

City of Ramsey
Agenda
Housing and Redevelopment Authority (HRA)
Regular Session
Tuesday February 14, 2012
Immediately Following the City Council Meeting
Council Chambers, 7550 Sunwood Drive NW

- 1. Call to Order**
- 2. Citizen Input**
- 3. Approve Agenda**
- 4. Approve Minutes**
- 5. HRA Business**
 1. Adopt Resolution #12-02-XXX Adopting the 2012 Housing & Redevelopment Authority Budget and Adopt Resolution #12-02-XXX Amending the 2011 Housing & Redevelopment Authority Budget
 2. Consider Process for Acquisition of Parcel owned by M & W Holdings - Jeff Wise (14590 Armstrong Blvd NW)
 3. Consider Memorandum of Intent Regarding Resolution to the Master Declaration/Association
- 6. Executive Director's Report**
- 7. Commissioner Input**
- 8. Adjournment**

HRA Regular Session

5. 1.

Meeting Date: 02/14/2012

By: Diana Lund, Finance

Title:

Adopt Resolution #12-02-XXX Adopting the 2012 Housing & Redevelopment Authority Budget and Adopt Resolution #12-02-XXX Amending the 2011 Housing & Redevelopment Authority Budget

Background:

Attached for your review and consideration is the 2012 Housing & Redevelopment Authority (HRA) budget. This is the same budget that was presented at the time of the HRA Levy with adoption in December. The budget now needs to be formally adopted.

The financing source for these operations is interest earnings, prior years fund balance and property taxes from the HRA levy.

The HRA budget outlines expenditures associated with such items as staff time, development managers contract, marketing of the COR and parking ramp maintenance. The majority of HRA expenditures relate to COR activities.

Also attached to this case is a resolution amending 2011 activity. This is primarily a "housekeeping" item and is done on an annual basis. The projections through the end of the year are based on actual activity and will be finalized after the annual city audit in April 2012.

Recommendation:

Approve attached Resolution #HRA-12-02-XXX Adopting the 2012 Housing & Redevelopment Authority Budget;
And
Approve attached Resolution #HRA-12-02-XXX Amending the 2011 Housing & Redevelopment Authority Budget.

Funding Source:

HRA activities are funded by the HRA levy and existing fund balance.

Council Action:

Motion to recommend HRA adopt Resolution #HRA-12-02-XXX Adopting the 2012 Housing & Redevelopment Authority Budget;
And
Motion to recommend HRA adopt Resolution #HRA-12-02-XXX Amending the 2011 Housing & Redevelopment Authority Budget.

Attachments

- 2012 HRA budget
- Adopt 2012 HRA Budget
- Amend 2011 HRA Budget

Form Review

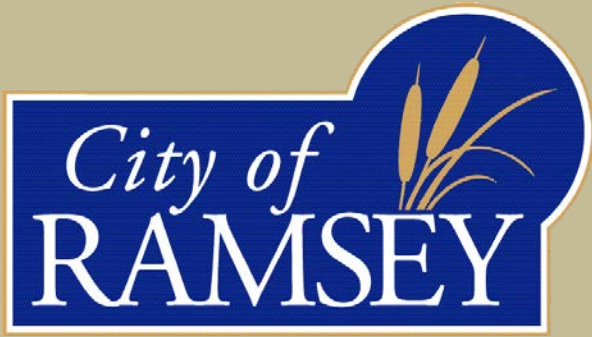
Inbox
Heidi Nelson

Reviewed By
Heidi Nelson

Date
02/09/2012 02:57 PM
Started On: 02/08/2012 06:43 AM

Form Started By: Diana Lund

Final Approval Date: 02/09/2012



CITY OF RAMSEY
HOUSING REDEVELOPMENT AUTHORITY
ADOPTED BUDGET
For Fiscal Year 2012



City of Ramsey
2012 Adopted Housing Redevelopment Authority Fund Budget

HOUSING REDEVELOPMENT AUTHORITY FUND 295 - SUMMARY

REVENUES

	-Actual 2008-	-Actual 2009-	-Actual 2010-	-Amended 2011-	-Adopted 2012-
TAXES	292,452	547,631	383,005	346,428	368,532
INTERGOVERNMENTAL REVENUES	14,460	13,722	-	-	-
INVESTMENT EARNINGS	23,749	24,699	5,000	2,500	2,500
MISCELLANEOUS	-	6,446,837	5	34,395	-
OTHER FINANCING SOURCES	-	1,583,185	5,000	136,302	-
TOTAL REVENUES	330,660	8,616,074	393,010	519,625	371,032

EXPENDITURES

	-Actual 2008-	-Actual 2009-	-Actual 2010-	-Amended 2011-	-Adopted 2012-
PERSONAL SERVICES	89,536	97,849	43,084	150,015	130,251
SUPPLIES	-	-	76,482	59,826	30,000
OTHER SERVICES & CHARGES	8,129	441,023	423,163	433,741	347,160
CAPITAL OUTLAY	-	-	-	111,669	-
TOTAL EXPENDITURES	97,664	538,873	542,729	755,251	507,411

FUND BALANCE

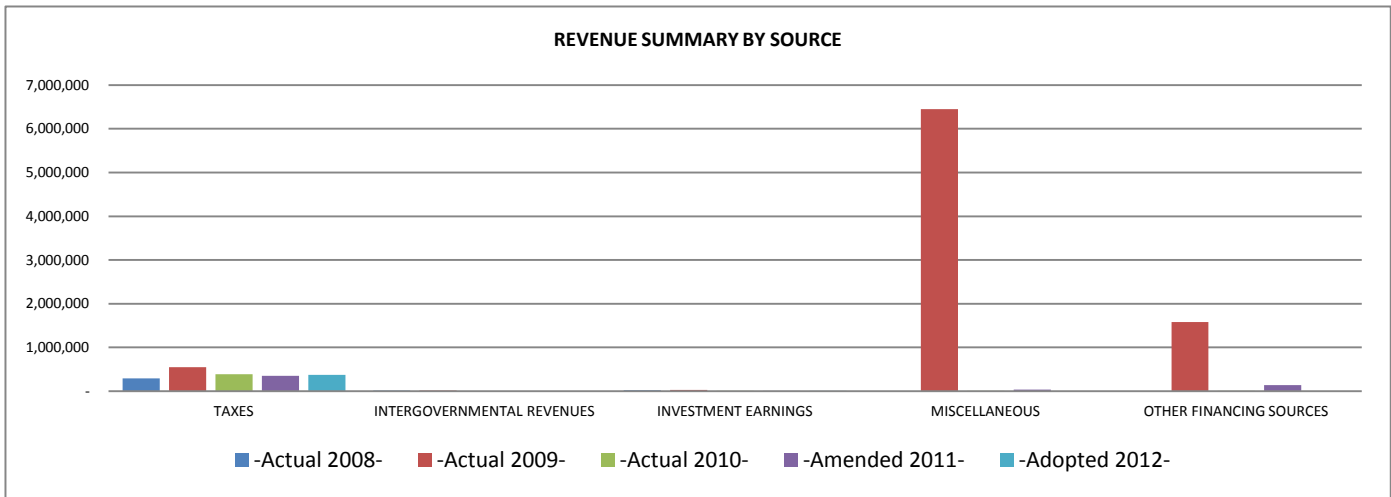
	-Actual 2008-	-Actual 2009-	-Actual 2010-	-Amended 2011-	-Adopted 2012-
FUND BALANCE, Begining on Yr	388,447	621,442	751,807	602,087	366,461
Revenues & Other Sources	330,660	7,433,666	393,010	519,625	371,032
Expenditures & Other Uses	(97,665)	(7,303,301)	(542,730)	(755,251)	(507,411)
FUND BALANCE, End of Yr	621,442	751,807	602,087	366,461	230,082

City of Ramsey
2012 Adopted Housing Redevelopment Authority Fund Budget

HOUSING REDEVELOPMENT AUTHORITY FUND 295 - REVENUE DETAIL

2008 Actual 2009 Actual 2010 Actual 2011 Amended 2012 Adopted

HRA FUND 230 - REVENUE SUMMARY	-Actual 2008-	-Actual 2009-	-Actual 2010-	-Amended 2011-	-Adopted 2012-
TAXES	292,452	547,631	383,005	346,428	368,532
INTERGOVERNMENTAL REVENUES	14,460	13,722	-	-	-
INVESTMENT EARNINGS	23,749	24,699	5,000	2,500	2,500
MISCELLANEOUS	-	6,446,837	5	34,395	-
OTHER FINANCING SOURCES	-	1,583,185	5,000	136,302	-
TOTAL REVENUES	330,660	8,616,074	393,010	519,625	371,032



HRA FUND 230 - REVENUE BY SOURCE	-Actual 2008-	-Actual 2009-	-Actual 2010-	-Amended 2011-	-Adopted 2012-
TAXES					
-					
4011 CURRENT-AD VALOREM TAXES	248,373	488,127	383,005	270,931	368,532
4012 DELINQUENT-AD VALOREM TAXES	5,410	16,263	-	5,517	-
4014 FISCAL DISPARITIES	38,669	43,241	-	69,980	-
TAXES Total	292,452	547,631	383,005	346,428	368,532
INTERGOVERNMENTAL REVENUES					
- STATE INTERGOVERNMENTAL					
4263 MARKET VALUE HOMESTEAD CREDIT	14,460	13,722	-	-	-
INTERGOVERNMENTAL REVENUES Total	14,460	13,722	-	-	-
INVESTMENT EARNINGS					
-					
4701 INTEREST ON INVESTMENTS	23,749	24,699	5,000	2,500	2,500
INVESTMENT EARNINGS Total	23,749	24,699	5,000	2,500	2,500
MISCELLANEOUS					
-					
4609 OTHER MISCELLANEOUS REVENUES	-	595,641	5	34,395	-
MISCELLANEOUS Total	-	595,641	5	34,395	-
OTHER FINANCING SOURCES					
TRANSFERS IN					
4901 TRANSFER IN FROM OTHER FUNDS	-	1,583,185	5,000	136,302	-
OTHER FINANCING SOURCES Total	-	1,583,185	5,000	136,302	-

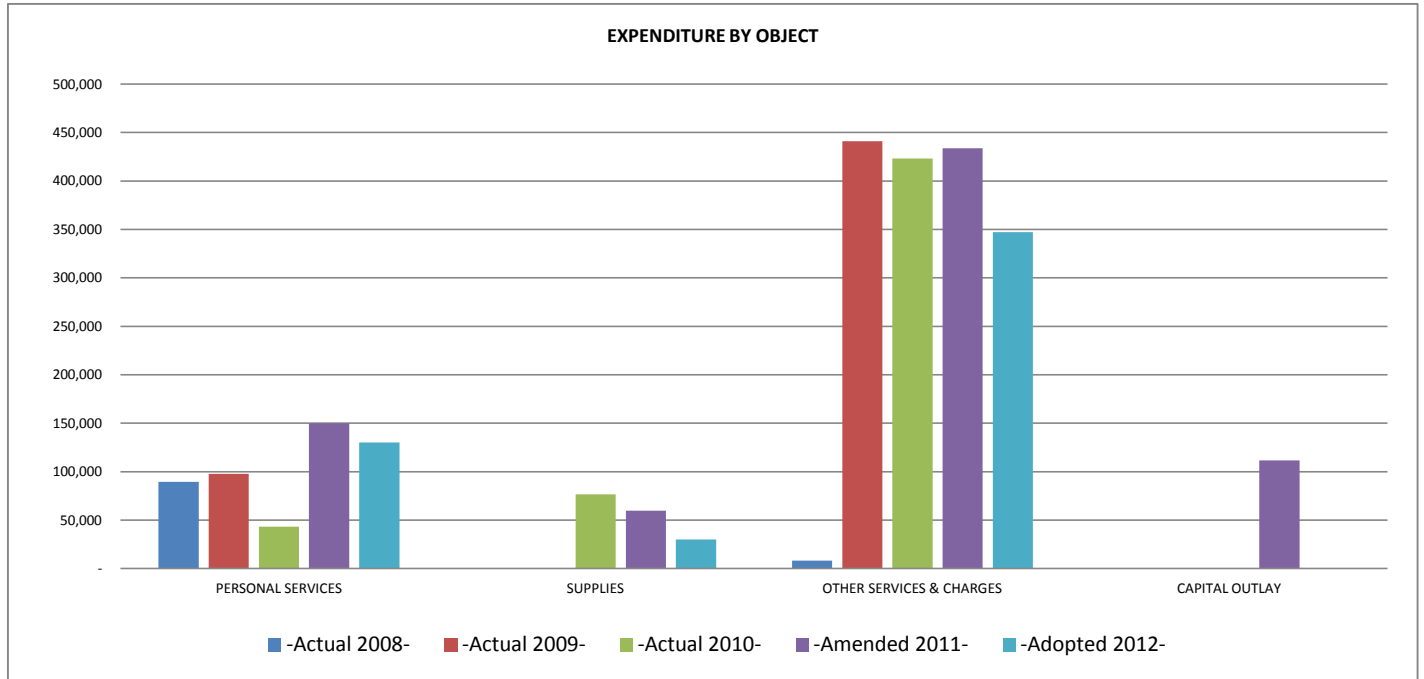
City of Ramsey
2012 Adopted Housing Redevelopment Authority Fund Budget

	2008 Actual	2009 Actual	2010 Actual	2011 Amended	2012 Adopted
TOTAL REVENUE	330,660	2,764,878	393,010	519,625	371,032
4011 Current Ad Valorem Taxes					
(Includes taxes from Town Center)	306,911	561,353	383,005	346,428	368,532
	306,911	561,353	383,005	346,428	368,532
4701 Interest Earnings					
	23,749	24,699	5,000	2,500	2,500
	23,749	24,699	5,000	2,500	2,500
4609 Miscellaneous Revenues					
Earnest Money - TOTI				34,395	-
County HRA payment towards RTC land purchase	-	595,641	5	-	-
	-	595,641	5	34,395	-
4901 Transfers in from other funds					
Letter of Credit Proceeds & Sewer/Water Loan	-	6,251,973	5,000	-	-
Non TIF Interest Earnings	-	0	0	136,302	-
	-	6,251,973	5,000	136,302	-

City of Ramsey
2012 Adopted Housing Redevelopment Authority Fund Budget

HOUSING REDEVELOPMENT AUTHORITY FUND 295 - EXPENDITURE DETAIL

	2008 Actual	2009 Actual	2010 Actual	2011 Amended	2012 Adopted
EXPENDITURE BY OBJECT SUMMARY	-Actual 2008-	-Actual 2009-	-Actual 2010-	-Amended 2011-	-Adopted 2012-
PERSONAL SERVICES	89,536	97,849	43,084	150,015	130,251
SUPPLIES	-	-	76,482	59,826	30,000
OTHER SERVICES & CHARGES	8,129	441,023	423,163	433,741	347,160
CAPITAL OUTLAY	-	-	-	111,669	-
TOTAL EXPENDITURE BY OBJECT	97,664	538,873	542,729	755,251	507,411



