

City of Ramsey
Agenda
Housing and Redevelopment Authority (HRA)
Regular Session
Tuesday June 26, 2012
Immediately Following City Council
Council Chambers, 7550 Sunwood Drive NW

1. **Call to Order**
2. **Citizen Input**
3. **Approve Agenda**
4. **Approve Minutes**
5. **HRA Business**
 1. Consider Offer to Purchase Land - Senior Housing (portions may be closed to the public)
 2. Consider HRA contribution to Sunwood Drive Relocation Project
 3. Review Development Dashboard
 4. Review COR History and Exit Strategy
6. **Development Team Report**
7. **Commissioner Input**
8. **Adjournment**

HRA Regular Session

5. 1.

Meeting Date: 06/26/2012**By:** Darren Lazan, Housing &
Redevelopment Authority

Information**Title:**

Consider Offer to Purchase Land - Senior Housing (portions may be closed to the public)

Background:

The Development team has received an offer from a senior housing developer for the purchase of three and one-half acres located at the NE quadrant of Center Street and Ramsey Parkway.

This parcel is currently contemplated in Development Plan 6.0 to be a high density multi-family use, and a senior housing project would be consistent with the current design/master plan.

The offer contemplates a relatively short due diligence period and closing, and would likely be constructed in late 12/early 13

The project consists of approximately 78 units of senior living and memory care in an initial phase, with an additional 78 units in a future second phase. The entire 3.5 acre parcel would be acquired with the initial phase. Their proposal is to construct a two-story building with courtyards and amenities such as a theatre, fitness center, chapel, game rooms, library, and ice cream parlor.

The project proposes approximately 60 new employees to the community (48 FTE), and a potential for the location of a regional office within the community in the future.

Notification:**Observations:**

The development team believes the proposed use provides a much-needed service in the community, generally complies with the desired land use in this area, and with some effort, can comply with the design framework for The COR.

The deal structure proposed does provide some challenge as the proposed purchase price is below the dashboard price, and they have requested additional consideration on development and building permit fees.

The proposing party will be in attendance to present on their project prior to moving to closed session.

Details on the proposed offer will be provided in closed session.

Recommendation:

The development team recommends the HRA consider the proposed offer and provide direction to further assist in consideration of this offer.

Funding Source:

N/A

Council Action:

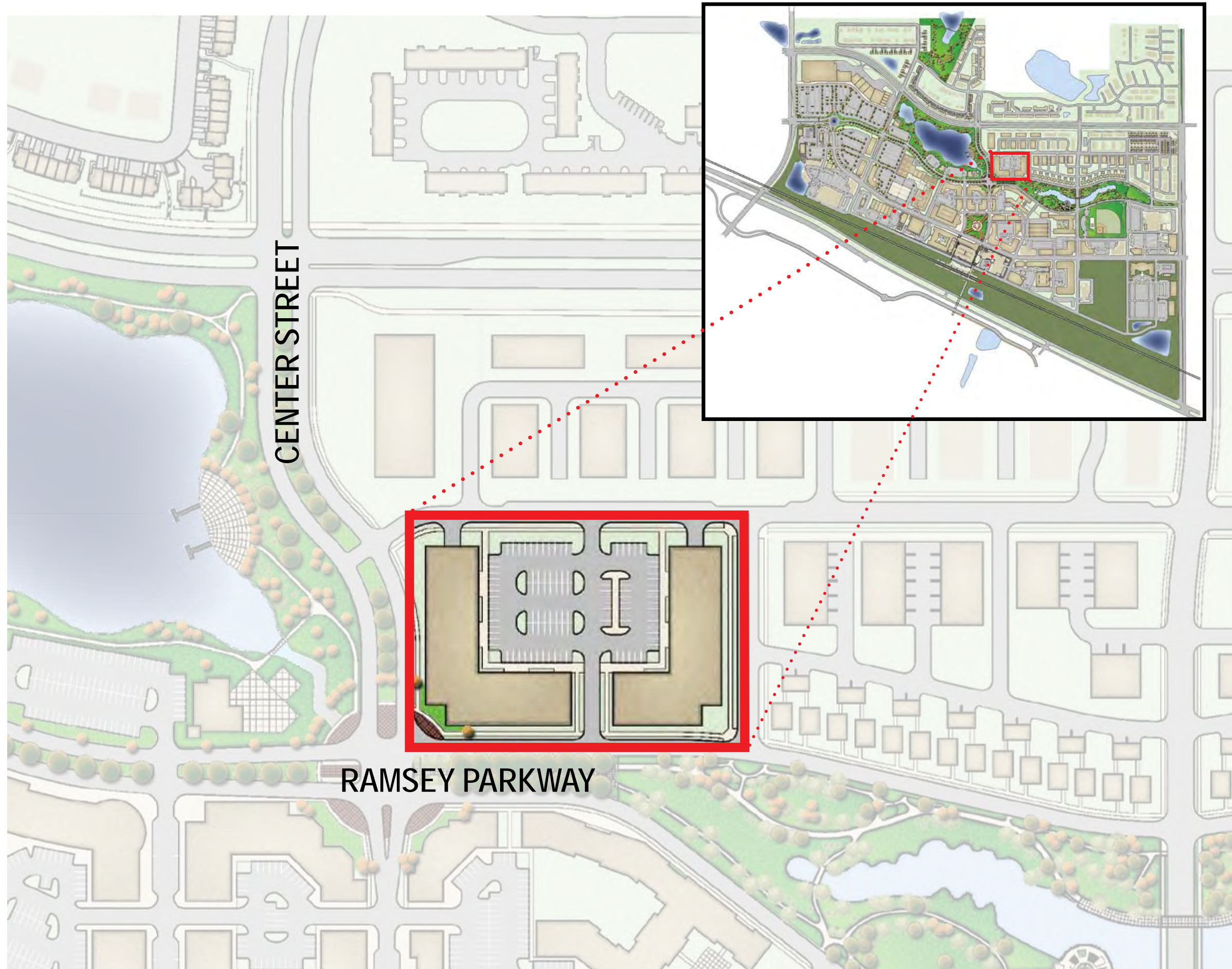
Consider the proposed

Attachments

Site Location Map

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	06/21/2012 04:11 PM
Form Started By: Darren Lazan		Started On: 06/21/2012 12:58 PM
	Final Approval Date: 06/21/2012	



HRA Regular Session

5. 2.

Meeting Date: 06/26/2012

By: Darren Lazan, Housing &
Redevelopment Authority

Information

Title:

Consider HRA contribution to Sunwood Drive Relocation Project

Background:

At previous meetings, there has been considerable discussion with regard to the HRA's participation in the Sunwood Drive Relocation project. To date, the HRA has participated in a number of ways towards the project to include:

- Site Planning and alignment feasibility
- Coordination of the Traffic/AUAR considerations
- Preparation of TAZ data and traffic analysis necessary to obtain design volumes
- Use of HRA land for construction staging
- Use of fill material from HRA sites

There has generally been an understanding that the HRA would participate financially in the cost of the relocation. This contribution has fluctuated as the cost estimates and potential funding sources have been contemplated.

Notification:

Observations:

At a case before the City Council prior to this meeting, the final bids and funding sources will be presented to the city council, and available to the HRA for review.

The current funding plan includes a place holder of \$500,000 in HRA contribution to the project.

Several options exist to consider this contribution. The two most likely to be easily facilitated are described below:

Option A

The HRA contributes \$500,000 in funds from the proceeds of land sales towards the project. This option would require a waiver, or modification to the current policy on the disbursement of land sale proceeds to allow all of the net proceeds be dedicated to the project, rather than disbursing to the allocated funds per the policy.

Option B

The HRA contributes Lot 3, Block 1, COR TWO, the proposed Wiser Choice parcel, to the City. The City in turn uses the parcel to offset the acquisition cost of the existing Wiser Choice parcel, reducing the cost of the project by roughly \$500,000. This option would not require any modification to the current policy for the distribution of land sale proceeds.

Following the opening of bids, the development team will complete and update development pro-forma for the Sunwood Retail area to further assist the HRA in their consideration of these options.

Recommendation:

The Development team recommends the HRA review the proposed options above, and based on final numbers to be presented at the meeting, provide direction on how to facilitate the contribution by the HRA to the Sunwood Retail Project

Funding Source:

To be outlined in CC case

Council Action:

Direct the development team to proceed with [Option A] [Option B] or a modified option based on discussion for it's contribution to the Sunwood Realignment project.

Attachments

Land Proceeds Disbursement

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	06/21/2012 04:10 PM
Form Started By: Darren Lazan		Started On: 06/21/2012 12:57 PM
	Final Approval Date: 06/21/2012	

Project Costs	% Share	Receiving Fund
\$ 5,851,197	23.30%	COR Revolving Fund-Special Assessments Abated
\$ 1,500,000	5.97%	COR Revolving Fund-LOC Funds for Land Purchase
\$ 595,641	2.37%	HRA-County Funds used for land Purchase
\$ 1,018,638	4.06%	Park Trust Fund-Draw Park Construction
\$ 2,598,800	10.35%	Water Fund-Land Purchase
\$ 2,598,800	10.35%	Sewer Fund-Land Purchase
\$ 360,000	1.43%	HRA-DM Admin Contract 2 years
\$ 6,000,000	23.89%	Park Trust Fund-Future Park Impr-non-Tif eligible
\$ 4,591,373	18.28%	MSA-Bonded For Sunfish & Bunker/Armstrong
<hr/>		
\$ 25,114,449	100.00%	
		Summary Funding:
		COR Revolving Fund(future infrastructure) 29.27%
		HRA Fund 3.80%
		Park Trust Fund 27.95%
		Water Fund 10.35%
		Sewer Fund 10.35%
		MSA Fund 18.28%
		<hr/> 100.00%
		Need to sell the land for at least \$2.44/Sq ft
		Sell < 2.44/Sq ft need to report Loss on City's Financial Statements

HRA Regular Session

5.3.

Meeting Date: 06/26/2012

By: Darren Lazan, Housing &
Redevelopment Authority

Information

Title:

Review Development Dashboard

Background:

The development dashboard was originally created in 2010 as a means to track all projected revenues and expenses relevant to the development of the property. This effort originally included a considerable effort to recount and recapture both past expenses, as well as future expenses anticipated as part of the current development plan.

The dashboard considers both hard and soft costs associated with the project, as if the project was a free-standing entity, to allow the HRA to measure the progress and status of the project along the path of development. This is a critical tool in measuring the progress towards exit strategy #2, which includes the partial development of the project prior to a sale of the holdings in their entirety. It is also a critical component to all exit strategies, as it provides a very critical account of the financial components of the project for a perspective buyer. The dashboard tracks all the costs expected to be incurred by this development regardless of the ownership, and provides a tremendous amount of due diligence data for any perspective buyer.

Notification:

Observations:

The development dashboard has a number of significant assumptions that were developed in the initial stages of this project effort. The HRA should, from time-to-time, review these assumptions and the resulting impact on the financial components of the project to ensure that the dashboard provides accurate guidance throughout the development effort.

Recommendation:

The development team recommends the HRA review the current development dashboard, and the related assumptions to provide updated direction to the development team.

Funding Source:

N/A

Council Action:

None

Form Review

Inbox

Kurt Ulrich

Reviewed By

Kurt Ulrich

Date

06/21/2012 01:58 PM

Form Started By: Darren Lazan

Started On: 06/21/2012

Final Approval Date: 06/21/2012

Meeting Date: 06/26/2012**By:** Kurt Ulrich, Administrative Services

Information**Title:**

Review COR History and Exit Strategy

Background:

The City purchased the Ramsey Town Center Development out of foreclosure in June of 2009. Shortly thereafter, the City/HRA hired Landform to head up the re-visioning of the project and to serve as development manager moving forward. Attached are copies of minutes from the summer and fall of 2009 outlining discussions regarding the exit strategy. Also attached is a flow chart depicting the anticipated steps involved with the development over a three year period.

A number of actions have been taken that have put the development near Stage 2 of the exit strategy. The re-visioning, re-branding, marketing material, road reconfiguration, comprehensive plan amendments, revised development guidelines, fill/cut analysis of the site, creation of a Tax Increment District, master declaration agreement, and projects such as the rail station, VA Clinic, the Draw, Allina, and road improvements have all added value to the project.

This case was originally introduced at the June 12 HRA meeting.

Observations:

At the June 12th HRA meeting staff was requested to find more information on two items: (A) How/Why the City chose to purchase the Ramsey Town Center? (B) What was the process utilized for recruiting/interviewing/hiring a development manager?

Item A, How/Why the City chose to purchase the Ramsey Town Center?

In summary, based on meeting minutes (HRA and City Council) and press releases, the City decided to purchase the Ramsey Town Center for three major reasons: (1) to protect City infrastructure investments made prior to the Ramsey Town Center's failure; (2) clean up a number of property title restrictions/issues that made this project unattractive to potential buyers/developers--including back taxes/interest/penalties; and (3) turn around a project that was a "risk" for the community as a whole into a project that fits the City's vision and goals.

Attached to this case are a number of supporting documents pertaining to this request:

1. Press Release March 18, 2009 (Justification for Purchase of RTC)
2. 03-17-09_RTC Settlement Presentation-RamseyCityCouncil (Justification for purchase of the RTC)
3. City Council Special Session Minutes March 17, 2009 (Discussion of Ramsey Town Center Litigation) HRA Meeting Minutes
4. HRA Special Special Session Minutes March 17, 2009 (Approving Purchase Agreement)
5. HRA Resolution 09-03-003 (Purchase of Ramsey Town Center)
6. HRA Resolution 09-06-005 (Abatement of Special Assessments)
7. Full Purchase Agreement (Ramsey Town Center)

Item B, What was the process utilized for recruiting/interviewing/hiring a development manager?

In summary, the City went through a standard Request for Qualifications (RFQ) Process to hire a development services manager. This process began in October of 2009 when staff sent out an RFQ to a list of potential applicants. Staff received eight responses. After review, staff selected three applicants to bring forward to the HRA in November of 2009. Interviews of the final three applicants were conducted by the HRA in December of 2009 (Landform, Solomon Real Estate, Forest City). With discussion, the HRA selected Landform. At the February and

March 2010 HRA meetings a draft contract for development services with Landform was discussed. Finally, at the April 2010 HRA meeting, a final contract was reviewed and approved by the HRA.

Attached to this case are a number of supporting documents:

1. Development Services RFQ October 2009
2. Development Services RFQ Response List
3. HRA Minutes November 24 2009 (Development Services Discussion)
4. HRA Minutes December 15 2009 (Development Services Discussion)
5. HRA Minutes February 2010 (Development Services Discussion)
6. HRA Minutes March 16 2010 (Development Services Discussion)
7. Development Services Contract April 2010 (Landform)

Recommendation:

Review history and discuss current opinions on exit strategy for the COR development.

Funding Source:

N/A

Council Action:

Based on discussion.

Attachments

COR Timeline

Exit Strategy

Minutes re Exit Strategy

Press Release March 18 2009 (Justification for Purchase of Ramsey Town Center)

03-17-09 RTC Settlement Presentation-RamseyCityCouncil

City Council Special Session Minutes March 17 2009 (Discussion of Ramsey Town Center Litigation)

HRA Meeting Minutes March 17 2009 (Approving Purchase Agreement)

HRA Resolution 0903003 (Purchase of Ramsey Town Center)

HRA Resolution 0906005 (Abatement of Special Assesments)

Full Purchase Agreement (Ramsey Town Center)

Development Services RFQ October 2009

Development Services RFQ Response List

HRA Minutes December 15 2009 (Development Services Discussion)

HRA Minutes February 2010 (Development Services Discussion)

HRA Minutes March 16 2010 (Development Services Discussion)

HRA Minutes November 24 2009 (Development Services Discussion)

Development Services Contract April 2010 (Landform)

Form Review

Inbox	Reviewed By	Date
Patrick Brama	Jo Thieling	06/21/2012 06:08 PM
Kurt Ulrich (Originator)	Jo Thieling	06/21/2012 06:09 PM
Patrick Brama	Patrick Brama	06/22/2012 09:49 AM
Kurt Ulrich (Originator)	Jo Thieling	06/22/2012 10:19 AM
Patrick Brama	Patrick Brama	06/22/2012 10:22 AM
Kurt Ulrich (Originator)	Kurt Ulrich	06/22/2012 01:10 PM

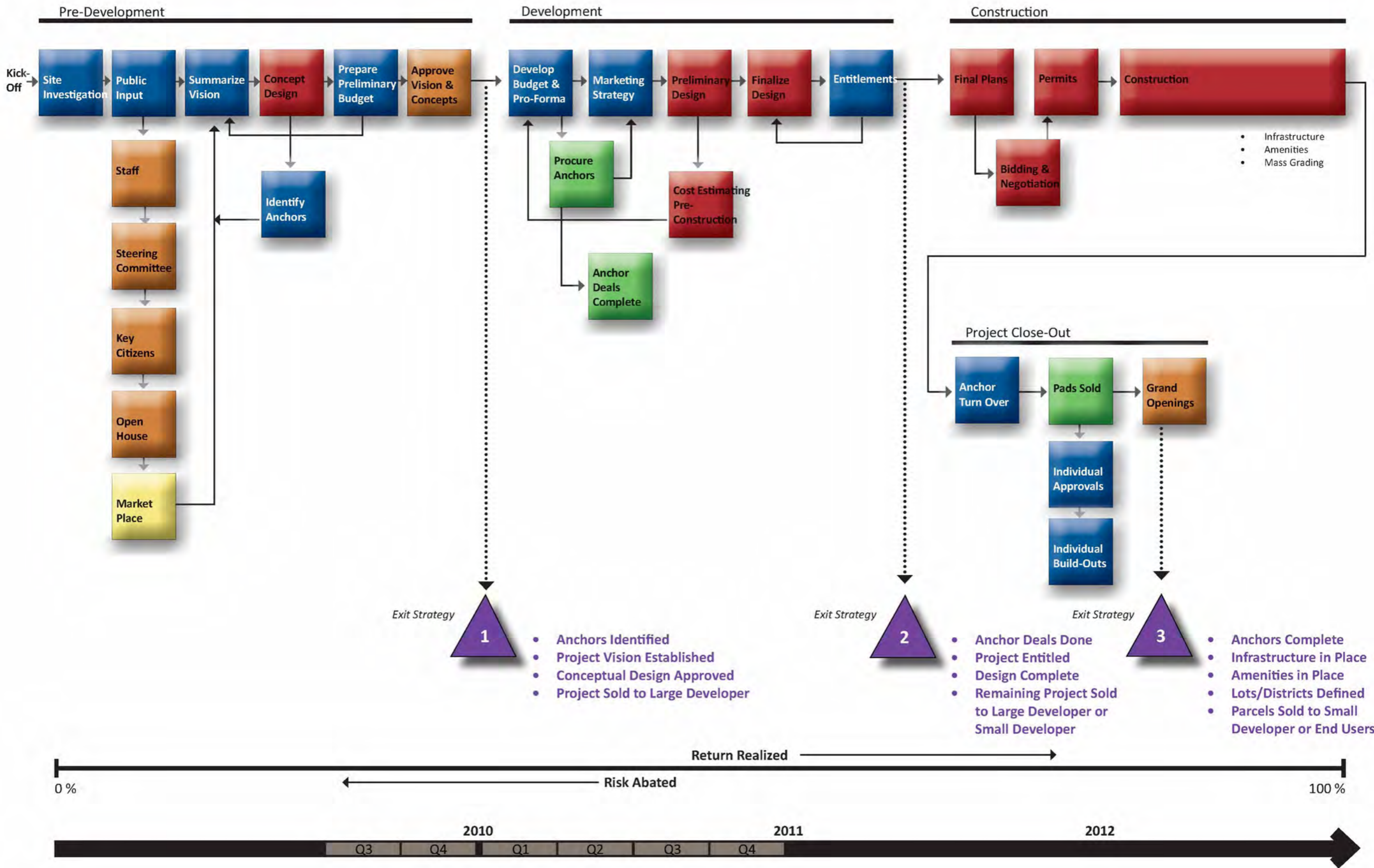
Form Started By: Kurt Ulrich

Started On: 06/21/2012

Final Approval Date: 06/22/2012

The COR Timeline of Significant Events—Updated June 12th 2012





Town Center" carries some bad connotations and the committee feels that the look of the project needs to change, including particularly the name. He stated this will give the City an opportunity to put a new, fresh face on the project and will create a buzz in the community that something has changed and something is taking form with this project. He stated there are projects starting to happen and the City should not miss this opportunity to market this unique property.

Mr. Lazan stated that Landform is currently reviewing the feedback gathered to date, establishing a project vision, vision statement and mission statement, and summarizing all the data.

Mayor Ramsey asked what impact any rebranding would have on others using the Town Center name.

Councilmember Elvig stated the steering committee discussed this at length and felt there were valid reasons for keeping certain elements of the name. He stated the committee felt it would be helpful to hire someone to help steer the committee with respect to the branding process.

Councilmember Dehen stated that in his opinion, there has been a lot of activity by various parties on this project, all trying to accomplish the same purpose, including the steering committee, Landform, City staff, and the Council. He indicated it is critical that communication remain a priority in order to keep everybody updated, and asked that the *Weekly Update* from staff include current updates on this project.

Mr. Lazan discussed the renaming and noted there is a potential to keep some aspects of the Town Center name, and focusing on branding the retail village with a new name, while still being part of the overall town center. He indicated that several names have been floated by the steering committee, including Ramsey City Center, Ramsey Center, City of Ramsey Center, as well as names that include a theme, e.g., Park West or Park East, or a name that includes the Northstar component.

Councilmember Wise expressed concern that there is not one person in charge of the overall project and felt it was important to streamline the project as much as possible.

Councilmember McGlone stated with a project of this scope and magnitude, it is important to focus on and come up with the mission, and to define that mission to keep the project on track. He added he was in favor of slowing down the project a little in order to see who might be out there and be interested in the development.

Councilmember Look agreed and added that a decision will have to be made at a relatively early stage regarding the City's exit strategy on the project.

Councilmember Elvig stated that one of the things the steering committee has learned is that there is already a component of retail, park, residential, etc. in the project, and some of these things are hardlined into the project. He added that the steering committee remains committed to being flexible and to working with developers on the project.

Councilmember Wise expressed concern that the City has not yet finalized its exit strategy and felt the City should get the ball rolling on the project and then get out of the way so that its role is approving the development but not driving the development.

Councilmember Elvig stated there are currently a lot of overlap and/or dovetailing, and communication throughout the process will be critical. He stated he felt the City has to figure out what it has first, before figuring out its exit strategy.

The Council discussed marketing opportunities and ways of finding out who might be interested in this market. The Council also discussed currently viable prospects and making direct contact with those prospects.

Deputy City Administrator Nelson stated that there will be an HRA meeting following the regular Council meeting; the purpose of the meeting is to ask the HRA to establish a budget for marketing the Ramsey Town Center.

2) Review Levels of Service for Building Inspections / Permits

Deputy City Administrator Nelson reviewed the staff report.

Local Electrical Inspections

Mayor Ramsey asked how much recordkeeping would be involved if the City were to undertake the electrical inspections.

Building Official Kaehler indicated that the recordkeeping would not be significant, but expressed concern that any revenue generated by contracting with a licensed electrical inspector directly would be offset by the cost.

Councilmember McGlone stated he is opposed to an electrical inspection program and felt there was no benefit to the City.

Councilmember Wise agreed with Councilmember McGlone.

Councilmember Dehen stated he felt the current electrical inspector does a good job and did not feel there would be any advantage to the City taking over this program.

Mayor Ramsey agreed and stated it was not worth it to pursue an electrical inspection program.

Siding, Roofing and Window Installation Permits

Deputy City Administrator Nelson provided information regarding 2007, 2008, and 2009 permits, adding that on average, 2.5 inspections were done per permit. She stated staff feels there is value in this since there are some things that are missed by contractors. She noted that if Council direction is to eliminate these permits, it would require a Code amendment.

Councilmember Dehen stated he felt there was value in requiring these permits and it helps make sure contractors do a good job.

**RECEIVE RAMSEY TOWN CENTER STEERING COMMITTEE
RECOMMENDATIONS**

By: Heidi Nelson, Deputy City Administrator/Community Development Director

BACKGROUND:

The Ramsey Town Center Steering Committee met on Thursday, September 24th to review the Development Process for Ramsey Town Center as depicted by Landform (see attached). The Committee discussed the work that has been completed thus far, work that is currently underway and the role of the committee going forward. The following is a summary of the recommendations of the committee:

STEERING COMMITTEE RECOMMENDATIONS:

1. Close out Phase 1. Schedule formal Council approval of land use/massing plan and community vision components.
2. Complete branding and positioning study by November 6, 2009.
3. In the next 60 days, the RTC Steering Committee will review current market data and absorption rates and establish a phasing plan and timeline for completion.
4. Establish a development corporation for Ramsey Town Center. The corporation would be charged with developing a project pro forma and establishing initial land prices based upon the City's cost of the land and the cost of anticipated project amenities. Extend current consultant contract 90 days to address these issues.
5. Upon creation of the development corporation, the Council shall decide the ongoing role, if any, of the RTC Steering Committee.
6. Continuously evaluate exit strategy based upon current user prospects (e.g., VA Clinic, Allina, and targeted Buxton Study businesses).

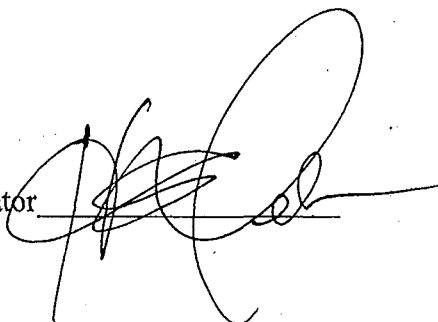
At the time of the writing of this case, the members of the Steering Committee are reviewing the recommendations as drafted by staff following the 9/24 Steering Committee meeting. Steering Committee members have been invited to attend the HRA meeting for this discussion.

BOARD ACTION:

Based on discussion.

Reviewed by:

City Administrator



HRA: 10/06/09

Attachments:

A: Ideal Development Process by Landform

Mr. Lano stated we have to believe it is always a moving target – as the market changes, development changes too.

Commissioner Ramsey stated he would be in favor of saying this is the plan. He asked why we need to do a zoning change and comprehensive plan amendment when we own the property and control the zoning.

Commissioner Jeffrey stated that because the zoning is all set – we need to relax the zoning. We need to start to look at timelines. If we are going to do it – we have to move it.

Chairperson Dehen stated that on the other hand, it cannot be planned in six weeks.

Commissioner Jeffrey stated we can either act on it or not but the Steering Committee will not look on it again.

Planning Manager Miller stated that if we are changing the comprehensive land use plan, we need to change the comprehensive plan.

Chairperson Dehen asked if we would develop the big box stores at the expense of housing.

Deputy City Administrator Nelson stated that the existing plan does not show any big box development. She wants to be able to illustrate to developers that flexibility. The map shows that you currently cannot bring in big box development without a lot of work. She suggested that if we want to communicate that flexibility it has to show on the map.

Commissioner McGlone inquired if we would have to move the houses somewhere else.

Ms. Miller replied that is possible.

Commissioner Wise felt you lose credibility from the get-go – that's why it has to be done.

Commissioner Look asked what the tax ramification would be of removing a thousand houses and replacing it with big box.

Ms. Miller stated she did not do the calculations but offered to get the information for Council.

Commissioner Elvig stated you will need a little bit of both – it has to balance.

City Administrator Ulrich stated there's a need for formal recognition by the City Council of that new plan.

Discussion ensued relating to water bodies.

Commissioner Jeffrey stated that to adopt this as a concept is important as we move forward and start to plan other things. He added it is a good point to look at the tax ramifications of housing versus retail.

Consensus of the HRA was to move recommendation #1, which reads: Close out Phase 1. Schedule formal Council approval of land use/massing plan and reaffirming the community vision components of mixed use, transit oriented, and a high level of project amenities. Sustainability components should be considered as part of project amenities.

Consensus of the HRA was to move recommendation #2, which reads: Complete branding and positioning study in November 2009.

Recommendation #3 reads: In the next 60 days, the RTC Steering Committee will review current market data and absorption rates and establish a phasing plan and timeline for completion. Commissioner Jeffrey stated this is on our radar. We will continue to work on it.

City Administrator Ulrich stated that another important component is to establish reality of how the market will take this property and develop it.

Commissioner Jeffrey continued with recommendation #4. It is staff's recommendation on how we will move forward.

Mr. Lano stated we are trying to bring the best recommendations to the Council.

Chairperson Dehen suggested we want to give the Steering Committee the tools they need.

Commissioner Elvig felt that is some of the decisions we made with the branding.

Commissioner Jeffrey stated that staff can direct the consultant. He felt that the Steering Committee is telling the Council to go forward on this.

Commissioner Ramsey stated that the development corporation is going to be necessary at some point in this game.

Commissioner Jeffrey stated that the Steering Committee is recommending the Council consider Recommendation #4, which reads: Consider the use of a development corporation for Ramsey Town Center. The corporation would be charged with developing a project pro forma and establishing initial land prices based upon the City's cost of the land and the cost of anticipated project amenities. In the next 60 days, the Steering Committee will review the purpose structure and scope of the Development Corporation.

Commissioner Jeffrey stated that #5 talks about what is the role of the Steering Committee going forward. We will need further direction. Recommendation #5 reads: Upon creation of a development corporation, the Council shall decide the ongoing role, if any, of the RTC Steering Committee.

Chairperson Dehen inquired if the Steering Committee can be a confidential body to which City Attorney Goodrich replied no.

Commissioner Jeffrey stated that Recommendation #6 reads: The HRA should continuously evaluate exit strategy based upon current user prospects (e.g. VA Clinic, Allina, and targeted Buxton Study businesses).

Kris Williams stated that the Steering Committee will do what we can to shepherd this project – we will put this project in a position to be the best it can be.

Chairperson Dehen felt that the Steering Committee has valuable input and they are a good sounding board.

Brad Lano commented that this is a daunting task, but we will take it one piece at a time.

There was discussion about the VA Clinic and what the City was willing to give to get the clinic.

Motion by Commissioner Elvig and seconded by Commissioner Wise to accept the revised RTC Steering Committee recommendations.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Elvig, Wise, Jeffrey, Look, McGlone and Ramsey. Voting No: None.

Case #8: Discuss the Creation of a Development Corporation

Planning Manager Miller stated that since July, City staff, the Steering Committee, and the City Council have discussed the possibility of forming a development corporation as a means to progress the development of Town Center. Staff has begun to assemble background information on what procedures would need to be done to move that process forward. The Steering Committee passed a recommendation for Council to consider forming a development corporation for the administration of the Ramsey Town Center. The HRA made that same motion. Staff has since contacted the League of Minnesota Cities to request information regarding other communities in Minnesota, which may have development corporations and how they may be set up. City Attorney Goodrich has prepared a memo summarizing the process by which we could create the corporate entity and some of the issues, which may be involved. Ms. Miller talked about the EDA and development corporations. There is no City role in their development Corporation. The LMC has stated that in order to preserve privacy issues, the City should not have any role in creating development corporations.

