

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is made by and between City of Ramsey, a Minnesota municipal corporation, 7550 Sunwood Drive NW, Ramsey, Minnesota 55303 (the “City”) and 2-OI, LLC and PSG, LLC, both of which are Minnesota limited liability companies with the address of both being 7533 Sunwood Drive, Suite 220, Ramsey, Minnesota 55303 (collectively referred to as the “LLCs”). It is understood between the parties hereto that this MOU is intended to lead to definitive legally binding documents to be executed by the parties. This MOU is intended to set forth the following tentatively agreed upon terms and conditions of the parties:

### I RECITALS

1. **LLC’s Ownership.** The LLCs are the owners of the real property described as Outlot A Tooth Acres, Anoka County, Minnesota (“Outlot A Tooth Acres”) and Lot 1, Block 1, The Diamonds, Anoka County, Minnesota (“Lot 1 Diamonds”). *See Exhibit 1.*
2. **City Ownership.** The City is the owner of Outlot A, The Diamonds, Anoka County, Minnesota (“Outlot A Diamonds”). *See Exhibit 1.*
3. **County Ownership.** The County of Anoka (the “County”) is the owner of Outlot B Tooth Acres, Anoka County, Minnesota (“Outlot B Tooth Acres”). *See Exhibit 1.*

### II UNDERSTANDING

4. **Grant of Easement.** The LLCs agree to grant PERMANENT Right-of-way, Trail and Utility easements (“the Easements”) to the City outlined in the Minnesota Department of Transportation Engineering Plan for the Riverdale Extension dated March 6, 2013 (the “MN DOT Riverdale Extension Plan”) (generally shown as the yellow highlighted area on Exhibit 1) for purposes of extending Riverdale Drive from where it currently terminates close to the western edge of the Tooth Acres Plat to be connected to Traprock Street NW (“Riverdale Extension”). The form of the Easement documents will be generally as attached Exhibits 2 and 3.

5. **City Consideration for Easements.** In exchange for the grant of the Easements, the City will provide the following for the benefit of the LLCs at no expense to the LLCs:
- a. The City agrees that the proposed route of Riverdale Extension will allow sufficient land area (a minimum of 43,560 square feet) on that area of Outlot A Tooth Acres marked as “C” on attached Exhibit 1 (“C”) to provide one commercial, buildable lot. The remaining portion of “C” will be utilized for storm water purposes and the LLC’s agree to dedicate a drainage and utility easement to the City.
  - b. Construct Riverdale Extension consistent with the engineering specs referred to in the MN DOT Riverdale Extension Plan. Riverdale Extension shall provide access to Outlot A Tooth Acres, Lot 1 Diamonds, and to Outlot B Tooth Acres. The City agrees that any engineering or ancillary costs associated with constructing the Riverdale Extension will be the City’s expense.
  - c. The City will be responsible for any grading required for the construction of Riverdale Extension. The LLCs will grant to the City access over Lot 1 Diamonds and Outlot A Tooth Acres for purposes of transporting fill. In addition, the LLCs will allow the City to obtain fill from an area that will become a storm water pond that is designated as “D” on the attached Exhibit 1 (“D”).
  - d. The City with the cooperation of the LLCs will obtain the appropriate permits and governmental approvals relating to the following: (i) mitigation for the storm water pond within that parcel marked as “E” on Exhibit 1; and (ii) construction of a storm water pond within a portion of Lot 1 Diamonds designated as “D”. The LLCs will bear the expense of the actual filling, grading, or excavation of storm water ponds on “D” and “E” except that portion excavated and filled for the Riverdale Extension identified in paragraph 5.c. above. The LLCs shall obtain all necessary City permits and approvals for their excavation and improvements.
  - e. The City will provide up to six water stub / service locations on the Riverdale Extension at those locations determined by the LLCs.
  - f. The City will provide one sanitary sewer stub to Outlot A Tooth Acres and one additional sanitary sewer service to that portion of Outlot A Tooth Acres designated as “C” identified in paragraph 5.a above.
  - g. The City will provide four concrete aprons on the Riverdale Extension to access the property owned by the LLCs with the locations determined by the LLCs.
6. **Outlot B Tooth Acres.**

