

ERHART & ELFELT, LLC

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May 28, 2013

BY E-MAIL & US MAIL
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Mr. Randy Backous
City of Ramsey HRA
7550 Sunwood Drive NW
Ramsey, MN 55303

Re: Purchase/Exchange of Property

Dear Mr. Backous:

This letter of intent relates to a parcel of property that PSD, LLC is interested in purchasing from Ramsey HRA and exchanging parcels of property. This letter of intent is submitted with the intent that either both or neither occur. The general **non-binding** terms are outlined as follows:

1. Purchase.

- a. PSD, LLC is interested in purchasing a 3 acre parcel that is generally described as Outlot A of the Ramsey Town Center 8th Addition. This is demonstrated in the highlighted portion of Exhibit A.
- b. The City acknowledges that PSD, LLC plans to develop the property set forth on Exhibit B. PSD, LLC intends on constructing 12 twin homes that would consist of 24 one level ADA residences. The City acknowledges that it is unaware of any prohibitions of developing the land with the usage as designated on this exhibit.
- c. The purchase price for the 3 acres will be \$130,680.
- d. The City would agree to complete the second lift on the streets that abut the purchased property. These streets include Zeolite Street NW, 147th Terrace NW, and Willemite Street NW.
- e. The City agrees that there are no outstanding assessments to the properties.

2. Exchange.

- a. PSD, LLC is the owner of the portion of Outlot A of the Ramsey Town Center 13th that consists of about 3.36 acres that is demonstrated in the highlighted portion of Exhibit C.
- b. PSD, LLC is also the owner of Outlot B of the Ramsey Town Center 13th. Outlot B is property that will be utilized for a common easement for ingress and egress to adjoining property including Outlot A of the Ramsey Town Center 13th.
- c. The City is the owner of Outlot A of the Ramsey Town Center 7th. See Exhibit D.

- d. The intent is that PSD, LLC will exchange Outlot A of the Ramsey Town Center 13th for Outlot A of the Ramsey Town Center 7th. There would be no cash funds transferred.

For both Purchase and Exchange of Property, the parties agree intend as follows:

1. The party ending up the owner for any piece of property would be responsible for any WAC and SAC charges for connections.
2. The party transferring the property will give marketable title.
3. Both parties warrant that there are no environmental issues and both parties have the right to do environmental studies.
4. Any title work and closings would occur at Registered Abstracters in Anoka.
5. Any descriptions or civil engineering would be prepared by Bolton & Menk.
6. The exchange would be handled as to allow PSD, LLC to qualify for a like-kind exchange.
7. The closing would occur before July 1, 2013.

If you have any questions, please feel free to contact me.

Very truly yours,

ERHART & ELFELT, LLC



William A. Erhart
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WAE:lle
Enclosure

The undersigned has reviewed and agrees to the above terms of this Letter of Intent.

Dated: _____

Dated: _____

PSD, LLC

City of Ramsey HRA