City Attorney Goodrich stated it is easy to form a development corporation but our concern is that if the development corporation mirrors the City Council essentially just to have privacy, that will run amuck with the open meeting laws. He did not think Council would want to give the EDC the right to sell the land, etc. Most EDC's are formed to lend money. We could hire a development corporation and give them parameters. He also read a list of certain things that can remain private. Within that framework, we could redact a lot of stuff. We have had a lot of closed meetings to develop agreements, and establish prices so while it may not be an ideal thing, we could patchwork together some pretty good privacy data.

FOR IMMEDIATE RELEASE
March 18, 2009

Contact: Kurt Ulrich
City Administrator
763-433-9845
kulrich@ci.ramsey.mn.us

**CITY OF RAMSEY SETTLES LAWSUIT AND PLANS
TO PURCHASE RAMSEY TOWN CENTER PROPERTY**
Actions will free up project for future development, protect taxpayers

RAMSEY, Minn. — The Ramsey City Council has authorized settlement of the protracted litigation involving the Ramsey Town Center project, and the purchase of 150 acres of undeveloped property to free it from foreclosure, protect the city's infrastructure investments and position the project for additional private development.

Ramsey Town Center, since its inception, has been a private development, but the project stalled in 2006 after the death and bankruptcy of its owner and developer. Since that time, the undeveloped portion of the 322-acre mixed-use development has moved into foreclosure involving 25 banks. Due to the complexity of the foreclosure, it has been difficult to attract new developers into the project.

"Regardless of the past history of this project, our citizens expect us to change its course and position this important section of our city for a successful future," said Mayor Bob Ramsey. "With the city's action, we ensure there is opportunity for private entities to develop our Town Center and protect the city's previous investments."

The city plans to purchase the 150 acres for \$6.75 million. The current lenders would then pay \$1.35 million owed in back taxes, interest and penalties to the city, county and school district. In addition, the city plans to utilize \$1.5 million in proceeds from a previous letter of credit for the development. The cost of the transaction is a fraction of the current mortgage amount of \$35 million. The city will finance the purchase through internal borrowing, allowing it to complete the purchase without accumulating additional debt or strapping city finances.

In return, the city will receive a clear and marketable title to the 150 acres. The council's action also will:

- Result in a settlement that ends litigation between the city and lead bank
- Allow the community to recoup back taxes, interest and penalties, and avoid forfeiture of future taxes starting in 2010
- Free the property for private development
- Allow the city to re-shape future development of Town Center in a manner that is market-driven and meets community needs
- Accelerate the opportunity to grow the tax base
- Protect the community's infrastructure investments

"The city council's decision to buy the remaining parcels of Ramsey Town Center is a smart investment," said Ramsey City Council Member David Elvig. "It's a buyer's market and this property is a great value. We need to protect the investments the city and its regional partners have already made in the project."

- More -

Planning for the Ramsey Town Center began with significant citizen and business input in 2003. The Ramsey Town Center was envisioned as the community's centerpiece, bringing together residential, retail, light industry, schools, civic and office space. The project has enjoyed several early successes, including PACT Charter School, Coborn's and other retail, Midwest Medical Examiner's Office, life cycle housing and a city park. The Ramsey Municipal Center was constructed in the development, as well as a public transportation center, providing bus and eventually commuter rail service for residents of Ramsey and surrounding communities. Tax revenues have been expanded by nearly \$1 million as a result of the development thus far.

Ramsey City Administrator Kurt Ulrich said that after careful examination, the city concluded it is in the best position to redirect the course of the Ramsey Town Center at this time.

"In its current situation, this property doesn't benefit the city or its residents — and in fact, it puts our community at risk," Ulrich said. "Buying this property will allow us to put our community's vision back on the map, move forward in a way that best meets our needs and build a better future for the entire region."

Positioning Ramsey Town Center for the Future

March 17, 2009



The Community's Initial Vision:

- 322-acre, award-winning mixed-use development along U.S. Hwy. 10
- Housing, commercial, retail, office and civic development
- Goods and services that meet residents' needs
- Job and tax base expansion
- Pedestrian, family and transit friendly



Implementing the Initial Vision:

- Sought input from residents and businesses
- Created master development plan to protect the community's vision
- Owned by private developer — not the city
- Funded most infrastructure investments with grants, outside funding
- Protected community's overall investment

Ramsey Town Center Successes:

- PACT Charter School with 540 students
- 223 units of life cycle housing
- Coborn's grocery store, other retail and commercial space
- City park, municipal center and transit hub
- Nearly \$12 million in infrastructure investments with no outstanding debt
- \$1 million in expanded tax revenue



Challenges Since 2006:

- Developer death and bankruptcy
- 150 acres trapped in foreclosure
- Currently owned by group of 25 banks
- Multiple buyers and projects have come and gone

Potential Risks:

- Loss of nearly \$1.5 million in back taxes, interest and penalties
- Potential loss of future tax revenue
- No guarantee community needs will be met
- Poor economy = few potential buyers
- Ramsey may miss out on economic recovery

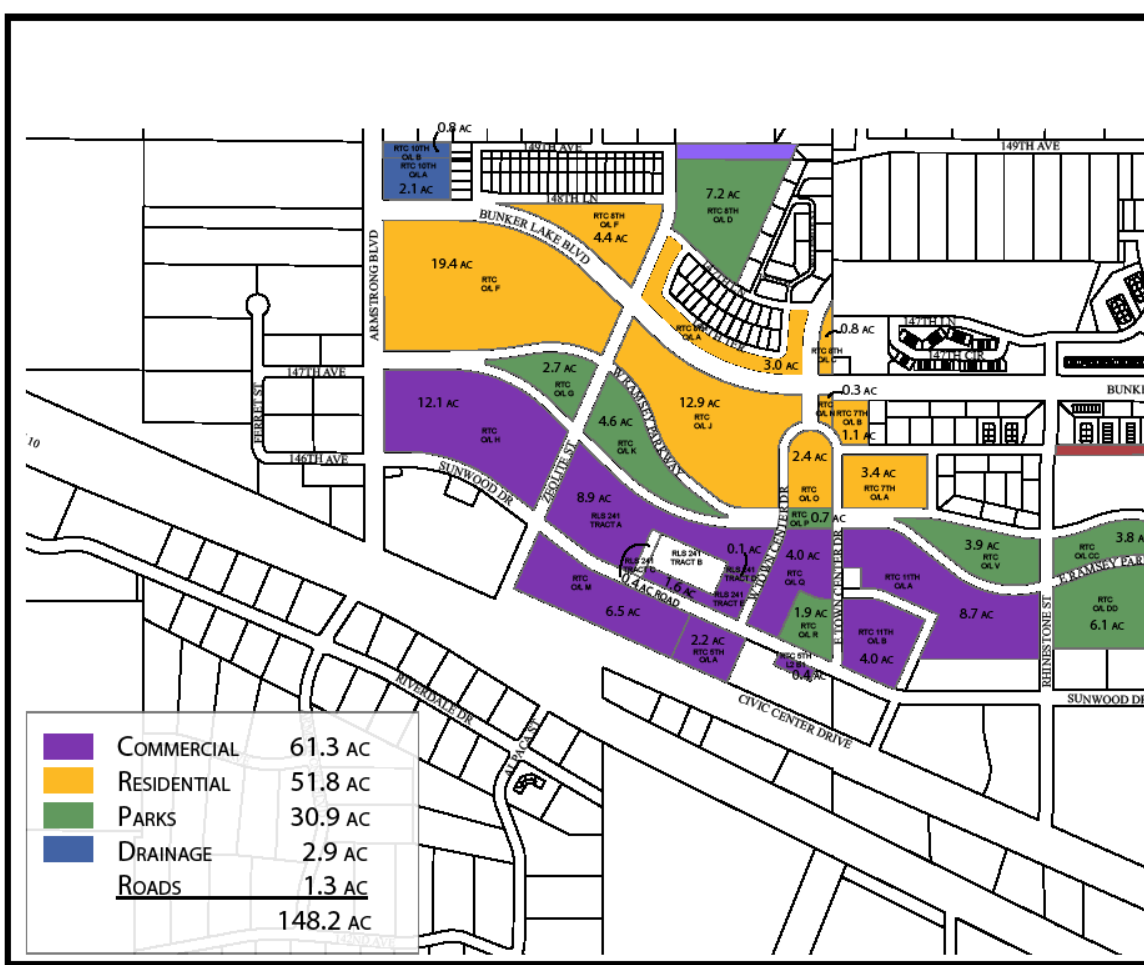
**Regardless of the past,
city action at this time
creates the greatest
opportunity to maximize
future private development.**

Tonight's Proposed Action:

- Settlement of litigation
- City purchase of 148.2 undeveloped acres
- Cost of \$6.75 million
(current mortgage value: \$35 million)
- Secure marketable title
- Internal fund transfer
- Foreclosure sale: March 20, 2009;
Closing: June 26, 2009



Properties to be Acquired by City



A Good Investment:

**Gross City
Purchase Price**

\$6.75 million

**Lenders Repay
Back Taxes
to City, County, Schools**

(\$1.35 million)

**Proceeds of Previous
Letter of Credit**

(\$1.5 million)

Positioning for the Future:

- Frees property for private development
- Payment of back taxes, interest and penalties
- Builds tax base and reduces need for future tax increases
- Protects community's investment to date
- Investment in Ramsey's future

Questions and Discussion

**CITY COUNCIL SPECIAL MEETING
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Ramsey City Council conducted a Special City Council Meeting on Tuesday, March 17, 2009, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Bob Ramsey
Councilmember John Dehen
Councilmember David Elvig
Councilmember Matt Look
Councilmember Colin McGlone
Councilmember Jeffrey Wise

Members Absent: Councilmember David Jeffrey

Also Present: City Administrator Kurtis Ulrich
Assistant City Administrator Heidi Nelson
City Attorney William Goodrich
Public Works Director Brian Olson
Community Development Director Amber Miller
Economic Development Coordinator Sean Sullivan
Finance Officer Diana Lund
Jim Lasher, Consultant
Tom Bray, Attorney Briggs and Morgan

CALL TO ORDER

Mayor Ramsey called the Special City Council meeting to order at 7:01 p.m. followed by the Pledge of Allegiance.

CITIZEN INPUT

There was none.

APPROVE AGENDA

The agenda was approved, as submitted.

CONSENT AGENDA

There was none.

COUNCIL BUSINESS

Case #1: Confirm Direction, if any, Given in Closed Session regarding City of Ramsey vs. Minnwest Bank Central Litigation and Ramsey Town Center Addition

City Attorney Goodrich stated that this special meeting was announced on Tuesday, March 10, 2009, at the regular City Council meeting and notices were posted beginning March 11, 2009. He stated that the purpose of this meeting is to discuss and possibly settle the litigation in the Anoka County District Courts of the City of Ramsey vs. Minnwest Bank Central, which revolves around Ramsey Town Center Addition, of which the City Hall is part. He gave some history of the Ramsey Town Center and its development agreement and the subsequent changes with the developer passing away and the property going into foreclosure. He stated during the time that these things occurred, the City found it necessary to make certain the Master Development Agreement had priority over any other encumbrances, so it entered this litigation. He stated that one of the complications of the litigation is that part of the land is abstract and part is Torrens property. He stated that Minnwest counterclaimed against the City seeking a determination that the first mortgage had priority over the Master Development Agreement. He stated that the City believes it is close to having this matter settled and various documents will be reviewed with the Council. He introduced Tom Bray of Briggs and Morgan who has been working with the City on this matter to review the proposed Settlement Agreement.

Mr. Bray noted that he will review the: Settlement Agreement; Purchase Agreement; Consent to Settlement Agreement and Release with the participating banks; and lastly a Release Agreement for the Ramsey Town Center. He reviewed the details of the Settlement Agreement.

Councilmember Elvig asked Mr. Bray to express the time sensitivity related to this issue.

Mr. Bray stated that if the HRA acquires the property prior to June 30, 2009, they can file to have the property exempt from taxes. He reviewed the details of the Purchase Agreement and noted that the purchase price has been changed to \$6.75 million, not \$7 million, as is stated in the document in front of the Council tonight. He stated that there are significant delinquent real estate taxes and this agreement requires the Seller to pay those at closing, but the outstanding assessments will be the City's responsibility. He noted that Section 20 will be entirely removed from the Purchase Agreement. He reviewed the Release Agreements.

City Attorney Goodrich asked Mr. Bray to note the balance of the existing mortgage.

Mr. Bray stated that it is approximately \$36 million with interest, but he doesn't know the exact number.

Councilmember Elvig noted that he would like to see Mr. Lasher show and discuss what properties are being discussed.

Mr. Lasher stated that this is to purchase approximately 148 acres, 30 acres is parkland and the rest is commercial and residentially zoned property.

City Administrator Ulrich went through a Power Point presentation of the Settlement highlights on positioning on how this positions the Ramsey Town Center for the Future. He reviewed the community's initial vision for a 322 acre, award winning mixed-use development along Highway 10. He stated that the initial vision included creation of a Master Development Agreement and the property was owned by a private developer. He noted the successes that have happened in the Ramsey Town Center such as PACT, 223 units of life cycle housing, Coborn's, the transit hub and a City Park. He reviewed some of the challenges since 2006, including the death of the developer and bankruptcy, which resulted in about 150 acres being trapped in the foreclosure process. He stated that the land is currently owned by 25 banks, which has complicated negotiations. He reviewed some of the potential risk in both moving forward and not moving forward. He stated that the proposed action is a settlement of litigation where the City will purchase 148.2 acres at a cost of \$6.75 million, which secures a marketable title, with a closing date of June 26, 2009. He reviewed the map of where the property is located, and noted that 61.3 acres is commercial land; 51.8 acres is residential; and 30.9 acres is parkland. He stated that this would help position Ramsey for the future because it frees the property for development, pays back taxes, builds a tax base and reduces the need for future tax increases.

Councilmember Look publicly thanked everyone on the Council for the countless hours spent in meetings that have taken them away from their families to hammer out details and get answers to questions. He stated that he also wanted to thank staff for their continued work in updating the Council as things have changed. He stated that this project may not end up having one developer taking the project and running with it, so it may need to be parceled out. He stated that this was probably the last option that the City would consider but it will help control the use of the land. He stated that his plan is to sell this property at the price that we paid, if not a profit and thinks it is important for the citizens to understand that this is going to be done through an internal loan transfer, not a bailout in terms of people's taxes paying for this project. He stated that with \$6.75 million, the City will net about \$500,000 in back taxes and will be able to apply a \$1.5 million Letter of Credit, which brings it down to about \$4.5 million from the internal loan. He stated that it will also allow the City to bring forth a Met Council grant for an amphitheater that would have just fallen apart if this purchase hadn't moved forward. He stated that this is an investment in the future of the City.

Councilmember Elvig stated that there have been hundreds of hours between the Council and the staff working on this, which also has certain costs associated with it. He stated that he has historical perspective on this project, having been around to see the various stages. He stated that because the City created a very stringent Development Agreement this will allow us to get the things that the City wants here. He stated that you have to ask "But for not the City" whether this thing would fly and he feels that it wouldn't fly without the City getting involved. He stated that he commends the Council for this difficult decision and he understands it will be contentious, but he is very impressed with the Council and the tenacity of questions and the thought process throughout the discussions.

Councilmember Dehen stated that the Council needs a vision and the only way to position the City in this vision, was to purchase this. He stated that he thinks this option was the last resort for everyone. He stated that he thinks the other important issue is for the City to continue fighting and pursuing the transportation issue and the potential train stop.

Councilmember Wise stated that the new Councilmembers sort of got thrown into the middle of the issue. He stated that he ran on fiscal conservatism and it is important to note that this project was basically bleeding the City. He noted that by the City taking control of the property and possibly revising the Master Plan, the City can move forward and stop spending staff time, professional time and Council time on this to turn it into a usable tax base. He stated that he agrees that this was a last choice option for everybody, but nobody else could build this project to our Master Development plans and make a profit. He stated that the City should be able to sell this and recoup the cost of the land and some of the professional fees that have been incurred.

Councilmember McGlone stated that on the campaign trail, he asked people what their biggest problem was, and 9 out of 10 people said the Ramsey Town Center. He stated that he would also commend staff, professionals and the Council for working to get us to this point. He stated that this option makes the most sense and has the best possible scenario for future success.

Mayor Ramsey stated that he agrees with everything that has been said. He stated that this, in his opinion, had to move forward and the option of letting it go tax forfeit is a poor option. He stated that this was discussed in closed meetings, but he can assure the public that everything will now be open and transparent and there will not be any secrets. He encouraged people to call him, e-mail him, or come to the Town Hall meeting and discuss this with him. He stated that at this price, he thinks it is a smart move for the City to move forward with this. He stated that he will stand by his statement that the City should not be a developer and hopes that someone steps forward in that role. He stated that in the grand scheme of things, this is a good purchase price for the property.

Councilmember Dehen stated that the public needs to be aware that at some point the land became worth the price the City is planning to pay for it. He stated that the City will be actively attempting to move the property and he doesn't think it is anybody's idea to play developer for this property.

Councilmember Elvig stated that he thinks another benefit of moving this property forward shows the communities and regional partners that the City is moving and that there is going to be activity in the area. He stated that he spoke with County Commissioner Dan Erhart last week and asked him about the chance for Ramsey to be a rail stop. He stated that he was heading to Washington the next day to start the lobby process for moving forward with a Ramsey rail stop.

Motion by Councilmember Elvig, seconded by Councilmember Look, to approve Resolution #09-03-055 which is a resolution conditionally approving a Settlement Agreement with Minnwest Bank Central regarding that certain lawsuit which is known as City of Ramsey vs. Minnwest Bank Central, Anoka County District Court File #02-CV-07-2643.

Further Discussion: City Attorney Goodrich stated that the actual purchase price is \$6.75 million and he would also like to announce that available tonight for public review are the Settlement Agreement, Purchase Agreement, Consent to Settlement and Release with Ramsey Town Center LLC and the proposed resolution, which he suggested be read aloud. Mayor Ramsey asked him

to read it aloud. City Attorney Goodrich read aloud the resolution, which states: "Whereas, in 2003 the City approved the plat of Ramsey Town Center Addition (RTC PLAT); and Whereas, after approval of the RTC Plat certain events occurred which created practical and legal difficulties for the further development of the RTC Plat; and Whereas, as a result of the various issues relating to the development of the RTC Plat the City commenced a Declaratory Judgment action known as City of Ramsey vs. Minnwest Central Bank, Anoka County District Court File No. 02-CV-07-2643; and Whereas, after considerable negotiation and discussion including several closed attorney/client meetings with its attorneys, the City Council and Minnwest Bank Central have agreed upon certain settlement terms as described below: Now, therefore, be it resolved by the City Council of the City of Ramsey as follows: 1. The Settlement Agreement attached hereto and reviewed by the Ramsey City Council at its Special Meeting on March 17, 2009 is incorporated herein and is hereby conditionally approved. The Mayor and City Administrator are authorized to execute said Settlement Agreement contingent on the following: a. The approval by the City's HRA of the purchase agreement referenced in the Settlement Agreement and attached hereto as Exhibit B for the purchase by the City of certain lands in Ramsey Town Center Addition from Minnwest Central Bank as described in the purchase agreement. b. Delivery to the City by Minnwest Central Bank of all 25 participating banks executed Consent to Settlement Agreement and Release Forms. c. Agreement between the City Attorney and Minnwest Bank Central's attorney as to the form of the required Stipulation of Dismissal attached as Exhibit "F" to the Settlement Agreement. 2. The City Council approves and authorizes the Mayor and City Administrator to sign the Consent to Settlement Agreement and Release with the Participant Banks, contingent upon a., b., and c. above. 3. The City Council approves and authorizes the Mayor and City Administrator to sign the Release Agreement with Ramsey Town Center, LLC contingent upon a., b., and c. above. 4. The City Council delegates authority to the Mayor, Acting Mayor and Chairperson of the HRA to authorize execution of the final settlement documents referenced in this resolution upon their finding that said final documents conform to the settlement concept as approved by the City Council pursuant to direction given by the City Council at its Special City Council meeting on March 17, 2009 regarding this subject.

Motion carried. Voting Yes: Mayor Ramsey and Councilmembers Elvig, Look, Dehen, McGlone and Wise. Voting No: None. Absent: Councilmember Jeffrey.

Mayor Ramsey stated that Councilmember Jeffrey was privy to all the meetings, but is out of town this week for work and could not attend tonight's meeting.

City Attorney Goodrich stated that immediately following this meeting there will be an HRA meeting to discuss this issue, which will also be televised.

Councilmember Look stated that there was a consensus of the Council that both of these meetings be televised so there is transparency and everyone at home can be fully aware of what is going on.

Mayor Ramsey asked for an explanation of why the HRA is taking action and not the Council.

Mr. Bray explained that the HRA has specific authority for acquisition of land for development and redevelopment, which is why they will actually purchase the property, not the City.

Councilmember Dehen stated that the HRA provides the vehicle for the purchase since the Council cannot itself purchase.

Mr. Bray stated that the City could acquire it, if they chose, but this is what HRA's do and it just made more sense.

MAYOR, COUNCIL AND STAFF INPUT

None

ADJOURNMENT

Motion by Councilmember Elvig, seconded by Councilmember Look, to adjourn the Special City Council Meeting.

Motion carried. Voting Yes: Mayor Ramsey and Councilmembers Elvig, Look, Dehen, McGlone and Wise. Voting No: None. Absent: Councilmember Jeffrey.

The Special City Council Meeting was adjourned at 8:03 p.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Kayla Atkins-Rokosz
TimeSaver Off Site Secretarial, Inc.

**HOUSING AND REDEVELOPMENT AUTHORITY SPECIAL MEETING
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Housing and Redevelopment Authority conducted a special meeting on Tuesday, March 17, 2009, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson John Dehen
 Commissioner David Elvig
 Commissioner Matt Look
 Commissioner Colin McGlone
 Commissioner Bob Ramsey
 Commissioner Jeffrey Wise

Members Absent: Commissioner David Jeffrey

Also Present: City Administrator Kurtis Ulrich
 Assistant City Administrator Heidi A. Nelson
 City Attorney William Goodrich
 Public Works Director Brian Olson
 Community Development Director Amber Miller
 Economic Development Coordinator Sean Sullivan
 Finance Officer Diana Lund
 Jim Lasher, Consultant
 Tom Bray, Attorney Briggs and Morgan

CALL TO ORDER

Chairperson Dehen called the regular meeting of the Housing and Redevelopment Authority to order at 8:06 p.m.

APPROVAL OF AGENDA

The agenda was approved as submitted.

HRA BUSINESS

Case #1: Consider Recommended Actions from the City Council Regarding the City of Ramsey vs. Minnwest Bank Central Litigation and the Ramsey Town Center Addition

City Attorney Goodrich stated that this is a special meeting of the HRA which was announced at the regular Council meeting on March 10, 2009 and posted beginning March 11, 2009 for the public to be aware of this meeting. He stated that the HRA has received a recommendation from the Council to enter into a Purchase Agreement for certain properties in Ramsey Town Center

Addition. He asked Mr. Bray to review the Purchase Agreement that the HRA is being asked to consider.

Mr. Bray stated that this will be a rehash of what the Council heard at the earlier meeting, but since the HRA is a separate body, it is important that the terms of the agreement are included in the record for the HRA. He stated that the property consists of approximately 150 acres and the purchase price will be adjusted to \$6.75 million, not \$7 million, as is reflected in the current document before the HRA. He stated that the closing date is scheduled for June 26, 2009. He reviewed and explained the details of the Purchase Agreement, including the removal of Section 20. He stated that the HRA is also part of the Consent to Settlement and Release and the Release Agreement with Ramsey Town Center.

Chair Dehen asked if these documents were available for the public to view.

Mr. Bray confirmed that they are available for public review.

Mr. Lasher stated that the source of funds will be \$1.5 million from the existing Letter of Credit, \$500,000 from back taxes, and a \$4.75 million internal fund transfer for the balance.

City Attorney Goodrich suggested that Mr. Bray explain why this should be discussed by the HRA.

Mr. Bray stated that the City could have been the purchaser, but they felt the HRA was a better vehicle, because this is what they do by acquiring land for development or redevelopment.

City Attorney Goodrich read aloud the proposed Resolution #09-03-XX, as follows: Whereas, the City Council has recommended that the HRA enter into a Purchase Agreement attached as Exhibit A for the purchase of certain lands in the Ramsey Town Center Addition, which lands are legally described in said Purchase Agreement, and Whereas, the Purchase Agreement is a central term for the settlement of that certain lawsuit known as City of Ramsey vs. Minnwest Bank Central, Anoka County District Court File No. 02-CV-07-2643, and Whereas the HRA finds that it is in the City's best interests of the continued economic development of the City that it approve the Purchase Agreement. Now, therefore, be it resolved by the HRA as follows: 1. That the Purchase Agreement is contingently approved and the HRA's Chairperson and Secretary/Treasurer are authorized to execute on behalf of the HRA, contingent on the following: a. The City Council's final approval of the Settlement Agreement for the settlement of the above referenced lawsuit. b. Agreement between the City Attorney and Minnwest Bank Central's attorney on the form of the title commitment to be attached to the Purchase Agreement as Exhibit B and the correct references to that Exhibit in Section 5 (a)(iii) of the Purchase Agreement. 2. Further resolved that the HRA approves of and authorizes its Chairperson and Secretary/ to sign the Consent to Settlement Agreement and Release with the Participant Banks, subject to the conditions as described in no. 1 above. 3. Further resolved that the HRA approves of and authorizes its Chairperson and Secretary/Treasurer to sign the Release Agreement with Ramsey Town Center, LLC. 4. Further resolved that the HRA delegates authority to Chairperson Dehen and Boardmembers Look and Ramsey to authorize execution of the final draft of the Purchase Agreement referenced in this resolution upon their finding that said Purchase Agreement

conforms in concept to the Purchase Agreement terms as approved by the HRA pursuant to direction given by the HRA at its special HRA meeting on March 17, 2009 regarding this subject.

Motion by Commissioner ⁰⁰³Look, seconded by Commissioner Ramsey, to approve Resolution #HRA-09-03-XX which is a Resolution conditionally approving a Purchase Agreement with Minnwest Bank Central for the purchase of certain lands in Ramsey Town Center Addition, Anoka County, Minnesota, which lands are to be purchased on the terms and conditions of the Purchase Agreement attached hereto as Exhibit A and legally described in the said Purchase Agreement.

Motion carried. Voting Yes: Chairperson Dehen and Commissioners Look, Ramsey, Elvig, McGlone and Wise. Voting No: None. Absent: Commissioner Jeffrey.

Chair Dehen thanked everyone for their hard work to make this possible.

Commissioner Elvig noted that Commissioner Jeffrey is out of town working and could not attend tonight's meeting.

Commissioner McGlone asked for Commissioner Ramsey's cell phone number.

Commissioner Ramsey stated that his cell phone number is 763-286-0171.

COMMITTEE REPORTS

None.

EXECUTIVE DIRECTOR'S REPORT

None.

COMMISSIONER INPUT

None.

ADJOURNMENT

Motion by Commissioner Look, seconded by Commissioner Elvig, to close the special meeting of the Housing and Redevelopment Authority.

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 8:20 p.m.

Respectfully submitted,

Executive HRA Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Kayla Atkins-Rokosz
TimeSaver Off Site Secretarial, Inc.

Commissioner Look introduced the following resolution and moved for its adoption:

RESOLUTION #HRA 09-03-003

A RESOLUTION APPROVING A PURCHASE AGREEMENT FOR THE PURCHASE OF CERTAIN LANDS IN THE RAMSEY TOWN CENTER ADDITION, ANOKA COUNTY, MINNESOTA.

WHEREAS, the City Council has recommended that the HRA enter into a Purchase Agreement attached as Exhibit A for the purchase of certain lands in the Ramsey Town Center Addition, which lands are legally described in said Purchase Agreement; and

WHEREAS, the Purchase Agreement is a central term for the settlement of that certain lawsuit known as *City of Ramsey vs. Minnwest Bank Central*, Anoka County District Court File No. 02-CV-07-2643; and

WHEREAS, the HRA finds that it is in the City's best interests of the continued economic development of the City that it approve the Purchase Agreement.

NOW, THEREFORE, be it RESOLVED by the HRA as follows:

1. That the Purchase Agreement is contingently approved and the HRA's Chairperson and Secretary/Treasurer are authorized to execute on behalf of the HRA, contingent on the following:
 - a. The City Council's final approval of the Settlement Agreement for the settlement of the above referenced lawsuit.
 - b. Agreement between the City Attorney and Minnwest Bank Central's attorney on the form of the title commitment to be attached to the Purchase Agreement as Exhibit B and the correct references to that Exhibit in Section 5(a)(iii) of the Purchase Agreement.
2. FURTHER RESOLVED that the HRA approves of and authorizes its Chairperson and Secretary/Treasurer to sign the Consent to Settlement Agreement and Release with the Participant Banks, subject to the conditions as described in no. 1 above.
3. FURTHER RESOLVED that the HRA approves of and authorizes its Chairperson and Secretary/Treasurer to sign the Release Agreement with Ramsey Town Center.
4. FURTHER RESOLVED that the HRA delegates authority to Chairperson Dehen and Commissioners Look and Ramsey to authorize execution of the final draft of the Purchase Agreement referenced in this resolution upon their finding that said Purchase Agreement conforms in concept to the Purchase Agreement terms as approved by the HRA pursuant to direction given by the HRA at its special HRA meeting on March 17, 2009 regarding this subject.

I APPROVE the above documents and authorize the final draft of the Purchase Agreement.

[Signature] 3-19-09

[Signature] 3-19-09

[Signature]
3-19-09

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

Chairperson Dehen
Commissioner Look
Commissioner Ramsey
Commissioner Elvig
Commissioner Jeffrey
Commissioner McGlone
Commissioner Wise

and the following voted against the same:

None

and the following abstained:

None

and the following were absent:

None

whereupon said resolution was declared duly passed and adopted by the Ramsey Housing and Redevelopment Authority (HRA) this 17th day of March, 2009.


