounts in Thousands		RCON	Bil Mil Thou	
1. Total deposit liabilities of the bank, including related interest accrued and unpaid, less allowable exclusions, including related interest accrued and unpaid (sum of Memorandum items 1.a.(1), 1.b.(1), 1.c.(1), and 1.d.(1) must equal Schedule RC-O, item 1 less item 2):				
a. Deposit accounts (excluding retirement accounts) of \$250,000 or less:(1)		F049	133,980	M.1.a.(1)
(1) Amount of deposit accounts (excluding retirement accounts) of \$250,000 or less		RCON	Number	
(2) Number of deposit accounts (excluding retirement accounts) of \$250,000 or less		F050	14,161	M.1.a.(2)
b. Deposit accounts (excluding retirement accounts) of more than \$250,000:(1)		F051	33,484	M.1.b.(1)
(1) Amount of deposit accounts (excluding retirement accounts) of more than \$250,000		RCON	Number	
(2) Number of deposit accounts (excluding retirement accounts) of more than \$250,000		F052	64	M.1.b.(2)
c. Retirement deposit accounts of \$250,000 or less:(1)		F045	8,843	M.1.c.(1)
(1) Amount of retirement deposit accounts of \$250,000 or less		RCON	Number	
(2) Number of retirement deposit accounts of \$250,000 or less		F046	556	M.1.c.(2)
d. Retirement deposit accounts of more than \$250,000:(1)		F047	537	M.1.d.(1)
(1) Amount of retirement deposit accounts of more than \$250,000		RCON	Number	
(2) Number of retirement deposit accounts of more than \$250,000		F048	1	M.1.d.(2)
<i>Memorandum item 2 is to be completed by banks with \$1 billion or more in total assets.(2)</i>				
2. Estimated amount of uninsured deposits, including related interest accrued and unpaid (see instructions):(3)		5597	N/A	M.2
3. Has the reporting institution been consolidated with a parent bank or Savings association in that parent bank's or parent Saving association's Call Report or Thrift Financial Report? If so, report the legal title and FDIC Certificate Number of the parent bank or parent Savings association:				
TEXT		RCON	FDIC Cert No.	
A545		A545	0	M.3

Dollar Amounts in Thousands		RCON	Bil Mil Thou	
4. Not Applicable				
<i>Memorandum items 5.a and 5.b are to be completed by all banks.</i>				
5. Noninterest-bearing transaction accounts (as defined in Section 343 of the Dodd-Frank Act) of more than \$250,000 (see instructions):(4)		J944	10,365	M.5.a
a. Amount of noninterest-bearing transaction accounts of more than \$250,000		Number		
b. Number of noninterest-bearing transaction accounts of more than \$250,000		J945	18	M.5.b

- (1) The dollar amounts used as the basis for reporting in Memorandum items 1.a through 1.d reflect the deposit insurance limits in effect on the report date excluding the temporary unlimited insurance coverage on noninterest-bearing transaction accounts.
- (2) The \$1 billion asset size test is generally based on the total assets reported on the June 30, 2011, Report of Condition.
- (3) Uninsured deposits should be estimated based on the deposit insurance limits set forth in Memorandum items 1.a through 1.d and the temporary unlimited insurance coverage on noninterest-bearing transaction accounts.
- (4) Excludes interest-bearing demand deposits.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 52 of 71
RC-39**Schedule RC-O—Continued****Amounts reported in Memorandum items 6 through 9, 14, and 15 will not be made available to the public on an individual institution basis****Memoranda—Continued**

	Dollar Amounts in Thousands		
	RCON	Bil Mil Thou	
<i>Memorandum items 6 through 12 are to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations.</i>			
6. Criticized and classified items:			
a. Special mention	K663	N/A	M.6.a
b. Substandard	K664	N/A	M.6.b
c. Doubtful	K665	N/A	M.6.c
d. Loss	K666	N/A	M.6.d
7. "Nontraditional 1–4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations	K675	N/A	M.7
8. "Subprime consumer loans" as defined for assessment purposes only in FDIC regulations	K667	N/A	M.8
9. "Leveraged loans and securities" as defined for assessment purposes only in FDIC regulations	K668	N/A	M.9
10. Commitments to fund construction, land development, and other land loans secured by real estate:			
a. Total unfunded commitments	K676	N/A	M.10.a
b. Portion of unfunded commitments guaranteed or insured by the U.S. government (including the FDIC)	K677	N/A	M.10.b
11. Amount of other real estate owned recoverable from the U.S. government under guarantee or insurance provisions (excluding FDIC loss-sharing agreements)	K669	N/A	M.11
12. Nonbrokered time deposits of more than \$250,000 (included in Schedule RC-E, Memorandum item 2.d)	K678	N/A	M.12
<i>Memorandum item 13.a is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations. Memorandum items 13.b through 13.g are to be completed by "large institutions" only.</i>			
13. Portion of funded loans guaranteed or insured by the U.S. government (excluding FDIC loss-sharing agreements):			
a. Construction, land development, and other land loans secured by real estate	K679	N/A	M.13.a
b. Loans secured by multifamily residential and nonfarm nonresidential properties	K680	N/A	M.13.b
c. Closed-end loans secured by first liens on 1-4 family residential properties	K681	N/A	M.13.c
d. Closed-end loans secured by junior liens on 1-4 family residential properties and revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	K682	N/A	M.13.d
e. Commercial and industrial loans	K670	N/A	M.13.e
f. Credit card loans to individuals for household, family, and other personal expenditures	K671	N/A	M.13.f
g. Revolving credit plans other than credit cards, automobile loans, and other consumer loans	K672	N/A	M.13.g
<i>Memorandum items 14 and 15 are to be completed by "highly complex institutions" as defined in FDIC regulations.</i>			
14. Amount of the institution's largest counterparty exposure	K673	N/A	M.14
15. Total amount of the institution's 20 largest counterparty exposures	K674	N/A	M.15

Schedule RC-O—Continued

Memoranda—Continued

Dollar Amounts in Thousands		RCN	Bil Mil Thou	
Memorandum item 16 is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations.				
16. Portion of loans restructured in troubled debt restructurings that are in compliance with their modified terms and are guaranteed or insured by the U.S. government (including the FDIC) (included in Schedule RC-C, Part I, Memorandum item 1)		L189	N/A	M.16
Memorandum item 17 is to be completed on a fully consolidated basis by those "large institutions" and "highly complex institutions" as defined in FDIC regulations that own another insured depository institution.				
17. Selected fully consolidated data for deposit insurance assessment purposes:				
a. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations		L194	N/A	M.17.a
b. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions		L195	N/A	M.17.b
c. Unsecured "Other borrowings" with a remaining maturity of one year or less		L196	N/A	M.17.c
d. Estimated amount of uninsured deposits, including related interest accrued and unpaid		L197	N/A	M.17.d

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 54 of 71

RC-41

Schedule RC-P—1-4 Family Residential Mortgage Banking Activities

Schedule RC-P is to be completed by (1) all banks with \$1 billion or more in total assets¹ and (2) banks with less than \$1 billion in total assets at which either 1-4 family residential mortgage loan originations and purchases for resale² from all sources, loan sales, or quarter-end loans held for sale exceed \$10 million for two consecutive quarters.

Dollar Amounts in Thousands		RCON	Bil Mil Thou	
1. Retail originations during the quarter of 1-4 family residential mortgage loans for sale:(2)				
a. Closed-end first liens		F066	N/A	1.a
b. Closed-end junior liens		F067	N/A	1.b
c. Open-end loans extended under lines of credit:				
(1) Total commitment under the lines of credit		F670	N/A	1.c.(1)
(2) Principal amount funded under the lines of credit		F671	N/A	1.c.(2)
2. Wholesale originations and purchases during the quarter of 1-4 family residential mortgage loans for sale:(2)				
a. Closed-end first liens		F068	N/A	2.a
b. Closed-end junior liens		F069	N/A	2.b
c. Open-end loans extended under lines of credit:				
(1) Total commitment under the lines of credit		F672	N/A	2.c.(1)
(2) Principal amount funded under the lines of credit		F673	N/A	2.c.(2)
3. 1-4 family residential mortgage loans sold during the quarter:				
a. Closed-end first liens		F070	N/A	3.a
b. Closed-end junior liens		F071	N/A	3.b
c. Open-end loans extended under lines of credit:				
(1) Total commitment under the lines of credit		F674	N/A	3.c.(1)
(2) Principal amount funded under the lines of credit		F675	N/A	3.c.(2)
4. 1-4 family residential mortgage loans held for sale at quarter-end (included in Schedule RC, Item 4.a and 5):				
a. Closed-end first liens		F072	N/A	4.a
b. Closed-end junior liens		F073	N/A	4.b
c. Open-end loans extended under lines of credit:				
(1) Total commitment under the lines of credit		F676	N/A	4.c.(1)
(2) Principal amount funded under the lines of credit		F677	N/A	4.c.(2)
5. Noninterest income for the quarter from the sale, securitization, and servicing of 1-4 family residential mortgage loans (included in Schedule RI, Items 5.f, 5.g, and 5.i):		RIAD		
a. Closed-end 1-4 family residential mortgage loans		F184	N/A	5.a
b. Open-end 1-4 family residential mortgage loans extended under lines of credit		F560	N/A	5.b
6. Repurchases and indemnifications of 1-4 family residential mortgage loans during the quarter:		RCON		
a. Closed-end first liens		F678	N/A	6.a
b. Closed-end junior liens		F679	N/A	6.b
c. Open-end loans extended under line of credit:				
(1) Total commitment under the lines of credit		F680	N/A	6.c.(1)
(2) Principal amount funded under the lines of credit		F681	N/A	6.c.(2)
7. Representation and warranty reserves for 1-4 family residential mortgage loans sold:				
a. For representations and warranties made to U.S. government agencies and government-sponsored agencies		L191	N/A	7.a
b. For representations and warranties made to other parties		L192	N/A	7.b

(1) The \$1 billion asset size test is generally based on the total assets reported on the June 30, 2011, Report of Condition.

(2) Exclude originations and purchases of 1-4 family residential mortgage loans that are held for investment.

Schedule RC-Q—Assets and Liabilities Measured at Fair Value on a Recurring Basis

Schedule RC-Q is to be completed by banks that:

- (1) Had total assets of \$500 million or more as of the beginning of their fiscal year; or
- (2) Had total assets of less than \$500 million as of the beginning of their fiscal year and either:
 - (a) Have elected to report financial instruments or servicing assets and liabilities at fair value under a fair value option with changes in fair value recognized in earnings, or
 - (b) Are required to complete Schedule RC-D, Trading Assets and Liabilities.

Dollar Amounts in Thousands	(Column A) Total Fair Value Reported on Schedule RC		(Column B) LESS: Amounts Netted in the Determination of Total Fair Value		(Column C) Level 1 Fair Value Measurements		(Column D) Level 2 Fair Value Measurements		(Column E) Level 3 Fair Value Measurements		
	RCON	Bill Mil Thou	RCON	Bill Mil Thou	RCON	Bill Mil Thou	RCON	Bill Mil Thou	RCON	Bill Mil Thou	
Assets											
1. Available-for-sale securities	1773	N/A	G474	N/A	G475	N/A	G476	N/A	G477	N/A	1
2. Federal funds sold and securities purchased under agreements to resell	G478	N/A	G479	N/A	G480	N/A	G481	N/A	G482	N/A	2
3. Loans and leases held for sale	G483	N/A	G484	N/A	G485	N/A	G486	N/A	G487	N/A	3
4. Loans and leases held for investment	G488	N/A	G489	N/A	G490	N/A	G491	N/A	G492	N/A	4
5. Trading assets:											
a. Derivative assets	3543	N/A	G493	N/A	G494	N/A	G495	N/A	G496	N/A	5.a
b. Other trading assets	G497	N/A	G498	N/A	G499	N/A	G500	N/A	G501	N/A	5.b
(1) Nontrading securities at fair value with changes in fair value reported in current earnings (included in Schedule RC-Q, item 5.b, above)											
6. All other assets	F240	N/A	F684	N/A	F692	N/A	F241	N/A	F242	N/A	5.b.1
7. Total assets measured at fair value on a recurring basis (sum of items 1 through 5b plus item 6.)	G391	N/A	G392	N/A	G395	N/A	G396	N/A	G804	N/A	6
	G502	N/A	G503	N/A	G504	N/A	G505	N/A	G506	N/A	7

Schedule RC-Q—Continued

	(Column A) Total Fair Value Reported on Schedule RC				(Column B) LESS: Amounts Netted in the Determination of Total Fair Value				(Column C) Level 1 Fair Value Measurements				(Column D) Level 2 Fair Value Measurements				(Column E) Level 3 Fair Value Measurements			
	RCON	Bil	Mill	Thou	RCON	Bil	Mill	Thou	RCON	Bil	Mill	Thou	RCON	Bil	Mill	Thou	RCON	Bil	Mill	Thou
Dollar Amounts in Thousands																				
Liabilities																				
8. Deposits	F252			N/A	F686			N/A	F694			N/A	F253			N/A	F254			N/A
9. Federal funds purchased and securities sold under agreements to repurchase	G507			N/A	G508			N/A	G509			N/A	G510			N/A	G511			N/A
10. Trading liabilities:																				
a. Derivative liabilities	3547			N/A	G512			N/A	G513			N/A	G514			N/A	G515			N/A
b. Other trading liabilities	G516			N/A	G517			N/A	G518			N/A	G519			N/A	G520			N/A
11. Other borrowed money	G521			N/A	G522			N/A	G523			N/A	G524			N/A	G525			N/A
12. Subordinated notes and debentures	G526			N/A	G527			N/A	G528			N/A	G529			N/A	G530			N/A
13. All other liabilities	G805			N/A	G806			N/A	G807			N/A	G808			N/A	G809			N/A
14. Total liabilities measured at fair value on a recurring basis (sum of items 8 through 13)	G531			N/A	G532			N/A	G533			N/A	G534			N/A	G535			N/A

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10.a

10.b

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Schedule RC-Q—Continued

	Dollar Amounts in Thousands																
	(Column A) Total Fair Value Reported on Schedule RC			(Column B) LESS: Amounts Netted in the Determination of Total Fair Value			(Column C) Level 1 Fair Value Measurements			(Column D) Level 2 Fair Value Measurements			(Column E) Level 3 Fair Value Measurements				
	RCON	Bil	Mill	Thou	RCON	Bil	Mill	Thou	RCON	Bil	Mill	Thou	RCON	Bil	Mill	Thou	
Memoranda	1. All other assets (itemize and describe amounts included in Schedule RC-Q, item 6, that are greater than \$25,000 and exceed 25% of item 6):																
	a. Mortgage servicing assets																
	b. Nontrading derivative assets																
	TEXT																
	c.	G546			N/A	G547			N/A	G548			N/A	G549			N/A
	d.	G551			N/A	G552			N/A	G553			N/A	G554			N/A
	e.	G556			N/A	G557			N/A	G558			N/A	G559			N/A
	f.	G561			N/A	G562			N/A	G563			N/A	G564			N/A
	2. All other liabilities (itemize and describe amounts included in Schedule RC-Q, item 13, that are greater than \$25,000 and exceed 25% of item 13)																
	a. Loan commitments (not accounted for as derivatives)																
b. Nontrading derivative liabilities																	
TEXT																	
c.	G571			N/A	G572			N/A	G573			N/A	G574			N/A	
d.	G576			N/A	G577			N/A	G578			N/A	G579			N/A	
e.	G581			N/A	G582			N/A	G583			N/A	G584			N/A	
f.	G586			N/A	G587			N/A	G588			N/A	G589			N/A	
	F261			N/A	F689			N/A	F697			N/A	F262			N/A	
	G566			N/A	G567			N/A	G568			N/A	G569			N/A	
M.1.a																	
M.1.b																	
M.1.c																	
M.1.d																	
M.1.e																	
M.1.f																	
M.2.a																	
M.2.b																	
M.2.c																	
M.2.d																	
M.2.e																	
M.2.f																	

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 57 of 71

RC-44

Schedule RC-R—Regulatory Capital

Dollar Amounts in Thousands

	RCON	Bil Mil Thou	
Tier 1 capital			
1. Total bank equity capital (from Schedule RC, item 27.a)	3210	7,725	1
2. LESS: Net unrealized gains (losses) on available-for-sale securities(1) (if a gain, report as a positive value; if a loss, report as a negative value)	8434	336	2
3. LESS: Net unrealized loss on available-for-sale EQUITY securities(1)(report loss as a positive value)	A221	0	3
4. LESS: Accumulated net gains (losses) on cash flow hedges(1) and amounts recorded in AOC1 resulting from the 701-20(former FASB Statement No, 128) to defined benefit post retirement plans. (if a gain, report as a positive value; if a loss, report as a negative value)	4336	0	4
5. LESS: Nonqualifying perpetual preferred stock	B588	0	5
6. Qualifying noncontrolling (minority) interests in consolidated subsidiaries	B589	0	6
7.a. LESS: Disallowed goodwill and other disallowed intangible assets	B590	0	7.a
b. LESS: Cumulative change in fair value of all financial liabilities accounted for under a fair value option that is included in retained earnings and is attributable to changes in the bank's own creditworthiness (if a net gain, report as a positive value; if a net loss, report as a negative value)	F264	0	7.b
8. Subtotal (sum of items 1 and 6, less items 2, 3, 4, 5, 7.a, and 7.b)	C227	7,389	8
9.a. LESS: Disallowed servicing assets and purchased credit card relationships	B591	0	9.a
b. LESS: Disallowed deferred tax assets	5610	0	9.b
10. Other additions to (deductions from) Tier 1 capital	B592	0	10
11. Tier 1 capital (sum of items 8 and 10, less items 9.a and 9.b)	8274	7,389	11
Tier 2 capital			
12. Qualifying subordinated debt and redeemable preferred stock	5306	0	12
13. Cumulative perpetual preferred stock includible in Tier 2 capital	B593	0	13
14. Allowance for loan and lease losses includible in Tier 2 capital	5310	1,827	14
15. Unrealized gains on available-for-sale equity securities includible in Tier 2 capital	2221	0	15
16. Other Tier 2 capital components	B594	0	16
17. Tier 2 capital (sum of items 12 through 16)	5311	1,827	17
18. Allowable Tier 2 capital (lesser of item 11 or 17)	8275	1,827	18
19. Tier 3 capital allocated for market risk	1395	0	19
20. LESS: Deductions for total risk-based capital	B595	0	20
21. Total risk-based capital (sum of items 11, 18, and 19, less item 20)	3792	9,216	21
Total assets for leverage ratio			
22. Total assets (for banks, from Schedule RC-K, item 9; for savings associations, from Schedule RC, item 12)	L136	197,817	22
23. LESS: Disallowed goodwill and other disallowed intangible assets (from item 7.a above)	B590	0	23
24. LESS: Disallowed servicing assets and purchased credit card relationships (from item 9.a above)	B591	0	24
25. LESS: Disallowed deferred tax assets (from item 9.b above)	5610	0	25
26. Other additions to (deductions from) assets for leverage capital purposes	L137	0	26
27. Total assets for leverage capital purposes (sum of items 22 and 26 less items 23 through 25)	L138	197,817	27
Adjustments for financial subsidiaries			
28. a. Adjustment to Tier 1 capital reported in item 11	C228	0	28.a
b. Adjustment to total risk-based capital reported in item 21	B503	0	28.b
29. Adjustment to risk-weighted assets reported in item 62	B504	0	29
30. Adjustment to average total assets reported in item 27	B505	0	30

(1) Report amount included in Schedule RC, item 26.b, "Accumulated other comprehensive income(AOC1)."

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 58 of 71
RC-45**Schedule RC-R—Regulatory Capital**

Dollar Amounts in Thousands

RCN | Bil | Mil | Thou

Capital ratios

(Column B is to be completed by all banks. Column A is to be completed by banks with financial subsidiaries.)

	(Column A)		(Column B)		
	RCN	Percentage	RCN	Percentage	
31. Tier 1 leverage ratio(1)	7273	0.00%	7204	3.74%	31
32. Tier 1 risk-based capital ratio(2)	7274	0.00%	7206	5.30%	32
33. Total risk-based capital ratio(3)	7275	0.00%	7205	6.61%	33

(1) The ratio for column B is item 11 divided by item 27. The ratio for column A is item 11 minus item 28.a divided by (item 27 minus item 30).

(2) The ratio for column B is item 11 divided by item 62. The ratio for column A is item 11 minus item 28.a divided by (item 62 minus item 29).

(3) The ratio for column B is item 21 divided by item 62. The ratio for column A is item 21 minus item 28.b divided by (item 62 minus item 29).

Schedule RC-R—Continued

Banks are not required to risk-weight each on-balance sheet asset and the credit equivalent amount of each off-balance sheet item that qualifies for a risk weight of less than 100 percent (50 percent for derivatives) at its lower risk weight. When completing items 34 through 54 of Schedule RC-R, each bank should decide for itself how detailed a risk-weight analysis it wishes to perform. In other words, a bank can choose from among its assets and off-balance sheet items that have a risk weight of less than 100 percent which ones to risk-weight at an appropriate lower risk weight, or it can simply risk-weight some or all of these items at a 100 percent risk weight (50 percent for derivatives).

	(Column A) Totals (from Schedule RC) Bil Mil Thou	(Column B) Items Not Subject to Risk-Weighting Bil Mil Thou	(Column C) 0% Bil Mil Thou	(Column D) Allocation by Risk Weight Category		(Column E) 50% Bil Mil Thou	(Column F) 100% Bil Mil Thou
				0%	20%		
Balance Sheet Asset Categories							
34. Cash and balances due from depository institutions (Column A equals the sum of Schedule RC items 1.a and 1.b)	RCON 0010 28,746	RCON C869 0	RCON B600 28,565	RCON B601 180			RCON B602 0
35. Held-to-maturity securities (Column A must equal Schedule RC-B, item 8, column A)	RCON 1754 0	RCON B603 0	RCON B604 0	RCON B605 0	RCON B606 0		RCON B607 0
36. Available-for-sale securities (Column A must equal Schedule RC-B, item 8, column D)	RCON 1773 19,065	RCON B608 336	RCON B609 10,033	RCON B610 8,696	RCON B611 0		RCON B612 0
37. Federal funds sold and securities purchased under agreements to resell	RCON C225 0		RCON C063 0	RCON C064 0			RCON B520 0
38. Loans and leases held for sale (Column A must equal RC 4.a)	RCON 5369 0	RCON B617 0	RCON B618 0	RCON B619 0	RCON B620 0		RCON B621 0
39. Loans and leases, net of unearned income (Col A must equal RC 4.b)	RCON B528 135,479	RCON B622 0	RCON B623 219	RCON B624 2,201	RCON B625 12,164		RCON B626 120,895
40. LESS: Allowance for loan and lease losses	RCON 3123 7,751	RCON 3123 7,751					
41. Trading assets (Column A must equal RC 5)	RCON 3545 0	RCON B627 0	RCON B628 0	RCON B629 0	RCON B630 0		RCON B631 0
42. All other assets (1)	RCON B639 15,176	RCON B640 0	RCON B641 10	RCON B642 581	RCON B643 0		RCON 5339 14,585
43. Total assets (sum of items 34 through 42)	RCON 2170 190,715	RCON B644 (7,415)	RCON 5320 38,827	RCON 5327 11,658	RCON 5334 12,164		RCON 5340 135,480

(1) Includes premises and fixed assets, other real estate owned, investments in unconsolidated subsidiaries and associated companies, direct and indirect investments in real estate ventures, intangible assets, and other assets.

Schedule RC-R—Continued

Schedule RC-K—Continued										
	(Column A) Face Value or Notional Amount		Credit Conversion Factor	(Column B) Credit Equivalent Amount(1)		(Column C) Allocation by Risk Weight Category	(Column D) Allocation by Risk Weight Category	(Column E) Allocation by Risk Weight Category	(Column F)	
Dollar Amounts in Thousands	Bill Mil Thou			Bill Mil Thou		0%	20%	50%	100%	
Derivatives and Off-Balance Sheet Items										
44. Financial standby letters of credit	RCON B546		See footnote(2)	RCON B547		RCON B548	RCON B581	RCON B582	RCON B583	
45. Performance standby letters of credit(Column A must equal RC-L.3)	RCON 3821		1.00	694		324	0	0	370	
46. Commercial and similar letters of credit(Column A must equal RC-L.4)	RCON 3411		.50	RCON B650		RCON B651	RCON B652	RCON B653	RCON B654	
47. Risk participations in bankers acceptances acquired by the reporting institution	RCON 3429			RCON B655		RCON B656	RCON B657	RCON B658	RCON B659	
48. Securities lent (must equal RC-L.6)	RCON 3433		.20	0		0	0	0	0	
49. Retained recourse on small business obligations sold with recourse(Column A must equal RC-S.M.1.b)	RCON A250			RCON B660		RCON B661	RCON B662		RCON B663	
50. Recourse and direct credit substitutes (other than financial standby letters of credit) subject to the low-level exposure rule and residual interests subject to a dollar-for-dollar capital requirement (Column F must equal Column B)	RCON B541		1.00	RCON B664		RCON B665	RCON B666	RCON B667	RCON B668	
51. All other financial assets sold with recourse	RCON B675			RCON B669		RCON B670	RCON B671	RCON B672	RCON B673	
52. All other off-balance sheet liabilities	RCON B681			0		0	0	0	0	
53. Unused commitments:										
a. With an original maturity exceeding one year	RCON 3833			RCON B682		RCON B677	RCON B678	RCON B679	RCON B680	
b. With an original maturity of one year or less to asset-backed commercial paper conduits	RCON G591			0		RCON B683	RCON B684	RCON B685	RCON B686	
54. Derivative contracts				RCON A167		0	0	0	0	
				0		RCON B688	RCON B689	RCON B690	RCON B691	
				1,175		0	0	0	1,175	
				RCON G592		RCON G593	RCON G594	RCON G595	RCON G596	
				0		0	0	0	0	
						RCON B693	RCON B694	RCON B695		
				0		0	0	0	0	

(1) Column A multiplied by credit conversion factor.

(2) For financial standby letters of credit to which the low-level exposure rule applies, use a credit conversion factor of 12.5 or an institution-specific factor.

(3) For other financial standby letters of credit, use a credit conversion factor of 1.00. See instructions for further information. (Entering an 'M' allows for data entry in Column B.)

(3) Or institution specific factor.

Schedule RC-R—Continued

Schedule KC-R - Condensed						
	(Column C)	(Column D)	(Column E)	(Column F)		
	Allocation by Risk Weight Category					
	0%	20%	50%	100%		
	Bil Mil Thou	Bil Mil Thou	Bil Mil Thou	Bil Mil Thou		
Totals						
55. Total assets, derivatives, and off-balance sheet items by risk weight category (for each column, sum of items 43 through 54)	RCON B696 39,151	RCON B697 11,658	RCON B698 12,164	RCON B699 137,025		55
56. Risk weight factor	x 0%	x 20%	x 50%	x 100%		56
57. Risk-weighted assets by risk weight category (for each column, item 55 multiplied by item 56)	RCON B700 0	RCON B701 2,332	RCON B702 6,082	RCON B703 137,025		57
58. Market risk equivalent assets				RCON 1651 0		58
59. Risk-weighted assets before deductions for excess allowance for loan and lease losses and allocated transfer risk reserve (sum of item 57, columns C through F, and item 58)				RCON B704 145,439		59
60. LESS: Excess allowance for loan and lease losses				RCON A222 5,924		60
61. LESS: Allocated transfer risk reserve				RCON 3128 0		61
62. Total risk-weighted assets (item 59 minus items 60 and 61)				RCON A223 139,515		62
Memoranda						
Dollar Amounts in Thousands						
				RCON	Bil Mil Thou	M.
1. Current credit exposure across all derivative contracts covered by the risk-based capital standards				8764		0

Dollar Amounts in Thousands		RCON	Bil Mil Thou
		8764	0

Schedule RC-R—Continued

Memoranda—Continued

Dollar Amounts in Thousands

	With a remaining maturity of					
	(Column A) One year or less			(Column B) Over one year through five years		
	RCON	Tril Bil Mil Thou	RCON	Tril Bil Mil Thou	RCON	Tril Bil Mil Thou
2. Notional principal amounts of derivative contracts: (1)						
a. Interest rate contracts	3809		0	8766	0	8767
b. Foreign exchange contracts	3812		0	8769	0	8770
c. Gold contracts	8771		0	8772	0	8773
d. Other precious metals contracts	8774		0	8775	0	8776
e. Other commodity contracts	8777		0	8778	0	8779
f. Equity derivative contracts	A000		0	A001	0	A002
g. Credit derivative contracts:						
Purchased credit protection that (a) is a covered position under the market risk rule or (b) is not a covered position under the market risk rule and is not recognized as a guarantee for risk-based capital purposes:						
(1) Investment grade	G597		0	G598	0	G599
(2) Subinvestment grade	G600		0	G601	0	G602

(1) Exclude foreign exchange contracts with an original maturity of 14 days or less and all futures contracts.

M.2.a
M.2.b
M.2.c
M.2.d
M.2.e
M.2.f

M.2.g.1
M.2.g.2

Bank Securitization Activities

	(Column A) 1-4 Family Residential Loans	(Column B) Home Equity Lines	(Column C) Credit Card Receivables	(Column D) Auto Loans	(Column E) Other Consumer Loans	(Column F) Commercial and Industrial Loans	(Column G) All Other Loans, All Leases, and All Other Assets
Dollar Amounts in Thousands	Bil Mil Thou	Bil Mil Thou	Bil Mil Thou	Bil Mil Thou	Bil Mil Thou	Bil Mil Thou	Bil Mil Thou
Bank Securitization Activities							
1. Outstanding principal balance of assets sold and securitized by the reporting bank with servicing retained or with recourse or other seller-provided credit enhancements	RCON B705	RCON B706	RCON B707	RCON B708	RCON B709	RCON B710	RCON B711
2. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to structures reported in item 1 in the form of:							
a. Credit-enhancing interest-only strips (included in Schedules RC-B or RC-F or in Schedule RC, item 5)	RCON B712	RCON B713	RCON B714	RCON B715	RCON B716	RCON B717	RCON B718
b. Subordinated securities and other residual interests	RCON C393	RCON C394	RCON C395	RCON C396	RCON C397	RCON C398	RCON C399
c. Standby letters of credit and other enhancements	RCON C400	RCON C401	RCON C402	RCON C403	RCON C404	RCON C405	RCON C406
3. Reporting bank's unused commitments to provide liquidity to structures reported in item 1	RCON B726	RCON B727	RCON B728	RCON B729	RCON B730	RCON B731	RCON B732
4. Past due loan amounts included in item 1:	RCON B733	RCON B734	RCON B735	RCON B736	RCON B737	RCON B738	RCON B739
a. 30-89 days past due	RCON B740	RCON B741	RCON B742	RCON B743	RCON B744	RCON B745	RCON B746
b. 90 days or more past due							
5. Charge-offs and recoveries on assets sold and securitized with servicing retained or with recourse or other seller-provided credit enhancements (calendar year-to-date):							
a. Charge-offs	RIAD B747	RIAD B748	RIAD B749	RIAD B750	RIAD B751	RIAD B752	RIAD B753
b. Recoveries	RIAD B754	RIAD B755	RIAD B756	RIAD B757	RIAD B758	RIAD B759	RIAD B760

Schedule RC-S—Continued

	(Column A) 1-4 Family Residential Loans			(Column B) Home Equity Lines			(Column C) Credit Card Receivables			(Column D) Auto Loans			(Column E) Other Consumer Loans			(Column F) Commercial and Industrial Loans			(Column G) All Other Loans, All Leases, and All Other Assets		
	Bill	Mill	Thou	Bill	Mill	Thou	Bill	Mill	Thou	Bill	Mill	Thou	Bill	Mill	Thou	Bill	Mill	Thou	Bill	Mill	Thou
6. Amount of ownership (or seller's) interests carried as:																					
a. Securities (included in Schedule RC-B or in Schedule RC, item 5)																					
b. Loans (included in Schedule RC-C)																					
7. Past due loan amounts included in interests reported in item 6.a:																					
a. 30-89 days past due																					
b. 90 days or more past due																					
8. Charge-offs and recoveries on loan amounts included in interests reported in item 6.a (calendar year-to-date):																					
a. Charge-offs																					
b. Recoveries																					
For Securitization Facilities Sponsored By or Otherwise Established By Other Institutions																					
9. Maximum amount of credit exposure arising from credit enhancements provided by the reporting bank to other institutions' securitization structures in the form of standby letters of credit, purchased subordinated securities, and other enhancements																					
10. Reporting bank's unused commitments to provide liquidity to other institutions' securitization structures																					

6.a

6.b

7.a

7.b

8.a

8.b

9

10

Schedule RC-S—Continued

Dollar Amounts in Thousands		(Column A) 1-4 Family Residential Loans	(Column B) Home Equity Lines	(Column C) Credit Card Receivables	(Column D) Auto Loans	(Column E) Other Consumer Loans	(Column F) Commercial and Industrial Loans	(Column G) All Other Loans, All Leases, and All Other Assets
		Bill Mil Thou	Bill Mil Thou	Bill Mil Thou	Bill Mil Thou	Bill Mil Thou	Bill Mil Thou	Bill Mil Thou
Bank Asset Sales	11. Assets sold with recourse or other seller-provided credit enhancements and not securitized by the reporting bank							
		RCON B790	RCON B791	RCON B792	RCON B793	RCON B794	RCON B795	RCON B796
		0	0	0	0	0	0	0
12. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to assets reported in item 11								
		RCON B797	RCON B798	RCON B799	RCON B800	RCON B801	RCON B802	RCON B803
		0	0	0	0	0	0	0

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Memoranda

Dollar Amounts in Thousands		RCON	Bill Mil Thou
1. Small business obligations transferred with recourse under Section 208 of the Riegle Community Development and Regulatory Improvement Act of 1994:	a. Outstanding principal balance		
	b. Amount of retained recourse on these obligations as of the report date		
		A249	0
2. Outstanding principal balance of assets serviced for others (includes participations serviced for others):	a. Closed-end 1-4 family residential mortgages serviced with recourse or other servicer-provided credit enhancements	A250	0
	b. Closed-end 1-4 family residential mortgages serviced with no recourse or other servicer-provided credit enhancements		
	c. Other financial assets (includes home equity lines)(1)	B804	0
3. Asset-backed commercial paper conduits:	a. Maximum amount of credit exposure arising from credit enhancements provided to conduit structures in the form of standby letters of credit, subordinated securities, and other enhancements:	B805	0
	(1) Conduits sponsored by the bank, a bank affiliate, or the bank's holding company	A591	0
	(2) Conduits sponsored by other unrelated institutions		
4. Outstanding credit card fees and finance charges included in Schedule RC-S, item 1, column C(2)	b. Unused commitments to provide liquidity to conduit structures:	F699	0
	(1) Conduits sponsored by the bank, a bank affiliate, or the bank's holding company		
	(2) Conduits sponsored by other unrelated institutions	B806	0
		B807	0
		B808	0
		B809	0
		C407	N/A

M.1.a

M.1.b

M.2.a

M.2.b

M.2.c

M.2.d

M.3.a.1

M.3.a.2

M.3.b.1

M.3.b.2

M.4

(1) Memorandum item 2.c is to be completed if the principal balance of other financial assets serviced for others is more than \$10 million.

(2) Memorandum item 4 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 66 of 71
RC-53

Schedule RC-T—Fiduciary and Related Services

1. Does the institution have fiduciary powers? (If "NO," do not complete Schedule RC-T.)	RCON A345	YES / NO NO	1
2. Does the institution exercise the fiduciary powers it has been granted?	RCON A346	YES / NO NO	2
3. Does the institution have any fiduciary or related activity (in the form of assets or accounts) to report in this schedule? (If "NO," do not complete the rest of Schedule RC-T.)	RCON B867	YES / NO NO	3

If the answer to item 3 is "YES," complete the applicable items of Schedule RC-T, as follows:

Institutions with total fiduciary assets (item 10, sum of columns A and B) greater than \$250 million (as of the preceding December 31) or with gross fiduciary and related services income greater than 10% of revenue (net interest income plus noninterest income) for the preceding calendar year must complete:

- Items 4 through 22 and Memorandum item 3 quarterly,
- Items 23 through 26 annually with the December report, and
- Memorandum items 1,2, and 4 annually with the December report.

Institutions with total fiduciary assets (item 10, sum of columns A and B) greater than \$100 million but less than or equal to \$250 million (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must complete:

- Items 4 through 26 annually with the December report, and
- Memorandum items 1 through 4 annually with the December report.

Institutions with total fiduciary assets (item 10, sum of columns A and B) of \$100 million or less (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must complete:

- Items 4 through 13 annually with the December report, and
- Memorandum items 1 through 3 annually with the December report.

