

City of Ramsey
Agenda
Housing and Redevelopment Authority (HRA)
Regular Session
Tuesday October 9, 2012
Immediately Following City Council
Council Chambers, 7550 Sunwood Drive NW

- 1. Call to Order**
- 2. Citizen Input**
- 3. Approve Agenda**
- 4. Approve Minutes**
 1. Approve the Following Meeting Minutes:
 1. HRA Regular - August 13, 2012
 2. HRA Regular - August 28, 2012
 3. HRA Special - September 4, 2012
 4. HRA Work Session - September 4, 2012
 5. HRA Regular - September 11, 2012
 6. HRA Regular - September 25, 2012
- 5. HRA Business**
 1. Consider purchase of 14590 Armstrong Blvd. NW Ramsey, Minnesota (Wiser Choice Liquor Store) from M&W Holding Company, LLC.
 2. Approve the sale of property - Lot 3, Block 1, COR TWO (Portions of this case may be closed to the public)
 3. Approve Development Agreement - COR TWO
 4. Approve documents related to the plat of COR TWO
 5. Consider Dedication of a Drainage and Utility Easement for the Relocation of the Connexus Cabinet
- 6. Development Team Report**
- 7. Commissioner Input**
- 8. Adjournment**

HRA Regular Session

4. 1.

Meeting Date: 10/09/2012**By:** Jo Thieling, Administrative Services

Information**Title:**

Approve the Following Meeting Minutes:

1. HRA Regular - August 13, 2012
2. HRA Regular - August 28, 2012
3. HRA Special - September 4, 2012
4. HRA Work Session - September 4, 2012
5. HRA Regular - September 11, 2012
6. HRA Regular - September 25, 2012

Background:

The meeting minutes are attached for HRA approval.

Funding Source:

N/A

Council Action:

Motion to Approve the Following Meeting Minutes:

1. HRA Regular - August 13, 2012
2. HRA Regular - August 28, 2012
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5. HRA Regular - September 11, 2012
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Attachments[HRA 081312](#)[HRA 082812](#)[HRA SP 090412](#)[HRA WS 090412](#)[HRA 091112](#)[HRA 092512](#)

Form Review**Inbox**

Kurt Ulrich

Reviewed By

Kurt Ulrich

Date

10/04/2012 08:26 AM

Form Started By: Jo Thieling

Started On: 10/03/2012 01:16 PM

Final Approval Date: 10/04/2012

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

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, August 13, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Colin McGlone
 Commissioner David Elvig
 Commissioner Bob Ramsey
 Commissioner Sarah Strommen
 Commissioner Jason Tossey
 Commissioner Jeffrey Wise

Members Absent: Commissioner Randy Backous

Also Present: HRA Executive Director Kurtis G. Ulrich
 Public Works Superintendent Grant Riemer
 Administrative Analyst Patrick Brama
 City Attorney Bill Goodrich
 Development Manager Darren Lazan
 Interim Engineer Shane Nelson

1. CALL TO ORDER

Chairperson McGlone called the regular meeting of the Housing and Redevelopment Authority to order at 8:02 p.m.

2. CITIZEN INPUT

There was none.

3. APPROVAL OF AGENDA

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

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Elvig, Strommen, Tossey, and Wise. Voting No: None. Absent: Commissioner Backous.

4. APPROVAL OF MINUTES

4.01: Approve the following HRA Meeting Minutes:

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

1. HRA Special Session – June 5, 2012
2. HRA Regular Session – June 12, 2012
3. HRA Regular Session – June 26, 2012
4. HRA Regular Session – July 10, 2012
5. HRA Work Session – July 17, 2012

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Wise, Elvig, Strommen, and Tossey. Voting No: None. Absent: Commissioner Backous.

Commissioner Elvig left the meeting at 8:03 p.m.

5. HRA BUSINESS

5.01: Consider Public Trail Easement – Armstrong Boulevard

Development Manager Lazan reviewed the staff report.

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to approve the public trail easement depicted in the exhibit and direct the Development Team to prepare both temporary and permanent easements and record as necessary to construct the proposed trail.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Wise, Strommen, and Tossey. Voting No: None. Absent: Commissioners Backous and Elvig.

Commissioner Elvig returned to the meeting at 8:05 p.m.

5.02: Consider Award of Construction Project – North Commons

Development Manager Lazan reviewed the staff report.

HRA Executive Director Ulrich advised there were challenges from the high bidder related to the bidding process.

City Attorney Goodrich reviewed the bidding process used, in accordance with statute requirements, and advised there had been one typographical error referencing a project that had nothing to do with the bid. He noted all bidders had the same information and once the error was recognized, an addendum was sent to all bidders who acknowledged receipt of the addendum. City Attorney Goodrich stated 15 plans were taken; however, only three bids were submitted and were \$100,000 higher than the engineer's estimate. He advised the HRA can reject any and all bids but that action may have timing consequences. With regard to the challenge, he explained the high bidder complained about the eight options that could be bid, but he did not find that to be a valid challenge since all components of the project were required to be bid. One contractor bid on three components, one bid on five components, and the high bidder bid on all eight

components. City Attorney Goodrich stated the high bidder made reference to collusion in the letter received but there is no evidence of that occurring so he did not find that to be a legitimate argument. City Attorney Goodrich recommended the HRA proceed unless it wants to discuss why 15 contractors picked up bid plans and only three submitted a bid or why the engineer's estimate is \$100,000 under the lowest bid. Another option before the HRA is to determine whether it would serve the public by re-bidding.

Development Manager Lazan provided an overview of the North Commons bidding process.

The HRA discussed whether the estimated pricing of \$40,000/lot was reasonable.

Development Manager Lazan agreed it is tough to speculate on the market but higher prices were paid when the market was in a better place and \$35,000 to \$40,000 is indicative of where interest is being shown.

The HRA discussed the timing of the project and whether the tight timeline resulted in fewer and higher bids. It was noted that the engineer's estimate had been used in the proforma to get to a break even point. Several Commissioners indicated the HRA is taking on a lot of risk, including borrowing from the City, when compared to the anticipated return.

Development Manager Lazan noted that due to the need to extend utilities to this property after-the-fact, this project would not survive in the private market. It had been discussed that the HRA was a good body to take on this project to complete the neighborhood.

Motion by Commissioner Ramsey, seconded by Commissioner Tossey, to reject all bids for the construction of North Commons and direct staff to schedule a future discussion on timing of the project.

Further discussion: Commissioner Tossey stated support to reject bids, rebid in the spring, and then move the project forward. Development Manager Lazan raised the option of repackaging the project with a new schedule for a spring/early summer completion. Chairperson McGlone stated support for such an amendment, noting the contractors that Development Manager Lazan spoke with after the fact indicated the time schedule was burdensome and late in the season. He felt the HRA may get more bids by lifting the deadline.

Commissioner Elvig offered a friendly amendment to keep the process moving forward and direct staff to repackage bids for project construction in the spring/early summer.

Commissioner Ramsey and Commissioner Tossey accepted the friendly amendment.

The HRA indicated support for using Storm Water Utility Funds, if appropriate.

HRA Executive Director Ulrich noted the HRA may be jeopardizing the \$45,000 purchase agreement on one lot and will have to renegotiate.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Tossey, Elvig, Strommen, and Wise. Voting No: None. Absent: Commissioner Backous.

5.03: Discuss Use of Anoka Country HRA Fund Balance

HRA Executive Director Ulrich reviewed the staff report and answered questions of the HRA.

The HRA discussed whether Anoka County HRA funds could be used by the Ramsey HRA towards property acquisition or development costs, possibly reducing the City's HRA levy.

HRA Executive Director Ulrich stated it is likely but the City would have to specifically identify use of the money for housing purposes.

Development Manager Lazan stated the City has a number of projects for Anoka County HRA funds, noting there are two housing projects under consideration including a senior project with the burden of off-site improvements.

Several Commissioners indicated support to consider this option and possibly lower the Ramsey HRA levy. It was suggested that the HRA budget be reviewed to determine the needs and whether that can occur.

Informational; no action required.

6. DEVELOPMENT TEAM REPORT

Development Manager Lazan and HRA Executive Director Ulrich provided updates on purchase agreement negotiations and potential for a virtual library near the municipal parking lot. Development Manager Lazan indicated he will provide a proposal for replacement of damaged walkway sections next to the Flaherty and Collins site.

7. COMMISSIONER INPUT

None.

8. ADJOURNMENT

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

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 8:57 p.m.

Respectfully submitted,

Kurtis G. Ulrich
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth
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, August 28, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Colin McGlone
 Commissioner Randy Backous
 Commissioner David Elvig
 Commissioner Bob Ramsey
 Commissioner Sarah Strommen
 Commissioner Jason Tossey
 Commissioner Jeffrey Wise

Members Absent: None

Also Present: HRA Executive Director Kurtis G. Ulrich
 Development Services Manager Timothy Gladhill
 Management Analyst Patrick Brama
 City Attorney William Goodrich
 Development Manager Darren Lazan

1. CALL TO ORDER

Chairperson McGlone called the regular meeting of the Housing and Redevelopment Authority to order at 8:42 p.m.

2. CITIZEN INPUT

There was none.

3. APPROVAL OF AGENDA

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

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Backous, Elvig, Strommen, Tossey, and Wise. Voting No: None.

4. APPROVAL OF MINUTES

- None.

5. HRA BUSINESS

5.01: Consider Housing Assistance Policy

Development Services Manager Gladhill reviewed the staff report and answered questions of the HRA relating to the need for the projects to identify a stated goal, noting there is a broad range of grants to which this will relate. He asked whether this addresses grant opportunities or solely HRA opportunities.

Commissioner Strommen suggested a two tiered ranking system depending on whether it is HRA funded or grant funded. She questioned whether staff was suggesting a policy to provide or a program that includes specific guidelines.

Following a brief discussion, it was the consensus of the HRA to refer the Housing Assistance Policy to a future Work Session as it merited additional discussion.

5.02: Discuss Format and Request for Authorization for Resident Roundtable Discussions

City Administrator Ulrich stated this topic came from a strategic planning session as a tactic and was an issue relating to mature neighborhoods, foreclosed homes, deteriorating neighborhoods, and how the City Council or HRA can help.

Development Services Manager Gladhill reviewed the staff report and requested basic feedback for a staff drafted policy.

The HRA discussed the merits of holding resident roundtable discussions to hear from residents of mature neighborhoods and foster a group discussion as opposed to hearing from residents individually. It was noted the intent is not to provide answers to the issues or fund any initiatives but, rather, an educational opportunity to learn more of what residents desire. With regard to timing, it was suggested this effort be delayed until the spring of 2013.

Chairperson McGlone expressed concern with the costs to hold such neighborhood meetings, noting residents have opportunities to voice concerns through the City's website, Facebook, or attending a Council meeting.

The majority consensus of the HRA was to support a limited round table discussion, refer this item to a Work Session for further discussion, and direct staff to provide recommendation on possible meeting formats.

5.03: Review COR TWO Fees and Construction Cost Allocation

Commissioner Wise stated he will not participate in this discussion or vote as he is the owner of one of the properties under discussion. He stepped down from the HRA dais at 9:07 p.m. and took a seat in the audience.

Development Manager Lazan reviewed the staff report and answered questions of the HRA relating to the limited value of the properties under discussion due to drainage and utility easements. He clarified the properties could accommodate drives, parking, patio, and/or signage.

The HRA asked questions of Development Manager Lazan related to cash flow and development fees, requesting he provide that information to assure the project cash flows. It was noted that staff's recommendation results in an exception to the allocation policy by keeping sale proceeds from the Wise purchase in "play" to make improvements.

Development Manager Lazan encouraged the HRA to consider the three lots as one project, noting once improvements are completed and the three lots are sold, land sales will then disburse. This recommendation results in deferred allocation of \$750,000.

The HRA discussed and questioned ownership of the stormwater facility that would serve the three lots.

Development Manager Lazan noted the location of public sewer and water mains that would be covered by public easements managed by the City. He described the private storm sewer system and established concept that the first person in takes the lead on that maintenance and has the right to recoup costs from the other two lots. To avoid overhead costs of an association, the private utility easement would spell out maintenance requirements, prescribed controller, rights of reimbursement and recourse, provide the City with right to inspect and perform, if needed, and be recorded with the property.

City Attorney Goodrich noted the need for additional escrow to address the option in the purchase agreement for rent reimbursement.

Motion by Commissioner Ramsey, seconded by Commissioner Elvig, to approve the proposed allocation of development fees and construction costs and direct the Development Team to incorporate necessary language into the current purchase agreements.

Further discussion: Commissioners Strommen and Elvig stated the caveat of receiving the final cash flow numbers including development fees.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Elvig, Backous, Strommen, and Tossey. Voting No: None. Absent: Commissioner Wise.

Commissioner Wise returned to the HRA dais at 9:31 p.m.

5.04: Consider Policy for the Replacement of Streetscape Disturbed by Construction

Development Manager Lazan reviewed the staff report and answered questions of the HRA relating to estimated costs depending on the scope of the project and types of streetscape involved.

The HRA discussed options available, noting the City currently has a policy for the contractor to make repairs and that is the case with this situation as well. It was clarified that the streetscape is already installed and the issue before the HRA is to work through a process going forward.

Commissioner Backous stated this should have been anticipated and he is disappointed that things like this (resulting in additional costs) keep coming back. Rather, it should have been built into the costs. Commissioner Backous advocated for only patching the sidewalk.

Commissioner Elvig requested additional information on costs, noting it may be the case that all of the streetscape is damaged by projects.

Commissioner Wise felt the HRA/City had impeded the properties by installing streetscape prior to development, noting that should have been thought about since it was planned to construct to the property line.

Commissioner Tossey stated it is clear that damage would happen and the developer has agreed to pick up the costs on what they damaged. He agreed it should have been anticipated; however, it wasn't and he preferred that the HRA not put any money forward unless it is covered retroactively by Anoka County HRA funds.

HRA Executive Director Ulrich stated that may be a good use of Anoka County HRA funds because it is a one-time expenditure.

Commissioner Ramsey stated this will be an issue to Zeolite and the concern is that it will have a patchwork appearance.

Commissioner Strommen stated there are two issues: the issue before the HRA tonight; and, the staff request on policy going forward for pre- and post-construction. She asked whether staff can provide estimated costs and stated she supports a policy if the HRA can get a pre-estimate and finalize it post construction.

Development Manager Lazan stated that is the input he is looking for, to create policy to protect the streetscape going forward. He explained that Flaherty & Collins is trying to protect the streetscape and is not making a request.

Commissioner Elvig stated he is looking for ideas that make sense, such as whether stained or bleached concrete is an option to eliminate a patchwork appearance.

Chairperson McGlone expressed his outrage about this situation because six years ago he had testified before the City Council on this very issue, that installing streetscape predevelopment is throwing money (\$750,000) away. He stated he wanted to remind all that he had made that argument and felt bituminous pathways should have been installed, similar to the temporary trail on the other side of the road.

Commissioner Backous agreed the streetscape should not have been installed, but it was. He stated he has no problem with the suggested policy but this situation should have been anticipated by the Development Manager.

Commissioner Elvig stated the City is responsible for building infrastructure and some residents have thanked the City for installing the streetscape because it gives a sense of completeness. He clarified the costs to make repairs are covered from contractors and the issue is whether the streetscape should be repaired or replaced.

Commissioner Tossey stated streetscape damage was anticipated because a policy is in place that requires Flaherty & Collins to make repairs. He stated if colored concrete is an option, it should be considered because it may be the cheapest alternative to address appearance.

The consensus of the HRA was to direct staff to draft a policy, as discussed, to hold a preconstruction evaluation to review the project and potential streetscape impacts. Following construction, a second evaluation of the portions damaged during construction will occur to determine the contractor's obligation to restore and the Development Team will make recommendations to the HRA on a case-by-case basis.

5.05: Review Sign Package and Design Framework Modifications

Commissioner Wise stated he will not participate in this discussion or vote as he is the owner of one of the properties under discussion

Development Manager Lazan reviewed the staff report and explained that one sign panel would be designated to the three lots. If there are multi-tenants, Mr. Wise would have to allocate use of the panel. He explained the intent of this agenda item is to approve a contribution to the planning budget so staff can start the effort of looking at locations throughout The COR, costs, scale, etc. The intent is not to develop a master sign appendix but to refine that information and solve the issues for these three lots. It is proposed that the users of the three lots each pay one-third of the capital costs and maintain their sign box. The HRA will maintain the streetscape and plantings. It was noted the capital purchase is incorporated into the real estate purchase.

The HRA discussed the proposal and asked questions of Development Manager Lazan.

Development Manager Lazan stated there is about \$8,000 to address all sign issues but he is requesting \$10,000 so funds are available for Development Services Manager Gladhill to collaborate as well.

Commissioner Elvig stated his intent to abstain on this item as he is ambivalent to this right now.

Motion by Commissioner Ramsey, seconded by Commissioner Backous to approve the contribution of \$10,000 to the Professional Services Budget and direct staff to prepare necessary amendments to the Design Framework.

Further discussion: Commissioner Strommen asked about the cost for the framework. Development Manager Gladhill stated the initial cost for the overall framework was \$6,000 to \$8,000 and involved reformatting/refining an existing document. This piece will address signage from a zoning perspective related to size, location, and construction and include more intensive graphics. Commissioner Strommen noted the requested funding is more than twice the framework cost. Development Services Manager Gladhill explained he has not looked at this proposal in detail but Development Manager Lazan feels the amount is appropriate for his staff time and need for graphics. He stated he will try to keep costs down and does not see any other large items such as this that requires such an intensive review and development of graphics. Commissioner Strommen noted this work is already in the professional services budget and she prefers to see the actual proposal before allocating the funds.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Backous, and Tossey. Voting No: Commissioner Strommen. Abstain: Commissioners Elvig and Wise.

5.06: Consider Policy on COR Facebook Content

Development Manager Lazan reviewed the staff report, recommended comments be allowed on The COR Facebook, and requested direction.

The HRA discussed staff's recommendation and the importance of maintaining a positive image of The COR.

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to approve an interim policy on the use of Facebook to promote The COR that continues to allow commenting and messaging on The COR Facebook page, and that offending comments be removed manually, as necessary with continued offenders being banned individually, as necessary, and that the Development Manager advise City Administrator Ulrich of comments removed and/or edits made.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Wise, Backous, Elvig, Strommen, and Tossey. Voting No: None.

6. DEVELOPMENT TEAM REPORT

6.01: Update on Game Fair

HRA Executive Director Ulrich reported on the success of the Game Fair, upcoming events, and ongoing projects.

Development Manager Lazan reported on the upcoming HRA sponsored event at The COR.

6.02: Update on Business Appreciation Golf Outing

Noted.

7. COMMISSIONER INPUT

Development Manager Lazan stated he will schedule a discussion of the Armstrong overpass campaign at a future HRA Work Session.

Commissioner Ramsey reported on the recent car show and go cart races.

Development Manager Lazan reported Flaherty & Collins got approval to make a \$500,000 early principal reduction payment with the next draw, so it is about nine months ahead of schedule.

8. ADJOURNMENT

Motion by Commissioner Tossey, seconded by Commissioner Backous, to adjourn the regular meeting of the Housing and Redevelopment Authority.

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 10:32 p.m.

Respectfully submitted,

Kurtis G. Ulrich
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth
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 Session meeting on Tuesday, September 4, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Colin McGlone
 Commissioner Randy Backous
 Commissioner David Elvig
 Commissioner Bob Ramsey
 Commissioner Sarah Strommen
 Commissioner Jeffrey Wise

Members Absent: Commissioner Jason Tossey

Also Present: HRA Executive Director Kurtis Ulrich
 Finance Director Diana Lund
 Development Services Manager Timothy Gladhill
 Development Manager Darren Lazan

1. CALL TO ORDER

Chairperson McGlone called the special session meeting of the Housing and Redevelopment Authority to order at 6:32 p.m.

2. OPEN FORUM

There was none.

3. APPROVAL OF AGENDA

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

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Wise, Backous, Elvig, and Strommen. Voting No: None. Commissioner Tossey.

4. APPROVAL OF MINUTES

- None.

5. HRA BUSINESS

5.01: Approve Purchase Agreement for Lot 5, Block 1, COR TWO (Portions may be closed to the public)

Development Manager Lazan reviewed the staff report and stated the purchase agreement is with KONA Properties for a convenience store. The letter of intent is for two parcels of property. He noted that staff had provided the HRA with the purchase agreement, site map, and deal sheet. Development Manager Lazan advised that under Minnesota Statutes the meeting can move into closed session to discuss confidential negotiations. He indicated closed session discussion will relate to property sale of Lot 5, Block 1, COR TWO for future development. The closed session will be tape recorded and that tape will be maintained for a period of eight years.

Motion by Commissioner Ramsey, seconded by Commissioner Elvig, to move to closed session to discuss confidential negotiations.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Elvig, Backous, Strommen, and Wise. Voting No: None. Absent: Commissioner Tossey.

The HRA meeting moved into a closed session at 6:35 p.m.

The HRA reconvened in open session at 6:50 p.m.

Gary Gabrielson, Pine Creek Associates representing KONA Properties, stated they are a private investment group and the proposed convenience store would be subject to long-term leases to partnership. He stated Amcon will be the developer of the project.

Development Services Manager Gladhill asked Mr. Gabrielson if they had acknowledged that the design framework and architectural standards are acceptable.

Mr. Gabrielson confirmed that Amcon's architects have reviewed the design framework and architectural standards and he knows of no issues at this time. Mr. Gabrielson stated it is amazing what the City of Ramsey has done with The COR, he has enjoyed working with Development Manager Lazan, and they are looking forward to being part of The COR.

Motion by Commissioner Elvig, seconded by Commissioner Ramsey, to approve the purchase agreement for Lot 5, Block 1, COR TWO, as revised to include language that the purchaser has acknowledged and agreed with the design framework and architectural standards, and direct the Development Team to execute the agreement and prepare all documents necessary to close.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Elvig, Ramsey, Backous, Strommen, and Wise. Voting No: None. Absent: Commissioner Tossey.

6. DEVELOPMENT TEAM REPORT

None.

7. COMMISSIONER INPUT

None.

8. ADJOURNMENT

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

Motion carried.

The special session meeting of the Housing and Redevelopment Authority adjourned at 6:52 p.m.

Respectfully submitted,

Kurtis G. Ulrich
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth
TimeSaver Off Site Secretarial, Inc.

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

The Housing and Redevelopment Authority conducted a Work Session meeting on Tuesday, September 4, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Colin McGlone
 Commissioner Randy Backous
 Commissioner David Elvig
 Commissioner Bob Ramsey
 Commissioner Sarah Strommen
 Commissioner Jeffrey Wise

Members Absent: Commissioner Jason Tossey

Also Present: HRA Executive Director Kurtis Ulrich
 Finance Director Diana Lund
 Development Services Manager Timothy Gladhill
 Development Manager Darren Lazan
 Landform Project Principal and Planner Kendra Lindahl

1. CALL TO ORDER

Chairperson McGlone called the Work Session meeting of the Housing and Redevelopment Authority to order at 6:53 p.m.

2. TOPICS FOR DISCUSSION

2.01: 2013 HRA Budget and Levy

Finance Director Lund presented the 2013 HRA budget and levy.

Commissioner Strommen asked when the HRA uses the City Attorney and when it uses other legal firms such as Briggs & Morgan.

Development Manager Lazan explained that Landform had proposed the City broaden its use of legal firms to include rates that are more effective. He reviewed the legal firms used for past purchases.

Commissioner Ramsey noted the HRA spent over \$125,000 to clear the Master Declaration.

Development Manager Lazan advised that a lot of documents have been drafted over the past two months that will be recorded so more legal bills will be received.

Finance Director Lund continued presentation of the HRA expenditures, noting \$20,000 had been budgeted for the International Council of Shopping Centers (ICSC).

Development Manager Lazan stated he thinks that \$15,000 is a decent placeholder for ICSC.

Commissioner Backous noted this account is just travel so there will also be marketing and printing costs under the marketing budget.

Finance Director Lund stated it had been budgeted at \$20,000 and recommended it be changed to \$7,000.

Development Manager Lazan indicated the total for ICSC was \$14,000 including printing.

Commissioner Ramsey reviewed the reduction in the 2013 professional services budget.

Finance Director Lund explained it depends on what happens with the Development Manager contract and if it will be paid based on what is sold.

Commissioner Ramsey asked who will do all the work Landform is currently doing if only \$86,500 is budgeted.

Commissioner Backous supported the Development Manager contract being commission based like a real estate agent. He stated he knows the Development Manager has done a lot of work, covered by the administration fee, but everything is supposed to be cleaned up by now.

HRA Executive Director Ulrich stated there is also an alternative to fund with land proceeds received, which will be additional revenues beyond the levy. He indicated the City can renegotiate the contract to support services with land proceeds, noting the fund balances can be a back up.

Development Manager Lazan pointed out that zero revenue is recognized in the budget. He stated he would like to prepare a proposed budget and work plan from a business prospective. He asked the HRA what it wants to accomplish and explained there is ability to reduce the levy and operate on land sale proceeds, with the fund balance as a backup. Development Manager Lazan indicated this is a business and \$1 million net proceeds are coming in with expenses in the other direction. He stated the HRA needs to look at what it wants to accomplish. He agreed that a fair amount of work over the past couple of years was clean up but it is not yet done and there is still site planning and mapping needs. Development Manager Lazan stated this involves the administration of a multi-million dollar business and it takes effort. The decision tonight is whether to use the maximum preliminary levy with the understanding it can be lowered.

Commissioner Backous stated if it is being suggested to budget revenues and the Development Manager's commission from revenues, he would favor that. He stated he is not in favor of

extending the current contract and does not want a budget in place that will do that. Councilmember Backous stated he will stand his ground and not favor paying \$15,000/month after March.

Finance Director Lund presented the land proceeds distribution, noting it takes out the Development Manager fee for land sales and identifies remaining funds.

HRA Executive Director Ulrich agreed with the need to create a work program, noting it would be a valuable exercise to figure out revenues and expenses because regardless of whether Landform or City staff, the project needs to be managed. HRA Executive Director Ulrich stated the HRA needs to set a preliminary levy that allows flexibility to review actual numbers and make a decision in December.

Commissioner Strommen asked if the work plan will include assumptions on activity for next year that needs to occur.

Development Manager Lazan stated that is the case, assumptions need to be made and he would suggest that be laid out with revenue and expense assumptions with the understanding it can be backed by the fund balance.

Commissioner Strommen stated she is fine with that exercise but with regard to the notion that if revenues do not come in then fund balances can be relied on, those fund balances are for other reasons and if revenues do not come in, the work plan needs to adjust expenditures.

Commissioner Elvig stated he likes the notion that this is running a business, which he likes better than talking about government programming. The suggestion is to develop a proforma, business statements, projections on sales and expenses, and can use the dashboard as a supplement. Commissioner Elvig stated he prefers to not take from constituents with the levy but to figure out how it should pay for itself. He noted that a good business plan contains contingencies should revenues or cash flow projections not be met. Commissioner Elvig stated he would like to see a narrative for a business plan, expectations, and proforma, noting he does not care about cost if revenue generation far out runs it. He stated he does not want to restrict the HRA cost factors but wants it proportionate to revenue and a business plan will tell the HRA those numbers.

Chairperson McGlone indicated that consensus has been reached to direct staff to draft a business proforma for The COR.

Finance Director Lund presented the professional services budget. She advised that Anoka County HRA staff Karen Skepper had indicated that the use of Anoka County HRA funds needs to be tied to eligible projects and a copy of the budget and resolution from the Ramsey City Council needs to be brought before the Anoka County HRA Board. Since the preliminary levy needs to be adopted next week, she recommended the maximum levy and amending it in December after talking with Anoka County and receiving Development Manager Lazan's business plan.

Chairperson McGlone stated he would like this information presented to the public in a PowerPoint format.

Development Manager Lazan stated the business plan will not be ready to present on September 11, 2012.

Commissioner Ramsey stated it will be hard to consider this budget at the next meeting and not comment since other cities have used leverage to force the hand of Anoka County to use HRA funds. He noted that money has been levied from Ramsey citizens.

Chairperson McGlone stated whether the City Council gets to use the Anoka County HRA money in lieu, it will never be lost and at some point the funds will be spent in Ramsey.

Commissioner Backous stated the HRA should have received a business plan prior to budget discussion.

HRA Executive Director Ulrich stated that is a valid point and explained the genesis of this discussion occurred at the EDA meeting about shifting staffing and use of Anoka County EDA funding.

Commissioner Elvig stated the HRA has the mechanism and he thinks it can take the EDA levy down through the business plan and other methods to shore up this project. He stated support of using Anoka County EDA funds since they have been levied against Ramsey's residents.

HRA Executive Director Ulrich noted the HRA does not need the whole \$236,000 fund and if a lower amount is requested and programmed, he thinks Anoka County will approve an amount for housing in The COR.

Mayor Ramsey stated The COR is a project that the HRA has to get done and it does not make sense for Anoka County to not approve the request because it also needs this to work.

Commissioner Strommen stated she feels the Anoka County piece is irrelevant because as Chairperson McGlone noted, it is still City money and there will be a project to invest those funds. She noted a business plan will tell the HRA at what point it is starting to cash flow and can stop levying. Commissioner Strommen stated she wants to see the point when the HRA's role shifts and inputs are no longer needed.

Commissioner Ramsey stated he agrees but it has to be recognized that a lot of things are in the HRA budget that are expenses, such as the parking ramp and salaries. He agreed that creating a business plan is going in the right direction. Commissioner Ramsey asked whether the HRA supported considering the max levy now with the intent of lowering it or wanted to set a lower levy with the intent of getting Anoka County HRA funds.