EXPENDITURE BY OBJECT RECAP		-Actual 2008-	-Actual 2009-	-Actual 2010-	-Amended 2011-	-Adopted 2012-
PERSONAL SERVICES						
WAGES AND SALARIES						
6102	F.T. REGULAR-WAGES & SALARIES	77,945	84,591	37,221	123,895	100,129
6104	PART TIME-WAGES & SALARIES	-	-	-	6,175	8,400
6105	TEMPORARY-WAGES & SALARIES	-	-	-	-	6,000
WAGES AND SALARIES		77,945	84,591	37,221	130,070	114,529
EMPLOYER CONTRIBUTIONS						
6121	PERA CONTRIBUTIONS	5,066	5,710	2,605	8,983	7,259
6122	FICA/MEDICARE CONTRIBUTIONS	5,963	6,472	2,847	9,973	7,660
6133	WORKERS COMP INSURANCE PREMIUM	561	1,076	411	989	803
EMPLOYER CONTRIBUTIONS		11,591	13,258	5,863	19,945	15,722
PERSONAL SERVICES Total		89,536	97,849	43,084	150,015	130,251
SUPPLIES						
OPERATING SUPPLIES						
6246	MARKETING & PROMOTIONS	-	-	76,264	59,350	30,000
6249	MISCELLANEOUS OPERATING SUPPLY	-	-	218	476	-
OPERATING SUPPLIES		-	-	76,482	59,826	30,000
SUPPLIES Total		-	-	76,482	59,826	30,000

City of Ramsey
2012 Adopted Housing Redevelopment Authority Fund Budget

HOUSING REDEVELOPMENT AUTHORITY FUND 295 - EXPENDITURE DETAIL

	2008 Actual	2009 Actual	2010 Actual	2011 Amended	2012 Adopted
OTHER SERVICES & CHARGES					
PROFESSIONAL SERVICES					
6304 LEGAL FEES	-	1,198	29,847	77,390	25,000
6315 MISCELLANEOUS PROFESSIONAL SER	7,057	437,184	323,886	284,525	240,000
PROFESSIONAL SERVICES	7,057	438,382	353,733	361,915	265,000
COMMUNICATION					
6322 POSTAGE	-	-	27	938	1,000
COMMUNICATION	-	-	27	938	1,000
EMPLOYEE REIMBURSEMENTS					
6331 TRAVEL & LODGING	-	-	11,366	19,858	20,000
6334 MILEAGE REIMBURSEMENT	-	-	-	36	500
6335 TRAINING	126	989	3,655	242	2,500
EMPLOYEE REIMBURSEMENTS	126	989	15,021	20,136	23,000
INSURANCE					
6361 GENERAL LIABILITY/PROPERTY INS	541	1,652	4,562	3,004	-
INSURANCE	541	1,652	4,562	3,004	-
UTILITIES					
6371 ELECTRIC UTILITIES	-	-	-	50	6,500
UTILITIES	-	-	-	50	6,500
DUES, SUBSCRIPTIONS, AND REGISTRATION FEES					
6451 MEMBERSHIP DUES	405	-	2,160	-	3,500
6452 SUBSCRIPTIONS	-	-	-	98	500
DUES, SUBSCRIPTIONS, AND REGISTRATION FEES	405	-	2,160	98	4,000
CONTRACTED SERVICES					
6489 OTHER CONTRACTED SERVICES	-	-	47,660	47,600	47,660
CONTRACTED SERVICES	-	-	47,660	47,600	47,660
OTHER SERVICES & CHARGES Total	8,129	441,023	423,163	433,741	347,160
CAPITAL OUTLAY					
CAPITAL OUTLAY					
6580 OTHER EQUIPMENT	-	-	-	111,669	-
CAPITAL OUTLAY	-	-	-	111,669	-
CAPITAL OUTLAY Total	-	-	-	111,669	-
TOTAL EXPENDITURES & OTHER FINANCING	97,664	538,873	542,729	755,251	507,411

City of Ramsey
2012 Adopted Housing Redevelopment Authority Fund Budget

HOUSING REDEVELOPMENT AUTHORITY FUND 295 - EXPENDITURE DETAIL

	2008 Actual	2009 Actual	2010 Actual	2011 Amended	2012 Adopted
6102 Wages & Salaries					
Personnel	77,945	84,591	37,221	123,895	100,129
	77,945	84,591	37,221	123,895	100,129
6104 Wages & Salaries-Part Time					
Stipend for HRA Meeting \$25/mtg	-	-	-	6,175	8,400
	-	-	-	6,175	8,400
6105 Temporary Wages & Salaries					
Temporary Labor-Maintenance	-	-	-	-	6,000
	-	-	-	-	6,000
6246 Marketing & Promotional Supplies					
COR Website Domains	-	-	2,234	1,750	3,000
COR Marketing	-	-	74,031	57,600	27,000
	-	-	76,265	59,350	30,000
6249 Miscellaneous Operating Supplies					
Miscellaneous	-	-	218	476	-
	-	-	218	476	-
6304 Legal Fees					
Legal Fees	-	1,198	29,847	77,390	25,000
	-	1,198	29,847	77,390	25,000
6315 Miscellaneous Professional Services					
Development Management Contract & Exp	-	-	311,750	267,944	210,000
Property Taxes	-	323,185	-	-	-
Misc Consulting Services	7,057	113,999	12,136	16,581	30,000
	7,057	437,184	323,886	284,525	240,000
6322 Postage					
Mailing Housing Surveys	-	-	27	938	1,000
	-	-	27	938	1,000
6331 Travel/Meals/Lodging					
Travel for COR	-	-	11,366	19,858	20,000
	-	-	11,366	19,858	20,000
6334 Mileage Reimbursement					
Reimbursement for personal use of auto	-	-	-	36	500
	-	-	-	36	500
6335 Training					
Misc HRA Conferences	126	989	3,655	242	2,500
	126	989	3,655	242	2,500
6361 General Liability/Property/Auto Insurance					
Share of applicable insurance coverage.	541	1,652	4,562	3,004	-
	541	1,652	4,562	3,004	-
6371 Electric Utilities					
Electric for COR Sign	-	-	-	50	6,500
	-	-	-	50	6,500

City of Ramsey
2012 Adopted Housing Redevelopment Authority Fund Budget

HOUSING REDEVELOPMENT AUTHORITY FUND 295 - EXPENDITURE DETAIL

	2008 Actual	2009 Actual	2010 Actual	2011 Amended	2012 Adopted
6451 Dues					
ICSC	405	-	2,160	-	3,500
	405	-	2,160	-	3,500
6452 Subscriptions					
MN Real Estate Journal & Business Journal	-	-	-	98	500
	-	-	-	98	500
6489 Other Contracted Services					
Park Ramp Maintenance Agreement	-	-	47,660	47,600	47,660
	-	-	47,660	47,600	47,660
6510 Capital Outlay - Land					
COR Land Purchase	-	6,764,429	-	-	-
	-	6,764,429	-	-	-
6580 Capital Outlay - Other					
COR Entrance Signs	-	-	-	111,669	-
	-	-	-	111,669	-

Commissioner introduced the following resolution and moved for its adoption:

RESOLUTION #HRA-12-02-XXX

RESOLUTION ADOPTING THE 2012 CITY OF RAMSEY HOUSING AND REDEVELOPMENT AUTHORITY FUND BUDGET

NOW THEREFORE BE IT RESOLVED BY THE HRA OF THE CITY OF RAMSEY, COUNTY OF ANOKA, STATE OF MINNESOTA, as follows:

- 1) That the annual budget of the City of Ramsey for the fiscal year beginning January 1, 2012 is hereby adopted for the Housing & Redevelopment Authority Fund as follows:

HOUSING & REDEVELOPMENT AUTHORITY FUND

Revenues:

Taxes (HRA Levy)	\$368,532
Interest Earnings	<u>\$ 2,500</u>
Total Revenues	<u>\$371,032</u>

Operating and Capital Expenditures:

Personal Services	130,251
Supplies	30,000
Services and Charges	347,160
Capital Outlay	00
Other Financing Uses-	0
Operating Transfers	<u>0</u>
Total Operating and Capital Expenditures	<u>\$507,411</u>

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner, and upon vote being taken thereon, the following voted in favor:

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 Housing and Redevelopment Authority this the 14th day of February, 2012.

Chairperson

ATTEST:

HRA Executive Director

Commissioner introduced the following resolution and moved for its adoption:

RESOLUTION #HRA-12-02-XXX

RESOLUTION AMENDING THE 2011 HOUSING AND REDEVELOPMENT AUTHORITY OPERATING BUDGET

WHEREAS, during the year 2011, the Ramsey HRA acted on matters impacting revenue and expenditures budget of the Housing and Redevelopment Authority for items that were not included in the original budget for the year ended December 31, 2011; and

WHEREAS, for financial reporting purposes, amendments to the Housing and Redevelopment Authority budget is to be made in the form of a Budget Amendment Resolution; and

WHEREAS, the following budget amendments are required to confirm the HRA's actions taken by motion and/or discussion and to reflect actual activity for the year ended December 31, 2011:

To amend revenue activities based on budget amendments made by HRA action during 2011 and actual moneys received over (under) budget from \$371,049 to \$519,625 a total net increase of \$148,576.

Taxes	(22,121)
Miscellaneous Revenue (Net TOTI)	34,395
Transfers In (TIF non-ninterest)	<u>136,302</u>
Net Increase Budgeted Revenues	<u>\$148,576</u>

To amend expenditure activities based on budget amendments made by HRA action during 2011 and actual moneys spent over (under) budget from \$647,926 to \$755,251 for a net increase of \$107,325.

Personal Service	\$ (6,811)
Supplies	6,826
Other Services and Charges	85,641
Capital Outlay	21,669
Transfers to Other Funds	<u>0</u>
Net Increase Budgeted Expenditures	<u>\$107,325</u>

NOW THEREFORE BE IT RESOLVED BY THE HRA OF THE CITY OF RAMSEY, COUNTY OF ANOKA, STATE OF MINNESOTA, as follows:

1) That the HRA hereby directs the Finance Director to enter these budget amendments into the City's financial records.

That the motion for the adoption of the foregoing resolution was duly seconded by Commissioner, and upon vote being taken thereon, the following voted in favor:

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 Housing and Redevelopment Authority this the 14th day of February, 2012.

Chairperson

ATTEST:

HRA Executive Director

HRA Regular Session

5. 2.

Meeting Date: 02/14/2012**By:** Heidi Nelson, Administrative Services**Title:**

Consider Process for Acquisition of Parcel owned by M & W Holdings - Jeff Wise (14590 Armstrong Blvd NW)

Background:

The HRA has directed and authorized the development team to approach three property owners on the west side of Armstrong Boulevard to discuss acquisition of their properties as part of the Armstrong Interchange and Sunwood realignment projects. All three properties are affected in some degree by the current project to realign Sunwood Drive, or the Armstrong overpass currently under preliminary design.

The three properties involved are highlighted on the attached exhibit. Together with the Oasis Market site acquired previously, the properties represent the majority of the Right-of-Way north of Hwy 10 necessary to construct the Armstrong Interchange and Sunwood Realignment.

One parcel owned by M&W Holdings, LLC (Wiser Choice Liquors) is owned by Jeff Wise, a seated City Council and HRA Member. This situation creates a situation of real and/or perceived conflict of interest in negotiating this acquisition. Additionally, the actions of the City and the HRA in the realignment of Sunwood Drive and the plans for the Armstrong Interchange, have significant impacts to the private business owned by Mr. Jeff Wise. Based upon discussion at the February 6th HRA work session, it is the desire of the HRA and the City Council to define the process for negotiations with Mr. Wise to ensure transparency and fair treatment of all parties. To that end, a resolution define the process for negotiations is attached to this case for consideration.

Preliminary appraisal valuations have been determined and the development team, along with the city attorney, are in the process of approaching the three owners with offers to purchase either the entire property, or the portions of the properties necessary to construct Armstrong Boulevard. The feasibility of which will be evaluated based on discussions.

The evaluation method used to assess the two northerly parcels was based on their value as raw land, which was the highest value as determined by the appraiser. While those parcels do have existing structures, and one has an operating business, the value of the land as a development opportunity exceeds that of the structures or business.

The southern parcel is owned by M&W Holdings, LLS whose sole member is Jeff Wise. Unlike the other two parcels, The highest value for this parcel, as determined by the appraiser, is in the structure and business located there today. This makes the negotiations on this parcel a broader discussion than the other two parcels.

Notification:**Observations:**

Acquisition of the Wiser Choice parcel can be comprised of three parts - Building, Land, and Business (relocation, fixtures, etc.)

The valuation of the building and land were determined by the independent appraisal and are likely to be items with little room to negotiate. State statute governs the amount a municipality can pay for acquisition relative to an appraisal, and the values considered are in the range acceptable not only to the seller, but similar to those contemplated for the sale of land to Mr. Wise for his proposed project in The COR. It is likely that the valuation agreed to for the acquisition of his parcel will be the same as that used for the sale of the property in The COR. Per direction at the February 6th HRA work session, a review appraisal will be conducted utilizing a review appraiser that the City has utilized in the past for acquisitions in the US10 corridor.

At the February 6th HRA work session, Attorney Goodrich discussed with the HRA the implications of the relatively new state legislation relating to minimum compensation when a property owner is forced to relocate. This law essentially requires that, notwithstanding the land/building appraisal amount, the damages paid must compensate the owner with an amount sufficient for the owner to purchase a comparable property in the community. This is a complex statute requirement and there is little reported law for guidance. Specifically, this statute provides as follows:

Minn Stat. §117.187. Minimum compensation.

When an owner must relocate, the amount of damages payable, at a minimum, must be sufficient for an owner to purchase a comparable property in the community and not less than the condemning authority's payment or deposit under section 117.042, to the extent that the damages will not be duplicated in the compensation otherwise awarded to the owner of the property. For the purposes of this section, "owner" is defined as the person or entity that holds fee title to the property.

Recommendation:

The Development Management Team recommends that the City Attorney, Development Manager and HRA Executive Director proceed with the negotiations on land and building owned by Mr. Jeff Wise as outlined in the background and observation sections for this case and in the attached resolution.

Funding Source:

Funding source for the construction of the Sunwood Realignment and property acquisition is currently under review based upon discussion at the January 24th City Council meeting. Final funding plan for the project will be brought forward to the City Council in the next 30-45 days. Sources to include LCA grant funding, TIF 14 proceeds, land sale proceeds, and undesignated reserves.

Council Action:

Provide consensus direction on the process in acquiring property owned by M&W Holdings, LLC - Jeff Wise

Attachments

Resolution

Sunwood-Armstrong

Parcel Exhibit

Form Review

Inbox	Reviewed By	Date
Darren Lazan	Heidi Nelson	02/09/2012 03:00 PM
Heidi Nelson (Originator)	Heidi Nelson	02/09/2012 03:42 PM
Darren Lazan	Amy Dietl	02/09/2012 03:50 PM
Kurt Ulrich	Kurt Ulrich	02/09/2012 04:23 PM
Heidi Nelson (Originator)	Heidi Nelson	02/09/2012 04:28 PM

Form Started By: Heidi Nelson

Started On: 02/09/2012

Final Approval Date: 02/09/2012

HRA member introduced the following resolution and moved for its adoption:

RESOLUTION #12-02-XXXX

RESOLUTION DEFINING PROCESS FOR ACQUISITION OF PARCEL OWNED BY M & W HOLDING COMPANY LLC – JEFF WISE (14590 ARMSTRONG BLVD NW)

WHEREAS, the City of Ramsey’s Housing and Redevelopment Authority (HRA) acquired 150 acres of land in its downtown project in June of 2009, The COR at Ramsey, for which the HRA is acting as Master Developer, and;

WHEREAS, the City has entered into a joint powers agreement with Anoka County for the development of plans and specifications and eventual construction of a grade separated interchange at Armstrong Boulevard and US Highway 10. Said improvement has been determined to be critical to both the safety and mobility of the public and the creation of economic development opportunities in the four quadrants around the interchange; and

WHEREAS, the HRA has authorized the preparation of plans and specifications for the realignment of Sunwood Drive necessary to prepare for the Interchange at US10 and Armstrong Boulevard and to facilitate development of retail parcels in the COR at Ramsey east of Armstrong Boulevard; and

WHEREAS, the three properties west of Armstrong Boulevard are all affected to various degrees by the current project to realign Sunwood Drive and/or the Armstrong interchange currently under preliminary design; and

WHEREAS, the HRA has directed and authorized the development team to approach three property owners on the west side of Armstrong Boulevard, as willing buyers, to discuss acquisition of their properties as part of the Armstrong Interchange and Sunwood realignment projects; and

WHEREAS, the HRA authorized and completed independent appraisals for three properties west of Armstrong Boulevard; and

WHEREAS, the parcel located at 14590 Armstrong Boulevard NW, which is one of the three impacted parcels, is owned by M & W Holding Company LLC, Mr. Jeff Wise; and

WHEREAS, the parcel located at 14590 Armstrong Boulevard NW has been determined to require complete acquisition in all viable options considered for the construction of the proposed interchange at US Highway 10; and

WHEREAS, the HRA recognizes the impacts of both the Sunwood Drive realignment and the interchange at US10 will require the acquisition of the parcel located at 14590 Armstrong Boulevard NW and the two other parcels west of Armstrong Boulevard; and

WHEREAS, Mr. Wise has expressed an interest in relocating his business to The COR, which the HRA recognizes as consistent with the plans and vision of the development; and

WHEREAS, Mr. Jeff Wise is a seated City Councilmember, HRA member and EDA member in the City of Ramsey; and

WHEREAS, the HRA recognizes the potential for real and/or perceived conflicts of interest in the negotiations and acquisition of the parcel owned by Mr. Wise; and

WHEREAS, the HRA desires to ensure transparency in the acquisition of the parcel owned by Mr. Wise and fair treatment of all parties.