	(Column A) Managed Assets	(Column B) Non-Managed Assets	(Column C) Number of Managed Accounts	(Column D) Number of Non-Managed Accounts	
Dollar Amounts in Thousands	Tril Bil Mil Thou	Tril Bil Mil Thou			
Fiduciary and Related Assets	RCON B868	RCON B869	RCON B870	RCON B871	
4. Personal trust and agency accounts	N/A	N/A	N/A	N/A	4
5. Employee benefit and retirement-related trust and agency accounts:	RCON B872	RCON B873	RCON B874	RCON B875	
a. Employee benefit-defined contribution	N/A	N/A	N/A	N/A	5.a
b. Employee benefit-defined benefit	RCON B876	RCON B877	RCON B878	RCON B879	5.b
c. Other employee benefit and retirement-related accounts	N/A	N/A	N/A	N/A	5.c
	RCON B880	RCON B881	RCON B882	RCON B883	
	N/A	N/A	N/A	N/A	
	RCON B884	RCON B885	RCON C001	RCON C002	
6. Corporate trust and agency accounts	N/A	N/A	N/A	N/A	6
7. Investment management and investment advisory agency accounts	RCON B886	RCON J253	RCON B888	RCON J254	7
	N/A	N/A	N/A	N/A	
8. Foundation and endowment trust and agency accounts	RCON J255	RCON J256	RCON J257	RCON J258	8
	N/A	N/A	N/A	N/A	
	RCON B890	RCON B891	RCON B892	RCON B893	
9. Other fiduciary accounts	N/A	N/A	N/A	N/A	9
10. Total fiduciary accounts (sum of items 4 through 9)	RCON B894	RCON B895	RCON B896	RCON B897	10
	N/A	N/A	N/A	N/A	

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 67 of 71

RC-54

Schedule RC-T—Continued

	(Column A) Managed Assets		(Column B) Non-Managed Assets		(Column C) Number of Managed Accounts		(Column D) Number of Non-Managed Accounts	
Dollar Amounts in Thousands	Tril Bil Mil Thou		Tril Bil Mil Thou					
11. Custody and safekeeping accounts			RCON B898				RCON B899	11
12. Not applicable			N/A				N/A	
13. Individual Retirement Accounts, Health Savings Accounts, and other similar accounts (included in items 5.c and 11)								13
	RCON J259		RCON J260		RCON J261		RCON J262	
	N/A		N/A		N/A		N/A	

	Dollar Amounts in Thousands	RIAD	Bil Mil Thou	
Fiduciary and Related Services Income				
14. Personal trust and agency accounts		B904	N/A	14
15. Employee benefit and retirement-related trust and agency accounts:				
a. Employee benefit—defined contribution		B905	N/A	15.a
b. Employee benefit—defined benefit		B906	N/A	15.b
c. Other employee benefit and retirement-related accounts		B907	N/A	15.c
16. Corporate trust and agency accounts		A479	N/A	16
17. Investment management and investment advisory agency accounts		J315	N/A	17
18. Foundation and endowment trust and agency accounts		J316	N/A	18
19. Other fiduciary accounts		A480	N/A	19
20. Custody and safekeeping accounts		B909	N/A	20
21. Other fiduciary and related services income		B910	N/A	21
22. Total gross fiduciary and related services income (sum of items 14 through 21) (must equal Schedule RI, item 5.a)		4070	N/A	22
23. LESS: Expenses		C058	N/A	23
24. LESS: Net losses from fiduciary and related services		A488	N/A	24
25. PLUS: Intracompany income credits for fiduciary and related services		B911	N/A	25
26. Net fiduciary and related services income		A491	N/A	26

Memoranda

Memoranda

Dollar Amounts in Thousands

	(Column A) Personal Trust and Agency and Investment Management Agency Accounts		(Column B) Employee Benefit and Retirement- Related Trust and Agency Accounts		(Column C) All Other Accounts		
	RCON	Bil Mil Thou	RCON	Bil Mil Thou	RCON	Bil Mil Thou	
1. Managed assets held in fiduciary accounts:	J263	N/A	J264	N/A	J265	N/A	M.1.a
a. Noninterest-bearing deposits	J266	N/A	J267	N/A	J268	N/A	M.1.b
b. Interest-bearing deposits							
c. U.S. Treasury and U.S. Government agency obligations	J269	N/A	J270	N/A	J271	N/A	M.1.c
d. State, county, and municipal obligations	J272	N/A	J273	N/A	J274	N/A	M.1.d
e. Money market mutual funds	J275	N/A	J276	N/A	J277	N/A	M.1.e
f. Equity mutual funds	J278	N/A	J279	N/A	J280	N/A	M.1.f
g. Other mutual funds	J281	N/A	J282	N/A	J283	N/A	M.1.g
h. Common trust funds and collective investment funds	J284	N/A	J285	N/A	J286	N/A	M.1.h
i. Other short-term obligations	J287	N/A	J288	N/A	J289	N/A	M.1.i
j. Other notes and bonds	J290	N/A	J291	N/A	J292	N/A	M.1.j
k. Investments in unregistered funds and private equity investments	J293	N/A	J294	N/A	J295	N/A	M.1.k

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

 FFIEC 041
 Page 68 of 71
 RC-54

Schedule RC-T—Continued
Memoranda—Continued

Memoranda—Continued		(Column A) Personal Trust and Agency and Investment Management Agency Accounts		(Column B) Employee Benefit and Retirement- Related Trust and Agency Accounts		(Column C) All Other Accounts		
		Dollar Amounts in Thousands		Dollar Amounts in Thousands		Dollar Amounts in Thousands		
		RCON	Bill Mil Thou	RCON	Bill Mil Thou	RCON	Bill Mil Thou	
1. l. Other common and preferred stocks		J296	N/A	J297	N/A	J298	N/A	M.1.l
m. Real estate mortgages		J299	N/A	J300	N/A	J301	N/A	M.1.m
n. Real estate		J302	N/A	J303	N/A	J304	N/A	M.1.n
o. Miscellaneous assets		J305	N/A	J306	N/A	J307	N/A	M.1.o
p. Total managed assets held in fiduciary accounts (for each column, sum of Memorandum items 1.a through 1.o)		J308	N/A	J309	N/A	J310	N/A	M.1.p

Dollar Amounts in Thousands		(Column A) Managed Assets		(Column B) Number of Managed Accounts		
		RCON	Bill Mil Thou	RCON	Bill Mil Thou	
1. q. Investments of managed fiduciary accounts in advised or sponsored mutual funds		J311	N/A	J312	N/A	M.1.q

Dollar Amounts in Thousands		(Column A) Number of Issues		(Column B) Principal Amount Outstanding		
		RCON	Tril Bil Mil Thou	RCON	Tril Bil Mil Thou	
2. Corporate trust and agency accounts:					RCON B928	
a. Corporate and municipal trusteeships		B927	N/A		N/A	M.2.a
(1) Issues reported in Memorandum item 2.a. that are in default		J313	N/A		N/A	M.2.a.1
b. Transfer agent, registrar, paying agent, and other corporate agency		B929	N/A			M.2.b

Dollar Amounts in Thousands		(Column A) Number of Funds		(Column B) Market Value of Fund Assets		
		RCON	Bill Mil Thou	RCON	Bill Mil Thou	
3. Collective investment funds and common trust funds:						
a. Domestic equity		B931	N/A	B932	N/A	M.3.a
b. International/Global equity		B933	N/A	B934	N/A	M.3.b
c. Stock/Bond blend		B935	N/A	B936	N/A	M.3.c
d. Taxable bond		B937	N/A	B938	N/A	M.3.d
e. Municipal bond		B939	N/A	B940	N/A	M.3.e
f. Short term investments/Money market		B941	N/A	B942	N/A	M.3.f
g. Specialty/Other		B943	N/A	B944	N/A	M.3.g
h. Total collective investment funds (sum of Memorandum items 3.a through 3.g)		B945	N/A	B946	N/A	M.3.h

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 69 of 71
RC-55**Schedule RC-T—Continued****Memoranda—Continued**

Dollar Amounts in Thousands	(Column A) Gross Losses Managed Accounts		(Column B) Gross Losses Non-Managed Accounts		(Column C) Recoveries		
	RIAD	Mill Thou	RIAD	Mill Thou	RIAD	Mill Thou	
4. Fiduciary settlements, surcharges and other losses:							
a. Personal trust and agency accounts	B947	N/A	B948	N/A	B949	N/A	M.4.a
b. Employee benefit and retirement related trust and agency accounts	B950	N/A	B951	N/A	B952	N/A	M.4.b
c. Investment management and investment advisory agency accounts	B953	N/A	B954	N/A	B955	N/A	M.4.c
d. Other fiduciary accounts and related services	B956	N/A	B957	N/A	B958	N/A	M.4.d
e. Total fiduciary settlements, surcharges, and other losses (sum of Memorandum items 4.a through 4.d) (sum of columns A and B minus column C must equal Schedule RC-T, item 24)	B959	N/A	B960	N/A	B961	N/A	M.4.e

Person to whom questions about Schedule RC-T—Fiduciary and Related Services should be directed:

N/A

Name and Title (TEXT B962)

N/A

E-mail Address (TEXT B926)

N/A

Telephone: Area code/phone number/extension (TEXT B963)

N/A

FAX: Area code/phone number (TEXT B964)

Village Bank

Legal Title of Bank

FDIC Certificate Number: 33761

FFIEC 041
Page 70 of 71
RC-56

Schedule RC-V— Variable Interest Entities

Dollar Amounts in Thousands		(Column A) Securitization Vehicles			(Column B) ABCP Conduits			(Column C) Other VIEs						
		RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou	RCON	Bil	Mil	Thou	
1. Assets of consolidated variable interest entities (VIEs) that can be used only to settle obligations of the consolidated VIEs:														
a. Cash and balances due from depository institutions		J981			0	J982			0	J983			0	1.a
b. Held-to-maturity securities		J984			0	J985			0	J986			0	1.b
c. Available-for-sale securities		J987			0	J988			0	J989			0	1.c
d. Securities purchased under agreements to resell		J990			0	J991			0	J992			0	1.d
e. Loans and leases held for sale		J993			0	J994			0	J995			0	1.e
f. Loans and leases, net of unearned income		J996			0	J997			0	J998			0	1.f
g. Less: Allowance for loan and lease losses		J999			0	K001			0	K002			0	1.g
h. Trading assets (other than derivatives)		K003			0	K004			0	K005			0	1.h
i. Derivative trading assets		K006			0	K007			0	K008			0	1.i
j. Other real estate owned		K009			0	K010			0	K011			0	1.j
k. Other assets		K012			0	K013			0	K014			0	1.k
2. Liabilities of consolidated VIEs for which creditors do not have recourse to the general credit of the reporting bank:														
a. Securities sold under agreements to repurchase		K015			0	K016			0	K017			0	2.a
b. Derivative trading liabilities		K018			0	K019			0	K020			0	2.b
c. Commercial paper		K021			0	K022			0	K023			0	2.c
d. Other borrowed money (exclude commercial paper)		K024			0	K025			0	K026			0	2.d
e. Other liabilities		K027			0	K028			0	K029			0	2.e
3. All other assets of consolidated VIEs (not included in items 1.a. through 1.k above)		K030			0	K031			0	K032			0	3
4. All other liabilities of consolidated VIEs (not included in items 2.a through 2.e above)		K033			0	K034			0	K035			0	4

Meeting Date: 11/13/2012**Submitted For:** MaryJo Warner**By:** MaryJo Warner, Engineering/Public Works

Information**Title:**

Report from Public Works Committee meeting dated October 16, 2012.

Background:

The Public Works Committee held its regular meeting on October 16, 2012 and discussed the following three cases.

5.01: Review Bids for Snow Removal at Parking Ramp and Municipal Center

Public Works Superintendent Riemer reviewed the staff report. He reported that in September 2012, staff sent out a request for quotes for contracted snow removal services for the parking ramp and the municipal campus. Staff contacted 33 contractors on our bidder list to make them aware of the bid. Of those 33 contractors, seven picked up bid information; however, only two actually submitted quotes. The successful bidder would be responsible for all snow removal for the ramp, the municipal campus surface lots, and all sidewalks in the adjacent areas. The sidewalks included the segments leading into the rail station as well. The contractor would be responsible for application of de-icing materials for those areas. Mr. Riemer continued that the contract required a yearly lump sum for these services, with separate bids for the ramp and municipal center. The contract would run from November 2 through April 15, with a one-half inch snowfall to be the trigger point for service. He noted that if the snow event happened during business hours, staff would provide minimal service until the close of business. Mr. Riemer informed the Committee that the quotes received were as follows: On Call Sweeping Inc. bid \$29,000 for the parking ramp and \$20,000 for the Municipal Center for a total of \$49,000. Complete Grounds Maintenance bid \$32,700 for the parking ramp plus \$16,850 for the Municipal Center for a total of \$49,500. He expressed concern that with the contract quotes coming in at \$49,000 and \$49,500, that's more than the City's snow removal budget would allow. However, if the two could be split - we could use the most help for the Municipal Campus versus the ramp.

Motion to recommend to City Council that they approve the \$16,850 bid for snow removal service with Complete Grounds Maintenance for the Municipal Center and use City staff and equipment for snow removal service at the parking ramp for the 2012-2013 snow season.

5.02: Resident Concern – 167th Avenue (IP 08-27)

Interim Engineer Nelson reviewed the staff report and resident complaint that the top soil brought in by the City contained rocks, glass, and other debris. He stated the edge between the resident's lawn and the City's project was noticeable and while walking the site he did see a piece of glass and broken pieces of asphalt. Interim Engineer Nelson noted the City has previously attempted to resolve this issue but the residents feel they have not received what had been promised with this project. Interim Engineer Nelson stated he does not have all of the history on this issue and it is a policy decision of the Council to make. He presented the quotes submitted by Mack and Shayle Domiguez, noting the low quote for removal of top soil and installing black dirt totaled \$10,540.

The consensus of the Public Works Committee was to direct staff to explore options and obtain two bids for raking out soil, adding top soil, and installing sod with the work to be completed by May 1, 2013.

5.03: Sunwood Drive Project – Completion of Signal System, Irrigation System and Sidewalks

Interim Engineer Nelson stated that staff has been notified by North Pine Aggregate, the Contractor for City Project 12-20 that some components of the contract may not be complete/operational by the completion date of November 15, 2012 for all work, with the exception of maintenance and final clean up. Those three components are the mast

arms for the signal system will not be available until December. The second item is the irrigation system, due to a change in the scope of the water service for the irrigation system is currently being negotiated and has delayed the installation. The third item is the sidewalk. Several items have impacted the installation of the sidewalks, including: the Connexus cabinet in the SE corner of Armstrong and Sunwood; the irrigation service; the existing street lights; the signal base utility conflict; and the installation/timing of the running line for the electrical outlets. North Pine Aggregate is asking for an extension of time and staff is recommending a firm date so it is reasonable and the project does not drag on.

Motion to recommend that the City Council approve the requested extension of time to December 31, 2012, or 10 days after delivery of mast arm, for completion of the signal system with the understanding that the work will be completed as soon as possible after receiving the components and an extension of time to May 15, 2013, for completion of the irrigation system and the sidewalk, if necessary, for City Project 12-20, Sunwood Drive Project, with the contractor signing the written agreement.

Recommendation:

Staff recommends ratifying the recommendation of the Public Works Committee.

Council Action:

Motion to ratify the recommendation of the Public Works Committee.

Attachments

October Agenda

Form Review

Inbox	Reviewed By	Date
Grant Riemer	Grant Riemer	11/06/2012 11:17 AM
Hakanson Anderson Engineering	Shane Nelson	11/08/2012 10:07 AM
Kurt Ulrich	Kurt Ulrich	11/08/2012 03:14 PM
Form Started By: MaryJo Warner		Started On: 11/05/2012 02:39 PM
	Final Approval Date: 11/08/2012	

City of Ramsey
Agenda
Public Works Committee
Tuesday October 16, 2012

5:30 pm
Lake Itasca Room, 7550 Sunwood Drive NW

- 1. Call to Order**
- 2. Citizen Input**
- 3. Approve Agenda**
- 4. Approve Minutes**
 1. Approve September 18, 2012 meeting minutes.
- 5. Committee Business**
 1. Review Bids for Snow Removal at Parking Ramp and Municipal Center
 2. Resident Concern - 167th Avenue (IP08-27)
 3. Sunwood Drive Project - Completion of Signal System, Irrigation System and Sidewalks
- 6. Committee/Staff Input**
 1. Consider Blvd. Maintenance Options on Dysprosium St
- 7. Adjournment**

Public Works Committee**4. 1.****Meeting Date:** 10/16/2012

Submitted For: MaryJo Warner

By: MaryJo Warner, Engineering/Public Works

Title:

Approve September 18, 2012 meeting minutes.

Background:

The Public Works Committee held its regular meeting on September 18, 2012

Notification:**Observations:****Funding Source:**

n/a

Staff Recommendation:**Committee Action:**

Motion to approve Public Works Committee meeting minutes dated September 18, 2012.

AttachmentsMinutes 09.18.12

Form Review**Inbox**
Grant Riemer
Kurt Ulrich**Reviewed By**
Grant Riemer
Kurt Ulrich**Date**
10/10/2012 03:44 PM
10/10/2012 10:17 PM
Started On: 10/10/2012 03:31 PM

Form Started By: MaryJo Warner

Final Approval Date: 10/10/2012

**PUBLIC WORKS COMMITTEE
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Public Works Committee conducted a regular meeting on Tuesday, September 18, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Randy Backous
 Councilmember David Elvig
 Councilmember Colin McGlone

Also Present: City Administrator Kurtis Ulrich
 Public Works Superintendent Grant Riemer
 Civil Engineer II Leonard Linton
 Administrative Analyst Patrick Brama
 Development Manager Darren Lazan
 Interim Engineer Shane Nelson
 Interim Engineer Ron Wagner
 Councilmember Jeff Wise

1. CALL TO ORDER

Chairperson Backous called the regular meeting of the Public Works Committee to order at 6:00 p.m.

2. CITIZEN INPUT

There was none.

3. APPROVE AGENDA

Motion by Councilmember Elvig, seconded by Chairperson Backous, to approve the agenda, as revised to consider Item 5.08 prior to Item 5.06.

Motion carried. Voting Yes: Chairperson Backous, Councilmembers Elvig, and McGlone.
Voting No: None.

4. APPROVE MINUTES

The consensus of the Public Works Committee was reached to table consideration of the July 17, 2012, meeting minutes to the next meeting.

5. COMMITTEE BUSINESS

5.01: Review Resident's Concerns with the Sunfish Lake Boulevard / CR 116 Project

Public Works Superintendent Riemer reviewed the staff report and resident concern relating to traffic cutting through the townhome neighborhood by non-residents; limited access to Casey's General Store due to the center medians on Sunfish Lake Boulevard and CR 116; increased traffic in surrounding neighborhoods due to the center medians on Sunfish Lake Boulevard and CR 116; and, gaps in the sound wall.

Chairperson Backous asked if anyone was in attendance from the Sunfish Pond Townhomes.

No one responded.

Public Works Superintendent Riemer described the project timetable, noting at its completion many of the resident's concerns will be a moot point.

Following a brief discussion, it was the consensus of the Public Works Committee to recommend the City Council follow the guidelines of the Anoka County Highway Department and direct staff to call resident Jessie Diaz several months after project completion to learn whether cut through traffic is still a concern.

5.02: Consider Stop Sign Request for 145th Lane and Tungsten Way

Public Works Superintendent Riemer reviewed the staff report and petitioned request from residents in the Chestnut Hill 4th Addition to place a four-way stop at the intersection of 145th Lane and Tungsten Way. He advised that most warrants were not met with the exception of restricted view caused by the grade differential at the intersection. Staff recommends installation of a four-way stop at the intersection of 145th Lane and Tungsten Way.

Councilmember Elvig asked if a two-way stop is an option.

Public Works Superintendent Riemer stated it is not, noting there is little traffic on Tungsten Way.

Chairperson Backous invited residents from this neighborhood to offer comments.

Michael Lewis, 6110 145th Lane NW, southwest corner of the intersection, advised that the neighborhood demographic has changed and is now a lot of families with young children. He noted the physical aspects of this intersection includes a rise that limits sight lines and generally cars are parked within 50-100 feet of the intersection, limiting peripheral view either way for drivers and pedestrians.

Tom Halverson, 6050 145th Lane NW, stated he submitted the petition because he was concerned about young children crossing the street and speed of traffic. He stated they want to slow the speed of traffic and while circulating the petition, all contacted signed it. Mr. Halverson stated he supports businesses in Ramsey and is now looking for the City to do something for its citizens.

Dan Adams, 6090 145th Lane NW, stated he would highly recommend a four-way stop to slow the incredible speed of traffic. He stated a handful of times he has seen cars cross the hill with all four tires off the pavement, many close accidents, and thinks it is amazing there has not been a serious accident.

Chairperson Backous thanked residents for their comments and relayed that he has experienced the same situation in his own neighborhood. He agreed that children go into the street, even though warned, and he has viewed this neighborhood and supported installation of the four-way stop sign.

Councilmember McGlone noted speeding traffic is a problem in many neighborhoods and previously, when the license plates were checked by the Police Department, it was found the speeding violators were the residents within that neighborhood. He encouraged neighbors to be aware of this situation and to make it safer. Councilmember McGlone stated he would support staff's recommendation to install a four-way stop sign.

Councilmember Elvig clarified that a stop sign, if not warranted, does not slow the speed of traffic because then drivers roll through the stop sign. In that kind of situation, the stop sign creates a false sense of safety. He noted stop signs do increase traffic and tire noise, but in this case he supports staff's recommendation to install a stop sign.

Motion by Councilmember Elvig, seconded by Councilmember McGlone, to recommend that the City Council accept staff's recommendation to install a four-way stop at 145th Lane and Tungsten Way because of the limited sight distance caused by the grade differential at that intersection.

Further discussion: Chairperson Backous agreed that stop signs do not help to slow the speed of traffic, referencing the two stop signs on McKinley Street in Anoka as a case in point.

Motion carried. Voting Yes: Chairperson Backous, Councilmembers Elvig, and McGlone. Voting No: None.

5.03: Consider Stop Sign Request at 152nd Lane and Helium Street

Public Works Superintendent Riemer reviewed the staff report and petitioned request from residents in the neighborhood near the intersection of 152nd Lane and Helium Street for a stop sign at that intersection.

Chairperson Backous invited residents from this neighborhood to offer comments.

No one responded.

Motion by Councilmember McGlone, seconded by Chairperson Backous, to recommend that the City Council accept staff recommendation to not install stop signs at the intersection of 152nd Lane and Helium Street because it does not meet the warrants outlined in the Manual on Uniform

Traffic Control Devices (MUTCD), traffic volumes are low, and visibility is satisfactory on all three legs.

Motion carried. Voting Yes: Chairperson Backous, Councilmembers McGlone and Elvig.
Voting No: None.

5.04: Consider Sight Triangle Concerns at Alpine Drive and Puma Street

Civil Engineer II Linton reviewed the staff report.

Councilmember McGlone stated he also received a resident complaint, noting it is an area of high-speed traffic with limited reaction time. In addition, with the school going in, he is concerned about those drivers. Councilmember McGlone stated the resident who contacted him would also like a reflective barricade at the end of the road because they are elderly and had driven into the farm field. He noted this area has no streetlights and is dark.

Public Works Superintendent Riemer stated the City can install reflective signs at the end of the road as routine maintenance

Councilmember Elvig noted that staff's recommendation for excavation requires reshaping a portion of the private property currently used for crops. He asked whether part of the work/cost will be covered by the land owner. Councilmember Elvig explained his concern is about placing dirt on a farmer's field and that it may be considered less than adequate soil. He asked whether this farmer is particular about the quality of soil or is willing to do some of the work.

Councilmember McGlone asked if the property owner would scrape the top soil.

Civil Engineer II Linton stated if approved by the City Council, staff will start negotiation with the landowner to address those issues prior to start of the work. He indicated the plan is to put back the same soil.

Motion by Chairperson Backous, seconded by Councilmember Elvig, to recommend that the City Council authorize entering into negotiations with the landowner for necessary easements to lower the boulevard south of Alpine Drive and west of Puma Street to provide better sight distance.

Motion carried. Voting Yes: Chairperson Backous, Councilmembers Elvig, and McGlone.
Voting No: None.

In consideration of audience members, Chairperson Backous indicated the original agenda order would be followed.

5.05: Crosswalk Request for Zirconium Street and Alpine Drive

Public Works Superintendent Riemer reviewed the staff report.

Chairperson Backous stated the visibility at this location is limited because you cannot see the intersection until you approach it. He asked about putting down woodchips on the north side of Alpine Drive, which may require significant grading, down to the other crosswalk. He agreed there is not an easy solution because of the grade and use of timber steps would not be ADA compliant.

Public Works Superintendent Riemer advised that the east and west park entrances both qualify for ADA compliance. He indicated that crossing the street would be the cheapest route; however, not the safest.

Chairperson Backous invited neighbors to address this issue.

Michael Helfenstein, 6440 153rd Way, indicated there are 36 children in this neighborhood. He stated he understands this area includes a hill and mid-block is not a good crosswalk location and may not be a safe place, but it would be safer than it is now and the crosswalk could be signed to alert drivers.

Ms. Helfenstein, 6440 153rd Way, pointed out that children are crossing midblock already and she likes the suggestion of installing steps.

Mr. Helfenstein stated he would like the City to consider whether there is a solution, even if not an ideal location.

Public Works Superintendent Riemer indicated a pedestrian crossing sign cost \$800 and painting a crosswalk cost \$200 but he does not know the cost for flashing lights.

Councilmember McGlone asked about the location of the proposed mid-block crossing.

Public Works Superintendent Riemer used a map to point out the proposed mid-block location of the crossing and described points of visibility and location of the crosswalk to the skate park.

Mr. Helfenstein stated his children have no crosswalk to get to the playground. He noted there are paved paths on both sides of Sunfish Boulevard and in his neighborhood they just need to get from their street to the stop light. Mr. Helfenstein pointed out that children going to the skate park are older and wiser about crossing the street but the children using the playground park are younger. He noted there are miles of paved walking paths in Ramsey and he is asking for only a short distance believing it is worth it if it saves one life in 30 years. Mr. Helfenstein stated a woodchip path up to the stop sign is cheaper but may wash out because of the hill.

Councilmember McGlone stated he is known as the “sidewalk guy” but is wondering if mid-block is the best location for a crosswalk. In addition, woodchips are difficult for bicycles to use.

Councilmember Elvig noted the Public Works Committee had discussed this issue previously and in this case he advocated strongly to do something. He stated the City is good to design

playgrounds that draw children and now needs to provide safe passage to those parks. Councilmember Elvig indicated this is a problem that was tabled several years ago and recommended it be discussed at another meeting when the Committee can view maps of the area and determine the best location for a crosswalk. He noted another option is to use the Street Light Fund to install lighting. He asked whether the use of concrete will result in use by skateboards.

Chairperson Backous agreed that the City constructs parks and also needs to provide safe passage. In addition, children are crossing the street anyway so the City needs to make it as safe as it can. Chairperson Backous noted it does not need to be expensive and he would support using the Street Light Fund to install street lighting. Chairperson Backous asked if the Committee was willing to table consideration to allow time for additional staff research.

Councilmember McGlone supported relooking at this situation because when this park was put in, there was only so much funding so the path was not completed. He pointed out that it is now at the end of the season and not likely anything will happen during this construction season.

Mr. Helfenstein stated that is understandable.

Councilmember Elvig asked if the Street Light Fund can be used for a light on the other side.

Ms. Helfenstein stated there is a streetlight at the corner.

The consensus of the Public Works Committee was to recommend the City Council direct staff to further research and make recommendation on the installation of a crosswalk near the Zirconium Street and Alpine Drive intersection.

5.06: Consider Retention Pond Improvements Near 5430 149th Lane

Public Works Superintendent Riemer reviewed the staff report.

Youssif Elmajri, 5430 149th Lane, stated the outlet pipe is at an upward angle so the pond floods into the lowland area. He explained the concern was with children falling into the pond when the water rises up to a depth of 5-7 feet. Mr. Elmajri asked if there are alternate options like a fence instead of clearing trees because doing so would make the pond more obvious. He explained that with the current tree cover, most people do not know the pond is there but neighborhood children are aware it is there. Mr. Elmajri stated he supports not removing all of the trees but would support limiting tree removal or considering another option like a fence.

Public Works Superintendent Riemer stated the installation of fences around retention ponds was brought up before but felt that if children get into a fenced pond, it is harder for them to get out. Also, doing so would involve a large capital expense. Public Works Superintendent Riemer stated he had talked to other neighbors and thought they supported removing trees to increase the view if someone gets into the pond. He noted the trees around the pond are not that large.

Chairperson Backous stated Rocky Belmonte, who lives several doors down from Mr. Elmajri had suggested cutting the trees down.

Mr. Elmajri stated the concern is the same with children falling into the pond. He estimated this pond is within 20 feet of his home.

Public Works Superintendent Riemer stated there are hundreds of drainage ponds in Ramsey and this pond is small in comparison to others.

Councilmember Elvig cautioned it would be a “slippery slope” to try and fence every pond in Ramsey and would probably meet resistance if cyclone fencing. He stated he would like to find a compromise and if this pond has a smell and is not flowing, maybe the speed of drainage needs to be addressed. Councilmember Elvig stated the City is responsible to maintain ponds, which can be quickly overgrown with poplar trees. He asked about cutting down some of the trees, maybe one in three, to provide a partial cleaning and improve pond drainage.

Councilmember McGlone recommended either clearing the trees or not doing so because taking one in three would be too time intensive. He agreed that at some point the City will need to consider clearing trees, but the situation is not at that point today.

Chairperson Backous asked if it would be easier to clear trees during the winter time. He also asked if the trees, branches, and leaves clog the pond.

Public Works Superintendent Riemer indicated there is no way to keep organic matter out of the pond. He suggested staff work with the homeowner to address locations where some trees can be removed to provide access.

Civil Engineer II Linton stated he viewed the pond and suggested clearing trees from the street side so the pond can be seen from the street. He noted there are also shorter but dense lilacs that block views from the street.

Motion by Chairperson Backous, seconded by Councilmember McGlone, to recommend that the City Council authorize staff to work with the property owners to remove selected trees adjacent to the pond near 5430 149th Lane for ease of future maintenance and to leave the pond configuration as is.

Motion carried. Voting Yes: Chairperson Backous, Councilmembers McGlone and Elvig. Voting No: None.

5.07: Consider Storm Water Improvements at Rum River Hills Golf Course – A continuation of discussion related to 2011 flooding concerns

Civil Engineer II Linton reviewed the staff report.

Councilmember Elvig asked what is the City’s obligation.

Civil Engineer II Linton stated the City negotiated a series of drainage and utility easements to convey the water from the commercial node across the golf course. He explained that up-sizing this 18-inch pipe is the City's obligation because it handles storm water.

Councilmember Elvig asked about the size of the pipe.

Civil Engineer II Linton stated the City reimbursed the golf course for installation of the pipe that was completed to the City's specifications; however, he has not found the plan for the pipe installation.

Councilmember McGlone stated he had previously asked if this involved a private drainage system.

Motion by Chairperson Backous, seconded by Councilmember McGlone, to recommend that the City Council move forward with storm water improvements at the Rum River Hills Golf Course, direct staff to bring plans and specifications to the September 25, 2012, meeting for approval and authorization to advertise for bids, and notification to property owners within 350 feet.

Further discussion: Councilmember Elvig asked about clean up issues and if this involves areas of debris that need to be addressed. He asked if those costs would be shared. Civil Engineer II Linton used a map to describe the alignment of the pipe and area mentioned by Councilmember Elvig. Bob Gore, Rum River Hills Golf Course, stated it is very expensive to replace the green and takes several years to restore but going through a temporary T-box would be an option. Interim Engineer Wagner stated he had met with Jeff and Dick Tolette on this matter and they liked this design. He stated he has seen the area with the shrubs that was mentioned by Councilmember Elvig, noting it is irrigated and mowed. He stated the trees to be removed are large but Poplar and towards the end of their lives. The golf course could move the smaller Ash trees, if desired. Interim Engineer Wagner described the drainage flow and stated the proposed design keeps the course in play and is supported by the golf course. He reported that some neighbors may want the dike removed but the golf course may want the dike to remain as a property divider. The Committee discussed and supported providing written notification to property owners within 350 feet, even if not a Statutory requirement. Interim Engineer Wagner stated this project would take a 100-year event from four plus days down to two days. Chairperson Backous stated notification can be made to property owners but the City Council will be considering this item at its September 25, 2012, meeting. Civil Engineer II Linton used a map to point out areas that could be the responsibility of the golf course since they are not within the City's easement. Interim Engineer Wagner advised that he estimated a cost of \$3-\$4,000 for golf course work.

Motion carried. Voting Yes: Chairperson Backous, Councilmembers McGlone, and Elvig. Voting No: None.

5.08: Sunwood Drive Project – Supplemental Agreement #1, Change Order #2 and Connexus Relocation Charges

Interim Engineer Nelson presented Supplemental Agreement #1.

Councilmember Elvig asked how an eight-foot trail was included in the specifications since the City has a policy of ten-foot trails.

Development Manager Lazan reviewed that this item was before the HRA for additional easement and WSB prepared the Armstrong Boulevard plans but did not understand that Ramsey had a policy of ten-foot trails. He noted it had also been discovered that too many utilities were located at the intersection so additional easement was secured from the HRA for a ten-foot trail.

Chairperson Backous asked if the project plan also directed public water drainage onto private property.

Development Manager Lazan explained that south of Sunwood Drive, the plan did not accommodate commercial development. He noted that adding the curb section will get drainage down to a swale and had this situation been caught originally, this would have been the fix so “no harm/no foul.”

Interim Engineer Nelson stated they surveyed the existing ground prior to designing the project but should have designed for the design grades with built up pads.

Councilmember Elvig asked about the internal process for staff to look at the engineering drawings and determine whether or not they will work.

Interim Engineer Nelson stated he was not with Ramsey at the time the plans were reviewed but, generally, the City Engineer assures the plans fit when different engineers and design teams are working on plan components.

Councilmember McGlone noted these project plans were done when we had City Engineer, not a consulting engineer.

Chairperson Backous stated he understands things happen but there seems to be a constant flow of change orders, which is of concern. He noted without change orders, it means the best project estimate came forward.

Councilmember McGlone stated rather than “pointing fingers” maybe the City Council needs to look at whether the best (lowest) price results in generating more change orders. He shared the concern of change orders, noting the City has professionals to review the plans.

Councilmember Elvig agreed this is an age old problem and his question was one with process to assure it was thorough enough to catch these issues and eliminate or reduce change orders.

City Administrator Ulrich stated these errors were in the review process, not in preparation of the bid. He agreed City staff should know when plans are reviewed that the policy is for ten-foot trails.

Councilmember McGlone stated a septic was also missed with this project.

Interim Engineer Nelson indicated the property on the west side of Armstrong Boulevard has a septic system with plastic pipe so the operation was stopped immediately when part of that septic system was uncovered.

Councilmember Elvig noted many of the septic systems in Ramsey are not well mapped because there are no as builts for them.

Interim Engineer Nelson presented Change Order #2.

Civil Engineer II Linton described the development history of this area.

Councilmember Elvig asked about the \$300,000 cost to develop the triangular parcel. He noted the AUAR contemplates large-lot residential development to the north to densify that area and some of the drainage comes from that location. He asked whether the drainage water had to be held longer because it was a natural flowage for the west holding pond.

Civil Engineer II Linton confirmed the western area does have natural drainage areas.

Councilmember Elvig stated there was also to be a swimming lake in that area.

Councilmember McGlone noted there are 100 acres with no pervious surface of development, which is a “city,” and asked why that assumption would ever have been made.

Development Manager Lazan explained that a lot of pieces have come together and there was a thought at the beginning of COR THREE that the pipe was not in across the street but then more research found there was a 72-inch pipe. The pond that was dug is really a small narrow portion on the south side so if the pipe filled, it would overflow into the pond and then slowly drain. The pipe was in the road, but not the entire width of the road so now the County road will need to be torn up to extend a very large pipe and turn it to get to the lake. Development Manager Lazan noted there were two unfinished pipes, with the outlet pipe to the pond also incomplete and put in as part of COR THREE. He stated he would not recommend the project at this price today but would like time to study the assumptions and bring back a recommendation for further consideration.

Civil Engineer II Linton explained that to serve those three developments, watermain was extended up Zeolite Street that will have to be lowered to turn to the southeast and maintain gravity flow.

Interim Engineer Nelson stated the total drainage area identified is about 64 acres and of that, North Commons about 3.4 acres.

Development Manager Lazan stated the numbers assume no storm water so even if full build out is in the assumptions, some storm water work is needed to address flow.

Councilmember Elvig recalled that the triangle piece was important to get drainage going but he does not remember why it stopped progression. He stated he thought they were contemplating use of the triangle piece as the holding pond and not running it through because there was a building restriction on that piece. Councilmember Elvig noted if the triangle piece is not developed and used as a holding pond, it would lower the cost.

Civil Engineer II Linton stated the intention was to continue it and develop the west half of the project; however, the developer ran out of money and ceased to do business. He noted the pipe was underground and a relief valve was needed so the road is not flooded.

Councilmember McGlone stated he is puzzled why a pipe was put under a County road but not installed all the way. He asked how the City and/or County allowed that to happen, noting the City held a letter of credit.

Civil Engineer II Linton stated they got permission to open cut the County road for sewer and water installation and it was hinted strongly to do the storm sewer while the road was open.

Chairperson Backous noted it is a moot point and suggested moving on.

Councilmember McGlone asked if we need to continue the pipe or if the triangle piece can be a drainage ditch. He asked if there is reason to get water south of Bunker Lake Boulevard and continue it.

Development Manager Lazan suggested staff look at those issues, investigate, and come back with a recommendation.

Motion by Councilmember Elvig, seconded by Councilmember McGlone, to recommend that the City Council approve Supplemental Agreement #1 for a trail width of ten feet and to extend the curb to the south 126 feet to prevent runoff from Armstrong Boulevard from sheet flowing onto the proposed parking area in the COR TWO, estimated at \$5,001.

Motion carried. Voting Yes: Chairperson Backous, Councilmembers Elvig, and McGlone. Voting No: None.

Motion by Councilmember McGlone, seconded by Councilmember Elvig, to recommend that the City Council direct staff to perform further analysis to evaluate the contemplated development patterns in the overall drainage area, associated runoff rates and volumes, and required storm sewer pipe sizes.

Motion carried. Voting Yes: Chairperson Backous, Councilmembers McGlone, and Elvig. Voting No: None.

Interim Engineer Nelson presented the issue relating to Connexus installing an electric cabinet that obstructs the proposed development signage for COR TWO and request for \$10,000 to cover the cost to relocate the cabinet.

Development Manager Lazan reviewed that in 2011, Connexus wanted to install three signal cabinets. Because the placement of one cabinet had impacted the location of a “Welcome to The COR” sign, the City decided to determine locations. In this case, Connexus had been provided with a CAD file identifying locations for three gear cabinets. Development Manager Lazan stated he had a call with WSB, which was then doing the Bunker/Armstrong interchange, and told Connexus where the cabinets had to be located. All agreed and Landform did a CAD file that described the exact location for the gear cabinet. Development Manager Lazan stated he thought the cabinets were installed in 2011 but they were not. This spring, for the Sunwood Project, Connexus came to job trailer and WSB told them where to locate the cabinet. Development Manager Lazan stated they had spent a lot of time and energy in 2011 giving Connexus direction on the exact location and he believed the HRA was owed more than a casual conversation in the job trailer. He recommended the City not cover the full cost.

Chairperson Backous asked who was in the job trailer at that time.

Development Manager Lazan stated he was not at that meeting, but there were several individuals from Landform and several from WSB. He explained the folks who did the Sunwood project for Landform were not aware of the switch gear issue because it was thought to have been resolved one year earlier. Development Manager Lazan reviewed the dates and times of the conference conversation and providing the CAD exhibit.

Development Manager Lazan stated it is hard to argue when Connexus is not in attendance to present its side.

Interim Engineer Nelson stated from the City’s side, continuity is lost by not moving forward with the same City Engineer. He felt that had the former City Engineer been present in the job trailer, he would probably have remembered the significant effort that went into finding those cabinet locations.

Councilmember McGlone noted the HRA definitely decided where it wanted the signs located. He asked about the timing since the lights have to go in.

Development Manager Lazan explained that this switch gear is not for the traffic signals. Today, the transformer is on HRA property with no easement and Landform had given direction where the cabinet was to be installed but that was not followed.

Councilmember Elvig stated it appears that three entities were in the job trailer but it was not caught even after creating CAD drawings. He noted it is not an issue of who “dropped the ball” or whether it was followed up at the end of the year. Councilmember Elvig stated the HRA is the client and suggested this matter be referred to the HRA.

Chairperson Backous stated when he makes a mistake as an insurance agent, he does not make the client cover that cost but it goes to his errors and omissions insurance to cover the cost. He stated the City needs to hold the vendors responsible.

Jeffrey Wise, 7901 156th Avenue, stated there are some issues with sign easements and with his purchase of a COR lot, he does not want to pay for a sign that he cannot see.

Development Manager Lazan stated the City agreed to allow Connexus a location on HRA property, but not this location.

Councilmember McGlone stated the Council took this project back, on the City's part, and decided to be the inspectors and manage the construction so liability is with the City for construction management.

Councilmember Elvig stated it is a \$10,000 issue and definitely involves a protocol and process that should be resolved. He felt the bottom line is that the HRA is the client and the client does not pay unless there was an oversight. Councilmember Elvig stated the City would be the next in line if it is doing construction management, and four vendors are also involved. He supported addressing the protocol because there may be similar future issues.

