

## MEMORANDUM OF INTENT

Dated as of January \_\_, 2012

The parties to this Memorandum of Intent ("MOI") are The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a body corporate and politic under the laws of the state of Minnesota (the "HRA"); PSD, LLC, a Minnesota limited liability company ("PSD, LLC"); Anchors Away, Inc., a Minnesota corporation ("Anchors Away"); NAU Holding Company, LLC, a Minnesota limited liability company ("NAU") and Ramsey Professional Center, LLC, a Minnesota limited liability company ("RPC"). PSD, LLC, Anchors Away, NAU and RPC are collectively referred to herein as the "Affiliated Entities."

The Ramsey Town Center Community Association, a Minnesota non-profit corporation (the "Association") is a "master association," as defined in Minnesota Statutes Chapter 515B which was organized to exercise certain rights and fulfill certain obligations that the Master Declaration Ramsey Town Center dated August 5, 2005 and recorded on September 15, 2005 (the "Master Declaration") grant to and impose upon the Association. The Master Declaration encumbers much, but not all, of certain property within the City of Ramsey that was originally platted as Ramsey Town Center (the "Property"), and many, but not all of the owners of the property subject to the Master Declaration are members of the Association.

The original developer, Ramsey Town Center LLC ("RTC") intended to develop the Property as a mixed use development under the name "Ramsey Town Center," but RTC ultimately defaulted on its development loan, the lender foreclosed and the HRA purchased approximately 150 acres of land from the lender (the "HRA Property"). The HRA Property is legally described on the attached Exhibit A. A portion of the HRA Property is subject to the Master Declaration.

To allow the HRA and the Affiliated Entities to each provide for the delivery of services to their respective properties in the manner that each deems most appropriate, the Association, the Affiliated Entities and the HRA agree as follows:

### **1. This Letter of Intent is not a Binding Agreement.**

The Affiliated Entities and the HRA recognize and agree that this MOI is not a binding legal agreement. The purpose of this MOI is to evidence the intention of the HRA and the Affiliated Entities to negotiate, in good faith, towards an agreement (the "Agreement") that would include each of the terms set forth below and such other terms as may be mutually acceptable to the parties. This MOI is also intended to provide notice to the Association, the members of the Association, and the City of Ramsey of the intentions of the parties. The parties agree that the agreements set forth below are all interrelated and dependent upon implementation of each other.

### **2. Termination of Membership in Association.**

The HRA and the Affiliated Entities believe that they have sufficient membership votes in the Association to amend the Master Declaration to release the HRA Property from the terms of the Master Declaration. The HRA and the Affiliated Entities will agree to join in an amendment to the Master Declaration and to encourage other members of the Association to join in amendment to the Master Declaration, pursuant to Section 14.1.1 of the Master Declaration, to release all of the HRA Property from the terms of the Master Declaration. The HRA is interested in subjecting the portion of Outlot GG, Ramsey Town Center that the HRA owns to either a new declaration or an amended and restated Master Declaration that encumbers some or all of the property described on Exhibit A, but because of the HRA's concerns regarding the existing Master Declaration, the HRA is not willing to leave its portion of Outlot GG subject to the existing Master Declaration.

**3. Additional Real Estate.** The HRA and the Affiliated Entities agree that any amendment releasing the HRA Property from the terms of the Master Declaration will designate the portion of Outlot GG, Ramsey Town Center that the HRA owns as property that may subsequently be subjected to the Master Declaration with the consent of the owner of that portion of the HRA Property and the Association.

**4. Special Service District.**

The HRA and the Affiliated Entities will agree that: (i) the HRA may not, in its capacity as the owner of all or any portion of the HRA Property, file or join in a filing of a petition under Minn. Stat. Section 428A.08 for the creation of a special service district that would encompass property that one or more of the Affiliated Entities currently owns without the prior written consents of all Affiliated Entities whose property would be within the boundaries of the proposed special service district, and (ii) if other property owners file a petition for the creation of a special service district that would encompass property the HRA owns and property an Affiliated Entity owns, the HRA will, upon the written request of the Affiliated Entity, join with the affiliated entity in filing an objection to the adoption of the special service district ordinance in accordance with Minn. Stat. Section 428A.09. This Agreement will be documented in the form of a covenant that runs with title to the HRA Property and binds the HRA's successors in title for a period of twenty five (25) years following the date of the Agreement; provided, however the Agreement will not be binding on the HRA's successor's in title to the property described on Exhibit B.

**5. The Master Declaration and Association.**

The HRA and the Affiliated Entities will agree that if the HRA seeks to sell one or more portions of the HRA Property before the HRA Property is released from the Master Declaration, that each Affiliated Entity, in its capacity as a member of the Association, will cooperate with the HRA to cause the Association to execute a commercially reasonable form of estoppel certificate evidencing the status to the HRA's performance of its obligations under the Master Declaration and to execute a waiver of any provisions of Section 9 of the Master Declaration that could be interpreted as requiring that the HRA or a party purchasing a portion of the HRA Property from the HRA seek the "Architectural Review Committee's" review and approval of plans for

improvements to be constructed as a part of the development of all or any portion of the HRA Property.