- a. The City shall use its best efforts to obtain title to Outlot B Tooth Acres from the County and if successful convey that portion of said Outlot B Tooth Acres designated as “E” to one of the LLCs as they shall select (except that portion retained by the City for the Riverdale Extension)
- b. The City will allow drainage into the storm water pond located on the property described on “F” for any improvements or developments on Tooth Acres, Diamonds, or the property designated as “E”, subject to the City acquiring ownership of Outlot B Tooth Acres

7. **Miscellaneous.**

- a. The LLCs shall have the responsibility of completing the necessary grading work relating to the storm water pond on the property described as “D”. The LLCs shall convey a permanent drainage and utility easement to the City over, under and across “D”.
- b. During the construction of the Riverdale Extension, the LLCs agree to allow access to the plats Tooth Acres, The Diamonds, and “E” for purposes of construction and road improvement at no charge. The City agrees to restore any disturbed areas that are caused by the construction that diminishes the value of the property or requires repair.
- c. The City agrees that until there is a filing of a plat or building permit application for the development of Tooth Acres, The Diamonds, or the property within “E” there will be no assessments or charges for water access connections, sewer access connections, park dedication, water management fee, escrow for street lights, inspection fees, water or sewer handling fee, and platting fees.
- d. The LLCs shall have the option, but not the requirement, to use the same contractor that the City selects to perform its portion of the work relating to the improvements.
- e. The City and the LLCs will work together to define the future access to service the lots of future subdivision of the Plats of Tooth Acres and The Diamonds.
- f. The proposed storm water pond in “D” and the current storm water pond in “F” shall be maintained by the City at its expense.
- g. The City agrees that the replacement construction of the existing pedestrian walkway will be installed and located consistent with the LLCs' potential use on a North/South alignment as much as reasonably as possible.
- h. The LLC's agree to dedicate an easement adjacent to the Riverdale Extension to the City for a pedestrian overpass such that an ADA compliant connection can be made with the proposed and existing pedestrian walkways.

- i. The LLCs agree that a permanent drainage and utility easement over, under and across a portion of Outlot "E" in the general alignment of the extended storm sewer will be reserved by the City and said easement shall not interfere with LLCs' intended use of the property.

**III  
NON BINDING AGREEMENT**

This MOU merely sets forth some of the more significant terms and conditions of the subject matter and this MOU shall not be binding on either party.