City Administrator Ulrich suggested directing staff to negotiate with Connexus on a reasonable settlement and bring it back for Council approval.

Chairperson Backous stated he thinks that would be a reasonable next step.

Interim Engineer Nelson stated staff attempted to do that negotiation with Connexus prior to tonight's meeting. Connexus had acknowledged the CAD drawings but said there were newer discussions and went back to the job site discussion. He stated he is happy to attempt further negotiations.

Motion by Councilmember McGlone, seconded by Chairperson Backous, to recommend that the City Council direct staff to negotiate with Connexus to cover the cost to relocate its cabinet from HRA property.

Further discussion: Councilmember Elvig asked if something similar occurred with the Oasis property. City Administrator Ulrich recalled it was with the Ramsey Raceway project and Connexus ended up covering the cost. Interim Engineer Nelson stated WSB staked the location and the contractor prepared the pad. Chairperson Backous asked if Connexus has errors and omissions insurance. Development Manager Lazan stated this amount is below their deductible. Councilmember Elvig agreed that multiple vendors were involved and should be included in the negotiation.

Substitute motion by Councilmember McGlone, seconded by Chairperson Backous, to recommend that the City Council direct City Administrator Ulrich to have all parties in the room at one time and negotiate a settlement for City Council consideration.

Motion carried. Voting Yes: Chairperson Backous, Councilmembers McGlone, and Elvig.
Voting No: None.

5.09: Review of Miscellaneous Storm Water Appurtenances in the Vicinity of Lake Ramsey

Public Works Superintendent Riemer reviewed the staff report.

Councilmember McGlone stated before the City owned the property, it had asked the contractor to remove these items but that did not occur. Once the City became the property owner, he recommended Parks & Assistant Public Works Superintendent Riverblood be asked about use as playground equipment.

Councilmember Elvig stated there may be use for these items at a skateboard park and asked if the inventory could be used in City projects.

Public Works Superintendent Riemer stated these items are larger than what the City's equipment can handle.

Interim Engineer Nelson advised there are some manhole pieces that could be used in the City's project but the manhole pipe itself is the wrong size.

Chairperson Backous asked who is the manufacturer.

Interim Engineer Nelson stated the manufacturer was asked but does not want the pipe.

Councilmember Elvig asked staff to be creative in what pieces can be stockpiled and reused, or used in parks or for things like elevated gardens, or auctioned.

Councilmember McGlone stated he looked at the items and some are not usable in projects but may be creatively used in parks.

Interim Engineer Nelson stated the Sunwood/Armstrong contractor was asked if any of the items had value but they declined. He stated the items do not have a lot of value at auction but could be maintained and when a COR project becomes available, it could be used.

Councilmember McGlone stated Bury & Carlson has equipment to move the bigger pieces and is located near by.

Councilmember Elvig suggested Sauter & Sons also be contacted.

Chairperson Backous advocated to get rid of the items, noting the City did not purchase any of it.

Councilmember McGlone suggested Parks & Assistant Public Works Superintendent Riverblood be asked first.

Motion by Councilmember Elvig, seconded by Councilmember McGlone, to recommend that the City Council declare storm water appurtenances in the vicinity of Lake Ramsey to be surplus property, to ask Parks & Assistant Public Works Superintendent Riverblood to provide a

recommendation on potential park use, and to dispose of all items that have no future use so as not to be a concern for future development.

Motion carried. Voting Yes: Chairperson Backous, Councilmembers Elvig, and McGlone.
Voting No: None.

6. COMMITTEE / STAFF INPUT

6.01: Follow-up Information on Radar Speed Signs

Public Works Superintendent Riemer reviewed the staff report.

Councilmember McGlone noted Anoka's electronic speed sign off Highway 10 on Main Street is effective because it shows the driver the speed they are traveling.

Chairperson Backous agreed and asked which option is being recommended.

Public Works Superintendent Riemer noted that type of sign is expensive but portable and can be moved where needed instead of using the speed trailer.

Councilmember Elvig asked about the funding source and grant opportunities.

Public Works Superintendent Riemer recommended the Traffic Engineering line item and noted the Safe Routes to School may be an option.

Councilmember Elvig advocated for the higher priced sign that provides more options.

Public Works Superintendent Riemer recommended purchasing two signs at a cost of \$5,200, noting if the signs are portable, battery backup will be needed.

Motion by Councilmember Elvig, seconded by Chairperson Backous, to recommend that the City Council approve the purchase of two SP 100 signs with solar panel and 3-cell battery backup.

Further discussion: City Administrator Ulrich advised that the Police Chief is looking into purchasing Anoka County's surplus message signs, which would provide another form to notify the neighborhood.

Motion carried. Voting Yes: Chairperson Backous, Councilmembers Elvig, and McGlone.
Voting No: None.

6.02: Sunwood Drive Traffic Control Plan

Interim Engineer Nelson presented the traffic control plan after the new alignment of Sunwood Drive is open when a section of Zeolite will be closed by installing barricades. He explained that staff discussed whether this section should be closed now or wait until Anoka County directs it to

be closed. Interim Engineer Nelson asked if the City wants it to remain open, acting as a shortcut.

Chairperson Backous stated he has heard from residents that they like the temporary road because it is a straight shot and helps those businesses as well. He stated he would support leaving Zeolite open as long as possible.

Councilmember Elvig agreed and stated when barricaded, he would support doing it permanently with concrete pipes.

Councilmember McGlone stated he has also heard from residents and strongly advocates driving on pavement and leaving it open as long as possible.

The consensus of the Public Works Committee was reached to recommend the City Council keep Zeolite open as long as possible.

7. ADJOURNMENT

Motion by Councilmember McGlone, seconded by Councilmember Elvig, to adjourn the Public Works meeting.

Motion carried.

The regular meeting of the Public Works Committee adjourned at 8:18 p.m.

Respectfully submitted,

Grant Riemer
Public Works Superintendent

Drafted by Carla Wirth
TimeSaver Off Site Secretarial, Inc.

Public Works Committee

5. 1.

Meeting Date: 10/16/2012

Submitted For: Grant Riemer

By: Grant Riemer, Engineering/Public Works

Title:

Review Bids for Snow Removal at Parking Ramp and Municipal Center

Background:

In September 2012 staff sent out a request for quotes for contracted snow removal services for the parking ramp and the municipal campus. Staff contacted 33 contractors on our bidder list to make them aware of the bid. Of those 33 contractors, seven elected to pick up bid information, and of those seven, two actually submitted quotes. The contract stated that the successful bidder would be responsible for all snow removal operations for the ramp, the municipal campus surface lots, and all sidewalks in the adjacent areas. The sidewalks included the segments leading into the rail station as well. The contractor was also responsible for application of all de-icing materials for the above mentioned areas. The contract requested a yearly lump sum for these services, with separate bids for the ramp and municipal center. The contract was to run from November 1st through April 15th, with a 1/2" snow fall to be the trigger point for service. If the snow event happened during business hours staff would provide minimal service until the close of business. The quotes were as follows:

On Call Sweeping Inc.-	Parking Ramp \$29,000.00	Municipal Center-\$20,000.00	Total \$49,000.00
Complete Grounds Maintenance-	Parking Ramp-\$32,700.00	Municipal Center-\$16,850.00	Total-\$49,500.00

Notification:

N/A

Observations:

City staff costs for snow removal in the parking ramp/municipal campus are as follows. It should be noted with the building of the apartment complex snow drifting into the parking structure should be minimal.

Costs to remove snow from the upper floor of the parking ramp would include the following equipment:

(2) single axle trucks for hauling- \$107.99/hr/truck

(1) pickup w/plow-\$85.24/hr

(1) bobcat w/bucket-\$72.49/hr

8 hour event would cost-\$2988.84

Municipal lots

(1) pickup truck/plow-\$85.24/hr x 1hr

(1) Tool cat/Bucket-\$72.49/hr x 2hr

Total-\$230.22

City hall sidewalks-\$477.01/event

Total cost for snow removal per event-\$3696.07

Funding Source:

General Fund Budget 0312 for the Municipal Center

9240-Parking ramp maintenance

Staff Recommendation:

Reject all quotes and use city staff and equipment for snow removal service at the parking ramp and municipal center for the 2012-2013 snow season.

Committee Action:

Motion to accept staff recommendation

Reject all quotes and use city staff and equipment for snow removal service at the parking ramp and municipal center for the 2012-2013 snow season.

Motion to reject staff recommendation and choose an alternative based on committee discussion

Attachments

RFP

City plowing costs

Form Review

Inbox

Kurt Ulrich

Reviewed By

Kurt Ulrich

Date

10/10/2012 10:03 PM

Form Started By: Grant Riemer

Started On: 10/09/2012 01:46 PM

Final Approval Date: 10/10/2012

CITY OF RAMSEY
AGREEMENT FOR PARKING RAMP AND MUNICIPAL CAMPUS
SNOW REMOVAL

1. PURPOSE/INTENT

a. Ramp Snow Removal

The purpose of this agreement provides the City of Ramsey (hereinafter called CITY) and the successful bidder (hereinafter called CONTRACTOR) with a mutually acceptable agreement to provide planned and emergency scheduled snow removal operations at the Municipal Parking Ramp and Ramsey Municipal campus located at 7550/7650 Sunwood Drive NW, Ramsey, Minnesota.

b. Location

The Municipal Parking Ramp and sidewalks are located at 7650 Sunwood Drive NW Ramsey MN 55303.

The parking ramp at this time consists of 4 floors and 790 parking stalls. The surface parking lots and sidewalks are located at The Ramsey Municipal Center located adjacent to the ramp at 7550 Sunwood Drive NW. The surface parking lots consist of approximately 70 parking stalls spread over 3 lots.

c. Administration

This agreement shall be entered into with the City Council of the City of Ramsey, administered by the Public Works Superintendent and under the direct operation supervision of the Public Works Superintendent or designated representative.

d. Municipal Parking Ramp Snow Removal

The City's snow removal policy requires that the ramp, ramp entrance road, perimeter sidewalks associated with the ramp and internal exposed stairwells and crossover walkways will be cleared of all snow by 5:00 am on all levels of the parking ramp. Sidewalks and stairwells must be treated for ice as needed. Sidewalks will include approximately 500' of sidewalk used by the NorthStar Rail Station. Normal plowing operations for the City of Ramsey begin with the accumulation of two (2) or more inches of snow. For the purposes of the Parking Ramp and Municipal Center snow removal, operations will begin with the accumulation of ½" or more of snow. Deicing material will be required as needed in the ramp, especially on the ramp leading to the 4th level and the 4th level parking surface. Snow cannot be piled up on the ramp for removal. It must be removed in one continuous operation. It will be the responsibility of the contractor to supply a list of de-icing chemicals and their operating characteristics for approval by the city. Sand mix is only to be used in extreme cold or heavy ice conditions. Deicing material will be spread on all surface lots and sidewalks to provide safe driving and walking conditions. Snow is to be removed from the site and deposited at a location provided by the city. For bidding purposes the dumpsite will be located within a one mile radius of the Municipal Center. It is the intention of the CITY to retain the services of the CONTRACTOR for each snow fall requiring removal under the CITY'S current Snow Removal Policy. It will remain city staff's responsibility to respond to snowfalls and icy conditions that arise during the business day. Historically, Ramsey averages approximately 44 inches of snow per year requiring 6 - 10 separate snow removal operations. Snow removal operations should be completed in approximately 2-4 hours. www.nws.noaa.gov will be the official website for snowfall amounts for the 55303 zip code.

Municipal Surface Parking Lots and Sidewalks

The City's snow removal policy requires that all surface parking lots and sidewalks contained within the Municipal Center Campus will be cleared of snow and treated for ice by 7:00 am. It will be the responsibility of the contractor to supply a list of de-icing chemicals and their operating characteristics for approval by the city. Sand mix is only to be used in extreme cold or heavy ice conditions . Again the snow is to be removed from the site and deposited in a location provided by the city. No snow from the parking lots or sidewalks may be pushed or deposited on any city street, sidewalk or adjacent property without prior permission from the Public Works Superintendent.

e. Scope of Operations

It is the intent of the CITY that the CONTRACTOR provides adequate pieces of equipment to perform the snow removal operations. Additional pieces of appropriate type equipment for each area may be used by the CONTRACTOR for any or all snow removal operations with prior written approval of the CITY.

2. **LENGTH OF AGREEMENT**

- a. This agreement shall be a one year agreement limited to the snow removal seasons typically commencing November 1, 2012 and ending April 15, 2013 inclusive. This agreement may be renewed by written mutual consent of both the CITY and the CONTRACTOR.
- b. This agreement may be terminated for good cause, including failure to perform in accordance with this agreement, by the CITY during the agreement period subject to written notice being delivered by registered mail sent to the CONTRACTOR at the address referenced on the Proposal form.
- c. The CITY cannot and will not guarantee a minimum number of work hours for any snow removal operation for duration of the agreement.

3. **EQUIPMENT**

- a. All substantial equipment used in snow removal operations must be 2006 model year or newer. (pickups, skid steers, etc....)
- b. Accessories & Safety Equipment
All vehicles shall be properly equipped and outfitted to meet all local, county,

state or federal laws required for on-the-road emergency snow removal operations. Safety equipment will include emergency lighting that is visible 360 degrees around the vehicle. They shall provide the operator with full visibility in all directions and shall have a backup warning system. The operator's cab shall be fully enclosed and properly equipped with all equipment necessary to allow the efficient and safe operation of that vehicle. The CITY reserves the right to reject at any time, without notice to the CONTRACTOR, any vehicle that does not appear to comply with all rules or regulations required for over-the-road snow removal operations. Rejection of vehicle acceptability will also take into consideration the condition and limitations of operation of the vehicle or its accessory equipment.

- c. Skid steer loaders, dump trucks and similar equipment must include emergency lighting and meet all applicable DOT safety standards
- d. Vehicle Designation/Replacements

The CONTRACTOR shall provide the CITY with the vehicle identification number and license plate number (where applicable) to the CITY within ten days of execution of this contract. After inspection by the CITY, those vehicles acceptable for performance under this contract will be verified by the CITY. Except for emergencies, any planned substitution or replacement of previously approved equipment shall require prior written approval by the CITY.

4. **OPERATION & MAINTENANCE**

- a. Operator

The CONTRACTOR shall ensure that the operator provided with each piece of equipment is fully trained and properly licensed with the State of Minnesota to operate the bid vehicle or any anticipated replacement. The CONTRACTOR shall make every effort possible to ensure that the same operator performs the snow removal operation during the length of the agreement.

b. Parts & Fuel

The rates contained herein shall cover all operation and maintenance expenses including but not limited to fuel, lubricants, supplies and support services. It shall also include depreciation on the vehicle and related equipment including the repair, maintenance and replacement of all materials and supplies including cutting edges and tire chain cross links. It shall also include all labor, tools and equipment necessary for making any and all repairs or replacements which may be necessary to keep and maintain the machine and all parts thereof in proper and safe working order and serviceable repair.

c. Storage

The CONTRACTOR shall assume all responsibility and costs associated with maintaining proper and necessary protection/shelter/storage for both the vehicle and operator.

5. **PERFORMANCE REQUIREMENTS**

a. Personnel

The CONTRACTOR shall provide the CITY with the name, address and telephone number(s) for at least two designated contact personnel responsible for

insuring response to the CITY'S request for services. The CONTRACTOR shall ensure that at least one of the contact persons is available and accessible 24 hours per day, seven days per week.

b. Response Time

The City will give a minimum of a (two) 2 hour advance notice of the projected start time. In the event the contractor misses a part of their assigned plowing areas they are required to respond within 30 minutes after being notified of the situation. The CONTRACTOR shall ensure that the equipment and operator are ready to report to the City garage at that time and able to continuously provide snow removal services through the completion of the areas. The CONTRACTOR shall not allow any given operator to work more than 16 consecutive hours without an eight hour break. The CONTRACTOR shall be responsible for providing replacement personnel if snow removal operations require more than 16 consecutive hours of operation.

c. Down Time

The CONTRACTOR shall ensure that all equipment provided is maintained in a proper manner to minimize required maintenance or emergency repairs during the performance of snow removal operations. If, once commencing a snow removal operation, a piece of equipment becomes disabled and non-functioning for a period of two (2) consecutive hours, the CONTRACTOR shall provide a satisfactory replacement vehicle and operator if necessary at no additional cost to the CITY.

d. Communications

The CONTRACTOR shall ensure that the operator maintains full availability for communication at all times during the snow removal operations.

e. Authority/Direction

The CONTRACTOR and his designated operators shall respond to all directions given by the CITY in a positive, courteous and timely manner during the snow removal operations. The CITY reserves the right to reject any piece of equipment or operator from continued or further engagement of services due to incompetence or insubordination or inability of the piece of equipment to function properly for the requested services.

The CONTRACTOR shall begin the snow removal operations at the Public Works garage located at 14100 Jaspar St NW. This will allow the City to bring the Contractor up to date on any changes/issues that may need to be addressed.

f. Law Obedience

The CONTRACTOR and his designated operator shall be responsible for their actions and compliance with all regulatory laws and ordinances governing the operation of the machine while performing snow removal operations for the CITY.

g. Non Performance

The CONTRACTOR shall waive any and all objections, rights to objections and claims for additional compensation, damages or loss of revenue resulting from work performed by the CITY either prior to, during or after any scheduled or emergency snow removal operation in lieu of these contractual services as may be

necessary due to non performance or excessive delays of the CONTRACTOR. The CONTRACTOR will also be responsible to supply a performance bond equal to half the annual bid.

h. Property Damage

The CONTRACTOR shall be responsible for any and all damage to private as well as public property (including public utilities) due to its own or its employee's negligence in performing snow removal operations. This includes landscaping and plant material surrounding the surface lots.

6. **COMPENSATION**

a. Payment Schedule

All pay requests must be prepared and submitted by the CONTRACTOR as verified and approved by the Public Works Superintendent. All payment requests submitted will be per snow event and dated as such. All pay requests so received shall be processed and payment made by the CITY not less than 15 and not more than 30 days after receipt.

7. **INSURANCE/LIABILITY/CLAIMS**

a. Indemnification

The CONTRACTOR indemnifies, saves and holds harmless the CITY and all of its agents and employees of and from any and all claims, demands, actions or causes of action of whatsoever nature or character arising out of or by reason of the CONTRACTOR'S performance under this agreement. It is hereby understood

and agreed that any and all employees of the CONTRACTOR and all other persons employed by the CONTRACTOR in the performance of services under this agreement, required or provided for hereunder by the CONTRACTOR shall not be considered employees of the CITY and that any and all claims that may or might arise under the Workers Compensation Act of the State of Minnesota on behalf of said employees while so engaged in any and all claims made by any third parties as a consequence of any act or omission on the part of said CONTRACTOR'S employees while so engaged in the performance of these services, to be rendered herein by the CONTRACTOR shall, in no way, be the obligation or responsibility of the CITY.

b. Insurance

The CONTRACTOR shall, at his sole cost and expense, carry and maintain general and public liability and property damage insurance coverage of \$600,000 for any one accident and \$600,000 aggregate protecting the CONTRACTOR, his employees and the CITY against any and all claims of any kind or character whatsoever arising from damage, injury (including bodily injury or death) caused by or arising from the operation and use of the machine at the request of the CITY. Such insurance shall be in full force and effect during the time that the machine is operated at the request of the CITY. Such insurance policy shall provide for a minimum of 30 days written notice to the City Clerk of cancellation, non-renewal or material change of the required insurance coverage. The requirement and approval of this insurance by the CITY shall not in any way relieve or decrease the liability of the CONTRACTOR. It is expressly understood

that the CITY does not in any way represent that the specified limits of liability or coverage or policy forms are sufficient or adequate to protect the interest or liabilities of the CONTRACTOR.

c. Legal Compliance

The CONTRACTOR agrees to comply with all State and Federal laws and local ordinances governing the employment of personnel including, but not limited to, Minnesota Statute Section 181.59 relating to discrimination in employment, and Section 290.07 requiring the certification of income tax withholding.

d. Claims

The CONTRACTOR agrees to process and resolve all claims submitted by affected property owners of the City of Ramsey in a timely manner.

8. AGREEMENT APPROVAL CONSIDERATIONS

a. Selection

The CITY reserves the right to retain the services of the CONTRACTOR who, in the opinion of the CITY, can best provide the services requested under this agreement. Consideration shall be given to rates, availability and condition of equipment, competency of operators, previous experience, response time and specific pieces of equipment so quoted.

9. **BID PROPOSALS**

Quotations for snow removal services are to be submitted as a ***lump sum annual fee***. Please separate bids and mark them clearly for the ***Municipal Parking Ramp*** and for the ***Municipal Campus***. All proposals must be type written or printed in ink and properly signed by an officer of the company. If the submitted proposal is accepted by the CITY and properly countersigned, it shall constitute a formal agreement between the CONTRACTOR and the CITY with no further revisions, addenda or exceptions acknowledged unless previously noted in writing on the bid proposal form. All required performance bonds, insurance certificates and additional requested information shall be submitted in a form acceptable to the City within 15 days of execution of the agreement and request by the CITY.

DESCRIPTION OF EQUIPMENT

The following information must be completed as part of this proposal for each piece of equipment proposed to be furnished: (If quoting more than two machines, use additional sheet.)

$\frac{3}{4}$ Ton Pickup

UNIT NUMBER	1	2
MAKE		
MODEL		
YEAR		
SERIAL NUMBER		
ENGINE MAKE		
ENGINE MODEL		
TYPE OF ENGINE (GAS OR DIESEL)		
HORSEPOWER		
TIRE	FRONT WHEELS	
SIZE	REAR WHEELS	

1-Ton Pickup

UNIT NUMBER	1	2
MAKE		
MODEL		
YEAR		
SERIAL NUMBER		
ENGINE MAKE		
ENGINE MODEL		
TYPE OF ENGINE (GAS OR DIESEL)		
HORSEPOWER		
TIRE	FRONT WHEELS	
SIZE	REAR WHEELS	

Alternate Equipment

UNIT NUMBER	1	2
MAKE		
MODEL		
YEAR		
SERIAL NUMBER		
ENGINE MAKE		
ENGINE MODEL		
TYPE OF ENGINE (GAS OR DIESEL)		
HORSEPOWER		
TIRE	FRONT WHEELS	
SIZE	REAR WHEELS	

Skid Steer

UNIT NUMBER	1	2
MAKE		
MODEL		
YEAR		
SERIAL NUMBER		
ENGINE MAKE		
ENGINE MODEL		
TYPE OF ENGINE (GAS OR DIESEL)		
HORSEPOWER		
TIRE	FRONT WHEELS	
SIZE	REAR WHEELS	

Dump Truck

UNIT NUMBER	1	2
MAKE		
MODEL		
YEAR		
SERIAL NUMBER		
ENGINE MAKE		
ENGINE MODEL		
TYPE OF ENGINE (GAS OR DIESEL)		
HORSEPOWER		
TIRE	FRONT WHEELS	
SIZE	REAR WHEELS	

Small Snow Blowers and Misc. Equipment

UNIT NUMBER	1	2
MAKE		
MODEL		
YEAR		
SERIAL NUMBER		
ENGINE MAKE		
ENGINE MODEL		

UNIT NO. 1 _____

UNIT NO. 2 _____

UNIT NO. 3 _____

UNIT NO. 4 _____

UNIT NO. 5 _____

UNIT NO. 6 _____

CITY OF RAMSEY
DEPARTMENT OF PUBLIC WORKS
AGREEMENT FOR THE LEASE AND RENTAL OF
FULLY OPERATED EQUIPMENT FOR STREET SNOW REMOVAL

Proposals will be received at the City of Ramsey Municipal Center 7550 Sunwood Drive NW Ramsey Minnesota 55303 for **Snow Removal Operations** for the Municipal Parking Ramp and Municipal Campus in the City of Ramsey.

PROPOSAL OF

Firm Name (Please Print)

ADDRESS

Address

City State Zip

Phone

NOTE: This proposal must be signed on the last page, and all sheets in this proposal must be returned when bidding.

I

In accordance with the notice of the City of Ramsey, Minnesota soliciting quotations (I) (We), the undersigned, hereinafter called the CONTRACTOR, hereby offer to provide the City of Ramsey, hereinafter called the CITY, acting by and through its Public Works Superintendent, the Snow Removal Operations for which the quotation may be accepted, subject to the terms and conditions herein specified; and the parties further agree that this proposal form shall become the agreement for the Snow Removal Operations at the Municipal Parking Ramp and the Municipal Campus Snow Removal upon its execution by the City.

- (I) (We) hereby certify that (I am) (We are) the only person (s) interested in this proposal as principal (s); that it is made and submitted without fraud or collusion with any other person, firm or corporation; and that (I) (We) have examined this Proposal and Agreement Form, and understand its contents.
- (II) Annual fee for snow removal services at the Municipal Parking Ramp is \$_____
- (III) Annual fee for snow removal services at the Municipal Center Campus is \$_____

II

This Proposal must be signed below in ink by a duly authorized agent of the Contractor providing the equipment and operators.

(YOUR SIGNATURE MUST BE NOTARIZED WHEN SIGNING - SEE FOLLOWING PAGE.)

Date _____ 20____. By: _____
Signature

Name (Please Print)

For: _____
Company

Its: _____
Title

III

The above quotation for Snow Removal at The Municipal Ramp _____ is hereby accepted.

The above quotation for Snow Removal at the Municipal Campus _____ is hereby accepted.

CITY OF RAMSEY

By: Bob Ramsey /
Mayor Date

_____/_____
Jo Thieling Date
City Clerk

_____/_____
Grant Riemer Date
Public Works Superintendent

City Wide Plowing	FEMA Schedule Base Equipment Costs/Hour	FEMA Equipment Schedule for Plow Attachments
Equipment Costs		
Single Axle Dump Truck (4)	\$35.00	\$18.50
Tandem Axle Dump Truck (2)	\$45.00	\$18.50
Motorgrader (1)	\$58.00	\$18.50
Wheel Loader (1)	\$28.75	\$18.50
1-Ton Pickup (FT Labor) (4)	\$20.00	\$10.75
1-Ton Pickup (Temp. Labor) (4)	\$20.00	\$10.75
Skidloader/Toolcat (1)	\$18.00	
Trackless (1)	\$25.00	
Totals	\$249.75	\$95.50
Labor and Equipment Costs		
Salt	Cost/ton \$67.90	Salt used/Full Plow 35.00
Cost to Plow /8 Hour Event+Salt(ST)		
Cost to plow /8 Hour event+salt (OT)		
Cost Differential		
Cost to Plow/Salt Arterials Only		20.00
City Hall Plowing		
Holder (1)	\$25.00	N/A
Walk Behind Snowblower	\$3.25	N/A
ATV w/plow	\$7.00	N/A
Shoveling		
Salt/Chemicals for Sidewalks		
Total Cost /Event		

Total Equipment Cost/ Hour	Labor Costs Straight Time/Hour	Labor Costs Overtime/Hour	Equipment Operations Costs ST/Hour
	\$23.69x2.3	23.69x2.3x1.5	D+E=G
\$53.50	\$54.49	\$81.73	\$107.99
\$63.50	\$54.49	\$81.73	\$117.99
\$76.50	\$54.49	\$81.73	\$130.99
\$47.25	\$54.49	\$81.73	\$101.74
\$30.75	\$54.49	\$81.73	\$85.24
\$30.75	\$13.85	\$13.85	\$44.60
\$18.00	\$54.49	\$81.73	\$72.49
\$18.00	\$54.49	\$81.73	\$72.49
\$338.25	\$395.28	\$585.96	\$733.53

Total Cost
\$2,376.50
\$12,520.08
\$15,570.96
\$3,050.88
\$2,767.75

	Labor Costs Straight Time/Hour	Labor Costs Overtime/Hour	Equipment Operations Costs ST/Hour
	\$22.14x2.3	\$22.14x2.3x1.5	
\$25.00	\$50.92	\$76.38	\$75.92
\$3.25	\$50.92	\$76.38	\$54.17
\$7.00	\$50.92	\$76.38	\$57.92
	\$50.92	\$76.38	\$50.92

Equipment Operations Costs OT/Hour	Pieces of Equip. Used	Cost per Event per Hour	Cost per Event per Hour
D+F=H		ST	OT
\$135.23	4.00	\$431.96	\$540.92
\$145.23	2.00	\$235.98	\$290.46
\$158.23	1.00	\$130.99	\$158.23
\$128.98	1.00	\$101.74	\$128.98
\$112.48	4.00	\$340.96	\$449.92
\$44.60	4.00	\$178.40	\$178.40
\$99.73	1.00	\$72.49	\$99.73
\$99.73	1.00	\$72.49	\$99.73
\$924.21	18.00	\$1,565.01	\$1,946.37

Equipment Operations Costs OT/Hour	Pieces of Equip. Used	Cost per Event per Hour ST	Cost/ 8 hours	Hours /Equip. Use
\$101.38	1.00	\$75.92	\$113.88	1.50
\$79.63	1.00	\$54.17	\$54.17	1.00
\$83.38	1.00	\$57.92	\$86.88	1.50
\$76.38	1.00	\$50.92	\$203.68	4.00
			\$18.40	
		Total Cost	\$477.01	

Public Works Committee

5. 2.

Meeting Date: 10/16/2012

By: Shane Nelson, Engineering/Public
Works

Title:

Resident Concern - 167th Avenue (IP08-27)

Background:

The residents' property was impacted by the 167th Avenue Reconstruction Project, City Project 08-27, that was constructed in 2009. The resident called City Administrator Ulrich on 7/10/12 and expressed that she was not satisfied with the restoration of her yard. Interim City Engineer Nelson returned the phone call and spoke with Mrs. Dominquez on July 11, 2012 and listened to her concerns, summarized as follows:

- Weeds in grass, feels that they are moving into the rest of her yard
- Insufficient topsoil quality
- Pieces of asphalt in yard
- Pieces of glass in yard
- Pieces of slate in yard
- Pieces of shingles in yard
- Sparse grass
- Clover instead of bluegrass (wrong mix)
- Remnants of erosion control netting

Overall, Mrs. Dominquez stated that she did not get what she was told she was getting. She stated that previous City Engineer Himmer had told her that her yard would be as good, or better, than it was before construction began. At one point in time, the City picked rocks and chunks of broken glass from the subject properties utilizing the DOC crews. Mrs. Dominquez stated that she is against the DOC crews visiting her property again.

Staff reviewed the original plans and specifications, dated 2/27/09, prepared by Bolton and Menk, in an effort to understand the project. The project provided an 8 inch sewer stub and an 8 inch water stub to the subject property for future development, with the stubs located on a common lot line at the eastern edge of their property. The project also provided a new road that the Dominquez's use for their primary access. There was no assessment for the improvements. The original specifications did require the Contractor to re-seed any areas that did not establish at the Contractor's expense.

The Final Payment was made to the Prime Contractor on the project on November 23, 2010, therefore, there is no recourse with the original Contractor. We understand that the Contractor did not receive compensation for turf establishment in this area as the City felt it did not meet project specifications.

The City contracted separately with Great Northern Landscapes in 2010 to restore the residents yard as an attempt to address their concerns at that time. Finance Director Lund provided an invoice that was paid on 12/14/10 in the amount of \$6,138 to Great Northern Landscapes for work completed and accepted by the City at that time. The City did hold back 10% retainage, or \$682, from the invoice amount.

Notification:

The resident (Shayle Dominquez) has been notified of the meeting and was invited to attend

Observations:

Interim City Engineer Nelson and Public Works Superintendent Reimer met with the Mrs. Dominquez on July 12, 2012. Mr. and Mrs. Dominquez reside on a large lot that does not have an irrigation system. The portion of their yard that does not have irrigation is pretty well established, with rather dense Kentucky bluegrass, as well as fairly large areas of predominately crabgrass. A review of a pre-construction aerial photo confirms that large patches of crabgrass were present prior to construction (distinct difference in color). Staff walked back in her yard in several areas and did not see any rocks, asphalt, glass or other items that were stated to be found in the portion disturbed.

The portion of their yard that was disturbed does not have as dense of vegetation as the undisturbed portions of their yard. Kentucky Bluegrass is pretty well established in most areas, generally estimated at 70% coverage with the other 30% generally barren. There are portions within her affected yard that are dominated with crab grass (at least 10' diameter in size). Several rocks ½" to 4" diameter were observed as well as one small piece of glass.

She showed us the location of a temporary road that was constructed with the project in their yard, which was likely the source for the asphalt pieces. Erosion control netting was observed near the western edge of her lot, closer to the wetland. The erosion netting may have been on the adjacent parcel. Several new boulevard trees were observed - Mrs. Dominquez confirmed that they were planted by the City.

Mrs. Dominquez stated that the black dirt contained the glass, rocks and other debris that was not acceptable to her. It is assumed that the winter frost caused the additional rocks and glass to surface after the debris had been picked by DOC crews initially. City crews placed the black dirt.

The property owner does have a valid concern in terms of less dense grass cover, weeds and debris. However, without frequent irrigation it will be extremely difficult to establish a lush, dense mat of weed-free grass. Therefore, even if the City contracted to remove the rocks and debris, spray the weeds, import additional topsoil and re-seed the area - it would likely not establish into dense grass without frequent irrigation.

If the black dirt is contaminated with glass and rocks, the only way to totally eliminate the problem is by removing the black dirt and importing new dirt. The homeowner has obtained a quote for this, which totals \$10,540. There would be additional seeding expenses incurred as well.

Funding Source:

If additional work is authorized, it would be attributable General Fund Budget street maintenance fund 0311

Staff Recommendation:

Staff does not have enough background on this issue to provide a firm recommendation. One possible resolution is to reimburse the homeowner for expenses incurred for contracting to have this work completed, up to a maximum amount. This would give the homeowner the flexibility to choose a contractor of their choice.

Another resolution would be to pick the rocks and debris every spring using City forces, until the debris no longer surfaces. Additional weed control and overseeding would likely also be needed, however, the costs would be considerably less than that of exporting the existing black dirt and importing new black dirt.

Committee Action:

Based on discussions.

Attachments

Sublime Landscaping Proposal

Form Review

Inbox	Reviewed By	Date
Grant Riemer	Grant Riemer	10/10/2012 04:04 PM
Kurt Ulrich	Kurt Ulrich	10/10/2012 09:55 PM
Form Started By: Shane Nelson		Started On: 10/08/2012 10:34 AM



Sublime Landscaping

Proposal

Jeff Hardin

p.763.234.9500

www.sublimelandscapingmn.com

07/25/2012

Mack & Shayle Dominguez
7046 166th Ave
Ramsey, MN 55303

- Removal of approximately 230 yards of top soil in discussed area = \$3,190.00
- Installation of approximately 280 yards of black dirt in discussed areas = \$7,350.00

- **Note: Fifty percent down payment is required one week before start of project. The remaining balance will be due at time of completion. There is also a 2.5 percent fuel charge that will be added to your final bill.**

Signature_____ Date_____

Public Works Committee

5. 3.

Meeting Date: 10/16/2012

By: Shane Nelson, Engineering/Public
Works

Title:

Sunwood Drive Project - Completion of Signal System, Irrigation System and Sidewalks

Background:

Staff has been notified by North Pine Aggregate, the Contractor for City Project 12-20, that some components of the contract may not be complete / operational by the completion date. The contract sets forth a completion date of November 15, 2012 for all work, with the exception of maintenance and final clean up.

Due to material availability and scheduling, the mast arms for the signal system will not be available until December. The mast arms have a fairly significant lead time for production and simply will not be available before the completion date.

The second item is the irrigation system. The Construction Plans contemplated the continuation of the existing irrigation supply line westerly on Sunwood Drive. However, City staff has indicated that the pressure is not adequate and has requested that a new 4" irrigation supply source be provided. A change in the scope of the water service for the irrigation system is currently being negotiated and has delayed the installation. There are also small plantings proposed at the location of the main irrigation controller that cannot be installed until the irrigation service is constructed and the controller in-place.

The last item discussed is the sidewalk. Several items have impacted the installation of the sidewalks, including: the Connexus cabinet in the SE corner of Armstrong and Sunwood; the irrigation service; the existing street lights; the signal base utility conflict; and the installation/timing of the running line for the electrical outlets.

Notification:

North Pine Aggregate was informed of the meeting. Anoka County was also informed of the request.

Observations:

During the course of the construction project, several construction issues have been encountered and have impacted the Contractor's schedule. Also, as Site Plans continued to be developed for the adjacent HRA owned property, necessary revisions to this project were identified to accommodate the revised/updated development plans. Since this project overlapped with the adjacent HRA owned development, there were many moving parts and added complexity to the project. Despite some of the challenges encountered, the Contractor managed to keep the bulk of the construction on or ahead of schedule.

The Contractor's goal is that all work, with the exception of the signal system, the irrigation system and associated landscaping and sidewalk will be complete by the original completion date of November 15, 2012. Extension of the completion date for items listed is reasonable due to circumstances out of the Contractor's control.

Funding Source:

N/A

Staff Recommendation:

Staff recommends granting an extension until December 31, 2012, or 10 working days after delivery of the mast arm, for completion of the signal system with the understanding that the work will be completed as soon as possible after receiving the components.

Staff recommends granting an extension until May 15, 2013 for completion of the irrigation system and the sidewalk if necessary. With respect to the completion of the remainder of the project, Staff will continue to facilitate the construction and respond to any upcoming construction issues immediately to ensure that the Contractor's goal of completing the work by November 15 can be realized.

Committee Action:

Motion to recommend approval of the requested extension of time for City Project 12-20.

Attachments

North Pine Aggregate Letter

Form Review

Inbox	Reviewed By	Date
Grant Riemer	Grant Riemer	10/10/2012 06:56 PM
Kurt Ulrich	Kurt Ulrich	10/10/2012 09:50 PM
Form Started By: Shane Nelson		Started On: 10/08/2012 10:33 AM
	Final Approval Date: 10/10/2012	



**NORTH PINE
AGGREGATE INC.**

14551 Lake Drive | Forest Lake, MN 55025 | 651.464.6802

October 10, 2012

City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303

Attn: Shane Nelson

Re: CSAH 83 (Armstrong Blvd) & 147th / Sunwood Drive Intersection
Intersection Improvements; Request for Completion Extension

Shane,

Due to unforeseen circumstances out of North Pine Aggregate's control, I would like to request an extension for completion. Currently, all work under our contract, except maintenance work and final clean up shall be completed on or before November 15, 2012. At this time, there is a possibility that the Irrigation & Landscaping work may need to finish in the spring, due to numerous utility relocations & conflicts. We anticipate that the Irrigation will be fully installed, but charging of the system (weather dependent) may need to hold off until spring. There are approximately 10 plantings that are to be installed around the Irrigation Box that will act as a natural shield, these may or may not be installed this year depending on what the weather does.

As stated in my letter dated September 27, the Mast Arms for the Signal System are scheduled for delivery at some point in December. The timing for the Mast Arms has not yet changed. All of the bases with the exception of one (due to utility conflicts) are currently installed. Once the Mast Arms are delivered it is anticipated that installation will take place immediately.