Development Manager Lazan stated all have a desire to recover the fund balance for what has been depleted over the past several years. He noted an option is to put Anoka County HRA

dollars into the fund balance, not to lower the levy. Development Manager Lazan advised that the purchase agreements in place today will result in a net positive cash flow.

Commissioner Elvig stated his concern in saying the HRA is cash flowing because it only provides a “snapshot in time” depending on what is incentivized and real costs. He stated the HRA wanted an aggressive payback because it was using public funds and had been a unanimous decision to do that. He agreed that long-term cash flow is the key factor.

Commissioner Ramsey stated the HRA has a plan to incentivize and that is \$8 million of TIF, so it should not come from these funds.

Chairperson McGlone stated when the County idea came forward to the EDA, the County had a program to spend Ramsey’s money. He stated he is not in favor of using money that was taxed to Ramsey residents for the purpose proposed by the County.

HRA Executive Director Ulrich stated staff will schedule the HRA levy, as discussed, for the September 11, 2012 Council meeting.

It was the consensus of the HRA to approve a preliminary budget with the understanding that a revised final levy will be considered in December of 2012 based upon an approved Anoka County HRA Board approved action.

2.02: Discuss Sign Package and Design Framework Modifications

Landform Project Principal and Planner Lindahl described modifications to The COR Design Framework and Master Sign Package, noting it is a living document and expected to be “tweaked,” as needed.

Development Manager Lazan explained how staff prepared the Master Sign Package as a developer driven process and then involved Development Services Manager Gladhill. He noted the three lots that are closing are asking about signage so the HRA needs to revisit those issues. He presented the overall Signage Plan, noting the location of community signs (COR signs with limited tenant information); gateway signs; and, interior informational signage/kiosks. He displayed a graphic of the proposed private development individual tenant signage and requested direction on the concept of clustering signage at shared drive entrances.

Development Services Manager Gladhill stated he would prefer doing as much with internal staff as possible for text amendments. He noted this discussion centers on design concepts.

Commissioner Elvig supported keeping the Framework as open and simplistic as possible. He suggested a skeletal system that is strong, coordinated, architecturally based, and good looking. In addition, signage should be easy to turn over and snow removal needs to be addressed to assure signage can be seen during winter weather conditions.

Development Manager Lazan stated the Sunwood Drive sign will be paid entirely by the three tenants. The gateway sign at other locations could be COR themed so those dollars may need to

be budgeted. He displayed internal signs, noting dollars have been set aside for Draw signage so it can be coordinated with The COR. Development Manager Lazan stated this document is a first draft and once done, Development Services Manager Gladhill will incorporate it into the framework so signage intent is clear.

Commissioner Elvig asked if there can be a prototype to give a sense of scale and to assure lettering is easy to read. He asked about color coordination to depict areas of retail, restaurants, park, etc.

Development Manager Lazan stated color coordination could carry through with street signs, light pole banners, etc. so you know when you have left one district and entered another. He indicated the intent is to have pedestrian scale informational signs.

Commissioner Backous stated he supports the designs, likes the coordination, pedestrian designs, and agrees with the need to assure readability. He suggested the City increase the reader board on Highway 10 to assure it can be read.

Development Manager Lazan advised the reader board sign is designed to expand in size.

Commissioner Elvig left the meeting at 7:48 p.m.

Commissioner Wise asked if the City will allow reader boards on the building.

Development Services Manager Gladhill stated the general Sign Code includes dynamic wall signs and the Council will need to look at an overall Citywide sign package. He noted technology is coming forward and the City should reconsider wall signage.

Commissioner Wise asked about the impact on signs as a result of the Armstrong interchange height.

Development Services Manager Gladhill stated once the Armstrong interchange design is finalized, it will be brought forward as a zoning item to consider height of signage, etc.

Commissioner Wise stated as a COR tenant, he does not want a metal County directional sign to be located 15 feet before his nice looking sign.

Development Manager Lazan stated he has spoken with Solomon about its interim sign and there is an understanding that when Armstrong goes in, the sign will go away. He stated he will continue those discussions with Solomon.

Development Manager Lazan stated he will schedule a series of meetings with Development Services Manager Gladhill to structure narratives, rework square footage allowable, draft language on shared drive/signage to quantify it, and bring the Sign Package and Design Framework Modifications back in draft form for HRA consideration.

It was the consensus of the HRA to direct staff to complete design concepts and framework modifications, as discussed, and proceed with the preparation of Appendix B and modifications to the Design Framework.

3. DEVELOPMENT TEAM REPORT

Development Manager Lazan reported on an issue with the location of a Connexus switch on the new Sunwood alignment. He indicated Landform had provided Connexus with detailed information and a CAD file last fall on the location of the switchgear. Connexus acknowledged receipt; however, this summer Connexus installed the switchgear in an incorrect location on HRA property. Connexus has now indicated it wants \$10,000 to relocate the switchgear.

Commissioner Backous asked who Connexus told they were putting in the switchgear that did not know the history.

Development Manager Lazan explained that City inspectors were in the job trailer when Connexus told them about installing the switchgear. Landform inspectors did not discuss the location of the switch boxes. Development Manager Lazan displayed the exhibit provided to Connexus that identified the exact location and dimensions to the decimal point for the switchgear.

HRA Executive Director Ulrich stated staff will ask Connexus to move the switchgear at its expense.

Development Manager Lazan provided an update on negotiations.

Development Services Manager Gladhill reported that staff received the site plan for Northgate Church on a PSD owned property and Stoney River closed on 6.5 acres of the Lord of Life campus and is now working on financing.

HRA Executive Director Ulrich stated Parks & Assistant Public Works Superintendent Riverblood is researching grants to move the old City Hall.

HRA Executive Director Ulrich indicated that the City had budgeted \$150,000 for environmental work at the old municipal center site; however, Connexus has agreed to do the prequalification consultant studies for the data center.

Development Manager Lazan promoted the upcoming HRA sponsored event at The Draw.

Commissioner Backous referenced articles contained in the September/October *Ramsey Resident* relating to the close of property sales including Wiser Choice Liquor. He pointed out that at the time this newsletter went to press, those sales had not yet concluded, which he found to be a serious infraction.

HRA Executive Director Ulrich stated he had read and edited that edition of the *Ramsey Resident* and takes responsibility for not catching that it “jumped the gun.” He apologized that the mentioned articles were over stated.

Commissioner Backous stated this involves communicating directly with residents and if the sales do not go through, it will be questioned.

Development Manager Lazan explained that the term “under agreement” also refers to transactions that are under letters of intent, which was the case of all projects mentioned. He stated staff can redefine “under agreement” to mean purchase agreements going forward.

Chairperson McGlone stated he does not think the intent was to lie to the public, but agreed with the need to assure the City is using proper terms in its communications. He stated this is a good catch by Commissioner Backous.

Commissioner Strommen noted that residents, not the industry, are the audience of the *Ramsey Resident* so she agreed with the need to be careful.

Commissioner Ramsey supported use of layman’s terms so there is no misunderstanding.

Commissioner Backous stated the point is for the City to be extremely careful in how to communicate with its residents and anticipate how it could be misinterpreted.

4. COMMISSIONER INPUT

None.

5. ADJOURNMENT

Motion by Commissioner Ramsey, seconded by Commissioner Backous, to adjourn the Work Session meeting of the Housing and Redevelopment Authority.

Motion carried.

The Work Session of the Housing and Redevelopment Authority adjourned at 8:11 p.m.

Respectfully submitted,

Kurtis G. Ulrich
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth
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, September 11, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Colin McGlone
 Commissioner Randy Backous
 Commissioner David Elvig
 Commissioner Bob Ramsey
 Commissioner Sarah Strommen
 Commissioner Jason Tossey (arrived at 8:27 p.m.)
 Commissioner Jeffrey Wise

Members Absent: None.

Also Present: HRA Executive Director Kurtis G. Ulrich
 Finance Director Diana Lund
 City Attorney William Goodrich
 Development Manager Darren Lazan

1. CALL TO ORDER

Chairperson McGlone called the regular meeting of the Housing and Redevelopment Authority to order at 8:24 p.m.

2. CITIZEN INPUT

There was none.

3. APPROVAL OF AGENDA

Motion by Commissioner Wise, seconded by Commissioner Ramsey, to approve the agenda as revised to add Case 5:03.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Wise, Ramsey, Backous, Elvig, and Strommen. Voting No: None. Absent: Commissioner Tossey.

4. APPROVAL OF MINUTES

- None.

5. HRA BUSINESS

5.01: Adopt Resolution Approving Proposed 2013 HRA Levy

Finance Director Lund presented the 2013 HRA Levy in the amount of \$328,567.

Commissioner Tossey arrived at 8:27 p.m.

Development Manager Lazan answered questions of the HRA related to the parking ramp and addressed allocation of stalls and assignment of costs for the parking lot.

The consensus of the HRA was to schedule a Work Session discussion of how to develop a maintenance fund for the parking ramp.

HRA Executive Director Ulrich stated Development Manager Lazan has put together concepts on revenue sources to show how land proceeds coming from development can support HRA expenditures. He noted the question remains about the availability of Anoka County HRA funds of \$236,000 so staff recommends approval of a maximum HRA levy with the understanding it can be lowered upon final adoption.

Development Manager Lazan presented the proposed 2013 HRA budget using \$100,000 as the levy, noting anticipated expenses, revenue sources, and land sale proceeds. He stated the intent is to develop a work plan and budget based on actual costs and to compare revenue options prior to making decision on the final levy.

The HRA discussed the 2013 HRA Levy, with the majority indicating they would not support levying to the maximum. The HRA also discussed the need to account for and expediently repay dollars borrowed from other funds.

Motion by Commissioner Backous, seconded by Commissioner Elvig, to adopt a resolution Authorizing the Approval of the Proposed 2013 HRA Levy in the Amount of \$100,000.

Further discussion: The HRA discussed whether an HRA levy of \$100,000 would be adequate in the event that Anoka County HRA funds are not approved or land sale proceeds are slower than anticipated. Finance Director Lund stated she has not yet looked at the draft HRA budget prepared by Development Manager Lazan. She recommended the HRA consider a levy of \$187,268 that would also cover salary and benefits.

Amendment motion by Commissioner Wise, seconded by Commissioner Ramsey, to adopt Resolution #HRA-12-09-007, Authorizing the Approval of the Proposed 2013 HRA Levy in the Amount of \$187,268.

Further discussion: The HRA asked Finance Director Lund to review and make recommendation on the budget being prepared by Development Manager Lazan prior to its formal presentation. Following discussion, the consensus of the HRA was to direct staff to make a \$236,000 funding request of the Anoka County HRA, noting these funds had already been levied from Ramsey's residents. HRA Executive Director Ulrich indicated this request can go before the Anoka County HRA in October.

Amendment motion carried. Voting Yes: Chairperson McGlone, Commissioners Wise, Ramsey, Backous, Elvig, Strommen, and Tossey. Voting No: None.

Motion as amended carried. Voting Yes: Chairperson McGlone, Commissioners Backous, Elvig, Ramsey, Strommen, Tossey and Wise. Voting No: None.

5.02: Approve Amendment Number 1 to Purchase Agreement – KONA Properties, LLC

Development Manager Lazan reviewed the staff report.

The HRA discussed the formation of a Special Services District (SSD), some stating opposition because they viewed it as an additional tax and government intervention. The suggestion was offered that businesses can establish their own private covenants or association to cover maintenance costs without the need to involve the government.

Development Manager Lazan clarified the issue before the HRA is whether the purchase agreement should be revised to include SSD language to keep that option open. It is not a decision whether to exercise that option. He noted a SSD is structured to be equivalent of Common Area Maintenance (CAM) to cover a business' share of the maintenance. In addition, KONA Properties, LLC understands the SSD concept and is accepting of the original language.

HRA Executive Director Ulrich stated this addresses property owners with a higher level of maintenance than the City would traditionally provide and creates a mechanism to cover the cost to provide that higher level of maintenance.

Chairperson McGlone clarified the object is to assure purchase agreements contain language to preserve this option in case City is found over burdened with cost.

Motion by Commissioner Elvig, seconded by Commissioner Ramsey, to approve Amendment Number 1 to Purchase Agreement for Lot 5, Block 1, COR TWO.

Further discussion: Commissioners Backous and Tossey indicated they would support the motion since its purpose was to preserve the right with the understanding that discussion on the creation of a SSD would occur at a future meeting.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Elvig, Ramsey, Backous, Strommen, Tossey. Voting No: None. Abstain: Commissioner Wise.

5.03: Consider Approval of Assignment of the Contract – KONA Properties & West Real Estate

Development Manager Lazan reviewed the staff report.

Motion by Commissioner Wise, seconded by Commissioner Ramsey, to approve assignment of the contract – KONA Properties and West Real Estate.

Further discussion: Development Manager Lazan advised of the sequence for execution of the purchase agreement and assignment agreement.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Wise, Ramsey, Backous, Elvig, Strommen, and Tossey. Voting No: None.

6. DEVELOPMENT TEAM REPORT

Development Manager Lazan reported on the Senior Living option agreement, Sunwood Retail closings, and negotiations on other parcels. He also reported on upcoming meetings related to the Master Declaration.

HRA Executive Director announced work on the rail station grand opening and topics of discussions at upcoming meetings.

Following a brief discussion, consensus was reached to schedule discussion of PNC approved equity for a future HRA Work Session.

6.01 Review COR Dashboard

Development Manager Lazan presented the updated COR dashboard based on the HRA's most recent transactions.

The HRA discussed public roadway funding and asked staff to prepare a resolution for the use of TIF on the Sunwood Road project, so that option would remain viable.

Development Manager Lazan explained that timing of funding will be mapped out in the HRA work plan, which is yet to be completed. The HRA work plan will also address how to repay funds that have been borrowed based on expected revenue.

7. COMMISSIONER INPUT

None.

8. ADJOURNMENT

Motion by Commissioner Tossey, seconded by Commissioner Wise, to adjourn the regular meeting of the Housing and Redevelopment Authority.

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 9:44 p.m.

Respectfully submitted,

Kurtis G. Ulrich
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth
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, September 25, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Colin McGlone
 Commissioner Randy Backous
 Commissioner David Elvig
 Commissioner Bob Ramsey
 Commissioner Sarah Strommen
 Commissioner Jason Tossey
 Commissioner Jeffrey Wise

Members Absent: None.

Also Present: HRA Executive Director Kurtis G. Ulrich
 Parks and Assistant Public Works Superintendent Mark Riverblood
 Development Services Manager Timothy Gladhill
 Management Analyst Patrick Brama
 City Attorney William Goodrich
 Development Manager Darren Lazan

1. CALL TO ORDER

Chairperson McGlone called the regular meeting of the Housing and Redevelopment Authority to order at 7:48 p.m.

2. CITIZEN INPUT

There was none.

3. APPROVAL OF AGENDA

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

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Wise, Backous, Elvig, Strommen, and Tossey. Voting No: None.

4. APPROVAL OF MINUTES

There were none.

5. HRA BUSINESS

5.01: Consider Offer to Purchase Land – Sunwood Drive and Ramsey Boulevard (Portions may be closed to the public)

Development Manager Lazan reviewed the staff report. It was noted that the HRA previously approved a purchase agreement with KONA Properties on the first site at Sunwood Drive and Armstrong Boulevard. Tonight's consideration is on a purchase agreement with KONA Properties on a second site. He indicated if the HRA would like to negotiate the financial terms, the meeting could move into closed session.

The HRA indicated the meeting could proceed without closed session.

Development Manager Lazan presented the terms of the purchase agreement for Lot 1, Block 1, COR FOUR, anticipated for spring construction. This 1.25-acre site is located at the southwest corner of Ramsey Boulevard and Sunwood Drive; however, the exact size is yet to be determined and may be a larger site. The purchase price is \$11/sq. ft. or approximately \$600,000 with \$25,000 earnest money that would be refundable through due diligence period (about 60 days). He advised of the seller's obligation and development fees.

Motion by Commissioner Wise, seconded by Commissioner Ramsey, to approve the proposed purchase agreement for Lot 1, Block 1, COR FOUR, located at the southwest quadrant of Sunwood Drive and Ramsey Boulevard.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Wise, Ramsey, Backous, Elvig, Strommen, and Tossey. Voting No: None.

6. DEVELOPMENT TEAM REPORT

Development Manager Lazan reported on resolution of platting issues, anticipated closing dates, and recording of the Master Declaration.

HRA Executive Director Ulrich reported on staff's meeting with DEED and suggestion to look at shovel ready project certification for some of The COR projects, which will be pursued. He also reported on progress with the 2013 HRA budget and request for Anoka County HRA funds.

7. COMMISSIONER INPUT

None.

8. ADJOURNMENT

Motion by Commissioner Backous, seconded by Commissioner Tossey, to adjourn the regular meeting of the Housing and Redevelopment Authority.

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 8:00 p.m.

Respectfully submitted,

Kurtis G. Ulrich
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth
TimeSaver Off Site Secretarial, Inc.

HRA Regular Session

5. 1.

Meeting Date: 10/09/2012**Submitted For:** Kurt Ulrich**By:** Bill Goodrich, Administrative Services

Information**Title:**

Consider purchase of 14590 Armstrong Blvd. NW Ramsey, Minnesota (Wiser Choice Liquor Store) from M&W Holding Company, LLC.

Background:

Board members will recall that the City Council has recently approved the purchase and proposed terms of a purchase agreement for the property at 14590 Armstrong Blvd. NW Ramsey (the "Property") from M&W Holding Company, LLC ("M&W"). However, to date no formal purchase agreement has been executed by the City or M&W. Only negotiations have proceeded. The global transaction also includes the sale by the HRA to M&W of a lot in the proposed plat of COR TWO in order to relocate the existing Liquor Store on the Property. The public purpose for acquisition of the Property is to accommodate the City's need for a small portion of it for the Sunwood Drive Reconstruction project, the need for a part of the parcel for the future Armstrong/Hwy 10 Interchange and area wide redevelopment. Commission members are aware that M&W's principal owner is current Council Member/Commission Member Jeff Wise ("Wise"). Even though throughout the entire negotiation process with the City, Wise has abstained from any City Council votes on the subject, and has not participated in consideration of the subject in any way, including physically leaving the council chambers when the Property purchase has been considered by the City Council, State Law will not permit the City to purchase real property from a current City Council Member.

HRA members will recall that this project was initiated as an HRA project, but changed to the Council under the belief that the Council was the best body to move forward with the public improvement. However, notwithstanding the above purchase prohibition by the City, state law does permit the HRA to purchase from an HRA Commission Member real property upon compliance with certain statutory requirements. Tom Bray, the HRA's lead counsel will be present at this meeting to review the state law requirements with the Commissioners. It should be noted too that the HRA does have authority to purchase the Property pursuant to the 2007 Redevelopment Plan for the Property and adjacent properties. The objectives of the 2007 Plan include: promote and seek the harmonious development of the Redevelopment Area; to provide logical and organized land use; to promote and provide development of property with minimal adverse impact on the environment; provide adequate utilities and public improvements to enhance new and existing development. These objectives together with others outlined in the 2007 Plan do confirm that the acquisition of the Property is well within the HRA's authority.

The terms of a proposed purchase agreement will be reviewed with the Commission Members by staff at the HRA meeting. Attached to this case is a Deal Recap for purchase of the Property for the Commission's review.

Notification:**Observations:****Recommendation:**

The development team recommends the HRA approve the proposed purchase agreement for the Property.

Funding Source:

N/A

Council Action:

Approve the purchase agreement for the property located at 14590 Armstrong Blvd., Ramsey, Minnesota and legally described as Lot 2, Block 1, Hauser Addition, Anoka County, Minnesota.

Attachments

Deal Recap

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	10/04/2012 12:42 PM
Form Started By: Bill Goodrich		Started On: 10/03/2012 03:01 PM
	Final Approval Date: 10/04/2012	

**HRA PURCHASE OF WISER CHOICE LIQUOR STORE
DEAL RECAP**

Project: Hwy 10/Armstrong Interchange and Sunwood Drive Realignment
Seller: M&W Holding Company, LLC
Buyer: Ramsey Housing and Redevelopment Authority
Use: R/W and related Armstrong Interchange and Sunwood Drive Realignment project purposes.

Site Location: Wiser Choice Liquor Store site, 14590 Armstrong Blvd.
Lot 2, Block 1, Hauser Addition

Status: Purchase Agreement

Acres: 1 acre gross
Price: \$940,000.00 (Building, Business and Land)
Total of payments: \$80,160 (Trade Fixtures)
\$90,000.00 (Business Relocation Estimate)
Total: \$1,110,160.00

Earnest Monies: \$5,000.00 non-refundable
Due Diligence: 30 days
Closing Schedule: October 2012
Possession: 18 months from Closing subject to Lease Back

Lease Back: Agreement provides for lease back to Seller for up to 18 months at \$5,000.00/month rent to City, all pending closing and construction of Seller's new Liquor store in the COR

Restrictive Covenant: Seller has requested that the HRA agree to a restrictive covenant that the "...Property may not be used as a liquor store after the Grantor (M&W) vacates the Property."

Meeting Date: 10/09/2012**By:** Darren Lazan, Housing &
Redevelopment Authority

Information**Title:**

Approve the sale of property - Lot 3, Block 1, COR TWO (Portions of this case may be closed to the public)

Background:

Mr. Jeff Wise, of M&W Holdings, currently owns and operates a retail facility at 14590 Armstrong Boulevard. This property is located within the proposed right-of-way for the Armstrong Interchange project expected to be constructed in the next couple years. As a condition of the acquisition of his parcel by the HRA, M&W Holdings will acquire approximately 1.38 acres of land within the Sunwood Retail project currently identified as Lot 3, Block 1, COR TWO, to be platted simultaneous to closing.

Mr. Wise intends to construct a multi-tenant building containing his current liquor store operations, as well as a second tenant occupying approximately 4,000 square feet on the south side of the building. The total building size is proposed to be approximately 13,000 square feet.

Mr. Wise received Preliminary Site Plan approval, Final Site Plan Approval, and has obtained all necessary permits from the Lower Rum River Water Management Organization. The final building plans are being completed, and it is anticipated to start construction this fall.

Notification:**Observations:**

This sale represents the first of three closings in the Sunwood Retail area, the second, a gas/convenience user proposed on Lot 5 is currently working to obtain final site plan approval and is expected to also start construction this fall. The third user, a proposed quick serve restaurant proposed on Lot 4, is currently in the final contract stage, and will work through entitlements this winter and start construction in the spring.

Because Lot 3 will be closing first, it is contemplated in this agreement that they will make what is outlined as the "initial improvements" for the Sunwood retail area. These improvements are generally described as the shared drives, utilities, and street lighting necessary to serve all three parcels. The HRA will escrow sufficient funds to construct these initial improvements from the proceeds of the sale, and will be reimbursed in part from the buyers of Lots 4 and 5. There is a portion of the initial improvements that is attributable to the Sophia Ramsey, LLC parcels, Lots 1 and 2, that will be paid by the HRA, and netted from the land sale proceeds as a project expense.

Sophia Ramsey, LLC is the fee owner of the current Lots 1 and 2, RTC 3rd Addition, currently developed as the grocery anchored center in the project. These parcels consist of the grocer, convenience store, liquor store, and three retail buildings containing Caribou Coffee, Acapulco Restaurante, Subway, Fitness 19, and several other smaller retail/office users. Sophia Ramsey, LLC had two access points off of Sunwood Drive, and one access point off of Zeolite serving their project. With the Sunwood Drive realignment project, the westernmost access to the project was significantly modified, and as a result has encountered diminished access to their property. As part of the negotiations to accomplish the Sunwood Drive project, the HRA agreed to certain development conditions on HRA property that mitigated those access modifications. These items include:

- Construct additional parking on the north side of their existing building abutting HRA property.
- Construct a revised access drive through HRA property to their site.
- Dedicate necessary easements to ensure access to their property.

A portion of this work was included in the Sunwood realignment project, but a portion is also included in the initial improvements for this project, and will be paid from the proceeds of closing on Lot 3. A breakdown of these costs is provided in this case, and will be presented at the meeting.

Recommendation:

The development team recommends the HRA approve the Purchase Agreement with M&W Holdings, LLC for the sale of Lot 3, Block 1, COR TWO.

Funding Source:

N/A

Council Action:

Approve attached Purchase Agreement with M&W Holdings, LLC for the sale of Lot 3, Block 1, COR TWO subject to final modifications by HRA Counsel, and direct the development team to assemble all documents necessary to close.

Attachments

Draft Purchase Agreement

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	10/04/2012 04:43 PM
Form Started By: Darren Lazan		Started On: 10/04/2012 10:17 AM
		Final Approval Date: 10/04/2012

DRAFT

**PURCHASE AGREEMENT
FOR PORTION OF OUTLOT H, RAMSEY TOWN CENTER ADDITION
RAMSEY, MINNESOTA**

Dated: October ____, 2012 (the "Effective Date")

1. **PARTIES.** The parties to this Purchase Agreement (this "Agreement") are:
 - a. 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, Executive Director (the "SELLER"); and
 - b. **M & W HOLDING COMPANY, LLC**, a Minnesota limited liability company, 14590 Armstrong Boulevard NW, Ramsey, Minnesota 55303 (the "BUYER").

This Agreement sometimes refers to SELLER and BUYER individually as a "Party" and collectively as the "Parties".

2. **OFFER/ACCEPTANCE.** BUYER agrees to purchase and SELLER agrees to sell on the terms of this Agreement a one acre unimproved tract of land located at the Northeast corner of the intersection of Armstrong Boulevard NW and Sunwood Drive, Ramsey, Minnesota, 55303, Anoka County, Minnesota, which tract of land is legally described on the attached Exhibit A. (the "Property"). Upon platting the Property will be known as Lot 3, Block 1 COR TWO, Anoka County, Minnesota.

3. **ACCEPTANCE DATE.** The acceptance date of this Agreement is the date it is signed by the last party signing.

4. **PURCHASE PRICE.** The purchase price for the Property is Five Hundred Thousand Nine Hundred Forty and 00/100 Dollars (\$500,940.00) (the "Purchase Price").

- a. Pursuant to paragraph 16.i. below this Agreement is contingent upon the parties hereto negotiating and entering into a Lease Agreement having an 18 month term from the Date of Closing for the property located at 14590 Armstrong Boulevard NW, Ramsey, Minnesota, (the "Lease").

- b. In the event BUYER, acting as the Lease tenant elects to terminate the Lease earlier than its stated 18 month term, SELLER will rebate a maximum of \$45,000.00 to BUYER as consideration for BUYER'S construction and occupancy of its development project on the Property. The specific rebate amount shall be at the rate of \$5,000.00/month for each month or part thereof by which BUYER reduces the Lease term for a maximum of nine (9) months or a \$45,000.00 purchase price rebate. SELLER offers this rebate as an incentive for BUYER to close on the Property, construct and occupy its improvements as reasonably soon as possible

5. **EARNEST MONEY.** Concurrently with the execution hereof BUYER shall deposit with SELLER the amount of \$5,000.00 as Earnest Money hereunder (“Earnest Money”). SELLER may commingle the Earnest Money with other funds of SELLER. Earnest Money in the possession of Seller remains the property of BUYER until paid to SELLER pursuant to Section 7 below or until BUYER defaults in the performance of BUYER’s obligations under this Agreement and SELLER cancels this Agreement pursuant to the provisions of Section 18 below, in which case SELLER may retain the Earnest money as liquidated damages. If SELLER defaults in the performance of SELLER’s obligations under this Agreement, BUYER may terminate this Agreement pursuant to the provisions of Section 17 below, and SELLER must return the Earnest Money to BUYER.

6. **THE DATE OF CLOSING.** The "Date of Closing" is October 16, 2012.

7. **CLOSING.** The Parties will meet at the offices of Commercial Partners Title, LLC. (the “Title Company”), 200 South Sixth Street, Suite 1300, 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 10.1.9 Warranty Deed subject only to:

- (a) Building, zoning and subdivision statutes, laws, ordinances and regulations.
- (b) Reservations of minerals or of mineral rights in favor of the State of Minnesota, if any.
- (c) The lien of real estate taxes and special assessments not yet due and payable.
- (d) Covenants, conditions, restrictions and easements of record.
- (e) **Condition Subsequent.** The Deed shall contain a reservation of a right of re-entry for breach of conditions subsequent in favor of Seller pursuant to which Seller may commence an action in Anoka County District Court seeking a order re-vesting title to the Property in Seller if (i) Buyer does not commence construction of the improvements on the Property (the “Buyer Improvements”) within twelve months after the date of the Deed; or (ii) Buyer does not substantially complete the construction of Buyer Improvements within twenty-four months after the date of the Deed. For purposes of this right of re-entry, Buyer will be deemed to have commenced construction when Buyer has (a) obtained building permits for the construction of Buyer Improvements; and (b) caused

material or labor to be furnished to the Property in a manner and to an extent sufficient that a mechanic's lien for such work would attach and take effect pursuant to Minn. Stat. §514.05, and Buyer will be deemed to have substantially completed construction of Buyer Improvements when Buyer Improvements are sufficiently complete to make them eligible for receipt of a certificate of occupancy under the City's ordinances. To facilitate Buyer's acquisition of financing for the project, Seller will subject Seller's interest under the right of re-entry to the lien of a mortgage granted by Buyer provided Buyer and the Mortgagee agree that the proceeds of the loan that the mortgage secures must be used to pay hard or soft costs Buyer incurs in connection with the acquisition of the Property and the construction of Buyer Improvements and provided further that Buyer and mortgagee acknowledge, in writing, that if Buyer defaults in the performance of Buyer's obligations under the mortgage and the mortgagee forecloses before Buyer has satisfied the conditions of the right of re-entry, Seller may redeem the Property from foreclosure, as an owner, within the time allowed by law. The provisions of this Section 7(e) shall survive the Closing and the delivery of the Deed.

