

April 8, 2013

TO: Sophia-Ramsey LLC
RE: Documentation Necessary to Record Revised Plat of COR TWO

Mr. Jay Scott:

In 2012, 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") worked together to plat certain property owned by the HRA and certain property owned by Sophia-Ramsey as COR TWO. Unfortunately, Sophia-Ramsey was unable to obtain its lender's consent to the recording of the Plat of COR TWO at the end of 2012 and is not in a position to join with the HRA in recording the Plat of COR TWO at this time because to do so would require that Sophia-Ramsey pay all of the real estate taxes due and payable with respect to Sophia-Ramsey's property in 2013 at the time the Plat is recorded.

Being unable to proceed with the Plat of COR TWO as originally envisioned in 2012, the HRA has revised the Plat of COR TWO to include only the property the HRA owns. The revised Plat of COR TWO is attached as Exhibit A.

The HRA and the City have also had ongoing discussions with Sophia-Ramsey in an attempt to find alternate means of reaching the same result that would have been achieved had the HRA, the City and Sophia-Ramsey been able to proceed with the recording of the original Plat of COR TWO in 2012.

This non-binding letter is intended to document the results of the above referenced discussions between the HRA, the City, and Sophia-Ramsey regarding the overall structure and timing of the revised platting process and related documentation. All parties understand and agree that this letter is not intended to and does not create a binding contract and that any final and binding agreement shall only exist if and when the parties have prepared and negotiated and all parties have signed an agreement.

Subject to the foregoing limitations, the parties have discussed entering into an agreement that would include the following terms and conditions ("Agreement"):

1. The HRA will agree to prepare and record a revised Plat for COR TWO. The revised plat of COR TWO will encompass only Outlots F, G and H, RAMSEY TOWN CENTER ADDITION, and those portions of vacated Sunwood Drive that accrue to Outlot H.
2. The City will, contemporaneously with the execution of the Agreement, convey Outlot A, Ramsey Town Center 3rd Addition to Sophia-Ramsey as contemplated in City Ordinance No. 12-13 and City Council Resolution No. 12-10-154.

3. Sophia-Ramsey will, contemporaneously with the execution of the Agreement, grant the City an easement for right-of way purposes over the portion of the southerly half of vacated Sunwood Drive that was to be re-dedicated as a part of the re-aligned Sunwood Drive in the 2012 Plat of COR TWO. Sophia-Ramsey will need to obtain its mortgagee's consent to the grant of this easement.
4. Sophia-Ramsey will, contemporaneously with the execution of the Agreement, grant the City an easement for drainage and utility purposes over the portions of Lots 1 and 2, and Outlot A, RAMSEY TOWN CENTER 3RD ADDITION that were to be subject to a drainage and utility easement in the 2012 Plat of COR TWO. Sophia-Ramsey will need to obtain its mortgagee's consent to the grant of this easement.
5. The HRA will, contemporaneously with the execution of the Agreement, grant Sophia-Ramsey a temporary easement over Lots 1 and 3 and Outlots B and C of the Revised Plat of COR TWO for access over the private roadway easement to be declared in the Declaration (as defined in Section 7). The temporary easement will expire on December 31, 2013.
6. The HRA will agree that if, prior to December 31, 2013, Sophia-Ramsey records a re-plat of (a) Lots 1 and 2 and Outlot A, RAMSEY TOWN CENTER 3RD ADDITION; and the portions of vacated Sunwood Drive that accrue to Lots 1 and 2 and Outlot A, RAMSEY TOWN CENTER 3RD ADDITION; and (b) Outlots B and C of the Revised Plat of COR TWO and if such plat re-dedicates the easements described in Sections 3 and 4 above, the HRA will convey Outlots B and C of the Revised Plat of COR TWO together with the benefits of the appurtenant easements for access and drainage declared in the Declaration described in Section 7 below to Sophia-Ramsey for no consideration. Sophia-Ramsey will need to obtain its mortgagee's consent to the execution and recording of this Plat.
7. Immediately after the recording of the revised Plat of COR TWO, the HRA will execute and record a revised "Agreement and Declaration of Easements, Covenants and Restrictions for COR TWO." The Agreement and Declaration will be revised to exclude Lots 1 and 2 and Outlot A, RAMSEY TOWN CENTER 3RD ADDITION and will be re-titled as "Declaration of Easements, Covenants and Restrictions for COR TWO" (the "Declaration"). The Declaration will allow the HRA to later subject Lots 1 and 2 and Outlot A, RAMSEY TOWN CENTER 3RD ADDITION to the benefits and burdens of the Declaration subject to the written consent of Sophia-Ramsey and its Lender. The Agreement will obligate the HRA to extend the benefits and burdens of the Declaration to Lots 1 and 2 and Outlot A, RAMSEY TOWN CENTER 3RD ADDITION if Sophia-Ramsey executes and records the re-plat described in Section 6 on or before December 31, 2013.
8. Sophia-Ramsey will be responsible for one-half of the costs, including without limitation, attorneys fees, incurred by the HRA and the City to (i) revise and record the plat for COR TWO as described in Section 1 above.
9. Sophia-Ramsey will be responsible for all of the costs, including without limitation, attorneys fees, incurred by the HRA and the City to (i) revise the Agreement, create and

record the new easements to be granted by the HRA, create and record the new easement to be granted by Sophia-Ramsey, and revise and record the Declaration as described in Section 3 above, (ii) to revise and record the Declaration as described in Section 4 above, and (iii) re-plat Lots 1 and 2 and Outlot A, RAMSEY TOWN CENTER 3RD ADDITION.

The fees and costs to be paid by Sophia-Ramsey in Sections 8 and 9 shall not exceed Seven Thousand Five Hundred and No/100 Dollars (\$7,500.00).

This letter/proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. Except for the cost sharing provisions in Sections 8 and 9 above which shall apply even if the parties do not reach a definitive Agreement, the parties intend that neither shall have any contractual, statutory or common law obligations to the other with respect to the matters referred herein unless and until a definitive Agreement has been fully executed and delivered by the parties. The parties agree that this letter/proposal is not intended to create any agreement or obligation by either party to negotiate a definitive Agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive executed Agreement, and without any liability to the other party, either party may propose different terms from those summarized herein, or unilaterally terminate all negotiations with the other party hereto.

Sincerely,

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

CITY OF RAMSEY, MINNESOTA,

By: _____
Its Chair


By: _____
Its Mayor

By: _____
Its Executive Director

By: _____
Its City Administrator

Received and Agreed Upon By Sophia-Ramsey LLC:

SOPHIA-RAMSEY LLC,
a Minnesota limited liability company

By: 
Its: President