Currently there are various outstanding pending decisions that need to be made in order to continue with positive progress. On the 146th Avenue portion of the project, there are some proposed changes still being discussed in regards to Storm Sewer modifications and the conflicting Easement issue with Wiser Choice Liquor. The Irrigation Service location is still being addressed, along with numerous Light Pole relocations progress for Sidewalk installation has been hindered. There is a chance that some sidewalk may not be installed this fall.

It is our goal to have the wear course installed, striping installed & the road open to traffic by the original Nov. 15th completion date. At this time we would also like to request that Liquidated Damages are nullified after November 15th. We feel that we have done everything in our power to try and keep the project moving in a positive direction in order to meet the completion date.

We will continue on in full force & assist in anyway that we can to keep the project moving forward, with high hopes to meet the completion date. Please give me a call with any questions that you may have. Thank you in advance for your consideration

Sincerely,



Keith P. Herman
Project Manager
North Pine Aggregate, Inc.

Public Works Committee

6. 1.

Meeting Date: 10/16/2012

Submitted For: Grant Riemer

By: Grant Riemer, Engineering/Public Works

Title:

Consider Blvd. Maintenance Options on Dysprosium St

Background:

2011 saw the completion of the Dysprosium St reconstruction project. The project included the installation of sidewalks, blvd trees and sodded boulevards. Concerns have been raised that property owners are not providing routine maintenance such as watering and mowing to the boulevard area. Many of the trees will be replaced because of die back. These trees are under warranty, but will die again if not properly cared for by the property owners. Mowing of the boulevard area has also been an issue with large weeds and tall grass going unchecked in the area between the road and sidewalk.

Notification:

Observations:

Funding Source:

N/A

Staff Recommendation:

Committee Action:

Based on committee discussion

Form Review

Inbox
Kurt Ulrich

Reviewed By
Kurt Ulrich

Date
10/10/2012 10:16 PM
Started On: 10/10/2012 11:04 AM

Form Started By: Grant Riemer

Final Approval Date: 10/10/2012

CC Regular Session**4. 14.****Meeting Date:** 11/13/2012**By:** Colleen Lasher, Administrative Services

Information**Title:**

Report from the Personnel Committee - Meeting Date October 23, 2012

Background:

Case 1 of 1: Consider a resolution to accept a Paid-on-call Firefighter's resignation and to hire a Paid-on-call a Firefighter. Please see the attached packet for additional detail.

Notification:**Observations:****Recommendation:**

Case 1 of 1: To recommend resolution # 12-11-XXX, which upon City Council approval, will allow staff to immediately accept the resignation of Mr. Tim Bergersen and to hire Mr. Jeff Kagol as a Paid-on-call Firefighter at \$12.88 per hour, effective November 14, 2012. To approve resolution 12-11-XXX which confirms the recommendation of the Personnel Committee.

Funding Source:

Case 1 of 1: There is no funding required to accept Mr. Bergersen's resignation. The funding required to hire Mr. Kagol is included in the 2012 budget.

Council Action:

Case 1 of 1: Motion to approve resolution # 12-11-XXX confirming the recommendation of the Personnel Committee to immediately accept Mr. Tim Bergersen's resignation and to hire Mr. Jeff Kagol as a Paid-on-call Firefighter at \$12.88 per hour, effective November 14, 2012.

AttachmentsPC Packet of 10-23-12

Form Review**Inbox**
Kurt Ulrich**Reviewed By**
Kurt Ulrich**Date**
11/07/2012 05:19 PM
Started On: 11/05/2012 08:14 AM

Form Started By: Colleen Lasher

Final Approval Date: 11/07/2012

City of Ramsey
Agenda
Personnel Committee
Tuesday October 23, 2012

5:00 pm
Trott Brook Room, 7550 Sunwood Drive NW

- 1. Call to Order**
- 2. Citizen Input**
- 3. Approve Agenda**
- 4. Committee Business**
 - 1. Consider a Resolution to Accept a Paid-on-call Firefighter's Resignation and to Hire a Paid-on-call a Firefighter**
- 5. Adjournment**

Personnel Committee**4. 1.****Meeting Date:** 10/23/2012**By:** Colleen Lasher, Administrative Services

Information**Title:**

Consider a Resolution to Accept a Paid-on-call Firefighter's Resignation and to Hire a Paid-on-call a Firefighter

Background:

On October 3, 2012 staff received a letter of resignation from Paid-on-call Firefighter Mr. Tim Bergersen. Mr. Bergersen served out of station #2.

As part of the recent authorization to recruit for firefighters, staff identified a candidate to serve out of station #2, should there be an opening. Mr. Jeff Kagol successfully interviewed and passed the city's background check, physical agility test, work-style assessment, and pre-employment examination. If approved, Mr. Kagol would be subject to a 1-year probationary period and the terms of the Personnel Policy.

Notification:**Observations:****Recommendation:**

Authorization of resolution # 12-11-XXX, which upon City Council approval, will allow staff to immediately accept the resignation of Mr. Tim Bergersen and to hire Mr. Jeff Kagol as a Paid-on-call Firefighter at \$12.88 per hour, effective November 14, 2012.

Funding Source:

There is no funding required to accept Mr. Bergersen's resignation. The funding required to hire Mr. Kagol is included in the 2012 budget.

Council Action:

Motion to approve resolution # 12-11-XXX confirming the recommendation of the Personnel Committee to immediately accept Mr. Tim Bergersen's resignation and to hire Mr. Jeff Kagol as a Paid-on-call Firefighter at \$12.88 per hour, effective November 14, 2012.

AttachmentsResolution

Form Review

Inbox
Kurt Ulrich

Reviewed By
Kurt Ulrich

Date
10/18/2012 11:43 AM
Started On: 10/18/2012

Form Started By: Colleen Lasher

Final Approval Date: 10/18/2012

Council Member introduced the following resolution and moved for its adoption:

RESOLUTION #

**CONSIDER A RESOLUTION TO ACCEPT A PAID-ON-CALL FIREFIGHTER'S
RESIGNATION AND TO HIRE A PAID-ON-CALL FIREFIGHTER**

WHEREAS, on October 3, 2012, staff received a letter of resignation from a station #2 Paid-on-call Firefighter, Mr. Tim Bergersen; and

WHEREAS, as part of the recent authorization to recruit for firefighters, staff identified an excellent candidate to serve out of station #2, should there be an opening; and

WHEREAS, as part of the recent authorization to recruit for firefighters, staff identified an excellent candidate to serve out of station #2, should there be an; and

WHEREAS, Mr. Jeff Kagol successfully interviewed and passed the city's background check, physical agility test, work-style assessment, and pre-employment examination; and

WHEREAS, funding for this position is part of the approved General Fund Budget.

**NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF
RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA,**

Motions to approve resolution # 12-11-XXX, confirming the recommendation of the Personnel Committee, to immediately accept Mr. Tim Bergersen's resignation and to hire Mr. Jeff Kagol as a Paid-on-call Firefighter at \$12.88 per hour, effective November 14, 2012.

The motion for the adoption of the foregoing resolution was duly seconded by Council Member, , and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following abstained:

and the following were absent:

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 13th day of November 2012.

Meeting Date: 11/13/2012

By: Tim Gladhill, Community Development

Information

Title:

Introduce Ordinance Vacating Portions of Drainage and Utility Easement and Consider Easement Encroachment Agreement at 6012 146th Ave NW; Case of Jesse VerBeek

Background:

In early October, Staff was requested to review a floor plan for a new single-family home within the VILLAGE OF SUNFISH LAKE subdivision. Staff completed a non-site specific review as it relates to bulk standards and architectural review required by the Planned Unit Development (PUD) approval for the development.

Following the initial review, the Applicant proceeded forward with choosing a lot and beginning the necessary surveying and engineering. During the surveying activities, it was discovered that the proposed lot contained larger than expected drainage and utility easements.

Notification:

In accordance with State Statutes and City Code, Staff attempted to notify all Property Owners within 350 feet of the Subject Property of the Public Hearing. The Public Hearing was properly published in the Anoka County Union.

Observations:

The ten (10) foot drainage and utility easement was the result of City Code requirements for a standard ten (10) foot drainage and utility easements, typically centered on common lot lines. The Property is technically the last on the block and does not share a common property line with adjacent parcels within the development. The Property is separated from the previously existing, adjacent subdivision of CHESTNUT RIDGE SECOND ADDITION. As part of approval of VILLAGE OF SUNFISH LAKE, density transitioning in the form of a 'buffer' outlot was created. This Buffer Outlot is completely encumbered by drainage and utility easement.

Given that the City has approximately thirty (30) feet of drainage and utility easement on the Buffer Outlot and utilities and drainage are not negatively impacted by vacation, Staff is supportive of the request. The request has been reviewed by the City Engineer.

The Property Owner desires to commence construction as soon as possible. As vacating drainage and utility easement is approved by ordinance, the introduction, adoption, and posting timeframes would push start of construction until approximately December 30th. In order to allow construction to begin, especially on the footings and foundation, the Applicant has submitted an Encroachment Agreement that would allow the Owner to begin construction within the area proposed to be vacated. The Applicant understands the liability of the ordinance potentially not being adopted or counter petitioned.

Recommendation:

Staff recommends that the City Council introduce the ordinance vacating a portion of drainage and utility easement and approve the Easement Encroachment Agreement at 6012 146th Ave NW.

Funding Source:

All costs associated with processing the request are the responsibility of the Applicant.

Council Action:

Motion to introduce the ordinance vacating a portion of drainage and utility easement at 6012 146th Ave NW

-and-

Motion to approve the Easement Encroachment Agreement at 6012 146th Ave NW

Attachments

Site Location Map

Easement Vacation Exhibit

Certificate of Surety for New Home

Proposed Architectural Renderings

Proposed Ordinance

Proposed Easement Encroachment Agreement

Form Review

Inbox

Kurt Ulrich

Reviewed By

Kurt Ulrich

Date

11/07/2012 05:14 PM

Form Started By: Tim Gladhill

Started On: 10/25/2012 11:34 AM

Final Approval Date: 11/07/2012



6012 146th Avenue NW

Legend

-  Site
-  Parcels

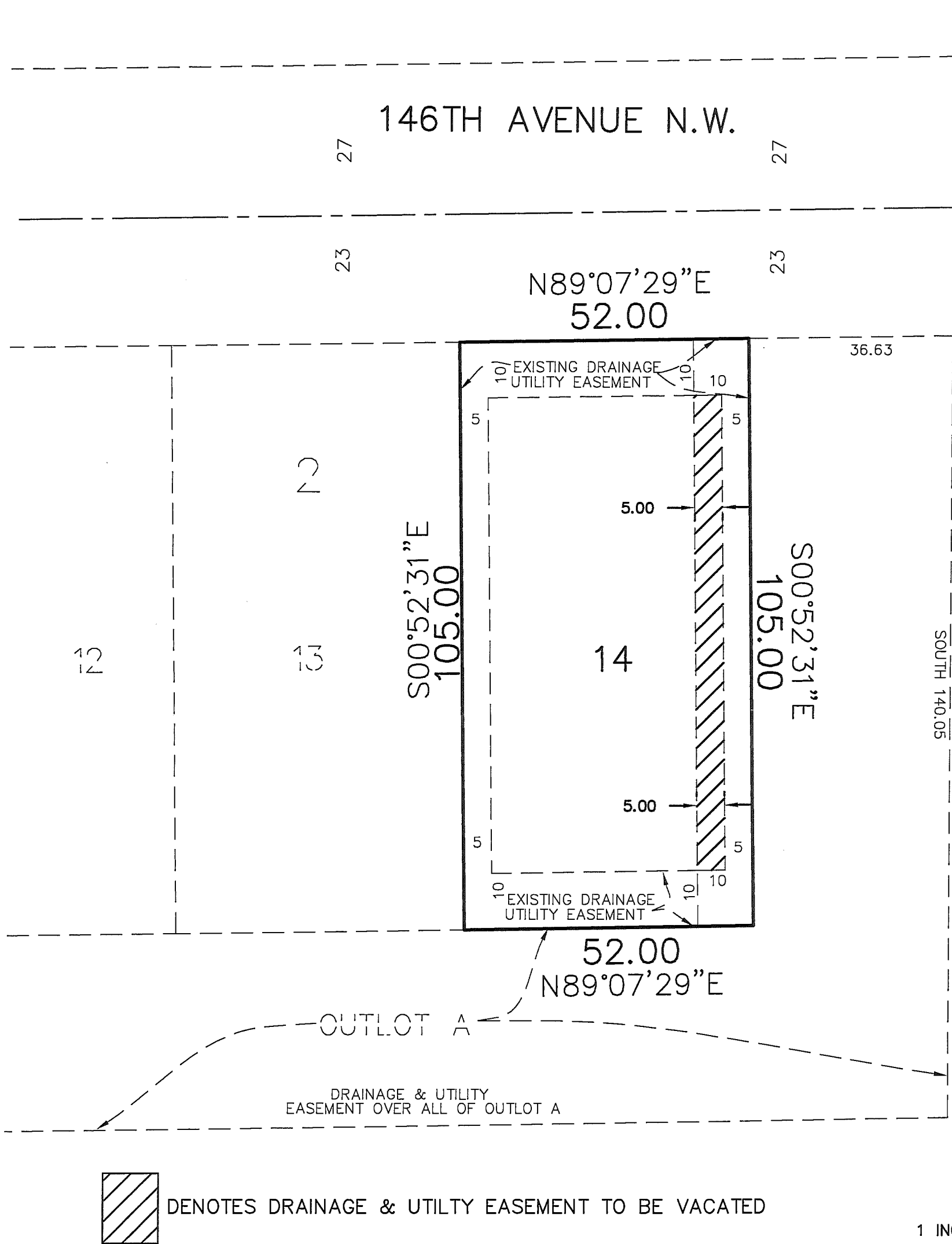


0 320 640 Feet

EASEMENT VACATION EXHIBIT

$\sim$ for $\sim$

BAAS CONSTRUCTION, INC.



DESCRIPTION OF DRAINAGE & UTILITY EASEMENT TO BE VACATED

The west 5.00 feet of the east 10.00 feet of Lot 14, Block 2,
VILLAGE OF SUNFISH LAKE 2ND ADDITION, Anoka County,
Minnesota, lying northerly of the south 10.00 feet and southerly of the
north 10.00 feet thereof.

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

Charles R. Christopherson, MN License No. 18420

10/23/2012
Date

Job No.: 3769.01

Oct 24, 2012 - 5:35pm brian
K:\cad_surr\Land Desktop 2008\3769.01\dwg\376901-VACATION

Certificate of Survey for

BAAS CONSTRUCTION, INC.

NOTES:

1. Contractor to verify all building dimensions and elevations.
2. In providing this survey no attempt has been made to obtain or show data concerning existence, size, depth, condition, capacity or location of any utility existing on the site, whether private, municipal or public owned.
3. The professional surveyor has made no investigation or independent search for easements of record, encumbrance, restrictive covenants, ownership title evidence, or any other facts that an accurate and current title search may disclose.
4. Square footage of lot is 5,460 sq.ft. or 0.125 acres
5. This lot is in Section 26 Township 32 Range 25
6. Builder/Owner place retaining walls as needed.
7. House pad needs to be cleared - YES ☒ NO ☐

PROPOSED ELEVATIONS

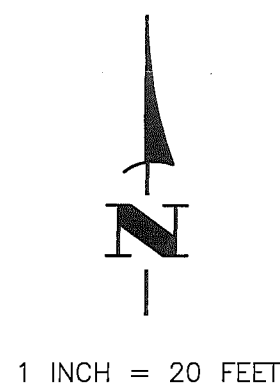
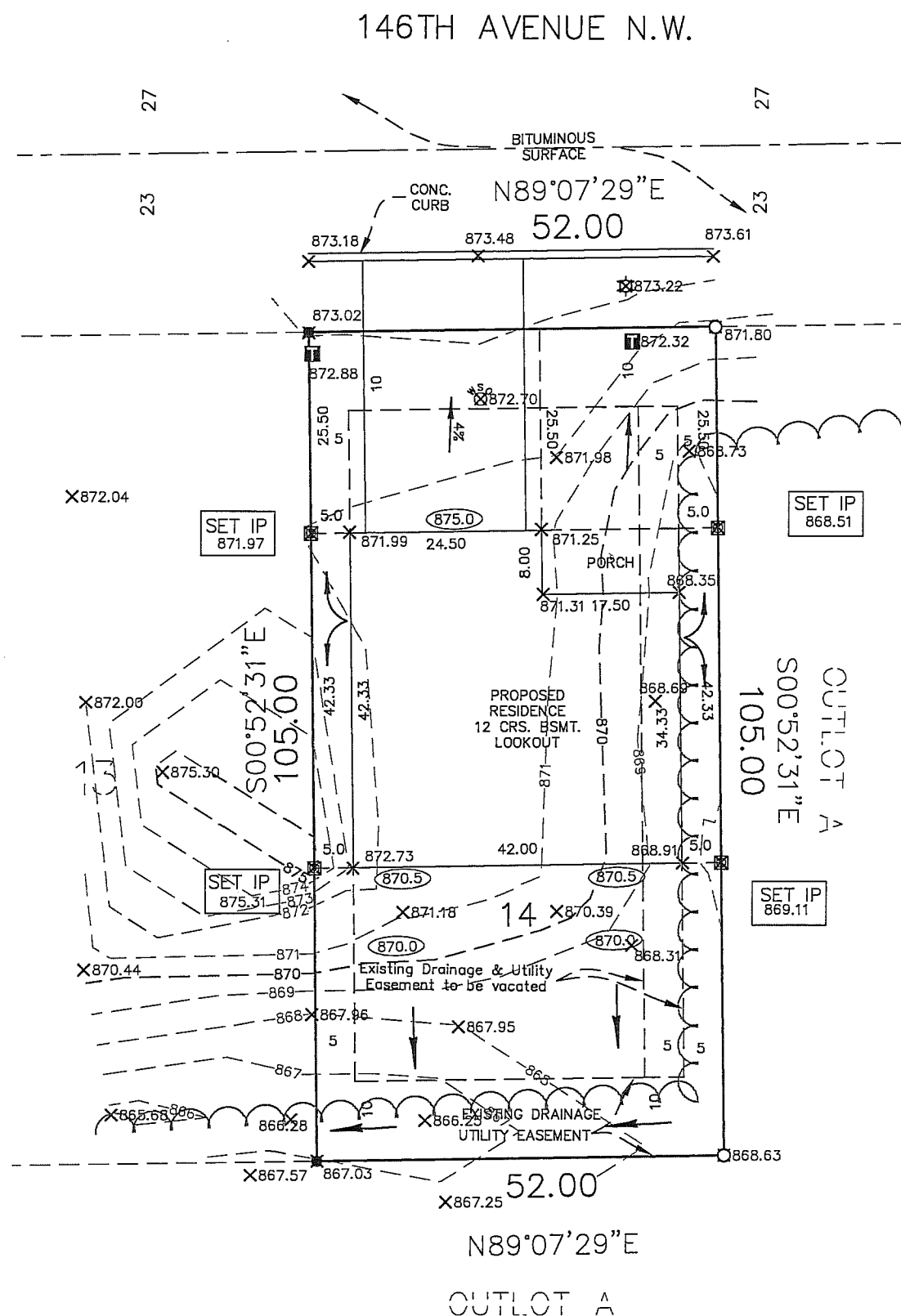
Lowest Floor Elevation: 868.0

Top of Block Elevation: 876.0

*Garage Slab Elevation: 875.0

Lookout Elevation: 871.0 min as per grading plan

*Drop Garage Slab One Course:



LEGEND

- = Iron monument found
- = Iron monument set and marked with license No. 18420.
- x 800.0 = Denotes existing elevation
- (800.0) = Denotes proposed elevation from grade or development plan
- 5 — = Denotes drainage & utility easement
- = Denotes drainage arrow
- ⊠ = Denotes offset iron
- Bearings shown are assumed
- ~ 800.0 ~ = Denotes proposed contour from development or grading plan
- [800.0] = Denotes as-built elevation
- SF — = Denotes proposed silt fence

Lot 14 , Block 2

VILLAGE OF SUNFISH LAKE
2ND ADDITION

ANOKA COUNTY, MINNESOTA

Subject to easements of record, if any.

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

Charles R. Christopherson, MN License No. 18420

11/02/12
Date

**Hakanson
Anderson**

Job No.: 3769.01

Nov 02, 2012 - 2:25pm brian
K:\cad_surv\Land Desktop 2008\3769.01\dwg\376901.dwg

ORDINANCE NO. 12-__

**CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

**AN ORDINANCE VACATING A PORTION OF AN EASEMENT FOR DRAINAGE
AND UTILITY PURPOSES IN THE CITY OF RAMSEY, ANOKA COUNTY,
MINNESOTA**

The City of Ramsey Ordains:

SECTION 1. AUTHORITY

This ordinance is adopted pursuant to and under the authority of the Home Rule Charter of the City of Ramsey, Section 12.06 and Minnesota Statutes 412.851

SECTION 2. VACATION

The following described drainage and utility easement is hereby vacated, to-wit:

The west 5.00 feet of the east 10.00 feet of Lot 14, Block 2, VILLAGE OF SUNFISH LAKE 2ND ADDITION, Anoka County, Minnesota, lying northerly of the south 10.00 feet and southerly of the north 10.00 feet thereof.

SECTION 3. EFFECTIVE DATE

This Ordinance becomes effective thirty (30) days after its publication subject to the City Charter Section 5.07.

PASSED by the City Council of the City of Ramsey this the ____ day of _____, ____.

Mayor

ATTEST:

City Administrator

Introduction Date:
Posting Dates:
Adoption Date:
Publication Date:
Effective Date:

ENCROACHMENT AGREEMENT

THIS AGREEMENT (“Agreement”) is made this _____ day of _____, 20____, by and between the **CITY OF RAMSEY**, a municipal corporation under the laws of the State of Minnesota (“City”), and **Jesse R Verbeek and Dana L Verbeek**, husband and wife, and their successors and assigns (“Landowners”).

RECITALS:

WHEREAS, Landowners are the fee owner of the real property located at 6012 146th Ave. NW, Ramsey, Minnesota and legally described as follows:

Lot 14, Block 2, VILLAGE OF SUNFISH LAKE 2ND ADDITION, according to the recorded plat thereof, Anoka County, Minnesota.

and made a part hereof (“Property”); and

WHEREAS, the City currently has Drainage and Utility Easements (“Easements”) over, under and across a portion of the Property, pursuant to Easements dedicated to the public pursuant to the Plat known as “VILLAGE OF SUNFISH LAKE 2ND ADDITION” recorded in the Office of the County Recorder, Anoka County, Minnesota, which Easements are shown on Exhibit “A” attached hereto and made a part hereof.

WHEREAS, Landowners seek permission from the City to encroach upon the Easements by placing a structure which is located five (5) feet from the most east line of the Property

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the parties agree as follows:

1. The City hereby approves an encroachment on and over the Easements by Landowners for the purposes of constructing the Improvements over that part of the Easements as shown in Exhibit “A” subject to the terms of this Agreement.

2. Nothing in this Agreement shall be deemed a waiver or abandonment of the City’s rights under the Easements.

3. The Landowners shall be responsible for all costs relating to construction, maintenance and repair of the shed and shall obtain all permits required by the City for the construction of the Improvements, all of which Improvements shall be constructed by Landowners in accordance with Plans and Specifications approved by the City (“Plans and Specifications”).

4. Landowners hereby agrees that any work done by the Landowners according to the Plans and Specifications with regard to any public utility including, but not limited to, the City’s storm sewer system and associated ponding area will be warranted for a period of one (1) year from the date of the completion and approval of the City Engineer (“Warranty Period”). Landowners shall at the City’s request, repair and/or reconstruct any portion of the storm sewer system and associated ponding area damaged or filled by Landowners, its contractors and/or agents during the construction of the Improvements and during the Warranty Period. If Landowners fail to repair the City’s storm sewer system and associated ponding area within sixty (60) days from the date of written notice or sooner in the event that it is an emergency, then the City may enter upon the Property and make all necessary repairs and Landowners shall pay to the City all of the cost incurred by the City to repair the same.

5. Landowners further agree that if the City, during its normal construction, reconstruction, maintenance and/or repair of the public utilities of the City located within the Easements including, but not limited to, watermain, sanitary sewer and/or storm sewer systems deems it necessary and expedient to excavate within the Easements, that Landowners shall be

responsible for removing, reconstructing and/or repairing the Improvements all in accordance with the Plans and Specifications and the City's only obligation shall be to fill the excavated area and level the same to the grade that it was prior to the City's excavation. Notwithstanding the above, in the event the City finds it is necessary to completely and totally restore easement area, the landowner agrees to remove the Improvements they have placed in the Easements.

Landowner will promptly comply with said removal request at their expense and will remove the Improvements with-in 60 days of the written request by the City.

6. In the event that Landowners fail to take any action required in this Agreement and the City is required to repair, reconstruct or take other actions to maintain the City's utilities, including the watermain, sanitary sewer and/or storm sewer systems as a result of the Landowner's actions in making the Improvements, and the City incurs any cost, the Landowners agree that if Landowners fail to pay the City, that the City may take any and all actions permitted by law to collect the same and the City may further levy an assessment against the Property for all costs incurred by the City. Landowners waive any and all rights to challenge or appeal the assessment.

7. Landowners and their successors and assigns do hereby agree to defend, indemnify, and hold the City harmless from any and all costs and expenses, all claims and liability, including attorney's fees, relating to or arising from granting to the Landowners the permission to encroach on the Easements for the construction, maintenance, use, and operation of the Improvements, including third party claims against flooding issues that may occur due to filling within the drainage/ponding easement.

8. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, to the following:

TO CITY:

Jo Thieling, City Clerk
City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303

TO LANDOWNERS: Jesse R & Dana L Verbeek
6012 146th Ave NW
Ramsey, MN 55303

or to any successors or assigns of the Landowners or City, or any future address of the Landowners or City, if Landowners or City gives the other party notice of said change of address as provided pursuant to the provision for notice herein.

10. This Agreement shall be recorded against the title to the Property.

CITY OF RAMSEY

By: _____
Bob Ramsey, Mayor

By: _____
Jo Thieling, City Clerk

LANDOWNERS:

By: _____
Jesse R Verbeek

By: _____
Dana L Verbeek

STATE OF MINNESOTA)
)ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 200____, by Bob Ramsey and Jo Thieling, respectively the Mayor and City Clerk of the City of Ramsey, a Minnesota municipal corporation, on behalf of the corporation and pursuant to the authority granted by its City Council.

Notary Public

STATE OF MINNESOTA)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
200____, by Jesse R. Verbeek and Dana L. Verbeek, husband and wife.

Notary Public

The west 5.00 feet of the east 10.00 feet of Lot 14, Block 2, VILLAGE OF SUNFISH LAKE
2ND ADDITION, Anoka County, Minnesota, lying northerly of the south 10.00 feet and
southerly of the north 10.00 feet thereof.



CC Regular Session**7. 1.****Meeting Date:** 11/13/2012**By:** Colleen Lasher, Administrative Services

Information**Title:**

Report from the Personnel Committee - Meeting Date November 13, 2012.

Background:

Case 1 of 1: Consider a Resolution Hire a Patrol Officer.

The Personnel Committee met earlier this evening to consider the hiring of Ms. Shannon Schlender as a new Patrol Officer with the City. The Personnel Committee was provided with the following background:

On August 28, 2012 staff received authorization to begin a Patrol Officer recruitment. The recruitment was needed due to a recent resignation, a retirement (stemming from the voluntary early separation program), and an officer's extended medical leave of absence; causing the Police Department's staffing levels to be down by three officers.

An internal and external recruitment was conducted which resulted in the receipt of 140 applications. Staff conducted first interviews with 15 candidates. Four candidates were interviewed a second time. In addition to the interview process, candidates were required to pass a report writing exercise and a physical agility test. The top 4 candidates were required to pass a "shoot / don't shoot" exercise.

As a result, staff recommends Ms. Shannon Schlender for the position of Patrol Officer with the city of Ramsey. Ms. Schlender has accepted the City's contingent offer and has passed all of the necessary pre-employment testing. With the City Council's authorization, Ms. Schlender will be hired on or near November 27, 2012. She will be subject to a 1-year probationary period and all other personnel policies will apply normally.

Notification:**Observations:****Recommendation:**

Case 1 of 1: To approve resolution 12-11-XXX which confirms the recommendation of the Personnel Committee to authorize staff to hire Ms. Shannon Schlender, effective on or near November 27, 2012, at \$21.87 per hour, which is step 1 of the 2012 wage scale.

Funding Source:

Case 1 of 1: The funding for this replacement Patrol Officer position is part of the 2012/2013 budget. The estimated annual funding required for a new officer in 2013 is between \$65,488 and \$72,292.

Council Action:

Case 1 of 1: Motion to approve resolution 12-11-XXX which confirms the recommendation of the Personnel Committee to authorize staff to hire Ms. Shannon Schlender, effective on or near November 27, 2012, at \$21.87 per hour, which is step 1 of the 2012 wage scale.

AttachmentsResolution

Form Review**Inbox****Reviewed By****Date**

Kurt Ulrich

Kurt Ulrich

11/07/2012 05:21 PM

Form Started By: Colleen Lasher

Started On: 11/07/2012 10:58 AM

Final Approval Date: 11/07/2012

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION #

Consider a Resolution to Hire a Patrol Officer

WHEREAS, on August 28, 2012 staff received authorization to begin a Patrol Officer recruitment; and

WHEREAS, an internal and external recruitment was conducted; and

WHEREAS, fifteen candidates were interviewed and four were selected for second interviews; and

WHEREAS, Ms. Shannon Schlender was selected and has successfully passed the required background checks, reference checks, psychological exam and the physical exam and drug screen; and

WHEREAS, staff recommends hiring Ms. Shannon Schlender, effective on or near November 27, 2012, at \$21.87 per hour, which is step 1 of the 2012 wage scale.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA, as follows:

Motion to adopt resolution 12-11-XXX which confirms the recommendation of the Personnel Committee to hire Ms. Shannon Schlender, effective on or near November 27, 2012, at \$21.87 per hour, which is step 1 of the 2012 wage scale.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember , and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following abstained:

and the following were absent:

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 13th day of November 2012

CC Regular Session

7. 2.

Meeting Date: 11/13/2012

By: Darren Lazan, Housing &
Redevelopment Authority

Information

Title:

Consider Deferral for Development Fees - Sunwood Retail Area

Background:

In a number of previous approvals by both the HRA and the City Council, the Sunwood Retail Area has been approved for development and closings with buyers are scheduled for the Spring of 2013.

The HRA and City Council have approved the final plat and the development agreement outlining the normal development fees due at the time the plat is recorded.

The final plat was scheduled to be recorded with the initial closing and the development fees for all three HRA parcels would be paid from the proceeds of the initial closing.

Sunwood Drive, as currently constructed, is on HRA property under a license agreement approved by the HRA this spring. It was intended that the Plat would be recorded this fall, providing the necessary permanent right-of-way.

Notification:

Observations:

A portion of the funding, (\$500,000) for the Sunwood Drive project was in a grant from MnDOT's Local Road Improvement Program (LRIP).

To submit for payment under that program, the roadway must fall within it's permanent right-of-way or easement. The development team the finance manager, and the city engineer would like to submit and receive the grant payment under that program prior to the spring plat recording currently scheduled.

To record the plat, the HRA would ordinarily need to make payment to the City for all related development fees. Since the initial closing will not occur until spring, the development team requests the City Council approve the deferral of the development fees until such time as the initial closing occurs on one of the three HRA parcels.

Recommendation:

The development team recommends the City Council approve the deferral of the development fees related to the plat of COR TWO until the first closing on one of the three HRA lots - Lots 3-5, COR TWO.

Funding Source:

N/A

Council Action:

Approve the deferral of development fees related to the plat of COR TWO until the first closing on one of the three HRA lots - Lots 3-5, COR TWO.

Attachments

Form Review

Inbox	Reviewed By	Date
Hakanson Anderson Engineering	Shane Nelson	11/08/2012 03:29 PM
Kurt Ulrich	Kurt Ulrich	11/08/2012 03:37 PM
Form Started By: Darren Lazan		Started On: 11/08/2012 09:31 AM
Final Approval Date: 11/08/2012		

LOCAL ROAD IMPROVEMENT PROGRAM (LRIP)
GRANT AGREEMENT

This Agreement between the Minnesota Department of Transportation (“MnDOT”) and the Grantee named below is made pursuant to Minnesota Statutes Section 174.50 and pursuant to Chapter 12 - H.F. 23 (2011 1st Special Session). The provisions in that section and the Exhibits attached hereto and incorporated by reference constitute this Agreement and the persons signing below agree to fully comply with all of the requirements of this Agreement.

1. Effective date of this Agreement: _____, 20____
2. Public Entity (Grantee) name, address and contact person:

 Contact: _____

3. Project(s):

Name of Project & Project Number (See Exhibit C for location)	Amount of LRIP Funds	Amount of Required Matching Funds	Completion Date

4. Total Amount of LRIP Grant for all projects under this Agreement: \$_____
5. The following Exhibits for each project are attached and incorporated by reference as part of this Agreement:

Exhibit A	Completed Sources and Uses of Funds Schedule
Exhibit B	Project Completion Schedule
Exhibit C	Bond Financed Property Certification
Exhibit D	Grant Application
Exhibit E	Grantee Resolution Approving Grant Agreement
Exhibit F	General Terms and Conditions

PUBLIC ENTITY (GRANTEE)

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

DEPARTMENT OF TRANSPORTATION

By: _____

Title: State Aid Programs Engineer

Date: _____

OFFICE OF CONTRACT MANAGEMENT

By: _____

Contract Administrator

Date: _____

Notary:

EXHIBIT A**SOURCES AND USES OF FUNDS SCHEDULE**

SOURCES OF FUNDS		USES OF FUNDS	
Entity Supplying Funds	Amount	Expenses	Amount
State Funds:		Items Paid for with LRIP	
LRIP Grant	\$ _____	Grant Funds:	
		_____	\$ _____
Other:		_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
Subtotal	\$ _____	Subtotal	\$ _____
Public Entity Funds:		Items paid for with Non-	
Matching Funds	\$ _____	LRIP Grant Funds:	
		_____	\$ _____
Other:		_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____		
Subtotal	\$ _____	Subtotal	\$ _____
TOTAL FUNDS	\$ _____	TOTAL PROJECT COSTS	\$ _____

EXHIBIT B

PROJECT COMPLETION SCHEDULE

(Provide for enough time to final the project through the MnDOT state aid pay request process.)

EXHIBIT C

BOND FINANCED PROPERTY CERTIFICATION

State of Minnesota
General Obligation Bond Financed Property

The undersigned states that it has a fee simple, leasehold and/or easement interest in the real property located in the County(ies) of _____, State of Minnesota that is generally described or illustrated graphically in **Attachment 1** attached hereto and all improvements thereon (the "Restricted Property") and acknowledges that the Restricted Property is or may become State bond-financed property. To the extent that the Restricted Property is or becomes State bond-financed property, the undersigned acknowledges that:

- A. The Restricted Property is State bond-financed property under Minn. Stat. Sec. 16A.695, is subject to the requirements imposed by that statute, and cannot be sold, mortgaged, encumbered or otherwise disposed of without the approval of the Commissioner of Minnesota Management and Budget; and
- B. The Restricted Property is subject to the provisions of the Local Road Improvement Program Grant Agreement between the Minnesota Department of Transportation and the undersigned dated _____, 20____; and
- C. The Restricted Property shall continue to be deemed State bond-financed property for 37.5 years or until the Restricted Property is sold with the written approval of the Commissioner of Minnesota Management and Budget.

Date: _____, 20____

Notary:

[name of Public Entity grantee], a political
subdivision of the State of Minnesota

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Attachment 1 to Exhibit C

GENERAL DESCRIPTION OF RESTRICTED PROPERTY

(Insert a narrative or graphic description of the Restricted Property for the project. It need not be a legal description if a legal description is unavailable.)

EXHIBIT D

GRANT APPLICATION

Attach the grant application for the project

EXHIBIT E

GRANTEE RESOLUTION APPROVING GRANT AGREEMENT

EXHIBIT F

GENERAL TERMS AND CONDITIONS FOR LOCAL ROAD IMPROVEMENT PROGRAM (LRIP) GRANTS

Article I DEFINITIONS

Section 1.01 **Defined Terms.** The following terms shall have the meanings set out respectively after each such term (the meanings to be equally applicable to both the singular and plural forms of the terms defined) unless the context specifically indicates otherwise:

“Advance(s)” - means an advance made or to be made by MnDOT to the Public Entity and disbursed in accordance with the provisions contained in Article VI hereof.

“Agreement” - means the Local Road Improvement Program Grant Agreement between the Public Entity and the Minnesota Department of Transportation to which this Exhibit is attached.

“Certification” - means the certification, in the form attached as **Exhibit C**, in which the Public Entity acknowledges that its interest in the Real Property is bond financed property within the meaning of Minn. Stat. Sec. 16A.695 and is subject to certain restrictions imposed thereby.

“Code” - means the Internal Revenue Code of 1986, as amended, and all treasury regulations, revenue procedures and revenue rulings issued pursuant thereto.

“Commissioner” - means the Commissioner of Minnesota Management & Budget.

“Commissioner’s Order” - means the “Third Order Amending Order of the Commissioner of Minnesota Management & Budget Relating to Use and Sale of State Bond Financed Property” dated August 26, 2010, as it may be amended or supplemented.

“Completion Date” - means the projected date for completion of the Project as indicated in the Agreement.

“Construction Contract Documents” - means the document or documents, in form and substance acceptable to MnDOT, including but not limited to any construction plans and specifications and any exhibits, amendments, change orders, modifications thereof or supplements thereto, which collectively form the contract between the Public Entity and the Contractor(s) for the completion of the Construction Items on or before the Completion Date for either a fixed price or a guaranteed maximum price.

“Construction Items” - means the work to be performed under the Construction Contract Documents.

“Contractor” - means any person engaged to work on or to furnish materials and supplies for the Construction Items including, if applicable, a general contractor.

“Draw Requisition” - means a draw requisition that the Public Entity, or its designee, submits to MnDOT when an Advance is requested, as referred to in Section 4.02.

“G.O. Bonds” - means the state general obligation bonds issued under the authority granted in Article XI, Sec. 5(a) of the Minnesota Constitution, the proceeds of which are used to fund the LRIP Grant, and any bonds issued to refund or replace such bonds.

“Grant Application” - means the grant application that the Public Entity submitted to MnDOT which is attached as **Exhibit D**.

“LRIP Grant” - means a grant from MnDOT to the Public Entity under the LRIP in the amount specified in the Agreement, as such amount may be modified under the provisions hereof.

“LRIP” - means the Local Road Improvement Program pursuant to Minn. Stat. Sec. 174.50 and rules relating thereto.

“MnDOT” - means the Minnesota Department of Transportation.

“Outstanding Balance of the LRIP Grant” - means the portion of the LRIP Grant that has been disbursed to the Public Entity minus any amounts returned to the Commissioner.

“Project” - means the Project identified in the Agreement to be totally or partially funded with a LRIP grant.

“Public Entity” - means the grantee of the LRIP Grant and identified as the Public Entity in the Agreement.

“Real Property” - means the real property identified in the Agreement on which the Project is located.

Article II GRANT

Section 2.01 **Grant of Monies.** MnDOT shall make the LRIP Grant to the Public Entity, and disburse the proceeds in accordance with the terms and conditions herein.