Chairperson

Commissioner _____ introduced the following resolution and moved for its adoption:

HRA RESOLUTION #09-06-005

RESOLUTION AUTHORIZING AN APPLICATION TO ANOKA COUNTY FOR THE ABATEMENT OF SPECIAL ASSESSMENTS LEVIED AGAINST THE PROPERTY IN RAMSEY TOWN CENTER THAT THE HRA IS ACQUIRING FROM MINNWEST BANK CENTRAL

WHEREAS, the Ramsey Housing and Redevelopment Authority (the "HRA") a Settlement Agreement between Minnwest Bank Central ("Minnwest"), the City of Ramsey (the "City") and the HRA dated March 19, 2009 (the "Settlement Agreement") and a related Purchase Agreement between Minnwest Bank Central and the HRA also dated March 19, 2009 (the "Purchase Agreement"); and

WHEREAS, the Purchase Agreement provides for the HRA's purchase of the real property legally described on Exhibit A of the Purchase Agreement (the "Property"), and the HRA anticipates closing on the purchase of the Property on or about June 26, 2009 and thereafter recording the deed from Minnwest to the HRA; and

WHEREAS, the City has levied various special assessments against the Property. The special assessments were certified for payment with the real estate taxes due and payable in 2008 but were not paid when due. The total amounts of the special assessment currently due and payable with respect to the various tax parcels that make up the Property, together with the interest and penalties that have accrued as a result of prior owners failure to pay the special assessments when due, are set forth on the attached Exhibit B (the "Special Assessments"). Absent an abatement of the Special Assessments, the HRA would have to pay the Special Assessments, in full, on or before the Anoka County Recorder could record the deed conveying the Property from Minnwest to the HRA and the County would thereafter remit the Special Assessment payment to the City. Absent an abatement of the Special Assessments, the HRA would have to borrow the amounts necessary to pay the Special Assessments from the City; and

WHEREAS, Minnesota Statutes Section 375.192 authorizes Anoka County to abate the Special Assessments as the board deems just and equitable upon written application of the owner and with the approval of the City; and

WHEREAS, the HRA and the City have determined that rather than have the City lend the funds necessary to pay the Special Assessments to the HRA, the HRA pay the Special Assessments to the County and the County remit the Special Assessments to the City, the HRA would apply for and the City would approve an abatement of the Special Assessments; and

WHEREAS it is the intention of the HRA and the City that the HRA will reimburse the City for the amount of the abated Special Assessments from the proceeds the City receives when it later sells the Property;

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

1. That the Ramsey Housing and Redevelopment Authority hereby authorizes staff to prepare applications for the abatement of the Special Assessments described on Exhibit B and to submit those applications to appropriate representative of Anoka County for consideration pursuant to Minnesota Statutes Section 375.192 after Minnwest delivers to the HRA a deed conveying the Property described on Exhibit A from Minnwest to the HRA and before the HRA submits the deed to the Anoka County Recorder and the Anoka County Registrar of Titles for recording.
2. That the Special Assessments to be abated consist of those listed on the attached Exhibit B and include special assessment principal and applicable penalties as well as interest to the date of closing.
3. Staff is not authorized to file the abatement applications with Anoka County if the HRA does not acquire title to the Property from Minnwest.

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 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 Board of Commissioners this the 9th day of June, 2009.

Chairperson

ATTEST:

HRA Executive Director

**PURCHASE AGREEMENT
RELATING TO
PROPERTY IN RAMSEY TOWN CENTER**

Dated: March 19, 2009

1. **Parties.** The parties to this Purchase Agreement are:
 - a. Minnwest Bank Central, a Minnesota banking corporation, 14820 Highway 7, Minnetonka, Minnesota 55345, Attention: Mr. Russ Bushman, Chief Credit Officer (the "Seller"); and
 - b. The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, Ramsey Municipal Center, 7550 Sunwood Drive, Ramsey, Minnesota, 55303, Attention: Mr. Kurt Ulrich, City Administrator (the "Buyer").

This Agreement sometimes refers to Seller and Buyer individually as a "Party" and collectively as the "Parties".

2. **Property.** The real property that is the subject of this Agreement is legally described on the attached Exhibit A (the "Property"). Other than grading and certain drainage and utility improvements, the Property is unimproved. The term "Property", as used in this Agreement includes all improvements and fixtures located on the Property and all hereditaments and appurtenances to the Property. There are concrete pipes intended for use as part of a storm water drainage system that are located on the Property. Seller claims no interest in the concrete pipes or any other personal property located on the Property. The Parties do not contemplate the conveyance of any personal property pursuant to this Agreement.

3. **Purchase and Sale and Relationship to Settlement Agreement.** Seller and Buyer are executing this Agreement contemporaneously with and as a part of Seller's, Buyer's and the City of Ramsey's execution of a settlement agreement relating to certain pending litigation between the City and Seller (the "Settlement Agreement"). Seller agrees to sell the Property to Buyer pursuant to the terms of this Agreement, and Buyer agrees to purchase the Property from Seller pursuant to the terms of this Agreement. In the event of a conflict between the terms of this Agreement and the terms of the Settlement Agreement, the terms of this Agreement control.

4. **Purchase Price.** The purchase price for the Property is Six Million Seven Hundred and Fifty Thousand and 00/100 Dollars (\$6,750,000.00) if closing occurs on or before June 30, 2009 and the Adjusted Purchase Price, as defined below, if the transaction closes after June 30, 2009 (in either case, the "Purchase Price"). The "Adjusted Purchase Price" equals \$6,750,000.00 less the amount of real estate taxes due and payable with respect to the Property in 2010. If, on the actual date of Closing, the amount of the real estate taxes due and payable with respect to the Property in 2010 cannot be obtained from the Anoka County Assessor's Office, the Parties agree that the amount of the real estate taxes due and payable with respect to the Property in 2010 shall be conclusively deemed to be equal to the amount of the real estate taxes due and payable with respect to the Property in 2009.

5. **The Date of Closing.** The "Date of Closing" is June 26, 2009. If, however, as of the Date of Closing:

a.

(i) A third party has commenced, has overtly threatened, in writing, to commence or has, on or after September 20, 2008 orally, overtly threatened to commence an action against Seller in which the third party asserts a claim against Seller that impairs the marketability of Seller's title to all or any portion of the Property or Seller's legal authority to convey title to all or any portion of the Property to Buyer;

(ii) A party to one of the actions described on Exhibit C has amended, has overtly threatened, in writing, to amend or has, on or after September 20, 2008 orally, overtly threatened to amend its pleadings to assert a claim against Seller that impairs the marketability of Seller's title to all or any portion of the Property or Seller's legal authority to convey title to all or any portion of the Property to Buyer;

(iii) Seller has not obtained and recorded either (i) a Directive of the Anoka County Examiner of Titles or (ii) an Order of the Anoka County District Court, directing the Anoka County Registrar of Titles to cancel the existing Certificates of Title for the portions of the Property that are registered property under Minn. Stat. Ch. 508 and to issue one or more new Certificates of Title for those portions of the Property showing Seller as the owner and containing no recitals or memorials other than recitals or memorials referencing the matters set forth in Section 10 on Schedule B, Section 1 and Sections 9 through 44 on Schedule B, Section 2 of the title insurance commitment attached as Exhibit B (the "Title Commitment") (the "Permitted Encumbrances"); or

(iv) The Title Company is not willing to issue to Buyer, on the actual date of Closing, a 2006 ALTA Form Owner's Policy of Title Insurance subject only to a standard exception for matters that would be disclosed by an accurate survey of the Property and exceptions for Permitted Encumbrances, as defined in subsection (a)(iii) above; and

b. Seller notifies Buyer that Seller will and Seller actually does, continuously thereafter, use all commercially reasonable efforts to (i) obtain a court order dismissing any claims of the type described in Sections 5(a)(i) or 5(a)(ii) above or otherwise making Seller's title to the property marketable, subject to Permitted Encumbrances; (ii) obtain the directive of the Examiner of Titles or the Order described in Section 5(a)(iii) above; or, as the case may be, (iii) cause the title company to issue to Buyer an owner's policy of title insurance in the form contemplated in Section 5(a)(iv) above,

then the Date of Closing shall be extended until the earlier of (1) the date 5 business days after the contingencies described in Section 11(b), 11(c) and 11(d) are all satisfied, (2) the

date 5 business days after Buyer notifies Seller that Buyer is willing to waive the contingencies described in Section 11 and Close on (3) April 27, 2010.

Notwithstanding the foregoing, the Date of Closing shall not be extended as a result of a claim (i) by PSD, LLC, Ramsey Professional Center LLC or Ramsey Professional Center LLC's successors in title to the "60 Foot Strip," as defined in the Settlement Agreement, that renders Seller's title to the "60 Foot Strip" unmarketable or (ii) a claim by PSD, LLC alleging that PSD possesses some right, title or interest (including, but not limited to, a right to purchase) in or to all or any portion of the portion of Outlot GG, RAMSEY TOWN CENTER included in the Property based upon the facts alleged in paragraph 21 of PSD's March 21, 2008 Complaint against Minnwest (Minnwest's alleged acknowledgment and ratification of various agreements between RTC and PSD and/or Minnwest's alleged promise to release mortgages encumbering property PSD sought to purchase from RTC). The term "Permitted Encumbrances" as defined in Section 5(a)(iii) and as used throughout this Agreement shall include the claims by PSD, Ramsey Professional Center LLC or Ramsey Professional Center LLC's successors in title to the 60 Foot Strip described in this paragraph. In addition, the Date of Closing shall not be extended as a result of a third-party claim that renders title to a portion of the Property not exceeding five (5) acres in size unmarketable if (A) the Title Company is willing to insure Buyer's title to the Property without an exception for such claim or with an exception for such claim together with affirmative insurance insuring Buyer against any loss, cost, damage or expense arising out of such claim and (B) the Title Company agrees to issue owners and lenders policies of title insurance providing the same coverage to Buyer's successors in title and their lenders.

6. **Closing.** The Parties will meet at the offices of Briggs and Morgan, P. A., 2200 IDS Center, 80 South 8th Street, Minneapolis, MN at 10:00 a.m. on the Date of Closing, at which time:

✓ a. Seller must:

(i) execute and deliver to Buyer a Minnesota Uniform Conveyancing Blanks Form 10.3.5 Quit Claim Deed. Seller will, at Buyer's request, include the following language on the quit claim deed:

Grantee is not assuming Grantor's rights or obligations, if any, under the following documents [**include reference to Master Development Agreement, First Amendment to Master Development Agreement, Allocation Agreements, Secondary Development Agreements, Parkland and Trail Plan Agreement, Parking Improvement Use and Maintenance Agreement, Option Agreement and Master Declaration for Ramsey Town Center (Owners Association) by date and recording information**] and is not an assignee of Grantor with respect to any rights or obligations hereunder. Grantee is a separate and distinct legal entity from the City of Ramsey and the interests of the City of Ramsey and of Grantee under the above-referenced documents shall not merge into Grantee's fee ownership of the property described in this deed as a result of this conveyance. This conveyance is not intended to and shall not have any impact on the rights of the City of Ramsey under the above-referenced

documents including, but not limited to, the City's right to exercise the remedies set forth in Section 15 of the Master Development Agreement.

✓ (ii) execute and deliver to Buyer and Buyer's title insurer, if any, a Minnesota Uniform Conveyancing Form 50.1.3 Affidavit Regarding Business Entity;

— (iii) deliver to Buyer appropriate corporate resolutions authorizing Seller's conveyance of the Property to Buyer and identifying the individual(s) authorized to execute the quit claim deed and any other documents required hereunder;

NA (iv) execute and deliver to Buyer a non-foreign affidavit in recordable form containing such information as is required under IRC Section 1445(b)(2) and any regulations relating thereto;

✓ (v) execute and deliver to the closing agent, with a copy to Buyer, a completed Minnesota Department of Health Well Disclosure Certificate or include on the quit claim deed the statement "The Seller certifies that the Seller does not know of any wells on the described real property" or the statement "I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate" followed by Seller's signature;

NA (vi) execute and deliver to the closing agent, with copies to Buyer, and make arrangements to have the closing agent record or file in the appropriate county land records, the affidavits described in Minnesota Statutes, §116.48, Subd. 6 and §115B.16, Subd. 2, if required;

✓ (vii) deliver to Buyer the Date Down Certificate described in Section 9;

(viii) execute and deliver a Settlement Statement in form to be prepared by the Title Company;

(ix) provide the Title Company with all information necessary to allow the Title Company to prepare a Certificate of Real Estate Value; and

(x) pay or provide evidence of payment of the following: the cost of providing the Title Commitment; the State Deed Tax due upon the execution of the quit claim deed; delinquent real estate taxes due and payable with respect to the Property; the penalties and interest due thereon and a pro rata share of the real estate taxes due and payable with respect to the Property in the year in which Closing occurs, as set forth in Section 8; the commission or fee due any real estate agent that Seller has employed in connection with this transaction; and one-half of Title's fee to conduct and insure the closing of this transaction.

b. Buyer must:

(i) if closing occurs on or before June 30, 2009, tender Six Million Seven Hundred and Fifty Thousand and 00/100 Dollars (\$6,750,000.00) to Seller via wire transferred funds. If closing occurs after June 30, 2009 tender the Adjusted Purchase Price to Seller via wire transferred funds;

(ii) execute and deliver a Settlement Statement in form to be prepared by the Title Company;

(iii) provide the Title Company with all information necessary to allow the Title Company to prepare a Certificate of Real Estate Value; and

(iv) pay or provide evidence of payment of the following: Buyer's pro-rata share of the real estate taxes due and payable with respect to the Property in the year in which Closing occurs, as set forth in Section 8, all costs associated with Buyer's financing, the premium for Buyer's owner's policy of title insurance, the fees due upon the recording of the deed from Seller to Buyer; and one-half of Title's fee to conduct and insure the closing of this transaction.

The term "Closing" as used in this Agreement refers to both the meeting described in this Section and the exchange of documents and payment of money described in this Section.

7. **Possession.** Seller will be deemed to have tendered possession of the Property to Buyer on the actual date of Closing. On or before the actual date of Closing, Seller will pay for all labor provided and materials delivered to the Property at the request of Seller. Seller will not place anything on the Property between the date of this Agreement and the actual date of Closing. If a third party places trash, refuse, debris, waste or hazardous waste ("Waste") on the Property between the date of this Agreement and the actual date of Closing, Seller will use commercially reasonable efforts to remove the Waste, and, in the case of hazardous waste, remediate any contamination resulting from the presence of the hazardous substances on the Property, before the Date of Closing. If the Waste cannot be removed before the actual date of Closing, Seller and Buyer will escrow 125% of the estimated cost of removing the Waste and, in the case of hazardous waste, remediating any contamination resulting therefrom, with the Title Company to secure Seller's obligation to remove the Waste and, if applicable, remedy the contamination, after Closing. If a third party places Waste on the Property between the date of this Agreement and the actual date of Closing, the cost of removing the Waste and, in the case of hazardous waste, remediating any contamination resulting therefrom, exceeds \$5,000.00, Seller elects not to incur that cost and Buyer does not agree to waive Seller's obligations under this Section 7, Seller may terminate this Agreement by written notice to Buyer pursuant to Section 15.

8. **Real Estate Taxes and Special Assessments.** The Parties must pay the real estate taxes (which term, as used in this Agreement, includes service charges assessed against

real property on an annual basis pursuant to Minnesota Statutes 429.101) and special assessments as follows:

a. At or, at Seller's option, before Closing, Seller must pay all real estate taxes due and payable with respect to the Property for all calendar years prior to the year in which the Closing occurs and any penalties and interest thereon;

b. If Closing occurs in 2009, Buyer and Seller must pro-rate the real estate taxes that are due and payable with respect to the Property in 2009 on a per-diem basis using a calendar year, to the actual date of Closing. If Closing occurs in 2010, Buyer must pay the real estate taxes due and payable with respect to the Property in 2010. Seller must pay 100% of any interest or penalties due and payable because installments of real estate taxes due and payable with respect to the Property in 2009 or prior years were not paid when and as due; and

c. Buyer agrees to take title subject to all levied and pending special assessments and all penalties and interest due with respect to such assessments.

9. **Seller's Representations.** Seller makes the following representations to Buyer:

a. Seller represents that Seller is not a foreign person, foreign partnership, foreign trust or foreign estate as those terms are defined in Section 1445 of the Internal Revenue Code;

b. Seller represents that Seller is not a party to any unrecorded mortgages, contracts, purchase agreements, options, leases, easements or other agreements or interest relating to the Property;

c. Seller represents that, to the best of Seller's actual knowledge and except as disclosed on Exhibits B and C, there is no person other than Ramsey Town Center, LLC claiming any right to possession of all or any portion of the Property;

d. Seller represents that, to the best of Seller's actual knowledge, there is no action, litigation, governmental investigation, condemnation or administrative proceeding of any kind pending against Seller or involving any portion of Property, and no third party has threatened Seller with commencement of any such action, litigation, investigation, condemnation or administrative proceeding, other than as described on Exhibit C;

e. Seller represents that, to the best of Seller's actual knowledge, there are no underground or above ground storage tanks of any size or type located on the Property and there are no Hazardous Substances located on the Property, except as may be disclosed in the environmental reports described on the attached Exhibit D, (the "Environmental Report"), copies of which Seller has provided to Buyer; the Property is not subject to any liens or claims by government or regulatory agencies or third parties arising from the release or threatened release of Hazardous Substances in, on or about Property; and, except as may be disclosed in the Environmental Report, the Property has not been used in connection with the generation, disposal, storage, treatment or

transportation of Hazardous Substance. For purposes of this Agreement, the term "Hazardous Substance" includes but is not limited to substances defined as "hazardous substances," "toxic substances" or "hazardous wastes" in the Comprehensive Environmental Response Compensation Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq., and substances defined as "hazardous wastes," "hazardous substances," "pollutants, or contaminants" as defined in the Minnesota Environmental Response and Liability Act, Minnesota Statutes, §115B.02. The term "hazardous substance" also includes asbestos, polychlorinated biphenyls, petroleum, including crude oil or any fraction thereof, petroleum products, heating oil, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas useable for fuel (or mixtures of natural gas and synthetic gas);

f. Seller represents that, to the best of Seller's actual knowledge, there are no wells located on the Property;

g. Seller represents that, to the best of Seller's actual knowledge, the Property has not been used for the production of methamphetamine; and

h. Seller represents that, to the best of Seller's actual knowledge, there are no abandoned individual sewage treatment systems on or serving the Property, and, to the best of Seller's actual knowledge, any sewage which is or would be generated on the Property would go to a facility permitted by the Minnesota Pollution Control Agency.

For purposes of this Agreement the phrase "to the best of Seller's actual knowledge" means to the actual knowledge of Mr. Russ Bushman. If, at any time prior to the actual date of Closing, Seller acquires actual knowledge of events or circumstances which render the representations set forth in this Section 9 inaccurate, Seller must promptly notify Buyer. Seller will indemnify Buyer, its successors and assigns, against and will hold Buyer, its successors and assigns harmless from, any expenses or damages, including reasonable attorneys fees, that Buyer incurs because of the inaccuracy of any of the above representations when made. The representations set forth above will survive the closing of this transaction and Seller's delivery of a deed to Buyer; provided that Buyer's acceptance of the deed from Seller and payment of the Purchase Price to Seller with knowledge that one or more of the matters set forth above are not as represented, constitutes Buyer's waiver or release of any claims due to such misrepresentation. At closing, an authorized representative of Seller must execute and deliver to Buyer a certificate of Seller certifying that the representations contained in this Section 9 are true as of the actual date of Closing or, if such representations are no longer true, describing, in detail, the reasons why the representations are no longer true (the "Date Down Certificate").

10. **Buyer's Inspection.** At all times after Seller acquires title to the Property and prior to the actual date of Closing, Buyer, any prospective purchasers from Buyer and any of their employees, agents or contractors have the right, upon reasonable notice to Seller, to go upon the Property to inspect the Property and to determine the condition of the Property, including specifically the presence or absence of hazardous substances, petroleum products and asbestos in, on, or about the Property. Buyer agrees to indemnify and defend Seller from and to hold Seller harmless against any and all claims, causes of action or expenses, including attorneys fees, relating to or arising from such person's presence on the Property prior to the actual date of

Closing. Buyer agrees to repair any damage to the Property caused by such inspections and to return the Property to substantially the same condition as existed prior to such inspection. **Buyer acknowledges that Buyer is purchasing the Property in reliance only on the representations of Seller set forth in Section 9, Buyer's inspection of the Property and Buyer's judgment regarding the sufficiency of such inspections and the condition of the Property as disclosed thereby. Buyer is not relying on any written or oral representations, warranties or statements that Seller has made except for the representations set forth in Section 9 of this Agreement. Subject to Buyer's right to terminate this Agreement pursuant to Sections 11, and 13, Buyer is purchasing the Property in "AS IS" condition relying only on the representations set forth in Section 9.**

11. **Buyer's Contingencies.** Buyer's obligations under this Agreement are contingent on:

- a. the representations set forth in Section 9 being true, when made;
- b. the representations set forth in Section 9(b), 9(c) and 9(e) being true as of the Date of Closing;
- c. no third party having commenced, or overtly threatened to commence, an action against Seller between the date of this Agreement and the Date of Closing in which the third party asserts a claim that impairs the marketability of Seller's title to all or any portion of the Property or Seller's legal authority to convey title to all or any portion of the Property to Buyer;
- d. no party to an action described on Exhibit C having amended or overtly threatened to amend its pleadings between the date of this Agreement and the Date of Closing to assert a claim that impairs the marketability of Seller's title to all or any portion of the Property or Seller's legal authority to convey title to all or any portion of the Property to Buyer;
- e. Seller obtaining and recording either (i) a Directive of the Anoka County Examiner of Titles or (ii) an Order of the Anoka County District Court, directing the Anoka County Registrar of Titles to cancel the existing Certificates of Title for the portions of the Property that are registered property under Minn. Stat. Ch. 508 and to issue one or more new Certificates of Title for those portions of the Property showing Seller as the owner and containing no recitals or memorials other than the Permitted Encumbrances; and
- f. The Title Company's agreement to issue to Buyer, on the actual date of Closing, a 2006 ALTA Form Owner's Policy of Title Insurance subject only to a standard exception for matters that would be disclosed by an accurate survey of the Property and exceptions for Permitted Encumbrances.

If one or more of these contingencies is not satisfied as of the Date of Closing, as the same may be extended pursuant to Section 5 above, Buyer may terminate this Agreement pursuant to Section 14. If, as of May 1, 2010, the transaction has not closed and Buyer has not given Seller a

notice of default pursuant to Section 13(b) of this Agreement, Buyer will be deemed to have exercised these contingencies and terminated this Agreement.

Notwithstanding the foregoing, Buyer may not terminate this Agreement as a result of a claim (i) by PSD, LLC, Ramsey Professional Center LLC or Ramsey Professional Center LLC's successors in title to the "60 Foot Strip," as defined in the Settlement Agreement, that renders Seller's title to the "60 Foot Strip" unmarketable or (ii) a claim by PSD, LLC alleging that PSD possesses some right, title or interest (including, but not limited to, a right to purchase) in or to all or any portion of the portion of Outlot GG, RAMSEY TOWN CENTER included in the Property based upon the facts alleged in paragraph 21 of PSD's March 21, 2008 Complaint against Minnwest (Minnwest's alleged acknowledgment and ratification of various agreements between RTC and PSD and/or Minnwest's alleged promise to release mortgages encumbering property PSD sought to purchase from RTC). The term "Permitted Encumbrances" as defined in Section 5(a)(iii) and as used throughout this Agreement shall include the claims by PSD, Ramsey Professional Center LLC or Ramsey Professional Center LLC's successors in title to the 60 Foot Strip described in this paragraph. In addition, Buyer may not terminate this Agreement as a result of a third-party claim that renders title to a portion of the Property not exceeding five (5) acres in size unmarketable if (A) the Title Company is willing to insure Buyer's title to the Property without an exception for such claim or with an exception for such claim together with affirmative insurance insuring Buyer against any loss, cost, damage or expense arising out of such claim and (B) the Title Company agrees to issue owners and lenders policies of title insurance providing the same coverage to Buyer's successors in title and their lenders.

12. **Assignment.** At any time prior to the actual date of Closing, Seller may, upon notice to but without the consent of Buyer, convey Seller's interest in the Property and assign Seller's rights under this Agreement to an entity wholly owned by Seller; provided the assignee assumes, for the benefit of the City and Buyer, all of the obligations of Seller under the Settlement Agreement and assumes, for the benefit of Buyer, all of Seller's obligations under this Agreement. Seller may not otherwise assign its rights or obligations under this Agreement without the prior written consent of Buyer which consent Buyer may grant or withhold in Buyer's sole and absolute discretion. At any time prior to the actual date of Closing, Buyer may, upon notice to but without the consent of Buyer, assign Buyer's rights under this Agreement to the City or the Economic Development Authority of the City of Ramsey (the "EDA"); provided the assignee assumes, for the benefit of Seller, all of the obligations of Buyer under the Settlement Agreement and this Agreement. Buyer may not otherwise assign its rights or obligations under this Agreement without the prior written consent of Seller, which consent Seller may grant or withhold in Seller's sole and absolute discretion.

13. **Default.** If either Party defaults in the performance of any of the Party's obligations under this Agreement, the non-defaulting Party may, after written notice to the defaulting Party, suspend performance of its obligations under this Agreement, and the rights of the non-defaulting Party are as follows:

a. **Buyer's Default.** If Buyer defaults in the performance of any of Buyer's obligations under this Agreement and Buyer fails to cure the defaults within five (5) business days following written notice from the Seller, Seller has the right to:

(i) terminate this Agreement pursuant to Minnesota Statutes, Section 559.21; or

(ii) initiate a civil action to compel Buyer's specific performance of Buyer's obligations under this Agreement provided that Seller commences the action within six (6) months of the date of Buyer's default. Buyer acknowledges and agrees to specific performance as an appropriate remedy for Buyer's default in the performance of Buyer's obligations under this Agreement. In any such action for specific performance, Seller may also recover Seller's attorneys fees and costs.

The remedies set forth in this Section 13(a) are Seller's sole and exclusive remedies in the event of Buyer's default.

b. Seller's Default. If Seller defaults in the performance of any of Seller's obligations under this Agreement and Seller fails to cure the defaults within five (5) business days following written notice from Buyer, Buyer may:

(i) terminate this Agreement pursuant to Section 14 below, or

(ii) initiate a civil action to compel Seller's specific performance of Seller's Obligations under this Agreement provided that Buyer commences such action within six (6) months of the date of Seller's default. Seller acknowledges and agrees to specific performance as an appropriate remedy for Seller's default in the performance of Seller's obligations under this Agreement. In any such action for specific performance, Buyer may also recover Buyer's attorneys fees and costs.

The remedies set forth in this Section 13(b) are Buyer's sole and exclusive remedies in the event of Seller's default.

14. Termination of this Agreement. Sections 11 and 13(b)(i) of this Agreement allow Buyer to terminate this Agreement under certain conditions. Section 7 of this Agreement allows Seller to terminate this Agreement under certain conditions. The following procedures govern the Parties exercise of their termination rights in the event of a termination pursuant to one of those Sections. A termination pursuant to Section 13(a)(i) is governed by Minnesota Statutes and not by the provisions of this Section 14.

a. A Party intending to terminate this Agreement pursuant to one of the above-referenced Sections (the "Terminating Party") must notify the non-terminating Party (the "Non-Terminating Party"), in writing, of the Terminating Party's intent to terminate this Agreement.

b. The Terminating Party's notice must recite the Section of this Agreement that authorizes the Terminating Party's termination of this Agreement and must describe the facts and circumstances which the Terminating Party asserts justify termination under the referenced Section.

c. If the Non-Terminating Party disputes the Terminating Party's right to terminate this Agreement, the Non-Terminating Party must so notify the Terminating Party, in writing, within three (3) business days of the Non-Terminating Party's receipt of the Terminating Party's notice of termination.

d. If the Non-Terminating Party does not dispute the Terminating Party's right to terminate the Agreement, the Parties must execute an instrument evidencing the Termination of this Agreement.

e. If the Parties dispute the validity of an attempted termination of this Agreement, either Party may initiate a civil action in a court of competent jurisdiction to determine the status of this Agreement, and the Party that prevails in any such action is entitled to recover the costs and reasonable attorneys' fees which such Party incurs in the action from the non-prevailing Party.

15. **Time.** Time is of the essence for all provisions of this Agreement.

16. **Survival of Terms.** The Parties' obligations under this Agreement and the representations and warranties which the Parties have recited in this Agreement will survive Seller's delivery of a deed to Buyer and the closing of this transaction.

17. **Notices.** All notices provided for in this Agreement must be in writing. The notice will be effective as of the date two (2) days after the Party sending such notice deposits the notice with the United States Postal Service with all necessary postage paid, for delivery to the other Party via certified mail, return receipt requested, at the address set forth in Section 1 above. If Party delivers a notice provided for in this Agreement in a different manner than described in the preceding sentence, notice will be effective as of the date the other party actually receives the notice. The Party sending the notice must also mail a copy of the notice to the Parties' respective attorneys via certified mail, return receipt requested at the addresses set forth below:

Attorney for Buyer:	Briggs and Morgan, P.A. 2200 IDS Center 80 South Eighth Street Minneapolis, MN 55402-2157 Attention: Thomas L. Bray
---------------------	---

Attorney for Seller:	Hanft Fride PA 130 W. Superior St. Suite 100 Duluth, MN 55802-2094 Attention: Frederick A. Dudderar, Jr.
----------------------	--

18. **Full Agreement.** The Parties acknowledge that this Agreement and the Settlement Agreement represent the full and complete agreement of the Parties relating to the purchase and sale of the Property and all matters related to the purchase and sale of the Property. This Agreement and the Settlement Agreement supersede and replace any prior agreements,

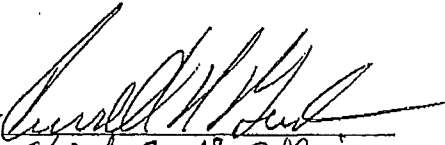
either oral or written, and any amendments or modifications to this Agreement must be in writing and executed by both Parties to be effective. In the event of a conflict between the terms of this Agreement and the terms of the Settlement Agreement, the terms of this Agreement control.

19. **Governing Law.** This Agreement has been made under the laws of the State of Minnesota and such laws control its interpretation.

20. **Counterparts, Electronic Copies as Originals and Delivery.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which together shall constitute one in the same instrument. The parties agree that an executed copy of this Agreement that is delivered by electronic means including, but not limited to, facsimile or e-mail is effective and binding to the same extent as personal delivery of an original by the party to be bound.

Dated: 3/19/09

SELLER: MINNWEST BANK CENTRAL

By 
Its Chief Credit Officer

By _____
Its _____

Dated: 3-19-09

**BUYER: HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
RAMSEY**

By [Signature]
Its Chairperson

By [Signature]
Its Secretary/Treasurer

EXHIBIT A

Legal Description of the 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 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;

And

Lot 2, Block 1, RAMSEY TOWN CENTER 5th ADDITION, Anoka County; Minnesota;

EXHIBIT B

The Title Commitment

Commitment for Title Insurance



Commercial Partners Title, LLC
File No. **31695**

Issued By Old Republic National Title Insurance Company

Old Republic National Title Insurance Company, a Minnesota corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment. This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate six (6) months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.


IN WITNESS WHEREOF, Old Republic National Title Insurance Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A. This Commitment shall not be valid or binding until countersigned by a validating officer or authorized signatory.


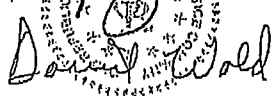
Note:

Issued By:
Commercial Partners Title, LLC
200 South Sixth Street
Suite 1300
Minneapolis, MN 55402
Tel: (612) 337-2470
Fax: (612) 337-2471
File No. **31695**

Continued on back page

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
A Stock Company
400 Second Avenue South, Minneapolis, Minnesota 55401
(612) 371-1111


Authorized Signatory

By  President
Attest  Secretary

CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and Stipulations and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at: <http://www.alta.org/>.