- (f) The Agreement and Declaration of Easements, Covenants and Restrictions for COR Two attached as Exhibit B;
 - (g) A special service district "SSD" established by the City of Ramsey pursuant to Minn. Stat. Chapter 428 (A) described on attached Exhibit C;
 - (h) The covenants, conditions, restrictions and easements attached as Exhibit D (the Existing Encumbrances);
 - (i) The COR Two Plat attached as Exhibit E;
 - (j) Use restriction-Quick Service Restaurant with Beef or Chicken Benefiting Lot 4 described on attached Exhibit F;
 - (k) The Sunwood Construction Improvements described on attached Exhibit G;
 - (l) The Platting Fees attached as Exhibit H.
- (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 warranty deed and any other documents required hereunder;

(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 warranty 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;

(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;

(vii) deliver to BUYER the Bring Down Certificate described in Section 9;

(viii) execute and deliver a Settlement/HUD Closing 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;

(x) provide evidence of payment of the following: the cost of providing the Title Commitment; the State Deed Tax due upon the execution of the Warranty Deed; any 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 12; the commission or fee due any real estate agent that SELLER has employed in connection with this transaction.

b. BUYER must:

(i) tender Five Hundred Thousand Nine Hundred Forty and 00/100 Dollars (\$500,940.00) to SELLER via wire transferred funds, less the Earnest Money

(ii) 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 12, 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.

8. **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 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 8, SELLER may terminate this Agreement by written notice to BUYER pursuant to Section 17.

9. **EVIDENCE OF TITLE.** Within ten (10) days after the Effective Date, BUYER will obtain a current commitment from the Title Company to issue an ALTA 2006 Owner's Policy of Title Insurance, in the amount of the Property Payment, insuring BUYER's title to the Property (the "Title Commitment"). The Title Commitment will (i) include any easements that are appurtenant to the Property in the description of the land set forth in Schedule A; (ii) state, in Schedule B-1, Title's requirements for deleting the standard exceptions; and (iii) list, in Schedule B-1, any liens to be satisfied at Closing. Seller will also cause Title to deliver to BUYER (i) copies of any documents referenced in the legal description, Schedule B1 or Schedule B2 of the Title Commitment; (ii) copies of the most recent vesting deeds for each adjoining parcel; (iii) a copy of the certificate of title if the Lane is registered property; and (iv) a copy of the vesting deed for the Land (the "Evidence of Title").

10. **EXAMINATION OF TITLE.** Within ten (10) days after BUYER's receipt of the last item of the Evidence of Title or within ten (10) days of BUYER's discovery of a Title Defect, as defined below, that is not reasonably ascertainable from the Evidence of Title, BUYER may give SELLER written notice of the alleged Title Defect, as defined below, and request that SELLER make SELLER's title marketable of record and in fact ("Objections"). The term "Title Defect," as used in this Agreement means a defect in or an encumbrance on SELLER's actual or record title to the Property which render's SELLER's title unmarketable under Minnesota Law. The Permitted Encumbrances may not serve as a basis for an Objection.

If BUYER notifies SELLER of Objections within the time period set forth above, SELLER must use commercially reasonable efforts to make SELLER's actual and record title to

the Property marketable, but SELLER has no obligation to commence a law suit or pay money to make SELLER's title marketable.

If SELLER notified BUYER that SELLER does not intend to make SELLER's title marketable or if SELLER notified BUYER that SELLER will attempt to make SELLER's title marketable but is unable to do so within the Cure Period, BUYER may either:

- a. terminate this Agreement pursuant to the procedures set forth in Section 17 below; or
- b. notify SELLER that BUYER waives BUYER's Objection. If waives BUYER's Objection, the Title Defect giving rise to such Objection is deemed a Permitted Encumbrance, and the Parties will fully perform their obligations under this Agreement. The Parties will establish a new Date of Closing by mutual agreement, but if the Parties cannot establish a new Date of Closing by mutual agreement, the Date of Closing will be the date thirty (30) days from the effective date of BUYER's notice to SELLER that BUYER waives BUYER's Objections.

If BUYER does not notify SELLER of BUYER's election to terminate this Agreement pursuant to subsection (a) above or waive BUYER's Objection pursuant to subsection (b) above within ten (10) days of the expiration of the Cure Period, this Agreement will automatically terminate, BUYER will execute and deliver a recordable quit claim deed to the Property or other recordable evidence of the termination of this Agreement to SELLER, and SELLER will simultaneously return or instruct the Earnest Money Agent to return the Earnest Money to BUYER.

11. COSTS AND FEES CONCERNING DEVELOPMENT OF PROPERTY.

a. **Seller's Plat Obligations.** SELLER has prepared and has submitted an application to the City of Ramsey where the Property is located, "the City" for approval of a plat of the Property (the "**Plat**"). A copy of the Plat is attached hereto as Exhibit D. The Plat does plat the Property as a separate lot and does dedicate a right of way for a public street contiguous to the easterly boundary of the Property. Seller will use commercially reasonable efforts to cause the City to submit the Plat to the City's city council (the "City Council") for preliminary plat approval and final plat approval on or before the Closing Date. Seller shall also grade and establish the Property to the approved elevations and shall extend utilities to the Property;

b. **Seller's Construction Obligations.**

(i) On or before October 16, 2012, Seller will deliver to BUYER plans and specifications for the construction of the public street improvements and the public utility lines to be constructed in the public right of way located adjacent to and westerly of the Property ("Seller's Plans").

(ii) After Closing, Seller shall commence or cause the City to commence construction of a public street and public utility lines depicted on Seller's Plans attached Exhibit F (the "Seller's Work"), and Seller will complete or cause the City to complete Seller's Work on or before the date which is ninety days after Closing.

c. **Fees.** It is understood and agreed that the City's ordinances impose various fees and charges that are payable upon the approval of a final plat. Attached as Exhibit G is a description of the fees and charges that will be payable when the Plat is approved and an estimate of the amount of the fees and charges attributable the Property (the "**Platting Fees**"). The City's ordinances authorize the City Council to defer the payment of the **Platting Fees** until a property owner applies for a building permit for the construction of improvements on the property that is platted, and Seller shall ask the City Council to defer the payment of the **Platting Fees** until Buyer applies for a building permit for the construction of improvements on the Property. Buyer is responsible for the payment of the **Platting Fees**, and Seller is responsible for the payment of the fees or charges that are payable upon the approval of the Plat that are attributable to portions of the SELLER's property other than the Property. If the City Council does not defer the payment of the **Platting Fees** until Buyer applies for a building permit, Buyer must pay the **Platting Fees** at Closing. Seller has made a good faith effort to accurately set forth the nature and amount of the **Platting Fees** on Exhibit G, but Seller is not representing or warranting the accuracy of Exhibit G and in the event of a conflict between the terms of the City's ordinances and Exhibit G, Buyer will be required to pay all fees due and payable with respect to the Property under the terms of the City's ordinances.

d. **Expenses of Buyer.** Buyer shall pay all other costs of the development of the Property, including, without limitation, obtaining an approved site plan for the Property, the designing the stormwater management and drainage system for the Property; obtaining and implementing an approved wetland mitigation plan for the Property; and to design and construct Buyer's building, parking facilities, stormwater management and drainage system, landscaping and related improvements on the Property.

12. **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 Closing 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. BUYER and SELLER shall pro-rate the real estate taxes and service Charge, if any due and payable in the year of Closing, on a per diem basis, using a calendar year, to the Date of Closing. The parties will pro-rate these amounts using current year real estate tax information.

c. On or before the Date of Closing, SELLER will pay or provide for the payment of all special assessments levied against the Property before the Effective Date, including installments of special assessments certified for payment with the current year's real estate taxes.

13. **REPRESENTATIONS OF SELLER'S.** 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 there is no person 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;

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 report the cover page of which is attached as Exhibit G, (the "Environmental Report"), and copies of which entire Environmental Report BUYER may examine at SELLER'S offices located at the address provided in paragraph 1.a. above. 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 the 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, the Property has not been used for the production of methamphetamine; and

g. SELLER represents that, to the best of SELLER's actual knowledge, there are no abandoned individual sewage treatment systems on the Property.

For purposes of this Agreement the phrase "to the best of SELLER's actual knowledge" means to the actual knowledge of Mr. Darren Lazahn. 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 13 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 13 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 "Bring Down Certificate").

14. **REPRESENTATIONS OF BUYER.** BUYER represents to SELLER that, as of the Effective Date:

a. BUYER is a limited liability company, duly organized pursuant to the laws of the State of Minnesota, and is fully authorized to transact business in the State of Minnesota;

b. The individual signing this Agreement on behalf of BUYER is fully authorized and empowered to sign this Agreement on BUYER's behalf. Upon execution of this Agreement, it will be fully binding upon BUYER.

15. **BUYER'S INSPECTION.** At all times prior to the actual date of Closing, BUYER, any of its 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 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 attorney's 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 13, 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 13 of this Agreement. Subject to BUYER's right to terminate this Agreement pursuant to

Sections 16, and 17, BUYER is purchasing the Property in "AS IS" condition relying only on the representations set forth in Section 13.

16. **BUYER'S CONTINGENCIES.** BUYER's obligations under this Agreement are contingent on:

- a. the representations set forth in Section 13 being true, when made;
- b. the representations set forth in Section 13(b), 13(c) and 13(e) being true as of the Date of Closing;
- c. 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.
- d. BUYER's determination in BUYER's reasonable discretion, and on or before October __, 2012, that the condition of the Property and improvements are acceptable to BUYER.
- e. On or before October __, 2012, BUYER obtaining a commitment for mortgage financing in an amount not less than _____ percent (___%) of the Purchase Price, for a term of _____ (____) years, at an interest rate of not greater than _____ percent (___%), with an amortization period of not less than _____ (____) years ("Financing Commitment") and providing a copy of such Financing Commitment to SELLER.
- f. If prior to Closing, SELLER subjects the Property to a Master Declaration, or the City of Ramsey establishes a special service district pursuant to Minnesota Statute Chapter 428(A) that includes the Property, BUYER's obligations under this Agreement are contingent upon BUYER's approval of the recorded Master Declaration and related documents and/or the ordinance establishing the special service district. If BUYER does not approve of the Master Declaration, or other related documents, or the ordinance adopting the special service district, BUYER may, at any time prior to the Date of Closing, terminate this Agreement pursuant to Section 18.
- g. The City's preliminary and final approval of a plat that subdivides Outlot H, Ramsey Town Center Addition, Anoka County, Minnesota, into the Property and one or more other lots or outlots together with any other site plan approval required by the City. If the SELLER notifies BUYER in writing that the Plat is materially revised from the version attached as Exhibit F, the revised Plat shall be subject to BUYER's prior written approval; provided, however, that BUYER must notify SELLER regarding any objections to the revised Plat within ten (10) business days of receiving SELLER's notice of the revised Plat or the revised Plat will be deemed acceptable to BUYER.
- h. BUYER's acquisition of any rezoning or subdivision approvals, variances, conditional use permits, licenses, operating permits or other federal, state or local approvals or permits (collectively, the "Permits") necessary for BUYER's construction of

improvements on the Property and intended use of the Property as a off sale liquor store/restaurant within one hundred eight (180) days of the date of this Agreement. As soon as reasonably possible after BUYER and SELLER's execution of this Agreement, BUYER must apply to the City or and any other appropriate governmental agencies for all Permits necessary for BUYER's intended use of the Property, and BUYER must diligently pursue the acquisition of all such Permits. BUYER must pursue the acquisition of such Permits at BUYER's sole cost and expense. SELLER agrees to cooperate with BUYER in the acquisition of such Permits but is not required to incur any cost or expense. If BUYER is unable to obtain all Permits necessary for BUYER's intended use of the Property, BUYER may, within said 180 day period provided for in this Section 16(h), terminate this Agreement pursuant to Section 18 below. BUYER's failure to terminate this Agreement within the 180 day period provided for in this Section 16(h) will constitute BUYER's waiver of this contingency, and the Parties must fully perform their Obligations under this Agreement.

i. SELLER and BUYER entering into the Lease with an 18 month term for the property located at 14590 Armstrong Boulevard NW, Ramsey, Minnesota on or before the Date of Closing of the sale transaction contemplated by this Agreement.

j. The BUYER's successful purchase and closing on or before the Date of Closing of the property located at 14590 Armstrong Boulevard NW, Ramsey, Minnesota. The BUYER in this Agreement is the "SELLER" of the said Armstrong Boulevard property.

k. The SELLER delivery of evidence that the Property is not encumbered by the Master Declaration – Ramsey Town Center dated August 5, 2005 and recorded in the Anoka County Recorder's office and the Anoka County Registrar of Titles office as Document Nos. 1978252.001 (Abstract) and 484495.001 (Torrens) (as amended from time to time) (the "Master Declaration").

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 7 above, BUYER may terminate this Agreement pursuant to Section 18. If, as of October 28, 2012 the transaction has not closed and BUYER has not given SELLER a notice of default pursuant to Section 17(b) of this Agreement, BUYER will be deemed to have exercised these contingencies and terminated this Agreement.

17. **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 17(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 18 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 17(b) are BUYER's sole and exclusive remedies in the event of SELLER's default.

18. TERMINATION OF THIS AGREEMENT. Sections 16 and 17(b)(i) of this Agreement allow BUYER to terminate this Agreement under certain conditions. Section 17 a.(i) 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 17 a.(i) is governed by Minnesota Statutes and not by the provisions of this Section 18.

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.

19. COVENANTS.

a. Covenants of SELLER.

(i) On or before the actual date of Closing, SELLER must satisfy, of record, or have the Property released, of record, from any voluntary or involuntary liens encumbering the Property.

(ii) On or before the actual date of Closing, SELLER must pay for all labor or materials furnished to the Property at the request of SELLER between the Effective Date and the actual date of Closing.

(iii) Between the Effective Date and the actual date of Closing, SELLER will fully perform each of SELLER's obligations under and will observe any restriction imposed by any easement agreement, covenant, condition or restriction affecting or relating to the Property.

(iv) Between the Effective Date and the actual date of Closing, SELLER will not, without BUYER's prior written consent, grant, enter in to or agree to enter in to any lease, easement, covenant or restriction affecting the Property.

(v) SELLER will deliver to BUYER such of the following as are currently in SELLER's possession or readily available to SELLER at no cost within ten (10) days after the Effective Date:

A. Construction and As Built drawings and specifications for the improvements located on the Property, if any;

B. All environmental assessments or reports relating to the Property, if any; and

C. All governmental development documents, if any.

(vi) From and after the Effective Date, SELLER will not perform any grading or excavation, construction or removal of any improvement or landscaping or otherwise make any other change or improvement upon or about the Property, without BUYER's consent which consent BUYER may not unreasonably withhold, condition or delay.

(vii) Prior to Closing, water, sanitary sewer, storm sewer, gas, electricity and telephone utilities will be delivered to five (5) feet inside of the Property line in a location reasonably acceptable to BUYER.

(viii) Prior to Closing, SELLER will work with the City to finalize the Plat together with any other site plan approval required by the City.

b. Covenants of Buyer.

(i) Between the Effective Date and the contingency date set forth in Section 15e, SELLER will use commercially reasonable efforts to obtain a Financing Commitment as defined in Section 16e.

(ii) If BUYER has engaged a real estate agent in connection with this transaction, BUYER must pay BUYER's Agent any commission or fee due to BUYER's Agent in connection with this transaction.

20. **MISCELLANEOUS.**

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

b. **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.

c. **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 SELLER: William K. Goodrich
Randall and Goodrich, P.L.C.
2140 Fourth Avenue North

Anoka, MN 55303
Telephone No: (763) 421-5424

Attorney for BUYER: James M. Neilson, Attorney at Law
118 East Main Street
Anoka MN 55303
Telephone: 763-489-4000
Fax: 763-489-4001
E-mail: jim@neilson-law.com

- d. **Full Agreement.** The Parties acknowledge that this Agreement represents 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 supersedes and replaces 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.
- e. **Governing Law.** This Agreement has been made under the laws of the State of Minnesota and such laws control its interpretation.
- f. **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.
- g. **Partial Invalidity.** If any part of this Agreement or any part or any provision thereof shall be adjudicated to be void or invalid, then the remaining provisions hereof not specifically so adjudicated to be invalid shall be executed without reference to the part or portion so adjudicated, insofar as such remaining provisions are capable of execution.
- h. **Headings.** The headings of the paragraph and subparagraphs of this Agreement are for convenience and reference only, and do not form a part hereof and in no way interpret or construe such paragraphs and subparagraphs.
- i. **Words Interchangeable.** Words of pronoun shall be interchangeable with respect to gender and singular or plural as the context of application requires. If two or more parties are referred to collectively under designation, the liability of each shall be joint and several.
- j. **Execute Necessary Documents.** Each of the parties shall execute any and all instructions, releases, assignments and consents which may be reasonably required in order to carry out the provisions of this Agreement.

- k. **No Agency.** Nothing herein shall be construed in such a manner so as to constitute one party to be an agent or representative of the other and neither shall hold itself out as such.
- l. **No Actions on Behalf of Other.** Neither party shall make any warranty or representation, or incur any obligation, liability or indebtedness on behalf of the other.
- m. **Waiting Required.** No amendment, modification or waiver of any condition, provision or term of this Agreement shall be valid or of any effect unless made in writing, signed by the party or parties to be bound or its duly authorized representative and specifying with particularity the extent and nature of such amendment, modification or waiver. Any waiver by any party of any default of another party shall not affect or impair any right arising from any subsequent default.
- n. **Exhibits.** Incorporated into this Agreement by reference, as described above, are:

Exhibit A	Legal Description
Exhibit B	Agreement and Declaration of Easements, Covenants and Restrictions for COR Two
Exhibit C	A special service district "SSD" established by the City of Ramsey pursuant to Minn. Stat. Chapter 428 (A)
Exhibit D	Existing Encumbrances
Exhibit E	COR Plat;
Exhibit F	Use restriction-Quick Service Restaurant with Beef or Chicken Benefiting Lot 4
Exhibit G	Sunwood Construction Improvements;
Exhibit H	Platting Fees

BUYER:

M & W HOLDING COMPANY, LLC

Dated: _____, 2012

By: _____
Its: Chief Manager

SELLER:

RAMSEY HOUSING AND REDEVELOPMENT AUTHORITY

Dated: _____, 2012

By: _____

Its: Chair person

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B
AGREEMENT AND DECLARATION OF EASEMENTS,
COVENANTS, AND RESTRICTIONS FOR COR TWO

EXHIBIT C
A SPECIAL SERVICE DISTRICT “SSD” ESTABLISHED BY THE
CITY OF RAMSEY PURSUANT TO MINN. STAT. CHAPTER 428(A)

EXHIBIT D
EXISTING ENCUMBRANCES

EXHIBIT E
COR PLAT

EXHIBIT F
USE RESTRICTION-QUICK SERVICE RESTAURANT WITH
BEEF OR CHICKEN BENEFITING LOT 4

EXHIBIT G
SUNWOOD CONSTRUCTION IMPROVEMENTS

**EXHIBIT H
PLATTING FEES**

Meeting Date: 10/09/2012

By: Darren Lazan, Housing &
Redevelopment Authority

Information

Title:

Approve Development Agreement - COR TWO

Background:

The five acre area created as part of the realignment of Sunwood Drive has been commonly referred to as the Sunwood Retail Area. This developable land has been included in the plat of COR TWO, which consists of all property west of Zeolite including the existing Northstar Marketplace and the remaining area north of the realigned Sunwood Drive.

As part of the normal development process, the HRA as developer of the overall project, is required to enter into a development agreement with the city of Ramsey, for items related to the project.

Notification:

Observations:

Some of the items in this agreement include:

- The construction of common improvements for the project
- Establishing development fees for the five lots in the plat
- Establishing sureties for the Phase I improvements

Recommendation:

The development team recommends the approval of the development agreement.

The development team recommends the HRA consider the funding of the improvements related to Northstar Marketplace and provide direction to either include in the costs of the project, or request the city council include this cost in the Sunwood Drive project.

Funding Source:

Funding of the HRA obligations under this agreement is from three sources:

Obligations related to Lots 4 and 5 will be pre-paid from proceeds of initial lot sales, and reimbursed by the eventual owners of those lots.

Obligations related to Lot 3 will be paid by the buyer of that parcel, at the closing on that lot.

Obligations related to re-establishing the connection from Northstar Marketplace to Sunwood and providing additional parking as part of the agreement with Sophia Ramsey would normally be funded as part of the roadway project. HRA should consider whether this work should be funded as part of their project and paid from proceeds of land sales.

Council Action:

Approve the Development Agreement related to the plat of COR TWO.

Attachments

Development Agreement - COR TWO

Form Review

Inbox

Kurt Ulrich

Form Started By: Darren Lazan

Reviewed By

Kurt Ulrich

Date

10/04/2012 12:52 PM

Started On: 10/04/2012 10:14 AM

Final Approval Date: 10/04/2012

**CITY OF RAMSEY
DEVELOPMENT CONTRACT FOR COR TWO**

This CONTRACT dated this _____ day of _____, 2012, and is by and between the **CITY OF RAMSEY**, a Minnesota municipal corporation (the “**CITY**”), the **THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA**, 7550 Sunwood Dr NW, Ramsey, MN 55303, (the “**PERMITTEE**”).

WHEREAS, the **PERMITTEE** is the owner of land legally described as follows:

Outlots F, G, & H, RAMSEY TOWN CENTER ADDITION

WHEREAS, Sophia-Ramsey, LLC, a Minnesota Limited Liability corporation, is the owner of land legally described as follows:

Lots 1 & 2, Outlot A, RAMSEY TOWN CENTER 3RD ADDITION

WHEREAS, Lots 1 & 2, RAMSEY TOWN CENTER 3RD ADDITION and Outlots F, G, & H, RAMSEY TOWN CENTER ADDITION, will be legally described as follows upon recording:

Lots 1-5, Outlot A, COR TWO

(the “Subject Property”); and

WHEREAS, the **PERMITTEE** has received approval from the **CITY** to subdivide the Subject Property and plat the same as COR TWO (the “Plat”).

THEREFORE, THE CITY and the PERMITTEE AGREE AS FOLLOWS:

1. Conditions of Approval. The **CITY** hereby approves the Plat on condition that:
 - a. The **PERMITTEE** enter into this Contract, and
 - b. Marketable Title. Prior to recording of the Final Plat, the **PERMITTEE** shall provide the **CITY** with proof of marketable title to the Plat either through a currently certified abstract, registered property abstract or title insurance.
 - c. Proof of Authority. The **CITY** requires the **PERMITTEE** to provide proof of authority by their respective governing boards to execute this Contract. This proof of authority may be satisfied by providing the **CITY** with a certified copy of the minutes of the governing board of each entity which grants such authority.
 - d. Violation of This Contract. If the **PERMITTEE** fails to perform any of the terms of this Contract in the manner required by the **CITY**, the **CITY** shall be entitled to recover, from the defaulter, or the issuer of their financial guarantee, the full amount of any and all financial guarantees. Breach of any of the terms of this Development Contract by the **PERMITTEE** shall also be grounds for denial of Building Permits to the **PERMITTEE**.
2. Development Plans. The **PERMITTEE** shall develop the Plat in accordance with the Final Plat Plans prepared by Landform Professional Services dated July 9, 2012, *revised July 25, 2012* (the “Plans”), subject to revisions per the City Staff Review Letter dated July 7th, 2012,

revised August 9th, 2012. The Plans shall not be attached to this Contract, but are in **CITY** files.

3. Stage I CITY Improvements Required. The improvements the **CITY** requires are as follows:
- a. Streets – construction of Sunwood Drive (already constructed)
 - b. Concrete curb and gutter – along Sunwood Drive (already constructed)
 - c. Street traffic control signals – for Sunwood Drive (already constructed)
 - d. Lot grading (already complete)
 - e. Sidewalks – along Sunwood Drive (already constructed)
 - f. Boulevard sodding – from back of curb to sidewalk

(“Stage I **CITY** Improvements”)

The **CITY** agrees to construct the Stage I Improvements according to the terms and conditions of this Contract and in accordance with the Plans.

4. Stage I PERMITTEE Improvements Required. The improvements the **CITY** requires that are to be constructed by the **PERMITTEE** are as follows:
- a. Trunk and lateral sanitary sewer
 - b. Trunk and lateral water main
 - c. Storm drainage facilities
 - d. Streets – internal shared access/private driveway
 - e. Street traffic control signals – at access points to Sunwood Drive
 - f. Trail development
 - g. Sidewalks
 - h. Electricity – (appears to be already constructed)
 - i. Phone – (appears to be already constructed)
 - j. Natural gas – (appears to be already constructed)
 - k. Boulevard sodding – from sidewalk to property line
 - l. Water shut off boxes
 - m. Easement acquisition
 - n. As-built plans
 - o. Stage I financial surety

(“Stage I **PERMITTEE** Improvements”)

The **PERMITTEE** agrees to construct the Stage I **PERMITTEE** Improvements according to the terms and conditions of this Contract and in accordance with the Plans. The final construction plan for the Stage I Improvements shall be submitted to the **CITY** Engineer for review and approval prior to commencement of construction.

The **PERMITTEE** agrees to provide specifications, subject to review and approval of the City Engineer, for construction and restoration of utilities within existing rights of way. Work must be completed under traffic, be brought up to grade, and must be restored to existing conditions within 24 hours.

The **PERMITTEE** shall be responsible for completing the rough grading of the Plat and providing lot corner stakes prior to the installation of underground utilities as set forth above.

Stage I PERMITTEE Improvement Financial Guarantee. To ensure the construction of the Stage I Improvements and their timely completion, the **PERMITTEE** shall be responsible for a financial guarantee in the amount of 125% the cost of the Stage I **PERMITTEE** Improvements. **PERMITTEE** agrees to assign the Stage I **PERMITTEE** Improvement Financial Guarantee to assigns and heirs.

5. Inspection Fees. Since the **PERMITTEE** is a **CITY** authority, the **PERMITTEE** shall not be required to provide an escrow to the **CITY** for the purpose of compensating for inspection services.
6. Installation. Stage I Improvements shall be installed in accordance with the Plans and in accordance with **CITY** standards, City Code and those plans and specifications which have been prepared by a registered professional engineer presented to the **CITY** by **PERMITTEE** and approved by the **CITY** Engineer. **PERMITTEE** shall obtain all necessary permits from all agencies before proceeding with construction and the Stage I Improvements. Within thirty (30) days after the completion of the Improvements and before the security is released, **PERMITTEE** shall supply the **CITY** with a complete set of reproducible “As Built” plans.
7. Time of Performance. Not applicable.
8. Ownership of Improvements. Upon the completion of the work and construction required to be done by this Contract, the Stage I Improvements lying within public easements shall become **CITY** property without further notice or action.
9. License. **PERMITTEE** hereby grants the **CITY**, its agents, employees, officers, and contractors, a license to enter the Plat to perform all necessary work and/or inspections, on each respective property, deemed appropriate by the **CITY** during installation of Stage I Improvements by the **CITY**. The license shall expire after the Stage I Improvements installed pursuant to this Contract have been installed and accepted by the **CITY**.
10. Stage II CITY Improvements. The Stage II Improvements which the **CITY** requires are as follows:
 - a. Boulevard streetlights consistent with the COR master lighting and City policy (3 years O & M) – (already constructed)

 (“Stage II **CITY** Improvements”)
11. Stage II PERMITTEE Improvements. The Stage II Improvements which the **CITY** requires are as follows:
 - a. Monuments

 (“Stage II **PERMITTEE** Improvements”)
12. Stage I and Stage II Improvements to Outlots. The **PERMITTEE** agrees that Stage I and Stage and Stage II Improvements are being constructed for Lots 1 – 5 only. The **PERMITTEE** agrees that Stage I and Stage II Improvements are not being constructed for Outlot A, COR TWO but will be completed when the status of Outlot A, COR TWO is changed by the filing of a separate plat for Outlot A, COR TWO.

13. Payment for Stage II PERMITTEE Improvements. No additional payment to ensure construction of Stage II Improvements shall be required for the Plat.

Stage II Improvements shall be installed in accordance with the Plans and in accordance with CITY standards, CITY Code, and those plans and specifications which have been prepared by a registered professional engineer presented to the CITY by THE PERMITTEE have been approved by the CITY Engineer.

14. Street Cleaning and Clean Up. After the street surfacing is installed, the PERMITTEE shall clear any soil, earth, or debris from the streets resulting from any construction within the Plat by each of them. From time to time, the CITY may remove accumulations of soil, earth, and debris from the streets resulting from the construction of the plat. It shall be the PERMITTEE's responsibility to pay the costs associated with this necessary street cleaning. Invoices from the CITY to the PERMITTEE for such costs shall be paid within fifteen (15) days of the date of the invoice.

15. PERMITTEE Default. In the event of default by the PERMITTEE as to any of the work to be performed by it hereunder, the CITY may, at its option, perform the work and the PERMITTEE shall promptly reimburse the CITY for any reasonable expense incurred by the CITY, provided the PERMITTEE is first given written notice of the work in default, not less than 48 hours in advance. This Contract is a license for the CITY to act, and it shall not be necessary for the CITY to seek a Court Order for permission to enter the Subject Property. When the CITY does any such work, the CITY may, in addition to its other remedies, assess the cost in whole or in part to the benefitted property. The PERMITTEE grants the City approval to seek reimbursement from any of the PERMITTEE's escrows held by the CITY.