Section 2.02 **Public Ownership.** The Public Entity acknowledges and agrees that the LRIP Grant is being funded with the proceeds of G.O. Bonds, and as a result all of the Real Property must be owned by one or more public entities. The Public Entity represents and warrants to MnDOT that it has one or more of the following ownership interests in the Real Property: (i) fee simple ownership, (ii) an easement that is for a term that extends beyond the date that is 37.5 years from the Agreement effective date, or such shorter term as authorized by statute, and which cannot be modified or terminated early without the prior written consent of MnDOT and the Commissioner; and/or (iii) a prescriptive easement for a term that extends beyond the date that is 37.5 years from the Agreement effective date.

Section 2.03 **Use of Grant Proceeds.** The Public Entity shall use the LRIP Grant solely to reimburse itself for expenditures it has already made, or will make, to pay the costs of one or more of the following activities: (i) constructing or reconstructing a bridge, (ii) preliminary engineering and environmental studies authorized under Minn. Stat. Sec. 174.50, subdiv. 6a, (iii) abandoning an existing bridge that is deficient and in need of replacement, but where no replacement will be made, or (iv) constructing a road to facilitate the abandonment or removal of an existing bridge determined to be deficient. The Public Entity shall not use the LRIP Grant for any other purpose, including but not limited to, any work to be done on a state trunk highway or within a trunk highway easement.

Section 2.04 Operation of the Real Property. The Real Property must be used by the Public Entity in conjunction with or for the operation of a county highway, county state-aid highway, town road, or city street and for other uses customarily associated therewith, such as trails and utility corridors, and for no other purposes or uses. The Public Entity may have no intention on the effective date of the Agreement to use the Real Property as a trunk highway or any part of a trunk highway. The Public Entity must annually determine that the Real Property is being used for the purposes specified in this Section and, upon written request by either MnDOT or the Commissioner, shall supply a notarized statement to that effect.

Section 2.05 Sale or Lease of Real Property. The Public Entity shall not (i) sell or transfer any part of its ownership interest in the Real Property, or (ii) lease out or enter into any contract that would allow another entity to use or operate the Real Property without the written consent of both MnDOT and the Commissioner. The sale or transfer of any part of the Public Entity's ownership interest in the Real Property, or any lease or contract that would allow another entity to use or operate the Real Property, must comply with the requirements imposed by Minn. Stat. Sec. 16A.695 and the Commissioner's Order regarding such sale or lease.

Section 2.06 Public Entity's Representations and Warranties. The Public Entity represents and warrants to MnDOT that:

- A. It has legal authority to execute, deliver and perform the Agreement and all documents referred to therein, and it has taken all actions necessary to its execution and delivery of such documents.
- B. It has the ability and a plan to fund the operation of the Real Property for the purposes specified in Section 2.04, and will include in its annual budget all funds necessary for the operation of the Real Property for such purposes.
- C. The Agreement and all other documents referred to therein are the legal, valid and binding obligations of the Public Entity enforceable against the Public Entity in accordance with their respective terms.
- D. It will comply with all of the provisions of Minn. Stat. Sec. 16A.695, the Commissioner's Order and the LRIP.
- E. All of the information it has submitted or will submit to MnDOT or the Commissioner relating to the LRIP Grant or the disbursement of the LRIP Grant is and will be true and correct.
- F. It is not in violation of any provisions of its charter or of the laws of the State of Minnesota, and there are no actions or proceedings pending, or to its knowledge threatened, before any judicial body or governmental authority against or affecting it relating to the Real Property, or its ownership interest therein, and it is not in default with respect to any order, writ, injunction, decree, or demand of any court or any governmental authority which would impair its ability to enter into the Agreement or any document referred to herein, or to perform any of the acts required of it in such documents.
- G. Neither the execution and delivery of the Agreement or any document referred to herein nor compliance with any of the provisions or requirements of any of such documents is prevented by, is a breach of, or will result in a breach of, any provision of any agreement or document to which it is now a party or by which it is bound.

- H. The contemplated use of the Real Property will not violate any applicable zoning or use statute, ordinance, building code, rule or regulation, or any covenant or agreement of record relating thereto.
- I. The Project will be completed and the Real Property will be operated in full compliance with all applicable laws, rules, ordinances, and regulations of any federal, state, or local political subdivision having jurisdiction over the Project and the Real Property.
- J. All applicable licenses, permits and bonds required for the performance and completion of the Project and for the operation of the Real Property as specified in Section 2.04 have been, or will be, obtained.
- K. It reasonably expects to possess its ownership interest in the Real Property described in Section 2.02 for at least 37.5 years, and it does not expect to sell such ownership interest.
- L. It does not expect to lease out or enter into any contract that would allow another entity to use or operate the Real Property.
- M. It will supply whatever funds are needed in addition to the LRIP Grant to complete and fully pay for the Project.
- N. The Construction Items will be completed substantially in accordance with the Construction Contract Documents by the Completion Date and all such items will be situated entirely on the Real Property.
- O. It will require the Contractor or Contractors to comply with all rules, regulations, ordinances, and laws bearing on its performance under the Construction Contract Documents.
- P. It shall furnish such satisfactory evidence regarding the representations and warranties described herein as may be required and requested by either MnDOT or the Commissioner.

Section 2.07 **Event(s) of Default.** The following events shall, unless waived in writing by MnDOT and the Commissioner, constitute an Event of Default under the Agreement upon either MnDOT or the Commissioner giving the Public Entity 30 days' written notice of such event and the Public Entity's failure to cure such event during such 30-day time period for those Events of Default that can be cured within 30 days or within whatever time period is needed to cure those Events of Default that cannot be cured within 30 days as long as the Public Entity is using its best efforts to cure and is making reasonable progress in curing such Events of Default; however, in no event shall the time period to cure any Event of Default exceed six (6) months unless otherwise consented to, in writing, by MnDOT and the Commissioner.

- A. If any representation, covenant, or warranty made by the Public Entity herein or in any other document furnished pursuant to the Agreement, or to induce MnDOT to disburse the LRIP Grant, shall prove to have been untrue or incorrect in any material respect or materially misleading as of the time such representation, covenant, or warranty was made.
- B. If the Public Entity fails to fully comply with any provision, covenant, or warranty contained herein.

- C. If the Public Entity fails to fully comply with any provision, covenant or warranty contained in Minn. Stat. Sec. 16A.695, the Commissioner's Order, or Minn. Stat. Sec. 174.50 and all rules related thereto.
- D. If the Public Entity fails to use the proceeds of the LRIP Grant for the purposes set forth in Section 2.03, the Grant Application, and in accordance with the LRIP.
- E. If the Public Entity fails to operate the Real Property for the purposes specified in Section 2.04.
- F. If the Public Entity fails to complete the Project by the Completion Date.
- G. If the Public Entity sells or transfers any portion of its ownership interest in the Real Property without first obtaining the written consent of both MnDOT and the Commissioner.
- H. If the Public Entity fails to provide any additional funds needed to fully pay for the Project.
- I. If the Public Entity fails to supply the funds needed to operate the Real Property in the manner specified in Section 2.04.

Notwithstanding the foregoing, any of the above events that cannot be cured shall, unless waived in writing by MnDOT and the Commissioner, constitute an Event of Default under the Agreement immediately upon either MnDOT or the Commissioner giving the Public Entity written notice of such event.

Section 2.08 **Remedies.** Upon the occurrence of an Event of Default and at any time thereafter until such Event of Default is cured to the satisfaction of MnDOT, MnDOT or the Commissioner may enforce any or all of the following remedies.

- A. MnDOT may refrain from disbursing the LRIP Grant; provided, however, MnDOT may make such disbursements after the occurrence of an Event of Default without waiving its rights and remedies hereunder.
- B. If the Event of Default involves a sale of the Public Entity's interest in the Real Property in violation of Minn. Stat. Sec. 16A.695 or the Commissioner's Order, the Commissioner, as a third party beneficiary of the Agreement, may require that the Public Entity pay the amounts that would have been paid if there had been compliance with such provisions. For other Events of Default, the Commissioner may require that the Outstanding Balance of the LRIP Grant be returned to it.
- C. Either MnDOT or the Commissioner, as a third party beneficiary of the Agreement, may enforce any additional remedies it may have in law or equity.

The rights and remedies specified herein are cumulative and not exclusive of any rights or remedies that MnDOT or the Commissioner would otherwise possess.

If the Public Entity does not repay the amounts required to be paid under this Section or under any other provision contained herein within 30 days of demand by the Commissioner, or any amount ordered by a court of competent jurisdiction within 30 days of entry of judgment against the Public Entity and in favor of MnDOT and/or the Commissioner, then such amount may, unless precluded by law, be offset against any aids or other monies that the Public Entity is entitled to receive from the State of Minnesota.

Section 2.09 Notification of Event of Default. The Public Entity shall furnish to MnDOT and the Commissioner, as soon as possible and in any event within seven (7) days after it has obtained knowledge of the occurrence of each Event of Default, a statement setting forth details of each Event of Default and the action which the Public Entity proposes to take with respect thereto.

Section 2.10 Effect of Event of Default. The Agreement shall survive Events of Default and remain in full force and effect, even upon full disbursement of the LRIP Grant, and shall only be terminated under the circumstances set forth in Section 2.11.

Section 2.11 Termination of Agreement and Modification of LBRP Grant.

A. If the Project is not started within five (5) years after the effective date of the Agreement or the LRIP Grant has not been disbursed within four (4) years after the date the Project was started, MnDOT's obligation to fund the LRIP Grant shall terminate. In such event, (i) if none of the LRIP Grant has been disbursed by such date, MnDOT shall have no obligation to fund the LRIP Grant and the Agreement will terminate, and (ii) if some but not all of the LRIP Grant has been disbursed by such date, MnDOT shall have no further obligation to provide any additional funding for the LRIP Grant and the Agreement shall remain in force but shall be modified to reflect the amount of the LRIP Grant that was actually disbursed and the Public Entity is still obligated to complete the Project by the Completion Date.

B. The Agreement shall terminate upon the Public Entity's sale of its interest in the Real Property and transmittal of the required portion of the proceeds of the sale to the Commissioner in compliance with Minn. Stat. Sec. 16A.695 and the Commissioner's Order, or upon the termination of the Public Entity's ownership interest in the Real Property if such ownership interest is an easement.

Article III
COMPLIANCE WITH MINNESOTA STATUTE, SEC. 16A.695
AND THE COMMISSIONER'S ORDER

Section 3.01 State Bond Financed Property. The Public Entity acknowledges that its interest in the Real Property is, or when acquired by it will be, "state bond financed property", as such term is used in Minn. Stat. Sec. 16A.695 and the Commissioner's Order and, therefore, the provisions contained in such statute and order apply, or will apply, to its interest in the Real Property, even if the LRIP Grant will only pay for a portion of the Project.

Section 3.02 Preservation of Tax Exempt Status. In order to preserve the tax-exempt status of the G.O. Bonds, the Public Entity agrees as follows:

- A. It will not use the Real Property or use or invest the LRIP Grant or any other sums treated as "bond proceeds" under Section 148 of the Code (including "investment proceeds," "invested sinking funds" and "replacement proceeds") in such a manner as to cause the G.O. Bonds to be classified as "arbitrage bonds" under Code Section 148.
- B. It will deposit and hold the LRIP Grant in a segregated non-interest-bearing account until such funds are used for payments for the Project.
- C. It will, upon written request, provide the Commissioner all information required to satisfy the informational requirements set forth in the Code, including Sections 103 and 148, with respect to the G.O. Bonds.

- D. It will, upon the occurrence of any act or omission by the Public Entity that could cause the interest on the G.O. Bonds to no longer be tax exempt and upon direction from the Commissioner, take such actions and furnish such documents as the Commissioner determines to be necessary to ensure that the interest to be paid on the G.O. Bonds is exempt from federal taxation, which such action may include: (i) compliance with proceedings intended to classify the G.O. Bonds as a “qualified bond” within the meaning of Code Section 141(e), or (ii) changing the nature of the use of the Real Property so that none of the net proceeds of the G.O. Bonds will be deemed to be used, directly or indirectly, in an “unrelated trade or business” or for any “private business use” within the meaning of Code Sections 141(b) and 145(a).
- E. It will not otherwise use any of the LRIP Grant or take, permit or cause to be taken, or omit to take, any action that would adversely affect the exemption from federal income taxation of the interest on the G.O. Bonds, and if it should take, permit or cause to be taken, or omit to take, as appropriate, any such action, it shall take all lawful actions necessary to correct such actions or omissions promptly upon obtaining knowledge thereof.

Section 3.03 **Changes to G.O. Compliance Legislation or the Commissioner’s Order.** If Minn. Stat. Sec. 16A.695 or the Commissioner’s Order is amended in a manner that reduces any requirement imposed against the Public Entity, or if the Public Entity’s interest in the Real Property becomes exempted from Minn. Stat. Sec. 16A.695 and the Commissioner’s Order, then upon written request by the Public Entity, MnDOT shall execute an amendment to the Agreement to implement such amendment or exempt the Public Entity’s interest in the Real Property from Minn. Stat. Sec. 16A.695 and the Commissioner’s Order.

Article IV

DISBURSEMENT OF GRANT PROCEEDS

Section 4.01 **The Advances.** MnDOT agrees, on the terms and subject to the conditions set forth herein, to make Advances of the LRIP Grant to the Public Entity from time to time in an aggregate total amount not to exceed the amount of the LRIP Grant. If the amount of LRIP Grant that MnDOT cumulatively disburses hereunder to the Public Entity is less than the amount of the LRIP Grant delineated in Section 1.01, then MnDOT and the Public Entity shall enter into and execute whatever documents MnDOT may request in order to amend or modify this Agreement to reduce the amount of the LRIP Grant to the amount actually disbursed. Provided, however, in accordance with the provisions contained in Section 2.11, MnDOT’s obligation to make Advances shall terminate as of the dates specified in Section 2.11 even if the entire LRIP Grant has not been disbursed by such dates.

Advances shall only be for expenses that (i) are for those items of a capital nature delineated in Source and Use of Funds that is attached as **Exhibit A**, (ii) accrued no earlier than the effective date of the legislation that appropriated the funds that are used to fund the LRIP Grant, or (iii) have otherwise been consented to, in writing, by the Commissioner.

It is the intent of the parties hereto that the rate of disbursement of the Advances shall not exceed the rate of completion of the Project or the rate of disbursement of the matching funds required, if any, under Section 5.13. Therefore, the cumulative amount of all Advances disbursed by the State Entity at any point in time shall not exceed the portion of the Project that has been completed and the percentage of the matching funds required, if any, under Section 5.13 that have been disbursed as of such point in time. This requirement is expressed by way of the following two formulas:

Formula #1:

Cumulative Advances $\leq$ (Program Grant) $\times$ (percentage of matching funds, if any, required under Section 5.13 that have been disbursed)

Formula #2:

Cumulative Advances $\leq$ (Program Grant) $\times$ (percentage of Project completed)

Section 4.02 **Draw Requisitions.** Whenever the Public Entity desires a disbursement of a portion of the LRIP Grant the Public Entity shall submit to MnDOT a Draw Requisition duly executed on behalf of the Public Entity or its designee. Each Draw Requisition with respect to construction items shall be limited to amounts equal to: (i) the total value of the classes of the work by percentage of completion as approved by the Public Entity and MnDOT, plus (ii) the value of materials and equipment not incorporated in the Project but delivered and suitably stored on or off the Real Property in a manner acceptable to MnDOT, less (iii) any applicable retainage, and less (iv) all prior Advances.

Notwithstanding anything herein to the contrary, no Advances for materials stored on or off the Real Property will be made by MnDOT unless the Public Entity shall advise MnDOT, in writing, of its intention to so store materials prior to their delivery and MnDOT has not objected thereto.

At the time of submission of each Draw Requisition, other than the final Draw Requisition, the Public Entity shall submit to MnDOT such supporting evidence as may be requested by MnDOT to substantiate all payments which are to be made out of the relevant Draw Requisition or to substantiate all payments then made with respect to the Project.

The final Draw Requisition shall not be submitted before completion of the Project, including any correction of material defects in workmanship or materials (other than the completion of punch list items). At the time of submission of the final Draw Requisition the Public Entity shall submit to MnDOT: (i) such supporting evidence as may be requested by MnDOT to substantiate all payments which are to be made out of the final Draw Requisition or to substantiate all payments then made with respect to the Project, and (ii) satisfactory evidence that all work requiring inspection by municipal or other governmental authorities having jurisdiction has been duly inspected and approved by such authorities and that all requisite certificates and other approvals have been issued.

If on the date an Advance is desired the Public Entity has complied with all requirements of this Agreement and MnDOT approves the relevant Draw Requisition, then MnDOT shall disburse the amount of the requested Advance to the Public Entity.

Section 4.03 **Additional Funds.** If MnDOT shall at any time in good faith determine that the sum of the undisbursed amount of the LRIP Grant plus the amount of all other funds committed to the Project is less than the amount required to pay all costs and expenses of any kind which reasonably may be anticipated in connection with the Project, then MnDOT may send written notice thereof to the Public Entity specifying the amount which must be supplied in order to provide sufficient funds to complete the Project. The Public Entity agrees that it will, within 10 calendar days of receipt of any such notice, supply or have some other entity supply the amount of funds specified in MnDOT's notice.

Section 4.04 **Condition Precedent to Any Advance.** The obligation of MnDOT to make any Advance hereunder (including the initial Advance) shall be subject to the following conditions precedent:

- A. MnDOT shall have received a Draw Requisition for such Advance specifying the amount of funds being requested, which such amount when added to all prior requests for an Advance shall not exceed the amount of the LRIP Grant set forth in Section 1.01.

- B. No Event of Default under this Agreement or event which would constitute an Event of Default but for the requirement that notice be given or that a period of grace or time elapse shall have occurred and be continuing.
- C. No determination shall have been made by MnDOT that the amount of funds committed to the Project is less than the amount required to pay all costs and expenses of any kind that may reasonably be anticipated in connection with the Project, or if such a determination has been made and notice thereof sent to the Public Entity under Section 4.03, then the Public Entity has supplied, or has caused some other entity to supply, the necessary funds in accordance with such section or has provided evidence acceptable to MnDOT that sufficient funds are available.
- D. The Public Entity has supplied to MnDOT all other items that MnDOT may reasonably require.

Section 4.05 **Processing and Disbursement of Advances.** The Public Entity acknowledges and agrees as follows:

- A. Advances are not made prior to completion of work performed on the Project.
- B. All Advances are processed on a reimbursement basis.
- C. The Public Entity must first document expenditures to obtain an Advance.
- D. Reimbursement requests are made on a partial payment basis or when the Project is completed.
- E. All payments are made following the “Delegated Contract Process or State Aid Payment Request” as requested and approved by the appropriate district state aid engineer.

Section 4.06 **Construction Inspections.** The Public Entity shall be responsible for making its own inspections and observations regarding the completion of the Project, and shall determine to its own satisfaction that all work done or materials supplied have been properly done or supplied in accordance with all contracts that the Public Entity has entered into regarding the completion of the Project.

Article V MISCELLANEOUS

Section 5.01 **Insurance.** If the Public Entity elects to maintain general comprehensive liability insurance regarding the Real Property, then the Public Entity shall have MnDOT named as an additional named insured therein.

Section 5.02 **Condemnation.** If, after the Public Entity has acquired the ownership interest set forth in Section 2.02, all or any portion of the Real Property is condemned to an extent that the Public Entity can no longer comply with Section 2.04, then the Public Entity shall, at its sole option, either: (i) use the condemnation proceeds to acquire an interest in additional real property needed for the Public Entity to continue to comply with Section 2.04 and to provide whatever additional funds that may be needed for such purposes, or (ii) submit a request to MnDOT and the Commissioner to allow it to sell the remaining portion of its interest in the Real Property. Any condemnation proceeds which are not used to acquire an interest in additional real property shall be applied in accordance with Minn. Stat. Sec.

16A.695 and the Commissioner's Order as if the Public Entity's interest in the Real Property had been sold. If the Public Entity elects to sell its interest in the portion of the Real Property that remains after the condemnation, such sale must occur within a reasonable time period after the date the condemnation occurred and the cumulative sum of the condemnation and sale proceeds applied in accordance with Minn. Stat. Sec. 16A.695 and the Commissioner's Order.

If MnDOT receives any condemnation proceeds referred to herein, MnDOT agrees to or pay over to the Public Entity all of such condemnation proceeds so that the Public Entity can comply with the requirements of this Section.

Section 5.03 Use, Maintenance, Repair and Alterations. The Public Entity shall not, without the written consent of MnDOT and the Commissioner, (i) permit or allow the use of any of the Real Property for any purpose other than the purposes specified in Section 2.04, (ii) substantially alter any of the Real Property except such alterations as may be required by laws, ordinances or regulations, or such other alterations as may improve the Real Property by increasing its value or which improve its ability to be used for the purposes set forth in Section 2.04, (iii) take any action which would unduly impair or depreciate the value of the Real Property, (iv) abandon the Real Property, or (v) commit or permit any act to be done in or on the Real Property in violation of any law, ordinance or regulation.

If the Public Entity fails to maintain the Real Property in accordance with this Section, MnDOT may perform whatever acts and expend whatever funds necessary to so maintain the Real Property, and the Public Entity irrevocably authorizes MnDOT to enter upon the Real Property to perform such acts as may be necessary to so maintain the Real Property. Any actions taken or funds expended by MnDOT shall be at its sole discretion, and nothing contained herein shall require MnDOT to take any action or incur any expense and MnDOT shall not be responsible, or liable to the Public Entity or any other entity, for any such acts that are performed in good faith and not in a negligent manner. Any funds expended by MnDOT pursuant to this Section shall be due and payable on demand by MnDOT and will bear interest from the date of payment by MnDOT at a rate equal to the lesser of the maximum interest rate allowed by law or 18% per year based upon a 365-day year.

Section 5.04 Recordkeeping and Reporting. The Public Entity shall maintain books and records pertaining to Project costs and expenses needed to comply with the requirements contained herein, Minn. Stat. Sec. 16A.695, the Commissioner's Order, and Minn. Stat. Sec. 174.50 and all rules related thereto, and upon request shall allow MnDOT, its auditors, the Legislative Auditor for the State of Minnesota, or the State Auditor for the State of Minnesota, to inspect, audit, copy, or abstract all of such items. The Public Entity shall use generally accepted accounting principles in the maintenance of such items, and shall retain all of such books and records for a period of six years after the date that the Project is fully completed and placed into operation.

Section 5.05 Inspections by MnDOT. The Public Entity shall allow MnDOT to inspect the Real Property upon reasonable request by MnDOT and without interfering with the normal use of the Real Property.

Section 5.06 Liability. The Public Entity and MnDOT agree that each will be responsible for its own acts and the results thereof to the extent authorized by law, and neither shall be responsible for the acts of the other party and the results thereof. The liability of MnDOT and the Commissioner is governed by the provisions of Minn. Stat. Sec. 3.736. If the Public Entity is a "municipality" as that term is used in Minn. Stat. Chapter 466, then the liability of the Public Entity is governed by the provisions of Chapter 466. The Public Entity's liability hereunder shall not be limited to the extent of insurance carried by or provided by the Public Entity, or subject to any exclusion from coverage in any insurance policy.

Section 5.07 **Relationship of the Parties.** Nothing contained in the Agreement is to be construed as establishing a relationship of co-partners or joint venture among the Public Entity, MnDOT, or the Commissioner, nor shall the Public Entity be considered to be an agent, representative, or employee of MnDOT, the Commissioner, or the State of Minnesota in the performance of the Agreement or the Project.

No employee of the Public Entity or other person engaging in the performance of the Agreement or the Project shall be deemed have any contractual relationship with MnDOT, the Commissioner, or the State of Minnesota and shall not be considered an employee of any of those entities. Any claims that may arise on behalf of said employees or other persons out of employment or alleged employment, including claims under the Workers' Compensation Act of the State of Minnesota, claims of discrimination against the Public Entity or its officers, agents, contractors, or employees shall in no way be the responsibility of MnDOT, the Commissioner, or the State of Minnesota. Such employees or other persons shall not require nor be entitled to any compensation, rights or benefits of any kind whatsoever from MnDOT, the Commissioner, or the State of Minnesota, including tenure rights, medical and hospital care, sick and vacation leave, disability benefits, severance pay and retirement benefits.

Section 5.08 **Notices.** In addition to any notice required under applicable law to be given in another manner, any notices required hereunder must be in writing and personally served or sent by prepaid, registered, or certified mail (return receipt requested), to the address of the party specified below or to such different address as may in the future be specified by a party by written notice to the others:

To the Public Entity: At the address indicated on the first page of the Agreement.

To MnDOT at: Minnesota Department of Transportation
Office of State Aid
395 John Ireland Blvd., MS 500
Saint Paul, MN 55155
Attention: Patti Loken, State Aid Programs Engineer

To the Commissioner at: Minnesota Management & Budget
400 Centennial Office Bldg.
658 Cedar St.
St. Paul, MN 55155
Attention: Commissioner

Section 5.09 **Assignment or Modification.** Neither the Public Entity nor MnDOT may assign any of its rights or obligations under the Agreement without the prior written consent of the other party.

Section 5.10 **Waiver.** Neither the failure by the Public Entity, MnDOT, or the Commissioner, as a third party beneficiary of the Agreement, in one or more instances to insist upon the complete observance or performance of any provision hereof, nor the failure of the Public Entity, MnDOT, or the Commissioner to exercise any right or remedy conferred hereunder or afforded by law shall be construed as waiving any breach of such provision or the right to exercise such right or remedy thereafter. In addition, no delay by any of the Public Entity, MnDOT, or the Commissioner in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude other or further exercise thereof or the exercise of any other right or remedy.

Section 5.11 **Choice of Law and Venue.** All matters relating to the validity, interpretation, performance, or enforcement of the Agreement shall be determined in accordance with the laws of the

State of Minnesota. All legal actions arising from any provision of the Agreement shall be initiated and venued in the State of Minnesota District Court located in St. Paul, Minnesota.

Section 5.12 **Severability.** If any provision of the Agreement is finally judged by any court to be invalid, then the remaining provisions shall remain in full force and effect and they shall be interpreted, performed, and enforced as if the invalid provision did not appear herein.

Section 5.13 **Matching Funds.** Any matching funds as shown on Page 1 of the Grant Agreement that are required to be obtained and supplied by the Public Entity must either be in the form of (i) cash monies, (ii) legally binding commitments for money, or (iii) equivalent funds or contributions, including equity, which have been or will be used to pay for the Project. The Public Entity shall supply to MnDOT whatever documentation MnDOT may request to substantiate the availability and source of any matching funds.

Section 5.14 **Sources and Uses of Funds.** The Public Entity represents to MnDOT and the Commissioner that the Sources and Uses of Funds Schedule attached as **Exhibit A** accurately shows the total cost of the Project and all of the funds that are available for the completion of the Project. The Public Entity will supply any other information and documentation that MnDOT or the Commissioner may request to support or explain any of the information contained in the Sources and Uses of Funds Schedule. If any of the funds shown in the Sources and Uses of Funds Schedule have conditions precedent to the release of such funds, the Public Entity must provide to MnDOT a detailed description of such conditions and what is being done to satisfy such conditions.

Section 5.15 **Project Completion Schedule.** The Public Entity represents to MnDOT and the Commissioner that the Project Completion Schedule attached as **Exhibit B** correctly and accurately sets forth the projected schedule for the completion of the Project.

Section 5.16 **Public Entity Tasks.** Any tasks that the Agreement imposes upon the Public Entity may be performed by such other entity as the Public Entity may select or designate, provided that the failure of such other entity to perform said tasks shall be deemed to be a failure to perform by the Public Entity.

Section 5.17 **Data Practices.** The Public Entity agrees with respect to any data that it possesses regarding the G.O. Grant or the Project to comply with all of the provisions and restrictions contained in the Minnesota Government Data Practices Act contained in Minnesota Statutes Chapter 13, as such may subsequently be amended or replaced from time to time.

Section 5.18 **Non-Discrimination.** The Public Entity agrees to not engage in discriminatory employment practices regarding the Project and it shall fully comply with all of the provisions contained in Minnesota Statutes Chapters 363A and 181, as such may subsequently be amended or replaced from time to time.

Section 5.19 **Worker's Compensation.** The Public Entity agrees to comply with all of the provisions relating to worker's compensation contained in Minn. Stat. Secs. 176.181 subd. 2 and 176.182, as they may be amended or replaced from time to time with respect to the Project.

Section 5.20 **Antitrust Claims.** The Public Entity hereby assigns to MnDOT and the Commissioner of MMB all claims it may have for over charges as to goods or services provided with respect to the Project that arise under the antitrust laws of the State of Minnesota or of the United States of America.

Section 5.21 **Prevailing Wages.** The Public Entity agrees to comply with all of the applicable provisions contained in Minnesota Statutes Chapter 177, and specifically those provisions contained in Minn. Stat. Secs. 177.41 through 177.435 as they may be amended or replaced from time to time with respect to the Project. By agreeing to this provision, the Public Entity is not acknowledging or agreeing that the cited provisions apply to the Project.

Section 5.22 **Entire Agreement.** The Agreement and all of the exhibits attached thereto embody the entire agreement between the Public Entity and MnDOT, and there are no other agreements, either oral or written, between the Public Entity and MnDOT on the subject matter hereof.

Section 5.23 **E-Verification.** The Public Entity agrees and acknowledges that it is aware of Governor's Executive Order 08-01 regarding e-verification of employment of all newly hired employees to confirm that such employees are legally entitled to work in the United States, and that it will, if and when applicable, fully comply with such order.

Meeting Date: 11/13/2012

Submitted For: Kurt Ulrich

By: Kathy Schmitz, Administrative Services

Information

Title:

Consider Modification of TIF District 14

Background:

At the October 23 Council meeting, a motion was made to decertify TIF (Tax Increment Financing) District 14. The motion failed, and the majority of comments were that some decertification might be of interest, but that the Council lacked enough information at the time to move forward to decertify the district. Subsequently, the Mayor has requested that this item be put on the agenda to determine whether the Council would like to proceed.

A total decertification would require the City to escrow \$7.42 million to cover the GO Bond. Due to this requirement, the most workable alternative would be for the Council to approve a modification of the district that would remove selected parcels.

Current City obligations include a \$7.42 million GO bond for the apartment project, and a commitment to the the rail station. Also, the City received special legislation to be able to use TIF revenue to reimburse the City for the \$6.75 million land acquisition cost and the \$5.8 million in public improvements that were assessed to the land. Over the life of the district, approximately \$68 million in public infrastructure expenditures were proposed to be funded with TIF revenue (see attached). These improvements include highway interchanges, road projects, local streets, sewer, water, and storm water management. Without TIF financing, the City would need to find other sources of funding for these projects.

Notification:

No public hearing is required to modify a TIP plan if all the parcels to be removed are tax exempt. This would cover any of the HRA land. However to remove taxable parcels, a public hearing is required. With a ten day notification requirement, a public hearing could be held as soon as November 27th. Staff recommends that, if this item moves forward, that it be scheduled for no earlier than the regular meeting of December 11, to allow a financial analysis to be prepared.

Observations:

According to statute (MS469.175-attached), modification of the plan may be done per the following section:

Subd. 4.Modification of plan.

- (a) A tax increment financing plan may be modified by an authority.
- (b) The authority may make the following modifications only upon the notice and after the discussion, public hearing, and findings required for approval of the original plan:
 - (1) any reduction or enlargement of geographic area of the project or tax increment financing district that does not meet the requirements of paragraph (e);
 - (2) increase in amount of bonded indebtedness to be incurred;
 - (3) a determination to capitalize interest on the debt if that determination was not a part of the original plan;
 - (4) increase in the portion of the captured net tax capacity to be retained by the authority;
 - (5) increase in the estimate of the cost of the project, including administrative expenses, that will be paid or financed with tax increment from the district; or
 - (6) designation of additional property to be acquired by the authority.

Keeping the existing district in place allows the maximum flexibility to the City to create development that will pay

off the City's current level of investment. Because, under TIF, the City receives the County's portion of the tax payment, this is the quickest way for the City to pay-off these obligations. At a minimum, enough properties need to remain in the district to cover 20% of the principal payment of the bond over the life of the bond issue.

The TIF district adds value to the land and makes it more likely that the City will be able to sell land to a private developer because it provides a means to finance the necessary public improvements.

A schedule of the proposed sources and uses of TIF District 14 is attached and a more detailed exhibit of current obligations will be presented at the meeting.

Recommendation:

It is recommended that the City keep the existing TIF district in place, at least until existing obligations are met.

However, if the Council wishes to modify the district in some fashion, it is recommended that the City consider removing parcels that are expected to develop in the later phases of the project. The district is limited to a 25-year life and as parcels develop, much of their TIF revenue generating ability will have been diminished. A detailed financial analysis of the districts ability to pay off currently obligated expenditures will need to be conducted.

A total decertification is not practical at this time because it would require pay-off of the Flaherty and Collins project bonds.

Funding Source:

Professional services account in General Fund.

Council Action:

This item is on the regular Council agenda as a case with the following recommendation:

Direct staff to schedule this item for the regular meeting of December 11, and to bring forth recommendations for modifications to TIF District 14 to remove selected parcels from the district, along with a financial analysis of the district.

The action of the Council may be modified based upon work session discussion.

Attachments

TIF Dist 14 Sources and Uses

2012 MN TIF Statutes

Disclosure 2011

TIF Districts

TIF 14 Plan

Form Review

Inbox
Kurt Ulrich

Reviewed By
Kurt Ulrich

Date
11/08/2012 06:32 PM
Started On: 11/08/2012 04:15 PM

Form Started By: Kathy Schmitz

Final Approval Date: 11/08/2012

Use or Planned Use of Revenues

If the proposed special law will allow the district to collect additional increment or if the proposed special law authorizes additional spending not permitted by general law, list the planned use of the additional monies by the following categories:

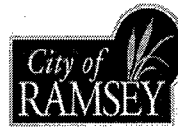
Redevelopment TIF - Project Costs

Ramsey Town Center - Ramsey, MN



Total Spending by Funding Source

Item	Description	TIF Revenue	Private Sources	Non-TIF Local Funds	Other Sources	Total
Northstar Station						
	Platform, Station, and Esmts	6,000,000			7,700,000	13,700,000
Structured Parking						
	Ramp B	8,000,000				8,000,000
	Ramp C	6,000,000				6,000,000
Pedestrian Overpass						
	Ramp A to Station	800,000				800,000
	Station to Regional Park	620,000			2,480,000	3,100,000
Roadway Improvements						
	Development and offsite	12,000,000		2,472,630	4,400,000	18,872,630
	Armstrong Overpass	5,000,000		5,000,000	40,000,000	50,000,000
	R/W Acquisition	2,000,000				2,000,000
Site Acquisition						
	Diamonds	1,000,000				1,000,000
	Church	1,000,000				1,000,000
	Pearson Easements	500,000				500,000
Infrastructure						
	Pearson Utilities	4,500,000				4,500,000
	Summerset Meadows	2,298,000				2,298,000
Private Construction						
	Public Roadways	2,000,000				2,000,000
	Incentives	5,000,000				5,000,000
	Development/Re-Development		364,450,895			364,450,895
Subtotal		56,718,000	364,450,895	7,472,630	54,580,000	483,221,525
	Finance Costs	0.02	1,134,360			
	Cap'd Interest	0.04 2 yrs	4,537,440			
	Administration	0.1	5,671,800			
GRAND TOTAL		68,061,600				



Redevelopment TIF - TIF Capacity

Ramsey Town Center - Ramsey, MN

Item	Description	Acreage	Valuation	Tax/Annually
Retail/Commercial Districts				
	RTC Retail	69.23	65,765,233	1,644,131
Mixed-Use District				
	Ramp B	16.78	31,879,653	796,991
Business District				
	Ramp to Station	38.81	36,870,032	921,751
Housing Districts				
	Development and offsite	40.02	70,383,974	985,376
Redevelopment Districts				
	Total Redevelopment Parcels	221.60	159,552,000	3,988,800
Subtotal		386.44	364,450,892	8,337,049

TIF Capacity Calculations	
Duration (years)	25
Buildout Factor (rate)	0.5
Percentage of Capacity	1
Basis for increment	0.8
TIF Capacity (present value)	\$83,370,486

2012 Minnesota Statutes

469.175 ESTABLISHING, CHANGING PLAN, ANNUAL ACCOUNTS.

Subdivision 1. **Tax increment financing plan.**

(a) A tax increment financing plan shall contain:

(1) a statement of objectives of an authority for the improvement of a project;

(2) a statement as to the property within the project, if any, that the authority intends to acquire, identified by parcel number, identifiable property name, block, or other appropriate means indicating the area in which the authority intends to acquire properties;

(3) a list of any development activities that the plan proposes to take place within the project, for which the authority has entered into an agreement or designated a developer including the names of the parties or designated developer, the activity governed by the agreement or designation, and the expected date of completion of that activity;

(4) identification or description of the type of any other specific development reasonably expected to take place within the district, and the date when the development is likely to occur;

(5) estimates of the following:

(i) the cost of the project, including administrative expenses, and interest as a financing cost, which will be paid or financed with tax increments from the district, but not to exceed the estimated tax increment generated by the development activity;

(ii) the amount of bonds to be issued;

(iii) the original net tax capacity of taxable real property within the tax increment financing district and within any subdistrict;

(iv) the estimated captured net tax capacity of the tax increment financing district at completion; and

(v) the duration of the tax increment financing district's and any subdistrict's existence;

(6) statements of the authority's alternate estimates of the impact of tax increment financing on the net tax capacities of all taxing jurisdictions in which the tax increment financing district is located in whole or in part. For purposes of one statement, the authority shall assume that the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the district, and for purposes of the second statement, the authority shall assume that none of the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the district or subdistrict;

(7) identification and description of studies and analyses used to make the determination set forth in subdivision 3, clause (2); and

(8) identification of all parcels to be included in the district or any subdistrict.

(b) The authority may specify in the tax increment financing plan the first year in which it elects to receive increment, up to four years following the year of approval of the district. This paragraph does not apply to an economic development district.

Subd. 1a. **Inclusion of county road costs.**

(a) The county board may require the authority to pay all or a portion of the cost of county road improvements out of increment revenues, if the following conditions occur:

(1) the proposed tax increment financing plan or an amendment to the plan contemplates construction of a development that will, in the judgment of the county, substantially increase the use of county roads requiring construction of road improvements or other road costs; and

(2) the road improvements or other road costs are not scheduled for construction within five years under the county capital improvement plan or within five years under another formally adopted county plan, and in the opinion of the county, would not reasonably be expected to be needed within the reasonably foreseeable future if the tax increment financing plan were not implemented.

(b) If the county elects to use increments to finance the road improvements, the county must notify the authority and municipality within 45 days after receipt of the proposed tax increment financing plan under subdivision 2. The notice must include the estimated cost of the road improvements and schedule for construction and payment of the cost. The authority must include the improvements in the tax increment financing plan. The improvements may be financed with the proceeds of tax increment bonds or the authority and the county may agree that the county will finance the improvements with county funds to be repaid in installments, with or without interest, out of increment revenues. If the cost of the road improvements and other project costs exceed the projected amount of the increment revenues, the county and authority shall negotiate an agreement, modifying the development plan or proposed road improvements that will permit financing of the costs before the tax increment financing plan may be approved.