ISSUED BY
COMMERCIAL PARTNERS TITLE, LLC
200 S. 6th St., Suite 1300, Minneapolis, MN 55402
AS AGENT FOR
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

COMMITMENT

Reference Name: EDA For The City of Ramsey

SCHEDULE A

1. Commitment Date: February 9, 2009 at 07:00 AM File No. 31695
2. Policy (or Policies) to be issued: Amount

(a) Owner's Policy	ALTA Own. Policy (6/06)	\$ 6,500,000.00
Proposed Insured:		
	Housing and Redevelopment Authority for the City of Ramsey	
(b) Loan Policy	ALTA Loan Policy (6/06)	
Proposed Insured:		
(c)	ALTA Loan Policy (6/06)	
Proposed Insured:		
3. The estate or interest in the land described or referred to in the Commitment and covered herein is a Fee Simple, and title thereto is at the effective date vested in:

Ramsey Professional Center, LLC, a Minnesota limited liability company (subject portion of Lot 1, Block 1, Ramsey Town Center 11th Addition);
Ramsey Town Center, LLC, a Minnesota limited liability company (as to remainder of premises)
4. The land referred to in this Commitment is described as follows:

SEE EXHIBIT A ATTACHED HERETO

ISSUED BY
COMMERCIAL PARTNERS TITLE, LLC
AS AGENT FOR
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
COMMITMENT NUMBER 31695

EXHIBIT A
PROPERTY DESCRIPTION

The land referred to in this Commitment is described as follows:

Outlots V, CC, DD and HH, Ramsey Town Center Addition;

Anoka County, Minnesota
Abstract Property

And

Outlot GG, Ramsey Town Center Addition, 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 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;

Anoka County, Minnesota
Abstract Property

And

Outlot A, Ramsey Town Center 11th Addition, and Lot 1, Block 1, Ramsey Town Center 11th Addition, 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;

Anoka County, Minnesota
Abstract Property

And

Outlot B, Ramsey Town Center 11th Addition;

Anoka County, Minnesota
Abstract Property

ISSUED BY
COMMERCIAL PARTNERS TITLE, LLC
AS AGENT FOR
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NUMBER 31695

EXHIBIT A
PROPERTY DESCRIPTION
(continued)

And

All that part of Outlot B, Ramsey Town Center 2nd Addition which lies Easterly of the Easterly line of Block 1, Ramsey Town Center 7th Addition, and its Southerly extension;

Anoka County, Minnesota
Abstract Property

And

All that part Outlot B, Ramsey Town Center 2nd Addition, 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;

Anoka County, Minnesota
Abstract Property

And

Outlots A, C, D, and F, Ramsey Town Center 8th Addition;

Anoka County, Minnesota
Torrens Property
Torrens Certificate No. 100095

And

Outlots F, G, H, J, K, N, O, P, Q and R, Ramsey Town Center Addition;

Anoka County, Minnesota
Torrens Property
Torrens Certificate No. 100095

And

Tracts A, C, D and E, Registered Land Survey No. 241;

Anoka County, Minnesota
Torrens Property

ISSUED BY
COMMERCIAL PARTNERS TITLE, LLC
AS AGENT FOR
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NUMBER 31695

EXHIBIT A
PROPERTY DESCRIPTION
(continued)

Torrens Certificate No. 109379

And

Outlot M, Ramsey Town Center Addition, except that part platted as Ramsey Town Center 5th Addition;

Anoka County, Minnesota
Torrens Property
Torrens Certificate No. 100095

And

Outlot A, Ramsey Town Center 5th Addition;

Anoka County, Minnesota
Torrens Property
Torrens Certificate No. 109508

And

Outlot A, Ramsey Town Center 10th Addition;

Anoka County, Minnesota
Torrens Property
Torrens Certificate No. 100095

And

Outlots A and B, Ramsey Town Center 7th Addition;

Anoka County, Minnesota
Abstract Property

And

Lot 2, Block 1, Ramsey Town Center 5th Addition;

Anoka County, Minnesota
Torrens Property
Torrens Certificate No. 109508

ISSUED BY
Commercial Partners Title, LLC
AS AGENT FOR
Old Republic National Title Insurance Company
FILE NUMBER 31695

EXHIBIT B
SCHEDULE B – PART 1 REQUIREMENTS

1. Stipulation of dismissal of the consolidated actions evidenced by Notice of Lis Pendens to declare the priority of the City of Ramsey's interest, dated July 2, 2007, filed July 2, 2007, as Document No. 1994160.001 (Abstract), by the City of Ramsey, and the Petition of the City of Ramsey to adjudicate the priority of Petitioner's interest in Land dated June 29, 2007, filed June 29, 2007, as Document No. 492053.001 (Torrens) and a recordable Discharge of the Notice of Lis Pendens filed as Document No. 1994160.001.
2. Completion of the foreclosure by Minnwest Bank Central of the Minnwest Mortgage as follows:
 - (a) Foreclosure shall be pursuant to (i) that Voluntary Foreclosure Agreement executed by Ramsey Town Center LLC, a Minnesota limited liability company, as Mortgagor, dated April 3, 2007, and filed April 3, 2007, as Document No. 491147.001 (Torrens) and filed April 3, 2007, as Document No. 1992115.001 (Abstract) and (ii) that Notice of Pendency of Proceeding and Power of Attorney to Foreclose Mortgage dated April 13, 2007, filed April 13, 2007 as Document No. 491263.001 (Torrens) and filed April 13, 2007, as Document No. 1992364.001 (Abstract).
 - (b) Following the foreclosure sale, the recording of a sheriff's certificate of sale in connection therewith.
 - (c) Expiration of all rights of redemption provided by law.

For purposes of this section 3, the term "Minnwest Mortgage" refers to the following:

Combination Revolving Credit Mortgage, Security Agreement, Assignment of Rents and Fixture Financing Statement with Future Advance Clause dated September 18, 2003, filed September 24, 2003, as Document No. 446331 (Torrens) and filed September 24, 2003, as Document No. 1854362 (Abstract), executed by Ramsey Town Center LLC, a Minnesota limited liability company, as mortgagor, to Community National Bank, a United States banking corporation, as mortgagee, in the original principal amount of \$35,000,000.00.

Assigned to Minnwest Bank Central by Assignment of Mortgage dated February 7, 2006, filed July 13, 2006, as Document No. 488272.001 (Torrens) and filed May 1, 2006, as Document No. 1984027.001 (Abstract).

Amendment to Combination Revolving Credit Mortgage, Security Agreement, Assignment of Rents and Fixture Financing Statement with Future Advance Clause dated September 13, 2006, filed September 20, 2006, as Document No. 1987861.002 (Abstract).

3. Following the completion of the foreclosure of the mortgage set forth in paragraph 3 of this Schedule B – Part I and the expiration of the applicable redemption period, the holder of the sheriff's certificate of sale must complete a Torrens proceeding subsequent to validate the foreclosure of the mortgage and obtain a certificate of title in its name as to the registered portion of the Land.
4. Satisfaction of the following mortgage or completion of the foreclosure of the mortgage set forth in paragraph 3 of this Schedule B – Part I and the completion of the proceeding subsequent set forth in paragraph 4 of this Schedule B – Part I determining that the following mortgage has been extinguished by that mortgage foreclosure:

Combination Revolving Credit Mortgage, Security Agreement, Assignment of Rents and Fixture Financing Statement with Future Advance Clause dated October 9, 2003, filed October 17, 2003, as Document No. 449055 (Torrens) and filed October 17, 2003, as Document No. 1863874 (Abstract), executed by Ramsey Town Center LLC, a Minnesota limited liability company, as mortgagor, to Community National Bank, a United States corporation, as mortgagee, in the original principal amount of \$2,785,000.00.

Assigned to Lino Lakes State Bank, a Minnesota banking corporation, by Assignment of Mortgage dated September 17, 2004, filed October 17, 2005, as Document No. 484908.006 (Torrens) and filed October 17, 2005, as Document No. 1979054.014 (Abstract).

Modification of Mortgage dated September 17, 2005, filed October 17, 2005, as Document No. 484908.007 (Torrens) and filed October 17, 2005, as Document No. 1979054.015 (Abstract).

Debt and Lien Subordination Agreement dated February 7, 2006, filed September 20, 2006, as Document No. 489080.001 (Torrens) and filed September 20, 2006, as Document No. 1987681.003 (Abstract).

5. Satisfaction of the following mortgage or completion of the foreclosure of the mortgage set forth in paragraph 3 of this Schedule B – Part I and the completion of the proceeding subsequent set forth in paragraph 4 of this Schedule B – Part I determining that the following mortgage has been extinguished by that mortgage foreclosure:

Combination Revolving Credit Mortgage, Security Agreement, Assignment of Rents and Fixture Financing Statement with Future Advance Clause dated October 3, 2003, filed October 17, 2003, as Document No. 449056 (Torrens) and filed October 17, 2003, as Document No. 1863875 (Abstract), executed by Ramsey Town Center, LLC, a Minnesota limited liability company, as mortgagor, to William G. Sandison, Jerome B Peterson and Ross W. Sandison, as mortgagee, in the original principal amount of \$990,000.00.

Debt and Lien Subordination Agreement dated February 8, 2006, filed November 17, 2006, as Document No. 489759.001 (Torrens) and filed November 17, 2006, as Document No. 1989141.001 (Abstract).

6. Satisfaction of the following mortgage or completion of the foreclosure of the mortgage set forth in paragraph 3 of this Schedule B – Part I and the completion of the proceeding subsequent set forth in paragraph 4 of this Schedule B – Part I determining that the following mortgage has been extinguished by that mortgage foreclosure:

Combination Mortgage, Security Agreement, Assignment of Rents and Fixture Financing Statement with Future Advance Clause dated September 2, 2004, filed September 22, 2004, as Document No. 476991 (Torrens) and September 22, 2004, as Document No. 1958932 (Abstract), executed by Ramsey Town Center, LLC, a Minnesota limited liability company, as mortgagor, to Pentagon Credit, LLC, a Minnesota limited liability company, as mortgagee, in the original principal amount of \$6,000,000.00.

Debt and Lien Subordination Agreement dated February 8, 2006, filed September 20, 2006, as Document No. 489080.004 (Torrens) and filed September 20, 2006, as Document No. 1987681.006 (Abstract).

7. Completion of the foreclosure of the mortgage set forth in paragraph 3 of this Schedule B – Part I and the completion of the proceeding subsequent set forth in paragraph 4 of this Schedule B – Part I determining that any interest under the following instruments have been extinguished by that mortgage foreclosure:

Debt and Lien Subordination Agreement dated February 8, 2006, filed September 20, 2006, as Document No. 489080.003 (Torrens) and filed September 20, 2006, as Document No. 1987681.005 (Abstract) by Nedegaard Construction Company, Inc., a Minnesota corporation, for the benefit of Minnwest Bank Central, a Minnesota state banking corporation and Ramsey Town Center LLC.

Debt and Lien Subordination Agreement dated February 8, 2006, filed September 20, 2006, as Document No. 489080.005 (Torrens) and as Document No. 1987681.007 (Abstract) by Glenn Rehbein Excavating, Inc.

Debt and Lien Subordination Agreement by URS Corporation dated February 8, 2006, filed September 20, 2006, as Document No. 489080.002 (Torrens) and as Document No. 1987681.004 (Abstract).

8. Release of the following unregistered claim or completion of the foreclosure of the mortgage set forth in paragraph 3 of this Schedule B – Part I and the completion of the proceeding subsequent set forth in paragraph 4 of this Schedule B – Part I determining that the following unregistered claim has been extinguished by that mortgage foreclosure:

Verified Claim of Unregistered Interest by National Growth, LLC, a Minnesota limited liability company, dated August 7, 2006, filed August 11, 2006, as Document No. 488628.003 (Torrens).

Order, National Growth, LLC vs. Ramsey Town Center, LLC, dated December 5, 2006, filed January 26, 2007, as Document No. 490468.002 (Torrens).

Certificate and Request for Notice of Mortgage Foreclosure by advertisement, and of any post-foreclosure reduction of the mortgagor's redemption period for any superior liens, dated December 20, 2006, filed January 26, 2007, as Document No. 490468.003 (Torrens). (affects a portion of Outlot Q, Ramsey Town Center)

9. Termination of the following purchase agreement or completion of the foreclosure of the mortgage set forth in paragraph 3 of this Schedule B – Part I and the completion of the proceeding subsequent set forth in paragraph 4 of this Schedule B – Part I determining that the following purchase agreement has been extinguished by that mortgage foreclosure:

Purchase and Sale Agreement, dated March 18, 2004, filed July 9, 2004, as Document No. 471387 (Torrens), by and between Ramsey Town Center LLC, and Ramdance LLC for the purchase of Outlots H, I, L and M, Ramsey Town Center Addition.

10. Termination of or exercise and performance of the transaction contemplated by the following:

Option Agreement dated February 28, 2005, filed January 18, 2006, as Document No. 486116.001 (Torrens) by and between Ramsey Town Center LLC, and the City of Ramsey.

Acknowledgement of Option Agreement filed February 16, 2006, as Document No. 486509.001 (Torrens).

11. Satisfaction of the following mechanic's liens or completion of the foreclosure of the mortgage set forth in paragraph 3 of this Schedule B – Part I and the completion of the proceeding subsequent set forth in paragraph 4 of this Schedule B – Part I determining that the following mechanic's liens have been extinguished by that mortgage foreclosure:

- (a) Mechanic's Lien Statement dated July 27, 2006, filed August 2, 2006, as Document No. 488507.001 (Torrens) and as Document No. 1986478.001

(Abstract), in favor of EJM Pipe Services, Inc., in the amount of \$552,164.77. Date of last item was April 6, 2006. Date of first item was July 29, 2005.

Partial Release of a portion of insured land filed October 5, 2006, as Document No. 1988057.008 (Abstract) and filed October 19, 2006, as Document No. 489421.004 (Torrens) and as Document No. 1988408.004 (Abstract)

- (b) Mechanic's Lien Statement dated September 11, 2006, filed September 12, 2006, as Document No. 488968.001 (Torrens) and as Document No. 1987462.001 (Abstract), in favor of Glenn Rehbein Excavating, Inc., in the amount of \$6,256,996.67. Date of last item was August 9, 2006. Date of first item was October 2, 2003.

Amended Mechanic's Lien Statement dated January 8, 2007, filed January 9, 2007, as Document No. 490267.001 (Torrens) and as Document No. 1990253.001 (Abstract), in favor of Glenn Rehbein Excavating, Inc., in the amount of \$4,656,179.22. Date of last item was September 14, 2006. Date of first item was October 2, 2003

- (c) Mechanic's Lien Statement dated January 8, 2007, filed January 9, 2007, as Document No. 490267.002 (Torrens) and as Document No. 1990253.002 (Abstract), in favor of Glenn Rehbein Excavating, Inc., in the amount of \$291,577.00. Date of last item was September 14, 2006. Date of first item was October 2, 2003.

- (d) Mechanic's Lien Statement dated January 8, 2007, filed January 9, 2007, as Document No. 490267.004 (Torrens) and as Document No. 1990253.004 (Abstract), in favor of Glenn Rehbein Excavating, Inc., in the amount of \$733,675.00. Date of last item was September 14, 2006. Date of first item was October 2, 2003.

- (e) Mechanic's Lien Statement dated September 21, 2006, filed September 25, 2006, as Document No. 1987763.005 (Abstract), in favor of URS Corporation, a Nevada corporation, in the amount of \$200,674.64. Date of last item was July 21, 2006. Date of first item was July 16, 2002.

Partial Release of Lot 1, Block 1, Ramsey Town Center 11th Addition dated October 5, 2006, filed October 5, 2006, as Document No. 19888057.007 (Abstract)

- (f) Mechanic's Lien Statement dated September 21, 2006, filed September 25, 2006, as Document No. 489124.001 (Torrens) and as Document No. 1987767.001 (Abstract), in favor of URS Corporation, a Nevada corporation, in the amount of \$39,930.76. Date of last item was July 21, 2006. Date of first item was July 16, 2002.

- (g) Mechanic's Lien Statement dated September 21, 2006, filed September 25, 2006, as Document No. 489124.002 (Torrens) and as Document No. 1987767.002 (Abstract), in favor of URS Corporation, a Nevada corporation, in the amount of \$44,731.71. Date of last item was July 21, 2006. Date of first item was July 16, 2002.
 - (h) Mechanic's Lien Statement dated September 21, 2006, filed September 25, 2006, as Document No. 489124.003 (Torrens) and as Document No. 1987767.003 (Abstract), in favor of URS Corporation, a Nevada corporation, in the amount of \$451,083.60. Date of last item was July 21, 2006. Date of first item was July 16, 2002.
 - (i) Mechanic's Lien Statement dated September 21, 2006, filed September 25, 2006, as Document No. 1987763.006 (Abstract), in favor of URS Corporation, a Nevada corporation, in the amount of \$35,261.33. Date of last item was July 21, 2006. Date of first item was July 16, 2002.
 - (j) Mechanic's Lien Statement dated December 1, 2006, filed February 21, 2007, as Document No. 490739.001 (Torrens) and as Document No. 1991204.001 (Abstract), in favor of Blake Drilling Company, Inc., a Minnesota corporation, in the amount of \$262,548.55. Date of last item was October 31, 2006. Date of first item May 20, 2004.
12. Discharge of the following Notices of Lis Pendens or completion of the foreclosure of the mortgage set forth in paragraph 3 of this Schedule B – Part I and the completion of the proceeding subsequent set forth in paragraph 4 of this Schedule B – Part I determining that the recording of a discharge as to the registered portion of the Land is not required:
- (a) Notice of Lis Pendens EJM Pipe Services, Inc. vs. Glenn Rehbein Excavating Inc., Ramsey Town Center LLC, et al, Court File No. C8-07-13, dated January 2, 2007, filed January 25, 2007, as Document No. 490450.001 (Torrens) and as Document No. 1990610.001 (Abstract).
 - (b) Notice of Lis Pendens EJM Pipe Services, Inc. vs. Glenn Rehbein Excavating Inc., Ramsey Town Center LLC, et al, Court File No. C8-07-13, dated January 23, 2007, filed January 25, 2007, as Document No. 490450.002 (Torrens) and as Document No. 1990610.002 (Abstract).
 - (c) Notice of Lis Pendens EJM Pipe Services, Inc. vs. Glenn Rehbein Excavating Inc., Ramsey Town Center LLC, et al, Court File No. C8-07-13, dated March 1, 2007, filed March 5, 2007, as Document No. 490835.005 (Torrens) as Document No. 1991422.004 (Abstract).
 - (d) Notice of Lis Pendens EJM Pipe Services, Inc. vs. Glenn Rehbein Excavating Inc., Ramsey Town Center LLC, et al, Court File No. C8-07-13, dated March 1,

2007, filed March 5, 2007, as Document No. 490835.006 (Torrens) as Document No. 1991422.005 (Abstract).

- (e) Notice of Lis Pendens EJM Pipe Services, Inc. vs. Glenn Rehbein Excavating Inc., Ramsey Town Center LLC, et al, Court File No. C8-07-13, dated March 1, 2007, filed March 5, 2007, as Document No. 490835.004 (Torrens) as Document No. 1991422.0035 (Abstract).
 - (f) Notice of Lis Pendens Blake Drilling Company, Inc., vs. Glenn Rehbein Excavating Inc. and Ramsey Town Center, LLC, et al, Court File No. 02-CV-07-82, dated March 15, 2007, filed March 21, 2007, as Document No. 491016.001 (Torrens) and as Document No. 1991816.001 (Abstract).
13. Satisfaction of the following judgments or completion of the foreclosure of the mortgage set forth in paragraph 3 of this Schedule B – Part I and the completion of the proceeding subsequent set forth in paragraph 4 of this Schedule B – Part I determining that the following judgments do not affect the registered portion of the Land:
- (a) Judgment against Ramsey Town Center LLC, dated November 20, 2006, docketed March 26, 2007, as Case No. 02CV07305, in the amount of \$13,176.86, in favor of Smith Parker PLLP.
 - (b) Judgment against Ramsey Town Center LLC, dated April 18, 2007, docketed April 27, 2007, as Case No. 02CV071022, in the amount of \$116,536.63, in favor of Engen-Kozojed and Associates Inc.
14. Evidence of the abatement of and a recordable release of the following:
- (a) Certificate of Deferred Assessments in the principal amount of \$322,555.00 filed April 6, 2007, as Document No. 491186.007 (Torrens). (affects Outlot M, Ramsey Town Center, except part platted as Ramsey Town Center 5th Addition)
 - (b) Certificate of Deferred Assessments in the principal amount of \$108,549.00 filed April 6, 2007, as Document No. 491186.008 (Torrens). (affects Outlot A, Ramsey Town Center 5th Addition)
 - (c) Certificate of Deferred Assessments in the principal amount of \$17,942.00 filed April 6, 2007, as Document No. 491186.009 (Torrens). (affects Lot 2, Block 1, Ramsey Town Center 5th Addition)
 - (d) Certificate of Deferred Assessments in the principal amount of \$35,089.00 filed April 6, 2007, as Document No. 491186.011 (Torrens). (affects Tract E, Registered Land Survey No. 241)

- (e) Certificate of Deferred Assessments in the principal amount of \$6,085.00 filed April 6, 2007, as Document No. 491186.012 (Torrens). (affects Tract D, Registered Land Survey No. 241)
- (f) Certificate of Deferred Assessments in the principal amount of \$19,032.00 filed April 6, 2007, as Document No. 491186.013 (Torrens). (affects Tract C, Registered Land Survey No. 241)
- (g) Certificate of Deferred Assessments in the principal amount of \$473,321.00 filed April 6, 2007, as Document No. 491186.014 (Torrens). (affects Tract A, Registered Land Survey No. 241)
- (h) Certificate of Deferred Assessments in the principal amount of \$199,504.00 filed April 6, 2007, as Document No. 491186.017 (Torrens). (affects Outlot Q, Ramsey Town Center Addition)
- (i) Certificate of Deferred Assessments in the principal amount of \$119,495.00 filed April 6, 2007, as Document No. 491186.018 (Torrens). (affects Outlot O, Ramsey Town Center Addition)
- (j) Certificate of Deferred Assessments in the principal amount of \$14,547.00 filed April 6, 2007, as Document No. 491186.019 (Torrens). (affects Outlot N, Ramsey Town Center Addition)
- (k) Certificate of Deferred Assessments in the principal amount of \$641,115.00 filed April 6, 2007, as Document No. 491186.020 (Torrens). (affects Outlot J, Ramsey Town Center Addition)
- (l) Certificate of Deferred Assessments in the principal amount of \$603,708.00 filed April 6, 2007, as Document No. 491186.021 (Torrens). (affects Outlot H, Ramsey Town Center Addition)
- (m) Certificate of Deferred Assessments in the principal amount of \$955,958.00 filed April 6, 2007, as Document No. 491186.022 (Torrens). (affects Outlot F, Ramsey Town Center Addition)
- (n) Certificate of Deferred Assessments in the principal amount of \$266,215.00 filed April 4, 2007, as Document No. 1992150.001 (Abstract). (affects Outlot B, Ramsey Town Center 11th Addition)
- (o) Certificate of Deferred Assessments in the principal amount of \$491,074.48 filed April 4, 2007, as Document No. 1992150.002 (Abstract). (affects Outlot A, Ramsey Town Center 11th Addition)

- (p) Certificate of Deferred Assessments in the principal amount of \$724,717.00 filed April 4, 2007, as Document No. 1992150.004 (Abstract). (affects insured part of Outlot GG, Ramsey Town Center Addition)
 - (q) Certificate of Deferred Assessments in the principal amount of \$59,228.00 filed April 4, 2007, as Document No. 1992150.013 (Abstract). (affects Outlot B, Ramsey Town Center 7th Addition)
 - (r) Certificate of Deferred Assessments in the principal amount of \$168,332.00 filed April 4, 2007, as Document No. 1992150.014 (Abstract). (affects Outlot A, Ramsey Town Center 7th Addition)
15. Written certification from Ramsey Town Center Community Association that all dues and assessments provided for pursuant to Master Declaration of Ramsey Town Center dated August 5, 2005, filed September 15, 2005, as Document No. 484495.001 (Torrens) and as Document No. 1978252.001 (Abstract) are paid current.
 16. Payment of all delinquent tax amounts shown in paragraph 7 of Schedule B – Part II of the Commitment.
 17. Deed from Minnwest Bank Central, a Minnesota state banking corporation, to the Housing and Redevelopment Authority for the City of Ramsey.
 18. Such affidavits or other documentation which may be required by the Company or Commercial Partners Title, LLC in connection with the issuance of any policy of title insurance.

END OF SCHEDULE B – PART I REQUIREMENTS

ISSUED BY
COMMERCIAL PARTNERS TITLE, LLC
AS AGENT FOR
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NUMBER 31695

SCHEDULE B - PART I

REQUIREMENTS

Instruments creating and/or perfecting the priority of the estate or interest(s) to be insured, the form and execution of which shall be satisfactory to the Company, must be executed, delivered and duly filed for record.

SCHEDULE B - PART II

EXCEPTIONS

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.

1. Defects, liens encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this commitment.
2. Rights or claims of parties in possession not shown by the public records.
3. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.
4. Easements or claims of easements not shown by the public records.
5. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
6. Taxes or special assessments which are not shown as existing liens by the public records.
7. General and special taxes and assessments as hereafter listed, if any (all amounts shown being exclusive of interest, penalties and costs):

A. Real estate taxes payable in 2008 are \$1.18 and are unpaid.

Base tax \$1.18 Property Identification No. 28-32-25-13-0007 (Outlot V, Ramsey Town Center Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$41.11 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$1.18 and are unpaid.

Base tax \$1.18 Property Identification No. 28-32-25-14-0007 (Outlot CC, Ramsey Town Center Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$41.11 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$22,271.80 and are unpaid.

Base tax \$22,271.80 Property Identification No. 28-32-25-14-0008 (Outlot DD, Ramsey Town Center Addition)

Delinquent taxes for real estate taxes payable in 2005, 2006, 2007 and 2008 in the amount of \$77,639.86 through March 31, 2009, plus additional penalty, costs and interest after that date.

ISSUED BY
COMMERCIAL PARTNERS TITLE, LLC
AS AGENT FOR
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NUMBER 31695
SCHEDULE B - Part II - EXCEPTIONS
(Continued)

Real estate taxes payable in 2008 are \$478.51 and are unpaid.
Base tax \$478.51 Property Identification No. 28-32-25-14-0012 (Outlot HH, Ramsey Town Center Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$1,666.91 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$1,025,607.20 and are unpaid.
Base tax \$124,891.20 Property Identification No. 28-32-25-41-0009 (Subject portion of Outlot GG, Ramsey Town Center Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$1,365,970.57 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$639,886.29 and are unpaid.
Base tax \$29,553.38 Property Identification No. 28-32-25-42-0017 (Outlot A, Ramsey Town Center 11th Addition)
Delinquent taxes for real estate taxes payable in 2007 and 2008 in the amount of \$760,948.64 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$143,185.94 and are paid.
Base tax \$141,138.24 Property Identification No. 28-32-25-42-0016 (Lot 1, Block 1, Ramsey Town Center 11th Addition) (includes additional land)
NOTE: There are no delinquent taxes of record.

Real estate taxes payable in 2008 are \$351,224.07 and are unpaid.
Base tax \$20,358.20 Property Identification No. 28-32-25-42-0018 (Outlot B, Ramsey Town Center 11th Addition)
Delinquent taxes for real estate taxes payable in 2007 and 2008 in the amount of \$423,651.01 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$6,817.80 and are unpaid.
Base tax \$6,817.80 Property Identification No. 28-32-25-14-0094 (part of Outlot B, Ramsey Town Center 2nd Addition which lies East of a line)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$13,671.23 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$1.18 and are unpaid.
Base tax \$1.18 Property Identification No. 28-32-25-14-0095 (part of Outlot B, Ramsey Town Center 2nd Addition lying Southerly of a line)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$41.11 through March 31, 2009, plus additional penalty, costs and interest after that date.

ISSUED BY
COMMERCIAL PARTNERS TITLE, LLC
AS AGENT FOR
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NUMBER 31695
SCHEDULE B - Part II - EXCEPTIONS
(Continued)

Real estate taxes payable in 2008 are \$328,083.23 and are unpaid.
Base tax \$12,457.40 Property Identification No. 28-32-25-21-0030 (Outlot A, Ramsey Town Center 8th Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$412,838.60 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$1.18 and are unpaid.
Base tax \$1.18 Property Identification No. 28-32-25-21-0032 (Outlot C, Ramsey Town Center 8th Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$41.11 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$1.18 and are unpaid.
Base tax \$1.18 Property Identification No. 28-32-25-21-0033 (Outlot D, Ramsey Town Center 8th Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$41.11 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$473,266.37 and are unpaid.
Base tax \$12,444.89 Property Identification No. 28-32-25-21-0035 (Outlot F, Ramsey Town Center 8th Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$587,931.27 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$1,194,481.72 and are unpaid.
Base tax \$6,367.37 Property Identification No. 28-32-25-22-0005 (Outlot F, Ramsey Town Center Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$1,408,398.00 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$1.18 and are unpaid.
Base tax \$1.18 Property Identification No. 28-32-25-23-0004 (Outlot G, Ramsey Town Center Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$41.11 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$848,397.62 and are unpaid.
Base tax \$98,077.90 Property Identification No. 28-32-25-23-0005 (Outlot H, Ramsey Town Center Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$1,171,004.04 through March 31, 2009, plus additional penalty, costs and interest after that date.

ISSUED BY
COMMERCIAL PARTNERS TITLE, LLC
AS AGENT FOR
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NUMBER 31695
SCHEDULE B - Part II - EXCEPTIONS
(Continued)

Real estate taxes payable in 2008 are \$803,178.48 and are unpaid.
Base tax \$6,367.37 Property Identification No. 28-32-25-24-0002 (Outlot J, Ramsey Town Center Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$949,747.03 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$1.18 and are unpaid.
Base tax \$1.18 Property Identification No. 28-32-25-24-0003 (Outlot K, Ramsey Town Center Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$41.11 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$19,494.74 and are unpaid.
Base tax \$1,414.97 Property Identification No. 28-32-25-24-0005 (Outlot N, Ramsey Town Center Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$27,319.38 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$150,393.70 and are unpaid.
Base tax \$1,879.08 Property Identification No. 28-32-25-24-0006 (Outlot O, Ramsey Town Center Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$179,785.69 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$1.18 and are unpaid.
Base tax \$1.18 Property Identification No. 28-32-25-24-0007 (Outlot P, Ramsey Town Center Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$41.11 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$267,581.80 and are unpaid.
Base tax \$19,627.85 Property Identification No. 28-32-25-24-0008 (Outlot Q, Ramsey Town Center Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$346,272.01 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$13,035.37 and are unpaid.
Base tax \$13,035.37 Property Identification No. 28-32-25-31-0009 (Outlot R, Ramsey Town Center Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$36,591.65 through March 31, 2009, plus additional penalty, costs and interest after that date.