NOW THEREFORE BE IT RESOLVED BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA, as follows:

- 1) That the Housing and Redevelopment Authority of the City of Ramsey will utilize the valuations provided by the independent appraiser for the property owned by Mr. Jeff Wise.
- 2) That the Housing and Redevelopment Authority of the City of Ramsey will commission an additional third-party technical review of the independent appraisers final report.
- 3) That the Housing and Redevelopment Authority of the City of Ramsey will utilize third-party expert consultants for the determination of value for relocation benefits and fixtures.
- 4) That the acquisition price and related deal points will all be reviewed and approved by the Housing and Redevelopment Authority in an open meeting and made available for public review.

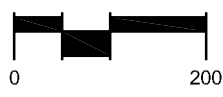
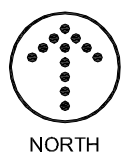
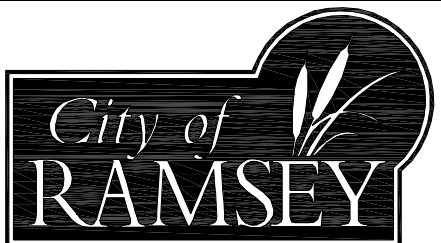
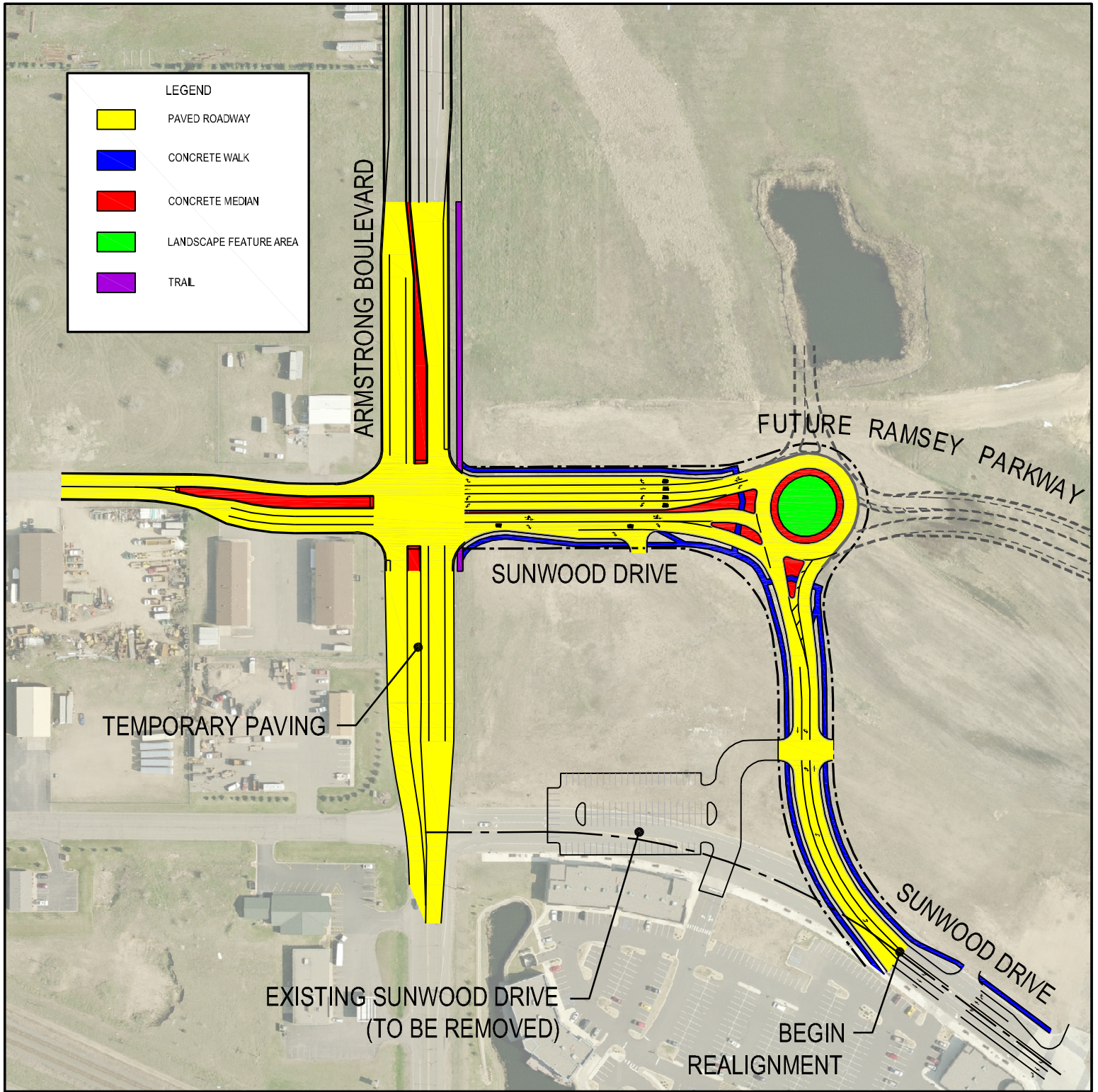
The motion for the adoption of the foregoing resolution was duly seconded by HRA member , and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following abstained:

and the following were absent:

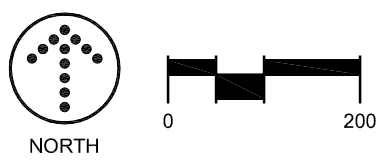
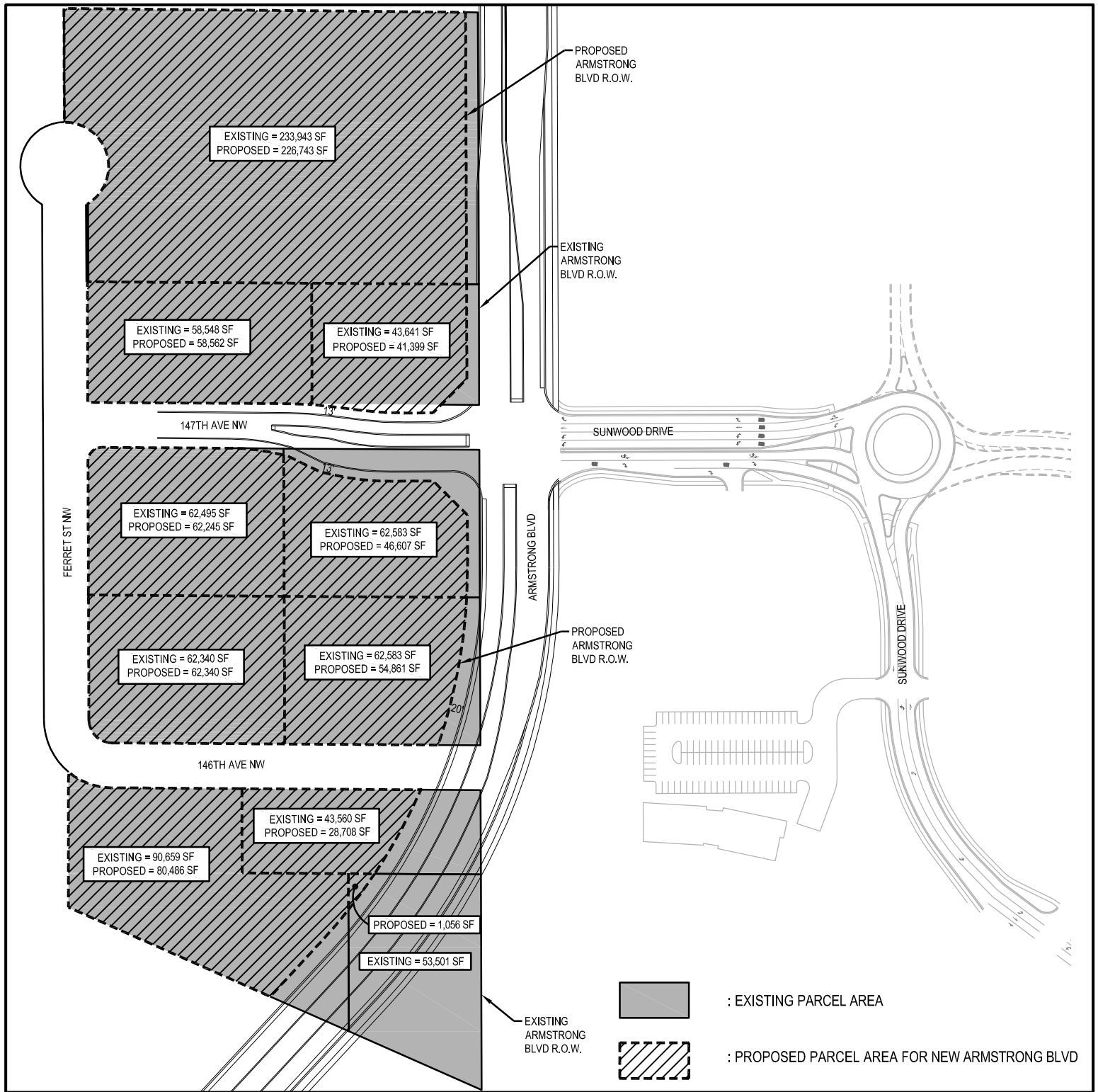
Whereupon said resolution was declared duly passed and adopted by the Ramsey Housing and Redevelopment Authority this the 14th day of February 2012.



● ● ● ● ●
L A N D F O R M
 From Site to Finish

SUNWOOD DRIVE REALIGNMENT





ARMSTRONG BLVD REALIGNMENT

PARCEL EXHIBIT

HRA Regular Session

5.3.

Meeting Date: 02/14/2012

By: Heidi Nelson, Administrative Services

Title:

Consider Memorandum of Intent Regarding Resolution to the Master Declaration/Association

Background:

The Development Management Team has been working for some time to find resolution to the issue of the Master Declaration/Association. The Master Declaration is a document that was drafted by the former Master Developer and filed against the properties owned by the former Ramsey Town Center LLC. The Master Declaration, in short, created a master association that was responsible for the management of common maintenance and design standards. The master association was never formally established nor functioned to perform those management items. The HRA's desire has been to either amend and restate the master declaration to meet current needs for common maintenance or eliminate it from the title of its properties.

The Development Management Team has been negotiating primarily with PSD LLC (Jim Deal) to resolve this matter, as the other significant land owner in the now COR at Ramsey. The attached Memorandum of Intent (MOI) reflects an agreement with Mr. Deal and his affiliates to release the lands owned by the HRA from the Master Declaration and remove it from the HRA's title(s). Additionally, the MOI provides that the HRA may, at its option, include properties owned on the east end of the COR (see attached exhibit) in the master association and prohibits the HRA from establishing a special service district on lands owned by Mr. Deal or his affiliates for a period of 25 years (see attached exhibit).

Observations:

Mr. Tom Bray, HRA Legal Counsel, will be present for the meeting to review the resolution to the Master Declaration and the next steps in removing the Master Declaration from the title of HRA properties in The COR at Ramsey.

Recommendation:

The Development Management Team is recommending that the HRA approve the attached Memorandum of Intent for the resolution to the Master Declaration.

Funding Source:

HRA legal.

Council Action:

HRA Action: Approve the attached Memorandum of Intent for the resolution to the Master Declaration.

Attachments

Memorandum of Intent

Exhibit

Master Declaration document

Form Review

Inbox
Heidi Nelson (Originator)
Form Started By: Heidi Nelson

Reviewed By
Heidi Nelson

Date
02/09/2012 02:57 PM
Started On: 02/09/2012 01:40 PM

Final Approval Date: 02/09/2012

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 11th ADDITION, and Lot 1, Block 1, RAMSEY TOWN CENTER 11th 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 11th ADDITION Anoka County; Minnesota;

And

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

And

All that part of Outlot B, RAMSEY TOWN CENTER 2nd ADDITION Anoka County; Minnesota, lying southerly of the following described line: Commencing at the Northeast corner of Block 1, Ramsey Town Center 7th 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 7th Addition, a distance of 616.21 feet to the Westerly line of Outlot B, RAMSEY TOWN CENTER 2nd ADDITION, and said line there terminating.