**THE CITY OF RAMSEY**

Dated: \_\_\_\_\_, 2013

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

**2-OI, LLC**

Dated: \_\_\_\_\_, 2013

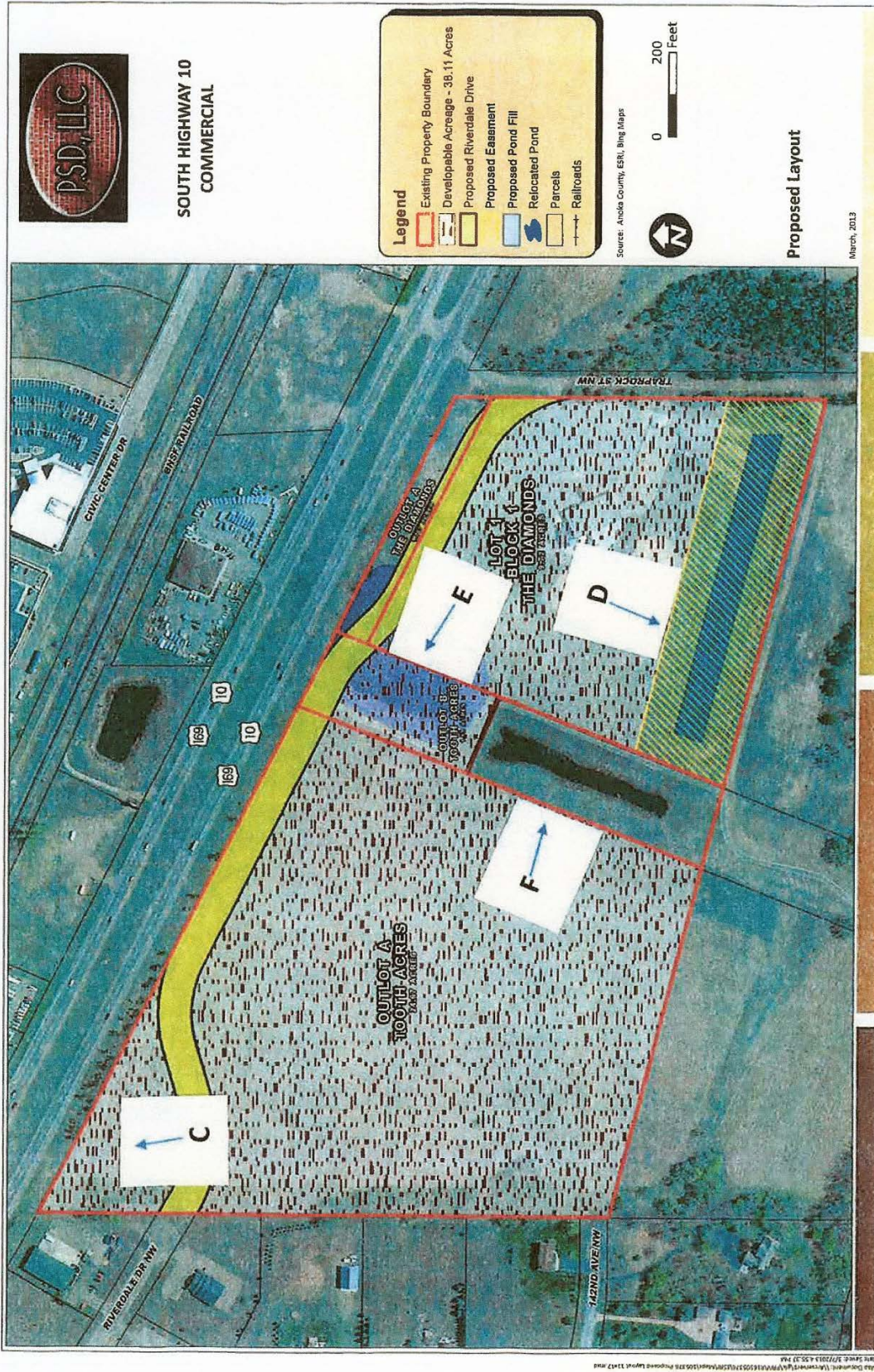
By: \_\_\_\_\_  
Its: \_\_\_\_\_

**PSG, LLC**

Dated: \_\_\_\_\_, 2013

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

# Exhibit 1



## SOUTH HIGHWAY 10 COMMERCIAL

**Legend**

- Existing Property Boundary
- Developable Acreage - 38.11 Acres
- Proposed Rivendale Drive
- Proposed Easement
- Proposed Pond Fill
- Relocated Pond
- Parcels
- Railroads

Source: Anoka County, ESR, Bing Maps

0 200 Feet

## Proposed Layout

March, 2013

Map Date: 2/7/2013 4:55:37 PM  
Map Source: \\anokacounty\GIS\Projects\2013\Map\Map100378\_Proposed Layout 1307.mxd

## Exhibit 2

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### PUBLIC STREET, PEDESTRIAN TRAIL, DRAINAGE & UTILITY EASEMENT AGREEMENT

**KNOW ALL MEN BY THESE PRESENTS**, for valuable consideration, **2-OI**, a **limited liability company under the laws of the State of Minnesota**, “**LANDOWNER**”, hereby grants, sells, and conveys to the **CITY OF RAMSEY**, a **Minnesota municipal corporation**, “**CITY**”, a perpetual easement for the public purposes described in paragraph 1. below, including, without limitation, the construction, maintenance, repair and replacement thereof, and uses incident thereto, in, over, under and upon the real property, in Anoka County, Minnesota described as follows:

See attached **Exhibit A** for legal description  
(the “Easement Area”)

#### EXEMPT FROM STATE DEED TAX

1. **The Easement Purposes.** The Easement shall be used for the following public purposes:
  - a. **Trail Easement.** The Easement Area shall be for pedestrian trail purposes to be used exclusively for outdoor recreation and commuter activities including, but not limited to, walking, jogging, skating, biking, and uses mandated by state law including, but not limited to, electric personal assistive devices. Motorized vehicles used by the City for maintenance, law enforcement or other public uses will be permitted. The trail easement shall not be used by other motorized vehicles, or by all terrain vehicles, or by snowmobiles, and the trail easement shall not be used for horseback riding. No structures, obstructions or fences shall be allowed in the trail easement area unless written approval is granted by the **CITY**.
  - b. **Public Street and Right-of-Way.** The Easement Area shall be used for the purposes of construction, maintenance, repair and/or replacement of a public street and road right-of-way and uses incident thereto.