ISSUED BY
COMMERCIAL PARTNERS TITLE, LLC
AS AGENT FOR
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NUMBER 31695
SCHEDULE B - Part II - EXCEPTIONS
(Continued)

Real estate taxes payable in 2008 are \$642,315.91 and are unpaid.
Base tax \$54,047.95 Property Identification No. 28-32-25-24-0009 (Tract A, Registered Land Survey No. 241)
Delinquent taxes for real estate taxes payable in 2007 and 2008 in the amount of \$814,508.22 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$26,884.76 and are unpaid.
Base tax \$3,230.79 Property Identification No. 28-32-25-24-0011 (Tract C, Registered Land Survey No. 241)
Delinquent taxes for real estate taxes payable in 2007 and 2008 in the amount of \$34,202.53 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$8,155.90 and are unpaid.
Base tax \$593.14 Property Identification No. 28-32-25-24-0012 (Tract D, Registered Land Survey No. 241)
Delinquent taxes for real estate taxes payable in 2007 and 2008 in the amount of \$9,604.58 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$55,758.94 and are unpaid.
Base tax \$12,148.50 Property Identification No. 28-32-25-24-0013 (Tract E, Registered Land Survey No. 241)
Delinquent taxes for real estate taxes payable in 2007 and 2008 in the amount of \$76,853.26 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$407,786.76 and are unpaid.
Base tax \$6,898.61 Property Identification No. 28-32-25-31-0015 (Subject portion of Outlot M, Ramsey Town Center Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$520,962.08 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$152,522.35 and are unpaid.
Base tax \$17,612.00 Property Identification No. 28-32-25-31-0014 (Outlot A, Ramsey Town Center 5th Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$233,759.90 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$1,962.80 and are unpaid.
Base tax \$1,962.80 Property Identification No. 28-32-25-22-0056 (Outlot A, Ramsey Town Center 10th Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$2,333.25 through March 31, 2009, plus additional penalty, costs and interest after that date.

ISSUED BY
COMMERCIAL PARTNERS TITLE, LLC
AS AGENT FOR
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NUMBER 31695
SCHEDULE B - Part II - EXCEPTIONS
(Continued)

Real estate taxes payable in 2008 are \$211,147.46 and are unpaid.
Base tax \$1,935.68 Property Identification No. 28-32-25-13-0033 (Outlot A, Ramsey Town Center 7th Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$251,019.17 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$74,319.11 and are unpaid.
Base tax \$707.49 Property Identification No. 28-32-25-13-0034 (Outlot B, Ramsey Town Center 7th Addition)
Delinquent taxes for real estate taxes payable in 2006, 2007 and 2008 in the amount of \$88,296.58 through March 31, 2009, plus additional penalty, costs and interest after that date.

Real estate taxes payable in 2008 are \$24,672.43 and are unpaid.
Base tax \$2,374.17 Property Identification No. 28-32-25-31-0013 (Lot 2, Block 1, Ramsey Town Center 5th Addition)
Delinquent taxes for real estate taxes payable in 2007 and 2008 in the amount of \$31,355.06 through March 31, 2009, plus additional penalty, costs and interest after that date.

NOTE: Figures for real estate taxes payable in 2009 are not yet available.

B. Levied or pending assessments of record, if any.

8. Rights or claims of tenants, as tenants only, in possession under unrecorded leases.
9. Terms and conditions of Master Development Agreement dated September 17, 2003, filed September 24, 2003, as Document No. 446333 (Torrens) and as Document No. 1854364 (Abstract).
First Amendment to Master Agreement dated February 28, 2005, filed March 9, 2005, as Document No. 482049.001 (Torrens) and as Document No. 1973508.001 (Abstract).
Terms and conditions of Parkland and Trail Plan Agreement, dated February 28, 2005, filed March 16, 2005, as Document No. 482124.003 (Torrens).
10. Terms and conditions of Allocation Agreement for the Master Development Agreement for Ramsey Town Center dated December 22, 2004, filed February 23, 2005, as Document No. 481898.006 (Torrens), by and between Ramsey Town Center LLC, Ramdance LLC and the City of Ramsey.
11. Terms and conditions of Allocation Agreement dated December 16, 2003, filed January 22, 2004, as Document No. 457481 (Torrens) and as Document No. 1891854 (Abstract) by and between Ramsey Town Center LLC, D.R. Horton Inc. - Minnesota and the City of Ramsey. Partial Release dated June 15,

ISSUED BY
COMMERCIAL PARTNERS TITLE, LLC
AS AGENT FOR
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NUMBER 31695
SCHEDULE B - Part II - EXCEPTIONS
(Continued)

2005, filed June 20, 2005, as Document No. 1976039.002 (Abstract).

12. Terms and conditions of Allocation Agreement dated August 24, 2005, filed August 25, 2005, as Document No. 1977751.010 (Abstract) by and between Ramsey Town Center LLC, K. Hovnanian T&C Homes At Ramsey and the City of Ramsey.
13. Easements for utilities, drainage and access dedication as shown on the recorded plat of Ramsey Town Center Addition.
14. Access dedication as shown on the recorded plat of Ramsey Town Center 2nd Addition.
15. Access dedication as shown on the recorded plat of Ramsey Town Center 7th Addition.
16. Easements for utilities, drainage slope and access dedication as shown on the recorded plat of Ramsey Town Center 8th Addition.

NOTE: Ordinance #06-01 filed February 7, 2006, as Document No. 486392.001 (Torrens) vacated the dedicated utility easement over Outlot A, Ramsey Town Center 8th Addition.
17. Easements for utilities, slopes and access dedication as shown on the recorded plat of Ramsey Town Center 10th Addition.
18. Terms and conditions of and easements contained in Easement Agreement by and between Ramsey Town Center, LLC, a Minnesota limited liability company and City of Ramsey, dated August 12, 2008, filed August 15, 2008, as Document No. 2002331.004 (Abstract). (Outlot DD, Ramsey Town Center Addition) (expires August 31, 2009)
19. Easement for drainage and utility, in favor of City of Ramsey, as created in document dated April 11, 2006, filed July 2, 2007, as Document No. 1994167.005 (Abstract). (Outlot B, Ramsey Town Center 2nd Addition)
20. Easement for temporary drainage, in favor of the City of Ramsey, as created in document dated August 8, 2007, filed February 21, 2008, as Document No. 494295.005 (Torrens). (Outlot F, Ramsey Town Center 8th Addition)
21. Terms and conditions of and easements contained in Master Declaration of Ramsey Town Center dated August 5, 2005, filed September 15, 2005, as Document No. 484495.001 (Torrens) and as Document No. 1978252.001 (Abstract). (provides for the lien of private assessments)

ISSUED BY
COMMERCIAL PARTNERS TITLE, LLC
AS AGENT FOR
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NUMBER 31695
SCHEDULE B - Part II - EXCEPTIONS
(Continued)

22. Terms and conditions of Declaration of Restrictive Covenant Regarding Banking or Financial Institutions Agreement, dated September 24, 2003, filed September 26, 2003, as Document No. 446644 (Torrens) and filed September 26, 2003, as Document No. 1855389 (Abstract).

Partial Release of Restrictive Covenant dated September 26, 2005, filed November 2, 2005, as Document No. 485143.001 (Torrens) and filed November 2, 2005, as Document No. 1979480.001 (Abstract).

Assignment of Restrictive Covenant dated December 16, 2005, filed December 16, 2005, as Document No. 485813.006 (Torrens) in favor of PSD, LLC.

23. Terms and conditions of Declaration of Restrictive Covenant Regarding Banking or Financial Institutions, dated December 22, 2005, filed March 7, 2006, as Document No. 486753.001 (Torrens) and filed March 7, 2006 as Document No. 1982665.001 (Abstract). (affects Outlots F, G, H, J, K, N, O, P, Q and R, Ramsey Town Center Addition, Outlots A, C, D and F, Ramsey Town Center 8th Addition and Outlot A, Ramsey Town Center 10th Addition)

24. Resolution No. 05-12-395 approving a setback variance filed January 4, 2006, as Document No. 485950.007 (Torrens). (affects Outlot A, Ramsey Town Center 8th Addition)

25. Resolution No. 05-01-004 approving a setback variance filed October 20, 2005, as Document No. 484956.002 (Torrens). (affects Lot 2, Block 1, Ramsey Town Center 5th Addition)

26. Easement for public streets, trails and utilities, in favor of the City of Ramsey, as created in document dated February 28, 2005, filed March 16, 2005, as Document No. 482124.010 (Torrens).

NOTE: Easements are in Zeolite Street and Town Center Drive abutting Outlots D and F, Ramsey Town Center and abutting Outlots A and C, Ramsey Town Center, respectively.

27. Terms and conditions of Agreement for Right of Way for Electrical Facilities, dated December 31, 2003, filed November 1, 2004, as Document No. 480123 (Torrens) and as Document No. 1968703 (Abstract). (affects Outlot H, Ramsey Town Center Addition)

28. Anoka County Right of Way Plat Number 16 dated April 13, 1981, filed April 13, 1981, as Document No. 571348 (Abstract).

Final Certificate dated August 14, 1985, filed August 28, 1985, as Document No. 684425 (Abstract).

29. Anoka County Right of Way Plat Number 16, Parcel 15 dated July 14, 1981, filed August 10, 1981, as Document No. 575763 (Abstract) and dated April 13, 1981, filed July 1, 1981, in Book 2 Right-of-Way

ISSUED BY
COMMERCIAL PARTNERS TITLE, LLC
AS AGENT FOR
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NUMBER 31695
SCHEDULE B - Part II - EXCEPTIONS
(Continued)

Plats, Page 5 (Abstract).

30. Anoka County Right-of-Way Plat Number 33 filed March 1, 1988, as Document No. 798409 (Abstract).
31. Terms and conditions of and easements contained in Easement granted to US West Communications, Inc., dated December 31, 1991, filed March 31, 1992, as Document No. 972438 (Abstract). (affects Outlot HH, Ramsey Town Center Addition)
32. Easements for communications systems in favor of US West Communications, Inc., filed August 12, 1963, in Book 605, Page 383 as Document No. 251085 and in Book 605, Page 385 as Document No. 251087.

Partial releases of a portion of land being insured filed February 10, 2005, as Document Nos. 481751.002 and 481751.003 (Torrens). (affects Outlot HH, Ramsey Town Center Addition and Civic Center Drive)

33. Terms and conditions of and easements contained in Right of Way Easement granted to the Rural Cooperative Power Association, dated April 20, 1953, filed April 29, 1953, as Document No. 150216 or 150126 in Book 299, Page 25.

Assigned to Anoka Electric Cooperative (now Connexus Energy) filed January 9, 1958, as Document No. 18666 in Book 409, Page 30.

NOTE: Prior policy recited easement document number as 150216 and the release of easement recites the document number as 150126 this easement is being shown as an exception. If after further inquiry it is determined that the prior policy contains a typographical errors in the document number this exception will be deleted.

(shown as an exception to title on prior title insurance policy provided to Commercial Partners Title, LLC)

34. Easement for drainage, in favor of the City of Ramsey, as created in document dated July 24, 1998, filed July 24, 1998, as Document No. 1359406 (Abstract). (affects Outlot F, Ramsey Town Center Addition)
35. Easement for roadway and utility purposes as shown in Quit Claim Deed dated July 27, 2001, filed August 23, 2001, as Document No. 1597261 (Abstract).
36. Easements for drainage, utilities and slope in favor of the City of Ramsey as created in Final Certificate dated August 29, 2003, filed October 29, 2003, as Document No. 447984 (Torrens) and filed September 2, 2003, as Document No. 1843849 (Abstract).

ISSUED BY
COMMERCIAL PARTNERS TITLE, LLC
AS AGENT FOR
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NUMBER 31695
SCHEDULE B - Part II - EXCEPTIONS
(Continued)

37. Easement for electric transmission line in favor of Connexus Energy (formerly Anoka Electric Cooperative and formerly the Rural Cooperative Power Association) as created in document filed April 9, 1953, in Book 299, Page 34. Said easement appears to be unconfined. (See also Partial Release of Easement filed as Document No. 519430.)
38. Access Easement Agreement dated June 12, 2006, filed July 6, 2006, as Document No. 1985760.001 (Abstract). (affects Outlot B, Ramsey Town Center 2nd Addition)
39. Easement in favor of the City of Ramsey as created in document dated June 3, 2004, filed September 30, 2005, as Document No. 1978594.001 (Abstract). (affects insured portion of Outlot GG, Ramsey Town Center Addition)
40. Terms and conditions of City of Ramsey Secondary Development Contract For Ramsey Town Center 7th Addition Symphony At Town Center dated August 24, 2005, filed August 25, 2005, as Document No. 19777551.011 (Abstract).
41. Permanent Easement for road and utilities, in favor of the City of Ramsey, as created in Quit Claim Deed dated July 27, 2001, filed August 23, 2001, as Document No. 1597261 (Abstract). (affects Outlot B, Ramsey Town Center 7th Addition)
42. Terms and conditions of Parking Improvement Use and Maintenance Agreement effective February 28, 2005, filed March 16, 2005, as Document No. 482124.002 (Torrens) and as Document No. 1973660.001 (Abstract).
43. Wetlands as shown on the recorded plats.
44. Ordinance No. 86-11 establishing a Storm Sewer Improvement Tax District filed October 28, 1987, as Document No. 784944 (Abstract).
45. See the attached Exhibit B for Schedule B - Part I requirements.

END OF SCHEDULE B EXCEPTIONS

SEE ATTACHED FOR ADDITIONAL INFORMATION REGARDING THIS FILE

ISSUED BY
COMMERCIAL PARTNERS TITLE, LLC
AS AGENT FOR
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
COMMITMENT NUMBER 31695

NOTES FOR INFORMATION

THE FOLLOWING IS PROVIDED FOR INFORMATIONAL PURPOSES AND WILL NOT APPEAR ON THE FINAL POLICY:

- A. This Commitment was prepared by:

Commercial Partners Title, LLC
200 South Sixth Street, Suite 1300
Minneapolis, MN 55402

Phone: (612) 337-2470
Fax: (612) 337-2471

Please direct questions regarding this Commitment to: Dave Hillert, Underwriting Attorney, at (612) 643-1044 and direct questions regarding the closing to: Dave Hillert, Commercial Closer, at (612) 643-1044.

If you would like to arrange for additional parties to receive this documentation, please contact our Production Department at (612) 337-2470.

- B. Upon our receipt and review of a standard form of affidavit disclosing no adverse matters, Item Nos. 1, 2, 4, 5 and 6 of Schedule B will be deleted from the final policy. Item No. 8 will be modified to reflect the interests of specific tenants. A current survey, certified to Commercial Partners Title, LLC and Old Republic National Title Insurance Company, will be required to delete Item No. 3 of Schedule B from the final policy.
- C. We require a Well Disclosure Certificate be completed and furnished at the time of closing for all deeds that require a Certificate of Real Estate Value.
OR
The following statement must be added to the deed: The seller certifies that the seller does not know of any wells on the described real property.
- D. The Tax Reform Act of 1986 requires that the seller provide the following information at the time of closing:
1. Tax Identification Number
2. Full Forwarding Address.
- E. The subject property is both Abstract and Torrens. All documents to be recorded must be submitted in duplicate.
- F. Commercial Partners Title, LLC does not have the Abstract of Title for the subject property.
- G. The legal description at Item No. 4 of Schedule A is related to property in Ramsey, MN.
- H. Schedule B - Part I requirements are attached as Exhibit B to the Commitment.

EXHIBIT C

List of Pending and Threatened Claims

1. City of Ramsey v. Minnwest Bank Central, Anoka County District Court File No. 02-CV-07-2643 (which is a consolidation of Court File No. 02-CV-07-2643 and Court File A-02-CV-07-2443).
2. P.S.D., LLC vs. Minnwest Bank Central vs. Community National Bank and Chicago Title Insurance Company, Anoka County District Court File No. 02-CV-07-2437.
3. P.S.D., LLC vs. Minnwest Bank Central, Anoka County District Court File No. 02-CV-08-5071.
4. Minnwest Bank South, et al v. Community National Bank, N.A., et al, Anoka County District Court File No. 02-CV-07-6190.

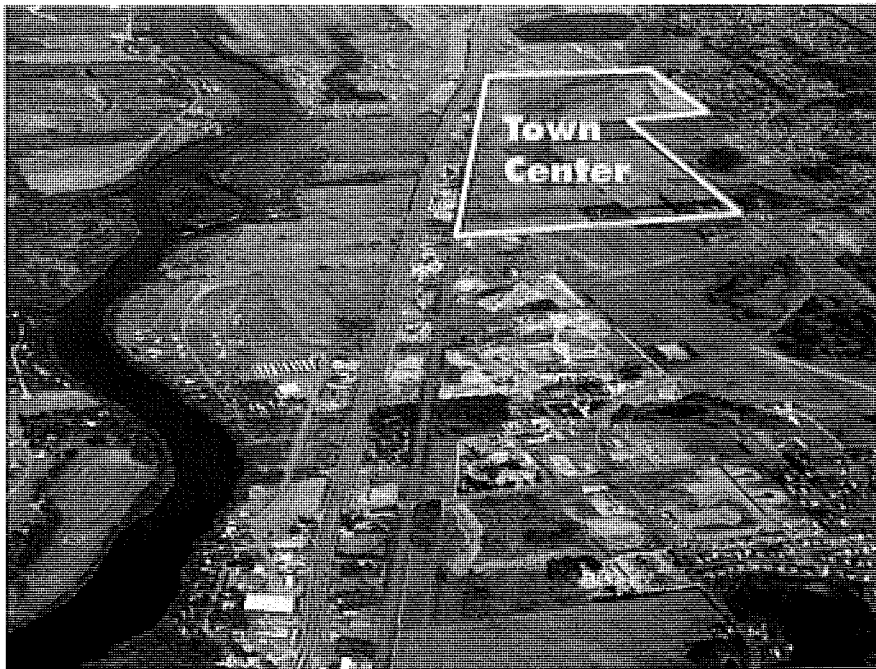
EXHIBIT D

Environmental Reports

Phase I Environmental Site Assessment for Ramsey Town Center, Highway 10 and Ramsey Boulevard, NW, Ramsey, Minnesota (Delta Project No. 5A0703-198). Prepared for Minnwest Bank Central, 14820 Highway 7, Minnetonka, Minnesota. Prepared by Delta Environmental Consultants, Inc., 5910 Rice Creek Parkway, Suite 100, St. Paul, Minnesota on April 27, 2007.

City of Ramsey

Request for Qualifications for Development Management Services



City of Ramsey
7550 Sunwood Drive
Ramsey, MN 55303
www.ci.ramsey.mn.us

RFQ Issued: October 9th, 2009
Response Due: November 2, 2009

Introduction:

The City of Ramsey, situated along the Mississippi and Rum Rivers, is a northwest suburb of Minneapolis and St. Paul. Ramsey is home today to over 23,500 residents and 400 thriving businesses with its population expected to grow to over 40,000 by the year 2030. The City is in the process of creating a unique downtown identity for itself to serve as a central gathering place for commerce and community, the Ramsey Town Center. The land use plan for this project area of 322 acres serves this growing suburban area by accommodating civic, office, commercial and retail development with housing integrated creatively around and nearby the future transit station on the Northstar Commuter Rail Service, anticipated to begin service in late 2011. Ramsey Town Center is characterized by a mix of goods and services that meets the needs of local residents and trade area visitors, provides a strong job and tax base and promotes pedestrian-oriented streets and an integrated park and trail system.

The history of the project has been well documented in the local media and real estate world. In brief summary, in early 2007, the Ramsey Town Center project entered into bankruptcy with then developer Bruce Needegard, just prior to his death in late 2006. From that time to early 2009, the development languished in bankruptcy and foreclosure proceedings with the banks that held a nearly 35 million dollar mortgage on the remaining property held by Nedegaard. On March 17, 2009 the Ramsey City Council authorized a settlement agreement between the City and the lead bank in the mortgage, MinnWest Bank, ending litigation over the enforcement on the city's development agreement. As a result of the settlement agreement, on June 26, 2009, the City closed on the acquisition of 148.5 acres of undeveloped property for \$6.75 million. The banks in-turn paid \$1.35 million in back taxes, interest and penalties to the city, county and school district.

In early July 2009, the City embarked on a process to refine the vision and land use for the project to ensure that the project is in line with the current market for commercial, office and residential development. As a result of that process, increased flexibility has been incorporated into the land use plan, particularly on the west end of the project (area of approx. 70 acres), opening the door to larger format retail to bring energy to the project. In addition, flexibility has been added to the density of the project to allow additional development over time in response to influence of transit, commercial development, and returned economic growth. Over the next six months, the city will be reviewing its zoning and development guidelines to ensure alignment with land use refinements.

Site Conditions:

At this time the entire site is served by municipal water and sewer. However, the western portion of the site requires additional work to make it pad-ready for development. There are a number of sites throughout the development that are currently pad-ready and available for sale.

Current Zoning and Future Land Use:

As mentioned above, the City is in the process of updating the Land Use and Vision for the Town Center (Exhibit B). The City is committed to fostering quality development of this site and to ensuring flexibility as to the future use of these parcels, particularly on the west 70 acres of the site. Updates to the zoning code and design guidelines will be completed over the next six months to further encourage flexibility in the zoning districts.

Project Vision: As the City moves forward with this process, it is important to continue to support the project vision identified below.

1. Ensure economic feasibility and viability of the overall project in commercial, office, and residential sectors.
2. Focus development around transit/transportation opportunities and ensure the walkability of the overall project.
3. Provide a mix of housing styles and prices.
4. Preserve the natural environment while providing a high level of amenity throughout the development in gathering and recreational areas.
5. Allow for densification of residential, commercial and office land use over time in response to impact of rail service and economic growth in the region.

Required Services:

The City is requesting proposals for development management services for development of city owned land in Town Center. Specifically, the development management services would include:

- Development of a project proforma/financial model for land sales that anticipates various users, assistance packages, and measures return on city investment plus cost of improvements/amenities.
- Identify and network with potential end users or developers of city owned land.
- Coordinate project marketing efforts to take the project to market for end users and/or developers
- Serve as lead contact and project manager for city owned property and represent the city in negotiations for deal structuring/land sales.

Response to Request for Qualifications:

1. Please describe in detail the following:
 - a. Your firm's/team's experience in providing development management services (as detailed in Required Services above) and executing projects similar to the potential of Ramsey Town Center and engaging in developer agreements with public entities.
 - b. Provide no less than five (5) examples of projects your firm and/or team has been involved with as development manager/developer and provide detail regarding the role of your firm and/or team for each project.
2. Please describe in detail the team you would assemble or describe in detail the divisions of your firm that would partner with the City to act as development manager as described in Required Services above.
3. Please describe in detail your firm's/team's project approach and describe in detail the services your firm/team would offer.
4. Please describe your expectations regarding the relationship between the City and the Development Manager/Management Team.
5. Please describe in detail how you would propose to structure your firm's/team's compensation for the services as described in Required Services above.
6. Please identify who would serve as the lead for the firm/team and identify team members and provide resumes for each.

Administrative Information:

1. All proposals shall become the property of the City and the City may, at its option, request an oral presentation prior to selection.
2. Quotations given in response to this RFQ will be valid for ninety (90) days from the proposal due date. The City reserves the right to request an extension of time if needed.
3. The City reserves the right to reject any or all proposals, or to negotiate a contract that is in the best interest of the City at the absolute and sole discretion of the City Council.
4. The firm must submit its response electronically to hnelson@ci.ramsey.mn.us no later than 4:30 p.m. on Monday, November 2nd, 2009. The response may also be submitted electronically at 7550 Sunwood Drive NW, Ramsey, MN 55303 no later than 4:30 pm on Monday, November 2nd, 2009.
5. It is anticipated that interviews will be conducted with the selected firm(s) on or around the second week of November 2009. Selected firms will be notified at least one week in advance of the interview date.
6. Please direct all questions regarding the RFQ to Heidi Nelson, Deputy City Administrator/Director of Community Development at 763-433-9817 or hnelson@ci.ramsey.mn.us.

Thank you for your interest in responding to this Request for Qualifications for this important city endeavor. We look forward to your response.

RFQ Respondents:

Thor Construction , partnering with 1000 Friends of Minnesota and LHB Engineers and Architects

Solomon Real Estate Group , partnering with Bonestroo and Barsness Consulting Services

Basile Baumann Prost Cole & Associates, Inc. partnering with the McComb Group Ltd.

Ehlers

Forest City Enterprises partnering with Strategic Advisorisy Group

Foster Real Estate Advisory Services, LLC partnering with RLK Inc.

Landform partnering with the Greeby Companies, Inc. and Ryan Cronk

Solution Blue, Inc.

**SPECIAL HOUSING AND REDEVELOPMENT AUTHORITY
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Housing and Redevelopment Authority conducted a special meeting on Tuesday, December 15, 2009, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson John Dehen
 Commissioner David Elvig
 Commissioner David Jeffrey (arrived at 6:00 p.m.)
 Commissioner Matt Look
 Commissioner Colin McGlone
 Commissioner Bob Ramsey
 Commissioner Jeffrey Wise

Members Absent: None.

Also Present: City Administrator Kurtis G. Ulrich
 Deputy City Administrator Heidi A. Nelson
 Planning Manager Amber Miller
 City Attorney Bill Goodrich (arrived at 8:00 p.m.)
 Darren Lazan, Landform

CALL TO ORDER

Chairperson Dehen called the regular meeting of the Housing and Redevelopment Authority to order at 5:27 p.m.

OPEN FORUM

There was none.

APPROVAL OF MINUTES

None.

APPROVAL OF AGENDA

Motion by Commissioner Look, seconded by Commissioner Wise, to approve the agenda as submitted.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Look, Wise, Elvig, McGlone, and Ramsey. Voting No: None. Absent: Councilmember Jeffrey.

HRA BUSINESS

Case #1: Conduct Interviews of the Respondents to the Request for Qualifications RFQ for Development Services for Town Center

Planning Manager Miller reviewed the staff report.

Patrick Hart, Solomon Real Estate, introduced Steven Johnson of Solomon and Daniel Parks of Westwood Professional Services.

Steven Johnson, Solomon Real Estate, summarized who Solomon Real Estate Group was and what type of products Solomon has done. He noted Solomon offered the full range of development. He highlighted Southwest Station in Eden Prairie; Park Place Promenade in Brooklyn Park; Windsor Plaza in Eden Prairie, and Plymouth Marketplace in Plymouth, as some of Solomon's developments. He summarized the services Westwood Professional Services would perform.

Chairperson Dehen stated he was not sold on the idea of a development management company as there would be a black hole in his opinion. He stated his idea was to take this property and get rid of it. He indicated his concern was how the City would contain price.

Mr. Johnson responded Solomon would work with the City and Solomon would have a contract with the City that would specifically address these issues. He stated it was not Solomon's intention to develop the entire area, but to use Solomon's contacts and act as a conduit between the developer and the City. He noted everything would be done with the Council's approval.

Chairperson Dehen asked what Solomon Real Estate could do that the City staff could not do.

Mr. Hart responded this was not a normal market or situation. He stated Solomon had a lot of contacts in the industry that staff would not have. He stated Solomon's contacts would be a huge benefit to the City.

Chairperson Dehen stated he wanted more information on how Solomon would market the property.

Mr. Johnson responded he attended ICSC every year and he would have a different result in talking to retailers than the City would because he was a developer and he had the contacts that the City would not have. He stated the City would get the benefit of having a developer and talking to the retailers on a level that they would understand and appreciate.

Commissioner Elvig stated his concern was how Solomon would market this.

Mr. Johnson responded Solomon would add an addition onto their website. He stated he would also contact the residential developers with a plan as to how Solomon would make them successful in a down market. With respect to retail, he could easily pick up the phone to certain retailers to regenerate interest. With respect to office, he would target people who were strong in

the office market who were dealing with the large end user. He indicated he was also on various Boards and worked on programs through these Boards as well.

Mr. Hart stated people know who Solomon is and Solomon did not need to market themselves and that has value for the City.

Commissioner Wise stated he was concerned about the transportation issues and the location of Highway 10 and the railroad tracks. He believed this needed to be fixed one way or another. He asked what Solomon could bring to this to find funding.

Mr. Johnson responded Solomon had worked closely with MnDOT and Counties in the past and Solomon had experience in working with issues such as this. He believed the train stop was a big plus for this area.

Commissioner Jeffrey arrived at 6:00 p.m.

Darren Lazan, Landform, introduced Skip Greeby and Michael Greeby, of Greeby Companies, and Ryan Cronk of Cronk RE, LLC.

Mr. Lazan presented what he believed the project was and where the project should go. He indicated the next steps would be to organize, political lobbying, and development management.

Michael Greeby stated whatever developer the City decided on needed to be able to take this to the next step. He stated Greeby Companies wanted to take this to the next level and with the proper organization structure, this could be accomplished.

Mr. Lazan summarized the team strengths including local presence, national reach, depth of resources, and service-based approach.

Skip Greeby stated Greeby Companies needed to convince the City to retain them for this project. He stated a couple of reasons why is that Greeby Companies has gotten to know a lot of City staff and Council over the past few years and from a local and national view, Greeby would be able to tap resources from developers as well as giving the City visibility of the project. He stated Greeby would be able to promote the project on the national stage, which was a great advantage for the City.

Chairperson Dehen stated he was not sold on the developer management concept because it created another layer. He asked what this team would bring over and above what the staff could accomplish. He asked if the advantage was the contacts Landform had. He asked if there was anything else in the marketing aspect over and above these contacts.

Mr. Lazan responded the City staff was very talented and energetic. He believed contacts was a big advantage, but he also believed Landform brought a deeper and broader understanding of the deal, and development, as well as an understanding of what would fit into Town Center.

Commissioner Wise stated transportation was a concern for him. He asked what contacts had Landform worked with in the past.

Mr. Lazan responded Landform understood the importance of this issue. He stated Landform had contacts with the local Senator and Landform also had a lot of resources that could be used.

Commissioner Ramsey stated what he liked about this team was the ability the team had to juggle a lot of pieces and keep it all organized.

Michael Greeby noted the team not only has contacts, but the team has developed relationships and those relationships over the years have developed trust, which gets things done.

Emmett Corsey, Forest City, introduced Jim Richardson, VP for Commercial Development.

Mr. Corsey reviewed the background of Forest City. He summarized some of Forest City's developments including the New York Times Building in New York City; University Park at MIT in Cambridge, Massachusetts; Sky 55 in Chicago, Illinois; Victoria Gardens in Rancho Cucamonga, California; Westfield San Francisco Centre in San Francisco, California; and Short Pump Town Center in Richmond, Virginia.

Mr. Corsey noted many of Forest City's developments were near or sat on top of transit (rail) stations.

Commissioner Elvig expressed concern that this project was not big enough for Forest City and Forest City did not know the local flavor.

Mr. Corsey stated the first thing Forest City would do would be to find out the City's vision. He noted Forest City had done smaller projects that have been successful.

Commissioner Elvig asked what sparked Forest City's interest in this project.

Mr. Richardson stated Forest City was looking at doing a project in Chaska and wanted to do other developments in the Twin Cities as well. He indicated the City had a great opportunity with the railroad track and the light rail.

Mr. Corsey stated if certain expertise were needed, Forest City could obtain them. He indicated Forest City had studied this area for 8 years and eventually Forest City would be in a development in Minnesota. He stated Forest City has done a lot of development with the major retailers and has a good reputation among those retailers.

Mr. Richardson summarized Forest City's development philosophy and key players within Forest City. He summarized the project approach broken down into phases.

Commissioner Wise asked what Forest City brought to the table with respect to transportation. He asked if Forest City had dealt with transit authorities.

Mr. Corsey responded Forest City had underwritten some of the largest grants in the Country for transportation issues. He stated Forest City could lobby also and that was the reason Forest City's main office was in Washington DC.

Jim Prost, Principal of Basile Baumann Prost Cole Associates, introduced Jim McComb, President, MGL.

Mr. Prost summarized the team and experience, the project goals and issues, the approach Basile Baumann Prost Cole Associates would use, and specialized understanding.