Subd. 2. Consultations; comment and filing.

(a) Before formation of a tax increment financing district, the authority shall provide the county auditor and clerk of the school board with the proposed tax increment financing plan for the district and the authority's estimate of the fiscal and economic implications of the proposed tax increment financing district. The authority must provide the proposed tax increment financing plan and the information on the fiscal and economic implications of the plan to the county auditor and the clerk of the school district board at least 30 days before the public hearing required by subdivision 3. The information on the fiscal and economic implications may be included in or as part of the tax increment financing plan. The county auditor and clerk of the school board shall provide copies to the members of the boards, as directed by their respective boards. The 30-day requirement is waived if the boards of the county and school district submit written comments on the proposal and any modification of the proposal to the authority after receipt of the information.

(b) For purposes of this subdivision, "fiscal and economic implications of the proposed tax increment financing district" includes:

- (1) an estimate of the total amount of tax increment that will be generated over the life of the district;
- (2) a description of the probable impact of the district on city-provided services such as police and fire protection, public infrastructure, and the impact of any general obligation tax increment bonds attributable to the district upon the ability to issue other debt for general fund purposes;
- (3) the estimated amount of tax increments over the life of the district that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same;
- (4) the estimated amount of tax increments over the life of the district that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same; and
- (5) additional information regarding the size, timing, or type of development in the district requested by the county or the school district that would enable it to determine additional costs that will accrue to it due to the development proposed for the district. If a county or school district has not adopted standard questions in a written policy on information requested for fiscal and economic implications, a county or school district must request additional information no later than 15 days after receipt of the tax increment financing plan and the request does not require an additional 30 days of notice before the public hearing.

Subd. 2a. Housing districts; redevelopment districts.

In the case of a proposed housing district or redevelopment district, in addition to the requirements of subdivision 2, at least 30 days before the publication of the notice for public hearing under subdivision 3, the authority shall deliver written notice of the proposed district to each county commissioner who represents part of the area proposed to be included in the district. The notice must contain a general description of the boundaries of the proposed district and the proposed activities to be financed by the district, an offer by the authority to meet and discuss the proposed district with the county commissioner, and a solicitation of the commissioner's comments with respect to the district. The commissioner may waive the 30-day requirement by submitting written comments on the proposal and any modification of the proposal to the authority after receipt of the information.

Subd. 2b. Compact development districts; sunset.

The authority to establish or approve the tax increment financing plan for a new compact development district expires on June 30, 2012.

Subd. 3. Municipality approval.

(a) A county auditor shall not certify the original net tax capacity of a tax increment financing district until the tax increment financing plan proposed for that district has been approved by the municipality in which the district is located. If an authority that proposes to establish a tax increment financing district and the municipality are not the same, the authority shall apply to the municipality in which the district is proposed to be located and shall obtain the approval of its tax increment financing plan by the municipality

before the authority may use tax increment financing. The municipality shall approve the tax increment financing plan only after a public hearing thereon after published notice in a newspaper of general circulation in the municipality at least once not less than ten days nor more than 30 days prior to the date of the hearing. The published notice must include a map of the area of the district from which increments may be collected and, if the project area includes additional area, a map of the project area in which the increments may be expended. The hearing may be held before or after the approval or creation of the project or it may be held in conjunction with a hearing to approve the project.

(b) Before or at the time of approval of the tax increment financing plan, the municipality shall make the following findings, and shall set forth in writing the reasons and supporting facts for each determination:

(1) that the proposed tax increment financing district is a redevelopment district, a renewal or renovation district, a housing district, a soils condition district, or an economic development district; if the proposed district is a redevelopment district or a renewal or renovation district, the reasons and supporting facts for the determination that the district meets the criteria of section [469.174, subdivision 10](#), paragraph (a), clauses (1) and (2), or subdivision 10a, must be documented in writing and retained and made available to the public by the authority until the district has been terminated;

(2) that, in the opinion of the municipality:

(i) the proposed development or redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future; and

(ii) the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the plan. The requirements of this item do not apply if the district is a housing district;

(3) that the tax increment financing plan conforms to the general plan for the development or redevelopment of the municipality as a whole;

(4) that the tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development or redevelopment of the project by private enterprise;

(5) that the municipality elects the method of tax increment computation set forth in section [469.177, subdivision 3, paragraph \(b\)](#), if applicable.

(c) When the municipality and the authority are not the same, the municipality shall approve or disapprove the tax increment financing plan within 60 days of submission by the authority. When the municipality and the authority are not the same, the municipality may not amend or modify a tax increment financing plan except as proposed by the authority pursuant to subdivision 4. Once approved, the determination of the authority to undertake the project through the use of tax increment financing and the resolution of the governing body shall be conclusive of the findings therein and of the public need for the financing.

(d) For a district that is subject to the requirements of paragraph (b), clause (2), item (ii), the municipality's statement of reasons and supporting facts must include all of the following:

(1) an estimate of the amount by which the market value of the site will increase without the use of tax increment financing;

(2) an estimate of the increase in the market value that will result from the development or redevelopment to be assisted with tax increment financing; and

(3) the present value of the projected tax increments for the maximum duration of the district permitted by the tax increment financing plan.

(e) For purposes of this subdivision, "site" means the parcels on which the development or redevelopment to be assisted with tax increment financing will be located.

Subd. 4. Modification of plan.

(a) A tax increment financing plan may be modified by an authority.

(b) The authority may make the following modifications only upon the notice and after the discussion, public hearing, and findings required for approval of the original plan:

(1) any reduction or enlargement of geographic area of the project or tax increment financing district that does not meet the requirements of paragraph (e);

(2) increase in amount of bonded indebtedness to be incurred;

(3) a determination to capitalize interest on the debt if that determination was not a part of the original plan;

(4) increase in the portion of the captured net tax capacity to be retained by the authority;

(5) increase in the estimate of the cost of the project, including administrative expenses, that will be paid or financed with tax increment from the district; or

(6) designation of additional property to be acquired by the authority.

(c) If an authority changes the type of district to another type of district, this change is not a modification but requires the authority to follow the procedure set forth in sections [469.174](#) to [469.179](#) for adoption of a new plan, including certification of the net tax capacity of the district by the county auditor.

(d) If a redevelopment district or a renewal and renovation district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of section [469.174, subdivision 10](#), paragraph (a), clauses (1) and (2), or subdivision 10a, must be documented.

(e) The requirements of paragraph (b) do not apply if (1) the only modification is elimination of parcels from the project or district and (2)(A) the current net tax capacity of the parcels eliminated from the district equals or exceeds the net tax capacity of those parcels in the district's original net tax capacity or (B) the authority agrees that, notwithstanding section [469.177, subdivision 1](#), the original net tax capacity will be reduced by no more than the current net tax capacity of the parcels eliminated from the district. The authority must notify the county auditor of any modification that reduces or enlarges the geographic area of a district or a project area.

(f) The geographic area of a tax increment financing district may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor or after August 1, 1984, for tax increment financing districts authorized prior to August 1, 1979.

Subd. 4a. Filing plan with state.

(a) The authority must file a copy of the tax increment financing plan and amendments to the plan with the commissioner of revenue and the state auditor. The authority must also file a copy of the development plan or the project plan for the project area with the commissioner of revenue and the state auditor.

(b) Filing under this subdivision must be made within 60 days after the latest of:

(1) the filing of the request for certification of the district;

(2) approval of the plan by the municipality; or

(3) adoption of the plan by the authority.

Subd. 5. Annual disclosure.

An annual statement showing for each district the information required to be reported under subdivision 6, paragraph (c), clauses (1), (2), (3), (11), (12), (18), and (19); the amounts of tax increment received and expended in the reporting period; and any additional information the authority deems necessary must be published in a newspaper of general circulation in the municipality that approved the tax increment financing plan. The annual statement must inform readers that additional information regarding each district may be obtained from the authority, and must explain how the additional information may be requested. The authority must publish the annual statement for a year no later than August 15 of the next year. The authority must identify the newspaper of general circulation in the municipality to which the annual statement has been or will be submitted for publication and provide a copy of the annual statement to the county board, the county auditor, the state auditor, and, if the authority is other than the municipality, the governing body of the municipality on or before August 1 of the year in which the statement must be published.

The disclosure requirements imposed by this subdivision apply to districts certified before, on, or after August 1, 1979.

Subd. 6. Annual financial reporting.

(a) The state auditor shall develop a uniform system of accounting and financial reporting for tax increment financing districts. The system of accounting and financial reporting shall, as nearly as possible:

(1) provide for full disclosure of the sources and uses of tax increments of the district;

(2) permit comparison and reconciliation with the affected local government's accounts and financial reports;

(3) permit auditing of the funds expended on behalf of a district, including a single district that is part of a multidistrict project or that is funded in part or whole through the use of a development account funded with tax increments from other districts or with other public money;

(4) be consistent with generally accepted accounting principles.

(b) The authority must annually submit to the state auditor a financial report in compliance with paragraph (a). Copies of the report must also be provided to the county auditor and to the governing body of the municipality, if the authority is not the municipality. To the extent necessary to permit compliance with the requirement of financial reporting, the county and any other appropriate local government unit or private entity must provide the necessary records or information to the authority or the state auditor as provided by the system of accounting and financial reporting developed pursuant to paragraph (a). The authority must submit the annual report for a year on or before August 1 of the next year.

(c) The annual financial report must also include the following items:

(1) the original net tax capacity of the district and any subdistrict under section [469.177, subdivision 1](#);

(2) the net tax capacity for the reporting period of the district and any subdistrict;

(3) the captured net tax capacity of the district;

(4) any fiscal disparity deduction from the captured net tax capacity under section [469.177, subdivision 3](#);

(5) the captured net tax capacity retained for tax increment financing under section [469.177, subdivision 2](#), paragraph (a), clause (1);

(6) any captured net tax capacity distributed among affected taxing districts under section [469.177, subdivision 2](#), paragraph (a), clause (2);

(7) the type of district;

(8) the date the municipality approved the tax increment financing plan and the date of approval of any modification of the tax increment financing plan, the approval of which requires notice, discussion, a public hearing, and findings under subdivision 4, paragraph (a);

(9) the date the authority first requested certification of the original net tax capacity of the district and the date of the request for certification regarding any parcel added to the district;

(10) the date the county auditor first certified the original net tax capacity of the district and the date of certification of the original net tax capacity of any parcel added to the district;

(11) the month and year in which the authority has received or anticipates it will receive the first increment from the district;

(12) the date the district must be decertified;

(13) for the reporting period and prior years of the district, the actual amount received from, at least, the following categories:

(i) tax increments paid by the captured net tax capacity retained for tax increment financing under section [469.177, subdivision 2](#), paragraph (a), clause (1), but excluding any excess taxes;

(ii) tax increments that are interest or other investment earnings on or from tax increments;

(iii) tax increments that are proceeds from the sale or lease of property, tangible or intangible, purchased by the authority with tax increments;

(iv) tax increments that are repayments of loans or other advances made by the authority with tax increments;

(v) bond proceeds; and

(vi) the market value homestead credit paid to the authority under section [273.1384](#);

(14) for the reporting period and for the prior years of the district, the actual amount expended for, at least, the following categories:

(i) acquisition of land and buildings through condemnation or purchase;

(ii) site improvements or preparation costs;

(iii) installation of public utilities, parking facilities, streets, roads, sidewalks, or other similar public improvements;

(iv) administrative costs, including the allocated cost of the authority; and

(v) for housing districts, construction of affordable housing;

(15) the amount of any payments for activities and improvements located outside of the district that are paid for or financed with tax increments;

(16) the amount of payments of principal and interest that are made during the reporting period on any nondefeased:

(i) general obligation tax increment financing bonds; and

(ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;

(17) the principal amount, at the end of the reporting period, of any nondefeased:

(i) general obligation tax increment financing bonds; and

(ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;

(18) the amount of principal and interest payments that are due for the current calendar year on any nondefeased:

(i) general obligation tax increment financing bonds; and

(ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;

(19) if the fiscal disparities contribution under chapter 276A or 473F for the district is computed under section [469.177, subdivision 3](#), paragraph (a), the amount of total increased property taxes to be paid from outside the tax increment financing district; and

(20) any additional information the state auditor may require.

(d) The reporting requirements imposed by this subdivision apply to districts certified before, on, and after August 1, 1979.

Subd. 6a.

[Repealed, [2000 c 490 art 11 s 44](#)]

Subd. 6b. Duration of disclosure and reporting requirements.

The disclosure and reporting requirements imposed by subdivisions 5 and 6 apply with respect to a tax increment financing district beginning with the annual disclosure and reports for the year in which the original net tax capacity of the district was certified and ending with the annual disclosure and reports for the year in which both of the following events have occurred:

(1) decertification of the district; and

(2) expenditure or return to the county auditor of all remaining revenues derived from tax increments paid by properties in the district.

Subd. 7. Creation of hazardous substance subdistrict; response actions.

(a) An authority which is creating or has created a tax increment financing district may establish within the district a hazardous substance subdistrict upon the notice and after the discussion, public hearing, and findings required for approval of or modification to the original plan. The geographic area of the subdistrict is made up of any parcels in the district designated for inclusion by the municipality or authority that are designated hazardous substance sites, and any additional parcels in the district designated for inclusion that are contiguous to the hazardous substance sites, including parcels that are contiguous to the site except for the interposition of a right-of-way. Before or at the time of approval of the tax increment financing plan or plan modification providing for the creation of the hazardous substance subdistrict, the authority must make the findings under paragraphs (b) to (d), and set forth in writing the reasons and supporting facts for each.

(b) Development or redevelopment of the site, in the opinion of the authority, would not reasonably be expected to occur solely through private investment and tax increment otherwise available, and therefore the hazardous substance district is deemed necessary.

(c) Other parcels that are not designated hazardous substance sites are expected to be developed together with a designated hazardous substance site.

(d) The subdistrict is not larger than, and the period of time during which increments are elected to be received is not longer than, that which is necessary in the opinion of the authority to provide for the additional costs due to the designated hazardous substance site.

(e) Upon request by an authority that has incurred expenses for removal or remedial actions to implement a development response action plan, the attorney general may:

(1) bring a civil action on behalf of the authority to recover the expenses, including administrative costs and litigation expenses, under section [115B.04](#) or other law; or

(2) assist the authority in bringing an action as described in clause (1), by providing legal and technical advice, intervening in the action, or other appropriate assistance.

The decision to participate in any action to recover expenses is at the discretion of the attorney general.

(f) If the attorney general brings an action as provided in paragraph (e), clause (1), the authority shall certify its reasonable and necessary expenses incurred to implement the development response action plan and shall cooperate with the attorney general as required to effectively pursue the action. The certification by the authority is prima facie evidence that the expenses are reasonable and necessary. The attorney general may deduct litigation expenses incurred by the attorney general from any amounts recovered in an action brought under paragraph (e), clause (1). The authority shall reimburse the attorney general for litigation expenses not recovered in an action under paragraph (e), clause (1), but only from the additional tax increment required to be used as described in section [469.176, subdivision 4e](#). The authority must reimburse the attorney general for litigation expenses incurred to assist in bringing an action under paragraph (e), clause (2), but only from amounts recovered by the authority in an action or, if the amounts are insufficient, from the additional tax increment required to be used as described in section [469.176, subdivision 4e](#). All money recovered or paid to the attorney general for litigation expenses under this paragraph shall be paid to the general fund of the state for deposit to the account of the attorney general. For the purposes of this section, "litigation expenses" means attorney fees and costs of discovery and other preparation for litigation.

(g) The authority shall reimburse the pollution control agency for its administrative expenses incurred to review and approve a development action response plan. The authority must reimburse the Pollution Control Agency for expenses incurred for any services rendered to the attorney general to support the attorney general in actions brought or assistance provided under paragraph (e), but only from amounts recovered by the authority in an action brought under paragraph (e) or from the additional tax increment required to be used as described in section [469.176, subdivision 4e](#). All money paid to the pollution control agency under this paragraph shall be deposited in the remediation fund.

(h) Actions taken by an authority consistent with a development response action plan are deemed to be authorized response actions for the purpose of section [115B.17, subdivision 12](#). An authority that takes actions consistent with a development response action plan qualifies for the defenses available under sections [115B.04, subdivision 11](#), and [115B.05, subdivision 9](#).

(i) All money recovered by an authority in an action brought under paragraph (e) in excess of the amounts paid to the attorney general and the Pollution Control Agency must be treated as excess increments and be distributed as provided in section [469.176, subdivision 2](#), clause (4), to the extent the removal and remedial actions were initially financed with increment revenues.

Subd. 7a.

[Repealed, [1995 c 264 art 5 s 48](#)]

Subd. 8. **Payment of debt service on credit enhanced bonds.**

A tax increment financing plan may provide for the use of the tax increment to pay, or secure payment of, debt service on credit enhanced bonds issued to finance any project located within the boundaries of the municipality, whether or not the tax increment financing district from which the increment is derived is located within the boundaries of the project.

History:

[1987 c 291 s 176](#); [1987 c 312 art 1 s 26 subd 2](#); [1988 c 719 art 5 s 84](#); [art 12 s 9-14](#); [1989 c 277 art 2 s 63](#); [1989 c 329 art 13 s 20](#); [1989 c 335 art 1 s 246,247](#); [1Sp1989 c 1 art 14 s 6-8](#); [1990 c 604 art 7 s 10-14](#); [1993 c 375 art 3 s 43](#); [art 14 s 7-9](#); [1995 c 264 art 5 s 17-21](#); [1996 c 471 art 7 s 11-13](#); [art 11 s 14](#); [1997 c 231 art 10 s 5](#); [1998 c 389](#)

art 11 s 2-5; 1999 c 248 s 20; 2000 c 490 art 11 s 19-24; 1Sp2001 c 5 art 15 s 7-9; 2003 c 127 art 10 s 6-9; 2003 c 128 art 2 s 45; 2005 c 152 art 2 s 7-11; 2006 c 259 art 10 s 1-3; 2008 c 154 art 9 s 4,5; 2009 c 88 art 5 s 4,5; 2009 c 101 art 2 s 90,91; 2010 c 216 s 28

CITY OF RAMSEY

Annual Disclosure of Tax Increment Districts for the Year Ended December 31, 2011

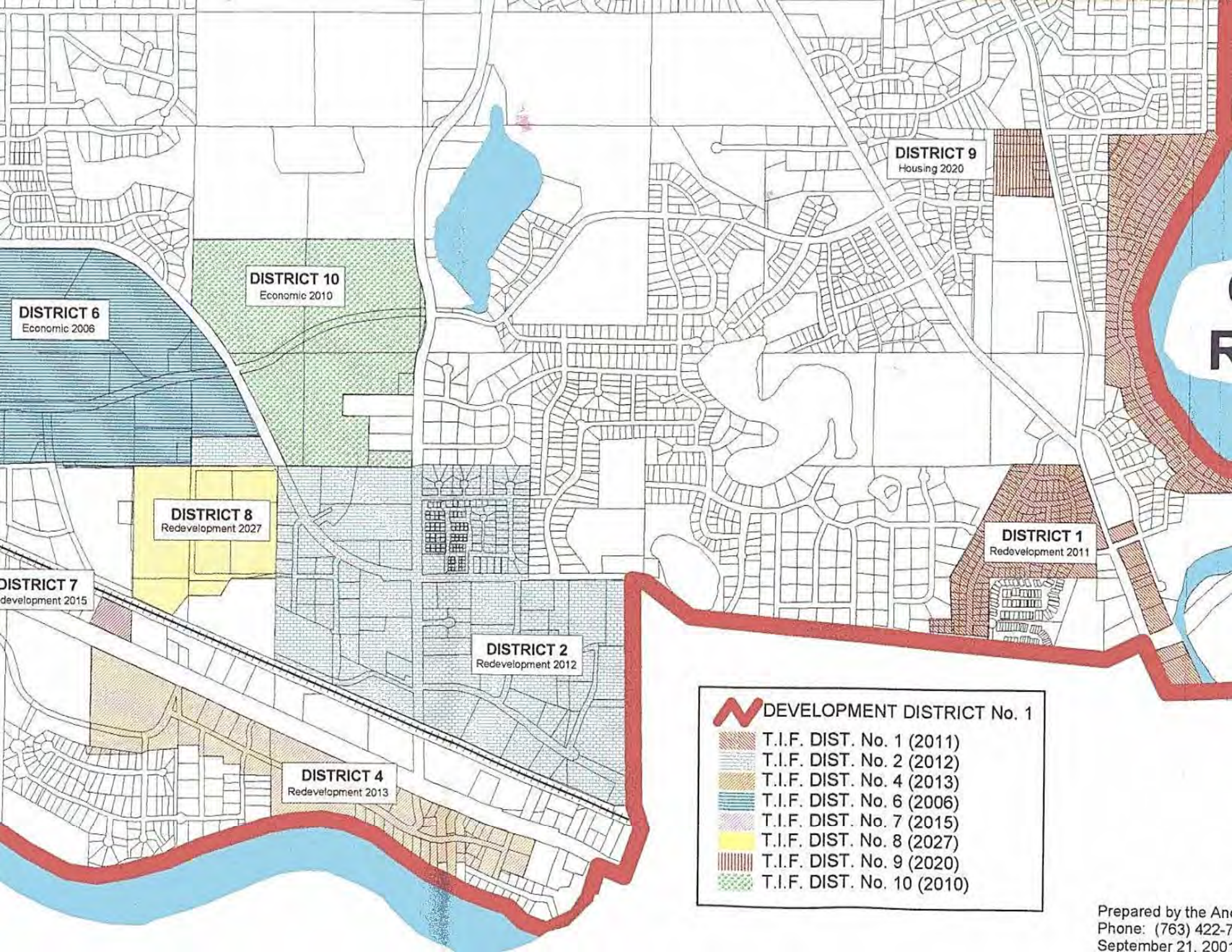
TIF District Name:	TIF District 1 Rivers Bend	TIF District 2 Gateway	TIF District 4 Front Street	TIF District 7 B & B, LLC	TIF District 8 AMCOR	TIF District 9 ACCAP	TIF District 10 Sunfish Lake	TIF District 11 Crestview	TIF District 12 ACCAP	TIF District 13 Crossings	TIF District 14 COR
Current Net Tax Capacity	798,401	1,838,346	525,354	54,674	339,986	24,294	358,180	12,426	0	138,328	1,300,653
Original Net Tax Capacity	19,615	193,901	40,558	10,122	26,614	1,772	46,082	6,800	0	100,611	1,300,653
Captured Net Tax Capacity	778,786	1,644,445	484,796	44,552	313,372	22,522	312,098	5,626	0	37,717	-
Principal and Interest Payments due during current year	-	20,264	-	23,000	261,237	29,200	0	-	-	0	0
Tax Increment Received	904,974	1,935,642	454,841	30,344	365,086	24,630	191,625	1,395	0	10,318	-
Tax Increment Expended	790,854	1,021,886	303,943	25,060	371,403	26,844	2,746	24,970	531	74,750	33,151
Month and Year of First Tax Increment Receipt	July 1986	June 1988	June 1988	July 2002	July 2003	July 2004	June 2004	June 2008	November 2009	June 2008	July 2013
Date of Required Decertification	12/31/2011	12/31/2013	12/31/2013	12/31/2015	12/31/2028	12/31/2029	12/31/2012	12/31/2033	12/31/2034	12/31/2023	12/31/2038
Increased property tax imposed on other properties as a result of fiscal disparities contribution*	2421**	263,327 **	59,087 **	N/A	58,932	0 **	N/A	N/A	N/A	N/A	0 **

* The fiscal disparities property tax law provides that the growth in commercial-industrial property tax values is shared throughout the area. In a tax increment financing district, this value can either result in a tax increase for other properties in the municipality or result in a decrease in tax increment financing district revenue depending on how the tax increment district is established.

** The districts noted by ** above do not share growth in commercial-industrial property tax values. This results in an increase in property taxes for other properties located in that municipality. For taxes payable in 2011, this increase in taxes on other properties amounted to the values listed above.

Additional information regarding each district may be obtained from:

Diana Lund, Finance Director
7550 Sunwood Drive NW
Ramsey, MN 55303
(763) 427-1410



DISTRICT 6
Economic 2006

DISTRICT 10
Economic 2010

DISTRICT 9
Housing 2020

DISTRICT 8
Redevelopment 2027

DISTRICT 7
Redevelopment 2015

DISTRICT 1
Redevelopment 2011

DISTRICT 2
Redevelopment 2012

DISTRICT 4
Redevelopment 2013

DEVELOPMENT DISTRICT No. 1

	T.I.F. DIST. No. 1 (2011)
	T.I.F. DIST. No. 2 (2012)
	T.I.F. DIST. No. 4 (2013)
	T.I.F. DIST. No. 6 (2006)
	T.I.F. DIST. No. 7 (2015)
	T.I.F. DIST. No. 8 (2027)
	T.I.F. DIST. No. 9 (2020)
	T.I.F. DIST. No. 10 (2010)

REC'D JUL 09 2012

City of Ramsey, Minnesota

Administrative Amendment to the Tax Increment Financing Plan

for

Tax Increment Financing (Redevelopment) District No. 14

(The COR Development Project)

Within Development District No. 1

Dated: December 7, 2010

Approved: December 14, 2010

Administrative Amendment Approved: January 25, 2011

Prepared by:

**SPRINGSTED INCORPORATED
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INTRODUCTION

The purpose of the Administrative Amendment to the Tax Increment Financing Plan for Tax Increment Financing (Redevelopment) District No. 14 is to correctly list and account for all parcels located within the statutorily defined boundaries of the TIF District. The Plan that was approved on December 14, 2010 did not include a complete listing of all the parcels in the district. This amendment should not materially impact the original estimates and will not increase the overall size of the District nor the overall size of the budget. The sections being modified are Sections G, J, L, N, P, & V, and Exhibits III-VII. The amendment makes no other modifications to the TIF District.

TABLE OF CONTENTS

<u>Section</u>	<u>Page(s)</u>
A. Definitions.....	1
B. Statutory Authorization	1
C. Statement of Need and Public Purpose	1
D. Statement of Objectives	1
E. Designation of Tax Increment Financing District as a Redevelopment District.....	1
F. Duration of the TIF District and the Three Year Rule	2
G. Property to be Included in the TIF District	2
H. Property to be Acquired in the TIF District	2
I. Specific Development Expected to Occur Within the TIF District.....	2
J. Findings and Need for Tax Increment Financing	3
K. Estimated Public Costs	4
L. Estimated Sources of Revenue.....	5
M. Estimated Amount of Bonded Indebtedness.....	5
N. Original Net Tax Capacity	5
O. Original Tax Capacity Rate	6
P. Projected Retained Captured Net Tax Capacity and Projected Tax Increment	6
Q. Use of Tax Increment.....	7
R. Excess Tax Increment.....	8
S. Tax Increment Pooling and the Five Year Rule.....	8
T. Limitation on Administrative Expenses	9
U. Limitation on Property Not Subject to Improvements - Four Year Rule	9
V. Estimated Impact on Other Taxing Jurisdictions.....	9
W. Prior Planned Improvements.....	10
X. Development Agreements.....	10
Y. Assessment Agreements	10
Z. Modifications of the Tax Increment Financing Plan	11
AA. Administration of the Tax Increment Financing Plan.....	11
AB. Filing TIF Plan, Financial Reporting and Disclosure Requirements.....	12
Map of the Tax Increment Financing District	EXHIBIT I
Map of the Development District	EXHIBIT II
Boundaries of Tax Increment Financing District.....	EXHIBIT III
Assumptions Report.....	EXHIBIT IV
Projected Tax Increment Report	EXHIBIT V
Estimated Impact on Other Taxing Jurisdictions Report.....	EXHIBIT VI
Market Value Analysis Report.....	EXHIBIT VII

Section A Definitions

The terms defined in this section have the meanings given herein, unless the context in which they are used indicates a different meaning:

"Authority" means the Housing and Redevelopment Authority of the City of Ramsey.

"City" means the City of Ramsey, Minnesota; also referred to as a "Municipality".

"City Council" means the City Council of the City; also referred to as the "Governing Body".

"County" means Anoka County, Minnesota.

"Development District" means Development District No. 1 in the City, which is described in the corresponding Development Program.

"Development Program" means the Development Program for the Development District.

"Project Area" means the geographic area of the Development District.

"School District" means Independent School District No. 11, Minnesota.

"State" means the State of Minnesota.

"TIF Act" means Minnesota Statutes, Sections 469.174 through 469.1799, both inclusive.

"TIF District" means Tax Increment Financing (Redevelopment) District No. 14.

"TIF Plan" means the tax increment financing plan for the TIF District (this document).

Section B Statutory Authorization

See Section 2.02 of the Development Program for the Development District.

Section C Statement of Need and Public Purpose

See Section 2.01 of the Development Program for the Development District.

Section D Statement of Objectives

See the Development Program for statement of objectives for the Development District.

**Section E Designation of Tax Increment Financing District as a
Redevelopment District**

Under Chapter 389 – H.F.No. 3729, Article 7 "Public Finance", Section 22 City of Ramsey; Tax Increment Financing District; Special Rules Subdivision (b) the requirements for qualifying a redevelopment tax increment district under Minnesota Statutes, section 469.174, subdivision 10, do not apply to the parcels located within the district. .

Section F Duration of the TIF District

Redevelopment districts may remain in existence 25 years from the date of receipt of the first tax increment. The City anticipates that the TIF District will remain in existence the maximum duration allowed by law (projected to be through the year 2037). Modifications of this plan (see Section Z) shall not extend these limitations. All tax increments from taxes payable in the year the TIF District is decertified shall be paid to the Authority. Pursuant to MN Statutes, Section 469.175 subdivision 1(b), the Authority elects to delay receipt of first increment until 2012.

Section G Property to be Included in the TIF District

The TIF District is a 533 acre area of land located within the Project Area. A map showing the location of the TIF District is shown in Exhibit I.

Under Chapter 389 – H.F.No. 3729, Article 7 “Public Finance”, Section 22 City of Ramsey; Tax Increment Financing District; Special Rules Subdivision (a) if the City of Ramsey or an authority of the City elects upon the adoption of a tax increment financing plan for a district, the rules under this section apply to a redevelopment tax increment financing district established by the City or an Authority of the City. The redevelopment tax increment district includes parcels within the area bound on the East by Ramsey Boulevard, on the North by Bunker Lake Boulevard as extended West to Llama Street, on the West by Llama Street, and on the south by a line running parallel to and 600 feet south of the southerly right-of-way for US Highway 10, but including Parcels 28-32-25-43-0007, and 28-32-25-34-0002 in their entirety, and excluding the Anoka County Regional Park property in it's entirety.* A parcel within this area that is included in a tax increment financing district that was certified before the date of enactment of this act may be included in the district created under this act if the initial district is decertified.

The area encompassed by the TIF District shall also include all street or utility right-of-ways located upon or adjacent to the property described above.

*The individual parcel identification numbers and legal descriptions are described in Exhibit III. The administrative amendment to the tax increment financing plan does not increase the boundary of the TIF District as defined by the special legislation above, but additional parcel identification numbers and legal descriptions were added to Exhibit III for property located within the boundaries as defined above.

Section H Property to be Acquired in the TIF District

The City may acquire and sell any or all of the property located within the TIF District. The City currently owns a number of parcels located within the District and anticipates the sale of these parcels; additionally the City may also finance the direct acquisition of land by a Developer.

Section I Specific Development Expected to Occur Within the TIF District

The anticipated development projected to occur within the District is varied. The HRA has been acquiring parcels within the District and has been preparing them for development and sale to developers. The City has projected future development of this property; the projections include the development of 69 acres of retail development, 10 acres of mixed-use development, 15 acres of commercial/business development, and 16 acres of housing development.

The size of the proposed District makes it difficult to estimate with any certainty the years that various types of development will occur within such District. It is likely that multiple projects will occur through many years of the District. The projects forecasted within the revenue projections assume development to be fully constructed through 2035. Although the City has been approached by several developers indicating some level of interest in development of specific parcels within the District, at the time this document was prepared there were no signed construction contracts with regard to the above described development.

The City anticipates using tax increment to reimburse itself for a portion of the eligible public improvement costs including acquisition, demolition, site improvements, and related administrative costs. Additionally, under Chapter 389 – H.F.No. 3729, Article 7 “Public Finance”, Section 22 City of Ramsey; Tax Increment Financing District; Special Rules Subdivision (c) in addition to the costs permitted by Minnesota Statutes, section 469.176, subdivision 4j, eligible expenditures within the district include the City’s share of the costs necessary to provide for the construction of the Northstar Transit Station and related infrastructure, including structured parking, a pedestrian overpass, and roadway improvements.

Section J Findings and Need for Tax Increment Financing

In establishing the TIF District, the City makes the following findings:

- (1) The TIF District qualifies as a redevelopment district;

See Section E of this document for the reasons and facts supporting this finding.

- (2) The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future, and the increased market value of the site that could reasonably be expected to occur without the use of tax increment would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan;

Factual Basis:

Proposed development not expected to occur:

The proposed development in the District will include the construction of substantial transit and road improvements. A key component to the successful development of the project and the surrounding area is the construction of the Ramsey Station on the Northstar Commuter Rail. The application of tax increment financing will allow for construction of this key transit and related transportation infrastructure that will support the development of the proposed mixed-use, transit oriented development. The City has determined that but-for this investment in infrastructure to support the quality and type of development desired by the City and its regional partners, this project will not realize its full potential and maximize its location on a key transit and transportation corridor. In addition to the transit oriented benefits of this TIF Plan, the related transportation improvements of the Armstrong Boulevard interchange and pedestrian overpass will increase motor vehicle and pedestrian safety in the corridor. Additionally, this interchange improvement will increase the likelihood of development surrounding the interchange, that would not likely occur but-for the interchange improvement.

The City believes the investment in this key infrastructure would not occur but for the use of tax increment financing, and the special uses provided by the special legislation granted under Chapter 389 – H.F.No. 3729, Article 7 “Public Finance”, Section 22 City of Ramsey; Tax Increment Financing District; Special Rules Subdivisions (a-e). The City anticipates analyzing future developer’s proformas in detail to determine the minimal amount of assistance needed to compensate developers for extraordinary development costs.

No higher market value expected:

This finding is based on the fact that no other development of comparable scope to the proposed development is practical without the same type of assistance described in this plan, or the proposed transit and roadway improvements. The City of Ramsey believes the investment in this key infrastructure will provide for economic growth and development to the fullest potential, which would not be realized but for the use of tax increment financing.

To summarize the basis for the City's findings regarding alternative market value, in accordance with Minnesota Statutes, Section 469.175, Subd. 3(d), the City makes the following determinations:

- a. The City's estimate of the amount by which the market value of the site will increase without the use of tax increment financing is anywhere from \$0 to some modest amount based on small scale development that could be possible without assistance; any estimated values would be too speculative to ascertain.
 - b. If the proposed development to be assisted with tax increment occurs in the District, the total increase in market value would be approximately \$515,404,309, including the value of the building (See Exhibit III). Prior to the inclusion of a 2% market value inflator starting in 2018.
 - c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$68,338,087 (See Exhibit VI)
 - d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$447,066,222 (the amount in clause b less the amount in clause c) without tax increment assistance.
- (3) The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for development of the Project Area by private enterprise.

Factual basis: The anticipated development projected by the City may include the development of 69 acres for retail development, 10 acres for mixed-use development, 15 acres for commercial/business development, and 16 acres for housing development; in addition to the substantial private development which is projected to occur in the District. The mixed-use, transit-oriented development clearly meets the economic development goals of the City.

- (4) The TIF Plan conforms to general plans for development of the City as a whole.

Factual basis: The City Planning Commission has determined that the development proposed in the TIF Plan conforms to the City comprehensive plan.

- (5) The City does not elect the method of tax increment computation set forth in Minnesota Statutes, Section 469.177, Subdivision 3(b); therefore subdivision 3(a) shall apply which indicates the original net tax capacity and the current net tax capacity shall be determined before the application of the fiscal disparity provisions (see method (a) in Section P).

Section K Estimated Public Costs

The estimated public costs of the TIF District are listed below. Such costs are eligible for reimbursement from tax increments of the TIF District.

	Original Budget – Adopted December 14, 2010	Administrative Amendment – January 25, 2011
Land/Building acquisition, Special Assessments, Public Utilities, Site Improvements/Preparation Costs, Northstar Transit Station and related infrastructure, and other Eligible Improvements	\$61,825,343	\$61,825,343
Bond/Note Interest Payments	105,312,690	105,312,690
Administrative expenses	18,570,896	18,570,896

<u>Other Expenditures</u>		
Capitalized Interest payments	0	0
Total	\$185,708,929	\$185,708,929

The City reserves the right to administratively adjust the amount of any of the items listed above or to incorporate additional eligible items, so long as the total estimated public cost is not increased.

Section L Estimated Sources of Revenue

	Original Budget – Adopted December 14, 2010	Administrative Amendment – January 25, 2011
Tax Increment revenue	\$185,708,929	\$184,022,262
Interest on invested funds		1,686,667
Bond proceeds		0
Loan proceeds		0
Grants		0
Other	0	0
Total	\$185,708,929	\$185,708,929

The City anticipates using future tax increments for reimbursement of public costs incurred from Section K. As increments are collected from the TIF District in future years, a portion of these taxes will be reserved by the City as reimbursement for public costs incurred (primarily land acquisition), either through internal funding or general obligation or revenue debt. The City also anticipates providing financial assistance to the proposed developments through the use of a pay-as-you-go technique. As tax increments are collected from the TIF District in future years, a portion of these taxes will be distributed to the developer/owner as reimbursement for public costs incurred that relate to redevelopment of the project site.

The City reserves the right to finance any or all public costs of the TIF District using pay-as-you-go assistance, internal funding, general obligation or revenue debt, or any other financing mechanism authorized by law. The City also reserves the right to use other sources of revenue legally applicable to the Project Area to pay for such costs including, but not limited to, special assessments, utility revenues, federal or state funds, and investment income.

Section M Estimated Amount of Bonded Indebtedness

The City does not anticipate issuing tax increment bonds to finance the estimated public costs of the TIF District, but reserves the right to issue such bonds in an amount not to exceed \$80,372,946 (\$61,825,343 + 30% contingency).

Section N Original Net Tax Capacity

The County Auditor shall certify the original net tax capacity of the TIF District. This value will be equal to the total net tax capacity of all property in the TIF District as certified by the State Commissioner of Revenue. For districts certified between January 1 and June 30, inclusive, this value is based on the previous assessment year. For districts certified between July 1 and December 31, inclusive, this value is based on the current assessment year.

The Estimated Market Value of all property within the TIF District as of January 2, 2010, for taxes payable in 2011, is \$85,278,600. Upon establishment of the TIF District, and subsequent reclassification of property, it is estimated that the original net tax capacity of the TIF District will be approximately \$1,391,239. At the time this document was created a significant portion of the land within the TIF District was owned by the HRA and tax-exempt and is not included in the amounts above. Pursuant to Minnesota Statutes, Section 469.177, Subdivision 1(c) if improvements are made to tax exempt property after certification of the District and before the parcel becomes taxable, the

assessor shall, at the request of the City, separately assess the estimated market value of the improvements. If the property becomes taxable, the County Auditor shall add to original net tax capacity, the net tax capacity of the parcel, excluding the separately assessed improvements. The City intends to request the assessor separately assess the market value of any improvements to the currently tax-exempt property.