16. Miscellaneous.

- a. Invalidity of Any Section. If any portion, section, subsection, sentence, clause, paragraphs or phrase of this Contract is for any reason invalid, such decision shall not affect the validity of the remaining portion of this Contract.
- b. Written Amendments Only. The action or inaction of the CITY shall not constitute a waiver or amendment to the provisions of this Contract. To be binding, amendments or waivers shall be in writing, signed by the parties and approved by written resolution of the CITY Council. The CITY's failure to promptly take legal action to enforce this Contract shall not be a waiver or release.
- c. Compliance with Laws and Regulations. The PERMITTEE represents to CITY that the Plat complies with all City, County, metropolitan, State, and Federal laws and regulations, including but not limited to: subdivision ordinances, zoning ordinances and environmental regulations. If the CITY determines that the Plat does not comply, the CITY may, at its option, refuse to allow any construction or development work in the Plat until the PERMITTEE does comply. Upon the CITY's demand shall cease work until there is compliance.
- d. Mailbox Locations. If the PERMITTEE desires to construct mailboxes within the right of way, the PERMITTEE agree that the placement of mailboxes along public streets is subject to the approval by the CITY. Utility locates will be necessary.

- e. Boulevard and Area Restoration. The **PERMITTEE** shall be responsible for the cost of establishing seed in all boulevards within thirty (30) days of the completion of the street improvements, and restoring all other areas disturbed by the development grading operation in accordance with the approved Grading and Erosion Control plan. The **PERMITTEE** shall be responsible for the cost of cleaning any soil, earth, or debris from the wetlands within and adjacent to this Plat resulting from grading performed in the development of the Plat.
- f. Construction, Hours and Entrance Signs. The **CITY** restricts construction and delivery hours to Monday through Saturday 7:00 a.m. to 10:00 p.m. The **PERMITTEE** is required to provide a sign at each entrance point stating delivery and construction operation hours. Said signs are not to exceed eighty (80) square feet in size and must be clearly visible at all times during the construction period.
- g. Constructing Site Maintenance. The **PERMITTEE** shall adhere to all **CITY** ordinances relating to, but not limited to, dumping of garbage, site development, construction debris, open burning, etc.
- h. Estimated Cost. It is understood and agreed that cost amounts set forth in this Contract as to Stage I and Stage II Improvements, unless qualified as fixed amounts, are estimated. The **PERMITTEE** agree to pay the entire cost of said improvements including interest, engineering and legal fees related thereto.
- i. Plat Approval Expenses. The **PERMITTEE** agrees that it will pay to **CITY** all **CITY** expenses incurred in the approval of the Plat, including, but not limited to, administration expenses, engineering and legal fees. Said expenses incurred after recording of the Final Plat shall also be paid within said fifteen (15) day billing period. Failure to pay the **CITY'S** expenses within the fifteen (15) day billing period will permit the **CITY** to draw upon any of the escrows required by this contract for payment.
- j. Reimbursement to the CITY. The **PERMITTEE** agree to reimburse the **CITY** for all costs incurred by the **CITY** in defense or enforcement of this Contract, or any portion thereof, including court costs and reasonable engineering and attorney's fees.
- k.
- l. Certificate of Occupancy. The term "Certificate of Occupancy" as used in this Contract shall be defined as a document issued by the **CITY'S** Building Official, which authorizes the structure to be used for its intended purposes.
- m. Estoppel Certificate. The **CITY** agrees to provide the **PERMITTEE** with an estoppel certificate within 15 days of a written request by the **PERMITTEE**. The **CITY** agrees to provide said certificate upon verification that the terms of this Contract have been satisfied.
- n.
- o.

17. Requirements for Building and Occupancy Permits.

- a. No building permit for any lot in the Plat shall be issued until: (a) a Class 5 driving surface is installed to within 300 feet of the structure; (b) a Certificate of Survey,

including that survey information required by the **CITY** has been supplied to the **CITY** Building Official; c.) all the financial guarantees required by the **CITY** have been satisfied; d.) a Permit from the Lower Rum River Watershed Management Organization has been obtained; (e) a Permit from Anoka County Soil Conservation District has been obtained (if necessary); and (f) this Contract has been signed and received by the **CITY**.

b. No occupancy permit for any lot in the Plat shall be issued until: (a) vehicular access to the lot is provided, including the installation of at least one layer of bituminous surfacing; (b) all utilities are in place, operational and accepted by the **CITY**; (c) for lots that have a slope of less than 2%, a certificate of grading, prepared by a licensed (State of Minnesota) professional land surveyor, must be provided to the **CITY** documenting that the flattest grade on this lot is 1% or greater; and (d) boulevard sod and landscape tree, or escrow for same, have been provided.

c. Payment of Development Fees.

18. Park Dedication. The **PERMITTEE** is responsible for satisfying Park Dedication requirements. The 2012 Park Dedication Fee is \$4,738 per commercial area of net developable area. You will be responsible for a payment of Eighteen Thousand Eight Hundred Ten Dollars and No Cents ($\$2,475 \times 3.97$ acres = **\$18,810.00**). The rate in effect at the time of execution of this Contract will be collected. Proof of recording of this Contract shall be proof that this fee has been paid.

19. Trail Development Fees. The **PERMITTEE** development is responsible for satisfying Trail Development Fee requirements. The 2012 Trail Development Fee is \$1,090 per commercial area of net developable area. You will be responsible for a payment of Four Thousand Three Hundred Twenty Seven Dollars and No Cents ($\$600 \times 3.97$ acres = **\$4,327.00**). The rate in effect at the time of execution of this Contract will be collected. . Proof of recording of this Contract shall be proof that this fee has been paid.

20. Sanitary Sewer Connection (Trunk) Fees. The **PERMITTEE** is responsible for satisfying Sanitary Sewer Trunk Fee requirements. The 2012 Sewer Trunk Fee is \$3,824 per commercial area of net developable area. You will be responsible for a payment of Fifteen Thousand One Hundred Eighty One Dollars and No Cents ($\$1,271 \times 3.97$ acres = **\$15,181.00**). The rate in effect at the time of execution of this Contract will be collected. . Proof of recording of this Contract shall be proof that this fee has been paid.

21. Water Connection (Trunk) Fees. The **PERMITTEE** is responsible for satisfying Water Trunk Fee requirements. The 2012 Water Trunk Fee is \$8,337 per commercial area of net developable area. You will be responsible for a payment of Thirty Three Thousand Ninety Eight Dollars and No Cents ($\$2,226 \times 17$ units = **\$33,098.00**). The rate in effect at the time of execution of this Contract will be collected. . Proof of recording of this Contract shall be proof that this fee has been paid.

22. Sanitary Sewer Lateral Fees. The **PERMITTEE** is responsible for satisfying Sanitary Sewer Lateral Fee requirements as the newly constructed units will be connecting to existing infrastructure. The 2012 Sanitary Sewer Lateral Fee is \$3,847 per connection. You will be responsible for a payment of Eleven Thousand Five Hundred Forty One Dollars and No Cents ($\$3,847 \times 3$ connections = **\$11,541.00**). The rate in effect at the time of execution of

- this Contract will be collected. *The Engineer's Estimate of installation of private sanitary sewer lines is \$23,600. As the Engineer's Estimate exceeds the cost of the lateral fee, no sanitary sewer lateral fee will be collected.* . Proof of recording of this Contract shall be proof that this fee has been paid.
23. Water Lateral Fees. The **PERMITTEE** is responsible for satisfying Water Lateral Fee requirements as the newly constructed units will be connecting to existing infrastructure. The 2012 Water Lateral Fee is \$8,777 per connection. You will be responsible for a payment of Twenty Six Thousand Three Hundred Thirty One Dollars and No Cents ($\$8,777 \times 3$ connections = **\$26,331.00**). The rate in effect at the time of execution of this Contract will be collected. *The Engineer's Estimate of installation of private water lines is \$33,612. As the Engineer's Estimate exceeds the cost of the lateral fee, no water lateral fee will be collected.* . Proof of recording of this Contract shall be proof that this fee has been paid.
24. Stormwater Management Fee. The **PERMITTEE** is responsible for satisfying Stormwater Trunk Fee requirements. The 2012 Water Trunk Fee is \$4,465 per commercial area of net developable area. You will be responsible for a payment of Seventeed Thousand Seven Hundred Twenty Six Dollars and No Cents ($\$448 \times 3.97$ acres = **\$17,726.00**). The rate in effect at the time of execution of this Contract will be collected. . Proof of recording of this Contract shall be proof that this fee has been paid.
25. Street Light and Street Light Operation and Maintenance Fee. The **PERMITTEE** is responsible for satisfying Street Light and a Three Year Street Light Operation and Maintenance Fee requirements. The 2012 Street Light Fee for The COR is \$2,600 per light. You will be responsible for a payment of Thirty One Thousand Two Hundred Dollars and No Cents ($\$2,260 \times 12$ lights = **\$31,200.00**). The 2012 Street Light Fee Three Year Operation and Maintenance Fee for The COR is \$294 per light. You will be responsible for a payment of Three Thousand Five Hundred Dollars Twenty Eight Dollars and No Cents ($\$294 \times 12$ lights = **\$3,528.00**). The rate in effect at the time of execution of this Contract will be collected. . Proof of recording of this Contract shall be proof that this fee has been paid.
26. Development Fees for the Outlots. The **PERMITTEE** agrees none of the above fees are being collected for the outlots and therefore said outlots are subject to similar fees at a future date when it subdivides for development.
27. Notices. Required notices shall be in writing, and shall be either hand delivered to the Parties, its employees or agents, or mailed to them by certified or registered mail at the following address:

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF
RAMSEY

Attn: Executive Director
7550 Sunwood Drive
Ramsey, MN 55303

CITY OF RAMSEY
Attn: City Administrator
7550 Sunwood Drive NW
Ramsey, MN 55303

CITY OF RAMSEY

By: _____
Its: Mayor

ATTEST

By: _____
Its: City Clerk

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY

By: _____
Its: Executive Director

STATE OF MINNESOTA)
)ss.
COUNTY OF ANOKA)

On this _____ day of _____ 2012, before me a Notary Public within and for said County, personally appeared Bob Ramsey and JoAnn M. Thieling, to me personally known, who each by me dually sworn, each did say that they are respectively the Mayor and the City Clerk of Ramsey, the municipal corporation named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed in behalf of said municipality by authority of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipal corporation

Notary Public

STATE OF MINNESOTA)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by, _____, the _____ of the City of Ramsey Housing and Redevelopment Authority, a _____ under the laws of the State of Minnesota, on its behalf.

Notary Public

This document drafted by:
City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303

This document reviewed by:
Randall and Goodrich, PLC
2140 Fourth Ave N
Anoka, MN 55303

HRA Regular Session

5. 4.

Meeting Date: 10/09/2012

By: Darren Lazan, Housing &
Redevelopment Authority

Information

Title:

Approve documents related to the plat of COR TWO

Background:

As part of the sale of Lo3 3, Block 1, COR TWO, there are several documents that will be necessary to address ongoing operations and maintenance issues between all five lots in the development. These agreements are coordinated by the HRA as part of the sale, but once the disposition of the three HRA lots is complete, these agreements will be managed on an ongoing basis by the eventual owners of those lots, and the HRA will no longer be a party to the agreements.

Notification:

Observations:

Recommendation:

The development team recommends the HRA Approve:

- The Final Plat of COR TWO
- The Agreement related to the Plat of COR TWO
- The Agreement and Declaration of Easements, Covenants, and Restrictions – COR TWO
- The Declaration of Signage and Utility Easements – COR TWO
- The Restrictive Covenants related to Lot 4, Block 1, COR TWO

Funding Source:

Council Action:

There are five (5) actions related to this case:

1. Approve the Final Plat of COR TWO, and direct the development team to assemble all documents necessary to record the plat simultaneous to the initial project closing.
2. Approve the Agreement related to the Plat of COR TWO, subject to final modifications by HRA Counsel, and direct the development team to assemble all documents necessary to record the agreement simultaneous to the initial project closing.
3. Approve the Agreement and Declaration of Easements, Covenants, and Restrictions – COR TWO, subject to final modifications by HRA Counsel, and direct the development team to assemble all documents necessary to record the agreement simultaneous to the initial project closing.
4. Approve the Declaration of Signage and Utility Easements – COR TWO, subject to final modifications by HRA Counsel, and direct the development team to assemble all documents necessary to record the agreement simultaneous to the initial project closing.
5. Approve the Restrictive Covenants related to Lot 4, Block 1, COR TWO, subject to final modifications by HRA Counsel, and direct the development team to assemble all documents necessary to record the agreement

simultaneous to the initial project closing.

Attachments

Declaration of Covenants, Restrictions, and Easements

Agreement Related to the Plat of COR TWO

Restrictive Covenant

Plat - COR TWO

Declaration of Signage and Utility Easements

Form Review

Inbox

Kurt Ulrich

Form Started By: Darren Lazan

Reviewed By

Kurt Ulrich

Date

10/04/2012 12:53 PM

Started On: 10/04/2012 10:16 AM

Final Approval Date: 10/04/2012

**AGREEMENT AND DECLARATION OF EASEMENTS, COVENANTS AND
RESTRICTIONS FOR COR TWO**

DATED AS OF OCTOBER __, 2012

I. PARTIES

The parties to this Agreement and Declaration of Easements, Covenants and, Restrictions and Easements for COR TWO (“Agreement”) are The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the state of Minnesota (the “HRA”), and Sophia-Ramsey LLC, a Minnesota limited liability company (“Sophia-Ramsey”). The HRA and Sophia-Ramsey shall also be referred to individually as a “Party” and collectively as the “Parties.”

II. RECITALS AND DEFINITIONS

1. Sophia-Ramsey owns certain real property located in the City of Ramsey, Anoka County, Minnesota, which is legally described as Lots 1 and 2, Block 1, COR TWO, Anoka County, Minnesota (“Lot 1” and “Lot 2”, respectively and collectively the “Sophia-Ramsey Property”).

2. The HRA owns certain real property located in the City of Ramsey, Anoka County, Minnesota, which is legally described as Lots 3, 4 and 5, Block 1, COR TWO, Anoka County, Minnesota (“Lot 3”, “Lot 4” and “Lot 5”, respectively and collectively the “HRA Property”).

3. As used in this Agreement, the term “Property” means the Sophia-Ramsey Property and the HRA Property.

4. Lot 1, Lot 2, Lot 3, Lot 4 and Lot 5 are sometimes referred to in this Agreement, individually, as a “Lot” and, collectively, as the “Lots.” The terms “Lot” and “Lots” also mean any lot or parcel created by a combination of all or a part of two or more Lots or by a further subdivision of all or a part of a Lot.

5. The term “Owner” as used in this Agreement means the fee owner(s) of a Lot as reflected in the Anoka County land records except that if the fee owner(s) of a Lot contracts to

convey a Lot pursuant to a recorded contract for deed, the vendee(s) under the contract for deed and not the fee owner(s) is or are the “Owner(s)” of the Lot for purposes of this Declaration.

6. The Property constitutes a common interest community under Minnesota Statutes Chapter 515B, but Minnesota Statutes Chapter 515B does not apply by reason of Section 515B.1-102(e)(5).

7. The Parties are executing this Agreement to create certain appurtenant easements for the construction, use, maintenance, repair and replacement of drive lanes that will provide vehicular ingress and egress between the Lots and Sunwood Drive and for the construction, use, maintenance, repair and replacement of private utilities and to establish covenants and restrictions relating to the maintenance, repair and replacement of the improvements located within the easements and relating to the use of the Lots, all for the mutual benefit of the Owners.

8. In addition, to satisfy one of the requirements the City of Ramsey, Minnesota (the “City”) imposed in connection with the City’s approval of the final plat of COR TWO, the Parties desire to grant the City an easement in gross over and across the Lots to permit the City to inspect and, if the City deems it necessary and appropriate to repair private water lines and storm sewers located on the Property.

Now, therefore, the Parties hereby declare and create for the benefit of the Parties, the easements, covenants and restrictions described herein.

III. AGREEMENT

1. **Recitals.** The Recitals set forth above are a part of this Agreement.
2. **Grant of Easements.** The Parties hereby declare and grant the following easements:
 - A. **West Access Easement.**
 - (i) **Grant of Easement.** The HRA declares a perpetual, non-exclusive, appurtenant easement over, under and across the portion of the Property legally described and depicted on the attached Exhibit A (the “West Access Easement Property”) for vehicular access between Lot 3, Lot 4 and Lot 5 and Sunwood Drive, as dedicated on the plat of COR TWO, Anoka County, Minnesota (the “West Access Easement”). The West Access Easement is appurtenant to Lot 3, Lot 4 and Lot 5 and is intended for the use of the Owners of those Lots and their respective tenants, licensees, invitees and guests. The West Access Easement does not grant the Owners of those Lots or their respective tenants, licensees, invitees and guests the right to park vehicles on the West Access Easement Property.
 - (ii) **Construction and Maintenance.** The HRA will arrange for the construction of roadway improvements within the West Access Easement Property (the “West Access Improvements”). The

Owner of Lot 3 must maintain, repair and replace the West Access Improvements in a clean, safe and otherwise first-class condition and state of repair and in compliance with all applicable laws, codes, regulatory and insurance requirements. Maintenance includes, but is not limited to, the removal and disposal of snow. The Owner of Lot 3 must perform its maintenance, repair and replacement obligations in a manner that does not unreasonably interfere with the use or enjoyment of the West Access Easement Property for its intended purposes. The Owner of Lot 3 may sweep the West Access Improvements and may remove snow from the West Access Improvements without prior notice to other Owners. If the Owner of Lot 3 intends to perform maintenance, repair or replacement work other than sweeping or snow removal on Lot 4 or on Lot 5, the Owner of Lot 3 must give notice to the Owner or Owners of the Lot or Lots upon which the maintenance, repair or replacement work will be undertaken at least seven (7) days before commencing the work.

- (iii) Maintenance Costs. The costs of performing the maintenance, repairs and replacements described in Article III, Section 2.A.(ii) (the “West Access Easement Maintenance Costs”) shall be allocated between the Owners of Lot 3, Lot 4 and Lot 5. The Owner of Lot 3 is liable for _____ percent (___%) of the West Access Easement Maintenance Costs; the Owner of Lot 4 is liable for _____ percent (___%) of the West Access Easement Maintenance Costs; and the Owner of Lot 5 is liable for _____ percent (___%) of the West Access Easement Maintenance Costs. Article III, Section 3 of this Agreement describes the Owners obligations with respect to the payment of maintenance costs.

B. East Access Easement.

- (i) Grant of Easement. Sophia-Ramsey and the HRA each grant to one another and declare a perpetual, non-exclusive, appurtenant easement over, under and across the portion of the Property legally described and depicted on the attached Exhibit B (the “East Access Easement Property”) for vehicular access between Lot 1, Lot 2, Lot 3, Lot 4 and Lot 5 and Sunwood Drive, as dedicated on the plat of COR TWO, Anoka County, Minnesota (the “East Access Easement”). The East Access Easement is appurtenant to Lot 1, Lot 2, Lot 3, Lot 4 and Lot 5 and is intended for the use of the Owners of those Lots and their respective tenants, licensees, invitees and guests. The East Access Easement does not grant the Owners of those Lots or their respective tenants, licensees, invitees and guests the right to park vehicles on the East Access Easement Property.

- (ii) Construction and Maintenance. The City of Ramsey is constructing roadway improvements within the East Access Easement Property (the “East Access Improvements”). The Owner of Lot 2 must maintain, repair and replace the East Access Improvements in a clean, safe and otherwise first-class condition and state of repair and in compliance with all applicable laws, codes, regulatory and insurance requirements. Maintenance includes, but is not limited to, the removal of snow. The Owner of Lot 2 must perform its maintenance, repair and replacement obligations in a manner that does not unreasonably interfere with the use or enjoyment of the East Access Easement Property for its intended purposes. The Owner of Lot 2 may sweep the East Access Improvements, remove snow from the East Access Improvements and complete routine maintenance of the East Access Improvements without prior notice to other Owners. If the Owner of Lot 2 intends to perform maintenance, repair or replacement work other than sweeping, snow removal and disposal or routine maintenance on Lot 1, Lot 3 or Lot 5, the Owner of Lot 2 must give notice to the Owner or Owners of the Lot or Lots upon which the maintenance, repair or replacement work will be undertaken at least seven (7) days before commencing the work.

- (iii) Maintenance Costs. The costs of performing the maintenance, repairs and replacements described in Article III, Section 2.B.(ii) above (the “East Access Easement Maintenance Costs”) shall be allocated solely between the Owners of Lot 1 and Lot 2. The Owners of Lot 3, Lot 4 and Lot 5 are not responsible for the payment of any East Access Easement Maintenance Costs. The Owner of Lot 1 is liable for _____ percent (___%) of the East Access Easement Maintenance Costs and the Owner of Lot 2 is liable for _____ percent (___%) of the East Access Easement Maintenance Costs. Article III, Section 3 of this Agreement describes the Owners obligations with respect to the payment of maintenance costs.

C. Storm Sewer Easement.

- (i) Grant of Easement. The HRA declares a perpetual, non-exclusive, appurtenant easement over, under and across the portion of the Property legally described on the attached Exhibit C (the “Storm Sewer Easement Property”) for the benefit of Lot 3, Lot 4 and Lot 5 for the installation, use, inspection, maintenance, repair and replacement of private storm sewer lines and equipment (the “Storm Sewer Easement”).

- (ii) Construction and Maintenance. The HRA will arrange for the construction of shared, private storm sewer lines and equipment in

the Storm Sewer Easement (the “Shared Storm Sewer Improvements”). The Shared Storm Sewer Improvements shall be deemed private improvements even if a public utility easement is dedicated over all or a portion of the Storm Sewer Easement Property. The Owner of Lot 3 must maintain, repair and replace the Shared Storm Sewer Improvements. The Owner of Lot 3 must perform its maintenance, repair and replacement obligations in a manner that does not unreasonably interfere with the use or enjoyment of the Storm Sewer Easement Property for its intended purposes. If the Owner of Lot 3 intends to perform maintenance, repair or replacement work on the Shared Storm Sewer Improvements on Lot 4 or on Lot 5, the Owner of Lot 3 must give the Owner or Owners of the Lot or Lots upon which the maintenance, repair or replacement work will be undertaken at least seven (7) days before commencing the work.

- (iii) Maintenance Costs. The cost of maintaining, repairing and replacing the Shared Storm Sewer Improvements (the “Shared Storm Sewer Improvement Maintenance Costs”) shall be allocated between the Owners of Lot 3, Lot 4 and Lot 5 as follows: The Owner of Lot 3 is liable for _____ percent (___%) of the Shared Storm Sewer Improvement Maintenance Costs; the Owner of Lot 4 is liable for _____ percent (___%) of the Shared Storm Sewer Improvement Maintenance Costs; and the Owner of Lot 5 is liable for _____ percent (___%) of the Shared Storm Sewer Improvement Maintenance Costs. Article III, Section 3 of this Agreement describes the Owners obligations with respect to the payment of maintenance costs.

D. Grant of Inspection and Repair Easement to City. Sophia-Ramsey and the HRA each grant the City of Ramsey a perpetual, non-exclusive easement in gross over and across the Lots to permit the City to inspect private water lines, storm sewer lines and related equipment located on the Property and to maintain and repair those lines and equipment if the City determines that the Lot Owners are not adequately maintaining or repairing those lines or equipment (the “Public Inspection Repair Easement”). Except in circumstances where the City must act promptly to prevent or limit damage to public or private property or to protect public health and safety, the City must give Owners written notice of the maintenance or repairs the City determines are necessary and must allow the Owners thirty (30) days after the delivery of such notice to perform the maintenance or repairs themselves before the City may exercise its right to maintain or repair private lines and equipment. If the City makes inspections or undertakes maintenance or repairs pursuant to this Section D, the City must use commercially reasonable efforts to minimize disruption to the Owners; the Owners’ tenants; and the Owners’ and the Owners’ tenants’ guests and invitees. If the City incurs costs or expenses

to maintain or repair private water lines, storm sewer lines or related equipment as authorized by this Section, the City may allocate the costs that the City incurs among the Lots the City's work benefits based on the relative square foot area of the benefitted Lots or on such other basis as the City determines to be fair and equitable to the Owners and may provide the Owners with notice of the amount of the costs allocated to each Lot. Owners must pay amounts the City allocates to the Owner's Lot to the City within thirty (30) days after the City provides written notice of the amount due. If an Owner fails to pay amounts the City allocates to the Owner's lot to the City within thirty (30) days after the City provides written notice of the amount due, the City may levy special assessment against the Lot for the amount the City allocated to the Owner's Lot in accordance with the requirements in Minnesota Statute Chapter 429.

- E. **Defined Term "Easement" and "Easements".** The West Access Easement, the East Access Easement, the Water and Sanitary Sewer Easement and the Storm Sewer Easement are referred to in this Agreement, individually, as an "Easement," and, collectively, as the "Easements."
- F. **Rights of Owners of Burdened Lots.** The Owner of a Lot an Easement burdens may use the Owner's Lot in all ways that do not unreasonably interfere with the rights granted under Easements and has the right to grant additional non-exclusive easements to third parties.

3. **Payment of Maintenance Costs.**

- A. **Payment Requests and the Obligation to Make Payments.** Within sixty (60) days after the end of each calendar year, an Owner who is responsible for performing maintenance, making repairs and replacing improvements under Sections 2.A(ii), 2.B(ii) or 2.C(ii) of this Article III will submit payment invoices to the other Owners who are liable for a share of the costs of such work under Sections 2.A.(iii), 2.B.(iii) or 2C.(iii) of this Article III. Each invoice shall contain the following information: (i) the total amount the Owner paid in West Access Easement Maintenance Costs, East Access Easement Maintenance Costs or Shared Storm Sewer Improvement Maintenance Costs, as the case may be, during the previous calendar year; and (ii) the calculation of each Owner's share of the West Access Easement Maintenance Costs, East Access Easement Maintenance Costs or Shared Storm Sewer Improvement Maintenance Costs, as the case may be, based on the percentages set forth in Section 2.A(iii) and Section 2.B(iii) or 2.C(iii) (each a "Payment Request"). Owners must pay all amounts due pursuant to a Payment Request to the Owner submitting the Payment Request within thirty (30) days after delivery of the Payment Request to the Owner.

- B. **Records.** An Owner performing maintenance or making repairs or replacements pursuant to Sections 2.A(ii), 2.B(ii) or 2.C(ii) of this Article III (a “Maintaining Owner”) must maintain accurate records regarding the West Access Easement Maintenance Costs, East Access Easement Maintenance Costs, or Shared Storm Sewer Improvement Maintenance Costs the Maintaining Owner incurs (the “Maintenance Costs Records”); provided the Maintaining Owner may, at any time, discard Maintenance Costs Records that are more than seven (7) years old. A Owner who is obligated to pay a Maintaining Owner for West Access Easement Maintenance Costs, East Access Easement Maintenance Costs or Shared Storm Sewer Improvement Maintenance Costs (a “Paying Owner”) may, upon submission of a written request to the Maintaining Owner to whom the Paying Owner is obligated to make payments, examine such Maintaining Owner’s Maintenance Cost Records and the Maintaining Owner must make its Maintenance Cost Records available to the Paying Owner for review within thirty (30) days of the Paying Owners’ Request. If, after inspecting a Maintaining Owner’s Maintenance Cost Records, a Paying Owner believes there are errors or discrepancies in the Maintaining Owners Maintenance Records which have resulted in overpayment by the Paying Owner, the Paying Owner may notify the Maintaining Owner of the existence and substance of all discrepancies the Paying Owner is alleging. The Paying Owner and the Maintaining Owner shall have thirty (30) days to resolve the alleged discrepancies to their mutual satisfaction, and if they are not successful in resolving the discrepancies to their mutual satisfaction, either the Maintaining Owner or the Paying Owner may in Anoka County District Court to pursue any and all remedies available at law or in equity including, but not limited to the commencement of one or more actions seeking monetary damages, injunctive relief and specific performance. In any such action, the prevailing party shall be entitled to recover its reasonable attorney fees and costs and, if the Paying Party prevails, the Paying Owner may also recover the actual out of pocket costs the Paying Owner incurred to review and audit the Maintaining Owners Maintenance Records
- C. **Interest and Late Fees.** If any Paying Owner fails to pay its share of West Access Easement Maintenance Costs, East Access Easement Maintenance Costs or Shared Storm Sewer Improvement Maintenance Costs within thirty (30) days after receipt of a Payment Request, then in addition to such rights and remedies provided for under Section 6, the Maintaining Owner entitled to receive such payment is entitled to also receive: (i) interest at a rate equal to the lower of the highest rate permitted by law, or four percent (4%) above the reference rate announced from time to time by U.S. Bank, N.A., Minneapolis office (or the reference rate of any successor bank designated by mutual agreement of the parties), from the date the payment was due until the date the payment is received; (ii) a late payment charge in the amount of Two Hundred Fifty Dollars (\$250.00), not as a penalty, but as a way of defraying the costs that

would be incurred in dealing with late payments; and (iii) reasonable attorneys' fees it incurs as a result of payment delinquencies.

4. **Insurance.** Each Party agrees to maintain, at all times, a policy or policies of commercial general liability insurance providing coverage on an "occurrence" rather than a "claims made" basis. The policy shall include coverage for bodily injury, property damage, personal injury, contractual liability (applying to this Agreement), and independent contractors. The policy or policies shall be in such amounts as prudent owners of the type of each property each Party owns within the Minneapolis, Minnesota metropolitan statistical area would maintain but in any event must be in at least the amount of \$1,000,000 per occurrence and \$2,000,000 in aggregate. Each Party agrees to provide evidence of such liability insurance in the form of a Certificate of Insurance if requested by the other Parties.

5. **Compliance with Laws.** The Owners must at all times use the Lots in compliance with all statutes, laws, rules, regulations and ordinances as may exist from time to time and that they shall not, at any time, use, store, dispose of or release on any Lot or cause or permit to exist to be used, stored, disposed of or released on any Lot any substance which is defined as a "hazardous substance", "hazardous material", "toxic substances" or "solid waste" in violation of any federal, state or local law, statute or ordinance.