Mr. Prost noted Basile were not developers, but worked with various developer entities. He presented developments Basile was involved in including developments in Raleigh-Durham, North Carolina; Fairfax County Government Center in Fairfax, Virginia; Owings Mills Metro Center in Owings Mills, Maryland; TOD/Economic & Market Impact Study in Denver, Colorado; Bridgeport, Connecticut; Development Management Services in Long Branch, New Jersey.

Mr. McComb summarized the project's goals and objectives.

Mr. Prost stated the City had good planning and Basile's would work with the City on how to work with a developer, the financial opportunities, the market strategies, etc. He stated one of Basile's specialties was commuter rail projects and Basile had done many commuter rail projects in the past also.

Mr. Prost stated Basile had worked with the VA in the past. He summarized the marketing approach Basile would use including databases, developer's forums, press releases, placements in targeted publications, and target outreach to regional and national developers. He indicated Basile would be dedicated to work with the City and the City's values. He noted Basile was a consulting firm and worked on a fee basis. He presented the top ten reasons the City should select Basile.

Case #2: Presentation of Letter of Intent from Sand Companies and Site Proposal (portions of this discussion may be closed to the public)

Jamie Thelen, Sand Companies, presented a potential new construction, work-force rental housing project.

Commissioner Wise asked whom the housing market was for.

Mr. Thelen responded it would be workforce housing for the first phase. He indicated it was too soon to determine what type of housing would be in the second phase.

Commissioner Ramsey asked if the City was looking for more density in this location than this proposal was bringing in and if they were looking at a higher end project.

Chairperson Dehen stated he thought the workforce housing was going to be out farther, if at all. He thought the plan was to bring in more market rate driven housing in this area.

Planning Manager Miller stated this project met the density for the area. She noted there was workforce housing right in front of the ramp, so she did not know where the thought was that there would not be workforce housing. She noted the tenants would be required to have a job, so these were not low-income housing.

Mr. Thelen noted this was not a Section 8 project. He indicated the rent was set and there was no other subsidy.

Chairperson Dehen asked how the purchase agreement was arrived at.

City Administrator Ulrich responded the proposal came from the developer with staff's direction to the developer that there were key issues that had to be addressed.

Chairperson Dehen stated his concern was a complex located by a park and this was a highly desirable location.

Commissioner Elvig asked if Mr. Thelen could look at doing the first building as the second building.

Chairperson Dehen asked what the options were.

City Administrator Ulrich stated TIF would put the City in partnership with the developer. He indicated this would be a partnership that would need to be negotiated. He noted the developer would have a certain cap rate the developer would need to achieve.

Commissioner Ramsey stated he needed further information regarding the TIF financing before he could make any decisions.

Planning Manager Miller stated if this project was workforce housing, the City had a workforce housing where TIF was not used. She indicated it might make sense to decertify that TIF and use this project for the TIF financing. She indicated this would relocate the TIF.

Commissioner Elvig asked if both phases would be TIF.

Mr. Thelen responded he was proposing both buildings as TIF. He noted the TIF would help to build the market rate phase.

Commissioner Elvig asked if the City could put a physical dollar amount cap on the TIF. He agreed the City should decertify the existing TIF district.

Mr. Thelen stated funding was coming up from the County and if his Letter of Intent were accepted, he would like to apply for the funding. He believed he could get up to \$300,000 from Anoka County.

Mr. Lazan stated he did not believe the HRA was in a position to approve the letter of intent right now because the City needed further information.

City Administrator Ulrich recommended staff work on the Letter of Intent and come back to the HRA.

Chairperson Dehen stated he was concerned about the Flaherty and Collins connection. He asked if there was a concern from staff's perspective regarding proceeding with this tonight.

City Administrator Ulrich stated staff had a concern regarding the TIF and spelling out the district and the 90 percent.

Commissioner Jeffrey left the meeting at 8:37 p.m.

Commissioner Elvig stated he did not have a problem with workforce housing.

City Administrator Ulrich recommended the specifics on tax increment be taken out of the LOI.

Motion by Councilmember Elvig, seconded by Commissioner Ramsey, to authorize staff to enter into a Letter of Intent changing the language in 7E to "mutually agreed upon TIF terms".

Motion carried. Voting Yes: Chairperson Dehen and Commissioners Elvig, Ramsey, Look, McGlone and Wise. Voting No: None. Absent: Commissioner Jeffrey.

City Administrator Ulrich moved Case #3 to the end of the agenda.

Case #4: Consider Memorandum of Understanding J.E. Dunn Construction

City Administrator Ulrich reviewed the staff report.

City Attorney Goodrich noted that this meeting can move into closed session to discuss land prices for the land west of the ramp.

Motion by Commissioner Dehen, seconded by Commissioner Wise, to move to closed session.

Motion carried. Voting Yes: Chairperson Dehen and Commissioners Wise, Elvig, Look, McGlone, and Ramsey. Voting No: None. Absent: Commissioner Jeffrey.

The Special HRA meeting moved into a closed session at 8:53 p.m.

The closed session was adjourned at 9:04 p.m.

The special HRA meeting was reconvened at 9:04 p.m.

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to approve the Memorandum of Understanding with JE Dunn for the Ramsey VA Clinic, subject to consideration of revised language to incorporate a commitment from the builder/owner of the project.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Ramsey, Wise, Elvig, Look, and McGlone. Voting No: None. Absent: Commissioner Jeffrey.

Case #5: Amend Contract Regarding VA Proposal - Landform

City Administrator Ulrich reviewed the staff report.

Motion by Commissioner Elvig, seconded by Commissioner Ramsey, to allocate additional dollars to retain Landform as a consultant on the VA Clinic project, through submittal and selection, as needed. The amount of this allocation is to be based upon the consultants estimated hours to complete the project.

Further discussion: Chairperson Dehen asked why Landform was exceeding the contract. City Administrator Ulrich responded this was a new phase and additional hours were needed. Chairperson Dehen stated he did not understand how Landform could be working for J.E. Dunn and yet represent the City's interests. Commissioner McGlone stated every entity was really working for the City so he did not see any conflict. Chairperson Dehen expressed concern that Landform was not being accountable for the services they have incurred and all the invoice had was a list of hours. City Administrator Ulrich stated in his opinion now was not the time to pull players from this project and there were many pieces trying to be coordinated. Commissioner Look stated who J.E. Dunn hired was not any of the City's concern and if Landform was the expertise J.E. Dunn needed, then J.E. Dunn should hire them. He did not believe Landform would double bill the City for services.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Elvig, Ramsey, Look, McGlone, and Wise. Voting No: Commissioner Jeffrey.

Case #6: Discuss Land Acquisition within Ramsey Town Center Area (Closed to the Public)

City Attorney Goodrich noted that this meeting can move into closed session to discuss purchase of property on the south side of Highway 10 in the vicinity of Town Center.

Motion by Commissioner Wise, seconded by Commissioner Ramsey, to move to closed session.

Motion carried. Voting Yes: Chairperson Dehen and Commissioners Elvig, Look, McGlone, Ramsey and Wise. Voting No: None. Absent: Commissioner Jeffrey.

The Special HRA meeting moved into a closed session at 9:20 p.m.

The closed session ended at 9:57 p.m.

The HRA special meeting was reconvened at 9:57 p.m.

Case #3: Consider Proposal of Consulting Services The Banker LLC

City Administrator Ulrich recommended postponing this item indefinitely.

Motion by Commissioner Ramsey, seconded by Commissioner Elvig, to table this item indefinitely.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Ramsey, Elvig, Look, McGlone, and Wise. Voting No: Commissioner Jeffrey.

Continuation of Case #1 Discussion:

Commissioner Wise believed all of the Development Management Services were very capable, but Basile, Baumann, et al, did not seem to fit what the City wanted.

Commissioner Elvig believed McComb might be too conservative. He believed Landform had a leg up and Solomon was an excellent group as well as being a very respected group locally. However, he believed Forest City could do a lot for the City and could bring a lot of depth in.

Commissioner McGlone stated he liked Landform and Forest City. He believed both brought national recognition and, in Landform's case, international recognition. He advocated first for Landform and second for Forest City.

Commissioner Look stated he also liked Forest City and Forest City represented themselves better than the other businesses. However, he also liked Landform and Landform knew the development. He did not think the HRA should give this to one developer only.

Commissioner Ramsey stated he liked Landform. He did not believe Forest City presented anything unique.

Chairperson Dehen stated he was not in favor of having a development manager at all. He indicated he wanted the City to sell the land and quit pouring money into businesses that promised to find developers for the City. He stated he was not interested in paying for these services and if someone brought something to the City, the City could pay them on a contingent basis. He asked what Landform had delivered. He indicated he was not happy with Landform. He stated he wanted to see itemized bills from Landform. He noted he liked Forest City, but he questioned whether a development manager was needed.

Commissioner Elvig stated the issue he had with Landform was that Landform had strong ties to some Councilmembers and he wanted Landform to deal with staff and not Council directly. He liked Commissioner Look's suggestion to have two companies involved, but he was not sure how that would work. He liked the fact that Forest City had a strong political arm in Washington, DC.

City Administrator Ulrich believed staff had worked out any issues with Landform. He strongly believed only one development business should be in charge.

The HRA's consensus was to direct staff to outline options and come back to the HRA at the next meeting.

COMMITTEE REPORTS

None.

EXECUTIVE DIRECTOR'S REPORT

None.

COMMISSIONER INPUT

None.

ADJOURNMENT

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to close the special meeting of the Housing and Redevelopment Authority.

Motion carried.

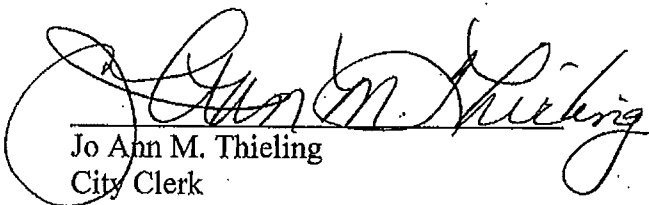
The special meeting of the Housing and Redevelopment Authority adjourned at 10:55 p.m.

Respectfully submitted,



Kurtis G. Ulrich
HRA Executive Director

ATTEST:



Jo Ann M. Thieling
City Clerk

Drafted by Kathy Altman
TimeSaver Off Site Secretarial, Inc.

**HOUSING AND REDEVELOPMENT AUTHORITY
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, February 9, 2010, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson John Dehen
 Commissioner David Elvig
 Commissioner David Jeffrey
 Commissioner Matt Look
 Commissioner Bob Ramsey
 Commissioner Jeffrey Wise (arrived at 8:54 p.m.)

Members Absent: Commissioner Colin McGlone

Also Present: City Administrator Kurtis G. Ulrich
 Deputy City Administrator Heidi A. Nelson
 Planning Manager Amber Miller
 Economic Development Coordinator Sean Sullivan
 City Attorney Bill Goodrich
 Darren Lazan, Landform

CALL TO ORDER

Chairperson Dehen called the regular meeting of the Housing and Redevelopment Authority to order at 8:52 p.m.

OPEN FORUM

There was none.

APPROVAL OF AGENDA

Motion by Commissioner Look, seconded by Commissioner Ramsey to approve the agenda as submitted.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Look, Ramsey, Elvig, and Jeffrey. Voting No: None. Absent: Commissioner McGlone and Wise.

APPROVAL OF MINUTES

Motion by Commissioner Look, seconded by Commissioner Ramsey, to approve the following minutes:

Special Meeting Minutes dated Tuesday, January 12, 2010
Special Meeting Minutes dated Tuesday, January 19, 2010
Special Meeting Minutes dated Tuesday, January 26, 2010

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Look, Ramsey, Elvig, and Jeffrey. Voting No: None. Absent: Commissioners McGlone and Wise.

Commissioner Wise arrived at the meeting at 8:54 p.m.

HRA BUSINESS

Case #1: Review and Adopt 2010 Housing and Redevelopment Authority Operating Budget

Planning Manager Miller reviewed the staff report.

Commissioner Ramsey stated he understands the need for the City to have an operating fund balance but questioned why the HRA has a fund balance when it does not extend salaries or other expenses.

Deputy City Administrator Nelson explained the City's practice to use the current year levy for operating and the rest in reserve that could potentially be used for projects.

The HRA discussed the actual revenues and amount levied.

Commissioner Elvig left the meeting at 8:56 p.m.

Commissioner Look recalled the HRA did levy the full amount with the understanding there would be additional expenses for the Town Center and the City had cut taxes in other areas.

Motion by Commissioner Jeffrey, seconded by Commissioner Ramsey, to adopt Resolution #HRA-10-02-002, Adopting the 2010 Housing and Redevelopment Authority Operating Budget and to adopt Resolution #HRA-10-02-003, Amending the 2009 Housing and Redevelopment Authority Operating Budget.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Jeffrey, Ramsey, Look, and Wise. Voting No: None. Absent: Commissioners Elvig and McGlone.

Case #2: ICSC Conference Preparation and Attendance

Deputy City Administrator Nelson reviewed the previous discussion held regarding the City's branding exercise and role of the developer. She requested input whether the HRA is comfortable moving forward as the developer of the Town Center and in that context to consider the ICSC Conference, overall branding, and overarching management issues.

Commissioner Elvig returned to the meeting at 9:00 p.m.

The HRA discussed attendance at the ICSC and the benefits of having a booth and enough attendees to make development contacts.

Darren Lazan, Landform, presented a budget of \$27,127 that included registration for eight, lodging, meals and entertainment, miscellaneous, two hosted dinners, travel, and a booth.

Economic Development Coordinator Sullivan stated the EDA had already authorized the allocation for two staff members to attend and \$2,000 for a booth.

Deputy City Administrator Nelson advised that six have pre-registered and reviewed their names.

Chairperson Dehen stated he sees there is some benefit but questioned the need for eight to attend this conference.

Commissioner Ramsey described the benefit of having enough attend that they can form groups to make contacts and staff the booth. In addition, he felt there was benefit to have elected officials in attendance when contacting developers.

Mr. Lazan reviewed the budget for a booth of \$6,525, noting it can be scaled back and he expects they will get an adjusted price. He described how the booth is set up, features it includes, and that it is taken down and stored by the vendor.

Commissioner Look commented on the wholesale costs for a booth and raised the option for the HRA to purchase a booth that can be utilized at City Hall.

Mr. Lazan stated that is a good idea for some conventions but the ICSC Conference requires you to use their booths. He advised the City's 10' by 10' booth would be well placed, located across from Bass Pro.

Commissioner Elvig stated he felt this booth budget was reasonable for this show.

Mr. Lazan made some suggestions to share a booth with others to economize.

HRA indicated they did not want to share booth space and discussed the valuable leads they got from last year's ICSC Conference.

Economic Development Coordinator Sullivan advised of staff's follow up contacts with these leads through emails and phone calls.

Mr. Lazan stated they put together 30 packages with construction schedules, the Town Center location, and will finalize that package with a branded brochure and information.

The HRA discussed that this Conference is large, covering about 80 acres so it is a bit daunting to adequately cover.

Mr. Lazan agreed that eight is a large number to attend the Conference but would allow two to host the booth and three teams of two people to attend meetings and make contacts.

Commissioner Ramsey offered to not attend to allow someone else to have the experience.

Motion by Commissioner Elvig, seconded by Commissioner Ramsey, to approve the attendance of City Administrator Ulrich, Economic Development Coordinator Sullivan, Deputy City Administrator Nelson, Mayor Ramsey, and Councilmembers McGlone, Elvig, and Look at the ICSC Conference and establish a maximum budget of \$27,127 to cover associated costs and marketing materials.

Further discussion: Deputy City Administrator Nelson stated that either she or Economic Development Coordinator Sullivan will attend, not both. Chairperson Dehen stated the HRA needs to consider the value the City is getting and asked what other communities are doing. Commissioner Look stated a lot of cities were at the Chicago show. Commissioner Ramsey stated the number attending could be scaled back but having four groups of two allows one group to host the booth while others attend meetings. Chairperson Dehen stated his support to scale back the number because of the cost. Commissioner Elvig stated that at a previous convention they contacted GoldStar and then were able to come back again to get more information and GoldStar was impressed that Ramsey had sent elected officials and "meant business." The broker for CVS had also asked how many elected officials Ramsey sent, was impressed, and asked to see Ramsey's information. Economic Development Coordinator Sullivan pointed out one change is that the City now owns the land and can make the deal. Mr. Lazan stated his contract is for a fixed fee, plus expenses. Commissioner Elvig noted some funds will be coming from the EDA. Economic Development Coordinator Sullivan raised the option to have the HRA cover one-half and the EDA cover one-half for the cost of the booth. Chairperson Dehen stated it is all tax dollars regardless of the fund used.

Motion carried. Voting Yes: Commissioners Elvig, Ramsey, Jeffrey, Look, and Wise. Voting No: Chairperson Dehen. Absent: Commissioner McGlone.

Case #3: Authorize Budget for Marketing Material Development for Ramsey Town Center

Deputy City Administrator Nelson reviewed the staff report and requested direction on a budget for marketing the Brand Strategy.

Commissioner Look stated he was not impressed with the artwork presented, feeling it was "Arizona-ish." He stated it is not business-to-business but selling confidence to invest in Town Center and that you are not alone in that investment.

Commissioner Elvig stated he also felt the presentation was weak and suggested meeting with VyWay to give examples of what Ramsey is looking for.

Mr. Lazan suggested talking with VyWay about adding other team members that can create more edgy graphics. He noted the need to negotiate the cost to assure it is all under the same umbrella.

Chairperson Dehen asked what is the dollar amount where the HRA can reasonably evaluate VyWay's work product. He suggested authorizing \$20,000 and then authorizing more if the HRA is satisfied with the work product.

Mr. Lazan stated he does not know about the experience of VyWay in marketing real estate projects. He commented how the City's branded material will be woven into this process. Mr. Lazan noted VyWay is not yet done with the message matrix to different audiences and a more prolific document is needed.

Commissioner Look commented on the need to get a key message matrix and test that will fit, not something that the artist or VyWay likes. He noted the design of the logo needs to incorporate the key talking points and questioned buying the final product directly from a designer.

Mr. Lazan explained that doing all graphics is more manageable than to piecemeal it out and VyWay, as a design professional, will assure all pieces tie into the brand.

The HRA discussed staff's experience with other branding projects and the costs involved.

Commissioner Elvig stated he had gone through a branding process twice for his business and did not find these numbers of concern. He noted the HRA has a huge investment in the Town Center property and want it to be a quality project. The City Hall is a "gem" and this vision needs to be articulated on paper and tied together with visuals for a seamless flow of feeling and sensitivity. Commissioner Elvig stated he felt Anne Berg of VyWay was quite good and noted that \$10,000 is a low bid so he did not believe she was over priced. He noted the Town Center is a billion dollar project so he did not want to make a wrong decision here.

Motion by Commissioner Elvig, seconded by Commissioner Jeffrey, to approve a budget for the marketing of the Ramsey Town Center at \$50,000 including both logo and secondary marketing scheme.

Further discussion: Commissioner Jeffrey supported milestone check-in points before the product is finished with ability to have an out. Commissioner Elvig stated Ms. Berg has articulated that she knows what the HRA is are looking for and when the HRA said it was "too touchy/feely" she articulated it. Commissioner Ramsey stated he has little artistic ability and does not understand the entire branding process but has a vision of what he wants the Town Center to be, and he does not know if Ms. Berg fully grasped "Urban Jackson Hole." Mr. Lazan stated he is more concerned about Ms. Berg's ability to hit a real estate market but also felt the graphics were light. He suggested staff work with Ms. Berg and populate the seven points with dates and detail. Commissioner Elvig supported having milestones and noted this comes down to the HRA's ability to steer VyWay. He noted that photographs could be used to articulate what the HRA is looking for so Ms. Berg can put together illustrations and write the words to make it all fit. Chairperson Dehen stated he will not support the motion to expend \$50,000 but would

support authorizing \$25,000 and then checking progress and deciding whether to authorize another \$25,000. Commissioner Jeffrey stated support to consider payments based on milestones and output, perhaps in increments of \$10,000. Mr. Lazan stated he will draft a detailed scope with milestones.

Motion by Commissioner Elvig, seconded by Commissioner Jeffrey, to amend the motion to approve a budget of \$50,000 with milestones and to make payment per milestones.

Further discussion: Commissioner Look stated he would not support the motion because he has not been happy with the output thus far.

Amended motion failed. Voting Yes: Commissioners Elvig, Jeffrey, and Wise. Voting No: Chairperson Dehen, Commissioners Look, and Ramsey. Absent: Commissioner McGlone.

Commissioner Wise noted that Mr. Lazan has gone through this process before and felt VyWay was good at marketing an item but this project involves a municipality and he felt the graphics were "cookie cutter."

Following discussion, the HRA agreed to meet with Ms. Berg to tell her that the HRA is not sold on what had been presented. Ms. Berg will be asked for more specifics on the breakdown of cost and it will be explained that the HRA will not consider giving \$50,000 without a milestone type of payment. Ms. Berg will also be asked to provide examples of graphics she developed for other projects.

Case #4: Update on Master Planning for Ramsey Town Center – East End

Mr. Lazan provided an update of the master planning process for Ramsey Town Center, described the three study areas that have been defined, and presented questions that will be raised at the meeting next week for each of the study areas.

The HRA briefly discussed the community center being used as an event center and how the PACT may utilize it, if constructed.

The HRA agreed to next consider Case #6.

Case #6: Discuss Flaherty and Collins Deal Structure

Deputy City Administrator Nelson noted this case involves a land transaction.

City Attorney Goodrich suggested that the HRA move into a closed session.

Motion by Commissioner Jeffrey, seconded by Commissioner Look, to move the Special Housing and Redevelopment Commission Meeting into a closed session.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Jeffrey, Look, Elvig, Ramsey, and Wise. Voting No: None. Absent: Commissioner McGlone.

The Special Housing and Redevelopment Meeting moved into a closed session at 10:20 p.m.

The open meeting was reconvened at 10:55 p.m.

Case #5: Review Development Management Contract Framework

Deputy City Administrator Nelson reviewed the staff report.

Commissioner Ramsey stated there is not enough time tonight to discuss this contract in detail and he would like the HRA to determine how fast it wanted to move forward.

Mr. Lazan explained he had drafted several versions of incentive and the intent tonight was to discuss the framework of the contract and ignore the fee; however, one iteration of the fee was included by mistake. Mr. Lazan commented on the high level of service included in the RFP and large investment in the Ramsey Town Center.

Commissioner Elvig stated he would like to see a cost summary as soon as possible, feeling a lot of decisions were being made in a vacuum. He stated he did not feel \$50,000 for marketing was too costly but it would be easier to understand with an overall scale of the finances.

Mr. Lazan offered to address the nuances of the contract and stated he will dedicate a fair amount of time to develop a potential budget, scale and tasks of the project, and a strategy map.

Commissioner Look raised questions regarding the timeframe, where market is going, and how much subsidizing the HRA has to do before reaching a tipping point. He commented on the budget for the ICSC Conference and Skip Greeby being part of the management team.

Mr. Lazan indicated that a lot of thought went into the structure and team members. He reviewed their contacts and projects.

Chairperson Dehen stated support for a contingent fee based on projects brought in. He noted that if we are paying a consultant \$30,000 a month for two years, the City could hire someone in house to handle this development at a lower cost.

Mr. Lazan explained the contract includes a development team to handle the scope for master planning, all conceptual layouts, preliminary engineering, plan review and approval of other's work. He stated this development team is the marketing piece to create a program that hits and addresses markets.

Chairperson Dehen asked for commitment to give staff the "dashboard" component within one week.

Mr. Lazan explained the dashboard is being customized to the City's project with added concepts to calculate tax and fees.

Consensus was reached to direct staff to schedule a Work Session for when this topic is discussed along with the Town Center, timing, and how much the HRA wants to spend.

Case #6: Discuss Flaherty and Collins Deal Structure

This case was discussed prior to Case #5.

COMMITTEE REPORTS

None.

EXECUTIVE DIRECTOR'S REPORT

None.

COMMISSIONER INPUT

None.

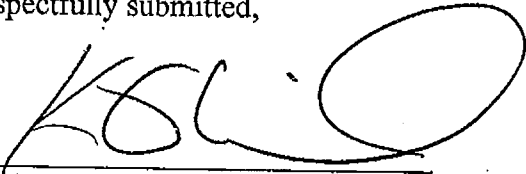
ADJOURNMENT

Motion by Commissioner Look, seconded by Commissioner Elvig, to close the regular meeting of the Housing and Redevelopment Authority.

Motion carried.


The regular meeting of the Housing and Redevelopment Authority adjourned at 11:32 p.m.

Respectfully submitted,



Kurtis G. Ulrich
HRA Executive Director

ATTEST:



**SPECIAL HOUSING AND REDEVELOPMENT AUTHORITY
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Housing and Redevelopment Authority conducted a special meeting on Tuesday, March 16, 2010, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson John Dehen
 Commissioner David Elvig
 Commissioner David Jeffrey
 Commissioner Matt Look
 Commissioner Colin McGlone
 Commissioner Bob Ramsey
 Commissioner Jeffrey Wise

Members Absent: None.

Also Present: City Administrator Kurtis G. Ulrich
 Deputy City Administrator Heidi A. Nelson
 Public Works Director Brian Olson
 City Engineer Tim Himmer
 Planning Manager Amber Miller
 Finance Officer Diana Lund
 City Attorney Bill Goodrich
 Darren Lazan, Landform

CALL TO ORDER

Chairperson Dehen called the regular meeting of the Housing and Redevelopment Authority to order at 6:00 p.m.

OPEN FORUM

There was none.

APPROVAL OF AGENDA

Motion by Commissioner Look, seconded by Commissioner Elvig, to approve the agenda as submitted.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Look, Elvig, Jeffrey, McGlone, Ramsey and Wise. Voting No: None. Absent: None.

APPROVAL OF MINUTES

Motion by Commissioner Look, seconded by Commissioner Ramsey, to approve the Special Meeting Minutes dated Tuesday, February 9, 2010 and Tuesday, February 23, 2010, as submitted.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Look, Ramsey, Elvig, Jeffrey, McGlone, and Wise. Voting No: None. Absent: None.

HRA BUSINESS

Case #1: Update on Master Planning for Ramsey Town Center -- East End

Darren Lazan, Landform, reviewed the staff report.

The Commission discussed the Ramsey Town Center update and made their recommendations and suggestions.

It was the Commission's consensus was for Mr. Lazan to continue to work on the master plan as well as signage designs and locations.

Case #2: Authorize Contract for Next Steps in Branding & Marketing Material Development Process for Ramsey Town Center

Deputy City Administrator Nelson reviewed the staff report.

Commissioner Jeffrey expressed concern regarding the timeline. He was unsure if there would be sufficient time to get everything ready for ICSC.

Commissioner McGlone expressed concern about the subcontractor's clause in the Agreement. He asked for further clarification.

Chairperson Dehen expressed concern about the costs increasing and it not ending at \$22,000.

Commissioner Elvig responded there would be more costs than \$22,000 and it would depend on how far the HRA wanted it to go. He stated it was important to have a nice product that went out.

Commissioner Look expressed concern that \$15,000 was being spent on items he believed they already had.

Mr. Lazan stated he was concerned about Vyway as he had not seen this company's work as being innovative and he did not believe Vyway understood the real estate market. He believed the HRA needed to guide Vyway's work and engage VyWay to do what the HRA was looking for.

It was the HRA's consensus to form a sub-committee of the HRA of Commissioners Elvig, Look, and Wise to go through the branding process.

Motion by Commissioner Ramsey, seconded by Commissioner Look, to authorize contract with VyWay in an amount of \$22,000 to proceed with brand and marketing material development for Ramsey Town Center after review by the City Attorney and to set up a sub-Committee of the HRA to go through the branding process.

Motion carried. Voting Yes: Chairperson Dehen and Commissioners Ramsey, Jeffrey, Elvig, Look, McGlone, and Wise. Voting No: None. Absent: None.

Motion by Commissioner Jeffrey, seconded by Councilmember Look to elect Mayor Ramsey as the alternate to the sub-committee.

Motion carried. Voting Yes: Chairperson Dehen and Commissioners Jeffrey, Look, Elvig, McGlone, Ramsey, and Wise. Voting No: None. Absent: None.

The HRA moved Case #3 to the end of the agenda.

Case #4: Review Ramsey Town Center Business Plan and Real Estate Negotiations

City Attorney Goodrich noted that this meeting can move into closed session to discuss real estate negotiations in the Ramsey Town Center.

Darren Lazan, Landform, noted the HRA will be discussing real estate negotiations for the parcel adjacent in the NE quadrant from the existing municipal property; the property adjacent to the NW side of the roundabout; the existing parcel on the north side of East Meandering Park; the Parcel north of the existing ramp; and the parcel SW quadrant of Sunwood and Ramsey Boulevard.

Motion by Commissioner Jeffrey, seconded by Commissioner Wise, to move to closed session.

Motion carried. Voting Yes: Chairperson Dehen and Commissioners Jeffrey, Wise, Elvig, Look, McGlone, and Ramsey. Voting No: None. Absent: None.

The Special HRA meeting moved into a closed session at 7:46 p.m.

The closed session ended at 9:10 p.m.

Commissioner Ramsey recommended a sub-committee of the HRA be formed to look at the Town Center proposals.

Chairperson Dehen believed a sub-committee would just be one more bureaucracy to deal with and everyone on the HRA had to understand the proposals anyway.

Chairperson Dehen recessed the special meeting at 9:15 p.m. and reconvened the meeting at 9:20 p.m.

Case #3. Consider Contract for Development Management Services for Ramsey Town Center

Darren Lazan, Landform, presented the contract for Development Management Services for Ramsey Town Center.

City Attorney Goodrich asked if they had any objections on liability insurance.

Mr. Lazan responded he would not have any objection.

City Attorney Goodrich asked if Landform would hold the City harmless as an independent contractor.

Mr. Lazan responded they would.

City Attorney Goodrich asked if Landform would hold the City harmless on its work.

Mr. Lazan responded he believed this would be okay, but he would like to discuss this further with the Mr. Goodrich.

City Attorney Goodrich asked if Landform would pay for their own attorney's fees.

Mr. Lazan responded they would.

City Attorney Goodrich inquired about Mr. Lazan's fees.

Mr. Lazan noted he needed to clarify B.3, Incentive Based Development Fees section.

City Attorney Goodrich asked if there has been no development in 2010, would there be any payback.

Mr. Lazan responded there was no payback clause in the contract.

Mr. Lazan stated he would modify the termination clause to add termination with 30-day notice for no cause.

Commissioner Jeffrey asked if Mr. Lazan has billed \$15,000 per month.

Mr. Lazan responded he has come close to billing \$15,000 per month.

Commissioner Jeffrey noted \$300,000 was three full-time people who could work on this and approving \$300,000 concerned him because he was not sure the City would get \$300,000 worth.

Commissioner Elvig stated he was concerned about the hot sheet and he wanted some way to agree as to what went on the hot sheet. He wanted to ensure what was being put on the hot sheet was a quality and quantifiable meeting. He indicated he had a concern about conflicts of interest. He had concerns about termination of the contract.

Mr. Lazan stated his intent would be to present proposed development to the HRA and to get the HRA's opinions. He noted he was not a broker and he would not load up developments. He indicated he lived here and he wanted the developments to work. He stated with conflict of interest there was a give and take. He noted he wanted to leverage his relationships and people trusted him, but at the same time, he understood the conflict concern.