Each year the County Auditor shall certify the amount that the original net tax capacity has increased or decreased as a result of:

- (1) changes in the tax-exempt status of property;
- (2) reductions or enlargements of the geographic area of the TIF District;
- (3) changes due to stipulation agreements or abatements; or
- (4) changes in property classification rates.

Section O Original Tax Capacity Rate

The County Auditor shall also certify the original tax capacity rate of the TIF District. This rate shall be the sum of all local tax rates that apply to property in the TIF District. This rate shall be for the same taxes payable year as the original net tax capacity.

In future years, the amount of tax increment generated by the TIF District will be calculated using the lesser of (a) the sum of the current local tax rates at that time or (b) the original tax capacity rate of the TIF District.

At the time this document was prepared, the sum of the local tax rates that apply to property in the TIF District, for taxes levied in 2010 and payable in 2011, was not yet available. When this total becomes available, the County Auditor shall certify this amount as the original tax capacity rate of the TIF District. For purposes of estimating the tax increment generated by the TIF District, the sum of the local tax rates for taxes levied in 2009 and payable in 2010 is 99.566% as shown below.

<u>Taxing Jurisdiction</u>	<u>2009/2010 Local Tax Rate</u>
City of Ramsey	37.811%
Anoka County	35.189%
ISD # 11	19.939%
Other	6.627%
Total	99.566%

Section P Projected Retained Captured Net Tax Capacity and Projected Tax Increment

The City anticipates that the redevelopment will be continual through the term of the TIF District. The City is projecting a total tax capacity for TIF District No. 14 of \$1,736,081 as of January 2, 2011. The captured tax capacity as of that date is estimated to be \$344,842, and the first year of increment is estimated to be \$343,345 in payable 2012. A complete schedule of estimated tax increment from the TIF District is shown in Exhibit IV.

The estimates shown in this TIF Plan assume that residential class rates remain at 1.0% of the estimated market value under \$500,000 and 1.25% of the estimated market value above \$500,000, rental class rates remain at 1.25%, commercial class rates remain at 1.5% for the first \$150,000 of estimated market value and 2.0% of the market

value above \$150,000. The projections assume a 2% annual market value inflator starting in the year taxes payable 2018.

Each year the County Auditor shall determine the current net tax capacity of all property in the TIF District. To the extent that this total exceeds the original net tax capacity, the difference shall be known as the captured net tax capacity of the TIF District.

For communities affected by the fiscal disparity provisions of Minnesota Statutes, Chapter 473F and Chapter 276A, the original net tax capacity of the TIF District shall be determined before the application of fiscal disparity. In subsequent years, the current net tax capacity shall either (a) be determined before the application of fiscal disparity or (b) exclude the product of any fiscal disparity increase in the TIF District (since the original net tax capacity was certified) times the appropriate fiscal disparity ratio. The method the City elects shall remain the same for the life of the TIF District, except that a single change may be made at any time from method (a) to method (b) above. The City elects method (a), or M.S. Section 469.1777, subdivision 3(a).

The County Auditor shall certify to the City the amount of captured net tax capacity each year. The City may choose to retain any or all of this amount. It is the City's intention to retain 100% of the captured net tax capacity of the TIF District. Such amount shall be known as the retained captured net tax capacity of the TIF District.

Exhibit III gives a listing of the various information and assumptions used in preparing a number of the exhibits contained in this TIF Plan, including Exhibit IV which shows the projected tax increment generated over the anticipated life of the TIF District.

Section Q Use of Tax Increment

Each year the County Treasurer shall deduct 0.36% of the annual tax increment generated by the TIF District and pay such amount to the State's General Fund. Such amounts will be appropriated to the State Auditor for the cost of financial reporting and auditing of tax increment financing information throughout the state. Exhibit III shows the projected deduction for this purpose over the anticipated life of the TIF District.

The City has determined that it will use 100% of the remaining tax increment generated by the TIF District for any of the following purposes:

- (1) pay for the estimated public costs of the TIF District (see Section K) and County administrative costs associated with the TIF District (see Section T);
- (2) pay principal and interest on tax increment bonds or other bonds issued to finance the estimated public costs of the TIF District;
- (3) accumulate a reserve securing the payment of tax increment bonds or other bonds issued to finance the estimated public costs of the TIF District;
- (4) pay all or a portion of the county road costs as may be required by the County Board under M.S. Section 469.175, Subdivision 1a; or
- (5) return excess tax increments to the County Auditor for redistribution to the City, County and School District.

Tax increments from property located in one county must be expended for the direct and primary benefit of a project located within that county, unless both county boards involved waive this requirement. Tax increments shall not be used to circumvent levy limitations applicable to the City.

Tax increment shall not be used to finance the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or

any other local unit of government or the State or federal government, or for a commons area used as a public park, or a facility used for social, recreational, or conference purposes. This prohibition does not apply to the construction or renovation of a parking structure or of a privately owned facility for conference purposes.

If there exists any type of agreement or arrangement providing for the developer, or other beneficiary of assistance, to repay all or a portion of the assistance that was paid or financed with tax increments, such payments shall be subject to all of the restrictions imposed on the use of tax increments. Assistance includes sale of property at less than the cost of acquisition or fair market value, grants, ground or other leases at less than fair market rent, interest rate subsidies, utility service connections, roads, or other similar assistance that would otherwise be paid for by the developer or beneficiary.

Section R Excess Tax Increment

In any year in which the tax increments from the TIF District exceed the amount necessary to pay the estimated public costs authorized by the TIF Plan, the City shall use the excess tax increments to:

- (1) prepay any outstanding tax increment bonds;
- (2) discharge the pledge of tax increments thereof;
- (3) pay amounts into an escrow account dedicated to the payment of the tax increment bonds; or
- (4) return excess tax increments to the County Auditor for redistribution to the City, County and School District. The County Auditor must report to the Commissioner of Education the amount of any excess tax increment redistributed to the School District within 30 days of such redistribution.

Section S Tax Increment Pooling and the Five Year Rule

Under Chapter 389 – H.F.No. 3729, Article 7 “Public Finance”, Section 22 City of Ramsey; Tax Increment Financing District; Special Rules Subdivision (e) at least 100% of the tax increments from the TIF District, except for administrative expenses, must be expended on activities within the district or to pay for bonds used to finance the estimated public costs of the TIF District (see Section E for additional restrictions). All administrative expenses are considered to have been spent outside of the TIF District. Tax increments are considered to have been spent within the TIF District if such amounts are:

- (1) actually paid to a third party for activities performed within the TIF District within five years after certification of the district;
- (2) used to pay bonds that were issued and sold to a third party, the proceeds of which are reasonably expected on the date of issuance to be spent within the later of the five-year period or a reasonable temporary period or are deposited in a reasonably required reserve or replacement fund.
- (3) used to make payments or reimbursements to a third party under binding contracts for activities performed within the TIF District, which were entered into within five years after certification of the district; or
- (4) used to reimburse a party for payment of eligible costs (including interest) incurred within five years from certification of the district.

Under Chapter 389 – H.F.No. 3729, Article 7 “Public Finance”, Section 22 City of Ramsey; Tax Increment Financing District; Special Rules Subdivision (d) beginning with the 11th year following certification of the TIF District, at least 100% of the tax increments must be used to pay outstanding bonds or make contractual payments obligated within

the first ten years. When outstanding bonds have been defeased and sufficient money has been set aside to pay for such contractual obligations, the TIF District must be decertified.

The Authority does not anticipate that tax increments will be spent outside of the TIF District, except for allowable administrative expenses, in accordance with subdivision (e).

Section T Limitation on Administrative Expenses

Administrative expenses are defined as all costs of the Authority other than:

- (1) amounts paid for the purchase of land;
- (2) amounts paid for materials and services, including architectural and engineering services directly connected with the physical development of the real property in the project;
- (3) relocation benefits paid to, or services provided for, persons residing or businesses located in the project;
- (4) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to section 469.178; or
- (5) amounts used to pay other financial obligations to the extent those obligations were used to finance costs described in clause (1) to (3).

Administrative expenses include amounts paid for services provided by bond counsel, fiscal consultants, planning or economic development consultants, and actual costs incurred by the County in administering the TIF District. Tax increments may be used to pay administrative expenses of the TIF District up to the lesser of (a) 10% of the total estimated tax increment expenditures authorized by the TIF Plan or (b) 10% of the total tax increment for the project.

Section U Limitation on Property Not Subject to Improvements - Four Year Rule

If after four years from certification of the TIF District no demolition, rehabilitation, renovation, or qualified improvement of an adjacent street has commenced on a parcel located within the TIF District, then that parcel shall be excluded from the TIF District and the original net tax capacity shall be adjusted accordingly. Qualified improvements of a street are limited to construction or opening of a new street, relocation of a street, or substantial reconstruction or rebuilding of an existing street. The City must submit to the County Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.

If a parcel is excluded from the TIF District and the Authority or owner of the parcel subsequently commences any of the above activities, the City shall certify to the County Auditor that such activity has commenced and the parcel shall once again be included in the TIF District. The County Auditor shall certify the net tax capacity of the parcel, as most recently certified by the Commissioner of Revenue, and add such amount to the original net tax capacity of the TIF District.

The City proposes to seek special legislation to provide for an exemption from or redefinition of the requirements of Minnesota Statutes Chapter 469.176 Subdivision 6.

Section V Estimated Impact on Other Taxing Jurisdictions

Exhibit V shows the estimated impact on other taxing jurisdictions if the maximum projected retained captured net tax capacity of the TIF District was hypothetically available to the other taxing jurisdictions. The City believes that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District, since the proposed development would not have occurred without the establishment of the TIF District and the provision of public

assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified and the development therein becomes part of the general tax base.

The fiscal and economic implications of the proposed tax increment financing district, as pursuant to Minnesota Statutes, Section 469.175, Subdivision 2, are listed below.

1. The total amount of tax increment that will be generated over the life of the district is estimated to be \$185,708,929.
2. To the extent the project in TIF District 14 generates any public cost impacts on city-provided services such as police and fire protection, public infrastructure, and the impact of any general obligation tax increment bonds attributable to the district upon the ability to issue other debt for general fund purposes, such costs will be levied upon the taxable net tax capacity of the City, excluding that portion captured by the District.
3. The amount of tax increments over the life of the district that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is estimated to be \$37,324,274.
4. The amount of tax increments over the life of the district that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same is estimated to be \$65,871,101.
5. No additional information has been requested by the county or school district that would enable it to determine additional costs that will accrue to it due to the development proposed for the district.

Section W Prior Planned Improvements

The City shall accompany its request for certification to the County Auditor (or notice of district enlargement), with a listing of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan. The County Auditor shall increase the original net tax capacity of the TIF District by the net tax capacity of each improvement for which a building permit was issued.

The City proposes to seek special legislation to provide for an exemption from or redefinition of the requirements of Minnesota Statutes Chapter 469.177 Subdivision 4.

Section X Development Agreements

If within a project containing a redevelopment district, more than 25% of the acreage of the property to be acquired by the Authority is purchased with tax increment bonds proceeds (to which tax increment from the property is pledged), then prior to such acquisition, the City must enter into an agreement for the development of the property. Such agreement must provide recourse for the City should the development not be completed.

The City anticipates entering into individual agreements for development as projects occur, but does not anticipate acquiring any additional property located within the TIF District.

Section Y Assessment Agreements

The City may, upon entering into a development agreement, also enter into an assessment agreement with the developer, which establishes a minimum market value of the land and improvements for each year during the life of the TIF District.

The assessment agreement shall be presented to the County or City Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land, and so long as the minimum market value contained in the assessment agreement appears to be an accurate estimate, shall certify the assessment agreement as reasonable. The assessment agreement shall be filed for record in the office of the County Recorder of each county where the property is located. Any modification or premature termination of this agreement must first be approved by the City, County and School District.

The City reserves the right to enter into an assessment agreement for individual projects.

Section Z Modifications of the Tax Increment Financing Plan

Any reduction or enlargement in the geographic area of the Project Area or the TIF District; increase in the amount of bonded indebtedness to be incurred; increase in the amount of capitalized interest; increase in that portion of the captured net tax capacity to be retained by the City; increase in the total estimated public costs; or designation of additional property to be acquired by the City shall be approved only after satisfying all the necessary requirements for approval of the original TIF Plan. This paragraph does not apply if:

- (1) the only modification is elimination of parcels from the TIF District; and
- (2) the current net tax capacity of the parcels eliminated equals or exceeds the net tax capacity of those parcels in the TIF District's original net tax capacity, or the City agrees that the TIF District's original net tax capacity will be reduced by no more than the current net tax capacity of the parcels eliminated.

The City must notify the County Auditor of any modification that reduces or enlarges the geographic area of the TIF District. The geographic area of the TIF District may be reduced but not enlarged after five years following the date of certification.

Section AA Administration of the Tax Increment Financing Plan

Upon adoption of the TIF Plan, the City shall submit a copy of such plan to the Minnesota Department of Revenue. The City shall also request that the County Auditor certify the original net tax capacity and net tax capacity rate of the TIF District. To assist the County Auditor in this process, the City shall submit copies of the TIF Plan, the resolution establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements. The City shall also send the County Assessor any assessment agreement establishing the minimum market value of land and improvements in the TIF District, and shall request that the County Assessor review and certify this assessment agreement as reasonable.

The County shall distribute to the City the amount of tax increment as it becomes available. The amount of tax increment in any year represents the applicable property taxes generated by the retained captured net tax capacity of the TIF District. The amount of tax increment may change due to development anticipated by the TIF Plan, other development, inflation of property values, or changes in property classification rates or formulas. In administering and implementing the TIF Plan, the following actions should occur on an annual basis:

- (1) prior to July 1, the City shall notify the County Assessor of any new development that has occurred in the TIF District during the past year to insure that the new value will be recorded in a timely manner.
- (2) if the County Auditor receives the request for certification of a new TIF District, or for modification of an existing TIF District, before July 1, the request shall be recognized in determining local tax rates for the current and subsequent levy years. Requests received on or after July 1 shall be used to determine local tax rates in subsequent years.

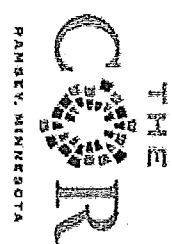
- (3) each year the County Auditor shall certify the amount of the original net tax capacity of the TIF District. The amount certified shall reflect any changes that occur as a result of the following:
- (a) the value of property that changes from tax-exempt to taxable shall be added to the original net tax capacity of the TIF District. The reverse shall also apply;
 - (b) the original net tax capacity may be modified by any approved enlargement or reduction of the TIF District;
 - (c) if laws governing the classification of real property cause changes to the percentage of estimated market value to be applied for property tax purposes, then the resulting increase or decrease in net tax capacity shall be applied proportionately to the original net tax capacity and the retained captured net tax capacity of the TIF District.

The County Auditor shall notify the City of all changes made to the original net tax capacity of the TIF District.

Section AB Filing TIF Plan, Financial Reporting and Disclosure Requirements

The City will file the TIF Plan and any subsequent amendments thereto, with the Commissioner of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes, Section 469.175, subdivision 4A. The City will comply with all reporting requirements for the TIF District under Minnesota Statutes, Section 469.175, subdivisions 5 and 6.

MAP OF TAX INCREMENT FINANCING
(REDEVELOPMENT) DISTRICT NO. 14

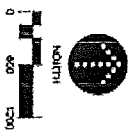


LEGEND

- REDEVELOPMENT DISTRICT
- ADJACENT AREAS
- FEASIBILITY

AREA CALCULATIONS

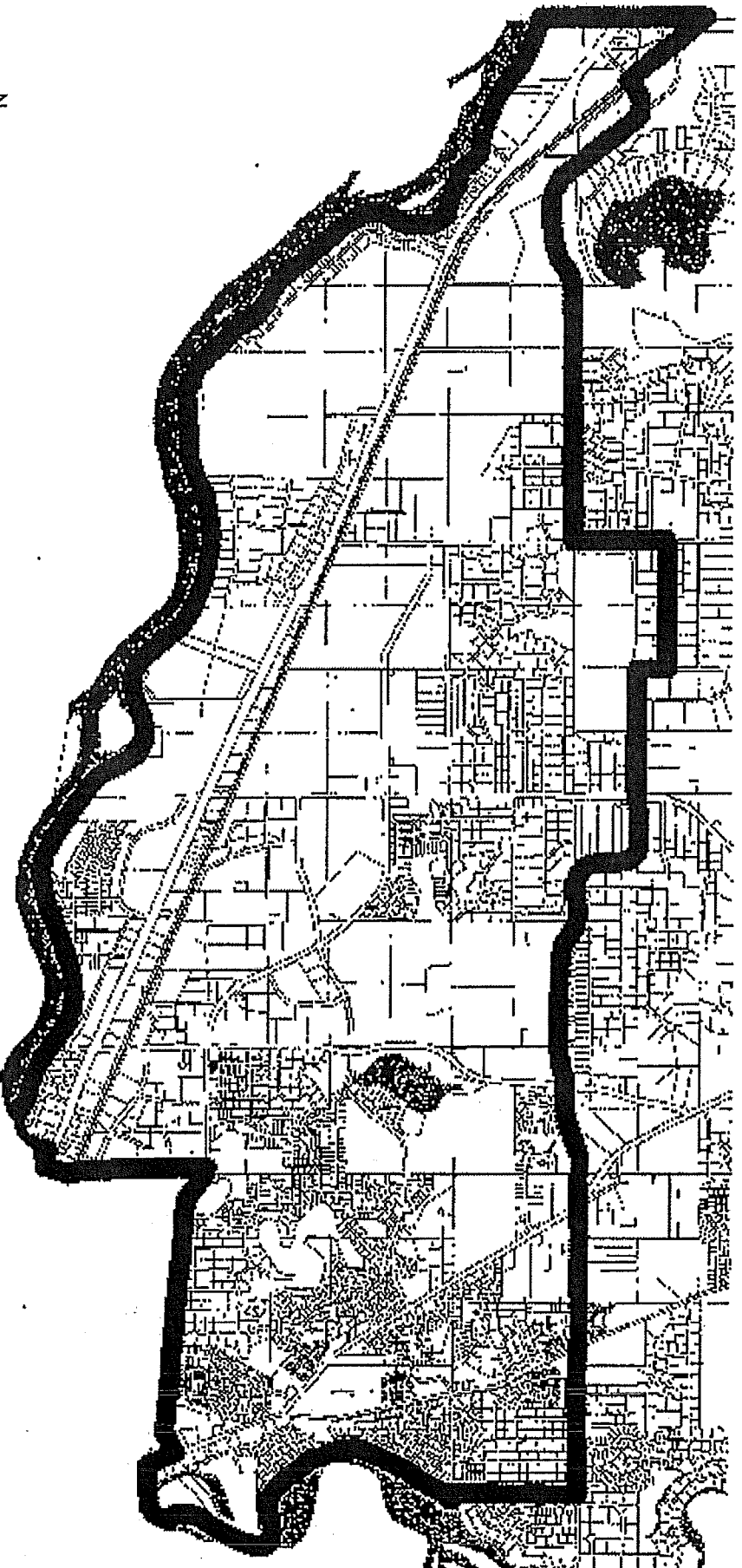
- 1 24.7 ACRES
- 2 60.4 ACRES
- 3 54.3 ACRES
- 4 32.1 ACRES
- 5 40.2 ACRES
- COR PARCELS: 306.6 ACRES



LAND FORM
From Site to Finish

TAX DISTRICTS

MAP OF DEVELOPMENT DISTRICT NO. 1



N DEVELOPMENT DISTRICT NO. 1

Prepared by Jim Amick County G.I.S. Department
Phone: 783-422-7508
May 5, 2011

Boundaries of Tax Increment Financing (Redevelopment) District No. 14

09 1st July 2012

29-32-25-12-0001	UNPLATTED RAMSEY TWSP NW1/4 OF NE1/4 SEC 29-32-25-EX R R RT OF WAY-SUBJ TO EASE TO RURAL CO-OP POWER ASSN-
28-32-25-13-0008	LOT 1 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0009	LOT 2 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0010	LOT 3 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0011	LOT 4 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0012	LOT 5 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0013	LOT 6 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0014	LOT 7 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0015	LOT 8 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0016	LOT 9 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0017	LOT 10 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0018	LOT 11 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0019	LOT 12 BLOCK 2 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0024	LOT 5 BLOCK 3 RAMSEY TOWN CENTER 7TH ADDITION, SUBJ TO EASE OF REC
28-32-25-13-0025	LOT 6 BLOCK 3 RAMSEY TOWN CENTER 7TH ADDITION, SUBJ TO EASE OF REC
28-32-25-13-0026	LOT 7 BLOCK 3 RAMSEY TOWN CENTER 7TH ADD, SUBJ TO EASE OF REC
28-32-25-13-0027	LOT 8 BLOCK 3 RAMSEY TOWN CENTER 7TH ADD, SUBJ TO EASE OF REC
28-32-25-13-0028	LOT 9 BLOCK 3 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0029	LOT 10 BLOCK 3 RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0030	LOT 11 BLOCK 3 RAMSEY TOWN CENTER 7TH ADD, SUBJ TO EASE OF REC
28-32-25-14-0055	LOT 47 BLOCK 1 RAMSEY TOWN CENTER 2ND
28-32-25-14-0056	LOT 1 BLOCK 2 CIC NO 214 RAMSEY TOWN CENTER 2ND ADD, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0057	LOT 2 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0058	LOT 3 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0059	LOT 4 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0071	LOT 16 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0072	LOT 17 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0073	LOT 18 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0074	LOT 19 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0075	LOT 20 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0076	LOT 21 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0077	LOT 22 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0078	LOT 23 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0079	LOT 24 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0080	LOT 25 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0081	LOT 26 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0090	LOT 35 BLOCK 2 RAMSEY TOWN CENTER 2ND CIC NO 214, COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0091	OUTLOT A RAMSEY TOWN CENTER 2ND, SUBJ TO EASE OF REC
28-32-25-14-0009	LOT 1 BLOCK 1 RAMSEY TOWN CENTER 2ND CIC NO 214, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC

[illegible]

[illegible]

[illegible]

28-32-25-14-0146	UNIT 19 CIC NO 213 GABLES MANOR, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0147	UNIT 20 CIC NO 213 GABLES MANOR, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0148	UNIT 21 CIC NO 213 GABLES MANOR, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0149	UNIT 22 CIC NO 213 GABLES MANOR, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0150	UNIT 23 CIC NO 213 GABLES MANOR, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0151	UNIT 24 CIC NO 213 GABLES MANOR, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0152	UNIT 25 CIC NO 213 GABLES MANOR, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0153	UNIT 26 CIC NO 213 GABLES MANOR, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-23-0008	LOT 2 BLOCK 1 RAMSEY TOWN CENTER 3RD ADD, SUBJ TO EASE OF REC
28-32-25-31-0004	UNPLATTED CITY OF RAMSEY THAT PART OF THE NE1/4 OF SW1/4 OF SEC 28-32-25 ANOKA CNTY, MN DESC AS FOL-BEG AT THE POINT OF INTERSECTION OF THE W LINE OF SAID NE1/4 OF SW1/4 WITH THE SLY RT OF WAY LINE OF THE BURLINGTON NORTHERN RR-TH SLY ALONG SAID W LINE OF SAID NE1/4 OF SW1/4 TO ITS INTERSECTION WITH THE NLY RT OF WAY LINE OF U S TRKHWY NO 10-TH SELY ALONG SAID NLY RT OF WAY LINE OF SAID U S TRKHWY NO 10 A DIST OF 300.00 FT TO THE ACTUAL POINT OF BEG OF THE TRACT TO BE HEREIN DESC-TH CONT ALONG THE NLY RT OF WAY OF SAID HWY A DIST OF 185 FT-TH NLY TO A POINT ON SAID SLY RT OF WAY LINE OF SAID BURLINGTON NORTHERN RR DIST 551.80 FT SELY FROM THE W LINE OF THE NE1/4 OF SW1/4 AS MEAS ALONG THE SLY RT OF WAY OF THE BURLINGTON NORTHERN RR-TH NWLY ALONG SAID SLY RT OF WAY LINE OF SAID BURLINGTON NORTHERN RR A DIST OF 185 FT-TH SWLY TO THE POINT OF BEG(SUBJ TO AN EASE FOR ROAD OVER THE W LY 25 FT THEREOF)
28-32-25-31-0007	THAT PRT OF NE1/4 OF SW1/4 DESC AS FOL: BEG AT THE PT OF INTER OF THE W LINE OF SD NE1/4 OF SW1/4 WITH THE SLY R/W LINE OF THE B & N R/R TH SLY ALG SD W LINE OF SD 1/4, 1/4 TO ITS INTER/W THE NLY R/W LINE OF TH #10 TH SELY ALG SD NLY R/W LINE OF SD HWY 485.0 FT TO THE ACT POB OF TRACT TO BE DESC TH CONT ALG THE NLY R/W LINE OF SD HWY 140 FT TH NLY TO A PT ON SD SLY R/W LINE OF SD B & N R/R 691.80 FT SELY FROM THE W LINE OF NE1/4 OF SW1/4 (AS MEAS ALG THE SLY R/W LINE OF THE B & N R/R) TH NWLY ALG SD SLY R/W LINE OF SD B & N R/R 140 FT TH SWLY TO POB EX RD SUBJ TO EASE OF REC
28-32-25-32-0008	ALPACA ESTATES LOT 1 BLK 3 ALPACA EST EASE TO ST OF MN FOR RT OF ACCESS TO HWY NO 10(SUBJ TO EASE AS SHOWN ON PLAT)
28-32-25-41-0007	OUTLOT A RAMSEY TOWN CENTER 4TH
28-32-25-42-0014	THAT PRT OF OUTLOT AA RAMSEY TOWN CENTER ADD DESC AS FOL: BEG AT NE COR OF SD OUTLOT, TH W ALG NLY LINE OF SD OUTLOT 322.44 FT, TH S 124.54 FT, TH SELY 52.36 FT ALG A TAN CUR CONC TO NE RAD 250 FT & CEN ANG 12 DEG, TH S 12 DEG E 144.84 FT, TH SELY SLY & SWLY 156.31 FT ALG A TAN CUR CONC TO W RAD 250 FT & CEN ANG 35 DEG 49 MIN 27 SEC, TH S 23 DEG 49 MIN 27 SEC W 54.25 FT TO SWLY LINE OF SD OUTLOT, TH S 66 DEG 10 MIN 33 SEC E ALG SD SWLY LINE 349.45 FT TO MOST SLY COR OF SD OUTLOT, TH N 03 DEG 49 MIN 27 SEC E ALG ELY LINE OF SD OUTLOT 58.84 FT TO PT OF CURVATURE IN SD ELY LINE, TH NLY 30.70 FT ALG SD ELY LINE ALG A TAN CUR CONC TO W RAD 460 FT & CEN ANG 03 DEG 49 MIN 27 SEC TO A PT OF TAN IN SD ELY LINE, TH N ALG SD ELY LINE 572.55 FT TO POB, SUBJ TO EASE OF REC
28-32-25-42-0015	OUTLOT AA RAMSEY TOWN CENTER ADD, EX THAT PRT THEREOF DESC AS FOL: BEG AT NE COR OF SD OUTLOT, TH W ALG NLY LINE OF SD OUTLOT 322.44 FT, TH S 124.54 FT, TH SELY 52.36 FT ALG A TAN CUR CONC TO NE RAD 250 FT & CEN ANG 12 DEG, TH S 12 DEG E 144.84 FT, TH SELY SLY & SWLY 156.31 FT ALG A TAN CUR CONC TO W RAD 250 FT & CEN ANG 35 DEG 49 MIN 27 SEC, TH S 23 DEG 49 MIN 27 SEC W 54.25 FT TO SWLY LINE OF SD OUTLOT, TH S 66 DEG 10 MIN 33 SEC E ALG SD SWLY LINE 349.45 FT TO MOST SLY COR OF SD OUTLOT, TH N 03 DEG 49 MIN 27 SEC E ALG ELY LINE OF SD OUTLOT 58.84 FT TO A PT OF CURVATURE IN SD ELY LINE, TH NLY 30.70 FT ALG SD ELY LINE ALG A TAN CUR CONC TO W RAD 460 FT & CEN ANG 03 DEG 49 MIN 27 SEC TO A PT OF TAN IN SD ELY LINE, TH N ALG SD ELY LINE 572.55 FT TO POB, SUBJ TO EASE OF REC
28-32-25-44-0002	THAT PRT OF LOT 7 AUD SUB NO 34 DESC AS FOL: COM AT SE COR OF SD LOT, TH NWLY ALG SWLY LINE OF SD LOT 770 FT, TH N PRLL/W E LINE OF SD LOT TO NELY LINE OF SD LOT, TH SELY ALG SD NELY LINE 350 FT TO POB TH S PRLL/W SD E LINE TO SD SWLY LINE, TH SELY ALG SD SWLY LINE 180 FT, TH N PRLL/W SD E LINE TO SD NELY LINE, TH NWLY ALG SD NELY LINE TO POB, SUBJ TO EASE OF REC

28-32-25-44-0004	THAT PRT OF LOT 7 AUD SUB NO 34 DESC AS FOL: BEG AT INTER OF NLY R/W LINE OF T H NO 10 & E LINE OF SEC 28 TWP 32 RGE 25 ALSO BEING SE COR OF SD LOT 7, TH NLY ALG SD E LINE 367.87 FT TH SWLY TO A PT ONSD NLY R/W LINE 111.9 FT NWLY, AS MEAS ALG SD R/W LINE, FROM POB, TH SELY ALG SD R/W LINE TO POB, TOG/W THAT PRT OF SD LOT 7 DESC AS FOL: BEG AT INTER OF SD NLY R/W LINE WITH SD E LINE TH NWLY ALG SDR/W LINE 36.30 FT, TH N PRLL/W SD E LINE 203.46 FT TO POB, TH W PRLL/W S LINE OF SD SEC 85 FT, TH N PRLL/W SD E LINE TO NLY LINE OF SD LOT, SD NLY LINE ALSO BEING SLY R/W LINE OF B N R/R, TH E ALG SDSLY R/W LINE TO A PT ON A LINE DRAWN PRLL/W & 33 FT W OF SD E LINE, TH S ALG SD PRLL LINE TO POB, EX RD, SUBJ TO EASE OF REC
29-32-25-13-0004	LOT 1 BLOCK 1 ALPACA ESTATES 4TH ADD
29-32-25-13-0006	LOT 3 BLOCK 1 ALPACA ESTATES 4TH ADD
29-32-25-13-0007	OUTLOT A ALPACA ESTATES 4TH ADD
29-32-25-13-0008	OUTLOT B ALPACA ESTATES 4TH ADD
29-32-25-14-0017	LOT 5 BLOCK 1 ALPACA ESTATES 4TH ADD
29-32-25-14-0018	LOT 6 BLOCK 1 ALPACA ESTATES 4TH ADD
29-32-25-14-0019	LOT 7 BLOCK 1 ALPACA ESTATES 4TH ADD
29-32-25-41-0007	LOT 1 BLOCK 6 ALPACA ESTATES, EX RD SUBJ TO EASE OF REC
29-32-25-41-0021	LOT 1 BLOCK 2 ALPACA ESTATES 4TH ADD
29-32-25-41-0022	LOT 2 BLOCK 2 ALPACA ESTATES 4TH ADD
29-32-25-41-0023	LOT 3 BLOCK 2 ALPACA ESTATES 4TH ADD
29-32-25-41-0024	LOT 4 BLOCK 2 ALPACA ESTATES 4TH ADD
28-32-25-23-0007	LOT 1 BLOCK 1 RAMSEY TOWN CENTER 3RD ADD, SUBJ TO EASE OF REC
28-32-25-31-0003	UNPLATTED CITY OF RAMSEY THAT PART OF THE NE1/4 OF SW1/4 OF SEC 28-32-25 ANOKA CNTY, MN DESC AS FOL-BEG AT THE POINT OF INTERSECTION OF THE W LINE OF SAID NE1/4 OF SW1/4 WITH THE SLY RIGHT OF WAY LINE OF THE BURLINGTON NORTHERN RAILROAD-TH SLY ALONG SAID W LINE OF SAID NE1/4 OF SW1/4 TO ITS INTERSECTION WITH THE NLY RIGHT OF WAY LINE OF U S TRUNK HWY NO 10-TH SELY ALONG SAID NLY RIGHT OF WAY LINE OF SAID U S TRUNK HWY NO 10 A DIST OF 300.00 FT-TH NLY TO A POINT ON SAID SLY RIGHT OF WAY LINE OF SAID BURLINGTON NORTHERN RAILROAD DIST 366.80 FT SELY FROM THE PT OF BEG-TH NWLY ALONG SAID SLY RIGHT OF WAY LINE OF SAID BURLINGTON NORTHERN RAILROAD TO THE POINT OF BEG (SUBJ TO AN EASE FOR RD OVER THE ELY 25 FT THEREO F)
28-32-25-31-0005	THAT PRT OF NE1/4 OF SW1/4 OF SEC 28 TWP 32 RGE 25 DESC AS FOL: COM AT INTER OF W LINE OF SD 1/4 1/4 WITH NELY R/W LINE OF T H NO 10, TH SELY ALG SD R/W LINE 625 FT TO POB, TH CONT SELY ALG SD R/W LINE TO A PT 386.98 FT NWLY OF E LINE OF SD 1/4 1/4, AS MEAS ALG SD NELY R/W LINE, TH DEFL AT A RT ANG NELY TO INTER/W SWLY R/W LINE OF B & N R/R, TH NWLY ALG SD R/R R/W LINE TO A PT 691.80 FT SELY OF INTER/W W LINE OF SD 1/4 1/4 & SELY R/W LINE OF B & N R/R, TH SWLY TO POB, SUBJ TO EASE OF REC
28-32-25-32-0003	ALPACA ESTATES LOT 2 BLK 2 ALPACA EST EASE TO ST OF MN FOR RT OF ACCESS TO HWY NO 10(SUBJ TO EASE AS SHOWN ON PLAT)
28-32-25-32-0009	ALPACA ESTATES LOT 2 BLK 3 ALPACA EST EASE TO ST OF MN FOR RT OF ACCESS TO HWY NO 10(SUBJ TO EASE AS SHOWN ON PLAT)
28-32-25-41-0006	LOT 1 BLOCK 1 RAMSEY TOWN CENTER 4TH, SUBJ TO EASE OF REC
28-32-25-42-0002	ALL THAT PRT OF LOTS 2 & 3 AUD SUB NO 34 LYG NWLY OF FOL DESC LINE: BEG AT A PT ON NELY LINE OF CSAH NO 10 585 FT NWLY OF SE COR OF SD LOT 3, AS MEAS ALG NELY LINE OF SD HWY, TH NELY TO A PT ON SWLINE OF R/W OF GREAT NORTHERN R/R CO, WHICH PT IS 490 FT NWLY OF NE COR OF SD LOT 3, AS MEAS ALG SWLY LINE OF SD R/R R/W, TH NWLY ALG SWLY LINE OF SD R/R R/W 495 FT TO POB OF SD LINE, TH SLY TO A PT ON NELY LINE OF SD HWY, WHICH PT IS 400 FT FROM POB & SD LINE THERE TERM, SUBJ TO EASE OF REC
28-32-25-43-0001	THAT PRT OF S1/2 OF SE1/4 SEC 28 T32 R25 (AKA PRT OF LOT 3 AUD SUB NO 34) LYG SLY OF SLY R/W LINE OF BN R/R, NLY OF NLY R/W LINE OF US HWY 10, WLY OF LINE A & ELY OF LINE B; SD LINE A DESC AS FOL: COM AT SE COR OF SD SEC, TH N 0 DEG 28 MIN 50 SEC W ALG E LINE OF SD SE1/4, 164.43 FT TO SD NLY R/W LINE, TH N 65 DEG 51 MIN 38 SEC W ALG SD NLY R/W LINE 806.12 FT, TH CONT NWLY ALG SD NLY R/W LINE ON A TAN CUR, CONC TO NE, RAD OF 22,673.76 FT, CEN ANG 1 DEG 42 MIN 24 SEC, 675.48 FT, TH N 64 DEG 09 MIN 14 SEC W ALG SD NLY R/W LINE 95.64 FT TO POB, TH N 1 DEG 25 MIN W 306.60 FT TO SD SLY R/W LINE & THERE TERM; SD LINE B DESC AS FOL: COM AT A PT ON SD NLY R/W LINE 447 FT NWLY, AS MEAS ALG SD NLY R/W LINE, FROM ITS INTER/W E LINE OF W1/2 OF SD