And

Outlots A, C, D, and F, RAMSEY TOWN CENTER 8th 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 5th ADDITION Anoka County; Minnesota;

And

Outlot A, RAMSEY TOWN CENTER 10th ADDITION Anoka County; Minnesota;

And

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

EXHIBIT B

PARCEL ONE:

That part of Lots 1 and 2, Block 1 and Outlot A, RAMSEY TOWN CENTER 5TH 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 5TH 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:

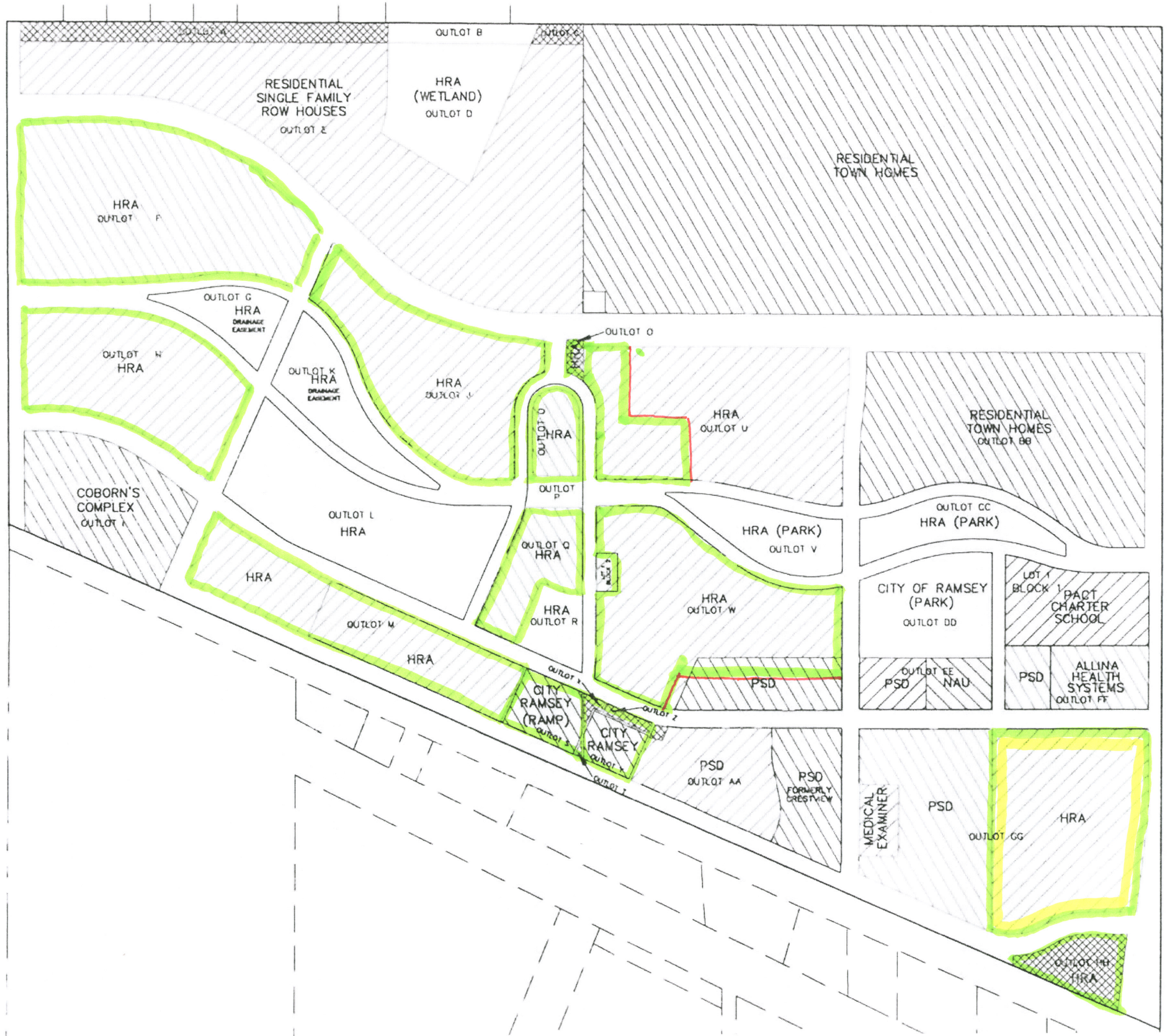
BEGINNING AT THE NORTHWEST CORNER OF SAID OUTLOT GG; THENCE SOUTH 00 DEGREES 00 MINUTES 35 SECONDS WEST, ASSUMED BEARING ALONG THE EAST LINE OF SAID OUTLOT GG, A DISTANCE OF 332.33 FEET; THENCE WEST, PARALLEL WITH THE NORTH LINE OF SAID OUTLOT GG, A DISTANCE OF 273.63 FEET; THENCE NORTH, A DISTANCE OF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

Mr. Kurtis Ulrich & Ms. Heidi Nelson

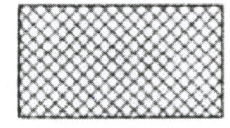
December 19, 2011

Page 8

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



PROPERTIES LISTED ON EXHIBITS A & I
"BUILDABLE"



PROPERTIES LISTED ON EXHIBITS A & I
"NON-BUILDABLE"



PROPERTIES LISTED ON EXHIBITS A & I
OWNERSHIP HAS CHANGED PRIOR TO
MASTER DECLARATION (8/15/05)



HRA PARCELS TO
BE RELEASED
FROM MASTER DEC.



HRA PARCEL THAT
MAY REJOIN FINAL
AMMENDED &
RESTATED MASTER
DEC.



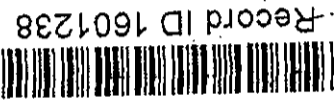
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ABSTRACT/TORRENS
DOCUMENT

ABSTRACT/TORRENS
DOCUMENT

1978252.001



Record ID 1601238

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MASTER DECLARATION RAMSEY TOWN CENTER

This Master Declaration (the "Master Declaration") is made as of the 5th day of AUGUST 2005 by Ramsey Town Center LLC, a Minnesota limited liability company, (the "Master Declarant"), pursuant to the provisions of Minnesota Statutes Chapter 515B, known as the Minnesota Common Interest Ownership Act ("MCIOA" or the "Act").

RECITALS

- A. Master Declarant owns that certain real property located in Anoka County, Minnesota, legally described in Exhibit A, attached hereto (collectively the "Property").
- B. Master Declarant intends to establish a general plan and uniform scheme of development and improvement for the Property, as described in the Master Governing Documents, as a mixed use development containing commercial property, municipal offices, single-family detached, and single-family attached Dwellings, in multi-unit buildings.
- C. Master Declarant has established Ramsey Town Center Community Association as a Minnesota non-profit corporation to act as a "master association" within the meaning of MCIOA for the purpose of administering and providing certain limited services for the benefit of the Property.
- D. Master Declarant and other third parties own the real estate legally described in Exhibit C, attached hereto (collectively the "Additional Property").

E. The real property served by the Master Association will include real property subject to MCIOA as well as real property not subject to MCIOA, as described in this Master Declaration.

F. Master Declarant desires to establish for the Property, and for any Additional Property subjected to this Master Declaration, a plan for a permanent mixed-use community to be owned, occupied and operated for the use, health, safety and welfare of its Owners and Occupants, and for the purpose of preserving the value, the structural quality, and the original architectural and aesthetic character of the Property, and to that end wishes to subject the Property to this Master Declaration.

G. This Master Declaration is not intended to create a common interest community pursuant to MCIOA.

H. As of the date of the initial recording of this Master Declaration, the total number of Residential Units subject to the Master Declaration is 0, and the total number of platted parcels intended for residential use is approximately 10. Up to 2,168 additional Residential Units may be created by the addition of real estate or the subdivision of existing platted parcels.

NOW, THEREFORE, Master Declarant subjects the Property to this Master Declaration, declaring that this Master Declaration shall constitute covenants to run with the Property, and that the Property shall be owned, used, operated, occupied and conveyed subject to the covenants, restrictions, easements, charges and liens described in this Master Declaration, all of which shall be binding upon all Persons owning or acquiring any, right, title or interest therein, and their heirs, personal representatives, successors and assigns.

SECTION 1 DEFINITIONS

The following words when used in the Master Governing Documents shall have the following meanings (unless the context indicates otherwise):

1.1 "Additional Property" shall mean the real property legally described in Exhibit C including all improvements located thereon now or in the future, and all easements and rights appurtenant thereto, which property Master Declarant has the exclusive right to add to the community.

1.2 "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Master Association as they may exist from time to time.

1.3 "Development Area" shall mean and refer to the Property.

1.4 "Dwelling" shall mean and refer to a part of a building consisting of one or more floors, designed and intended for occupancy as a single-family residence, and located in a Neighborhood. Dwellings may include attached or detached single-family homes. The Dwelling includes any garage attached thereto or otherwise included within the boundaries of the Unit in which the Dwelling is located.

1.5 "Improvement" shall mean and refer to all structures or improvements of any kind which the Master Association is obligated to operate or maintain or on or under any pond or wetland bordering the Property, including without limitation any building, wall, fence, sign, enclosure or screening, utilities system, communications system, irrigation system, roadway, pathway, planting, landscaping, grading, or any other type of structure or physical improvement, whether the purpose is decorative or otherwise, and any addition or changes thereto.

1.6 "Master Annual Assessment" shall mean and refer to a Master Assessment levied annually against all Units under Section 6.2 of this Master Declaration.

1.7 "Master Assessments" shall mean and refer, collectively, to all Assessments levied by the Master Association under Section 6 of this Master Declaration.

1.8 "Master Common Expenses" shall mean and include all expenditures lawfully made or incurred by or on behalf of the Master Association and incident to its operation, including without limitation, allocations to reserves.

1.8 "Master Association" shall mean Ramsey Town Center Community Association, a Minnesota non-profit corporation.

1.9 "Master Board" or "Master Board of Directors" shall mean and refer to the Board of Directors of the Master Association, which is the governing body of the Master Association.

1.10 "Master Bylaws" shall mean and refer to the Master Bylaws governing the operation of the Master Association, as amended from time to time.

1.11 "Master Common Elements" means all portions of the Property, or interests therein, now or hereafter owned by the Master Association and intended for the common use and enjoyment of all Owners and Occupants and their invitees. The Master Common Elements as of the date of recording of this Master Declaration are the easements described in Exhibit B, attached hereto, and the monuments located or to be located on the described easements.

1.12 "Master Declarant" shall mean and refer to Ramsey Town Center LLC, a Minnesota limited liability company, and any Person who succeeds to any Master Declarant Rights.

1.13 "Master Declarant Control Period" The time period during which Master Declarant has the exclusive right to appoint the members of the Master Board, as described in Section 12 of this Master Declaration.

1.14 "Master Declarant Rights" shall mean and refer to the exclusive rights reserved to Master Declarant to control the Master Association and complete the development of the Development Area, as described in this Master Declaration.

1.15 "Master Declaration" shall mean and refer to this instrument and all Exhibits hereto, as amended from time to time, recorded in the Office of the Anoka County Recorder or Registrar of Titles (as applicable).

1.16 "Master Governing Documents" shall mean and refer to this Master Declaration, and the Articles of Incorporation and Bylaws of the Master Association, as amended from time to time, all of which shall govern the use and operation of the Property.

1.17 "Master Rules" shall mean and refer to rules relating to the Master Association's affairs, as approved from time to time by the Master Board, which apply to the entire Property.

1.18 "Master Special Assessment" shall mean and refer to Master Assessments levied against all Units in accordance with Section 6.3 of this Master Declaration.

1.19 "Member" shall mean and refer to a member of the Master Association, as defined in Section 3.4 of this Master Declaration.

1.20 "Mortgagee" shall mean and refer to a Person that is the holder of a loan secured by a mortgage on any portion of the Property, and its successors and assigns.

1.21 "Neighborhood" shall mean and refer to a group of two or more Units, and their related Neighborhood Property (if any), which are designated as a Neighborhood in accordance with Section 3.3 of this Master Declaration.

1.22 "Neighborhood Association" or "Neighborhood Associations" shall mean and refer to the owners' association or associations governing a certain Neighborhood or Neighborhoods. The Neighborhood Association of a Neighborhood which is not a CIC is not required to be incorporated.

1.23 "Neighborhood Board" or "Neighborhood Board of Directors" shall mean and refer to the Board of Directors of a Neighborhood Association.

1.24 "Neighborhood Common Expenses" shall mean and refer to all expenditures lawfully made or incurred by the Neighborhood Association for the benefit of a particular Neighborhood or Neighborhoods, and incident to the operation of such Neighborhood or Neighborhoods, including without limitation any allocation to reserves.

1.25 "Neighborhood Director" shall mean and refer to a member of a Neighborhood Board.

1.26 "Neighborhood Governing Documents" shall mean and refer to the Articles of Incorporation, Bylaws and Declaration governing a particular Neighborhood or Neighborhoods, and Neighborhood Rules.

1.27 "Neighborhood Plat" shall mean and refer to the recorded plat or part thereof depicting a Neighborhood pursuant to the requirements of MCIOA, or Minnesota Statutes Chapter 505, 508 or 508A, as applicable, including any amended plat, supplemental plat or replat recorded from time to time.

1.28 "Neighborhood Property" shall mean and refer to all real property subject to the Neighborhood Governing Documents of a certain Neighborhood or Neighborhoods.

1.29 "Neighborhood Rules" shall mean and refer to Neighborhood Rules approved from time to time by a Neighborhood Board, which apply only to a particular Neighborhood or Neighborhoods.

1.30 "Nonresidential Building" shall mean and refer to a building designed and intended for non-residential occupancy.

1.31 "Nonresidential Unit" shall mean and refer to a platted lot, including outlots, designed and intended to be occupied by a Nonresidential Building, whether or not any Nonresidential Building is actually constructed on the Unit.

1.32 "Occupant" shall mean and refer to any person or persons, other than an Owner, in possession of or residing in a Unit.

1.33 "Owner" shall mean and refer to the Person who owns a Unit, but excluding contract for deed vendors, mortgagees and other secured parties within the meaning of Section 515B.1-103(29) of MCIOA. The term "Owner" includes, without limitation, contract for deed vendees and holders of a life estate.

1.34 "Person" shall mean and refer to a natural individual, corporation, limited liability company, partnership, trust/trustee, other or legal entity capable of holding title to real property.

1.35 "Property" shall mean and refer to the real property subject to this Master Declaration, or other property which is subjected to this Master Declaration from time to time pursuant to Section 2.2 or 2.3 of this Master Declaration, including the Dwellings, Nonresidential Buildings, and all other structures and improvements located thereon now or in the future. The Property as of the date of this Master Declaration is legally described in Exhibit A attached hereto.

1.36 "Residential Unit" shall mean and refer to a Unit designed and intended to be occupied by one or more Dwellings, whether or not any Dwelling is actually constructed on the Unit.

1.37 "Residential Rental Unit" shall mean a platted lot, including outlots, intended to be occupied by multifamily housing structures which are not common interest communities.

1.38 "Unit" shall mean a platted part of the Property, including Outlots, designed and intended to be occupied by Dwellings which are located in a Neighborhood, or designed and intended to be occupied by a Nonresidential Building, including all improvements thereon.

Any terms used in the Governing Documents, and defined in MCIOA and not in this Section, shall have the meaning set forth in MCIOA.

SECTION 2 PROPERTY

2.1 Property. The Property subject to this Master Declaration is described in Exhibit A, attached hereto. Exhibit A may be amended from time to time to include some or all of the other property, as authorized by Section 2.2.

2.2 Annexation of Other Property. All or any portion of the Additional Property may be added to the Property and subjected to this Master Declaration with the prior written approval of (i) the Master Board, and (ii) Master Declarant so long as Master Declarant owns an unsold Unit for sale or has the unexpired right to subject any portion of the Additional Property to this Master Declaration. Any Property so annexed may be designated as a Neighborhood or as a Nonresidential Unit. In connection with the annexation of such

property, the Master Governing Documents shall be amended as necessary to fairly allocate Common Expense obligations, voting rights, and memberships.

2.3 Interests Subject to Plan of Development. Every Owner and any secured party or other Person holding an interest in a Unit, shall take title or hold such interest subject to Master Declarant's rights pursuant to this Master Declaration. Notwithstanding anything to the contrary in this Master Declaration, Master Declarant's rights or obligations under the Master Governing Documents may not be changed in whole or in part without prior written consent of Master Declarant, which consent may be granted or denied in Master Declarant's sole and absolute discretion.

SECTION 3 ASSOCIATION MEMBERSHIP: RIGHTS AND OBLIGATIONS

3.1 Formation/Purposes/Powers. Master Declarant has caused the Master Association to be formed by the filing of Articles of Incorporation with the State of Minnesota. The Master Association is formed and shall have the power, (i) to monitor and maintain, repair, and replace as necessary the signs and entrance monuments identifying Ramsey Town Center, (ii) to maintain and irrigate boulevard landscaping on the public rights of way identified on Exhibit D attached hereto and other areas, to the extent not delegated to neighborhood association, (iii) to implement and provide mosquito control measures for drainage and ponding areas on the adjacent properties used for drainage and ponding areas serving Ramsey Town Center, (iv) to administer and enforce the covenants, conditions, restrictions, and other obligations set forth in the Master Governing Documents and the Master Rules, and (v) to cooperate with the Neighborhood Boards and Owners of Nonresidential Units to preserve and enhance the architectural and environmental character and value of the Property, (vi) to secure the insurance provided Section 10, and (vi) to retain professional management to assist in Association Administration.