Mr. Lazan left the room for HRA discussion.

City Administrator Ulrich summarized the budgeting for the proposed contract.

Commissioner Elvig stated he wanted further information with respect to a marketing budget, a legal budget, etc. He stated he wanted Mr. Lazan to draft a business plan and structure.

Commissioner Wise noted the City could not hire a professional developer for \$100,000 per year. He expressed concern about the fees Mr. Lazan would receive on a large chunk of land.

Chairperson Dehen did not believe Mr. Lazan was qualified to be a development manager and he did not feel comfortable with him and the conflicts he has seen. He believed the contract was over reaching. He expressed concern that Mr. Goodrich had not been consulted on the contract and had not reviewed it prior to today. He believed the contract was heavily one-sided and there was no downside.

Commissioner Ramsey noted Mr. Lazan had not been pre-selected and other companies had been interviewed and the HRA had chosen Mr. Lazan. He noted the HRA was advancing Landform.

Chairperson Dehen agreed the HRA was advancing Landform, but there was no guarantee.

Commissioner Ramsey stated the HRA was wasting their time on this contract when the HRA needed to decide if they were even going to do anything right now.

Commissioner Look stated the issue was the \$120,000. He stated if Landform brings a deal in the door where the HRA pays out \$200,000 on a fee and \$120,000 goes towards that deal. He believed what was at risk was the development manager's reputation. He believed the HRA should give Landform one year to perform.

Commissioner Look stated a new master plan would take time and that had to be set in motion so developments knew the City had a plan in place.

Commissioner McGlone noted if the HRA had to hire a realtor to sell the property, he would get a realtor's fee and would do very little marketing. He did not believe a former developer hired as a staff person for the City would work and the quality would not be there. He was not necessarily disappointed in the work that had been done so far by Landform. He believed one of the advantages with the current team was their understanding of this project.

City Attorney Goodrich believed if the City could cancel the contract "not for cause" was something that had to be put in the contract and would be a big advantage. He stated the hot list was also an important item.

City Administrator Ulrich did not believe the contract could be approved this evening due to changes that Landform had agreed to be made and the recommended changes made by the City Attorney. He asked if staff should proceed with the contract.

Chairperson Dehen stated he would not be in favor of the contract as he wanted to market the property and get rid of it. He indicated he was concerned about the hot list and the VA and Sands being on it when those proposals had been brought forward before Landform was involved. He expressed concern that the HRA would pay a fee on a possible community center. He did not like the idea of a development manager at this time when there were no developments and he believed staff could handle the developments that came to the City.

Commissioner Elvig stated master planning is an extremely difficult concept with a lot of facets and work involved. He believed this needed a master developer. He wanted a portion of the land to be held and developed by the HRA. He expressed concern if they went forward on this, the HRA could not get "weak in the knees". He noted if the HRA went down this path, this would not be the end of the money that would be spent. He believed there was an opportunity for the City to put in a good development. He believed Mr. Lazan had good contacts, a good reputation, and was a hard worker, but he did not like it when Mr. Lazan "bashed" the staff and that needed to be worked on. He stated he was not concerned about the contract dollars as he believed Mr. Lazan would work hard for those dollars.

Chairperson Dehen expressed concern about exclusivity. He inquired about commissioner percentages.

Deputy City Administrator Nelson responded she had researched the commission issue and the contract was in the ballpark. She noted though that she could not find an exact apples to apples comparison.

City Attorney Goodrich asked if the HRA should exclude the VA, Sands, Flaherty and Collins, Amphitheater, and Community Center in the contract.

Commissioner Ramsey stated the amphitheater should come out. With respect to the VA, the HRA would need to hire someone anyway so that should remain in. Flaherty and Collins was Landform's contact so that should remain in and the Community Center and Sands should also stay in.

City Administrator Ulrich stated Sands was a deal that had come to the City and it would have been here regardless if Landform was here or not, so if a fee was to be paid, it should be less.

Commissioner Look stated he had a concern they were paying Landform for a deal on land that Landform did nothing on. He stated he wanted to see the contract not allow for "double dipping" when the HRA recommended someone use Landform.

City Attorney Goodrich responded Mr. Lazan had addressed that and if that was a deal breaker, that person could use another development manager.

Motion by Commissioner Elvig, seconded by Commissioner Ramsey, to authorize the dollars, compensation, the structure of the contract with input from staff and the City Attorney, taking Sands out and the amphitheater out, with no conversations from Councilmembers regarding the contract with Mr. Lazan.

Motion carried. Voting Yes: Commissioners Elvig, Jeffrey, Look, McGlone, Ramsey and Wise. Voting No: Chairperson Dehen. Absent: None.

COMMITTEE REPORTS

None.

EXECUTIVE DIRECTOR'S REPORT

None.

COMMISSIONER INPUT

None.

ADJOURNMENT

Motion by Commissioner Wise, seconded by Commissioner Elvig, to close the special meeting of the Housing and Redevelopment Authority.

Motion carried.

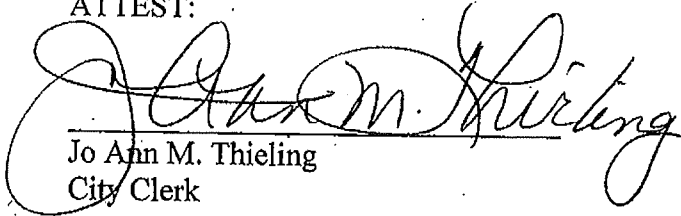
The special meeting of the Housing and Redevelopment Authority adjourned at 11:00 p.m.

Respectfully submitted,



Kurtis G. Ulrich
HRA Executive Director

ATTEST:



Jo Ann M. Thieling
City Clerk

Drafted by Kathy Altman
TimeSaver Off Site Secretarial, Inc.

**SPECIAL HOUSING AND REDEVELOPMENT AUTHORITY
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Housing and Redevelopment Authority conducted a special meeting on Tuesday, November 24, 2009, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson John Dehen
 Commissioner David Elvig
 Commissioner Matt Look
 Commissioner Colin McGlone
 Commissioner Bob Ramsey
 Commissioner Jeffrey Wise

Members Absent: Commissioner David Jeffrey

Also Present: City Administrator Kurtis G. Ulrich
 Deputy City Administrator Heidi A. Nelson
 Planning Manager Amber Miller
 City Attorney Bill Goodrich
 Finance Officer Diana Lund
 Economic Development Coordinator Sean Sullivan
 Darren Lazan, Landform

CALL TO ORDER

Chairperson Dehen called the regular meeting of the Housing and Redevelopment Authority to order at 9:32 p.m.

OPEN FORUM

There was none.

APPROVAL OF MINUTES

Motion by Commissioner Look, seconded by Commissioner McGlone, to approve the following minutes:

Regular Meeting Minutes dated October 6, 2009
Special Meeting Minutes dated October 13, 2009

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Look, McGlone, Elvig, Ramsey and Wise. Voting No: None. Absent: Commissioner Jeffrey

APPROVAL OF AGENDA

Motion by Commissioner Look, seconded by Commissioner McGlone, to approve the agenda as submitted.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Look, McGlone, Elvig, Ramsey and Wise. Voting No: None. Absent: Commissioner Jeffrey.

HRA BUSINESS

Case #1: Discussion of Responses received to the Request for Qualifications (RFQ) for Development Services for Town Center

Planning Manager Miller reviewed the staff report.

Chairperson Dehen expressed concern about Landform wanting to be in a development capacity as well as guiding development in a partnership capacity. He saw a potential conflict and he had an issue with the dual roles.

Commissioner Elvig agreed it was a concern, but the City had asked Landform to take a smaller role and now it was their opportunity to take a larger role.

Commissioner Wise noted there were also advantages to the City with Landform's relationships and what could be brought to the table.

Motion by Commissioner Elvig, seconded by Commissioner Ramsey, to schedule interviews for December 15, 2009 for the respondents recommended by staff.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Elvig, Ramsey, Look, McGlone, and Wise. Voting No: None. Absent: Commissioner Jeffrey.

Case #2: Review Steering Committee Role in Development Process

Planning Manager Miller reviewed the staff report.

Chairperson Dehen stated he liked the idea of the Steering Committee having involvement, but it was a public meeting and he was concerned about confidentiality.

Planning Manager Miller suggested not using the name of the business but only using a description of what the business does. She stated all that would be going to the Steering Committee at that level would be a concept plan.

Discussion was held regarding the Town Center Task Force and the Steering Committee roles.

City Administrator Ulrich recommended the Town Center Task Force be given a certain number of days to complete their work and then be dissolved. He recommended the Steering Committee

be dissolved after it had completed some of its tasks and a new Committee formed with new tasks. He reviewed the role of the Steering Committee pursuant to the Resolution.

Commissioner Elvig stated the Steering Committee should finish its tasks, make its recommendations, and then move forward.

Commissioners Ramsey, Wise, McGlone, and Look agreed.

Commissioner Look requested copies of the Steering Committee's meeting minutes.

Motion by Commissioner Ramsey, seconded by Commissioner Elvig, to direct the Steering Committee finish their tasks, come back to Council in a month or two with what tasks had been completed and their recommendations, and to see at that time if the Committee has any further tasks Council wants the Committee to complete.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Ramsey, Elvig, Look, and McGlone. Voting No: Commissioner Wise. Absent: Commissioner Jeffrey.

Case #3: Discuss Contractor/Developer Teams for Veterans Affairs (VA) Community Based Outpatient Clinic (CBOC)

Planning Manager Miller reviewed the staff report.

Discussion was held regarding the contractor/development teams and the mixed-use aspect.

Commissioner Ramsey believed JE Dunn had the better presentation, but there were some issues with having to integrate the contractor for the ramp.

Chairperson Dehen also believed JE Dunn had the best presentation.

City Administrator Ulrich stated he had no objection with JE Dunn and their experience which could be helpful considering the short period of time the City had to respond.

It was the HRA's consensus for staff to set up a meeting with JE Dunn and Flagherty & Collins and report back to the HRA as soon as possible.

CLOSED SESSION

City Attorney Goodrich stated it was the intent to close the meeting based on MN Statute 13.05, Subd. 3 to determine the asking price for real property to be sold or to consider offers or counter offers. He stated the HRA would be discussing the Ramsey Town Center, First Addition.

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to close the Special HRA meeting to go into closed session to discuss Town Center potential land sales and Pearson Business Park and Town Center potential land transactions.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Ramsey, Wise, Elvig, Look, and McGlone. Voting No: None. Absent: Commissioner Jeffrey.

The HRA went into closed session at 10:51 p.m.

Case #4: Discuss Ramsey Town Center Potential Land Sales

Closed discussion.

Case #5: Discuss Potential Land Transactions Regarding Pearson Business Park and Ramsey Town Center Area

Closed discussion.

Motion by Commissioner Ramsey, seconded by Commissioner Elvig, to adjourn the closed meeting.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Ramsey, Elvig, Look, McGlone, and Wise. Voting No: None. Absent: Commissioner Jeffrey.

The closed meeting was adjourned at 11:35 p.m.

The special meeting was reconvened at 11:35 p.m.

COMMITTEE REPORTS

None.

EXECUTIVE DIRECTOR'S REPORT

None.

COMMISSIONER INPUT

None.

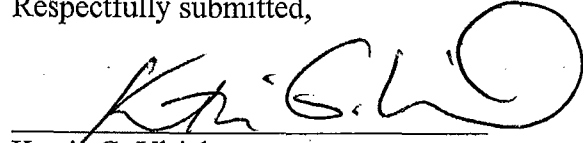
ADJOURNMENT

Motion by Commissioner Ramsey, seconded by Commissioner McGlone, to adjourn the special meeting of the Housing and Redevelopment Authority.

Motion carried.

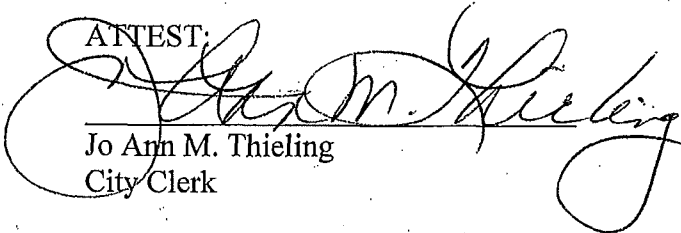
The regular meeting of the Housing and Redevelopment Authority adjourned at 11:35 p.m.

Respectfully submitted,



Kurtis G. Ulrich
HRA Executive Director

ATTEST:



Jo Ann M. Thieling
City Clerk

Drafted by Kathy Altman
TimeSaver Off Site Secretarial, Inc.

PURCHASE OF SERVICES AGREEMENT

THIS AGREEMENT (this "Agreement") is made and entered into between the Housing and Redevelopment Authority of the City of Ramsey, a public body corporate and politic under the laws of the state of Minnesota (the "HRA"), 7550 Sunwood Drive NW, Ramsey, Minnesota 55303, hereinafter referred to as the "HRA," and Landform Professional Services, LLC, a Minnesota limited liability company, 105 South Fifth Avenue, Suite 513, Minneapolis, Minnesota 55401, hereinafter referred to as the "Contractor."

WITNESSETH:

WHEREAS, the HRA is in need of development management services for its Ramsey Town Center Project, in the City of Ramsey; and

WHEREAS, the Contractor represents that the Contractor is qualified and willing to help the City in providing said services; and

WHEREAS, the City wishes to purchase this service from the Contractor.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, it is agreed and understood as follows:

I. TERM

This Agreement shall commence upon the signing of this Agreement and shall continue in effect through the satisfactory completion of the services to be provided herein unless terminated earlier as provided herein.

II. SERVICES

The HRA agrees to purchase and the Contractor agrees to furnish the services set forth in Contractor's Proposal dated March 22, 2010, (the "Contractor's Proposal") a copy of which is attached hereto and incorporated herein as Schedule A. HRA is referenced as "Owner" within the Contractor's Proposal and Contractor is referenced as Landform within said Proposal.

III. COMPENSATION

Compensation to Contractor shall be as provided in Section in Article IV of the Contractor's Proposal.

IV. BILLING AND PAYMENT

V. INDEMNIFICATION

The Contractor agrees that it will hold harmless, indemnify, and defend the HRA, its commissioners, officers, agents and employees against any and all claims, expenses (including attorneys fees), losses, damages or lawsuits for damages arising from or related to providing or failing to provide services hereunder, including but not limited to the negligence of the Contractor.

VI. INSURANCE

The Contractor shall procure and maintain in full force and effect during the term of this Agreement, insurance coverage for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors. The insurance coverage shall satisfy the requirements set forth in Schedule B, which is attached hereto and incorporated herein.

VII. SERVICES NOT PROVIDED FOR

No claim for services furnished by Contractor not specifically provided for herein shall be honored by the HRA.

VIII. INDEPENDENT CONTRACTOR

It is agreed by the parties that at all times and for all purposes hereunder, the relationship of the Contractor to the HRA is that of an independent contractor and not an employee or agent of the HRA.

IX. HRA PROJECT MANAGER

The HRA's representative for administering this Agreement is Deputy Ramsey City Administrator Heidi Nelson. For purposes of this Agreement Ms. Nelson shall be the designated Project manager. To the extent consistent with Contractor's status as an independent Contractor, Ms. Nelson shall be Contractor's direct supervisor relating to Agreement issues. Neither Ms. Nelson nor Contractor shall have the authority to legally bind the HRA and expend HRA funds, except as specifically permitted by this Agreement.

X. COMPLIANCE WITH LAWS

In providing all services pursuant to this Agreement, the Contractor shall abide by all statutes, ordinances, rules and regulations pertaining to or regulating the provision of such services, including those now in effect and hereafter adopted. Any violation of said statutes, ordinances, rules, or regulations shall constitute a material breach of this Agreement and shall entitle the HRA to terminate this Agreement immediately upon delivery of written notice of termination to the Contractor. SPECIFICALLY, neither Landform, its team members, employees nor consultants are real estate brokers or salespersons as defined by Chapter 82 of Minnesota Statutes. Therefore, Landform will not be entitled to any compensation for work which requires a license under said Chapter 82.

XI. SUBCONTRACTING AND ASSIGNMENTS

Contractor, unless provided for in the Contractor's Proposal, shall not enter into any subcontract for performance of any of the services contemplated under this Agreement, nor assign any interest in the Agreement without the prior written approval of the HRA and subject to such conditions and provisions as the HRA may deem necessary. The Contractor shall be responsible for the performance of all subcontractors.

XII. MODIFICATIONS

Any material alterations, modifications or variations of the terms of this Agreement shall be valid and enforceable only when they have been reduced to writing as an amendment and signed by the parties.

XIII. AFFIRMATIVE ACTION

In accordance with the HRA's Affirmative Action Policy and the HRA's policies against discrimination, no person shall illegally be excluded from full-time employment rights in, be denied the benefits of, or be otherwise subjected to discrimination in the project which is the subject of this Agreement on the basis of race, creed, color, sex, sexual orientation, marital status, public assistance status, age, disability, or national origin.

XIV. DATA PRIVACY

In collecting, storing, using and disseminating data on individuals in the course of providing services hereunder, the Contractor agrees to abide by all pertinent state and federal statutes, rules and regulations covering data privacy, including, but not limited to, the Minnesota Data Practices Act and all rules promulgated pursuant thereto by the Commissioner of the Department of Administration.

All data created, collected, received, stored, used, maintained, or disseminated by the Contractor in performing this Agreement is also subject to the provisions of Minn. Stat. § 13 et. seq. (the Minnesota Government Data Practices Act) and, pursuant to that statute, the Contractor must comply with the requirements of that statute as if it were a government entity. All remedies set forth in Minn. Stat. § 13.08 shall also apply to the Contractor. The Contractor is not required to provide public data to the public if that same data is available from the HRA, unless stated otherwise in this Agreement.

XV. EARLY TERMINATION

This Agreement may be terminated by the HRA or Contractor at any time, with or without cause, upon thirty (30) written days notice delivered by mail or in person. Notice to HRA and Contractor shall be delivered to HRA or Contractor at the respective addresses first written above. If notices are delivered by mail, they shall be effective two days after mailing.

Upon early termination by the HRA, the Contractor shall only be entitled to payment for services satisfactorily performed through the date of termination and shall not be entitled to any other payment and/or damages, EXCEPT as provided in Contractor's Proposal.

XVI. DEFAULT AND REMEDY

Failure of the Contractor (including the failure of any employee or agent of the Contractor) to abide by any of the terms, conditions, or requirements expressed in this Agreement shall constitute a default if not properly corrected by the Contractor upon receipt of a notice of deficiency and a request for compliance from the HRA. In the event of a default by the Contractor, the HRA may cancel this Agreement by sending a written notice of cancellation to the Contractor at the address stated above, and may recover from the Contractor any damages sustained by the HRA which may directly or consequently arise out of the breach of this Agreement by the Contractor.

XVII. ENTIRE AGREEMENT

It is understood and agreed by the parties that the entire agreements of the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the HRA and Contractor relating to the subject matter hereof. The parties hereto revoke any prior oral or written agreement between themselves and hereby agree that this Agreement is the only and complete agreement regarding the subject hereof.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands.

**HOUSING AND REDEVELOPMENT
AUTHORITY OF THE CITY OF RAMSEY**

By [Signature]
Its: Chairperson

By [Signature]
Its: Executive Director

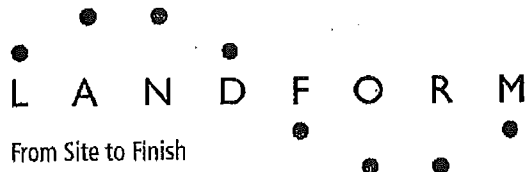
Dated: 4/21/10

**LANDFORM PROFESSIONAL
SERVICES, LLC**

By: [Signature]
Its: PRESIDENT

Dated: 4/21/10

SCHEDULE A



March 22, 2010

105 South Fifth Avenue
Suite 513
Minneapolis, MN 55401

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

Kurt G. Ulrich
HRA Executive Director
City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303

Re: Development Management Services
Ramsey, Minnesota

Mr. Ulrich:

LANDFORM is pleased to submit our proposal for Development Management Services as described below. This proposal is sometimes hereinafter referred to as this "Agreement".

ARTICLE I. PROJECT SCOPE:

Acting on behalf of The Housing and Redevelopment Authority of the City of Ramsey, Minnesota (the "HRA" and/or the "Owner"), Landform Professional Services, LLC, a Minnesota limited liability company it's team members and consultants ("Landform") shall provide development management services as Owner's representative during the project evaluation, feasibility, pre-development, and development of Owner's approximate 140-acre property located adjacent to Highway 10 in Ramsey, Minnesota in the Ramsey Town Center subdivision and legally described on attached Exhibit "A" (the "Project").

ARTICLE II. PROJECT OBJECTIVE:

Landform shall determine maximum market viability of Project site based upon visioning and mission statements developed under previous efforts. Organize, coordinate and strategically focus the resources and efforts of existing and new team members to maximize critical Project decisions. Create a new identity in the marketplace to bolster confidence in the new Project objectives. Develop viable pro-formas based on Project vision and market conditions. Prepare the Project and team for key events at which to showcase the Project. Initiate introductory meetings of the new Project with potential key users and development partners. Advance and negotiate various team accepted disposition strategies. Monitor and coordinate activities of team members from conception to completion.

The ultimate objective of the development of the Project is to create a mixed use development which shall include construction of a mixed use of commercial, office, retail and residential buildings for the Project's mixed use objective.

ARTICLE III. DEVELOPMENT MANAGEMENT SERVICES TO BE PROVIDED BY LANDFORM:

A. Project Organization

1. **Project Team Organization** - Review existing Project vision statement and provide additional input if/as required. Clearly establish key Project goals, properly prioritize the order of these goals, and initiate potential strategies to accomplish the desired Project goals. Identify all key Project team members required to accomplish Project goals. Establish Project roles and responsibilities. Identify existing and forecasted team members based upon expertise, skill sets, and available workload capacity. Establish Project team reporting and communications standards and framework. Landform represents that it has a professional working relationship with Greeby, Inc., an Illinois corporation, and CronkRE, LLC, an Illinois limited liability company, both of which are development management services firms. Therefore, Landform will have available to it personnel resources from both Greeby, Inc. and CronkRE, LLC for reasonable amounts of time to perform certain services for Owner as required of Landform pursuant to this Agreement. The Project team as defined herein does include personnel from both Greeby, Inc. and CronkRE, LLC.
2. **Master Development Activities List and Schedule** - Develop a master list of activities and explain requirements and responsibilities associated with each for the completion of the Project's process. Create responsibility assignment matrix for each Project item. Establish the master Project schedule for accomplishment of each task.
3. **Critical Item Assessment** – Develop a Critical Item Assessment which is a product of the due diligence investigation, determines and ranks the most relevant events and circumstances that possess the potential to interfere with or disrupt the Project process.
4. **Development Team Assembly** - Identify and assemble all additional key Project team members, internally or third party, including the preparation of request for qualifications, request for proposals, proposal evaluation, selection recommendations and negotiation of all contracts.

B. Planning and Engineering

1. **Master Planning** –Provide basic master planning services as needed to evaluate potential development scenarios and respond to the opportunities that present themselves in the marketplace regarding this Project. This will include meeting with existing and perspective users and the coordination of planning efforts by all parties. Landform will maintain the master site database to ensure data integrity as all parties work on the various aspects of the Project. Upon expiration of this Agreement the master site database will become the property of the Owner.
2. **Conceptual Layout** –Provide basic conceptual site design to assist in the evaluation and coordination of prospective deals and to ensure plans prepared by end users conform to the design criteria of the Project.
3. **Preliminary Engineering** – Perform basic preliminary engineering necessary to evaluate potential development scenarios. If extensive engineering becomes necessary to facilitate a development concept, Landform will provide a separate proposal to the HRA for consideration at any time that becomes necessary.
4. **Plan review and approval** - Provide peer review and summary of all plans prepared by other consultants within the Project to ensure compatibility with design intent, coordination with master plan, and data integrity of the overall CAD file systems.

C. Development Feasibility

1. **Site Use Evaluation** - Review existing market feasibility analysis and as needed, conduct additional comprehensive industry, customer and competitor market feasibility analyses in order to determine market opportunities. Apply market research and use evaluation to determine and identify potential user classifications. Prepare list of potential user candidates and evaluate feasibility of each candidate based upon current and projected market conditions.
2. **Public Incentives & Benefits Analysis** – Determine the necessary funds required at each stage of the development process of the Project in order to manage responsibilities and sources of funding appropriately. Identify various scenarios and options for public financial incentives and benefits to assist in the development of the Project.
3. **Pro Forma Development** - Prepare anticipated income and expense pro forma based upon Project scenarios to include all projected hard and soft costs as well as potential income scenarios to determine each of the Project site's alternative financial feasibility. Landform will maintain

current "Dashboard" summaries for review and assessment by the team, and to assist in the analysis of potential Project scenarios.

4. **Development & Disposition Scenario Analysis** - Prepare and present various options and strategies for disposition of the Project parcels based upon identified Project parameters. Evaluate and prioritize potential development and disposition options for the Project.

D. Marketing

1. **The Project Identity Establishment** – Coordinate the efforts of the third party design consultant to assist in finalizing the brand identity for the Project. This may include a brand for the overall area as well as sub-brands for specific portions of the Project.
2. **Project Marketing Strategy** – Develop an overall marketing strategy, and appropriate sub-strategies, necessary to bring the Project to several markets. This will include the coordination of third party consultants to develop marketing collateral (print, electronic, etc.) necessary to present the Project to potential purchasers in the community, at trade shows, and/or industry events.
3. **Marketing Package Preparation** – Prepare and maintain comprehensive Project site marketing packages, to include the assembly of relevant economic, demographic, traffic, and planning data for Owner's use in disposition strategy.

E. Development

1. **Proposal Criteria Establishment** – Work to establish a criteria for disposition strategies. This may include leveraging industry relationships, evaluating presented opportunities, or developing specific RFP opportunities where appropriate. Landform will present the criteria to the Owner for consideration and approval.
2. **Property Interest Solicitation** – Based upon industry knowledge and existing team relationships, disseminate marketing package(s) on behalf of Owner to targeted groups. Establish communication and as appropriate facilitate introduction of Owner to potential candidates for the various development options with the intent for deal establishment. For the term of this Agreement (or as extended by the parties) Landform shall be the exclusive development manager and will be responsible for all potential development deals within the 140 acre Project.
3. **Development Options** – Assist Owner in advancing the following development scenarios:

- a. Property Sale or Lease – Assist in finalizing an agreement for the sale or lease of the Project land.
 - b. Public-Private Partnership (P3) – Assist in the establishment of development partnership(s) with private entities for various components of the Project.
 - c. Owner Self-Development – If applicable, assist Owner in developing a program for self development and ownership of specific components of the Project (see below).
4. **Development Administration** – Organize, prepare, and disseminate ongoing reporting, budgeting, and meeting minutes for the review of the team and Owner. Attend and present reports at scheduled HRA meetings and stand for questions or further consideration. Coordinate with Staff to prepare and present cases for consideration by the HRA and/or other boards or commissions of Owner.

F. Owner Self-Development (if applicable)

Scope of services shall include but not be limited to Design Coordination, Pre-Construction, Leasing, Financing, Project Management, Tenant Coordination, and Project Closeout.

ARTICLE IV. BASIS OF COMPENSATION:

A. Development Management Services (Administrative Compensation)

Project Organization / Planning and Engineering / Development Feasibility / Development / Marketing Phases

- 1. Landform shall provide development management services for the twelve (12) month period from April 1, 2010 – March 31, 2011 per the following activity schedule on a fixed fee basis:

Initial Workshop

Landform shall organize and facilitate a workshop session with selected members of Staff and the HRA to review, strategize, and formalize the proposed development structure. This will be focused on assisting the Owner in arriving at an agreeable basis on which to proceed with the Project, and how it will identify and evaluate various disposition strategies.

Organizational Activities

Pre-Development & Planning
 Municipal Approvals / Entitlements / Development Board-Commission
 Architectural Coordination & Establishment
 Preliminary Engineering

Project Construction Guidelines & Rules
Anchor Procurement Process
Commence Sales & Leasing effort & Developer Solicitation
Marketing
Financial Analysis
Tenant Coordination
Off-Site Improvement Coordination
Public Projects
Owners Coordination (existing owners in Ramsey TC)
Reporting & On-Going Meetings with City of Ramsey
The Organizational Activities do also include all those services as referenced in Article I Project Scope, Article II Project Objective, and Article III Development Management Services herein.

2. Compensation.

Landform shall be compensated a total of \$180,000.00 for those services described in paragraph 1. above during the Term of the Agreement at the rate of \$15,000.00 per month. However, in the event this Agreement is terminated prior to March 31, 2011, Landform shall receive the said \$15,000 monthly compensation only for each full month this Agreement is in effect and a prorated amount for any partial month during which this Agreement is in effect. This \$180,000.00 compensation is hereinafter referenced as the "Administrative Compensation".

B. Incentive Based Development Compensation (Incentive Compensation)

In addition to the Administrative Compensation received for development management services, Landform shall receive additional incentive-based compensation (Incentive Compensation) for development management services based upon success in advancing the development.

1. For the purposes of this Agreement, it is assumed that the disposition of various land parcels may occur in any of three ways: Sale or Lease, Public-Private Partnership (P3), or Owner Self-Developed. Landform shall solicit the interest of various prospective end-users, to include individual entities, corporations, developers, and/or development partners. Landform will coordinate the efforts of all team members to provide a uniform front to the development community, and assist in the evaluation, consideration, negotiations, and deal structuring on any disposition of land within the development area. Compensation under this section will be paid on all transactions regardless of origin or referral source. Meeting update reports documenting marketing progress shall be presented to the Owner on a regular basis.

2. The Incentive Compensation shall be **two percent (2.00%)** of the total capital cost of the end use of the parcel or property sold or developed which is the Development'(s) Capital Cost(s) (the "DCC"). The DCC shall be the total of the following items a. through e:
 - a. The net land sale price paid to Owner plus;
 - b. The proforma building value as presented by Landform net any City of Ramsey of HRA building subsidy provided to developer, except that said value shall not exceed the then current Minnesota Department of Labor and Industry's Building Valuation Data by more than 25% plus;
 - c. The site improvement costs net any City of Ramsey or HRA site subsidy provided to developer ("Subsidy") plus;
 - d. The development soft costs such as engineering, planning architecture, legal fees, any marketable title issues, realtor commissions, finance expenses and special inspections net of any Subsidy. In no event shall the development soft costs exceed 20% of the total of items a. through c. above.
 - e. In all events, the total DCC shall be net of any Subsidy.

The DCC is the basis for the Incentive Compensation. However, the parties agree that during the term of this Agreement, unique development scenarios may be presented which will require modification of the Incentive Compensation terms. With that understanding the parties agree to negotiate as necessary modified terms in relation to the Incentive Compensation.

3. The Incentive Compensation will be payable at the following stages of a specific development:
 - a. On a monthly basis, Landform shall receive monthly advances on future Incentive Compensation in the amount of **\$10,000**/each. Such draws shall be reimbursed from the proceeds of the Incentive Compensation when earned, and shall be considered minimum compensation for this contract component. However, in the event this Agreement is terminated prior to March 31, 2011, Landform shall receive the said \$10,000 monthly advance only for each full month this Agreement is in effect and a prorated amount for any partial month during which this Agreement is in effect. Monthly draws shall terminate once total compensation under this section reaches \$120,000.