**6. Validation Litigation.**

If deemed to be necessary by their attorneys, the HRA and the Affiliated Entities will vote to authorize and direct the Association to file a validation lawsuit in Anoka County District Court to obtain confirm the enforceability of any amendments to the Master Declaration ("Court Approved Agreement")

**7. Special Membership Meeting of Association.**

Upon approval of this MOI, the HRA and the Affiliated Entities will jointly request that the Board of the Association to initiate the activity necessary to complete the actions contemplated in this MOI.

**PSD, LLC**

By: \_\_\_\_\_  
Pamela Deal, Its Chief Manager

Date: \_\_\_\_\_

**Ramsey Professional Center, LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Its: Chief Manager

**Anchors Away, Inc.**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Its: \_\_\_\_\_

**NAU Holding Company, LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Its: Chief Manager

**The Housing and Redevelopment Authority in and  
for the City of Ramsey, Minnesota**

\_\_\_\_\_  
HRA Chairperson

Date: \_\_\_\_\_

\_\_\_\_\_  
HRA Executive Director

Date: \_\_\_\_\_

cc: Ramsey City Council  
Ramsey HRA Commissioners  
Ramsey Town Center Community Association Board members

EXHIBIT A

LEGAL DESCRIPTION OF THE HRA PROPERTY

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

And

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

And

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

And

Outlot B, RAMSEY TOWN CENTER 11<sup>th</sup> ADDITION Anoka County; Minnesota;

And

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

And

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

And

Outlots A, C, D, and F, RAMSEY TOWN CENTER 8<sup>th</sup> ADDITION Anoka County; Minnesota;

And

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

And

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

And

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

And

Outlot A, RAMSEY TOWN CENTER 10<sup>th</sup> ADDITION Anoka County; Minnesota;

And

Outlots A and B, RAMSEY TOWN CENTER 7<sup>th</sup> ADDITION Anoka County; Minnesota.

EXHIBIT B

PARCEL ONE:

That part of Lots 1 and 2, Block 1 and Outlot A, RAMSEY TOWN CENTER 5<sup>TH</sup> ADDITION, Anoka County, Minnesota that are being replatted as Lot 3, Block 1 COR ONE, Anoka County, Minnesota.

PARCEL TWO:

That part of Outlot A, RAMSEY TOWN CENTER 5<sup>TH</sup> ADDITION and Outlot M, Ramsey Town Center Addition, Anoka County, Minnesota that are being replatted as Lot 4, Block 1 COR ONE, Anoka County, Minnesota.

PARCEL THREE:

THAT PART OF:

OUTLOT GG, RAMSEY TOWN CENTER ADDITION, ANOKA COUNTY MINNESOTA EXCEPT THAT PART DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF SAID OUTLOT GG; THENCE ON AN ASSUMED BEARING OF SOUTH, ALONG THE WESTERLY LINE OF SAID OUTLOT GG FOR 567.55 FEET TO A POINT OF CURVATURE IN SAID WESTERLY LINE; THENCE SOUTHERLY FOR 36.04 FEET ALONG SAID WESTERLY LINE ALONG A TANGENTIAL CURVE CONCAVE TO THE WEST, RADIUS 540 FEET AND A CENTRAL ANGLE 03 DEGREES 49 MINUTES 27 SECONDS TO A POINT OF TANGENCY IN SAID WESTERLY LINE; THENCE SOUTH 03 DEGREES 49 MINUTES 27 SECONDS WEST ALONG SAID WESTERLY LINE FOR 87.95 FEET TO THE MOST SOUTHERLY CORNER IN SAID WESTERLY LINE; THENCE SOUTH 66 DEGREES 10 MINUTES 33 SECONDS EAST ALONG THE SOUTHWESTERLY LINE OF SAID OUTLOT GG FOR 659.59 FEET; THENCE ON A BEARING OF NORTH FOR 957.75 FEET TO THE NORTHERLY LINE OF SAID OUTLOT GG; THENCE ON A BEARING OF WEST ALONG SAID NORTHERLY LINE FOR 596.32 FEET TO THE POINT OF BEGINNING

THAT IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID OUTLOT GG; THENCE SOUTH 00 DEGREES 00 MINUTES 35 SECONDS WEST, ASSUMED BEARING ALONG THE EAST LINE OF SAID OUTLOT GG, A DISTANCE OF 332.33 FEET; THENCE WEST, PARALLEL WITH THE NORTH LINE OF SAID OUTLOT GG, A DISTANCE OF 273.63 FEET; THENCE NORTH, A DISTANCE OF 432.33 FEET TO

Mr. Kurtis Ulrich & Ms. Heidi Nelson

December 19, 2011

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SAID NORTH LINE; THENCE EAST, ALONG SAID NORTH LINE, A DISTANCE  
OF 273.69 FEET TO THE POINT OF BEGINNING.