- c. Drainage and Utility. The Easement Area shall be used for purposes of the construction, maintenance, repair and replacement of a storm water drainage system and sanitary sewer and municipal water system and such other public utilities as deemed necessary by the City, and uses incident thereto.

**2. Hazardous Substances.**

The CITY shall not be responsible for any costs, expenses, damages, demands, obligations, including penalties and reasonable attorney's fees, or losses resulting from any claims, actions, suits, or proceedings based upon a release or threat of release of any hazardous substances, pollutants, or contaminants which may have existed on, or which relate to the Easement Area or adjacent property prior to the date hereof.

**3. Liability and Indemnification.**

The City hereby agrees to indemnify and save the LANDOWNER harmless from and against any and all suits, demands, liabilities, costs and other expenses, including reasonable attorneys' fees, incurred in connection with or arising out of the use of the Easement Area by the City, its contractors and agents or the general public for the purposes granted herein, excluding, however, from such indemnity and loss resulting from acts of LANDOWNER.

**4. No Waiver of Governmental Immunity.**

Nothing contained herein shall be deemed a waiver by the CITY of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by LANDOWNER, its successors or assigns, shall be subject to any governmental immunity defenses of the CITY and the maximum liability limits provided in Minnesota Statute Chapter 466.

**5. Disposal of Excavated Material.**

The right is hereby granted to the CITY to remove or otherwise dispose of all earth or other material excavated from the Easement Area as the CITY may deem fit and to remove trees, brush, undergrowth and other obstructions interfering with the location, construction and maintenance of the Easement Area.

**6. Granting Clause.**

LANDOWNER covenants that it is the owner of the Easement area and has the right, title, and capacity to grant the Easement for the purposes described herein.

IN WITNESS WHEREOF, the LANDOWNER has caused this Easement agreement to be executed on the \_\_\_\_ day of \_\_\_\_\_, 2013.

**2-OI, LLC**

By: \_\_\_\_\_  
Its: Chief Manager



## **EXHIBIT A**

A perpetual easement for public right-of-way, trail and drainage & utility over, under and across that part of LOT 1, BLOCK 1, THE DIAMONDS, Anoka County, Minnesota according to the recorded plat thereof, described as follows:

Beginning at the northwest corner of said LOT 1, BLOCK 1; thence on an assumed bearing South 21 degrees 57minutes 04 seconds West along the west line of said LOT 1, BLOCK 1 a distance of 26.14; thence South 46 degrees 04 minutes 01 seconds East a distance of 59.72 feet; thence southeast a distance of 104.37 feet along a tangential curve concave to the northeast having a radius of 340.00 feet and a central angle 17 degrees 35 minutes 16 seconds; thence South 63 degrees 39 minutes 17 seconds East a distance of 372.01 feet; thence southerly a distance of 255.12 feet to the east line of said LOT 1, BLOCK 1 along a tangential curve to the southwest having a radius of 260.00 feet and a central angle of 56 degrees 13 minutes 10 seconds; thence North 00 degrees 00 minutes 55 seconds East along the east line of said LOT 1, BLOCK 1 a distance of 195.46 to the northeast corner of said LOT 1, BLOCK 1; thence North 63 degrees 38 minutes 56 seconds West a distance of 662.99 to the point of beginning.