6. **Restriction.** No improvements, building, fence, wall or other structure may be built or maintained on the portion of Lot 1 that is legally described and depicted on the attached Exhibit D (the "Restricted Property"). The Restricted Property may be used for surface uses such as a parking lots, patios, hardscaping and landscaping. The owner of the Restricted Property may construct one sign within the Restricted Property. In addition to compliance with all provisions of the City of Ramsey's Code of Ordinances that apply to any such sign, the Owner of the Restricted Property must construct any sign located on the Restricted Property in conformance with design and construction plans which the Owner has submitted to the HRA for review and which the HRA has approved. The HRA may not unreasonably delay, condition or deny is approval. The purpose for the HRA's review and approval rights is to ensure consistency between the appearance of the sign located in the Restricted Area and signs the HRA constructs within easements the HRA reserves to itself on Lots 4 and 5, COR TWO, Anoka County, Minnesota. The HRA may assign its review and approval rights under this Section 6 to any party to whom the HRA assigns the signage easements it reserves over Lots 4 and 5, COR TWO. The Owner of Lot 1 may not create any additional curb cuts between the northerly 100 feet of Lot 1 and the East Access Easement Property.

7. **Emergency Self Help.** Notwithstanding the allocations of responsibility for maintenance, repair and replacement set forth in Sections 2.A(ii), 2.B(ii) or 2.C(ii) of this Article III, the Owner of a Lot benefitted by an Easement may make emergency repairs to or plow and remove debris from the portions of the West Roadway Improvements or the East Roadway Improvements that provide access to the Owners' Lot and may make emergency repairs to Shared Storm Sewer Improvements serving the Owners' Lot or the improvements located on the Owners' Lot, if and to the extent necessary to maintain commercially reasonable access and utility service to the Owners' Lot. An Owner performing such emergency repairs, plowing or debris removal must use commercially reasonable efforts to notify, in writing or otherwise, the Owner otherwise responsible under this Agreement for such repairs, plowing or debris removal

of the performing Owners' actions as promptly as possible. An Owner who exercises its rights under this Section 7 without giving the thirty (30) day notice and opportunity to cure described in Section 8 is not entitled to recover and does not have a lien for its costs it incurs to in undertaking the emergency repairs, snow removal or debris removal pursuant to the self-help provisions of Section 8 but may, notwithstanding its failure to give the thirty (30) day advance written notice of default as contemplated in Section 8, commence an action in Anoka County District Court against the party responsible under this Agreement for the performance of the repairs and in such action pursue any and all remedies available at law or in equity including, but not limited to the commencement of one or more actions seeking monetary damages, injunctive relief and specific performance. In any such action, the prevailing party shall be entitled to recover its reasonable attorney fees and costs.

8. **Default.** If Owner defaults in the performance of one or more of its obligations under this Agreement or in the observance of one or more of the restrictions set forth in this Agreement and such default continues for thirty (30) days after another Owner delivers a written notice of default to the defaulting Owner, the non-defaulting Owner may commence an action in Anoka County District Court to pursue any and all remedies available at law or in equity including, but not limited to the commencement of one or more actions seeking monetary damages, injunctive relief and specific performance. In any such action, the prevailing party shall be entitled to recover its reasonable attorney fees and costs. If an Owner responsible for maintenance, repairs and replacements under Section Sections 2.A(ii), 2.B(ii) or 2.C(ii) of this Article III defaults in the performance of its obligation to maintain, repair or replace pursuant to Sections 2.A(ii), 2.B(ii) or 2.C(ii) of this Article III, another Owner gives the defaulting Owner a notice of default as contemplated in this Section 7 and the defaulting Owner fails or refused to cure its default within the thirty (30) day period provided for in this Section 7, the Owner who provided the notice of default may perform the obligations of the defaulting Owner or may engage a third party to perform the obligations of the defaulting Owner and shall be entitled to recover its costs of performance from other Owners in accordance with the terms of this Agreement. If an Owner fails or refuses to pay amounts due under Section 3(B) of this Article III when and as due and fails or refuses to cure its default within the thirty (30) day period provided for in this Section 8, the Owner entitled to payment under Section 3(B) shall have and is entitle to foreclose a lien against the defaulting Owner's Lot; provided, however, the lien may only be foreclosed by action and in the same manner as the foreclosure of a mortgage by action, under Minnesota Statutes Chapter 581.

9. **Amendments.** Except as provided in this Section 9, neither this Agreement nor the easements granted and declared herein may be amended, modified or terminated except by recording in the appropriate County land records of Anoka County, Minnesota a written agreement that all of the Owners of all of the Lots have executed. The Owners of all of the Lots that the West Access Easement either benefits or burdens may, without notice to or the consent of the Owners of other Lots, modify or amend the legal description of the West Access Easement by recording in the appropriate County land records of Anoka County, Minnesota a written modification agreement or amendment that all of the Owners of the Lots benefitted or burdened Lots have executed. An Owner of a Lot that the Storm Sewer Easement burdens may, without notice to or the consent of the Owners of other Lots, relocate the Storm Sewer Improvements located on that Owner's Lot and unilaterally amend this Agreement to relocate the boundaries of the portion of the Storm Sewer Easement located on the Owner's Lot provided: (1) the Owner

does so at its sole cost and expense; (2) the design standards and actual performance of the relocated Storm Sewer Improvements (in terms of both capacity, rate of flow and storm water treatment) meets or exceeds the design standards and actual performance of the Storm Sewer Improvements being relocated; (3) the relocation does not result materially interrupt or interfere with other Owners use of the Storm Sewer Improvements; and (4) the Owner who is relocating the Storm Sewer Improvements on its Lot records a unilateral amendment to this Agreement relocating the Storm Sewer Easement to correspond to the location of the relocated Storm Sewer Improvements.

10. **Notices.** To the extent that any notices are required hereunder, such notice shall be in writing and shall be effective if sent to another Party via certified or registered mail, return receipt requested at the addresses as set forth below:

The Housing and Redevelopment Authority in and for the City of
Ramsey
Attn: Executive Director
Ramsey Municipal Center
7550 Sunwood Drive
Ramsey, Minnesota 55303

With a copy to: Randall and Goodrich PLC
Attn. William K. Goodrich
2140 Fourth Avenue North
Anoka, Minnesota 55303

Sophia-Ramsey LLC.
Attn. Steve Johnson
1508 Welland Avenue
Minnetonka, Minnesota 55305

With a copy to: Siegel Brill, P.A.
Attn. Anthony J. Gleekel, Esq.
100 Washington Avenue South
Suite 1300
Minneapolis, Minnesota, 55401

Any Owner or an Owner's successor in title may designate a different address or addresses for notices by giving written notice to the other Owners. Notices not sent via certified or registered mail as described above are effective as of the date the Party receiving the notice actually receives the notice.

11. **Covenants Running with the Land.** The Parties intend for the easements, covenants and restrictions herein run with title to the Lots and to inure to the benefit of and be binding upon the Owners of the Lots, and their respective successors in title; provided, however, when ownership of a Lot is transferred, whether by conveyance, operation of law or otherwise, the transferring Owner is automatically relieved from liability for any future obligations first arising under this Agreement after the effective date of the conveyance or other transfer. The

transferring Owner remains liable for any obligations first arising before the effective date of the conveyance or other transfer.

12. **Severability.** If any provision of this Agreement is held invalid, the validity of the remainder of the Agreement shall not be affected thereby.

13. **Failure to Enforce Not a Waiver.** No provision contained in this Agreement shall be deemed to have been abrogated or waived by reason of any failure to enforce the same.

14. **Estoppel Certificates.** Upon the request of any Owner or a prospective lender, purchaser, tenant or mortgagee of an Owner, an Owner must execute and deliver estoppel certificate stating, to the best of the certifying Owner's knowledge that a) this Agreement is in full force and effect (or describing why this Agreement is not in full force and effect such amendment); b) this Agreement has not been amended (or stating the terms of any alleged amendment); c) the certifying Owner or any other specified Owner is not in default under the Agreement (or list any known defaults).

15. **No Merger.** It is the intent of the Parties that the Easements, covenants and other interests described herein shall not merge into the fee ownership of any of the Lots.

16. **Governing Law.** This Agreement has been entered into in the State of Minnesota and shall be governed by and construed under the laws of the State of Minnesota.

17. **Complete Agreement.** This Agreement represents the full and complete agreement of the Parties with respect to the matters set forth herein.

18. **Section Headings.** The section headings contained in this Agreement are for purposes of reference and convenience only and shall not limit or otherwise affect in any way the meaning of this Agreement.

(Signatures appear on following pages)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year as set forth above.

THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
RAMSEY, MINNESOTA,
a public body under the laws of Minnesota

By: _____
Its Chair

By: _____
Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____ the Chair, and _____ the Executive Director, of The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body under the laws of Minnesota, on behalf of said public body.

Notary Public

SOPHIA-RAMSEY LLC.,
a Minnesota limited liability company

By: _____
Its: _____

STATE OF MINNESOTA)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by _____, the _____ of Sophia-Ramsey LLC., a Minnesota limited liability company, on behalf of the company.

Notary Public

This Instrument Drafted By:
Briggs and Morgan, P.A. (TLB)
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402

CONSENT OF LENDER (BMO Harris Bank N.A.)

BMO Harris Bank N.A., the successor by merger to M&I Marshall & Ilsley Bank (“Lender”) is the owner and holder of that certain Mortgage and Security Agreement and Fixture Financing Statement dated March 8, 2005 and recorded on March 10, 2005 in the Office of the Anoka County Registrar of Titles as Document No. 482071.008 and the owner and holder of that certain Assignment of Rents and Leases dated March 8, 2005 and recorded March 10, 2005 in the Office of the Anoka County Registrar of Titles as Document No. 482071.009 (collectively the “Mortgage and Assignment of Rents and Leases”). Lender hereby consents to Sophia-Ramsey, LLC’s execution and delivery of this Agreement and Declaration of Easements, Covenants and Restrictions for COR TWO (the “Declaration”); consents to the recording of the Declaration in the Office of the Anoka County Registrar of Titles and agrees that all of its right, title and interest in and to the property described in the Mortgage and Assignment of Rents and Leases hereafter is and shall be hereafter subject to the terms and conditions of the Declaration.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Lender Consent as of _____, 2012.

LENDER:

BMO HARRIS BANK N.A., the successor by merger to M&I Marshall & Ilsley Bank, a national banking association

By: _____

Name: _____

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2012 by _____, the _____ of BMO Harris Bank N.A., a national banking association on behalf of the association.

Notary Public

EXHIBIT A

Legal Description of the West Access Easement Property

DESCRIPTION SKETCH

FOR: COR TWO ACCESS EASEMENT

LEGAL DESCRIPTION

AN INGRESS AND EGRESS EASEMENT OVER AND ACROSS THAT PART OF LOTS 3, 4 AND 5, BLOCK 1, COR TWO, ANOKA COUNTY, DESCRIBED AS FOLLOWS:

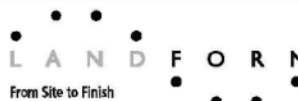
COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 4; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, ASSUMED BEARING ALONG THE WEST LINE OF SAID LOT 4, A DISTANCE OF 20.00 FEET; THENCE NORTH 89 DEGREES 48 MINUTES 03 SECONDS EAST, PARALLEL WITH THE SOUTH LINE OF SAID LOT 4, A DISTANCE OF 154.56 FEET; THENCE SOUTHEASTERLY 83.66 FEET, PARALLEL WITH SAID SOUTH LINE AND ALONG A TANGENTIAL CURVE, CONCAVE TO THE SOUTH, HAVING A RADIUS OF 220.00 FEET, A CENTRAL ANGLE OF 21 DEGREES 47 MINUTES 14 SECONDS AND A CHORD THAT BEARS SOUTH 79 DEGREES 18 MINUTES 20 SECONDS EAST; THENCE NORTH 53 DEGREES 55 MINUTES 25 SECONDS EAST, A DISTANCE OF 15.17 FEET; THENCE NORTH 05 DEGREES 41 MINUTES 40 SECONDS WEST, PARALLEL WITH THE EAST LINE OF SAID LOT 4, A DISTANCE OF 58.96 FEET; THENCE NORTHERLY 40.39 FEET, PARALLEL WITH SAID EASTERLY LINE AND ALONG A TANGENTIAL CURVE, CONCAVE TO THE EAST, HAVING A RADIUS OF 515.00 FEET AND A CENTRAL ANGLE OF 5 DEGREES 29 MINUTES 43 SECONDS; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, PARALLEL WITH SAID WEST LINE, A DISTANCE OF 104.81 FEET TO THE NORTH LINE OF SAID LOT 4, THENCE NORTH 89 DEGREES 47 MINUTES 46 SECONDS EAST, ALONG SAID NORTH LINE, A DISTANCE OF 15.00 FEET TO THE NORTHEAST CORNER OF SAID LOT 4; THENCE CONTINUING NORTH 89 DEGREES 47 MINUTES 46 SECONDS EAST, ALONG THE NORTH LINE OF SAID LOT 5, A DISTANCE OF 15.00 FEET; THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS, PARALLEL WITH SAID EAST LINE OF SAID LOT 4 AND THE WEST LINE OF SAID LOT 5, A DISTANCE OF 104.81 FEET; THENCE SOUTHERLY 46.52 FEET, PARALLEL WITH SAID WEST LINE AND ALONG A TANGENTIAL CURVE, CONCAVE TO THE EAST, HAVING A RADIUS OF 485.00 FEET AND A CENTRAL ANGLE OF 5 DEGREES 29 MINUTES 43 SECONDS; THENCE SOUTH 05 DEGREES 41 MINUTES 40 SECONDS EAST, PARALLEL WITH SAID WEST LINE, A DISTANCE OF 75.58 FEET; THENCE SOUTH 32 DEGREES 49 MINUTES 06 SECONDS EAST, A DISTANCE OF 27.46 FEET; THENCE SOUTH 64 DEGREES 11 MINUTES 24 SECONDS EAST, PARALLEL WITH THE SOUTH LINE OF SAID LOT 5, A DISTANCE OF 29.82 FEET; THENCE SOUTHEASTERLY 47.50 FEET, PARALLEL WITH SAID SOUTH LINE AND ALONG A TANGENTIAL CURVE, CONCAVE TO THE NORTH, HAVING A RADIUS OF 180.00 FEET AND A CENTRAL ANGLE OF 15 DEGREES 07 MINUTES 07 SECONDS AND A CHORD THAT BEARS SOUTH 71 DEGREES 44 MINUTES 57 SECONDS EAST; THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS EAST, A DISTANCE OF 40.60 FEET; THENCE NORTHWESTERLY 65.72 FEET, PARALLEL WITH THE NORTH LINE OF SAID LOT 3 AND ALONG A NON-TANGENTIAL CURVE, CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 220.00 FEET AND A CENTRAL ANGLE OF 17 DEGREES 07 MINUTES 00 SECONDS AND A CHORD THAT BEARS NORTH 72 DEGREES 44 MINUTES 54 SECONDS; THENCE NORTH 64 DEGREES 11 MINUTES 24 SECONDS WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT 3 AND TANGENT TO LAST DESCRIBED CURVE, A DISTANCE OF 78.49 FEET; THENCE WESTERLY 81.71 FEET, PARALLEL WITH SAID SOUTH LINE AND ALONG A TANGENTIAL CURVE, CONCAVE TO THE SOUTH HAVING A RADIUS OF 180.00 FEET AND A CENTRAL ANGLE OF 26 DEGREES 00 MINUTES 33 SECONDS; THENCE SOUTH 89 DEGREES 48 MINUTES 03 SECONDS WEST, PARALLEL WITH SAID NORTH LINE AND TANGENT TO LAST DESCRIBED CURVE, A DISTANCE OF 154.56 FEET TO THE WEST LINE OF SAID LOT 3, THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, ALONG SAID WEST LINE, A DISTANCE OF 20.00 FEET TO THE POINT OF BEGINNING.

PAGE 1 OF 3

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly licensed Land Surveyor under the laws of the State of Minnesota.

Scott C. Trosen

SCOTT C. TROSEN Date: 08.06.12 License No. 47465 Revised:

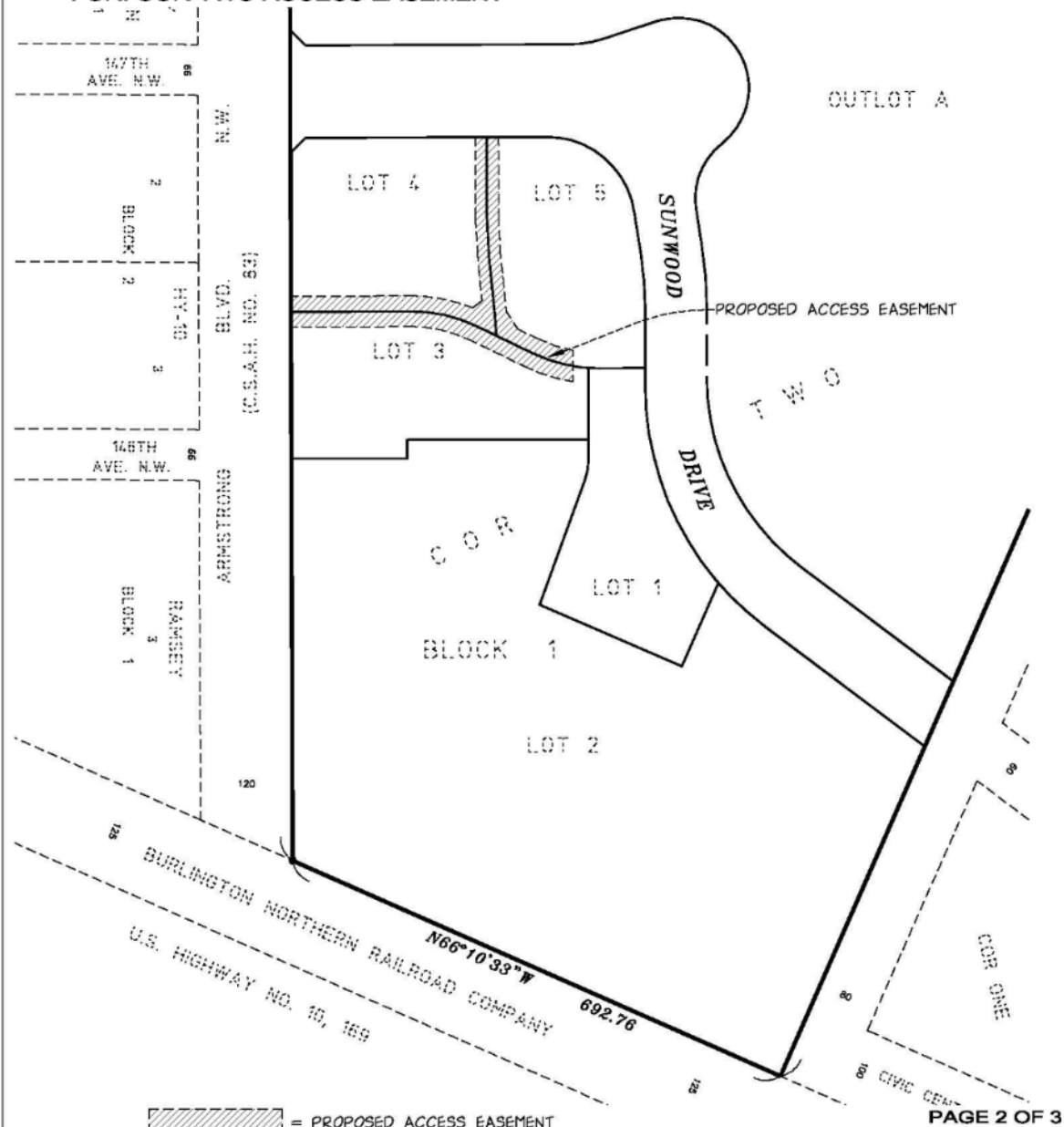



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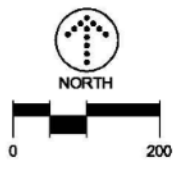
DESCRIPTION SKETCH

FOR: COR TWO ACCESS EASEMENT



 = PROPOSED ACCESS EASEMENT

PAGE 2 OF 3

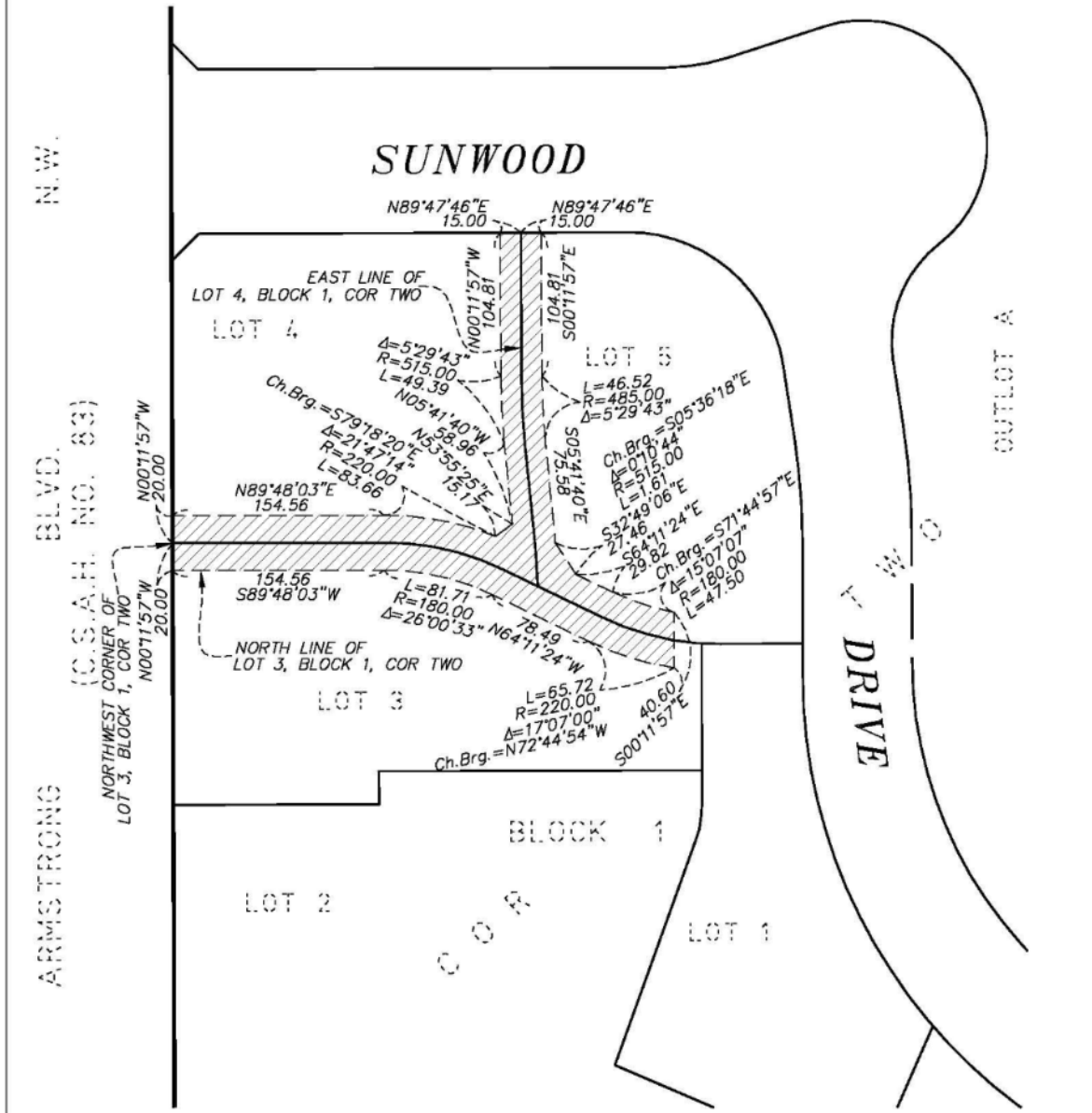


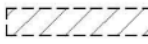
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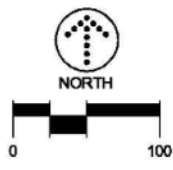
DESCRIPTION SKETCH

FOR: COR TWO ACCESS EASEMENT



 = PROPOSED ACCESS EASEMENT

PAGE 3 OF 3



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Job No. RAMI2020 Drawing: ease-Access W. By: SCT

EXHIBIT B

Legal Description of the East Access Easement Property

DESCRIPTION SKETCH

FOR: COR TWO ACCESS EASEMENT

LEGAL DESCRIPTION

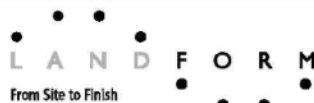
AN INGRESS AND EGRESS EASEMENT OVER AND ACROSS THAT PART OF LOTS 1, 2, 3 AND 5, BLOCK 1, COR TWO, ANOKA COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS, ASSUMED BEARING, ALONG THE EAST LINE OF SAID LOT 1, A DISTANCE OF 20.00 FEET; THENCE SOUTH 89 DEGREES 48 MINUTES 03 SECONDS WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT 1, A DISTANCE OF 29.00 FEET; THENCE SOUTH 44 DEGREES 48 MINUTES 03 SECONDS WEST, A DISTANCE OF 35.36 FEET; THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS, PARALLEL WITH THE WESTERLY LINE OF SAID LOT 1, A DISTANCE OF 71.19 FEET; THENCE SOUTHERLY 35.68 FEET, PARALLEL WITH SAID WESTERLY LINE AND ALONG A TANGENTIAL CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 102.00 FEET AND A CENTRAL ANGLE OF 20 DEGREES 02 MINUTES 36 SECONDS; THENCE SOUTH 19 DEGREES 50 MINUTES 39 SECONDS WEST, PARALLEL WITH SAID WEST LINE AND TANGENT TO LAST DESCRIBED CURVE, A DISTANCE OF 174.53 FEET TO THE SOUTH LINE OF SAID LOT 1, THENCE NORTH 66 DEGREES 37 MINUTES 45 SECONDS WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 20.04 FEET TO THE SOUTHWEST CORNER OF SAID LOT 1; THENCE CONTINUING NORTH 66 DEGREES 37 MINUTES 45 SECONDS WEST, ON THE NORTHWESTERLY EXTENSION OF THE SOUTH LINE OF SAID LOT 1 A DISTANCE OF 20.04 FEET; THENCE NORTH 19 DEGREES 50 MINUTES 39 SECONDS, PARALLEL WITH SAID WESTERLY LINE OF LOT 1 AND THE EASTERLY LINE OF LOT 2, A DISTANCE OF 172.06 FEET; THENCE NORTHERLY, 21.69 FEET, PARALLEL WITH SAID EASTERLY LINE AND ALONG A TANGENTIAL CURVE, CONCAVE TO THE WEST, HAVING A RADIUS OF 62.00 FEET AND A CENTRAL ANGLE OF 20 DEGREES 02 MINUTES 36 SECONDS; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, PARALLEL WITH SAID EASTERLY LINE OF SAID LOT 2 AND THE EASTERLY LINE OF SAID LOT 3 AND ITS NORTHERLY EXTENSION, A DISTANCE OF 139.43 FEET; THENCE EASTERLY, PARALLEL WITH THE SOUTH LINE OF SAID LOT 5 AND ALONG A NON-TANGENTIAL CURVE, CONCAVE TO THE NORTH, HAVING A RADIUS OF 180.00 FEET, A CENTRAL ANGLE OF 10 DEGREES 53 MINUTES 26 SECONDS AND A CHORD THAT BEARS 84 DEGREES 45 MINUTES 14 SECONDS EAST; THENCE NORTH 89 DEGREES 48 MINUTES 03 SECONDS EAST, PARALLEL WITH THE SAID SOUTH LINE, A DISTANCE OF 59.99 FEET TO THE EASTERLY LINE OF SAID LOT 5, THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS EAST ALONG SAID EAST LINE, A DISTANCE OF 20.00 FEET TO THE POINT OF BEGINNING.

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly licensed Land Surveyor under the laws of the State of Minnesota.