- b. During the drafting of any lease or purchase agreement and/or development agreement (HRA Contract), the HRA and Landform shall work to determine the DCC, according to the formula defined in section IV, B. 2. above, which DCC total shall be used to determine the Incentive Compensation. A purchase agreement must have a closing date within 120 days of execution to be considered a "purchase agreement" for Incentive Compensation purposes. Once contingencies to an HRA Contract are removed, allowing closing to proceed within 120 days, the Incentive Compensation will become due and payable to Landform. The Incentive Compensation, once calculated based on these criteria, or from criteria outlined in this Section B., Paragraphs 4 and 5 below for Larger Development(s) or Phased Development(s), respectively, shall be final on or before the execution of any HRA Contract. Any substantial changes to the proposed development phasing, or terms prior to closing will necessitate redetermination of the Incentive Compensation consistent with the terms herein. Minor changes will be considered incidental.
- c. Upon the execution of an HRA Contract, Landform shall receive **20%** of the total Incentive Compensation, EXCEPT that in no event shall the said 20% exceed the earnest money or other down payment received by the HRA from the other party to the HRA Contract, i.e. buyer, lessee, or developer, except upon specific HRA authorization. In such circumstances where the portion of Incentive Compensation due exceeds the non refundable earnest monies or down payment received by the HRA, that portion in excess of said earnest money shall be deferred to the Incentive Compensation due upon closing of the land sale transaction, as described in paragraph d. below, or when said earnest monies become non-refundable, whichever occurs first.
- d. Upon closing of a land sale transaction between the HRA and a parcel developer, or tenant occupancy under a lease, Landform shall receive **60%** of the total Incentive Compensation.
- e. Following development design, permitting and construction, and upon issuance of a Certificate of Occupancy by the City of Ramsey, Landform shall receive a final payment of **20%** of the total Incentive Compensation, subject to this Section B, paragraphs 4 and 5 below.

Example for Paragraph 3.a.-e. above: An HRA contract is signed on a parcel of land for an office building having a DCC of \$10m in June, 2010. There are three (3) previous advances totaling \$30,000.

- i. The Incentive Compensation is calculated at two percent (2%) of \$10m or \$200,000.
 - ii. The initial payment would be twenty percent (20%) of the total Incentive Compensation or \$40,000 **minus** the previous advances of \$30,000 for a net payment of \$10,000.
 - iii. Closing occurs and the second payment of sixty percent (60%) of the Incentive Compensation becomes due in the amount of \$120,000 **minus** subsequent draws (if any).
 - iv. Upon certificate of occupancy for the office building, the final twenty percent (20%) of the Incentive Compensation becomes due in the amount of \$40,000.
4. **Large Developments** – In calculating the Incentive Compensation on developments with a total DCC greater than \$30 million in a single transaction, the following equation shall be used:
- a. The Incentive Compensation shall be two percent (2%) of the DCC up to \$30 million (standard agreement);
 - b. Then, one percent (1.0%) for DCC in excess of \$30 million up to \$100 million;
 - c. Then, one half percent (0.5%) for DCC in excess of \$100 million up to \$150 million;
 - d. Then, one quarter per cent (0.25%) for DCC in excess of \$150 million.

Example for paragraphs 4. a.-d. above: An HRA contract is signed for a development with an estimated DCC of \$180,000,000. The Incentive Compensation shall be calculated as follows:

- i. 2.0% of \$30m = \$600,000
- ii. 1.0% of \$70m = \$700,000
- iii. 0.5% of \$50m = \$250,000
- iv. 0.25% of \$30m = \$75,000
- v. Total Incentive Compensation = \$1,625,000

5. **Phased Developments** – In calculating the Incentive Compensation on developments where occupancy is anticipated to be phased over a period greater than 24 months from closing of the transaction (phased start), a discount to the Incentive Compensation will be applied.
- a. **Phase 1.** For the purposes of this paragraph 5, if the land for the entire development is purchased at closing, the entire land value shall be reflected in phase 1 of the development. The Incentive Compensation for Phase 1 of the development shall be paid at the

20/60/20 percentages, as described in Section B, paragraph 3, b through e, above.

- b. **Future Phases.** For each 12 month period of the development, or portion that is anticipated to be phased beyond 24 months, the DCC for said Future Phases shall be calculated minus the net land sale price defined in paragraph 2.b. above. In addition, the Incentive Compensation for that portion of the development shall be discounted as follows:
- i. Phase 2. For those portions of the development anticipated to commence following the 24th month through the 36th month the Incentive Compensation will be 80% of the full Incentive Compensation, payable as follows:
 - a) Based upon the DCC minus the net land sale price, Landform shall receive 50% of the Incentive Compensation attributable to the phase 2 development as discounted in paragraphs 4 above and this paragraph 5 in sequence, upon closing of a land sale transaction between the HRA and a parcel developer, or tenant occupancy under a lease; and
 - b) Following development design, permitting, construction, and issuance of a Certificate of Occupancy by the City of Ramsey, Landform shall receive the final payment of 50% of the total Incentive Compensation attributable to that phase of the development as discounted in paragraphs 4 above and this paragraph 5, in sequence.
 - c) This Incentive Compensation payment formula shall apply to paragraphs ii., iii., and iv. below.
 - ii. Phase 3. Portions of the development anticipated to commence following the 36th month through the 48th month the Incentive Compensation will be 60% of the full Incentive Compensation.
 - iii. Phase 4. Portions of the development anticipated to commence following the 48th month through the 60th month the Incentive Compensation will be 40% of the full Incentive Compensation.
 - iv. Phase 5., etc. Portions of the development anticipated to commence after the 60th month the Incentive Compensation will be 20% of the full Incentive Compensation. In the event of termination of this Agreement, any outstanding earned Incentive Compensation becomes due and payable according to the terms herein.
 - v. Following the 84th month after closing on the first phase transaction, any portions of these fees deferred are eliminated.

Example for paragraph 5.a.i through v. above: A sale occurs for an apartment project consisting of six buildings. Two are to be constructed immediately; two are anticipated to begin 36 months later, and the last two the year after. The DCC for each phase is roughly \$20m (\$18m in building and \$2m in land). Both the Phased Developments (Article IV, B, 5) and the Large Developments (Article IV, B, 4) discounts shall apply.

- i. First phase Incentive Compensation shall be the full two percent (2%) of the \$24m (Phase 1 plus total land costs) or \$480,000.
 - ii. Phase 2, \$18m for building only, is discounted 20% or \$3.6m for a total value of \$14.4m. For the purposes of Incentive Compensation for this section one-half of that value or \$7.2m is realized. For \$6m of this value the full two percent (2%) applies for a total Incentive Compensation of \$120,000, for the remaining \$1.2m (now over \$30m value) one percent (1%) applies or \$12,000, for a total fee of \$132,000, with \$72,000 deferred as outlined in paragraph b.i. above.
 - iii. Phase 3, \$18m for building only, is discounted 40% or \$7.2m for a total value of \$10.8m. For the purposes of Incentive Compensation for this section one-half of that value or \$5.4m is realized. The Incentive Compensation of one percent (1%) applies for a total Incentive Compensation of \$54,000 with \$54,000 deferred as outlined in paragraph b.i. above.
 - iv. The total Incentive Compensation, subject to the 20/60/20 split as outlined in paragraph 3.b. through e. above would be \$666,000 with \$126,000 deferred as outlined in paragraph b.i. above.
6. **Prior Projects.** Incentive Compensation shall be due on any development deals located within the Project that close or break ground after April 1, 2010. In the event of the termination of this Agreement, regardless of cause, any incentive compensation on active deals, as defined in paragraph 7. (Hot List) a. through f. below, that have been declared prior to termination shall become payable in full at the time of it's eventual execution of HRA Contracts, land sale transaction, and issuance of certificate of occupancy.

7. Hot List

- a. Active deals will be declared, approved, and tracked through a "Hot List" incorporated into the active Dashboard. This list will be presented to the HRA at regular meetings for its approval. No active deal will be considered for placement on the Hot List unless there has been sufficient interest in the development by the subject developer, as determined by the HRA. The Hot List will have no binding effect if it has not received formal approval of the HRA. In the event of termination of this Agreement, the current Hot List will be finalized and approved by all parties.
- b. For Incentive Compensation coming due in the 12 months following the approval of the final Hot List, full Incentive Compensation will be paid pursuant to paragraph 3.c., d., and e. above.
- c. Following the 12th month through the 24th month the Incentive Compensation will be 80% of the full Incentive Compensation.
- d. Following the 36th month through the 48th month the Incentive Compensation will be 40% of the full Incentive Compensation.
- e. Following the 48th month through the 60th month the Incentive Compensation will be 20% of the full Incentive Compensation After the 60th month, NO Incentive Compensation will be due to Landform.
- f. If, by the agreement of both parties, Services outlined in this proposal are provided outside the Project all terms and conditions outlined in this proposal shall apply on a parcel-by-parcel basis.
- g. Exceptions/Exclusions to Incentive Compensation:
 - i. No Incentive Compensation will become due on any public infrastructure (roads, bridges, utilities, etc.) projects constructed within the Project.
 - ii. No Incentive Compensation will become due on any public park projects including the City of Ramsey's East Meandering Park unless the park contains a commercial or private component for which the fee will be calculated on that portion alone.
 - iii. No incentive Compensation will become due on any city initiated facilities providing municipal services to the City of Ramsey. (i.e. City offices, pump house, public works facilities, community center, etc.). The term "community center" as used herein shall mean a facility that is constructed without any private partnership with the

City/Owner. Incentive Compensation will be paid on the Development Cost of the private portion of a community center where there exists a private/public partnership for said construction.

- iv. No Incentive Compensation will be paid for the workforce/market housing project known as, and proposed by Sands Companies (SCI, LLC). Landform, with staff, will assist the HRA in assessments, negotiations, and the preparation of documents for this project on an hourly basis for a fee not to exceed \$8,500 unless authorized in writing by the HRA.
- v. The Incentive Compensation for the HRA's pending Veterans Administration Clinic development (the "VA Clinic") notwithstanding anything herein to the contrary shall be limited as follows:
 - vi. The Incentive Compensation shall be one-half percent (.5%) of the Development's Capital Cost for the space occupied by the VA Clinic.
 - vii. The Incentive Compensation shall be two percent (2%) of the Development's Capital Cost of the second story of the VA Clinic building constructed for occupancy by users other than the VA Clinic.

C. Additional Compensation

In the normal course of the development of the project, It becomes necessary at times to prepare detailed feasibility, preliminary, and final design documents. Typically these are completed by the developer, as part of the overall development and include land surveying, civil engineering, planning, landscape architecture, and related architectural disciplines. Additionally, these services are also necessary for individual site development plans by either the end-user, or the developer on behalf of the end-user.

1. For the term of this Agreement (or as extended by the parties) when the need for design services beyond the basic services outlined in Article III. Section B of this Agreement, it is understood that said services identified in the above paragraph in this Section C. will either be performed by or coordinated by Landform. At the time the need is identified, Landform will prepare a proposal specific to the scope required and present said proposal for consideration and approval by the HRA.
2. For the term of this Agreement (or as extended by the parties) when the need for design services beyond the basic services outlined in Article III. Section B of this Agreement is required by an end-user, to the extent possible the HRA shall require this work be completed by Landform at the

end-user's direction and costs. Whether these services are contracted directly between the end user and Landform, or if they are escrowed by the HRA for payment to Landform, the contract for such services will be reviewed and approved by the HRA. Architectural services are excluded from this condition.

3. All design services performed shall be at normal and customary fees constant with fees Landform charges similar clients for similar projects. Said fee schedule attached as Exhibit B.
4. In any event, the HRA and Landform, understanding the dynamic nature of the development business, shall be free to discuss compensation strategies specific to deals of a more complicated nature, or on deals outside the Project, so as to create appropriate compensation on specialized deals.
5. Should the HRA opt to self-develop certain components of the Project, services and fees will be determined and mutually agreed upon for each component at that time.

D. Only Compensation

For work within the Project, Landform agrees that the Administrative Compensation, the Incentive Compensation and the Additional Compensation shall be the only compensation paid to Landform under this Agreement.

E. Reimbursable Expenses

In addition to the compensation set forth above, Landform shall receive reimbursement from Owner subject to the provision of proper documentation for the expenses listed in paragraphs 1., 2. and 3. below for Project related expenses at cost plus 10%. No Reimbursable Expenses will be considered for payment unless said expense is included as an expense item category previously approved on the then current HRA budget.

1. Any normal and ordinary business expenses permitted by the City/Owner including temporary living and travel expenses, airfare, lodging, car rental, mileage, meals, parking and tolls. Said expenses shall be approved by Owner prior to expenditure.
2. Administrative expenses incurred in connection with work performed on Owner's behalf and to handle Project related documents during the course of Project. Expenses shall include but not be limited to costs for reproduction, photocopies, printing, postage, and overnight delivery. Also to be reimbursed shall be the costs for Landform's providing various web-based Project and information management systems and hosting for the

purposes of collaboration, document sharing, and marketing during the course of the Project.

3. Third party expenses such as sub-consultant fees, event registrations, memberships, third party services, and other similar expenses. Said expenses shall be approved by Owner prior to expenditure.

F. Invoicing and Owner Payment

An initial retainer of fifteen thousand dollars (\$15,000) shall be made upon execution of this Agreement and is minimum payment under this Agreement. Said retainer shall be credited to Landform's account and applied to the final invoice of the initial twelve month phase.

Landform shall invoice Owner for services rendered that month, or for Incentive Compensation becoming due, with the Administrative Compensation payment due within 30 days of the invoice date. Accounts unpaid 30 days after the invoice date will be subject to a monthly service charge of 1.5% on the then unpaid balance.

ARTICLE V. FORM OF CONTRACT:

The attached Terms and Conditions, Exhibit C are incorporated by reference and are an integral component of this contract.

Landform agrees to perform the Services described in this Proposal under the terms as outlined, subject to the terms and conditions of the Purchase of Services Agreement of even date to which this proposal is attached as Schedule A.

The HRA accepts the scope, terms and conditions outlined in this Proposal and instructs Landform to perform the Services as outlined, subject, to the terms and conditions of the Purchase of Services Agreement of even date to which this proposal is attached as Schedule A.



Darren B. Lazan
President

Date: 4/21/10

Landform Federal Tax ID: 27-1199905

Housing and Redevelopment Authority
(HRA) of the City of Ramsey, Minnesota

By: 
Its Chairperson

ATTEST:

By: 
Its Executive Director

Date: 4/21/10

LIST OF EXHIBITS

Exhibit A – Legal Description

Exhibit B – Landform Fee Schedule per Article IV. C.3.

Exhibit C – Additional Agreement Terms and Conditions

Exhibit A

Legal Description of the Project 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;

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 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;

and

Lot 2, Block 1, RAMSEY TOWN CENTER 5th ADDITION, Anoka County; Minnesota;

Exhibit B

Landform Fee Schedule per Article IV. C.3.

Exhibit B

LANDFORM

From Site to Finish

105 South 5th Avenue
Suite 513
Minneapolis, MN 55401

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

RATE SCHEDULE

Effective Date: July 1, 2008

LABOR RATES

The following hourly rates shall be used for this contract:

Senior Principal	195.00/hour
Principal	160.00/hour
Associate	130.00/hour
Water Resources Specialist	125.00/hour
Project Designer	115.00/hour
Senior Designer	115.00/hour
Designer III	80.00/hour
Designer II	75.00/hour
Designer I	65.00/hour
Project Planner	115.00/hour
Senior Planner	115.00/hour
Planner III	80.00/hour
Planner II	75.00/hour
Planner I	65.00/hour
Survey Department Manager	135.00/hour
Survey Project Manager	115.00/hour
Crew Coordinator	100.00/hour
Survey Technician III	90.00/hour
Survey Technician II	75.00/hour
Survey Technician I	65.00/hour
Crew Chief	90.00/hour
Instrument Person	55.00/hour
GPS Equipment	35.00/hour
Construction Observation III	110.00/hour
Construction Observation II	85.00/hour
Construction Observation I	80.00/hour
Department Manager	75.00/hour
Information Systems Manager	125.00/hour
Senior Administrative Assistant	85.00/hour
Administrative Assistant	50.00/hour

REIMBURSABLE EXPENSES

Internal reimbursable expenses are priced as follows:

Mileage	0.55 per mile
Plotting on Bond	0.25 per square foot
Plotting on Vellum	1.10 per square foot
Plotting on Mylar	2.50 per square foot
Plotting in Color	7.00 per square foot
Color Printing	1.00 for 8.5 x 11
	2.00 for 8.5 x 14, 11 x 17
Scanning	1.50 per scan
CD/DVD	10.00 per cd/dvd

External reimbursable expenses shall be billed at cost plus 15%.

EXHIBIT C

TERMS AND CONDITIONS

1.0 CONSULTANT'S SERVICES. Consultant shall perform the services identified in this Proposal and no others unless otherwise agreed and unless Consultant is paid additional compensation in accordance with this Proposal. As used in this Terms and Conditions document, the term "Client" means the City of Ramsey and the term "Consultant" means Landform.

1.1 STANDARD OF CARE. Consultant's services shall be performed based on the standard of reasonable professional care for services similar in scope, schedule, and complexity to the services being provided by the Consultant.

1.2 SCHEDULE. Time limits established by the schedule identified in the Proposal shall not, except for reasonable cause, be exceeded by Consultant or Client. Consultant's compensation shall be equitably adjusted in the event of delays caused by Client, Client's other consultants, or Client's agents. Fees quoted in the Proposal shall be adjusted if services do not commence within 90 days after the date of the Proposal.

2.0 ADDITIONAL SERVICES. In addition to any other Additional Services listed in the Proposal, the following services are not included in Basic Services and Client shall compensate Consultant for such services upon prior agreement by Client, in addition to compensation for Basic Services: (1) Making revisions in Drawings and Specifications or other documents when such revisions are (a) inconsistent with approvals or instructions previously given, (b) the result of adjustments in Client's requirements, (c) required by enactment, interpretation or revision of codes, laws or regulations subsequent to preparation of such documents, (d) required by the failure of Client or Client's consultants to render decisions or to provide necessary information in a timely manner, (e) imposed by municipal or other authorities as a condition for approval of a project, unless the Drawings, Specifications or other documents clearly were not in compliance with applicable law when submitted for approval, or (f) due to or causes not solely within control of Consultant; (2) Providing any services excluded from the Scope of Services identified in the Proposal; (3) Providing any other services not otherwise expressly included in this Proposal.

7.0 MISCELLANEOUS PROVISIONS. ((1) This Proposal represents the entire and integrated agreement between Client and Consultant and supersedes all prior negotiations, representations or agreements, either written or oral. (2) This Proposal may be amended by written instrument signed by both Client and Consultant or, in the case of Additional Services, by a written confirmation from Consultant to which Client does not object within ten (10) working days.

9.0 BASIS OF COMPENSATION. Client shall compensate Consultant as set forth in the Proposal.

10.0 DELAYED PAYMENT; PAYMENT DISPUTES.

10.1 CONDITIONS PRECEDENT TO WITHHOLDING PAYMENT. The Client may not withhold any payments to the Consultant unless the basis of (including all particulars) and amount in dispute are identified and presented in writing to the Consultant not later than the twenty-fifth (25th) calendar day after presentation of the disputed invoice.

10.2 NOTICE OF CLAIMED ERRORS OR OMISSIONS. Client shall provide written notice, including all known particulars, to Consultant of any claimed errors or omissions in Consultant's services not later than 60 calendar days after Client becomes aware, or in the exercise of reasonable diligence should have become aware, of the existence of such error or omission. Consultant shall be given a reasonable opportunity, during such 60-day period, to investigate and recommend ways of mitigating any alleged damages. Client's failure to provide such notice, and/or Client's failure to provide Consultant a reasonable opportunity to investigate and make recommendations, within the time stated shall constitute an irrevocable waiver of any and all claims, counterclaims, defenses, setoffs, or recoupments Client might have in connection with any such alleged error or omission. In the event Client asserts a claim in violation of this paragraph, or in the event that any other error and omission claim asserted by Client is determined to be without substantial merit,

10.3 ERRORS OR OMISSIONS OF CLIENT'S CONSULTANTS. If Client has separately retained other design professionals Client agrees to defend, indemnify, and hold the Consultant harmless from all loss, damage, liability, cost or expense (including but not limited to reasonable attorneys' fees) arising out of or relating to (a) the negligent acts or omissions of such other design professionals, and/or (b) the failure of such other design professionals to carry or maintain professional liability insurance in an amount adequate to protect Client and Consultant from loss.

SCHEDULE B

INSURANCE REQUIREMENTS

Contractor shall procure and maintain for the duration of the contract, insurance coverage for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, their agents, representatives, employees or subcontractors.

1. Minimum Scope of Insurance: Coverage shall be at least as broad as follows:

- 1.1 Insurance Services Office (ISO) Commercial General Liability coverage (occurrence form CG 00 01 or a substitute form providing equivalent coverage), and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury, advertising, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
- 1.2 Business Automobile Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or substitute for providing equivalent liability coverage. Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned autos).
- 1.3 Workers' Compensation as required by the State of Minnesota, and Employer's Liability insurance.
- 1.4 Professional Liability or Errors and Omissions insurance appropriate for the profession. Coverage shall be maintained for at least two years following the completion of work.

2. Minimum Limits of Insurance: Bidder/contractor/consultant shall maintain **NO LESS THAN:**

- 2.1 Commercial General Liability (CGL) and if necessary, Commercial Umbrella Liability: \$1,000,000 each occurrence. If Commercial General Liability insurance contains a general aggregate limit, it shall apply separately to this project/location, or the general aggregate limit shall be twice the required occurrence limit.
- 2.2 Business Automobile Liability and if necessary, Commercial Umbrella Liability: \$1,000,000 each accident for bodily injury and property damage.
- 2.3 Employers Liability: as required by the State of Minnesota
- 2.4 Professional Liability or Errors and Omissions: \$1,000,000 per occurrence.

3. Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by the HRA. At the option of the HRA, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects HRA, agents, officers, directors, and employees; or the bidder/contractor/consultant shall procure a bond guaranteeing payment of losses and related

investigations, claim administration and defense expenses; or the bidder/contractor/consultant shall provide HRA-requested financial statements for the purpose of verifying financial solvency, and acceptance of deductibles or self-insured retention based on this verification.

4. Other Insurance Provisions

- 4.1 The General Liability policy is to contain, or be endorsed to contain, the following provision: **HRA, its agents, officers, directors, and employees are to be covered as an additional insured for all liability coverages using ISO additional insured endorsement CG 20 10 or substitute providing equivalent coverage.** This insurance shall apply as primary insurance with respect to any other insurance or self-insurance program. The HRA's insurance shall be excess of the Consultant's insurance and shall not contribute to it. The Consultant's coverage shall contain no special limitations on the scope of protection afforded to the HRA, its agents, officers, directors, and employees.
- 4.2 Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the HRA, its officers, officials, employees or volunteers.
- 4.3 Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, or canceled by either party, reduced in coverage or in limits, or non-renewed, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the HRA.
- 4.4 The Contractor shall include all subcontractors as insured under its policies or furnish separate certificates and endorsements for each subcontractor where applicable. All coverage for subcontractors shall be subject to all of the requirements stated herein.
- 4.5 Each insurance policy shall include an endorsement that waives any claim or right in the nature of subrogation to recover against the HRA, its agents, officers, directors, and employees.

5. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of A:VII, unless otherwise acceptable to the HRA.

6. Verification of Coverage

Contractor shall furnish the HRA with certificates of insurance and original endorsements effecting coverage required by this clause. *The certificate attached to this contract should be signed by a person authorized by that insurer to bind coverage on its behalf. A certificate other than the one attached may be used if coverages and endorsements match or exceed the coverages identified on the attached certificate.* All certificates and endorsements are to be received and approved by the

HRA before work commences. The HRA reserves the right to require complete, certified copies of all required insurance policies and endorsements at any time.

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
04/07/2010

PRODUCER (952)707-8200 FAX (952)890-0535
Kraus-Anderson Insurance
420 Gateway Boulevard
Burnsville, MN 55337-2790

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: **Secura Insurance**

22543

INSURER B: **Landmark American Ins Co**

INSURER C:

INSURER D:

INSURER E:

INSURED **Landform**
105 Fifth Ave. South
Suite 513
Minneapolis, MN 55401

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	BP-003156589-9	11/18/2009	11/18/2010	EACH OCCURRENCE \$ 1,000,000
					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 250,000
					MED EXP (Any one person) \$ 10,000
					PERSONAL & ADV INJURY \$ Included
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				GENERAL AGGREGATE \$ 2,000,000
					PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	A-003156590-9	11/18/2009	11/18/2010	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$
					OTHER THAN EA ACC \$
					AUTO ONLY: AGG \$
A	EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE	CU-003156592	11/18/2009	11/18/2010	EACH OCCURRENCE \$ 5,000,000
					AGGREGATE \$ 5,000,000
					\$
					\$
	DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000				\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WC-003156591-9	11/18/2009	11/18/2010	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER \$
					E.L EACH ACCIDENT \$ 500,000
					E.L DISEASE - EA EMPLOYEE \$ 500,000
					E.L DISEASE - POLICY LIMIT \$ 500,000
B	OTHER Professional Liability	LHR724124	11/18/2009	11/18/2010	Each Claim: \$2,000,000 Aggregate: \$2,000,000 Deductible: \$5,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

RE: Ramsey Town Center Project in the City of Ramsey

SEE ATTACHED

CERTIFICATE HOLDER

Housing and Redevelopment Authority +
of the City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Justin Voerster/AMBER

©ACORD CORPORATION 1988

IMPORTANT

If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

Housing and Redevelopment Authority +

Certificate issued to Housing and Redevelopment Authority +
Kraus-Anderson Insurance

04/07/2010

04/07/2010

The Certificate Holder, its agents, officers, directors, and employees are Additional Insureds under the Commercial General Liability on a Primary/Non-Contributory Basis when required by written contract.

A Waiver of Subrogation in favor of the Additional Insureds applies to the Commercial General Liability and Workers' Compensation Policies when required by written contract.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ADDITIONAL INSURED WRAP

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM

1. Additional Insured When Required by Written Construction Contract

A. Operations Performed for an Additional Insured

Who Is An Insured is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
 2. The acts or omissions of those acting on your behalf;
- in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under this provision ends when your operations for that additional insured are completed.

B. Limitations

The Operations Performed for an Additional Insured coverage is limited as follows:

1. This insurance does not apply to "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b. Supervisory, inspection, architectural or engineering activities.
2. This insurance does not apply to "Bodily Injury" or "property damage" occurring after:
 - a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
 - b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
3. The Limits of Insurance applicable to the additional insured are those specified in the written contract or agreement or in the Declarations for this policy, whichever is less. These Limits of Insurance are inclusive and not in addition to the Limits of Insurance shown in the Declarations. If other insurance available to you and written by us is applicable to this additional insured, the maximum recovery under all coverage forms or policies combined may equal but not exceed the highest applicable limit under any one coverage form or policy providing coverage on either a primary or excess basis.

2. Additional Insured When Required by Written Construction Contract – Completed Operations

A. Additional Insured - Completed Operations

WHO IS INSURED is amended to include as an additional insured any person or organization, when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy, but only with respect to "bodily injury" or "property damage" caused, in whole or in part, by "your work" performed for that additional insured and included in the "products-completed operations hazard".

B. Limitations

The Additional Insured - Completed Operations coverage is limited as follows:

1. A person or organization's status as an insured under Additional Insured - Completed Operations continues only for the period of time required by the written contract or agreement. If no time period is required by the written contract or agreement, a person or organization's status as an additional insured under this endorsement will not apply beyond the lesser of:
 - a. The period of time required by the written contract or agreement; or
 - b. Five years from the completion of "your work" on the project which is the subject of the written contract or agreement.
2. The insurance as provided to the additional insured does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of "your work" for which a consolidated (wrap-up) insurance program has been provided by the prime contractor-project manager or owner of the construction project in which you are involved.
3. The Limits of Insurance applicable to the additional insured are those specified in the written contract or agreement or in the Declarations for this policy, whichever is less. These Limits of Insurance are inclusive and not in addition to the Limits of Insurance shown in the Declarations. If other insurance available to you and written by us is applicable to this additional insured, the maximum recovery under all coverage forms or policies combined may equal but not exceed the highest applicable limit under any one coverage form or policy providing coverage on either a primary or excess basis.
4. The coverage provided to the additional insured by this endorsement and by paragraph f. of the definition of "insured contract" under DEFINITIONS do not apply to "bodily injury" or "property damage" arising out of the "products-completed operations hazard" unless required by the written contract or agreement.

3. Primary and Noncontributory

As respects the coverage provided under this endorsement, Paragraph 4.b. of the Other Insurance Condition is deleted and replaced by the following:

4. Other Insurance

b. Excess Insurance

This insurance is excess over any other insurance naming the additional insured as an insured whether primary, excess, contingent or on any other basis unless the written contract or agreement described in 1. and 2., above specifically requires that this insurance be either primary or primary and noncontributory.

4. Waiver of Transfer of Rights of Recovery Against Others to Us

LIABILITY CONDITIONS; Transfer of Rights of Recovery Against Others to Us, is amended by adding the following:

We waive any right of recovery we may have to recover we make for all or part of any payment we have made under this Coverage Part arising out of "your work" under a written contract or agreement requiring such waiver with that person or organization. However, our rights may only be waived prior to the "occurrence" for which we make payment under this Coverage Part. The insured must do nothing after a loss to impair our rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce those rights.

5. Amendment – Aggregate Limits of Insurance (Per Project)

The General Aggregate Limit under LIMITS OF INSURANCE applies separately to each of your projects away from the premises owned by you or rented to you. This extension does not apply to the "products-completed operations hazard".

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

1 MN

ALL PERSON(S) OR ORGANIZATION(S) AS
REQUIRED BY WRITTEN CONTRACT

LOC(S) AS SPECIFIED IN
WRITTEN CONTRACT

This endorsement changes the policy to which it is attached effective on the date issued unless otherwise indicated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No. 000
Premium \$

Insurance Company
SECURA INSURANCE,
A Mutual Company

Countersigned by _____

WC 00 03 13
(Ed. 4-84)

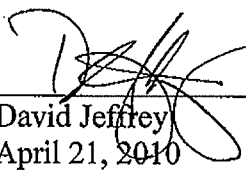
Memorandum

To: City of Ramsey HRA
From: David Jeffrey, HRA Commissioner and Vice Chairperson
Date: 4/21/2010
Re: Execution of HRA/Landform Professional Services, LLC Purchase of Services Agreement dated April 21, 2010 (the "Landform Agreement")

By this memorandum I want it to be known and memorialized why I have signed the above the Landform Agreement.

On March 16, 2010, the HRA, by a vote of 6 – 1, authorized the HRA to enter into the Landform Agreement. HRA Chairperson John Dehen, notwithstanding the above referenced directive, has refused to sign the Landform Agreement.

Therefore, as HRA Vice-Chairperson, I accepted the HRA March 16, 2010 directive and have signed the Landform Agreement on behalf of the HRA.



David Jeffrey
April 21, 2010