3.2 Authority and Administration. The operation and administration of the Master Association shall be governed by the Master Governing Documents, the Master Rules, MCIOA and the Minnesota Non-Profit Corporation Act, Minnesota Statutes Chapter 317A (the "Incorporation Act"). The Master Association shall only have the limited powers described in Sections 3.1 and 3.2, unless the powers are expanded in accordance with Section 3.2.4.

3.2.1 The Master Association shall have the powers described in the Master Governing Documents, MCIOA, the Nonprofit Corporation Act and any other applicable laws.

3.2.2 All power and authority of the Master Association shall be vested in the Master Board, unless action or approval by the Members is specifically required by the

Master Governing Documents or MCIOA. All references to the Master Association shall mean the Master Association acting through the Master Board unless specifically stated to the contrary.

3.2.3 The Master Association shall act as a "Master Association" within the meaning of Section 515B.2-121 of MCIOA. The Master Association shall have authority to exercise only the limited powers set forth in Section 3.1 on behalf of its Members and all Owners and Occupants, subject to expansion pursuant to Section 3.2.4. All Neighborhood Governing Documents shall contain provisions delegating such limited powers to the Master Association, as contemplated by Section 515B.2-121.

3.2.4 It is recognized that, while the Master Association's powers are limited by this Master Declaration, the interests of the Members may be served in the future by expanding such powers. Accordingly, the powers of the Master Association may be expanded by amending this Master Declaration, and applicable provisions of the Declarations governing all Neighborhoods, which are affected by the expansion of powers. In addition, any Neighborhood Association may delegate to the Master Association any or all of the authority and powers of the Neighborhood Association, which delegation shall become effective and upon written acceptance of such delegation by the Master Association, which may be withheld in the sole discretion of the Master Association. No Neighborhood Governing Documents shall be amended to change the Master Association powers in any way without the prior written approval of (i) the Master Board, and (ii) the Master Declarant so long as Master Declarant owns an unsold Unit for sale or has the unexpired right to subject any Property to this Master Declaration.

3.3 Neighborhoods. Each parcel of land designated and intended for development as one housing group, except Residential Rental Units, under a single Neighborhood Association shall be designated as a Neighborhood. Every Residential Unit, except Residential Rental Units, shall be located within a Neighborhood. By way of illustration and not limitation, a condominium, planned community, cooperative, or single-family detached housing group may be designated as a separate Neighborhood, or a Neighborhood may be comprised of more than one housing type. New, additional Neighborhoods may be created on property added pursuant to Section 2.2. Neighborhoods are subject to division or combination into more or fewer Neighborhoods in accordance with the Master Governing Documents. Certain limited powers accruing to a Neighborhood under its Neighborhood Governing Documents shall be delegated to the Master Association as provided in Section 3.2.

3.3.1 A Neighborhood shall be created by, and the Units within a Neighborhood shall be subject to a recorded Neighborhood Declaration containing covenants, conditions, restrictions and easements consistent with the Master Governing Documents. The Master Declarant shall review and approve the

Neighborhood Declarations, which approval shall not be unreasonably withheld or delayed. Master Declarant shall ensure that the Neighborhood Governing Documents delegate to the Master Association the powers described in this Master Declaration and are otherwise consistent with the Master Governing Documents. Following the creation of a Neighborhood, this Master Declaration may be amended to (i) redesignate Neighborhood boundaries, (ii) change the number of Units in a Neighborhood or (iii) combine or divide two or more Neighborhoods, as provided in Section 12; provided that the Neighborhood Governing Documents shall be amended as necessary to properly reflect such changes, and to fairly reallocate voting rights, Common Expense obligations and memberships.

3.3.2 One or more Neighborhoods may petition the Master Board for a combination or a division of the Neighborhood or Neighborhoods. Such change may be made only with the written approval of (i) the Neighborhood Boards of the affected Neighborhoods, (ii) the Master Board, and (iii) the Master Declarant so long as it owns a Unit for sale. The petition shall include specific details of the proposed combination or division, together with whatever additional information may be required by the Master Board. The Neighborhood or Neighborhoods making the petition shall be responsible for the payment of all fees and costs in connection with the petition and implementation of the combination or division. The Master Governing Documents and Neighborhood Governing Documents shall be amended as necessary to reflect the combination or division properly, and to reallocate voting rights, Common Expense obligations and memberships fairly.

3.3.3 Each Neighborhood Board shall be elected by the Owners of Units which are located in that Neighborhood. The Neighborhood Board shall represent the Owners in the Neighborhood in all matters with respect to the Master Association, including voting, as more fully described in this Section 3 of the Master Bylaws.

3.4 Membership. Membership in the Master Association shall be governed by the following qualifications:

3.4.1 Each Neighborhood Association shall have one membership in the Master Association. The owner of each platted lot, including platted outlots, occupied or intended to be occupied by a Nonresidential Building, shall have one membership in the Association. The owner of each platted lot, including outlots, occupied or intended to be occupied by Residential Rental Unit or Units, shall have one membership in the Master Association. The membership shall attach to a Neighborhood Association at the time the Neighborhood Declaration governing the Neighborhood is recorded. Except as expressly provided in this Master Declaration, a membership shall be appurtenant to and shall not be separated from the Neighborhood Association or Nonresidential Unit to which it is attached, and shall be automatically transferred to any successor Neighborhood Association or Owner of a Nonresidential Unit.

3.4.2 Rights with respect to a Neighborhood membership shall be exercised by the Neighborhood Board on behalf of the Owners whose Units are located in the Neighborhood.

3.4.3 No Person holding a security interest in any part of the Property shall be a Member of the Master Association solely by reason of such interest.

3.4.4 Additional memberships in the Master Association may be created only by (i) subjecting additional property to this Master Declaration, and for any portion of the additional property that consists of Residential Units, designating the annexed property as one or more Neighborhoods, or (ii) by subdividing a Neighborhood or a Nonresidential Unit, all in accordance with this Master Declaration.

3.4.5 Memberships may be combined upon the combination or divided upon the division of one or more Neighborhoods or Nonresidential Units as provided in Section 3.3.2. One membership shall attach to each surviving Neighborhood Association, Nonresidential Unit, or Residential Rental Unit.

3.5 Member Voting. Each Neighborhood Association shall be entitled to one vote in the affairs of the Master Association. The owner of each platted lot upon which a Nonresidential Building is located or intended to be located, including outlots, or a Residential Rental Unit, shall be entitled to one vote in the affairs of the Master Association for each such platted lot owned. The vote shall be exercised by the Member as provided in the Master Bylaws.

3.6 Master Bylaws. The Master Association shall have Master Bylaws. The Master Bylaws shall govern the operation and administration of the Master Association, subject to this Master Declaration in the event of a conflict. The Master Bylaws shall be binding upon all Members, Owners and Occupants, and their invitees, all secured parties and all other Persons holding or acquiring any interest in the Property.

3.7 Master Board of Directors. The Master Associations affairs shall be administered and managed by the Master Board of Directors, as provided in the Master Bylaws. Directors shall be elected, serve and exercise their powers as provided in the Master Bylaws.

3.8 Scope and Binding Effect of Actions. All agreements and determinations made by the Master Association in accordance with the powers and purposes established by the Master Governing Documents shall be binding upon all Persons having any interest in or using the Property.

3.9 Management. The Master Board may delegate to a manager or managing agent the management duties imposed upon the Master Association's Officers and Directors by the Master Governing Documents. However, such delegation shall not relieve the Officers and Directors of the ultimate responsibility for the performance of their duties as prescribed by the Master Governing Documents and by law. Master Declarant and/or an affiliate of the Master Declarant may be employed as the manager of the Master Association and/or the Development Area pursuant to a separate agreement, the terms of which may extend beyond the expiration or surrender of the Master Declarant Control Period.

3.10 Master Rules. The Master Board shall have exclusive authority to approve and implement such reasonable Master Rules as it deems necessary from time to time for the purpose of exercising and implementing its powers; provided that the Master Rules shall not be inconsistent with the Master Governing Documents, Neighborhood Governing Documents, or MCIOA. The inclusion in other parts of the Master Governing Documents of authority to approve Master Rules shall be deemed to be in furtherance, and not in limitation, of the authority granted by this Section. New or amended Master Rules shall be effective only after reasonable notice thereof has been given to the Members and Owners.

3.11 Appointment of Officers and Directors by Master Declarant. Notwithstanding anything to the contrary in the Master Governing Documents, from and after the date of recording of this Master Declaration, Master Declarant shall have the exclusive right to appoint the Officers and Directors of the Master Association for the Master Declarant Control Period as set forth in Section 12.

SECTION 4 OWNERS' PROPERTY RIGHTS

4.1 General. Although some of the Memberships in the Master Association are attached to the Neighborhood Associations, the rights and obligations created by the Master Governing Documents are primarily intended to benefit the Owners and Occupants of the Units, and their invitees. Except as expressly provided in this Master Declaration, the rights and obligations attributable to a Unit shall pass with the title to the Unit as an appurtenance thereto, whether or not specifically described.

4.2 Acquisition of Property by Master Association. The Master Association shall have the power and authority to acquire and hold title to such interests in real and personal property, as it may deem beneficial to its Members, without subjecting such property to this Master Declaration. Such interests may include fee simple or other ownership interests, liens, leaseholds, easements, licenses, or any other possessory or use interests.

4.3 Members' Rights and Obligations. Subject to the provisions of this Master Declaration, all Members, Owners and Occupants shall have the rights and obligations

described in the Master Governing Documents and, if applicable, their respective Neighborhood Governing Documents, all of which rights and obligations shall be appurtenant to and pass with the title to each Unit. Notwithstanding the foregoing, all Units, and the rights of the Members, Owners and Occupants shall be subject to the following:

4.3.1 The rights of the Master Association and Master Declarant under the Master Governing Documents, the Master Rules, MCIOA and other applicable law.

4.3.2 Restrictions, easements or other conditions referred to in this Master Declaration or contained in any plat or other recorded instrument affecting the Development Area.

4.3.3 The right of fire, police, health, sanitation, and other public service personnel and vehicles to have access to the Development Area for the purpose of performing their authorized duties.

4.3.4 The rights of the Master Association to levy Master Assessments, including fines and charges, or to pursue other remedies, in accordance with this Master Declaration.

4.3.5 The rights of the holder of any mortgage which is prior or superior to the rights or interests reserved or established by this Master Declaration by reason of having been recorded prior to the recording of this Master Declaration or as otherwise provided by this Master Declaration.

SECTION 5 EASEMENTS

The following appurtenant easements and rights are hereby granted or reserved:

5.1. Master Association Access for Maintenance. A nonexclusive easement in favor of the Master Association, its Directors, Officers, agents, and employees, including without limitation any management agent or service vendor retained by the Master Association, for reasonable access on and across any Neighborhood Property or Nonresidential Unit for the purpose of fulfilling the maintenance obligations of the Master Association under the Master Governing Documents. This easement shall be (i) exercised only during reasonable hours and then, whenever practicable, only upon advance notice to any Owner or Occupant directly affected, and (ii) limited to portions of the Neighborhood Property which are unimproved with Dwellings or other structures, or landscaping and to portions of Nonresidential Units which are unimproved with Nonresidential Buildings or other improvements or landscaping. The Master Association shall take reasonable care to avoid damaging the property on which the easement is located and shall repair any property damage

arising out of the exercise of the easement rights, and shall take reasonable care to avoid interfering with the use of the property.

5.2 Project Sign Easements. A nonexclusive easement in favor of the Master Declarant and the Master Association for reasonable access on and across any Unit to erect and maintain on any Master Common Element monument signs and related improvements identifying the Property or specific Neighborhoods, Nonresidential Units or Buildings, or features. In exercising their rights under said easements, Master Declarant and the Master Association shall take reasonable care to avoid damaging the property on which the easement is located, and shall repair any damage arising out of the exercise of the easement rights, and shall take reasonable care to avoid interfering with the use of the property.

5.3 Restriction on Easement Grants. No Owner or Member shall grant any easement or similar rights upon any portion of the Development Area without prior written approval of the Master Board; provided, that such approval shall be unreasonably withheld if the easement is for a purpose consistent with this Master Declaration and does not prejudice the rights of any Owners or the Master Declarant.

5.4 Continuation and Scope of Easements. The rights and easements granted or reserved under this Section 5 shall be appurtenant, unless otherwise indicated. The easements shall supplement and not limit any easements described elsewhere in this Master Declaration, any Neighborhood Declaration or any other recorded instrument.

SECTION 6 ASSESSMENTS FOR COMMON EXPENSES

6.1. General. Master Assessments for Common Expenses shall be determined and assessed against the Members by the Master Board, in its discretion, subject to the requirements and procedures set forth herein, and the requirements of the Bylaws. Master Assessments for Common Expenses shall include Annual Assessments under Section 6.2, Special Assessments under 6.3 and Neighborhood Assessments under Section 6.4. Annual and Special Assessments shall be allocated among the Members as provided in this Section 6. Notice of Master Assessments shall be given to the Members as provided in the Master Bylaws. Members which are Neighborhood Associations shall collect and remit the amount of one year's Master Annual Assessments to the Master Association upon the closing of each sale of a Dwelling within each Neighborhood Association to third parties.

6.2. Master Annual Assessments. Master Annual Assessments shall be established and levied annually by the Master Board. All Master Annual Assessments shall be allocated based on the surface area, in square feet of each Neighborhood Property, Nonresidential Unit, or upon Residential Rental Unit relative to the area, in square feet, of all Properties. Each Master Annual Assessment shall cover all of the anticipated Common Expenses of the Master

Association for that upcoming year. Master Annual Assessments shall provide, among other things, for contributions to a separate reserve fund sufficient to cover the periodic cost of maintenance, repair and replacement of the Common Elements for which the Master Association is responsible. Master Annual Assessments shall be payable in quarterly or annual installments, as determined by the Master Board.

6.3 Master Special Assessments. In addition to Annual Assessments, and subject to the limitations set forth hereafter, the Master Board may levy in any Assessment year a Special Assessment for the purpose of defraying in whole or in part (i) the cost of any unforeseen or unbudgeted Common Expenses, (ii) maintenance, repair or replacement of improvements for which the Master Association is responsible, and (iii) general or specific reserves for maintenance, repair or replacement. Any such Special Assessment shall be allocated based on the area of each Neighborhood Property or Nonresidential Unit relative to the area of all Neighborhood Properties and Nonresidential Units subject to this Declaration.

6.4 Special Allocations. In addition to Master Annual Assessments and Master Special Assessments, the Master Board may, at its discretion, levy and allocate an assessment among only certain Units in accordance with the following requirements and procedures:

6.4.1 Except as otherwise expressly authorized by this Master Declaration, any Common Expense or portion thereof benefiting fewer than all of the Units may be assessed against only the Units benefited.

6.4.2 Assessments made pursuant to any such special allocation may be levied at any time by the Master Board; however, to the extent that such assessments can be budgeted prior to the start of the Master Association fiscal year, they shall be levied at the same time as the Annual Assessments.

6.5 Neighborhood Assessments. In addition to General Assessments, Special Assessments and Limited Assessments, the Master Board may, at its discretion, levy and allocate Neighborhood Assessments among only certain Neighborhoods in accordance with the following requirements and procedures:

6.5.1 Except as otherwise expressly authorized by the Master Declaration, any Master Common Expense or portion thereof benefiting fewer than all of the Neighborhoods shall be assessed against only the Neighborhood or Neighborhoods benefited.

6.5.2 A Neighborhood Assessment shall be deemed to be automatically allocated among and levied against the Parcels located in the Neighborhood equally, or based upon such other common expense sharing formula as may be set forth in the Neighborhood Governing Documents for that Neighborhood.