	SE1/4, TH N 62 DEG 05 MIN 41 SEC W ALG SD NLY R/W LINE 400 FT, TH N 1 DEG 20 MIN 02 SEC W 274.01 FT TO SD SLY R/W LINE, TH S 64 DEG 38 MIN 28 SEC E ALG SD SLY R/W LINE 495 FT, TH S 19 DEG 20 MIN 16 SEC W 264.04 FT TO SD NLY R/W LINE TO POB & THEREFTER; EX RD; SUBJ TO EASE OF REC
28-32-25-43-0003	THAT PRT OF S1/2 OF SE1/4 SEC 28 T32 R25 (AKA PRT OF LOTS 3 & 7 AUD SUB NO 34) DESC AS FOL: COM AT SE COR OF SD SEC, TH N 0 DEG 28 MIN 50 SEC W ALG E LINE OF SD SE1/4, 164.43 FT TO A MONUMENT ON NLY R/W LINE OF T H NO 10, TH N 65 DEG 51 MIN 38 SEC W ALG SD NLY R/W LINE 806.12 FT TO A MONUMENT ON SD NLY R/W LINE, TH CONT NWLY ALG SD NLY R/W LINE ON A TAN CUR, CONC TO NE, RAD 22,673.76 FT, CEN ANG 1 DEG 18 MIN 57 SEC, 520.81 FT TO POB, TH CONT NWLY ALG SD R/W LINE ON SD CUR, CEN ANG 0 DEG 23 MIN 27 SEC, 154.67 FT TO A MONUMENT ON SD R/W LINE, TH N 64 DEG 09 MIN 14 SEC W ALG SD NLY R/W LINE 95.64 FT, TH N 1 DEG 25 MIN W 306.60 FT TO INTER/W SLY R/W LINE OF BN R/R, TH S 66 DEG 42 MIN 01 SEC E ALG SD SLY R/W LINE 253.26 FT TO INTER/W A LINE BRG N 0 DEG 05 MIN 02 SEC W FROM POB, TH S 0 DEG 05 MIN 02 SEC E 314.94 FT TO POB; EX RD; SUBJ TO EASE OF REC
28-32-25-43-0007	LOT 1 BLOCK 1 THE DIAMONDS
28-32-25-44-0003	THAT PRT OF LOT 7 AUD SUB NO 34 DESC AS FOL: COM AT SE COR OF SD LOT, TH N 0 DEG 3 MIN 28 SEC E ALG E LINE OF SD LOT 367.87 FT TO POB OF A LINE AKA LINE "A", TH SWLY TO A PT ON SWLY LINE OF SD LOT 111.9 FT NWLY, AS MEAS ALG SWLY LINE OF SD LOT, FROM POC & SD LINE "A" THERE TERM, TH NWLY ALG SD SWLY LINE 658.1 FT, TH N PRLL/W E LINE OF SD LOT TO INTER/W NELY LINE OF SD LOT, TH SELY ALG SD NELY LINE 350 FT, TH S PRLL/W E LINE OF SD LOT TO INTER/W SD SWLY LINE, TH SELY ALG SD SWLY LINE 180 FT TO POB, TH N PRLL/W SD E LINE TO INTER/W SD NELY LINE, TH SELY ALG SD NELY LINE 107.14 FT, TH S PRLL/W SDE LINE 177.43 FT, TH E PRLL/W S LINE OF SEC 28 TWP 32 RGE 25 TO INTER/W SD LINE "A", TH SWLY ALG SD LINE "A" TO SD SWLY LINE, TH NWLY ALG SD SWLY LINE TO POB, EX RD, SUBJ TO EASE OF REC
28-32-25-44-0005	AUDITORS SUB NO 34 THAT PART OF LOT 7 AUD SUB NO 34 ANOKA CNTY, MN DESC AS FOL-COM AT THE SE CORNER OF SAID LOT 7-TH NWLY ON THE SWLY LINE OF SAID LOT 7 DIST OF 770 FT-TH N & PRLL WITH THE E LINE OF SAID LOT 7 & TO THE NELY LINE OF SAID LOT 7-TH SELY ON SAID NELY LINE A DIST OF 200 FT TO THE PT OF BEG OF LAND TO BE DESC-TH CONT SELY ON THE NELY LINE OF SAID LOT 7 A DIST OF 150 FT-TH S & PRLL WITH THE E LINE OF SAID LOT 7 & TO THE SWLY LINE OF SAID LOT 7-TH NWLY ON SAID SWLY LINE TO A LINE DRAWN S FROM THE PT OF BEG & PRLL WITH THE E LINE OF SAID LOT 7-TH N & PRLL WITH THE E LINE OF SAID LOT 7 & TO THE PT OF BEG (SUBJ TO EASE OF RECORD IF ANY)
28-32-25-44-0006	AUDITORS SUB NO 34 THAT PART OF LOT 7 AUD SUB NO 34 ANOKA CNTY, MN DESC AS FOL-COM AT THE SW CORNER OF LOT 7 WHICH POINT IS THE INTERSECTION OF THE LINE OF THE SE1/4 OF SE1/4 SECTION 28-32-25 WITH THE NLY LINE OF ST TRK HWY NO 10-TH SELY ALONG THE NLY LINE OF ST TRK HWY NO 10 A DIST OF 138 FT TO THE ACTUAL POINT OF BEG OF THE TRACT TO BE HEREIN DESC-TH CONT SELY ALONG THE N LINE OF SAID HWY 10 A DIST OF 500 FT-TH N & PRLL TO THE E LINE OF SAID LOT 7 TO THE NELY LINE OF LOT 7-TH NWLY ALONG THE NLY LINE OF LOT 7 TO A POINT ON SAID NLY LINE DIST 138 FT FROM THE NW CORNER THEREOF-THS TO THE POINT OF COM(EX THAT PART DESC AS FOL-THAT PART OF LOT 7 AUD SUB NO 34 ANOKA CNTY, MN DESC AS FOL-COM AT THE SW CORNER OF LOT 7 WHICH POINT IS THE INTERSECTION OF THE W LINE OF THE SE1/4 OF SE1/4 SEC 28-32-25 WITH THE NLY LINE OF ST TRK HWY NO 10-TH SELY ALONG THE NLY LINE OF ST TRK HWY NO 10 A DIST OF 538 FT TO THE ACTUAL POINT OF BEG OF THE TRACT OF LAND TO BE HEREIN DESC-TH CONT SELY ALONG THE N LINE OF SAID HWY TO A POINT DIST 770 FT AS MEAS ALONG THE N LINE OF SAID ST TRK HWY NO 10 FROM THE SE CORNER OF SAID LOT 7-TH N & PRLL WITH THE E LINE OF SAID LOT 7 TO THE N LINE OF SAID LOT 7-TH NWLY ALONG THE NLY LINE OF SAID LOT 7 TO THE POINT OF INTERSECTION WITH A LINE DRAWN PRLL WITH THE E LINE OF SAID LOT 7 DRAWN THROUGH THE POINT OF BEG-TH S TO THE POINT OF BEG ACCORDING TO THE PLAT T HEREOF ON FILE & OF RECORD I N THE OFFICE OF THE REGISTE R OF DEEDS OF ANOKA CNTY, M N)
29-32-25-11-0008	LOT 3 BLK 1 HY-10 3RD ADD; EX RD SUBJ TO EASE OF REC
29-32-25-13-0005	LOT 2 BLOCK 1 ALPACA ESTATES 4TH ADD
29-32-25-14-0010	8019 146TH AVE NW , RAMSEY, MN 55303-0000
29-32-25-14-0013	LOT 2 BLOCK 1 HAUSER ADD
29-32-25-14-0014	LOT 3 BLOCK 1 HAUSER ADD
29-32-25-14-0016	LOT 4 BLOCK 1 ALPACA ESTATES 4TH ADD
29-32-25-41-0003	ALPACA ESTATES LOT 1 BLK 1 ALPACA EST EASE TO ST OF MN FOR RT OF ACCESS TO HWY NO 10(SUBJ TO EASE AS SHOWN ON PLAT)

29-32-25-41-0004	ALPACA ESTATES LOT 1 BLK 2 ALPACA EST EASE TO ST OF MN FOR RT OF ACCESS TO HWY NO 10(SUBJ TO EASE AS SHOWN ON PLAT)
29-32-25-11-0007	LOT 2 BLK 1 HY-10 3RD ADD; SUBJ TO EASE OF REC
29-32-25-11-0009	LOT 1 BLK 1 HY-10 RAMSEY 4TH ADD; SUBJ TO EASE OF REC
29-32-25-11-0010	LOT 2 BLK 1 HY-10 RAMSEY 4TH ADD; SUBJ TO EASE OF REC
29-32-25-11-0011	LOT 3 BLK 1 HY-10 RAMSEY 4TH ADD; SUBJ TO EASE OF REC
29-32-25-14-0005	LOT 1 BLK 1 HY-10 RAMSEY SUBJ TO EASE OF REC
28-32-25-42-0020	THAT PRT OF LOT 1 BLOCK 1 RAMSEY TOWN CENTER 11TH ADD LYG SLY OF FOL DESC LINE: COM AT SELY COR OF SD LOT, TH N ALG E LINE OF SD LOT 186.92 FT TO POB OF SD LINE, TH W 692.28 FT TO WLY LINE OF SD LOT & SD LINE THERE TERM, SUBJ TO EASE OF REC
28-32-25-44-0011	THAT PRT OF LOT 7 AUD SUB NO 34 DESC AS FOL: COM AT SW COR OF SD LOT, SD SW COR BEING INTER OF W LINE OF SE1/4 OF SE1/4 OF SEC 28 TWP 32 RGE 25 WITH NLY R/W LINE OF TH NO 10, TH SELY ALG SD NLY R/W LINE 538 FT TO POB, TH CONT SELY ALG SD R/W LINE TO A PT 570 FT N OF SE COR OF SD LOT, TH N PRLL/W E LINE OF SD LOT 335 FT TO N LINE OF SD LOT, TH NWLY ALG SD N LINE TO PT OF INTER/W A LINE DRAWN NLY PRLL/W SD E LINE FROM POB, TH S ALG SD PRLL LINE TO POB, SUBJ TO EASE OF REC
29-32-25-11-0013	LOT 2 BLOCK 1 HY-10 RAMSEY 2ND ADD, EX N 70 FT THEREOF, SUBJ TO EASE OF REC
29-32-25-14-0008	LOT 1 BLK 2 HY-10 RAMSEY SUBJ TO EASE OF REC
29-32-25-14-0009	LOT 2 BLK 2 HY-10 RAMSEY SUBJ TO EASE OF REC
29-32-25-14-0011	LOT 4 BLK 2 HY-10 RAMSEY SUBJ TO EASE OF REC
29-32-25-14-0012	LOT 1 BLOCK 1 HAUSER ADD
29-32-25-14-0015	LOT 2 BLK 1 HY-10 RAMSEY TOG/W THAT PRT OF SW1/4 OF NE1/4 OF SEC 29 TWP 32 RGE 25 LYG NELY OF NELY R/W LINE OF BN R/R, SUBJ TO EASE OF REC
28-32-25-41-0011	OUTLOT A RAMSEY TOWN CENTER 13TH ADD
28-32-25-41-0012	OUTLOT B RAMSEY TOWN CENTER 13TH ADD, SUBJ TO EASE OF REC
28-32-25-41-0014	LOT 1 BLOCK 1 RAMSEY TOWN CENTER 14TH ADD EX RD SUBJ TO EASE OF REC
28-32-25-41-0015	OUTLOT A RAMSEY TOWN CENTER 14TH ADD EX RD SUBJ TO EASE OF REC
28-32-25-41-0002	LOT 1 BLOCK 1 RAMSEY TOWN CENTER ADD
28-32-25-34-0002	OUTLOT A TOOTH ACRES
28-32-25-34-0003	OUTLOT B TOOTH ACRES
28-32-25-41-0010	LOT 1 BLOCK 1 RAMSEY TOWN CENTER 13TH ADD, SUBJ TO EASE OF REC
28-32-25-13-0005	LOT 1 BLOCK 2 RAMSEY TOWN CENTER ADD
28-32-25-13-0007	OUTLOT V RAMSEY TOWN CENTER ADD
28-32-25-13-0033	OUTLOT A RAMSEY TOWN CENTER 7TH ADD
28-32-25-13-0034	OUTLOT B RAMSEY TOWN CENTER 7TH ADD
28-32-25-14-0007	OUTLOT CC RAMSEY TOWN CENTER ADD
28-32-25-14-0008	OUTLOT DD RAMSEY TOWN CENTER ADDITION, SUBJ TO EASE OF REC
28-32-25-14-0094	THAT PRT OF OUTLOT B RAMSEY TOWN CENTER 2ND ADD LYG ELY OF FOL DESC LINE: COM AT NW COR OF SD OUTLOT, TH S 89 DEG 42 MIN 54 SEC E, ASSD BRG, ALG NLY LINE OF SD OUTLOT 607.10 FT TO POB OF SD LINE, TH S 247.47 TO SLY LINE OF SD OUTLOT & SD LINE THERE TERM, SUBJ TO EASE OF REC
28-32-25-14-0095	THAT PRT OF OUTLOT B RAMSEY TOWN CENTER 2ND LYG SLY OF RAMSEY TOWN CENTER 7TH ADD & LYG WLY OF FOL DESC LINE: COM AT NW COR OF SD OUTLOT, TH S 89 DEG 42 MIN 54 SEC E ASSD BRG, ALG NLY LINE OF SDOUTLOT 607.10 FT TO POB OF SD LINE, TH S 247.47 FT TO SLY LINE OF SD OUTLOT & SD LINE THERE TERM, SUBJ TO EASE OF REC
28-32-25-22-0005	OUTLOT F RAMSEY TOWN CENTER ADD
28-32-25-23-0004	OUTLOT G RAMSEY TOWN CENTER ADD
28-32-25-23-0005	OUTLOT H RAMSEY TOWN CENTER ADD
28-32-25-24-0002	OUTLOT J RAMSEY TOWN CENTER ADD
28-32-25-24-0003	OUTLOT K RAMSEY TOWN CENTER ADD
28-32-25-24-0005	OUTLOT N RAMSEY TOWN CENTER ADD
28-32-25-24-0006	OUTLOT O RAMSEY TOWN CENTER ADD
28-32-25-24-0007	OUTLOT P RAMSEY TOWN CENTER ADD

28-32-25-24-0008	OUTLOT Q RAMSEY TOWN CENTER ADD
28-32-25-24-0009	TRACT A REG LAND SURVEY NO 241
28-32-25-24-0010	TRACT B REG LAND SURVEY NO 241
28-32-25-24-0011	TRACT C REG LAND SURVEY NO 241
28-32-25-24-0012	TRACT D REG LAND SURVEY NO 241
28-32-25-24-0013	TRACT E REG LAND SURVEY NO 241
28-32-25-31-0009	OUTLOT R RAMSEY TOWN CENTER ADD
28-32-25-31-0012	LOT 1 BLOCK 1 RAMSEY TOWN CENTER 5TH ADD
28-32-25-31-0013	LOT 2 BLOCK 1 RAMSEY TOWN CENTER 5TH ADD
28-32-25-31-0014	OUTLOT A RAMSEY TOWN CENTER 5TH ADD
28-32-25-31-0015	OUTLOT M RAMSEY TOWN CENTER ADD, EX PRT PLATTED AS RAMSEY TOWN CENTER 5TH ADD, SUBJ TO EASE OF REC
28-32-25-41-0009	OUTLOT GG RAMSEY TOWN CENTER ADD, EX THAT PRT OF SD OUTLOT DESC AS FOL: BEG AT NW COR OF SD OUTLOT, TH S ALG WLY LINE OF SD OUTLOT 567.55 FT TO A PT OF CURVATURE IN SD WLY LINE, TH SLY 36.04 FT ALGSD WLY LINE ALG A TAN CUR CONC TO W RAD 540 FT & CEN ANG 03 DEG 49 MIN 27 SEC TO A PT OF TANGENCY IN SD WLY LINE, TH S 03 DEG 49 MIN 27 SEC W ALG SD WLY LINE 87.95 FT TO MOST SLY COR IN SD WLY LINE, TH S 66 DEG 10 MIN 33 SEC E ALG SWLY LINE OF SD OUTLOT 659.59 FT, TH N 957.75 FT TO NLY LINE OF SD OUTLOT, TH W ALG SD NLY LINE 596.32 FT TO POB, SUBJ TO EASE OF REC
28-32-25-42-0010	LOT 1A BLOCK 1 RAMSEY TOWN CENTER 5TH ADD
28-32-25-43-0008	OUTLOT A THE DIAMONDS
28-32-25-44-0012	OUTLOT HH RAMSEY TOWN CENTER ADD
29-32-25-13-0009	BLOCK PARK ALPACA ESTATES 4TH ADD
28-32-25-42-0017	OUTLOT A RAMSEY TOWN CENTER 11TH ADD
28-32-25-42-0018	OUTLOT B RAMSEY TOWN CENTER 11TH ADD
28-32-25-31-0002	UNPLATTED CITY OF RAMSEY THAT PART OF THE NE1/4 OF SW1/4 OF SEC 28-32-25 ANOKA CNTY, MN DESC AS FOL-BEG AT THE INTERSECTION OF THE ELY LINE OF SAID NE1/4 OF SW1/4 WITH THE NELY LINE OF U S HWY NO10 AS MONUMENTED TH NWLY ALONG SAID NELY LINE OF SAID HWY A DIST OF 386.98 FT-TH NELY AT RIGHT ANGLES TO SAID NELY LINE OF SAID HWY TO THE SWLY LINE OF THE BURLINGTON NORTHERN RAILROAD-TH SELY ALONG SAID SWLY LINE OF SAID RAILROAD TO THE SAID ELY LINE OF SAID NE1/4 OF SW1/4-TH SLY ON SAID ELY LINE TO THE POINT OF BEG
28-32-25-23-0009	OUTLOT A RAMSEY TOWN CENTER 3RD ADD
28-32-25-43-0002	THAT PRT OF W1/2 OF SE1/4 OF SEC 28 TWP 32 RGE 25 DESC AS FOL: COM AT SE COR OF SD SEC, TH N 0 DEG 28 MIN 50 MIN W, ASSD BRG, ALG E LINE OF SD 1/4 164.43 FT TO MONUMENT A-85 ON NLY R/W LINE OF TH NO10 AS SHOWN ON MN DEPT OF TRANSPORTATION PLAT 02-M4, TH N 65 DEG 51 MIN 38 SEC W ALG SD NLY R/W LINE 806.12 FT TO MONUMENT A-39 AS SHOWN ON SD PLAT, TH CONT ALG SD NLY R/W LINE ALG A TAN CUR CONC TONE RAD 22673.76 FT, CEN ANG 1 DEG 42 MIN 24 SEC 675.48 FT TO MONUMENT A-37 AS SHOWN ON SD PLAT, TH N 64 DEG 09 MIN 14 SEC W ALG SD NLY R/W LINE 430.18 FT TO POB, TH CONT N 64 DEG 09 MIN 14 SEC W ALGSD NLY R/W LINE 538 FT TO A PT 985 FT NWLY, AS MEAS ALG SD NLY R/W LINE, FROM ITS INTER/W E LINE OF SD W1/2 OF SE1/4, TH N 4 DEG 33 MIN 33 SEC W 269.97 FT TO SLY R/W LINE OF BN R/R, TH S 66 DEG 42 MIN 01 SEC E ALG SD SLY R/W LINE 630.93 FT TO INTER/W A LINE BRG N 16 DEG 12 MIN 07 SEC E FROM POB, TH S 16 DEG 12 MIN 07 SEC W 264.61 FT TO POB, AKA PRT OF LOTS 2 & 3 AUD SUB NO 34, EX RD, SUBJ TO EASE OF REC
29-32-25-11-0012	THE N 70 FT OF LOT 2 BLK 1 HY-10 RAMSEY 2ND ADD, SUBJ TO EASE OF REC

Additional parcels located within the District boundaries added in Administrative Amendment No. 1:

28-32-25-13-0002 ✓	THE N 150 FT OF THE S1/2 OF NE1/4 OF SEC 28-32-25; EX RD; SUBJ TO EASE OF REC
28-32-25-13-0035 ✓	UNIT 331 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-13-0036 ✓	UNIT 332 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-13-0037 ✓	UNIT 333 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC

[illegible]

28-32-25-13-0073 ✓	UNIT 1236 CIC NO 211 THE SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-13-0074 ✓	UNIT 1237 CIC NO 211 THE SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0154 ✓	UNIT 211 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0155 ✓	UNIT 212 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0156 ✓	UNIT 213 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0157 ✓	UNIT 214 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0158 ✓	UNIT 215 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0159 ✓	UNIT 711 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0160 ✓	UNIT 712 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0161 ✓	UNIT 713 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0162 ✓	UNIT 714 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0163 ✓	UNIT 715 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0164 ✓	UNIT 716 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0165 ✓	UNIT 811 CIC NO 211 THE SYMPHONY AT TOWN CENTER SIXTH, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0166 ✓	UNIT 812 CIC NO 211 THE SYMPHONY AT TOWN CENTER SIXTH, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0167 ✓	UNIT 813 CIC NO 211 THE SYMPHONY AT TOWN CENTER SIXTH, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0168 ✓	UNIT 814 CIC NO 211 THE SYMPHONY AT TOWN CENTER SIXTH, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0169 ✓	UNIT 815 CIC NO 211 THE SYMPHONY AT TOWN CENTER SIXTH, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0170 ✓	UNIT 816 CIC NO 211 THE SYMPHONY AT TOWN CENTER SIXTH, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0171 ✓	UNIT 817 CIC NO 211 THE SYMPHONY AT TOWN CENTER SIXTH, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0173 ✓	UNIT 511 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0174 ✓	UNIT 512 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0175 ✓	UNIT 513 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0176 ✓	UNIT 514 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0177 ✓	UNIT 515 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0178 ✓	UNIT 516 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-14-0179 ✓	UNIT 517 CIC NO 211 SYMPHONY AT TOWN CENTER, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-32-0008 ✓	ALPACA ESTATES LOT 1 BLK 3 ALPACA EST EASE TO ST OF MN FOR RT OF ACCESS TO HWY NO 10(SUBJ TO EASE AS SHOWN ON PLAT)
28-32-25-32-0011 ✓	ALPACA ESTATES LOT 2 BLK 4 ALPACA EST(SUBJ TO EASE AS SHOWN ON PLAT)
28-32-25-32-0017 ✓	UNIT 1 CIC NO 251 RIVERVIEW OFF CONDO, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-32-0018 ✓	UNIT 2 CIC NO 251 RIVERVIEW OFF CONDO, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-32-0019 ✓	UNIT 3 CIC NO 251 RIVERVIEW OFF CONDO, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-32-0020 ✓	UNIT 4 CIC NO 251 RIVERVIEW OFF CONDO, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
28-32-25-32-0021 ✓	UNIT 5 CIC NO 251 RIVERVIEW OFF CONDO, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC

on list
twice

28-32-25-32-0022 ✓	LOTS 3 THRU 6 INCL BLK 2 ALPACA ESTATES, SUBJ TO EASE OF REC
28-32-25-32-0023 ✓	LOTS 2 THRU 6 INCL BLK 5 ALPACA ESTATES, SUBJ TO EASE OF REC
28-32-25-41-0013 ✓	THE S 50 FT OF E 25 FT OF OUTLOT FF RAMSEY TOWN CENTER ADDITION, EX RD SUBJ TO EASE OF REC
28-32-25-42-0019 ✓	LOT 1 BLOCK 1 RAMSEY TOWN CENTER 11TH ADD, EX THAT PRT LYG SLY OF FOL DESC LINE: COM AT SELY COR OF SD LOT, TH N ALG ELY LINE OF SD LOT 186.92 FT TO POB OF SD LINE, TH W 692.28 FT TO WLY LINE OF SD LOT & SD LINE THERE TERM, SUBJ TO EASE OF REC
29-32-25-12-0001	UNPLATTED RAMSEY TWSP NW1/4 OF NE1/4 SEC 29-32-25-EX R R RT OF WAY-SUBJ TO EASE TO RURAL CO-OP POWER ASSN-
29-32-25-13-0007 ✓	OUTLOT A ALPACA ESTATES 4TH ADD
29-32-25-13-0008 ✓	OUTLOT B ALPACA ESTATES 4TH ADD
29-32-25-41-0025 ✓	UNIT 101 CIC NO 242 RAMSEY CONDO, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
29-32-25-41-0026 ✓	UNIT 102 CIC NO 242 RAMSEY CONDO, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC
29-32-25-41-0027 ✓	UNIT 103 CIC NO 242 RAMSEY CONDO, TOG/W COMMON ELEMENT, SUBJ TO EASE OF REC

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Assumptions Report

City of Ramsey, Minnesota
Tax Increment Financing (Redevelopment) District No. 14
The COR Project
Scenario 2 - Without FD

Type of Tax Increment Financing District	Redevelopment
Maximum Duration of TIF District	25 years from 1st increment
Projected Certification Request Date	06/30/11
Decertification Date	12/31/37 (26 Years of Increment)
	<u>2010/2011</u>
Base Estimated Market Value	\$85,278,600
Original Net Tax Capacity	\$1,391,239
	Assessment/Collection Year
	<u>2011/2012</u> <u>2012/2013</u> <u>2013/2014</u> <u>2014/2015</u>
Base Estimated Market Value	\$86,639,997 \$88,002,393 \$89,972,551 \$91,942,709
Increase in Estimated Market Value	15,982,624 31,965,249 49,815,112 67,664,975
Total Estimated Market Value	102,622,621 119,967,642 139,787,663 159,607,684
Total Net Tax Capacity	\$1,736,081 \$1,902,559 \$2,224,634 \$2,428,157
City of Ramsey	37.811%
Anoka County	35.189%
ISD #11	19.939%
Other	6.627%
Local Tax Capacity Rate	99.566% 2009/2010
Fiscal Disparities Contribution From TIF District	41.9115%
Administrative Retainage Percent (maximum = 10%)	10.00%
Pooling Percent	0.00%
<u>Bonds</u>	<u>Note (Pay-As-You-Go)</u>
Bonds Dated 06/30/11	Note Dated 06/30/11
Bond Issue @ 0.00% (NIC) \$0	Note Rate 6.00%
Eligible Project Costs \$0	Note Amount \$61,282,863
Present Value Date & Rate	06/30/11 6.00%

Notes

Assumptions include no future changes to the property tax system, class rates and tax rate.
The assumptions include the use of a 2% annual market value inflator starting in taxes payable 2018.

Projected Tax Increment Report

City of Ramsey, Minnesota
Tax Increment Financing (Redevelopment) District No. 14
The COR Project
Scenario 2 - Without FD

Annual Period Ending (1)	Total Net Tax Capacity (2)	Less: Original Net Tax Capacity (3)	Less: Fiscal Disp. @ 0.0000% (4)	Retained Captured Net Tax Capacity (5)	Times: Tax Capacity Rate (6)	Annual Gross Tax Increment (7)	Less: State Aud. Deduction 0.360% (8)	Less: Admin. Retainage 10.00% (9)	Annual Net Revenue (10)	P.V. Annual Net Rev. To 06/30/11 6.00% (11)
12/31/11	1,391,239	1,391,239	0	0	99.566%	0	0	0	0	0
12/31/12	1,736,081	1,391,239	0	344,842	99.566%	343,345	1,236	34,211	307,898	286,223
12/31/13	1,902,559	1,409,713	0	492,846	99.566%	490,707	1,767	48,894	440,046	395,913
12/31/14	2,224,634	1,440,042	0	784,592	99.566%	781,187	2,812	77,838	700,537	579,584
12/31/15	2,428,157	1,470,371	0	957,786	99.566%	953,629	3,433	95,020	855,176	667,475
12/31/16	3,383,782	1,553,449	0	1,830,334	99.566%	1,822,390	6,561	181,583	1,634,246	1,203,348
12/31/17	3,811,925	1,636,526	0	2,175,398	99.566%	2,165,957	7,797	215,816	1,942,344	1,349,255
12/31/18	4,674,466	1,719,604	0	2,954,862	99.566%	2,942,038	10,591	293,145	2,638,302	1,728,967
12/31/19	5,570,786	1,802,681	0	3,768,105	99.566%	3,751,752	13,506	373,825	3,364,421	2,080,016
12/31/20	6,485,033	1,885,759	0	4,599,274	99.566%	4,579,314	16,486	456,283	4,106,545	2,395,119
12/31/21	7,417,565	1,968,836	0	5,448,729	99.566%	5,425,081	19,530	540,555	4,864,996	2,676,869
12/31/22	8,267,499	2,033,439	0	6,234,060	99.566%	6,207,004	22,345	618,466	5,566,193	2,889,329
12/31/23	9,134,432	2,098,043	0	7,036,389	99.566%	7,005,851	25,221	698,063	6,282,567	3,076,593
12/31/24	9,981,659	2,150,791	0	7,830,868	99.566%	7,796,882	28,069	776,881	6,991,932	3,230,161
12/31/25	10,845,830	2,203,540	0	8,642,291	99.566%	8,604,783	30,977	857,381	7,716,425	3,363,081
12/31/26	11,502,666	2,203,540	0	9,299,127	99.566%	9,258,768	33,332	922,544	8,302,892	3,413,852
12/31/27	12,107,408	2,203,540	0	9,903,869	99.566%	9,860,886	35,499	982,539	8,842,848	3,430,059
12/31/28	12,349,556	2,203,540	0	10,146,017	99.566%	10,101,983	36,367	1,006,562	9,059,054	3,315,022
12/31/29	12,596,547	2,203,540	0	10,393,008	99.566%	10,347,902	37,252	1,031,065	9,279,585	3,203,511
12/31/30	12,848,478	2,203,540	0	10,644,939	99.566%	10,598,740	38,155	1,056,059	9,504,526	3,095,439
12/31/31	13,105,448	2,203,540	0	10,901,908	99.566%	10,854,594	39,077	1,081,552	9,733,965	2,990,720
12/31/32	13,367,557	2,203,540	0	11,164,017	99.566%	11,115,566	40,016	1,107,555	9,967,995	2,889,268
12/31/33	13,634,908	2,203,540	0	11,431,368	99.566%	11,381,756	40,974	1,134,078	10,206,704	2,790,999
12/31/34	13,907,606	2,203,540	0	11,704,067	99.566%	11,653,271	41,952	1,161,132	10,450,187	2,695,829
12/31/35	14,185,758	2,203,540	0	11,982,219	99.566%	11,930,216	42,949	1,188,727	10,698,540	2,603,676
12/31/36	14,469,473	2,203,540	0	12,265,934	99.566%	12,212,700	43,966	1,216,873	10,951,861	2,514,459
12/31/37	14,758,863	2,203,540	0	12,555,323	99.566%	12,500,833	45,003	1,245,583	11,210,247	2,428,096
12/31/38	0	0	0	0	99.566%	0	0	0	0	0
12/31/39	0	0	0	0	99.566%	0	0	0	0	0
						\$184,687,135	\$664,873	\$18,402,230	\$165,620,032	\$61,282,863

Estimated Impact on Other Taxing Jurisdictions Report

City of Ramsey, Minnesota Tax Increment Financing (Redevelopment) District No. 14 The COR Project Scenario 2 - Without FD

Taxing Jurisdiction	Without Project or TIF District			With Project and TIF District						
	2009/2010 Taxable Net Tax Capacity (1)	2009/2010 Local Tax Rate	2009/2010 Taxable Net Tax Capacity (1)	Projected Retained Captured Net Tax Capacity		New Taxable Net Tax Capacity	Hypothetical Adjusted Local Tax Rate (*)	Hypothetical Decrease In Local Tax Rate (*)	Hypothetical Tax Generated by Retained Captured N.T.C. (*)	
				+	=					
City of Ramsey	22,452,307	37.811%	22,452,307	\$12,555,323		35,007,630	24.250%	13.561%	3,044,699	
Anoka County	350,143,958	35.189%	350,143,958	12,555,323		362,699,281	33.971%	1.218%	4,265,155	
ISD #11	222,953,724	19.939%	222,953,724	12,555,323		235,509,047	18.876%	1.063%	2,369,946	
Other (2)	---	6.627%	---	12,555,323		---	6.627%	---	---	
Totals		99.566%					83.724%	15.842%		

*** Statement 1:** If the projected Retained Captured Net Tax Capacity of the TIF District was hypothetically available to each of the taxing jurisdictions above, the result would be a lower local tax rate (see Hypothetical Adjusted Tax Rate above) which would produce the same amount of taxes for each taxing jurisdiction. In such a case, the total local tax rate would decrease by 15.842% (see Hypothetical Decrease in Local Tax Rate above). The hypothetical tax that the Retained Captured Net Tax Capacity of the TIF District would generate is also shown above.

Statement 2: Since the projected Retained Captured Net Tax Capacity of the TIF District is not available to the taxing jurisdictions, then there is no impact on taxes levied or local tax rates.

- (1) Taxable net tax capacity = total net tax capacity - captured TIF - fiscal disparity contribution, if applicable.
 (2) The impact on these taxing jurisdictions is negligible since they represent only 6.66% of the total tax rate.

Market Value Analysis Report

City of Ramsey, Minnesota
Tax Increment Financing (Redevelopment) District No. 14
The COR Project
Scenario 2 - Without FD

<u>Assumptions</u>			
Present Value Date		06/30/11	
P.V. Rate - Gross T.I.		6.00%	
Increase in EMV With TIF District		515,404,309	
Less: P.V of Gross Tax Increment		<u>68,338,087</u>	
Subtotal		\$447,066,222	
Less: Increase in EMV Without TIF		<u>0</u>	
Difference		\$447,066,222	
	Year	Annual Gross Tax Increment	Present Value @ 6.00%
1	2012	343,345	319,174
2	2013	490,707	430,342
3	2014	781,187	646,310
4	2015	953,629	744,319
5	2016	1,822,390	1,341,885
6	2017	2,165,957	1,504,589
7	2018	2,942,038	1,928,015
8	2019	3,751,752	2,319,479
9	2020	4,579,314	2,670,858
10	2021	5,425,081	2,985,045
11	2022	6,207,004	3,221,964
12	2023	7,005,851	3,430,787
13	2024	7,796,882	3,602,035
14	2025	8,604,783	3,750,257
15	2026	9,258,768	3,806,874
16	2027	9,860,886	3,824,946
17	2028	10,101,983	3,696,666
18	2029	10,347,902	3,572,317
19	2030	10,598,740	3,451,803
20	2031	10,854,594	3,335,028
21	2032	11,115,566	3,221,897
22	2033	11,381,756	3,112,314
23	2034	11,653,271	3,006,188
24	2035	11,930,216	2,903,426
25	2036	12,212,700	2,803,937
26	2037	<u>12,500,833</u>	<u>2,707,632</u>
		\$184,687,135	\$68,338,087

MODIFICATION TO THE DEVELOPMENT PROGRAM
FOR DEVELOPMENT DISTRICT NO. 1

CITY OF RAMSEY, MINNESOTA

ADOPTED: DECEMBER 14, 2010

This document was drafted by:

BRIGGS AND MORGAN,
Professional Association (MLI)
2200 First National Bank Building
332 Minnesota Street
Saint Paul, Minnesota 55101

Table of Contents

	Page
ARTICLE I MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1	1
Section 1.01 Definitions.....	1
ARTICLE II MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1	2
Section 2.01 Statement of Need and Public Purpose	2
Section 2.02 Statutory Authority	2
Section 2.03 Description of Development District	3
Section 2.04 Increase Estimates of Public Costs and Budget	3
EXHIBIT A Description of Development District No. 1	A-1

ARTICLE I

MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1

Section 1.01 Definitions. The terms defined below have, for purposes of this Development Program, the meanings herein specified, unless the context specifically requires otherwise:

"City" means the City of Ramsey, a municipal corporation and political subdivision of the State of Minnesota.

"City Council" means the City Council of the City.

"County" means Anoka County, Minnesota.

"Development District Act" means Minnesota Statutes, Sections 469.124 through 469.134, as amended and supplemented from time to time.

"Development District" means Development District No. 1 of the City, the boundaries of which are described on the attached Exhibit A.

"Development Program" means the Development Program for the Development District, adopted by the City Council on August 27, 1985, as the same may, from time to time, be amended or supplemented.

"Public Costs" means the repayment of debt service on any Tax Increment Bonds and the costs set forth in Sections 3.07 and 3.16 of the Tax Increment Financing Plan, and any other costs eligible to be financed by Tax Increments under Minnesota Statutes, Section 469.176, subdivision 4.

"State" means the State of Minnesota.

"Tax Increment Financing District" means any tax increment financing district presently established or to be established in the future in the Development District.

"Tax Increment Financing Act" means Minnesota Statutes, Sections 469.174 through 469.1799, both inclusive, as amended and supplemented from time to time.

"Tax Increment Financing Plan" means the respective Tax Increment Financing Plan for each Tax Increment Financing District located within the Development District.

ARTICLE II

MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1

Section 2.01 Statement of Need and Public Purpose. The City Council of the City has determined that there is a need for the City to take certain actions designed to encourage, ensure and facilitate development and redevelopment by the private sector of under utilized and unused land located within the corporate limits of the City in order to provide additional employment opportunities for residents of the City and the surrounding area, to improve the tax base of the City, the County and Independent School District No. 11 (the "School District") thereby enabling them to better utilize existing public facilities and provide needed public services, and to improve the general economy of the City, the County, and the State. Specifically, the City Council has determined that the property within the Development District is either under utilized or unused due to a variety of factors, including inadequate public improvements to serve the property; which has resulted in a lack of private investment; that, as a result, the property is not providing adequate employment opportunities, and is not contributing to the tax base and general economy of the City, the School District, the County and the State to its full potential; and, therefore, that it is necessary for the City to exercise its authority under the Development District Act and the Tax Increment Financing Act to develop, implement and finance a program designed to encourage, ensure and facilitate the commercial development and redevelopment of the property located in the Development District, to further and accomplish the public purposes specified in this paragraph.

The development proposed for the Development District would not occur solely through private investment in the foreseeable future; the Tax Increment Financing Plan proposed herein is consistent with the Development Program; and the Tax Increment Financing Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the property located in the Development District by private enterprise.

The welfare of the City, the County and the State of Minnesota requires active promotion, attraction, encouragement and development of economically sound industry and commerce by the City.

Section 2.02 Statutory Authority. The Development District Act authorizes the City, upon certain public purpose findings by the City Council, to establish and designate development districts within the City and to establish, develop and administer development programs therefor to meet the needs and accomplish the public purposes specified in Section 2.01. In accordance with the purposes set forth in Section 469.124 of the Development District Act, the City Council has established the Development District comprising the area described on the attached Exhibit A and has adopted this Development Program therefor.

The Tax Increment Financing Act authorizes the City, upon certain findings by the City Council, to establish and designate tax increment financing districts within the Development District and to adopt and implement a tax increment financing plan to accomplish the Development Program established for the Development District. In accordance with the Tax

Increment Financing Act, the City has established Tax Increment Financing District No. 12 in the Development District as a housing district described in Section 469.174 subdivision 11, and has adopted therefor the Tax Increment Financing Plan set forth in Article III of the Development Program, which provides for the use of tax increment financing to finance the cost of qualified public activities and improvements in the Development District, as specified in the Development Program and the Tax Increment Financing Plan.

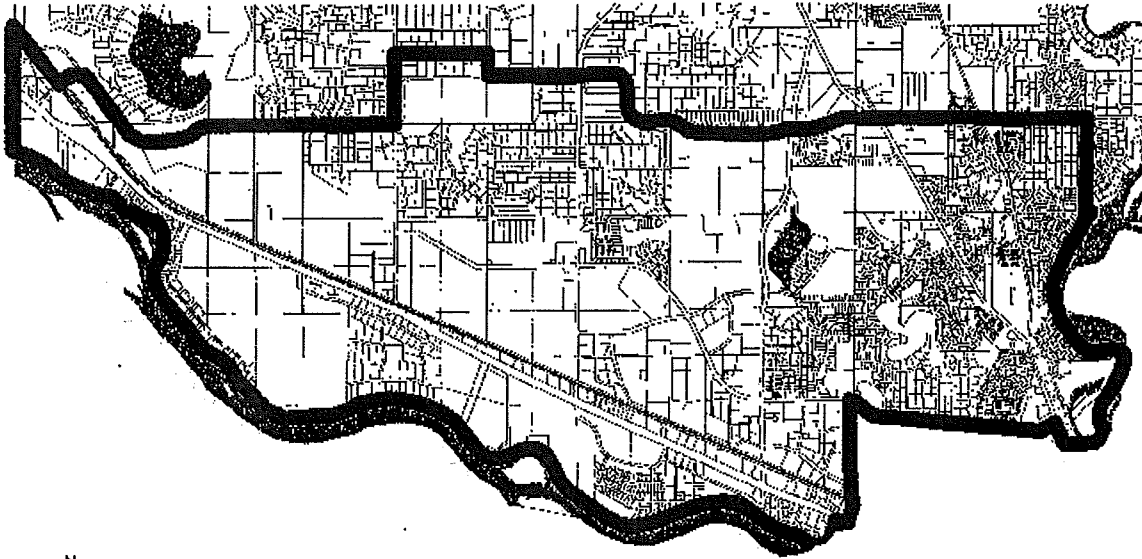
Section 2.03 Description of Development District. The Development District is described in Exhibit A.

Section 2.04 Increase Estimates of Public Costs and Budget. The additional costs eligible to be incurred by the City, directly or indirectly, in carrying out the Development Program, as modified are amended to include the Public Costs set forth in the Tax Increment Financing Plan for Tax Increment Financing (Redevelopment) District No. 14.

EXHIBIT A

Description of Development District No. 1

CITY OF RAMSEY



DEVELOPMENT DISTRICT NO. 1

Prepared by the Ancker County GIS Department
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