### Exhibit 3

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## PUBLIC STREET, PEDESTRIAN TRAIL, DRAINAGE & UTILITY EASEMENT AGREEMENT

**KNOW ALL MEN BY THESE PRESENTS**, for valuable consideration, **PSG, LLC, a State of Minnesota limited liability company, “LANDOWNER”**, hereby grants, sells, and conveys to the **CITY OF RAMSEY, a Minnesota municipal corporation, “CITY”**, a perpetual easement for the public purposes described in paragraph 1. below, including, without limitation, the construction, maintenance, repair and replacement thereof, and uses incident thereto, in, over, under and upon the real property, in Anoka County, Minnesota described as follows:

See attached **Exhibit A** for legal description  
(the “Easement Area”)

### EXEMPT FROM STATE DEED TAX

7. **The Easement Purposes.** The Easement shall be used for the following public purposes:
- a. **Trail Easement.** The Easement Area shall be for pedestrian trail purposes to be used exclusively for outdoor recreation and commuter activities including, but not limited to, walking, jogging, skating, biking, and uses mandated by state law including, but not limited to, electric personal assistive devices. Motorized vehicles used by the City for maintenance, law enforcement or other public uses will be permitted. The trail easement shall not be used by other motorized vehicles, or by all terrain vehicles, or by snowmobiles, and the trail easement shall not be used for horseback riding. No structures, obstructions or fences shall be allowed in the trail easement area unless written approval is granted by the **CITY**.
  - b. **Public Street and Right-of-Way.** The Easement Area shall be used for the purposes of construction, maintenance, repair and/or replacement of a public street and road right-of-way and uses incident thereto.

- c. Drainage and Utility. The Easement Area shall be used for purposes of the construction, maintenance, repair and replacement of a storm water drainage system and sanitary sewer and municipal water system and such other public utilities as deemed necessary by the City, and uses incident thereto.

**8. Hazardous Substances.**

The CITY shall not be responsible for any costs, expenses, damages, demands, obligations, including penalties and reasonable attorney's fees, or losses resulting from any claims, actions, suits, or proceedings based upon a release or threat of release of any hazardous substances, pollutants, or contaminants which may have existed on, or which relate to the Easement Area or adjacent property prior to the date hereof.

**9. Liability and Indemnification.**

The City hereby agrees to indemnify and save the LANDOWNER harmless from and against any and all suits, demands, liabilities, costs and other expenses, including reasonable attorneys' fees, incurred in connection with or arising out of the use of the Easement Area by the City, its contractors and agents or the general public for the purposes granted herein, excluding, however, from such indemnity and loss resulting from acts of LANDOWNER.

**10. No Waiver of Governmental Immunity.**

Nothing contained herein shall be deemed a waiver by the CITY of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by LANDOWNER, its successors or assigns, shall be subject to any governmental immunity defenses of the CITY and the maximum liability limits provided in Minnesota Statute Chapter 466.

**11. Disposal of Excavated Material.**

The right is hereby granted to the CITY to remove or otherwise dispose of all earth or other material excavated from the Easement Area as the CITY may deem fit and to remove trees, brush, undergrowth and other obstructions interfering with the location, construction and maintenance of the Easement Area.

**12. Granting Clause.**

LANDOWNER covenants that it is the owner of the Easement Area and has the right, title, and capacity to grant the Easement for the purposes described herein.

IN WITNESS WHEREOF, the LANDOWNER has caused this Easement agreement to be executed on the \_\_\_\_ day of \_\_\_\_\_, 2013.

PSG, LLC

By: \_\_\_\_\_  
Its: Chief Manager



## **EXHIBIT A**

An 80 foot perpetual easement for public right-of-way, trail, drainage & utility over, under and across that part of OUTLOT A, TOOTH ACRES, Anoka County, Minnesota according to the recorded plat thereof, the centerline described as follows:

Commencing at the Northwest corner of said OUTLOT A; thence on an assumed bearing of South 00 degrees 09 minutes 27 seconds West along the west line of said OUTLOT A a distance of 330.02 feet to the point of beginning of said centerline; thence South 59 degrees 29 minutes 12 seconds East a distance of 27.45 feet; thence southeasterly a distance of 244.95 feet along a tangential curve concave to the north having a radius of 300.00 feet, and a central angle of 46 degrees 46 minutes 55 seconds; thence North 73 degrees 43 seconds 53 minutes East a distance of 143.41 feet; thence northeasterly a distance of 223.16 feet along a tangential curve concave to the south having a radius of 300.00 feet, and a central angle of 42 degrees 37 minutes 11 seconds; thence South 63 degrees 38 minutes 56 seconds East a distance of 644.74 feet to the east line of said OUTLOT A and there terminating, the side lines are lengthened and shortened to terminate on the west and east line of said OUTLOT A.