6.5.1 Neighborhood Assessments may be levied at any time by the Master Board; however, to the extent that the Neighborhood Assessments can be budgeted prior to the start of the Master Association fiscal year, they shall be levied at the same time as the General Assessments. Neighborhood Assessments shall provide, among other things, for an adequate reserve fund for the maintenance, repair and replacement of those parts (if any) of the Dwellings, Nonresidential Buildings and other Improvements which the Master Association is obligated to maintain, repair or replace.

6.6 Assessment Procedures. The Master Board shall annually approve the overall Master Association budget for the entire Property, including sub-budgets for assessments allocated against only certain Neighborhoods or Parcels, and levy the assessment, or applicable portion thereof, against the Neighborhoods or Parcels. Owners shall pay the share of the assessment allocated to their Parcels directly to the Master Association. A Neighborhood Assessment shall be automatically allocated among the Parcels in the Neighborhood based upon the allocation provided for in the Neighborhood Governing Documents, without action by the Board of Directors of the Neighborhood. Assessments shall be payable in advance; monthly, quarterly or annually, as determined by the Master Board.

6.7 Liability for Assessments. The Owner of the Parcel at the time an Assessment is payable shall be liable for the share of the common expenses assessed against the Parcel. As Additional Real Estate or other property is subjected to this Master Declaration, the annexed portion of the Additional Real Estate or other property shall become subject to Assessments upon the recording of the amendment to the Master Declaration annexing the Additional Real Estate or other property. The liability shall be joint and several where there are multiple Owners of a Parcel. The liability is absolute and unconditional. No person is exempt from liability for payment of Assessments by right of set-off, by waiver of use or enjoyment of any part of the Property, by absence from or abandonment of the Parcel, by the waiver of any other rights, or by reason of any claim against the Master Association or its officers, directors or agents, for their failure to fulfill any duties under the Master Governing Documents or MCIOA.

6.8 Assessment Lien. The Master Association shall have a lien on each Parcel for any assessment (or pro-rata share thereof) levied against the Parcel from the time the assessment becomes due. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment becomes due. Fees, charges, late charges, fines and interest charges imposed by the Master Association pursuant to Section 515B.3-102(a)(10), (11) and (12) of MCIOA are liens, and are enforceable as assessments under this Section. Recording of the Master Declaration constitutes record notice and perfection of any lien under this Section, and no further recordation of any notice of the lien is required.

6.9 Foreclosure of Lien: Remedies. A lien for Common Expenses may be foreclosed against a Parcel (i) by action, or (ii) by advertisement, as provided by Section

515B.3-116 of MCIOA. The Master Association shall have a power of sale to foreclose the lien in a like manner as a mortgage containing a power of sale. The Master Association, or its authorized representative, shall have the power to bid in at the foreclosure sale and to acquire, hold, lease, mortgage and convey any Parcel so acquired. An Owner or any other person claiming an interest in a Parcel, by the acceptance or assertion of any interest in a Parcel, grants to the Master Association a power of sale and full authority to accomplish the foreclosure by advertisement.

6.10 Lien Priority; Foreclosure. A lien under this Section is prior to all other liens and encumbrances on a Parcel except (i) liens and encumbrances recorded before this Master Declaration, (ii) any first Mortgage on the Parcel to the extent permitted by MCIOA, and (iii) liens for real estate taxes and other governmental assessments or charges against the Parcel.

6.11 Voluntary Conveyances; Statement of Assessments. In a voluntary conveyance of a Parcel the buyer shall not be personally liable for any unpaid assessments and other charges made by the Master Association against the seller or the seller's Parcel prior to the time of conveyance to the buyer, unless expressly assumed by the buyer. However, the lien of such assessments shall remain against the Parcel until satisfied or released. Any seller or buyer shall be entitled to a statement, in recordable form, from the Master Association setting forth the amount of the unpaid Assessments against the Parcel, including all assessments payable in the Master Association's current fiscal year, which statement shall be binding on the Master Association, seller and buyer.

6.12 Exemption of Master Declarant from Liability for Assessments. The Master Declarant shall be exempt from all liability for assessments for common expenses as provided in this Section 6 as to any Unit owned by it until substantial completion of the Unit as evidenced by a certificate of occupancy, for so long as it maintains control of the Master Association as provided in this Master Declaration. The owner of any unit, or parcel of real estate shall also be exempt from the lien for such assessments until a building constituting or located within the unit or other parcel of real estate is substantially completed. Substantial completion shall be evidenced by a Certificate of Occupancy.

SECTION 7 MAINTENANCE

7.1 Maintenance by Master Association. The Master Association shall provide for and be responsible for: (i) the maintenance, repair and replacement of certain signs and project monuments benefiting the Property as a whole as described in Section 3.1, including the Master Common Elements (ii) any other areas it is responsible for under this Master Declaration. Notwithstanding the foregoing, the expense of any maintenance, repair or reconstruction of the Development Area necessitated by the acts or omission of any Owner or Occupant shall be borne solely by the Owner.

7.2 Neighborhood Association and Owner Responsibilities. The responsibilities of the Owners and Neighborhood Associations are as follows:

7.2.1 A Neighborhood Association (i) shall maintain, repair or replace its Neighborhood Property, to the extent required by its Neighborhood Governing Documents, and all streets and all islands and medians, if any, located within the public and private streets within the Neighborhood Property, and (ii) shall pay the cost of removal of said private islands and medians if the City is petitioned for their removal.

7.2.2 Residential Unit Owners shall maintain, repair and replace their Units to the extent required by the Neighborhood Governing Documents for the Neighborhood in which the Residential Unit is located.

SECTION 8 RESTRICTIONS ON USE OF PROPERTY

Ramsey Town Center is intended to be a quality mixed-use development for the use and enjoyment of the Owners and Occupants. The use restrictions contained in this Section are designed to facilitate the various residential, commercial and governmental uses of the Property, and to preserve and protect the physical environment of the Development Area. Accordingly, the following restrictions shall apply to the Property:

8.1 General. The Property shall be owned, conveyed, encumbered, leased, used and occupied subject to the Master Governing Documents, as amended from time to time. All covenants, restrictions and obligations set forth in the Master Governing Documents are in furtherance of a plan for the Development Area, and shall run with the Property and be a burden and benefit to all Owners and Occupants and to any other Person acquiring or owning an interest in the Property, their heirs, personal representatives, successors and assigns.

8.2 Architectural Matters. Improvements or other physical changes to Residential Units or Dwellings located thereon shall be made only as authorized by the Neighborhood Association in which the affected Neighborhood Property is located, in accordance with the applicable Neighborhood Governing Documents.

8.3 Project Signs/Monuments. Any and all project signs, monuments and related landscaping located at the entrances to the Development Area shall be regulated and maintained exclusively by the Master Association. No modifications shall be made to these areas without prior approval of the Master Board.

8.4 Time Shares Prohibited. The time-share form of ownership, or any comparable form of lease, occupancy rights or ownership which has the effect of dividing the ownership or occupancy of a Unit into separate time periods or ownership intervals is prohibited.

8.5 Compliance with Law. No use shall be made of the Property which would violate any then existing municipal codes or ordinances, or state or federal laws, nor shall any act or use be permitted which could cause waste to the Property, cause a material increase in insurance rates on the Property, or otherwise cause any unusual liability, health or safety risk, or expense, for the Master Association.

SECTION 9 ARCHITECTURAL AND LANDSCAPE STANDARDS

9.1 Standards. The Architectural Review Committee ("ARC") may, in its discretion, impose standards for design, appearance, construction, or development which may be greater or more stringent than standards prescribed in applicable building, zoning, or other governmental laws, codes, or regulations; provided that such standards shall be consistent with the architectural character of the Development Area. It is the intent of Master Declarant to create a general plan and uniform scheme of development of the Property and to create within the Property a community of high quality and harmonious Improvements. Accordingly, an Architectural Review Committee (the "ARC") shall be established as a permanent committee of the Master Association, to oversee, review and regulate all architectural and design matters involving the Property. The ARC shall have the following general powers:

9.1.1 The ARC shall have the exclusive right to approve or disapprove the size, exterior design, color, materials, landscaping and location with respect to all proposed Improvements, as well as the general plan for development of all Neighborhoods.

9.1.2 The ARC shall have the exclusive right to approve or disapprove all proposed additions, changes and any other type of remodeling to the exterior of any existing Dwelling, Nonresidential Building or other Improvement; except for any changes made by Master Declarant.

9.1.3 The ARC may, in its sole discretion, impose standards for design, appearance, construction or development which may be greater or more stringent than standards prescribed in applicable building, zoning or other governmental laws, codes or regulations; provided that such standards shall be consistent with the architectural character and use of the Property as planned and developed by Master Declarant. The primary procedures and regulations governing the ARC are set forth in this Section 9.

9.2 Architectural Review Committee. The ARC shall be a permanent committee of the Master Association, and shall administer and perform the architectural and landscape review and control functions of the Master Association.

9.2.1 The ARC shall initially consist of a minimum of three (3) natural persons, who need not be Owners. Until the expiration of the Master Declarant Control Period the committee members shall be appointed by Master Declarant and shall hold office at the pleasure of Master Declarant. Thereafter, Master Declarant shall have the right to appoint the majority of the members of the ARC so long as Master Declarant has the unexpired right to subject Additional Real Estate to the Declaration or owns a Parcel, and the Master Board shall have the right to appoint the remainder of the members.

9.2.2 Upon the expiration of the Master Declarant Control Period the Master Board shall (i) determine how many persons shall serve on the ARC (which shall be no fewer than three (3) nor more than seven (7) natural persons), (ii) appoint the members of the ARC (subject to Master Declarant's right to appoint the majority of members as provided above), (iii) set reasonable terms of office for the members of the ARC, and (iv) determine which member of the ARC shall serve as its chair. Following the expiration of Master Declarant's right to appoint the majority of the members of the ARC, a majority shall be Owners.

9.2.3 Until the expiration of Master Declarant's right to appoint a majority of the ARC members, meetings of the ARC may be called by Master Declarant or by the chair of the ARC. A majority of the ARC shall constitute a quorum to transact business at any meeting, and the action of a majority of those present shall constitute the action of the ARC.

9.3 Application and Approval Required. No Improvement shall be constructed, erected, removed or planted, nor shall any addition to or any change, replacement or alteration thereof be made, until plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme' and location of the Improvements shall have been submitted to and approved in writing by the ARC. Approval shall be requested by written application on such forms as may be required by the ARC. As part of the application process, two (2) complete sets of plans and specifications prepared by an architect, landscape architect, engineer or other person found to be qualified by the ARC shall be submitted. The ARC may require submission of samples of building materials and colors proposed to be used. All applications made to the ARC shall be made simultaneously to the appropriate official of any governmental authority having jurisdiction over the subject of the application, if required by the governmental authority. All construction shall be done by contractors approved in writing by the ARC. If the information submitted to the ARC is, in the ARC's sole opinion, incomplete or insufficient in any manner, the ARC may require the submission of additional

information. The approvals required to be given by the ARC shall not be unreasonably withheld.

9.4 Approval Standards. The ARC shall have the right to refuse to approve any plans and specifications which are not suitable or desirable, in its sole and absolute discretion. In approving or disapproving such plans and applications, the ARC shall consider, at a minimum, the following criteria:

9.4.1 Substantial uniformity of color, size, location, type and design for Dwellings and other Improvements in residential Neighborhoods with attached housing or uniform design requirements.

9.4.2 Comparable or better quality of materials as used in existing buildings or other Improvements on the Property.

9.4.3 Ease of maintenance and repair.

9.4.4 Adequate protection of the Property, the Master Association, Owners and Occupants, and Neighborhood Declarants from liability and liens arising out of the proposed alterations.

9.4.5 Compliance with governmental laws, codes, ordinances and regulations.

9.4.6 Preservation of existing trees and vegetation, and the lakes and wetlands located on or adjacent to the Property.

9.5 Notice of Decision. The ARC shall approve or disapprove the application and notify the applicant in writing within thirty (30) days following the receipt of the application and all related information. The notice shall set forth the approval or denial of the application, or any qualifications or conditions of approval. If the ARC disapproves the application, it shall state the grounds upon which the disapproval is based. Any applicant may appeal the decision of the ARC to the Master Board within thirty (30) days of the ARC's decision. The Master Board shall make its determination and notify the applicant within thirty (30) days of receipt of the appeal. The determination of the Master Board shall be final and binding upon the applicant; provided, that no Improvement shall be erected or shall be allowed to remain which violates any of the covenants, conditions or restrictions contained in this Master Declaration, or which violates any governmental law, zoning or building ordinance, or regulation.

9.6 Variances. The ARC may, in its sole discretion, grant variances from the requirements contained herein or as elsewhere promulgated by the ARC, on a case by case basis; provided, that the variance sought (i) involves unique circumstances, (ii) is reasonable and (iii) does not impose a hardship upon other Owners, and (iv) does not violate any governmental law, ordinance, code or regulation. The granting of such a variance by the ARC

shall not nullify or otherwise affect the ARC's right to require strict compliance with its requirements on any other occasion.

9.7 Temporary Structures. No structure or other Improvement of a temporary character such as, but not limited, to manufactured housing, shacks, sheds, animal enclosures, fencing, or accessory buildings or structures, shall be erected, kept or maintained on the Property, except as authorized by the Master Board. This restriction shall not apply to temporary structures authorized or used by Master Declarant or Neighborhood Declarants for development, to construction or sale of Dwellings, or to Nonresidential Buildings throughout the Development Area.

9.8 Changes to Improvements. No Person shall add to or change any Improvement as originally approved or constructed by Master Declarant, a Neighborhood Declarant or the Master Association without the approval of the ARC.

9.9 Outside Lighting. The location, size, type, intensity, spread, color and design of all exterior lighting fixtures must be approved by the ARC.

9.10 Signs. No sign of any kind shall be displayed to the public view on any Unit, except:

9.10.1 Designations, in such styles and materials as the ARC shall by regulation approve, of street addresses and names of occupants;

9.10.2 "For Sale" and "For Rent" signs may be displayed provided that they are in such uniform styles and materials as the ARC shall by regulation approve. The distinctive proprietary signs used by real estate brokers are prohibited;

9.10.3 Election posters during campaigns; and

9.10.4 Master Declarant shall be permitted to erect and maintain upon the Property such signs as it deems useful to advertise the development during the construction and sale periods.

9.11 Environmental Restrictions. In order to preserve and protect the adjacent wetlands, and to comply with local, state and federal laws and regulations, it is necessary to impose certain restrictions on the Property, as follows:

9.11.1 All parts of the Property covered by grass or other living ground cover shall be maintained by a professional maintenance company. Only environmentally safe, government approved fertilizing agents shall be used on the Property. Phosphorus-free fertilizers shall be used on lawns.

9.11.2 All landscaping plans shall be approved by the ARC prior to implementation, and shall comply with the standards established by the ARC and all governmentally imposed environmental requirements.

9.12 Alterations. Except for those made by Master Declarant in consideration of its initial sale of a Dwelling or Nonresidential Building, no Improvement shall be made, or caused or allowed to be made, in any part of the Master Common Elements, or in any part of the Dwelling or Nonresidential Building which affects the Master Common Elements or another Dwelling or Nonresidential Building, or which is visible from the exterior of the Dwelling or Nonresidential Building, without the prior written authorization of the ARC.

9.13 Completion Schedule. Construction of all Improvements for which the approval of the ARC is required under this Master Declaration shall be completed within the time period specified by the ARC.