Scott C. Trosen

SCOTT C. TROSEN Date: 08.06.12
License No. 47465 Revised:

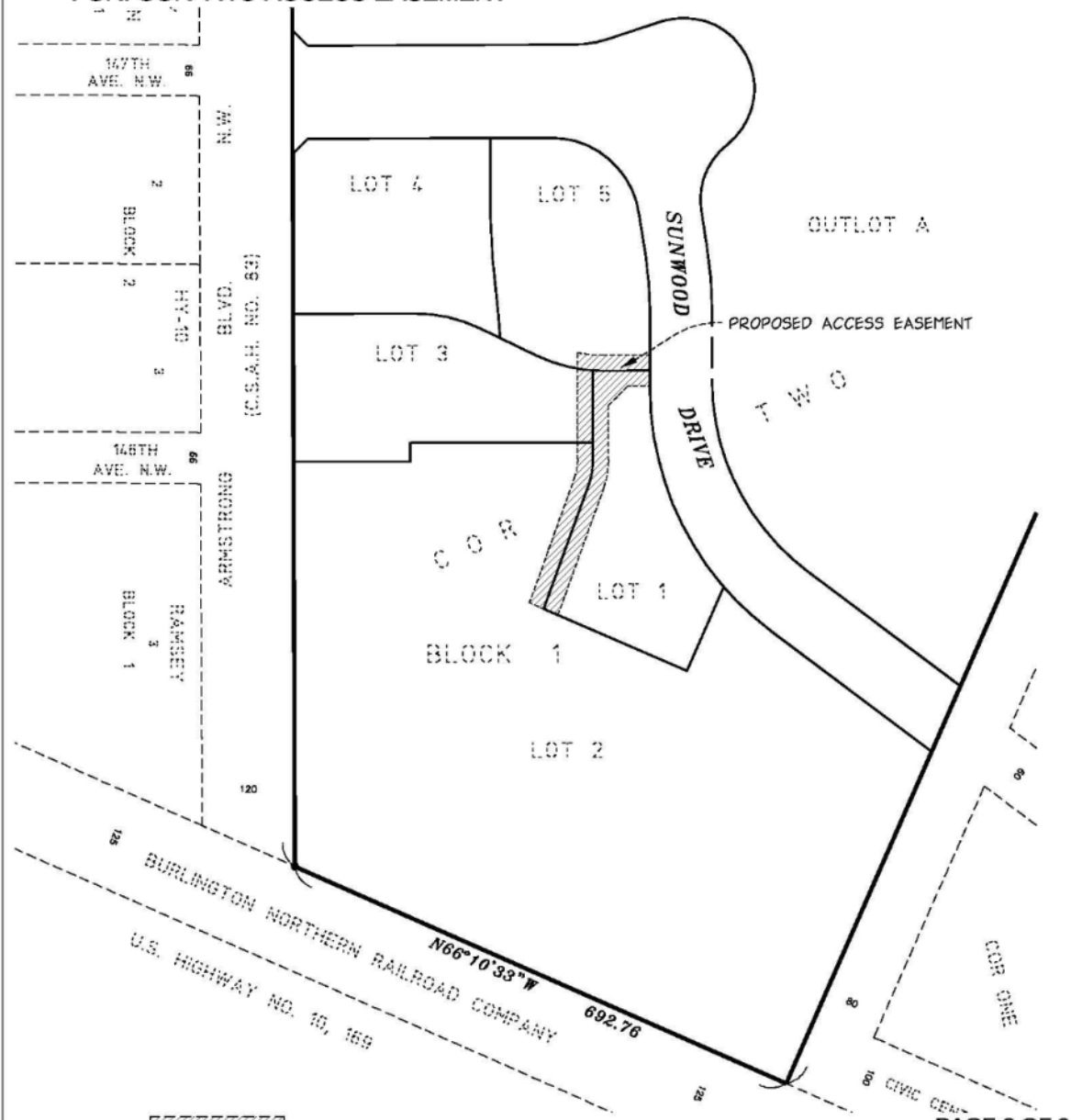



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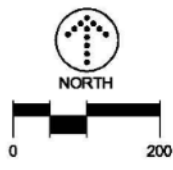
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DESCRIPTION SKETCH

FOR: COR TWO ACCESS EASEMENT



 = PROPOSED ACCESS EASEMENT



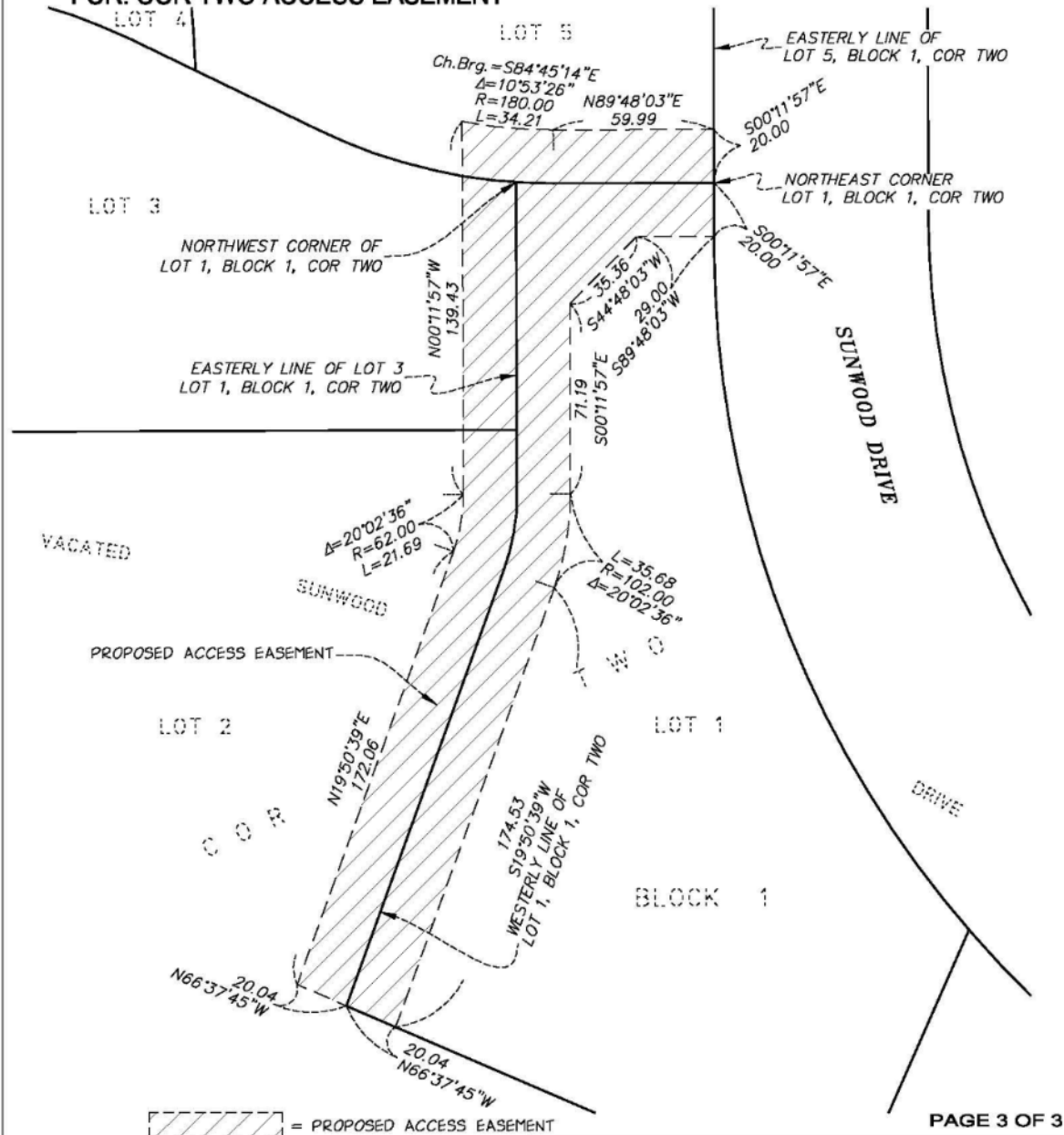
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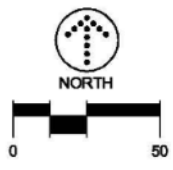
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DESCRIPTION SKETCH

FOR: COR TWO ACCESS EASEMENT



PAGE 3 OF 3



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Job No. RAMI2020 Drawing: ease-Access E. By: SCT

EXHIBIT C

Legal Description of the Storm Sewer Easement Property

DESCRIPTION SKETCH

FOR: COR TWO PRIVATE UTILITY EASEMENT

LEGAL DESCRIPTION

A PRIVATE UTILITY EASEMENT OVER, UNDER AND ACROSS THAT PART OF LOTS 3 AND 4, BLOCK 1, COR TWO, ANOKA COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID LOT 3; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, ASSUMED BEARING ALONG THE WEST LINE OF SAID LOT 4, A DISTANCE OF 10.00 FEET; THENCE NORTH 89 DEGREES 48 MINUTES 03 SECONDS EAST, PARALLEL WITH THE SOUTH LINE OF SAID LOT 4, A DISTANCE OF 181.38 FEET; THENCE SOUTH 57 DEGREES 53 MINUTES 33 SECONDS EAST, A DISTANCE OF 63.82 FEET; THENCE NORTH 00 DEGREES 05 MINUTES 56 SECONDS WEST, A DISTANCE OF 112.94 FEET; THENCE NORTH 89 DEGREES 54 MINUTES 04 SECONDS EAST, A DISTANCE OF 21.03 FEET TO THE WEST LINE OF LOT 5, BLOCK 1, COR TWO; THENCE SOUTHERLY 15.54 FEET ALONG SAID WEST LINE AND A NON-TANGENTIAL CURVE, CONCAVE TO THE EAST, HAVING A RADIUS OF 500.00 FEET, A CENTRAL ANGLE OF 01 DEGREES 46 MINUTES 49 SECONDS AND A CHORD THAT BEARS SOUTH 04 DEGREES 48 MINUTES 15 SECONDS EAST; THENCE SOUTH 05 DEGREES 41 MINUTES 40 SECONDS EAST, ALONG SAID WEST LINE, A DISTANCE OF 75.58 FEET; THENCE SOUTHERLY 30.48 FEET ALONG SAID WEST LINE AND ALONG A TANGENTIAL CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 500.00 FEET AND A CENTRAL ANGLE OF 3 DEGREES 29 MINUTES 35 SECONDS TO THE SOUTHWEST CORNER OF SAID LOT 5; THENCE SOUTH 02 DEGREES 12 MINUTES 05 SECONDS EAST, TANGENT TO LAST DESCRIBED CURVE, A DISTANCE OF 19.94 FEET; THENCE SOUTH 42 DEGREES 06 MINUTES 51 SECONDS EAST, A DISTANCE OF 53.50 FEET; THENCE NORTH 89 DEGREES 48 MINUTES 03 SECONDS EAST, PARALLEL WITH THE SOUTH LINE OF SAID LOT 3, A DISTANCE OF 51.06 FEET; THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS EAST, PARALLEL WITH SAID WEST LINE, A DISTANCE OF 60.00 FEET; THENCE NORTH 89 DEGREES 48 MINUTES 03 SECONDS EAST, PARALLEL WITH SAID SOUTH LINE, A DISTANCE OF 10.00 FEET; THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS EAST, PARALLEL WITH SAID WEST LINE, A DISTANCE OF 15.00 FEET TO SAID SOUTH LINE OF LOT 3, THENCE SOUTH 89 DEGREES 48 MINUTES 03 SECONDS WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 80.00 FEET; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS, PARALLEL WITH SAID WEST LINE, A DISTANCE OF 66.16 FEET; THENCE NORTH 42 DEGREES 06 MINUTES 51 SECONDS WEST, A DISTANCE OF 68.47 FEET; THENCE NORTH 57 DEGREES 53 MINUTES 33 SECONDS WEST, A DISTANCE OF 74.76 FEET; THENCE SOUTH 89 DEGREES 48 MINUTES 03 SECONDS WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT 3, A DISTANCE OF 175.59 FEET TO THE WEST LINE OF SAID LOT 3; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, ALONG SAID WEST LINE, A DISTANCE OF 10.00 FEET TO THE POINT OF BEGINNING.

PAGE 1 OF 3

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly licensed Land Surveyor under the laws of the State of Minnesota.



SCOTT C. TROSEN Date: 08.03.12
License No. 47465 Revised: 09.05.12

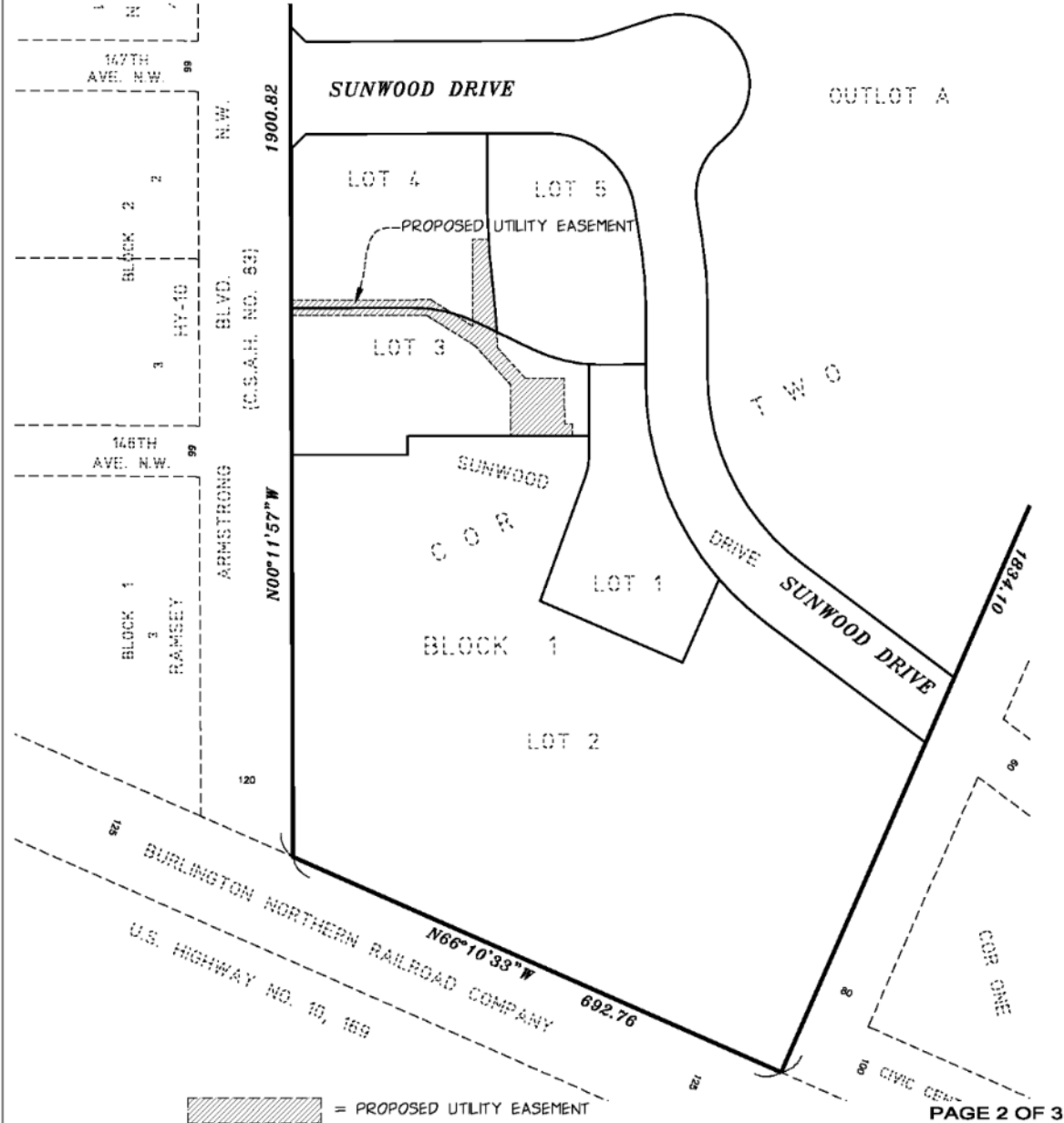
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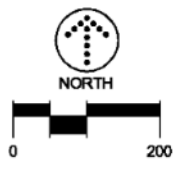
DESCRIPTION SKETCH

FOR: COR TWO PRIVATE UTILITY EASEMENT



 = PROPOSED UTILITY EASEMENT

PAGE 2 OF 3



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Job No. RAM12020 Drawing: ease-Priv. Util. By: SCT

EXHIBIT D

Legal Description of the Restricted Property

DESCRIPTION SKETCH

FOR: Part of LOT 1, BLOCK 1, COR TWO

LEGAL DESCRIPTION

THAT PART OF LOT 1, BLOCK 1, COR TWO, ANOKA COUNTY, MINNESOTA LYING NORTHERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 1; THENCE NORTH 19 DEGREES 50 MINUTES 39 SECONDS EAST, ASSUMED BEARING ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 147.53 FEET TO THE POINT OF BEGINNING OF THE LINE TO BE DESCRIBED; THENCE SOUTH 62 DEGREES 41 MINUTES 52 SECONDS EAST, A DISTANCE OF 180.94 FEET TO A POINT ON THE EAST LINE OF SAID LOT 1, SAID POINT LIES 34.99 FEET NORTHWESTERLY FROM THE MOST EASTERLY CORNER OF SAID LOT 1, AS MEASURED ALONG SAID EAST LINE, AND SAID LINE THERE TERMINATING.

PAGE 1 OF 3

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly licensed Land Surveyor under the laws of the State of Minnesota.



SCOTT C. TROSEN Date: 08.23.12
License No. 47465 Revised: _____

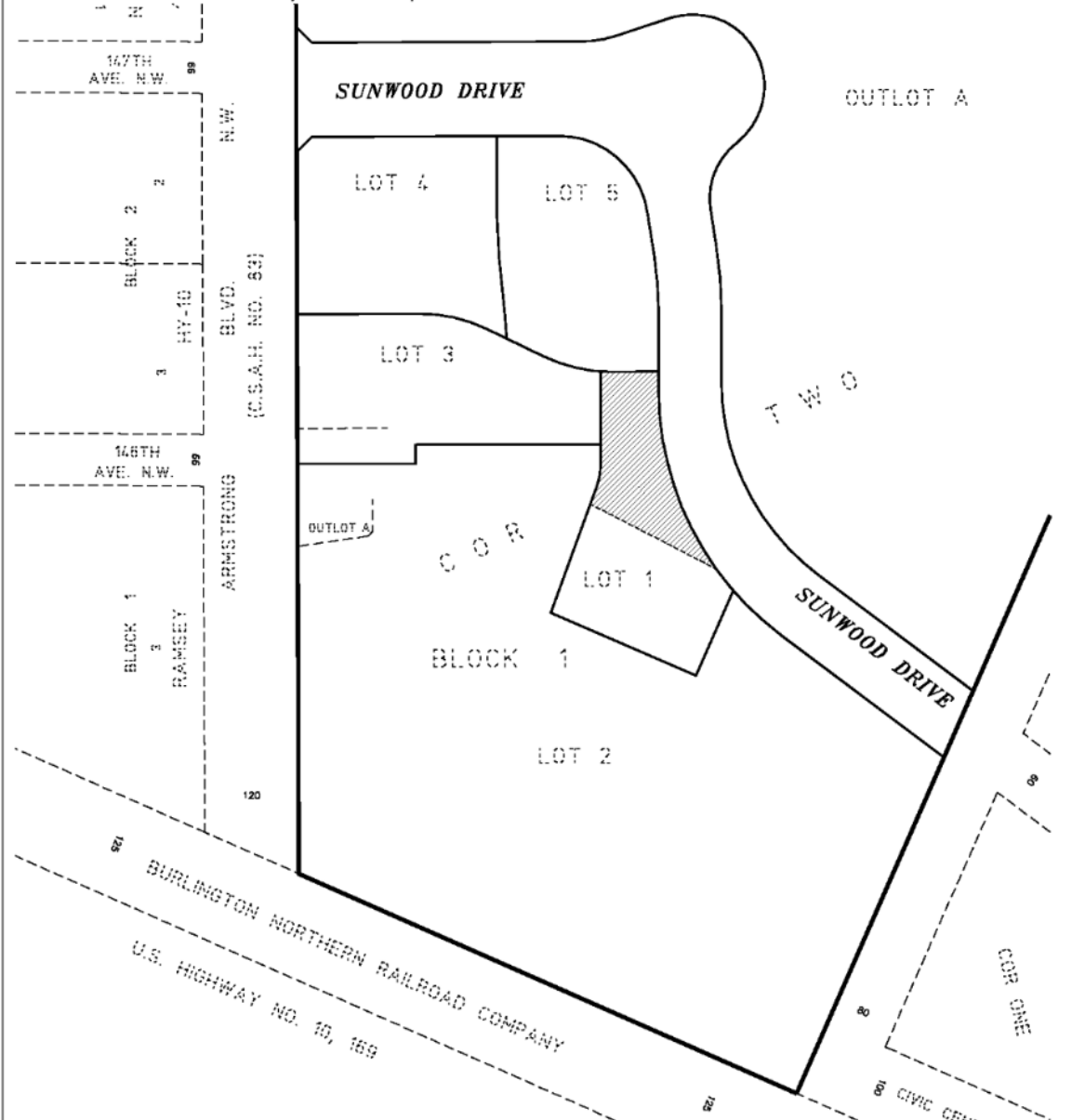
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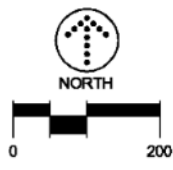
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DESCRIPTION SKETCH


FOR: Part of LOT 1, BLOCK 1, COR TWO



 = DESCRIBED AREA



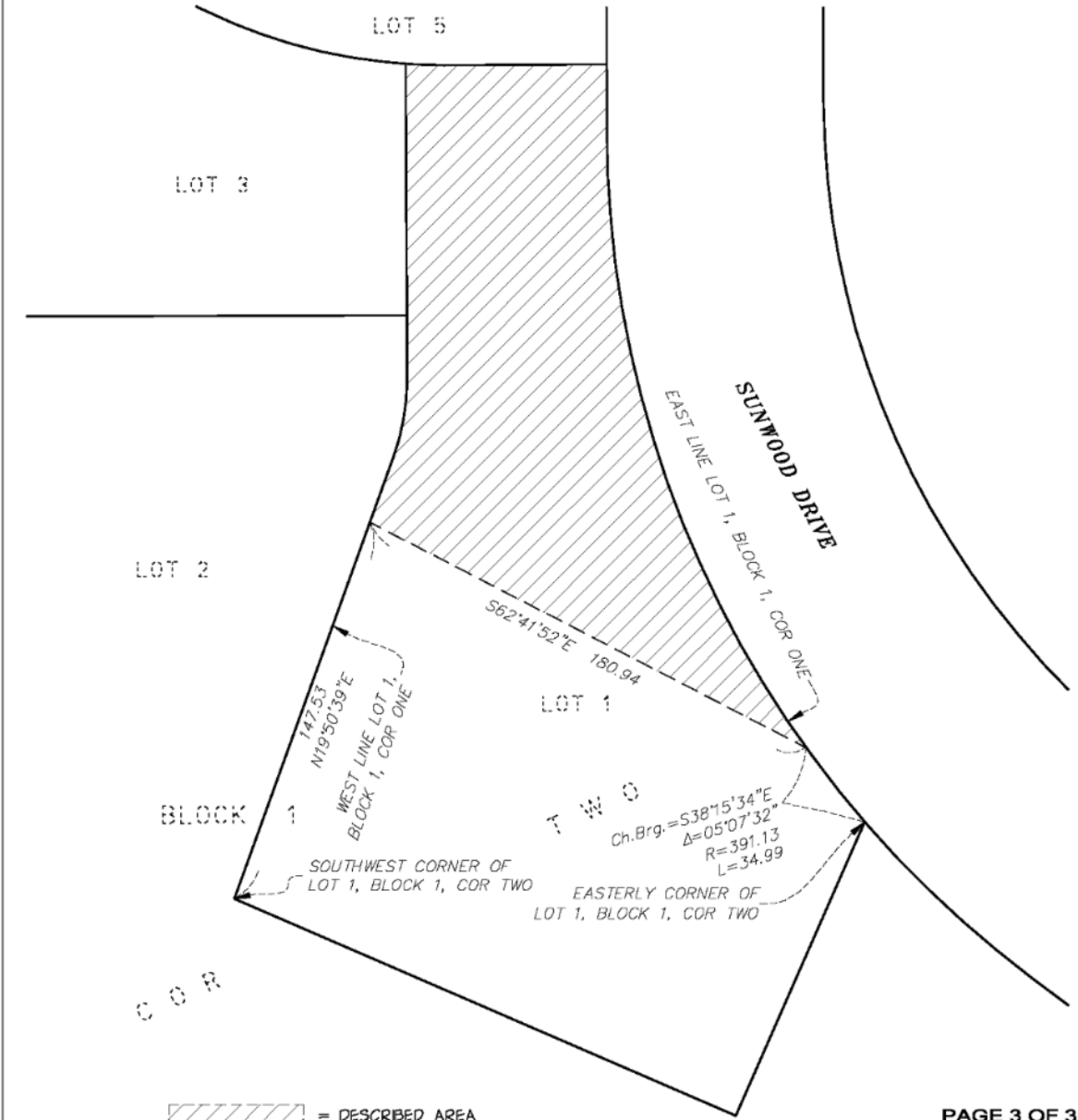
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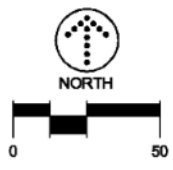
Job No. RAM12020 Drawing: sketch-p/o Lot 1 By: SCT

DESCRIPTION SKETCH

FOR: Part of LOT 1, BLOCK 1, COR TWO



PAGE 3 OF 3



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Job No. RAM12020 Drawing: sketch-p/o Lot 1 By: SCT

AGREEMENT RELATING TO THE PLAT OF COR TWO

THIS AGREEMENT RELATING TO THE PLAT OF COR TWO (“Agreement”) is made and entered into effective as of October __, 2012 by and between THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA, a body politic and corporate under the laws of the State of Minnesota (“HRA”), THE CITY OF RAMSEY, MINNESOTA, a body politic and corporate under the laws of the State of Minnesota (“City”), and SOPHIA-RAMSEY LLC, a Minnesota limited liability company (“Sophia-Ramsey”). This Agreement sometimes refers to the HRA, the City and Sophia-Ramsey, individually, as a “Party” and collectively as the “Parties.”

RECITALS:

A. HRA is the current record fee owner of the real property legally described on the attached Exhibit A (the “HRA Property”);

B. Sophia-Ramsey is the current record fee owner of the real property legally described on the attached Exhibit B (the “Sophia-Ramsey Property”);

C. The City is the current record owner of the real property legally described on the attached Exhibit C (the “City Property” and, collectively with the HRA Property and the Sophia Property, the “Property”);

D. A portion of Sunwood Drive, a public street dedicated on the Plat of RAMSEY TOWN CENTER ADDITION, is located between the HRA Property and the Sophia-Ramsey Property and between the HRA Property and the City Property.

E. To facilitate the relocation of Sunwood Drive, the City is proposing to vacate the portion of the Sunwood Drive right of way, as dedicated on the plat of RAMSEY TOWN CENTER ADDITION that is located westerly of the westerly line of Zeolite Street N.W., as dedicated on the plat of RAMSEY TOWN CENTER ADDITION (the “Vacated Right of Way”) and to replat the HRA Property, the Sophia-Ramsey Property, the City Property and the Vacated Right of Way as Lots 1 through 5, Block 1 and Outlot A, COR TWO, Anoka County, Minnesota and to dedicate a portion of the HRA Property as new right of way for Sunwood Drive. A copy of the preliminary plat of COR TWO, Anoka County, Minnesota is attached as Exhibit D (the “Plat”).

F. Upon the City’s vacation of the Vacated Right of Way, title to a portion of the Vacated Right of Way will accrue to the owner of the HRA Property, title to a portion of the Vacated Right of Way will accrue to the owner of the Sophia-Ramsey Property and title to a portion of the Vacated Right of Way will accrue to the owner of the City Property. A portion of the Vacated Right of Way will be re-dedicated as right of way of Sunwood Drive on the Plat.

G. The City acquired and was holding the City Property as a potential location for signage for other properties located within the interior of TOWN CENTER ADDITION. With the relocation of Sunwood Drive, the City no longer wants to use the City Property for signage and the City Property is too small to be developed as a separate parcel. In addition, the Plat will dedicate a public drainage and utility easement over the City Property. Therefore, after the

vacation of Sunwood Drive and prior to the execution and recording of the Plat, the City will convey the City Property and the portion of vacated Sunwood Drive accrues thereto upon the vacation of the Vacated Right of Way to Sophia-Ramsey to consolidate title to the City Property and the Sophia-Ramsey Property in Sophia-Ramsey.

H. To facilitate the development and use of the HRA Property and the Sophia-Ramsey Property following the relocation of Sunwood Drive, the HRA and Sophia-Ramsey desire to relocate the common boundary between the HRA Property and the Sophia-Ramsey Property. To affect this relocation, the HRA will, subject to and upon the terms and conditions set forth in this Agreement, execute and deliver a quit claim deed to Sophia-Ramsey as provided for in Section 5.1 of this Agreement.

I. In addition, Sophia-Ramsey and the HRA will, immediately following the execution and delivery of deeds as described in Sections 5.1 and 5.2, jointly execute and record an Agreement and Declaration of Covenants, Conditions, Restrictions and Easements for COR TWO in substantially the form attached as Exhibit E (the "Declaration").

J. The parties are executing this Agreement to evidence their agreement regarding the vacation of Sunwood Drive, the recording of the Plat, the exchange of the deeds and the execution of the Declaration.

NOW THEREFORE, in consideration of the respective rights and obligations of the HRA, Sophia-Ramsey and the City under this Agreement, the HRA, Sophia-Ramsey and the City hereby covenant and agree as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by reference.

2. No Contest. The HRA, Sophia-Ramsey and the City, as owner of the City Property, agree not to formally or informally oppose, challenge, or contest the City of Ramsey's vacation of the Vacated Right of Way; provided the vacation is contingent upon the execution and recording of the Plat.

3. City Deed. After the City's adoption of an Ordinance vacating the Vacated Right of Way, the City will execute and deliver to Sophia-Ramsey, as partial consideration for Sophia-Ramsey's performance of its obligations under this Agreement, a Uniform Minnesota Conveyancing blank form quit claim deed conveying the City Property to Sophia-Ramsey. In addition, if, at the time of the conveyance, the City Property is subject to any mortgage or other lien, the City will obtain and record documentation reasonably acceptable to Sophia-Ramsey that releases the City Property from mortgages or other liens, if any, recorded against title to the City Property.