9.14 Certificate of Compliance. Prior to the use or occupancy of any Improvement, the prospective users or occupants shall obtain a Certificate of Compliance from the ARC, certifying that the construction of the Improvement has been completed in accordance with the plans and specifications previously approved by the ARC. The ARC may, from time to time, delegate to a member or members of the ARC, or to the Master Association manager, the responsibility for issuing Certificates of Compliance.

9.15 Inspection and Remedies. The ARC, and any agent or member of the ARC, has the right of entry and inspection upon any portion of the Development Area for the purpose of determining whether there is compliance with the applicable architectural standards. If any person fails to comply with the requirements of the Master Declaration or the standards promulgated by the ARC, the violator shall pay all costs in connection with the resolution or correction of the violation, including without limitation any fees of attorneys or other professionals, incurred by the Master Association. The ARC may, in addition to its other remedies, record against the Parcel with respect to which the violation has occurred, in the public records of the county, a Certificate of Noncompliance stating that the Improvements fail to meet applicable architectural standards.

9.16 Review Fees. The ARC may adopt a schedule of reasonable fees for processing applications for approval. Such fees, if any, shall be payable to the Master Association at the time that the plans and specifications and other documents are submitted to the ARC. The payment of such fees, as well as other expenses of the ARC required to be paid, shall be deemed to be an Assessment against the Parcel with respect to which the application is made.

9.17 Master Declarant Exemptions. Notwithstanding anything contained herein to the contrary, any Improvements of any nature at any time made or approved by the Master Declarant, including, without limitation, Improvements made or to be made to the Master

Common Elements, or Neighborhood Property, shall not be subject to the review or other procedures of the ARC, but such Improvements shall comply with the plan of development for the Development Area.

9.18 Protection from Liability. Neither Master Declarant, the Master Association nor its directors or officers, the members of the ARC, nor any person acting on behalf of any of them, shall be liable for any costs or damages incurred by any person due to any alleged mistakes in judgment, negligence or any action of the ARC in connection with the approval or disapproval of plans and specifications. The Master Association shall indemnify, defend and hold harmless the ARC and each of its members from all costs, expenses and liabilities, including attorneys' fees, of all nature resulting by virtue of the acts of the ARC or its members. Neither Master Declarant, the directors or officers of the Master Association, the members of the ARC, nor any person acting on behalf of any of them, shall be responsible for any defects in any plans or specifications, nor for any defects in any Improvements constructed pursuant thereto. Each person submitting an application for approval shall be solely responsible for the sufficiency of all plans and specifications submitted and for the quality of construction of the Improvements constructed, and shall hold harmless, indemnify and defend the Master Association, Neighborhood Associations, and Master Declarant and their respective officers, directors, committee personnel and agents, from and against all claims, damages and liabilities arising out of the approval or construction of the Improvements to which their application relates.

9.19 No Representation of Compliance. No approval of plans and specifications and no publication of standards by the ARC shall be construed as representing or implying that such plans, specifications, or standards will, if followed, result in properly designed Improvements. Such approvals and standards shall not be construed as representing or guaranteeing that any Dwelling or other Improvement built in accordance therewith was built in a good and workmanlike manner. Neither Master Declarant, the Master Association, nor the ARC shall be responsible or liable for any defects in any plans or specifications submitted or approved; any loss or damages to any person arising out of the approval or disapproval of any plans or specifications, any loss or damage arising from the noncompliance of such plans and specifications with any governmental ordinances and regulations; nor any defects in construction undertaken pursuant to such plans and specifications.

9.20 Additional Standards. The ARC is authorized to promulgate from time to time additional written architectural standards, guidelines and other regulations governing the construction, location, landscaping and design of Improvements, the contents of plans and specifications, and other information required to evidence compliance with this Section 9. Any such publications by the ARC shall be binding and enforceable against all Persons with the respect to all Improvements subject to approval by the ARC.

9.21 City Requirements. The Property shall at all times be constructed, maintained, and operated in accordance with the requirements of all applicable City Code provisions,

including specifically, but not limited to, ordinances relating to shore land management, tree preservation, wetland preservation, erosion and sediment control, water quality, flood plain, storm water management, and building codes, as the same may be amended from time to time, which are hereby incorporated by reference. Additions to structures and facilities shall meet all required principal structure setbacks or setback requirements.

SECTION 10 INSURANCE AND RECONSTRUCTION

The Master Association shall obtain and maintain the following insurance relating to the Property:

10.1 General Liability Insurance. Public liability insurance covering the activities of the Master Association and its Officers, Directors, volunteers or employees in connections with its maintenance obligations. Such public liability policy shall provide such coverage, limits and deductibles as the Master Board deems reasonable.

10.2 Other Insurance. Such other types and amounts of insurance as may be determined by the Master Board to be necessary or desirable, including without limitation, Officers and Directors liability and insurance or fidelity bonds covering dishonest acts by those Persons having control or custody of the Master Association's funds.

10.3 Master Association as Trustee/ Premiums. All insurance coverage maintained by the Master Board shall be written in the name of, and the proceeds thereof shall be payable to, the Master Association (or a qualified insurance trustee selected by it) as trustee for the benefit of the Owners or Neighborhood Associations, as applicable. The premiums for the insurance shall be a Common Expense. The Master Board shall have exclusive authority to negotiate, settle and adjust claims under all policies obtained by the Master Association.

10.4 Policy Requirements. Insofar as permitted by law, the Master Association shall be required to make every effort to secure insurance policies with the following provisions and endorsements:

10.4.1 All policies shall be written with a company licensed to do business in the State of Minnesota and holding a rating of A-X1 or better in such financial categories as established by Best's Insurance Reports, if such a company is available, or if not available, its equivalent rating or the best rating possible.

10.4.2 All policies shall contain a waiver by the insurer of its right to cancel without first giving thirty (30) days prior written notice of such cancellation to the Master Association.

10.4.3 No insurance policy or coverage shall be brought into contribution with insurance purchased by Owners, or Neighborhood Associations, and all policies shall contain appropriate provisions to that effect.

10.4.4 All policies shall contain a waiver of subrogation by the insurer as to any claims against the Master Association or Neighborhood Associations, and their Directors and Officers, the Owners, and the Master Association's manager, if any.

10.4.5 All policies shall contain a provision that no policy may be canceled, invalidated, or suspended on account of the conduct of one or more of the Owners or Neighborhood Associations, or on account of the acts of any Director, Officer, employee, or agent of the Master Association or of its manager, without prior demand in writing delivered to the Master Association to cure the defect and the allowance of a reasonable time thereafter within which to cure the defect.

10.4.6 All liability insurance shall contain cross-liability endorsements to cover liability of the Master Association to an Owner and shall also name the Master Declarant as an additional insured for so long as Master Declarant owns any part of the Property.

10.5 Damage or Destruction to Improvements. In the event of damage to or destruction of improvements located on any Neighborhood Property, but specifically excluding any Improvements owned and insured by the Master Association, which shall be repaired or replaced by the Master Association, the repair and reconstruction of the improvements shall be undertaken in accordance with the requirements and procedures contained in the Neighborhood Governing Documents for the Neighborhood in question.

SECTION 11 COMPLIANCE AND REMEDIES

11.1 Entitlement to Relief. The Master Association may commence legal action to recover sums due, for damages, for injunctive relief, or any combination thereof, or an action for any other relief authorized by the Master Governing Documents or available at law or in equity. Legal relief may be sought by the Master Association against any Member or Owner, or by a Member against the Master Association or another Member or another Owner, to enforce compliance with the Master Governing Documents, the Master Rules, MCIOA or the decisions of the Master Association. However, no Member may withhold any Master Assessments payable, or take or omit other action in violation of the Master Governing Documents, the Master Rules or MCIOA, as a measure to enforce such person's position, or for any other reason.

11.2 Sanctions and Remedies. In addition to any other remedies or sanctions, expressed or implied, administrative or legal, the Master Association shall have the right, but not the obligation, to implement any one or more of the following actions against Members or Owners who violate the provisions of the Master Governing Documents, the Master Rules, or MCIOA:

11.2.1 Commence legal action for damages or equitable relief in any court of competent jurisdiction.

11.2.2 Impose late charges of up to fifteen percent (15%), or twenty dollars (\$20.00), whichever is greater, of each late payment past due of a Master Assessment or installment thereof, and impose interest at the highest rate permitted by law on all such unpaid amounts.

11.2.3 In the event of default of more than thirty (30) days in the payment of any Master Assessment or installment thereof, all remaining installments of Assessments assessed against the Member may be accelerated by the Master Association, and shall then be payable in full together with all costs of collection and late charges. Reasonable advance written notice, of at least ten (10) days, of the effective date of the acceleration shall be given to the defaulting Person.

11.2.4 Impose reasonable fines, penalties or charges for each violation of MCIOA, the Master Governing Documents or the Master Rules.

11.2.5 Suspend the rights of any Member to vote when the Member is in violation of the Master Governing Document, the Master Rules or MCIOA.

11.3 Rights to Hearing. In the case of imposition of any of the remedies authorized by Section 10.2.3, 4 or 5 of this Section, the Master Board shall, upon written request of the offender, grant to the offender a fair and equitable hearing. The offender shall be given notice of the nature of the violation and the right to a hearing, and at least ten (10) days within which to request a hearing. The hearing shall be scheduled by the Master Board and held within thirty (30) days of receipt of the hearing request by the Master Board, and with at least ten (10) days prior written notice to the offender. If the offender fails to appear at the hearing then the right to a hearing shall be waived and the Master Board may take such action, as it deems appropriate. The decision of the Master Board and the rules for the conduct of hearings established by the Master Board shall be final and binding on all parties. The Master Board's decision shall be delivered in writing to the offender within ten (10) days following the hearing, if not delivered to the offender at the hearing.

11.4 Liability for Owners' and Members' Acts. A Member or Owner shall be liable for the expense of any maintenance, repair or replacement of the Property rendered necessary

by such Member's or Owner's acts or omissions, to the extent that such expense is not covered by the proceeds of insurance.

11.5 Costs of Proceeding and Attorneys Fees. With respect to any collection measures, or any measures or action, legal, administrative, or otherwise, which the Master Association takes to enforce the provisions of MCIOA, Master Governing Documents or Master Rules, the offender shall promptly pay or reimburse the Master Association for any expenses incurred in connection with such enforcement, including without limitation fines or charges previously imposed by the Master Association, reasonable attorneys' fees and fees for other professionals, court costs, collection agency contingent fees and interest (at the highest rate allowed by law).

SECTION 12 MASTER DECLARANT RIGHTS

Master Declarant hereby reserves exclusive and unconditional authority to exercise the following special Master Declarant Rights for so long as it owns a part of the Property or has the right to subject any Additional Property to this Declaration, or for such shorter period as may be specifically indicated:

12.1 Complete Improvements. To complete all improvements included in the Master Declarant's development plans or allowed by the Master Declaration, and to make alterations in the Development Area owned by it to accommodate its activities.

12.2. Sales Facilities. To construct, operate and maintain a sales office, management office, models and other development, sales and rental facilities within any part of the Development Area owned by Master Declarant.

12.3 Signs. To erect and maintain signs and other sales displays offering parts of the Development Area for sale, in or on any part of the Development Area owned by it or subject to its easement rights.

12.4 Easements. To have and use reasonable access easements, for itself, its employees, contractors, representatives, agents and prospective purchasers through and over the Development Area, for the purpose of exercising its special Master Declarant rights;

12.5 Control of Master Association. To control the operation and administration of the Master Association, including without limitation the power to appoint and remove the members of the Master Board until the earliest of: (i) voluntary surrender of control by Master Declarant, (ii) a Master Association meeting which shall be held within 60 days after conveyance to Owners other than a Master Declarant of 75% of the total number of Units

authorized to be included in the Property or (iii) the date ten (10) years following the date of the recording of the Master Declaration.

12.6 Approval of Certain Amendments. As long as Master Declarant owns any part of the Development Area, or has the unexpired right to subject Property to this Master Declaration, Master Declarant's written consent shall be required for any amendment to the Master Governing Documents or Master Rules which directly or indirectly, affects or may affect, Master Declarant's rights under the Master Governing Documents, Neighborhood Governing Documents or MCIOA.

12.7 Add, Relocate and Subdivide Property. To add all or any portion of the Additional Property to the community and to combine or subdivide parts of the Property, as described in Sections 12 and 13.

SECTION 13 RIGHTS TO ADD PROPERTY, RELOCATE AND SUBDIVIDE

13.1 Master Declarant Rights To Change Neighborhoods and Units. Master Declarant shall have the right to add all or any portion of the Additional Property to the Community, to combine, subdivide or relocate boundaries between Units owned by it, and to combine or subdivide Neighborhoods, as provided in this Section. Master Declarant may unilaterally take such action while it owns the property in question, or thereafter as provided in this Section, subject to the following requirements:

13.1.1 Any combination or subdivision shall comply with all governmental laws, codes and regulations applicable to the transaction.

13.1.2 Any membership accruing to a Neighborhood shall be reallocated as determined by the Master Board

13.1.3 The relocation, combination, conversion or subdivision shall be accomplished by an amendment to the Master Declaration, and shall be for purposes consistent with those set forth in the Master Governing Documents.

13.1.4 If the change involves Neighborhood Property, then the approval of the Neighborhood Association shall be required.

13.1.5 The Neighborhood Governing Documents of any affected Neighborhoods shall be amended, if necessary to reflect the changes.

13.2 Transfer of Master Declarant Rights. Some or all of the Master Declarant Rights may be voluntarily transferred by Master Declarant by an amendment to this Master

Declaration by a separate instrument signed by Master Declarant and the transferee, and recorded against the portions of the Development Area affected.

13.3 Rights and Obligations of Master Declarant. Upon transfer of any Master Declarant Rights, the liability of Master Declarant shall be as follows:

13.3.1 Master Declarant shall remain liable for any obligation or liability arising prior to the transfer.

13.3.2 Master Declarant shall remain liable for any obligation or liability relating to any Master Declarant Rights retained by Master Declarant.

13.3.3 Master Declarant shall have no liability for any act or omission arising from the exercise of a Master Declarant Right by the transferee of the Master Declarant Right.

13.4 Rights and Obligations of Successor Master Declarant. Any transferee of Master Declarant rights shall be entitled to exercise such Master Declarant Rights and shall be subject to all of the obligations with respect thereto; except (i) misrepresentations of Master Declarant; (ii) warranty obligations of Master Declarant; (iii) breach of fiduciary obligation by Master Declarant or by any Officers of members of the Master Board appointed by Master Declarant, (iv) any liability or obligation imposed on Master Declarant as a result of Master Declarant's acts or omissions after the transfer; and (v) any liability arising out of any Master Declarant Rights retained by the Master Declarant.

SECTION 14 AMENDMENTS

This Master Declaration may be amended by recording an appropriate amendment in the office of the applicable county recording officer, subject to the following requirements:

14.1 Approvals. The amendment shall have been approved as follows:

14.1.1 All amendments shall be approved by Members holding at least seventy-five percent (75%) of the votes of all Members.

14.1.2 Any amendment that affects any Master Declarant right shall be approved in writing by Master Declarant so long as Master Declarant owns an unsold Unit or has the right to subject Property to this Declaration.

14.1.3 Any amendment which would abolish, diminish or restrict rights expressly granted to the City under this Declaration, or any agreement between the City and Master Declarant, shall be approved in writing by the City.

14.1.4 Notwithstanding any provision to the contrary set forth in this Master Declaration, no approval of any Owner, Member or Association shall be required for an amendment to this Master Declaration adding all or any portion of the Additional Property to the community.