4. Execution and Recording of the Plat. After the City Council of the City of Ramsey has adopted an Ordinance vacating the Vacated Right of Way, the City has conveyed the City Property to Sophia-Ramsey and the City council of the City of Ramsey has adopted a resolution granting final approval of the Plat, the HRA present the Plat to Sophia-Ramsey for execution and Sophia-Ramsey, as owner of the Sophia-Ramsey Property and the City Property, will promptly cause its chief manager or another appropriately authorized an officer to execute

and acknowledge the Plat and will promptly obtain and deliver to the HRA fully authorized, executed and acknowledged consents to the Plat from each person or entity holding a mortgage or other lien on the Sophia-Ramsey Property. The consent to the Plat must be in a form acceptable to Anoka County. Promptly after Sophia-Ramsey's, execution of the final Plat and delivery of consents to the final plat by all mortgagees and other lienholders holding a mortgage or other liens on the Sophia-Ramsey Property, the HRA will: (a) cause appropriately authorized officers of the HRA to execute and acknowledge the Plat; obtain authorized, executed and acknowledged consents to the Plat from each person or entity holding a mortgage or other lien on the HRA property; and deliver the approved and executed Plat and the Consents to Commercial Partners Title Insurance Company or to another title insurance company selected by the HRA ("Title") with instructions to record the Plat in the offices of the Anoka County Registrar of Titles. Before or contemporaneous with the submission of the Plat to the Anoka County Registrar of Titles for recording, the HRA, Sophia-Ramsey and the City must each pay (a) all real estate taxes due and payable with respect to their respective parcels in the year in which the Plat is recorded; and (b) all installments of special assessments, if any, that are due and payable with respect to their respective parcels in the year in which the Plat is recorded. The HRA and the City represent and warrant to Sophia-Ramsey and to one another that there are no real estate taxes or installments of special assessments due and payable with respect to the HRA Property or the City Property for 2012 or any prior years. Upon notification from the HRA that the HRA is submitting the Plat to Title for recording, the HRA, Sophia-Ramsey and the City must each, within 48 hours, tender to Title, in certified or wire transferred funds, for payment to Anoka County, an amount sufficient to pay all unpaid real estate taxes, installments of special assessments and, if applicable, interest and penalties, that remain due and payable for the year in which the Plat is submitted for recording with respect to the portion of the Property the Party owns. The HRA is responsible for the payment of and will pay all recording fees due and payable to the County in connection with the recording of the Plat. The City has determined that no fees are due to the City with respect to the re-platting of Lots 1 and 2, COR TWO. The HRA shall pay to the City all fees due to the City with respect to the re-platting of Lots 3, 4 and 5, COR TWO. The HRA may seek to negotiate with purchasers of Lots from the HRA to recover all or a portion of the fees due to the City and all or a portion of the cost of constructing any improvements the HRA constructs or causes to be constructed.

5. Exchange of Deeds.

5.1 HRA Deed. Upon the Parties' performance of their obligations under Section 3 and Section 4 above and contemporaneous with the recording of the Plat and the Parties' performance of their obligations under this Section 5 and Section 6, the HRA will deliver to Title, for recording in the office of the Anoka County Registrar of Titles, an authorized, executed and acknowledged Minnesota Uniform Conveyancing Blank Form Quit Claim Deed conveying Lots 1 and 2, Block 1, COR TWO, Anoka County, Minnesota, as depicted on the preliminary plat attached as Exhibit D, from the HRA to Sophia-Ramsey. In addition, if at the time of the conveyance, the HRA Property is subject to a mortgage or other lien, the HRA will obtain and record documentation reasonably acceptable to Sophia-Ramsey that releases Lots 1 and 2, Block 1, COR TWO, Anoka County, Minnesota, as depicted on the preliminary plat attached as Exhibit D, from any mortgage or other lien against the HRA Property.

5.2 Sophia-Ramsey Deed. Based on the Upon the Parties' performance of their obligations under Section 3 and Section 4 above and contemporaneous with the recording of the Plat and the Parties' performance of their obligations under this Section 5 and Section 6, Sophia-Ramsey will deliver to the HRA (a) an original, authorized, executed and acknowledged Minnesota Uniform Conveyancing Blank Form Quit Claim Deed conveying Lots 3, 4 and 5, Block 1, COR TWO, Anoka County, Minnesota, as depicted on the preliminary plat attached as Exhibit D, from Sophia-Ramsey to the HRA and (b) original, authorized, executed and acknowledged releases that release Lots 3, 4 and 5, Block 1, COR TWO, Anoka County, Minnesota, as depicted on the preliminary plat attached as Exhibit D, from any mortgage or other lien against the Sophia-Ramsey Property. The Plat does not result in any portion of the Sophia-Ramsey Property, the City Property or the Vacated Right of Way that accrues to the Sophia-Ramsey Property or the City Property to be included within the boundaries of Lots 3, 4 and 5, Block 1, COR TWO, Anoka County Minnesota, so the HRA will not record the deed and releases provided for in this Section 5.2 unless the Anoka County Recorder requests that the HRA do so.

6. Declaration. Immediately after the recording of the vacation redirecting the City Deed, the Plat, HRA Deed, the Sophia-Ramsey Deed (if the HRA elects to record the Sophia-Ramsey Deed) and the City Deed, HRA and Sophia-Ramsey will execute and record the Declaration. Each party to the Declaration will obtain a recordable consent and agreement to be subject to and bound by the Declaration from all individuals and entities that have a lien against its Property (each a "Lender Consent"). Each Lender Consents must be in a form that reasonably acceptable to both parties to the Declaration.

7. Miscellaneous.

7.1 Remedies and Enforcement. This Agreement is personal to the Parties and is not intended to run with title to the HRA Property, the City Property or the Sophia-Ramsey Property. In the event of a breach of any term of this Agreement, the non-breaching party shall have the right to exercise any and all remedies afforded under law and at equity.

7.2 Amendment. This Agreement may be modified or amended, in whole or in part, only by the written consent of the parties hereto, evidenced by a document that has been fully executed and acknowledged by the duly authorized representatives of each party hereto.

7.3 No Waiver. No waiver of any default of any obligation by any party hereto shall be implied from any omission by the other party to take any action with respect to such default.

7.4 Severability. If any covenant, condition, provision, or term of this Agreement is, to any extent, held invalid or unenforceable, the remaining portion thereof and all other covenants, conditions, provisions, terms of this Agreement, will not be affected by such holding, and will remain valid and in force to the fullest extent permitted by law.

7.5 Entire Agreement. This Agreement contains the complete understanding and agreement of the parties hereto with respect to all matters referred to herein, and all prior

representations, negotiations, and understandings are merged into and superseded by this Agreement.

7.6 Governing Law. The laws of the State of Minnesota shall govern the interpretation, validity, performance, and enforcement of this Agreement.

7.7 Authority. The parties and each individual signing this Agreement on behalf of the parties, represent and warrant that they are duly authorized to sign on behalf of and to bind such party and that this Agreement is a duly authorized, binding and enforceable obligation of such party.

7.8 Counterpart. Each party may execute a separate copy of this Agreement. This Agreement will be enforceable when each party has executed and acknowledged a copy of this Agreement and each party has delivered an original or copy of the Agreement that the party has signed to the other party.

7.9 Notices. Any notice to be given to any party hereto in connection with this Agreement must be in writing, and delivered to the other parties (i) in person; (ii) by facsimile transmission (with confirmation of transmission available upon request from the non-sending party); (iii) by a nationally recognized overnight delivery service; or (iv) by certified mail, return receipt requested. If notice is given in person or via facsimile transmission, notice is deemed to have been given when personal delivery was received by the party or when the facsimile transmission was transmitted. If notice is given by a nationally recognized overnight delivery service, notice is deemed to have been given the day following delivery to the delivery service of such notice. If notice is given by certified mail, notice is deemed to have been given three (3) days after a certified letter containing such notice, properly addressed with postage prepaid, is deposited in the United States mail. Notices should be sent to the parties at the following addresses:

To HRA: The Housing and Redevelopment Authority in
 and for the City of Ramsey, Minnesota
 Ramsey Municipal Center
 7550 Sunwood Drive
 Ramsey, Minnesota 55303
 Attention: Executive Director

To RPC: Sophia-Ramsey LLC
 Attn. Steve Johnson
 1508 Welland Avenue
 Minnetonka, MN 55305

With a Copy to: Siegel Brill, P.A.
 Attn. Anthony J. Gleekel, Esq.
 100 Washington Avenue South
 Suite 1300
 Minneapolis, MN 55401

A party may change its address for delivery of notices by written notice to the other party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
RAMSEY, MINNESOTA,
a public body under the laws of Minnesota

By: _____
Its Chair

By: _____
Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____ the Chair, and _____ the Executive Director, of The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body under the laws of Minnesota, on behalf of said public body.

Notary Public

[Signature page 1 of 3 to Agreement Relating to the Plat of COR TWO]

EXHIBIT A

HRA PROPERTY

Outlots F, G and H, RAMSEY TOWN CENTER ADDITION, Anoka County, Minnesota.

Torrens Property Torrens Certificate No. 121665

EXHIBIT B

SOPHIA-RAMSEY PROPERTY

Lots 1 and 2, Block 1, RAMSEY TOWN CENTER 3RD ADDITION, Anoka County, Minnesota

Torrens Property Torrens Certificate No. 105088

EXHIBIT C
CITY PROPERTY

Outlot A, RAMSEY TOWN CENTER 3RD ADDITION, Anoka County, Minnesota.

Torrens Property Torrens Certificate No. 105089.

EXHIBIT D

PRELIMINARY PLAT

COR TWO

CITY OF LAWRENCE
COUNTY OF ANNEKA
SEC. 28 TWP. 02, R.10 S. 25

KNOW ALL PERSONS BY THESE PRESENTS, That the City of Lawrence, a Missouri Municipal Corporation, owner of the following described property:

SECTION 1 & 2, BLOCK 1, LAWRENCE TOWN CENTER THIRD ADDITION, ANNEKA COUNTY, MISSOURI

And that the City of Lawrence, Planning and Development Department, a Missouri Municipal Corporation, owner of the following described property:

SECTION 1 & 2, BLOCK 1, LAWRENCE TOWN CENTER THIRD ADDITION, ANNEKA COUNTY, MISSOURI

And that Stephen Berman, LLC, a Missouri Limited Liability Company, owner of the following described property:

LOT 1 AND 2, BLOCK 1, LAWRENCE TOWN CENTER THIRD ADDITION, ANNEKA COUNTY, MISSOURI

Have caused the same to be surveyed and platted as COR TWO and do hereby declare to the public, on the design and utility easement shown on this plat.

That the above said City of Lawrence, a Missouri Municipal Corporation, has caused these presents to be signed by its proper officers this _____ day of _____, 2011.

CITY OF LAWRENCE, A MISSOURIA MUNICIPAL CORPORATION

Mayor _____ Adam M. Thieling, City Clerk

SEAL OF _____

This instrument was acknowledged before me this _____ day of _____, 2011, by Stephen Berman and Adam M. Thieling, City Clerk of the City of Lawrence, a Missouri Municipal Corporation, as stated on this instrument.

Name: _____ County: _____

My Commission Expires: _____

And that the above said City of Lawrence, Planning and Development Authority, a Missouri Municipal Corporation, has caused these presents to be signed by its proper officers this _____ day of _____, 2011.

CITY OF LAWRENCE, PLANNING AND DEVELOPMENT AUTHORITY, A MISSOURIA MUNICIPAL CORPORATION

Mayor _____ Adam M. Thieling, City Clerk

SEAL OF _____

This instrument was acknowledged before me this _____ day of _____, 2011.

By _____ of the City of Lawrence, Planning and Development Authority, a Missouri Municipal Corporation, on behalf of the corporation.

Name: _____ County: _____

My Commission Expires: _____

And that the above said Stephen Berman, LLC, a Missouri Limited Liability Company, has caused these presents to be signed by its proper officers this _____ day of _____, 2011.

STEPHEN BERMAN, LLC, A MISSOURIA LIMITED LIABILITY COMPANY

SEAL OF _____

This instrument was acknowledged before me this _____ day of _____, 2011, by _____.

Name: _____ County: _____

My Commission Expires: _____

I, _____ Notary Public, do hereby certify that the above said Stephen Berman, LLC, a Missouri Limited Liability Company, has caused these presents to be signed by its proper officers this _____ day of _____, 2011, and that the same have been duly acknowledged before me as stated on this instrument.

Name: _____ County: _____

My Commission Expires: _____

And that the above said City of Lawrence, Planning and Development Authority, a Missouri Municipal Corporation, has caused these presents to be signed by its proper officers this _____ day of _____, 2011.

CITY OF LAWRENCE, PLANNING AND DEVELOPMENT AUTHORITY, A MISSOURIA MUNICIPAL CORPORATION

Mayor _____ Adam M. Thieling, City Clerk

SEAL OF _____

This instrument was acknowledged before me this _____ day of _____, 2011, by _____.

Name: _____ County: _____

My Commission Expires: _____

I, _____ Notary Public, do hereby certify that the above said City of Lawrence, Planning and Development Authority, a Missouri Municipal Corporation, has caused these presents to be signed by its proper officers this _____ day of _____, 2011, and that the same have been duly acknowledged before me as stated on this instrument.

Name: _____ County: _____

My Commission Expires: _____

• • • • •
LAWRENCE, MISSOURI
NOTARY PUBLIC
SHEET 1 OF 2 SHEETS

EXHIBIT E

**AGREEMENT AND DECLARATIONS OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR COR TWO**

Ramsey, MN
Sunwood Drive
L/C: 022-0575

Prepared by: Gillian Bregman
After recording, return to: Kim Delmedico
McDONALD'S CORPORATION
One McDonald's Plaza
Oak Brook, Illinois 60523

RESTRICTIVE COVENANT

The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body corporate and politic under the laws of the State of Minnesota ("Grantor") wishes to enter into a contract ("Contract") with **McDONALD'S USA, LLC, a Delaware limited liability company** ("Grantee") to sell to Grantee a parcel of real estate described on Exhibit A attached ("the Premises").

As an inducement for Grantee to enter into the Contract with Grantor, Grantor has agreed to record a Restrictive Covenant affecting the use of Grantor's parcel of real estate located adjacent to the Premises, as described on Exhibit B, attached ("Lot 3").

THEREFORE, in consideration of ONE DOLLAR AND NO CENTS (\$1.00), and other good and valuable consideration, the receipt of which is hereby acknowledged, Grantor promises and declares that the property described on Exhibit B, will not be leased, used or occupied as a Quick Service Restaurant for a period of 20 years from the Grantor execution date listed in this Restrictive Covenant; provided, however, that if (a) Grantee is not operating a McDonald's Restaurant within 545 days after the date listed in this Restrictive Covenant or (b) if McDonalds opens and operates a McDonald's Restaurant and at any time within said 20 year period ceases operating the McDonald's Restaurant for a period of more than 180 days other than as the result of a casualty or any other conditions, which are beyond the reasonable control of any party to this Restrictive Covenant and not due to the fault or negligence of such party, this Restrictive Covenant shall be null and void and of no further force or effect. The term "Quick Service Restaurant" for purposes of this restriction shall be defined as any restaurant or food service establishment with drive thru service, drive-in service or pedestrian walk-up window service whose primary business consists of or whose marketing strategy is based on the sale of hamburgers, ground meat or meat substitute sandwiches, or a combination of ground meat and meat substitute sandwiches, or any other type of meat products, any of which are served in sandwich form or chicken served in sandwich form. Any food service establishment which offers as the primary method of service for all meal times, food and drink orders taken by and served by a waiter or waitress at the customer's table is excluded from the term Quick Service Restaurant. Notwithstanding the foregoing, a restaurant with drive-thru facilities that sells as its primary product hamburgers, ground beef or ground beef products in sandwich form or chicken in sandwich form shall be included in the term "Quick Service Restaurant". In addition, and not by way of example, the following restaurants operating under the listed trade names, or operating under any successor trade names, are prohibited within the area described on Exhibit B, attached:

Apollo Burgers
Bison Jack's
Burger King
Checkers
Culver's
Fatburger
Fuddruckers
Iceberg Drive Inn
Jake's Wayback Burgers
Rally's
Smashburger
Wendy's

Astro Burgers
Bobby's Burger Palace
Burger Street
Cheeburger Cheeburger
DQ Grill & Chill
Five Guys
Hardee's
In-N-Out Burger
Johnny Rockets
Roy Rogers
Sonic
Whataburger

Back Yard Burgers
Burger 21
Carl's Jr.
Crown Burgers
Elevation Burger
Five Napkin Burger
Hires Big H
Jack in the Box
Krystal
Shake Shack
Steak 'n Shake
White Castle

Bojangles'
El Pollo Loco
Pollo Tropical

Brown's Chicken
KFC
Popeyes

Chick-fil-A
Pollo Campero
Raising Cane's

As of the date of this Restrictive Covenant, Grantor is under contract to sell Lot 3 to a third party (the "Next Lot 3 Owner"). This restriction will not be effective as to Grantor and will run with title to Lot 3 until the first to occur of the following: (a) alienation in the form of transfer of title of Lot 3 to any owner who receives fee title to Lot 3 from the Next Lot 3 Owner, or (b) alienation in the form of the subleasing or assignment of any leasehold interest held by the lessee of Lot 3 under any lease agreement between the Next Lot 3 Owner and such lessee, as the term of such lease may be extended. This restriction will inure to the benefit of Grantee and be binding upon Grantor and Grantor's successors and assigns.

Grantor has executed this Restrictive Covenant, this ____ day of _____, 2012.

GRANTOR:
Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota,
a public body corporate and politic under the laws of the State of Minnesota

GRANTEE:
McDONALD'S USA, LLC,
a Delaware limited liability company

By _____
Printed Name: _____
Its _____

By _____
Printed Name: _____
Its _____

ACKNOWLEDGMENT – McDONALD’S
(No Attestation required)

STATE OF ILLINOIS)
) SS:
COUNTY OF DUPAGE)

I, _____, a Notary Public in and for the county and state set forth above,
CERTIFY that _____, as _____ of McDONALD’S USA,
LLC, a Delaware limited liability company, who is personally known to me to be the same person whose
name is subscribed to the foregoing instrument as such authorized party, appeared before me this day in
person and acknowledged that he/she signed, sealed and delivered this instrument as his/her free and
voluntary act as such authorized party and as the free and voluntary act of the company for the uses and
purposes described in this instrument.

Given under my hand and notarial seal, this _____ day of _____, _____.

_____ My commission expires _____.
Notary Public

ACKNOWLEDGMENT – GRANTOR

STATE OF _____)
) SS:
COUNTY OF _____)

I, _____, a Notary Public in and for the county and state set forth above,
CERTIFY that _____, as _____ of the **Housing and
Redevelopment Authority in and for the City of Ramsey, Minnesota**, a public body corporate and
politic under the laws of the State of Minnesota who is personally known to me to be the person whose
name is subscribed to the foregoing instrument as such authorized party, appeared before me this day in
person and acknowledged that he/she signed, sealed and delivered this instrument as his/her free and
voluntary act as such authorized party and as the free and voluntary act of the company/corporation for
the uses and purposes described in this instrument.

Given under my hand and notarial seal, this _____ day of _____, _____.

_____ My commission expires _____.
Notary Public

Ramsey, MN
L/C:022-0575

Exhibit A

Legal description of the Premises (LOT 4)

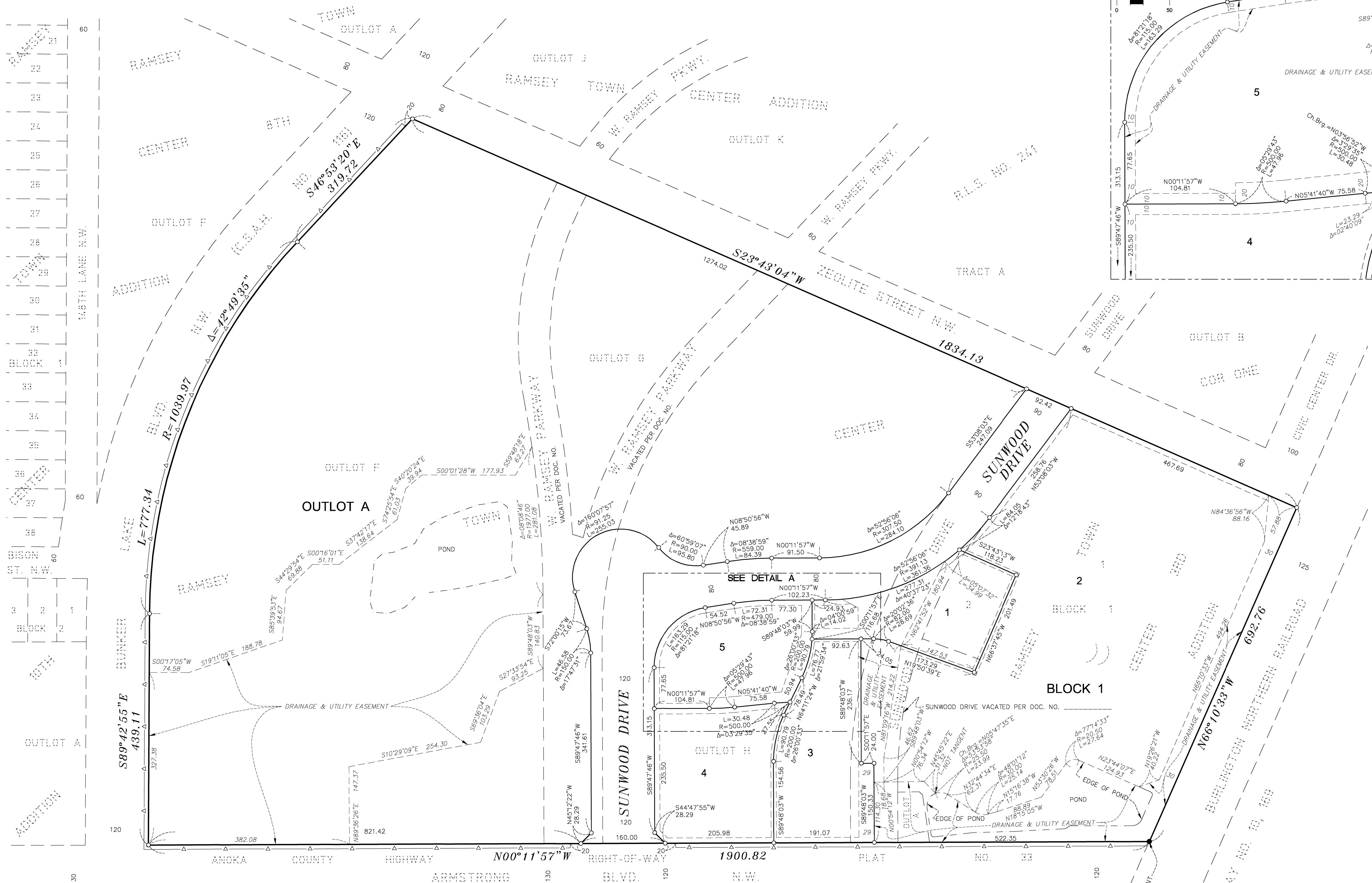
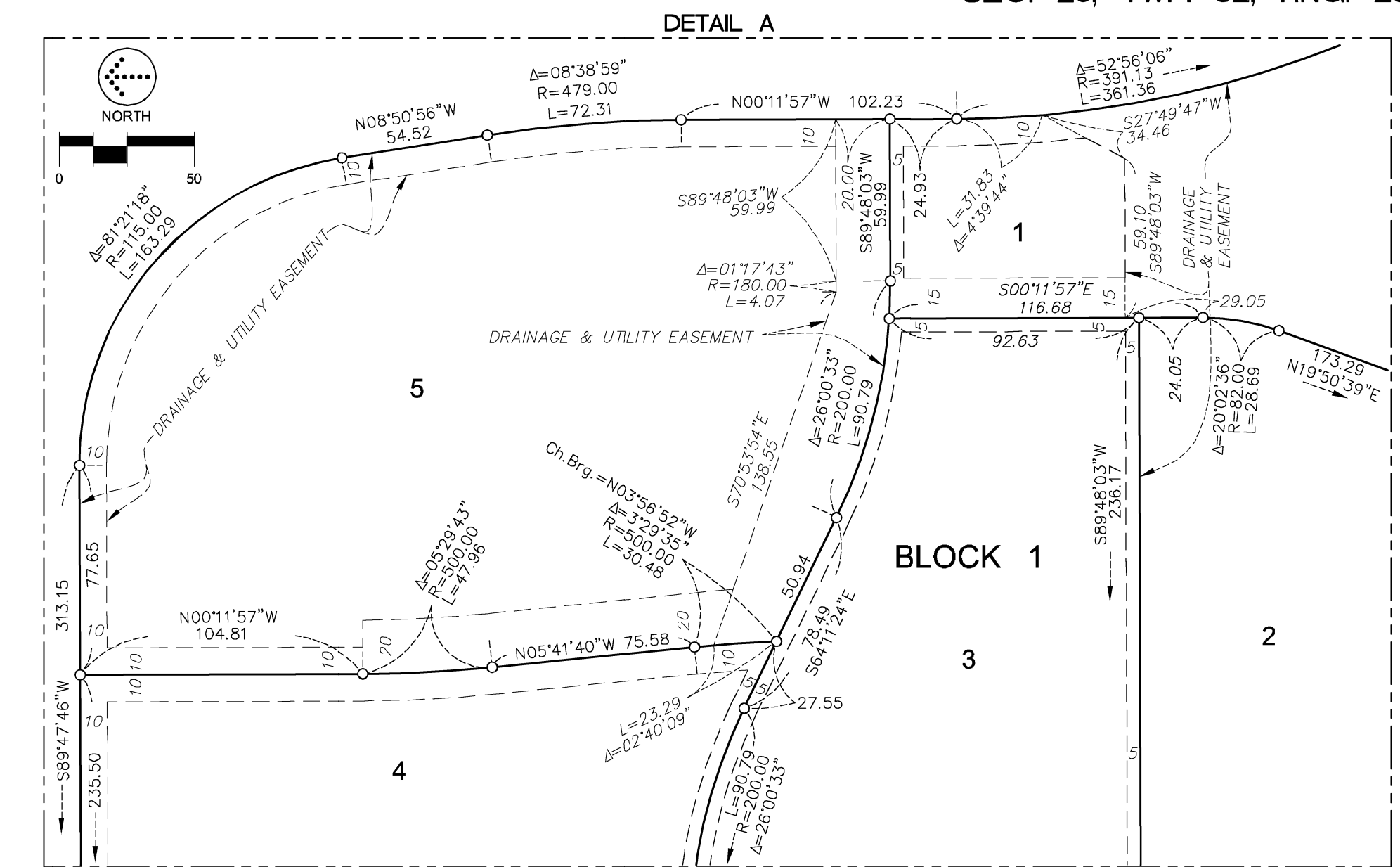
Ramsey, MN
L/C: 022-0575

Exhibit B

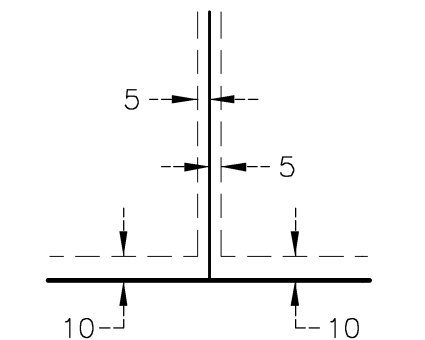
Legal description of Grantor's property (LOT 3)

COR TWO

CITY OF RAMSEY
 COUNTY OF ANOKA
 SEC. 28, TWP. 32, RNG. 25



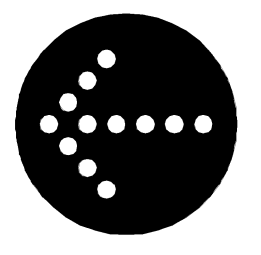
DRAINAGE AND UTILITY EASEMENTS ARE SHOWN AS THUS:
 (NOT TO SCALE)



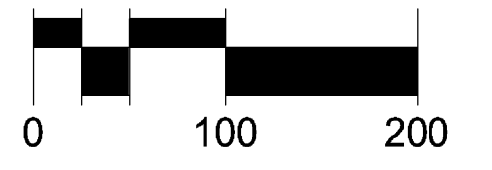
BEING 5 FEET IN WIDTH AND ADJOINING LOT LINES UNLESS OTHERWISE SHOWN AND BEING 10 FEET IN WIDTH AND ADJOINING RIGHT OF WAY LINES UNLESS OTHERWISE SHOWN

FOR THE PURPOSES OF THIS PLAT, THE WEST LINE OF OUTLOT H, RAMSEY TOWN CENTER ADDITION IS ASSUMED TO BEAR NORTH 00 DEGREES 11 MINUTES 57 SECOND WEST

- DENOTES IRON MONUMENT FOUND
- DENOTES 1/2 INCH BY 14 INCH IRON MONUMENT, SET AND MARKED WITH MINNESOTA LICENSE NO. 47465
- △ DENOTES RIGHT OF WAY DEDICATED TO COUNTY OF ANOKA



NORTH



SCALE IN FEET
 1 INCH=100 FEET

ALPHA OUTLOT B DEVELOPMENT	HY-10 RAMSEY 2ND ADDITION BLOCK 1	HY-10 RAMSEY 4TH ADDITION BLOCK 1	HY-10 RAMSEY 3RD ADDITION BLOCK 1	147TH AVE. N.W.	HY-10 RAMSEY BLOCK 2	66 148TH AVE. N.W.	HAUSER BLOCK 1 ADDITION
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**DECLARATION OF
SIGNAGE AND RELATED ELECTRICAL LINE EASEMENTS**

OCTOBER ____, 2012

THIS DECLARATION OF SIGNAGE AND RELATED ELECTRICAL LINE EASEMENTS (this "Declaration") is executed by The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the state of Minnesota (the "HRA").

RECITALS

A. Recital One. The HRA is the fee owner of Lots 3, 4, and 5, Block 1, COR TWO, Anoka County, Minnesota, according to the plat thereof (sometimes referred to, individually, as "Lot 3," "Lot 4," "Lot 5" or a "Benefited Lot" and sometimes referred to collectively, as the "Benefited Lots" or the "Property").