14.2 Binding Effect. All amendments shall be recorded and shall run with the Property and bind the Property for the same period and to the same extent as do the covenants and restrictions set forth herein.

14.3 Affidavit of Compliance. An affidavit by the President or Secretary of the Master Association as to the outcome of the vote, or the execution of any written approvals, shall be adequate evidence thereof for all purposes, including without limitation, the recording of the amendment.

SECTION 15 INDEMNIFICATION

The Master Association shall, to the extent the alleged liability is not covered by insurance, indemnify every individual acting in any official capacity on behalf of the Master Association, pursuant to the provisions of Minnesota Statutes 317A.521.

SECTION 16 MISCELLANEOUS

16.1 Severability. If any term, covenant, or provision of this instrument or any exhibit attached hereto is held to be invalid or unenforceable for any reason whatsoever, such determination shall not be deemed to alter, affect or impair in any manner whatsoever any other portion of this instrument or Exhibits.

16.2 Construction. This Master Declaration and all Governing Documents shall be construed in accordance with the laws of the State of Minnesota. Where applicable the masculine gender of any word used herein shall mean the feminine or neutral gender, or vice versa, and the singular of any word used herein shall mean the plural, or vice versa. References to MCIOA or any section thereof, shall be deemed to include any statutes amending or replacing MCIOA, and the comparable sections thereof.

16.3 Notice. Unless specifically provided otherwise in the Master Governing Documents or MCIOA, all notices required to be given by or to the Master Association, the

Master Board of Directors, the Master Association Officers or the Owners or Occupants shall be in writing and shall be effective upon hand delivery, or mailing if properly addressed with postage prepaid and deposited in the United States mail; except as expressly provided otherwise in the Master Governing Documents.

16.4 Conflicts Among Documents. In the event of any conflict among the provisions of MCIOA, the Master Declaration, the Master Bylaws or any Master Rules approved by the Master Association, MCIOA shall control, unless provision allows for the Master Governing Documents to control. As among the Master Declaration, Master Bylaws and Master Rules, the Master Declaration shall control, and as between the Master Bylaws and the Master Rules, the Master Bylaws shall control. The Master Governing Documents shall control as against any Neighborhood Governing Documents or Neighborhood Rules.

16.5 Duration of Covenants. The covenants, conditions, restrictions; easements, liens and charges contained in this Master Declaration shall be perpetual, subject only to termination as provided in this Master Declaration or MCIOA.

[Signature Block and Acknowledgement on Following Page]

**EXHIBIT A TO MASTER DECLARATION
RAMSEY TOWN CENTER
LEGAL DESCRIPTION OF REAL ESTATE**

The following property in Ramsey Town Center Addition:

- Outlot A
- Outlot C
- Outlot E
- Outlot F
- Outlot H
- Outlot J

- Outlot N
- Outlot O
- Outlot Q
- Outlot U

All that part of OUTLOT W, RAMSEY TOWN CENTER ADDITION, according to the recorded plat thereof, Anoka County, Minnesota, described as follows: Beginning at the southeast corner of said OUTLOT W; thence on an assumed bearing of WEST along the southerly line of said OUTLOT W for 719.85 feet to a point of curvature in said southerly line; thence westerly for 53.22 feet along said southerly line along a tangential curve concave to the north, radius 420.00 feet and central angle 07 degrees 15 minutes 37 seconds; thence North 23 degrees 43 minutes 04 seconds East for 200.49 feet; thence on a bearing of East for 692.29 feet to the easterly line of said OUTLOT W; thence on a bearing of SOUTH along said easterly line for 186.92 feet to the point of beginning.

- Outlot AA, except the northwesterly 60.00 feet thereof.
- Outlot FF
- Outlot GG
- Outlot HH

Outlot A and Lot 1, Block 1, Ramsey Town Center 4th Addition

**EXHIBIT B TO MASTER DECLARATION
RAMSEY TOWN CENTER
LEGAL DESCRIPTION OF MASTER COMMON ELEMENTS**

A permanent easement for entrance monument purposes over, under and across all that part of OUTLOT H, RAMSEY TOWN CENTER ADDITION, according to the recorded plat thereof, Anoka County, Minnesota, which lie southerly of a line drawn parallel with and distant 40.00 feet northerly from the southerly line of said OUTLOT H and which lie westerly of a line drawn parallel with and distant 90.00 feet easterly from the westerly line of said OUTLOT H.

A permanent easement for entrance monument purposes over, under and across all that part of OUTLOT GG, RAMSEY TOWN CENTER ADDITION, according to the recorded plat thereof, Anoka County, Minnesota, which lie northerly of a line drawn parallel with and distant 40.00 feet southerly from the northerly line of said OUTLOT GG and which lie easterly of a line drawn parallel with and distant 90.00 feet westerly from the easterly line of said OUTLOT GG;

AND

A permanent easement for entrance monument purposes over, under and across all that part of OUTLOT FF, RAMSEY TOWN CENTER ADDITION, according to the recorded plat thereof, Anoka County, Minnesota, which lie southerly of a line drawn parallel with and distant 40.00 feet northerly from the southerly line of said OUTLOT FF and which lie easterly of a line drawn parallel with and distant 90.00 feet westerly from the easterly line of said OUTLOT FF.

A permanent easement for entrance monument purposes over, under and across all that part of OUTLOT N, RAMSEY TOWN CENTER ADDITION, according to the recorded plat thereof, Anoka County, Minnesota, which lie northerly of a line drawn parallel with and distant 20.00 feet southerly from the northerly line of said OUTLOT N and which lie westerly of a line drawn parallel with and distant 20.00 feet easterly from the westerly line of said OUTLOT N;

AND

A permanent easement for entrance monument purposes over, under and across all that part of OUTLOT J, RAMSEY TOWN CENTER ADDITION, according to the recorded plat thereof, Anoka County, Minnesota, which lie northerly of a line drawn parallel with and distant 20.00 feet southerly from the northerly line of said OUTLOT J and which lie easterly of a line drawn parallel with and distant 20.00 feet westerly from the most easterly line of said OUTLOT J.

A permanent easement for entrance monument purposes over, under and across all that part of OUTLOT F, RAMSEY TOWN CENTER ADDITION, according to the recorded plat thereof, Anoka County, Minnesota, which lie northeasterly of a line drawn parallel with and distant 20.00 feet southwesterly from the northeasterly line of said OUTLOT F and which lie southeasterly of a line drawn parallel with and distant 20.00 feet northwesterly from the southeasterly line of said OUTLOT F;

AND

A permanent easement for entrance monument purposes over, under and across all that part of OUTLOT J, RAMSEY TOWN CENTER ADDITION, according to the recorded plat thereof, Anoka County, Minnesota, which lie northeasterly of a line drawn parallel with and distant 20.00 feet southwesterly from the northeasterly line of said OUTLOT J and which lie northwesterly of a line drawn parallel with and distant 20.00 feet southeasterly from the northwesterly line of said OUTLOT J.

**EXHIBIT C TO MASTER DECLARATION
RAMSEY TOWN CENTER
LEGAL DESCRIPTION OF ADDITIONAL PROPERTY**

Lot 1, Block 1, Ramsey Town Center Addition

Ramsey Town Center 2nd Addition

Ramsey Town Center 3rd Addition

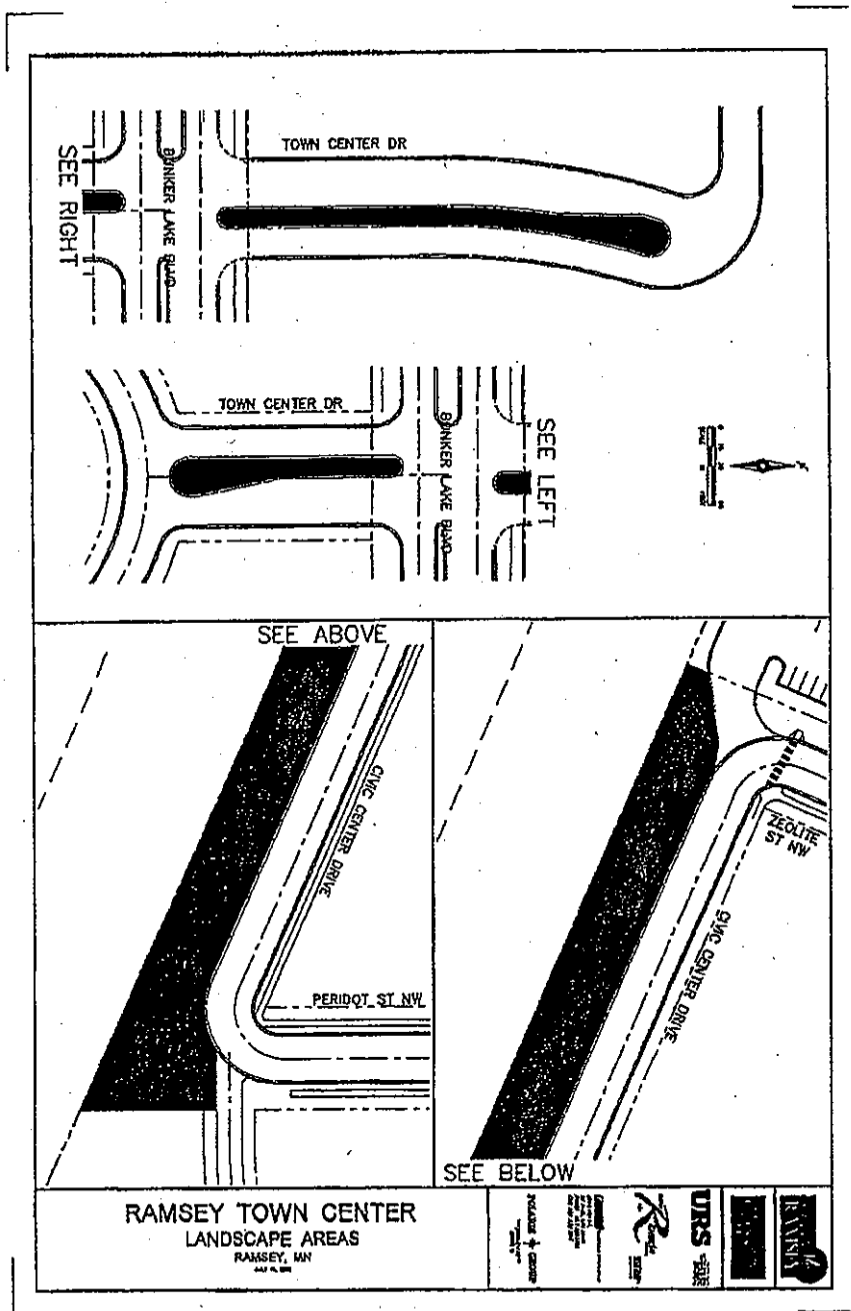
All or a portion of the following described property:

Outlots S,T,X,Y,Z and the northwesterly 60.00 feet of Outlot AA, RAMSEY TOWN CENTER ADDITION, Anoka County, Minnesota, together with that part of Outlot M of said RAMSEY TOWN CENTER ADDITION, lying southeasterly of the following described line:

Commencing at the northeast corner of said Outlot M; thence North 66 degrees 10 minutes 33 seconds West, assumed bearing along the northerly line of said Outlot M, a distance of 350.00 feet to the point of beginning of the line to be described; thence South 23 degrees 49 minutes 27 seconds West a distance of 274.15 feet to a point on the southerly line of said Outlot M distant 350.00 feet northwesterly from the southeast corner of said Outlot M and said line there terminating.

That part of Outlot W, RAMSEY TOWN CENTER ADDITION, Anoka County, Minnesota not included in Exhibit A.

EXHIBIT D TO MASTER DECLARATION RAMSEY TOWN CENTER

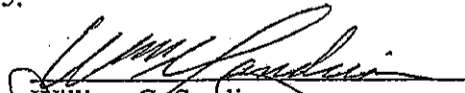
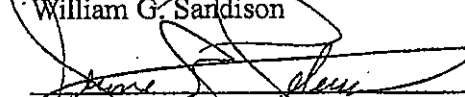
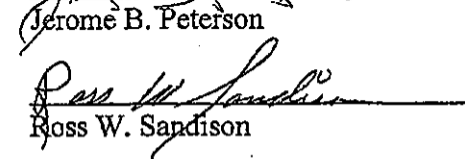


RAMSEY TOWN CENTER

CONSENT AND JOINDER BY MORTGAGEE

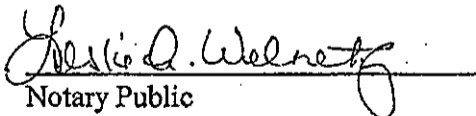
The undersigned (the "Mortgagee") are the Mortgagees of portions of real property described in the Master Declaration of Ramsey Town Center ("the Declaration") by a certain Mortgage recorded in the Office of the Anoka County Recorder and the Anoka County Registrar of Titles (the "Mortgage"). Mortgagees hereby consent to and join in this Declaration; provided that by consenting to and joining in this Declaration, the Mortgagees do not in any manner constitute themselves or obligate themselves as Master Declarants as defined in this Declaration nor does such consent and joinder modify or amend the terms and conditions of the Mortgage and related loan documents; and provided further that the Mortgage shall be and remain as a lien on the property described therein, prior to any assessment liens or other liens imposed under the Declaration, until released or satisfied.

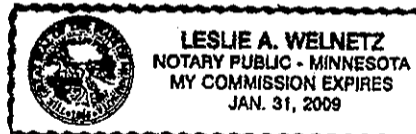
IN WITNESS WHEREOF, the Mortgagee has caused this Consent and Joinder to be executed on the 18th day of August, 2005.


William G. Sandison

Jerome B. Peterson

Ross W. Sandison

STATE OF MINNESOTA)
) ss.
COUNTY OF Anoka)

The foregoing instrument was acknowledged before me this 18 day of August, 2005 by William G. Sandison.

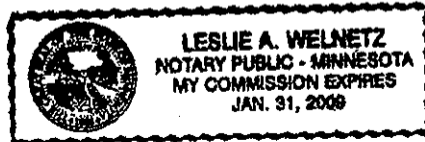

Notary Public



STATE OF MINNESOTA)
) ss.
COUNTY OF Anoka)

The foregoing instrument was acknowledged before me this 18 day of August, 2005 by Jerome B. Peterson.

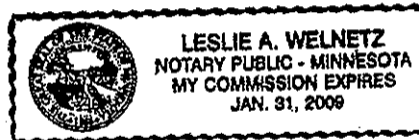
Leslie A. Welnetz
Notary Public



STATE OF MINNESOTA)
) ss.
COUNTY OF Anoka)

The foregoing instrument was acknowledged before me this 18 day of August, 2005 by Ross W. Sandison.

Leslie A. Welnetz
Notary Public



ANOKA COUNTY MINNESOTA

Document No.: 484495.001 TORRENS

I hereby certify that the within instrument was filed in this office for record on: 09/15/2005 3:09:00 PM

Fees/Taxes In the Amount of: \$48.00

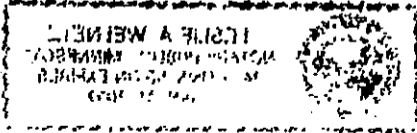
MAUREEN J. DEVINE

Anoka County Property Tax

Administrator/Recorder/Registrar of Titles

TAP, Deputy

Record ID: 1601237



ANOKA COUNTY MINNESOTA

Document No.: 1978252.001 ABSTRACT

I hereby certify that the within instrument was filed in this office for record on: 09/15/2005 3:10:00 PM

Fees/Taxes In the Amount of: \$48.00

MAUREEN J. DEVINE

Anoka County Property Tax

Administrator/Recorder/Registrar of Titles

TAP, Deputy

Record ID: 1601238