B. Recital Two. The HRA intends to sell the Benefited Lots to various, unrelated entities.

C. Recital Three. Before conveying the Benefited Lots, the HRA desires to make this Declaration to (i) declare an easement in gross over and across portions of the Property for the benefit of the HRA to construct, maintain, repair, and replace two monument signs, and landscaping around such signs, over and across portions of the Property; (ii) declare an appurtenant easement in favor of each Benefited Lot to give the owners of each Benefited Lot the right to use, maintain, repair and replace one sign cabinet in each of the two monument signs; and (iii) declare an appurtenant easement in favor of each of the Benefited Lots to permit the owner of each Benefited Lot to run electrical lines from the Benefited Lot over portions of the Property to provide electrical service to the sign cabinets located within each of the two monument signs, all subject to the terms and conditions set forth in this Declaration.

D. Recital Four. For purposes of this Agreement, the term "Party" means the HRA or an assignee of the HRA's rights and obligations under this Agreement and each owner of a Benefited Lot.

DECLARATIONS

1. **Declaration of Easements.**

(a) The HRA hereby declares a perpetual, non-exclusive easement in gross for the benefit of the HRA (the "HRA Signage Easement") over the portion of Lot 4 described on the attached Exhibit A-1 (the "Lot 4 Signage Easement Area") and over the portion of Lot 5 described on the attached Exhibit A-2 (the "Lot 5 Signage Easement Area" and together with the Lot 4 Signage Easement Area, the "Signage Easement Areas") for purposes of (i) constructing, operating, using, maintaining, repairing, and replacing one monument sign within each Signage Easement Area (each a "Sign" and collectively, the "Signs"); (ii) planting, installing, maintaining, repairing and replacing lawns and

landscaping within the Signage Easement Areas (the “Landscaping”); and (iii) installing, operating, maintaining, repairing and replacing irrigation equipment within the Signage Easement Areas (the “Sprinklers”). The HRA may install and maintain letters and symbols on the Signs to identify the project currently known as “The COR at Ramsey.”

(b) The HRA hereby declares a perpetual, non-exclusive, appurtenant easement in favor of each Benefitted Lot (each an “Owner Signage Easement”, and together with the HRA Signage Easement, the “Owner Signage Easements”) over and across the Signage Easement Areas to allow the owner of each Benefitted Lot to use, maintain, repair and replace one of the three sign cabinets that the HRA installs in each of the Signs, (each a “Cabinet”). The attached Exhibit B sets forth the location within each Sign of the Cabinet that is assigned to each Benefitted Lot. Owners of a Benefitted Lot may use each of the Cabinets assigned to their Benefitted Lot to display two sign panels (each, a “Panel”, and collectively, the “Panels”). The owner of Benefitted Lots may only use the Cabinets and the Panels assigned to the owner’s Benefitted Lot for signage that advertises, promotes or is otherwise related to the business located on the owner’s Benefitted Lot.

(c) The HRA hereby declares a perpetual, non-exclusive, appurtenant easement in favor of each Benefitted Lot over the portions of the Property that are subject to public drainage and utility easements dedicated in the plat of COR TWO (the “Electrical Line Easement”) for the purpose of installing, maintaining, repairing and replacing electrical lines between the Benefitted Lot and the Cabinets allocated to that Benefitted Lot (the “Electrical Lines”). The rights the Electrical Line Easement gives the owners of the Benefitted Lots are subordinate to the rights of the public in the dedicated public easements. If an owner of a Benefitted Lot installs, maintains, repairs or replaces electrical lines in the Electrical Line Easement, the owner of the Benefitted Lot must do so in a manner that does not unreasonably interfere with the use of the use of the dedicated public easements. **[Does the HRA need an easement in gross to install electrical lines?]**

2. **The Construction and Installation of the Signs, Cabinets, Landscaping and Sprinklers and Electrical Service to the Signs.** This Declaration does not obligate the HRA to construct or install the Signs, Cabinets, Landscaping, Sprinklers or Electrical Lines. The construction and installation of the Signs, Cabinets, Landscaping and Sprinklers and Electrical Lines is addressed in the Development Agreement between the HRA and the City of Ramsey and Purchase Agreements and the purchasers of the Benefitted Lots. If the HRA constructs or installs Signs, Cabinets, Landscaping, Sprinklers or Electrical Lines, the HRA must construct and install the Signs, Cabinets, Landscaping, Sprinklers or Electrical Lines in a good and workmanlike manner. Construction and installation of the Signs, Cabinets, Landscaping, Sprinklers or Electrical Lines may not be undertaken between the hours of 11:00 a.m. and 2:00 p.m., but this restriction does not apply to maintenance or repair of the Signs, Cabinets, Landscaping, Sprinklers or Electrical Lines.

(a) **The Maintenance, Repair and Replacement of Signs, Landscaping and Sprinklers.** If the HRA constructs and installs Signs, Cabinets, Landscaping and Sprinklers, the HRA must maintain, repair, and, if necessary, replace the Signs (exclusive of the Cabinets

and the Panels), Landscaping and Sprinklers. The HRA has no obligation to maintain, repair or replace the Cabinets, or Panels. The HRA must also maintain, repair and replace Electrical Lines located with the Signage Easement Areas. The HRA must keep the Signs (exclusive of the Cabinets and the Panels), Landscaping, Electrical Lines located within the Sign Easement Areas and Sprinklers in good repair and in compliance with all applicable federal, state and local laws, ordinances, rules and regulations (collectively, the "Laws"). The HRA is responsible for connecting the Sprinklers to public water lines and is responsible for cost of water the Sprinklers use. The HRA will perform its obligations under this Section 3 at the HRA's sole cost and expense and without reimbursement from the owners of the Benefitted Lots until the earlier of (a) the City of Ramsey's adoption of an ordinance creating a special service district pursuant to Minnesota Statutes Chapter 428A or a similar district pursuant to special legislation adopted after the execution and recording of this Declaration (either a "Service District") and the HRA's assignment of its rights and obligations under this Declaration to the City to permit the City to perform the obligations of the HRA under this Section 3 as one of the special services the City provides in the Service District or _____, 20___. If the City establishes a Service District that includes the Property and that defines the City's exercise of its rights and performance of its obligations under this Declaration as services the City may provide in the Service District and the HRA assigns its rights and obligations under this Declaration to the City, the City may include the costs the City incurs to exercise its rights and perform its obligations under this Declaration in the charges the City imposes within the Service District. If the City has not established a Service District by _____, 20___, then unless and until the City establishes a Service District that includes the Property and that defines the City's exercise of its rights and performance of its obligations under this Declaration as services the City may provide in the Service District and the HRA assigns its rights and obligations under this Declaration to the City, the owners of the Benefitted Lots are each liable to the HRA or one third of the costs the HRA incurs after _____, 20___ in connection with the exercise of its rights and the perform of its obligations under this Declaration. The owner of each Benefitted Lot must pay any amounts due to the HRA pursuant to this Section 3 to the HRA within thirty (30) days after the owner's receipt of the HRA's invoice. Any amounts not paid within such thirty-day period shall accrue interest from the date thirty (30) days after the owner's receipt of the HRA's invoice until paid at a rate equal to the lesser of twelve percent (12%) per annum or the highest rate allowed by law.

3. **Installation of Panels, Maintenance, Repair and Replacement of Cabinets and Panels.** If the HRA constructs the Signs and installs the Cabinets, the owner of each Benefitted Lot must, at its sole cost and expense, install Panels on the Cabinets assigned to it pursuant to Section 1(c). The owner of each Benefitted Lot must, at its sole cost and expense, maintain, repair and replace its Cabinets and Panels and the Electrical Lines located on its Benefitted Lot and outside the boundaries of the Sign Easement Areas, so that the owner's Cabinets and Panels and those Electrical Lines are, at all times, in good operating condition and repair and in compliance with all Laws. If the owner of any Benefitted Lot should, at any time, choose not to display advertising on its respective Panel for a business located on the Benefitted Lot, that owner shall install blank Panels in its Cabinets. Should the owner of any Benefitted Lot fail to maintain, repair or replace its Cabinets or Panels in accordance with this paragraph, the HRA may, after providing the non-performing owner with not less than sixty (60) days written notice and an opportunity to cure, perform maintenance or repairs on or to or replace the non-performing owners' Cabinets or Panels and charge the costs of such maintenance to the non-

performing owner. The owner of each Benefited Lot must pay any amounts due to the HRA pursuant to this Section 4 to the HRA within thirty (30) days after the owner's receipt of the HRA's invoice. Any amounts not paid within such thirty-day period shall accrue interest from the date thirty (30) days after the owner's receipt of the HRA's invoice until paid at a rate equal to the lesser of twelve percent (12%) per annum or the highest rate allowed by law.

4. **Utility Services and Installation of Electrical Lines Within the Electrical Line Easement.** This Declaration creates the Electrical Line Easement to permit the owner of each Benefited Lot to run their own electrical lines to their Cabinets; however, as of the date of this Declaration, _____ the _____ intention _____ is _____ that _____

_____. If an owner of a Benefited Lot elects to install electrical lines within the Electrical Line Easement, the owner must first give the owners of each other Benefited Lot over which the owner will be installing electrical lines not less than twenty-one (21) days written notice that the owner intends to perform work within the Electrical Line Easement. An owner performing work within the Electrical Line Easement must perform the work in a good and workmanlike manner, must promptly restore any lawns or landscaping located within the Electrical Line Easement which are disrupted by the owner's work and must indemnify the owners of the other Benefited Lots and hold the owners of the other Benefited Lots harmless from any mechanics liens arising out of or relating to the owner's work within the Electrical Line Easement.

5. **Covenants and Restrictions Relating to Construction, Maintenance and Repair Activities.** Before commencing the construction of improvements or replacement improvements on another Party's Benefitted Lot pursuant to a right granted or declared under Section 1 or an obligation imposed under Section 2, 3 or 4, the Party exercising the right or performing the obligation must give the owner or owners of the Benefitted Lot or Benefitted Lots where the construction will occur not less than ten (10) days written notice of the commencement date of the work, the nature of the work to be performed and an estimated completion date for the work. The Party giving the notice must use commercially reasonable efforts to complete the work on or before the completion date stated in the notice. This notice does not apply to a Party's exercise of its right to operate, use, maintain or repair improvements or the performance of its obligation to maintain and repair improvements, that are located on another Party's Benefitted Lot. A Party performing work on another Party's Benefitted Lot must perform such work in a good and workmanlike manner, must comply with all Laws, must use commercially reasonable efforts to any lawns or landscaping damaged as a result of the work (other than lawns and landscaping that are intentionally removed as a part of the work) and must remove all of its equipment, tools, trash and debris from the other Party's Benefitted Lot upon the completion of the work. If the work is in the Electrical Line Easement, the Party must also restore any curbs, gutters or paving damaged as a result of the work. The easements granted in this Agreement do not give the Parties the right to park or store any construction vehicles, equipment or materials within the easements granted herein for periods longer than 12 hours. A Party who is exercising its rights or performing its obligations under this Agreement must use commercially reasonable efforts to perform the work in a manner that does not unreasonably interfere with the operation of the businesses located on the other Parties' Benefitted Lots. If a Party damages improvements located on portions of another Party's Benefitted Lot that are

outside of the Signage Easement Areas and outside the boundaries of the Electrical Line Easement, the Party causing the damage must promptly notify the owner of the Benefitted Lot upon which the damaged improvement is located of the damage and must commence and diligently pursue, to completion, repair or restoration of the damaged improvement to the condition that existed immediately before the damage occurred within thirty (30) days after the occurrence of the damage.

6. **Assignment.** The HRA may assign the HRA Signage Easement and all of its other rights and obligations under this Declaration to a third party upon notice to but without the need to obtain consent from the owners of the Benefitted Lots. Any such assignment is effective upon recording. Upon the recording of such an assignment, the HRA is relieved of all of its rights under this Declaration and all of its obligations under this Declaration which first arise on or after the date the Assignment is recorded. The owner of a Benefitted Lot may not assign, transfer, or lease any of its right under this Declaration except that upon a transfer of title to a Benefitted Lot, the successor in title to the Benefitted Lot succeeds to all of the rights and obligations of the prior owner under this Declaration and the prior owner is relieved of all of its rights under this Declaration and all of its obligations under this Declaration which first arise on or after the date the transfer of title is recorded.

7. **Run With Title.** The benefit and the burden of the Owner Signage Easements, the Electrical Line Easement, and the covenants and restrictions set forth in this Declaration run with title to the Property and inure to the benefit of and are binding upon all owners of all or any portion of the Property and upon their respective personal representatives, heirs, corporate successors, successors in title and assigns.

8. **Amendment.** No amendment, modification or termination of this Declaration shall be effective unless made by written instrument signed by the HRA and the owner of each Benefitted Lot or their respective successors and assigns.

9. **Enforcement.** The HRA and its assigns and the owners of any Benefitted Lot and their respective successors in title and assigns may enforce this Declaration in a legal or equitable action brought in a court of competent jurisdiction, and the prevailing party in any such action is entitled to recover from the opposing party the prevailing party's attorney's fees and costs. No waiver by either party of any default under this Declaration shall be effective or binding upon such party unless made in writing. No waiver of any default shall be deemed a waiver of any other or subsequent default hereunder. Neither party shall have the right to unilaterally terminate this Declaration.

10. **Estoppel Certificates.** The HRA and the owners of each Benefitted Lot, and their successors and assigns, must, from time to time upon not less than thirty (30) days notice from the other party, execute and deliver to the other party a certificate in recordable form stating that this Declaration is unmodified and in full force and effect or, if modified, that this Declaration is in full force and effect, as modified, and stating the modifications and stating whether or not, to the best of its knowledge, any other party is in default in any respect under this Declaration, and if in default, specifying such default.

Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the state of Minnesota, on behalf of said public body.

Signature of Notary Public

**DRAFTED BY AND WHEN
RECORDED RETURN TO:**
Briggs and Morgan, P.A. (CJC)
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402
(612) 977-8400

EXHIBIT A-1

Legal Description of Lot 4 Signage Easement Area

THAT PART OF LOT 4, BLOCK 1, COR TWO, ANOKA COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 4; THENCE SOUTH 89 DEGREES 47 MINUTES 46 SECONDS WEST, ASSUMED BEARING ALONG THE NORTH LINE OF SAID LOT 4, A DISTANCE OF 202.17 FEET; THENCE SOUTH 00 DEGREES 12 MINUTES 14 SECONDS EAST, A DISTANCE OF 13.33 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 46 SECONDS WEST, PARALLEL WITH SAID NORTH LINE, A DISTANCE OF 46.67 FEET TO THE NORTHWEST LINE OF SAID LOT 4; THENCE NORTH 44 DEGREES 47 MINUTES 55 SECONDS EAST, ALONG SAID NORTHWEST LINE, A DISTANCE OF 18.86 FEET TO THE NORTHWEST CORNER OF SAID LOT 4; THENCE NORTH 89 DEGREES 47 MINUTES 46 SECONDS EAST, ALONG SAID NORTH LINE, A DISTANCE OF 33.33 FEET TO THE POINT OF BEGINNING.

EXHIBIT A-2

Legal Description of Lot 5 Signage Easement Area

THAT PART OF LOT 5, BLOCK 1, COR TWO, ANOKA COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 5; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, ASSUMED BEARING ALONG THE EAST LINE OF SAID LOT 5, A DISTANCE OF 26.50 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 16 MINUTES 25 SECONDS WEST, A DISTANCE OF 23.50 FEET; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, PARALLEL WITH SAID EAST LINE A DISTANCE OF 17.00 FEET; THENCE NORTH 89 DEGREES 16 MINUTES 25 SECONDS EAST, A DISTANCE OF 23.50 FEET TO SAID EAST LINE; THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS EAST, ALONG SAID EAST LINE, A DISTANCE OF 17.00 FEET TO THE POINT OF BEGINNING.

EXHIBIT B

Location of each Benefited Lot's Cabinet within the Signs

Meeting Date: 10/09/2012

By: Shane Nelson, Engineering/Public Works

Information

Title:

Consider Dedication of a Drainage and Utility Easement for the Relocation of the Connexus Cabinet

Background:

Connexus Energy recently relocated a switch cabinet to the SE Corner of Armstrong Boulevard and the new Sunwood Drive. The cabinet in its current location will conflict with proposed signage for the COR TWO retail area and it has been determined that the cabinet must be moved.

The cabinet was originally installed in 2011 in the general location as shown on the attachment labeled "Approximate Location 2011". The City requested that the cabinet be relocated this year in conjunction with the Sunwood / Armstrong project, as it was located in direct conflict with the proposed Sunwood Drive. It was relocated to the SE corner of Armstrong Boulevard and Sunwood Drive as depicted in the attachment labeled "2012 Relocated Location".

The COR Development Manager has identified a new location for the cabinet, which is north of the new Sunwood by approximately 80 feet. The proposed site is located on HRA property, east of the proposed trail as indicated on the attached exhibit labeled "New Cabinet Location". This easement is necessary to move the cabinet to the location identified by the Development Manager.

This case was presented to the Public Works Committee on September 18, 2012 and the consensus was to move the cabinet and negotiate an equitable allocation of the costs.

Notification:

Tom Keller from Connexus was notified and invited to attend

Observations:

City staff met with the involved parties on October 4, 2012 to discuss the charges and progress has been achieved in negotiating an allocation of the costs. However, the estimated costs have also increased due to more complex construction methods than originally anticipated.

The easement must be dedicated to facilitate the move of the cabinet and the cabinet must be relocated prior to the installation of the sidewalks, which are tentatively scheduled for October 10, 2012. Therefore, action on the easement is increasingly time-sensitive.

Recommendation:

We recommend the HRA approve the easement depicted on the attached exhibit and direct the development team to prepare and record an easement to facilitate the relocation of the cabinet.

Funding Source:

The funding sources for the Armstrong Boulevard and Sunwood Drive project have been previously identified. The funding source for any cost overages will be the Equipment Revolving Fund.

Council Action:

Motion to approve the easement depicted on the attached exhibit and direct the development team to prepare the easements and record as necessary to facilitate the relocation of the cabinet.

Attachments

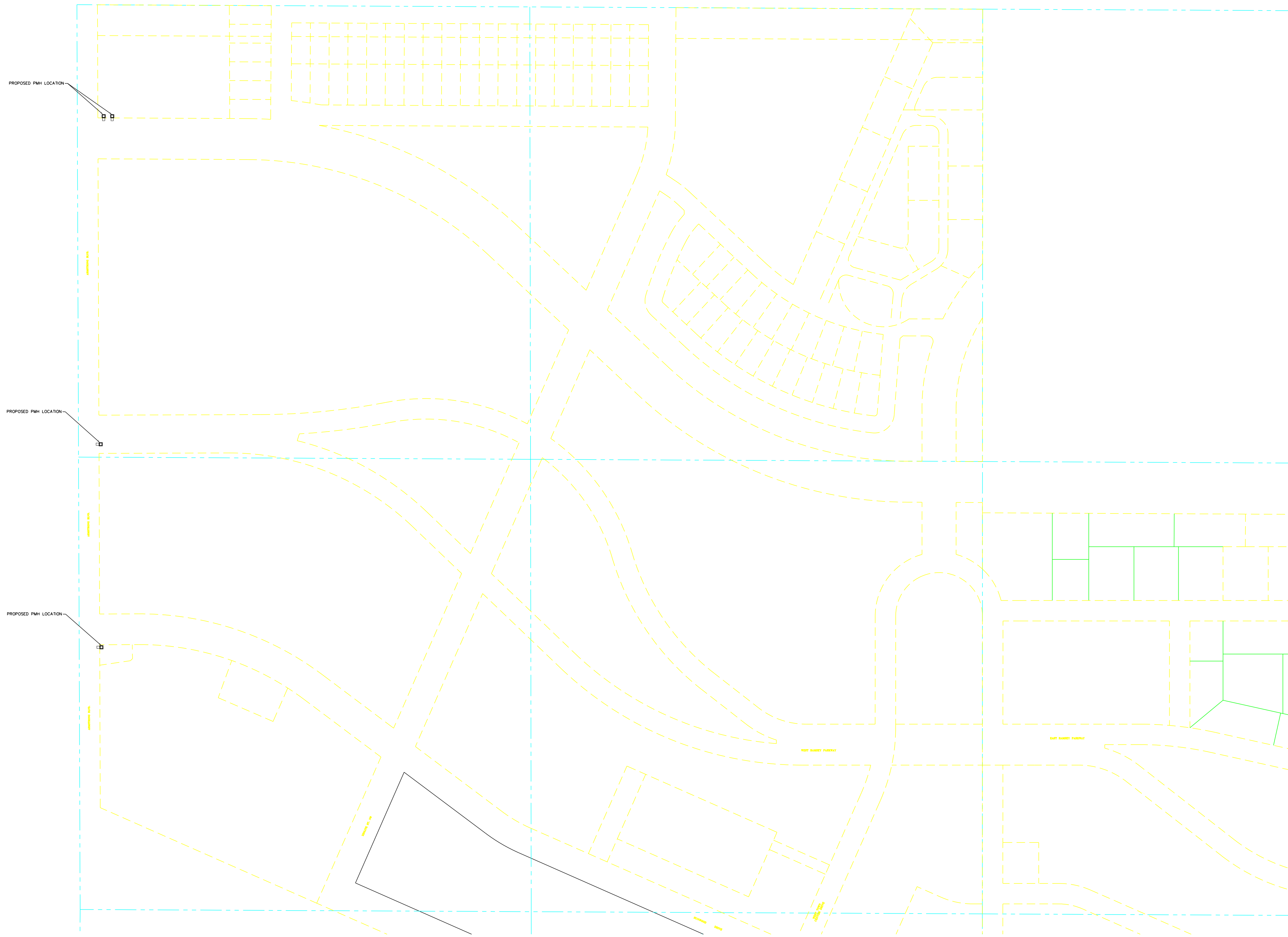
Approximate Location 2011

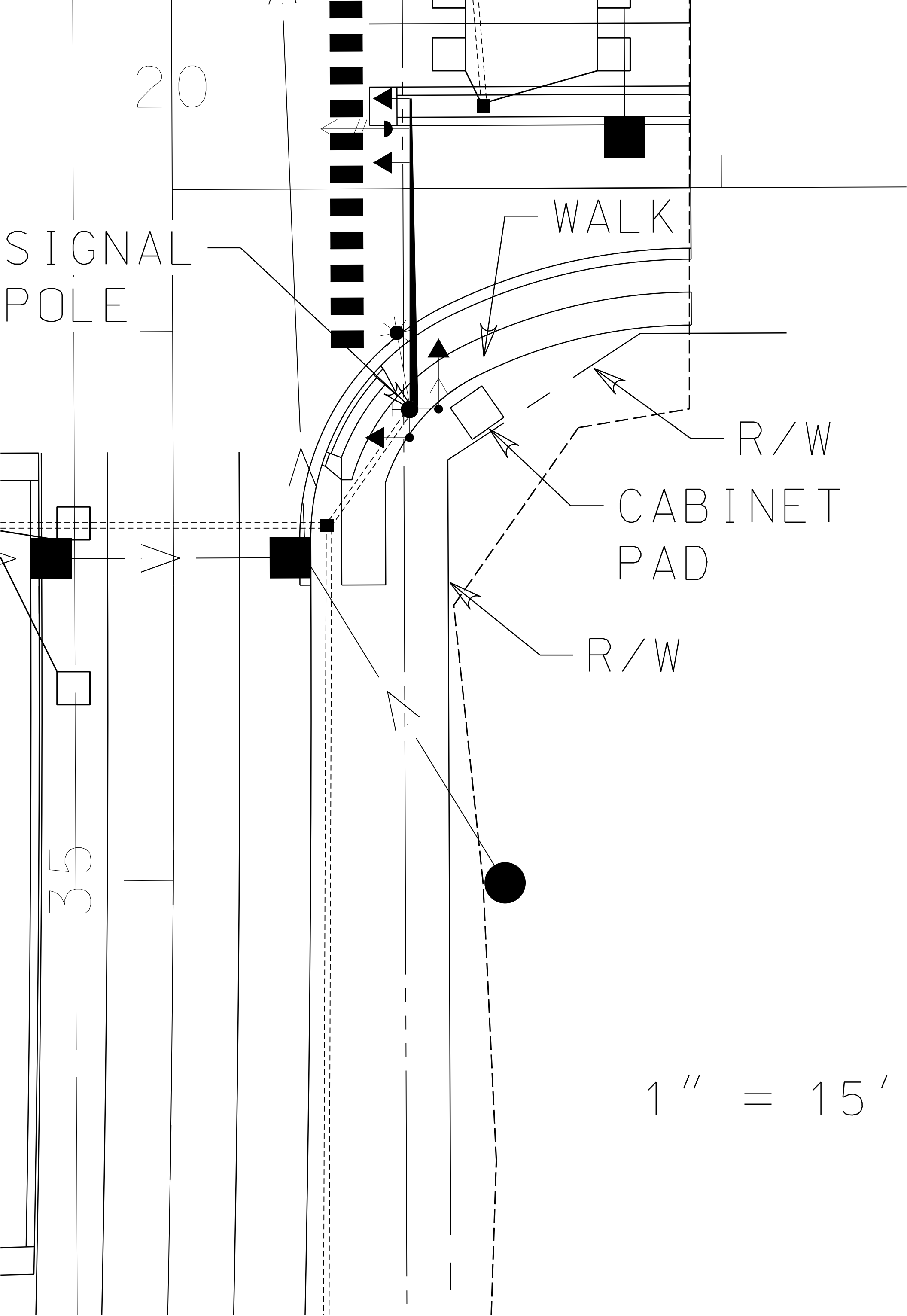
2012 Relocated Location

New Location

Form Review

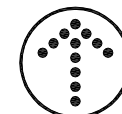
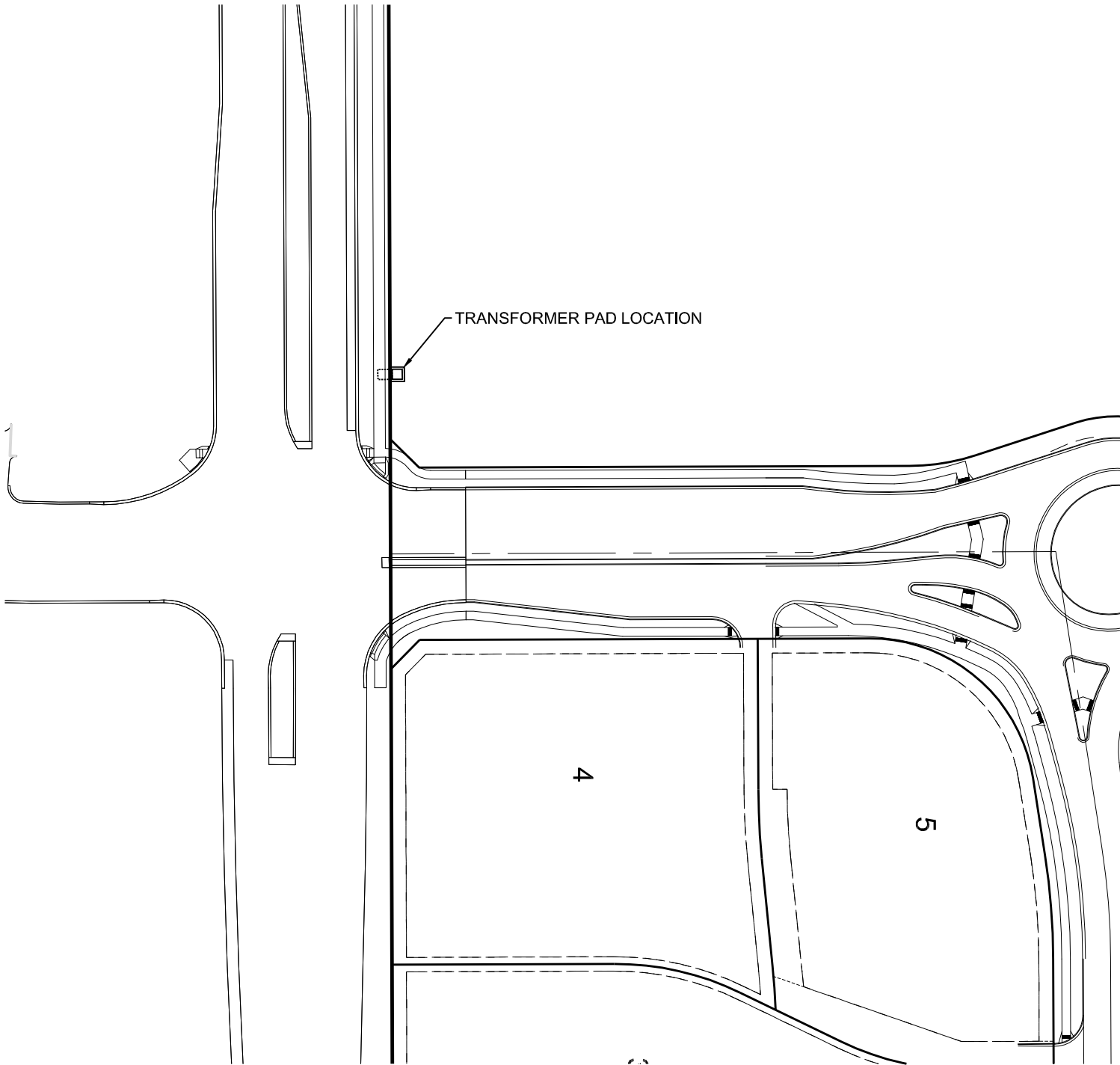
Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	10/05/2012 04:36 PM
Form Started By: Shane Nelson		Started On: 10/05/2012 03:33 PM
	Final Approval Date: 10/05/2012	



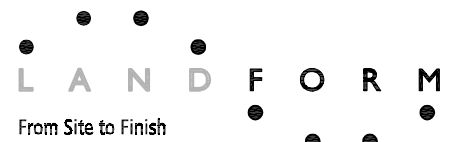
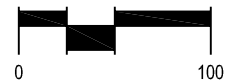


Sunwood Drive Realignment

Ramsey, MN



NORTH



**Proposed Transformer Pad
Location Exhibit**