

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, 2014 (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 the LLCs will not be assessed for the construction, engineering, and any ancillary costs of completing the Riverdale Extension or the trail and utility easements that are proposed as set forth in this MOU.
- d. The LLCs will be held harmless from the City's acts that relate to their conduct in working on Outlot A Tooth Acres or Lot 1 The Diamonds.
- e. 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.
- f. 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.
- g. 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.
- h. The proposed storm water pond in "D" and the current storm water pond in "F" shall be maintained by the City at its expense.

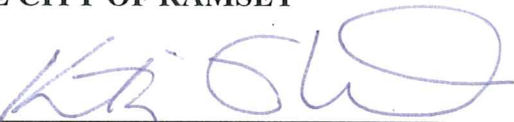
- i. The City agrees that the replacement construction of the existing pedestrian walkway will be installed and located consistent with the LLCs' potential use on a North/South alignment as much as reasonably as possible.
- j. The LLC's agree to dedicate an easement adjacent to the Riverdale Extension to the City for a pedestrian overpass such that an ADA compliant connection can be made with the proposed and existing pedestrian walkways.
- k. 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.

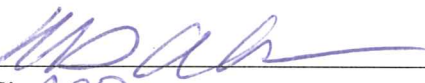
THE CITY OF RAMSEY

Dated: 5/28, 2014

By: 
 Its: City Administrator

2-OI, LLC

Dated: 2/19, 2014

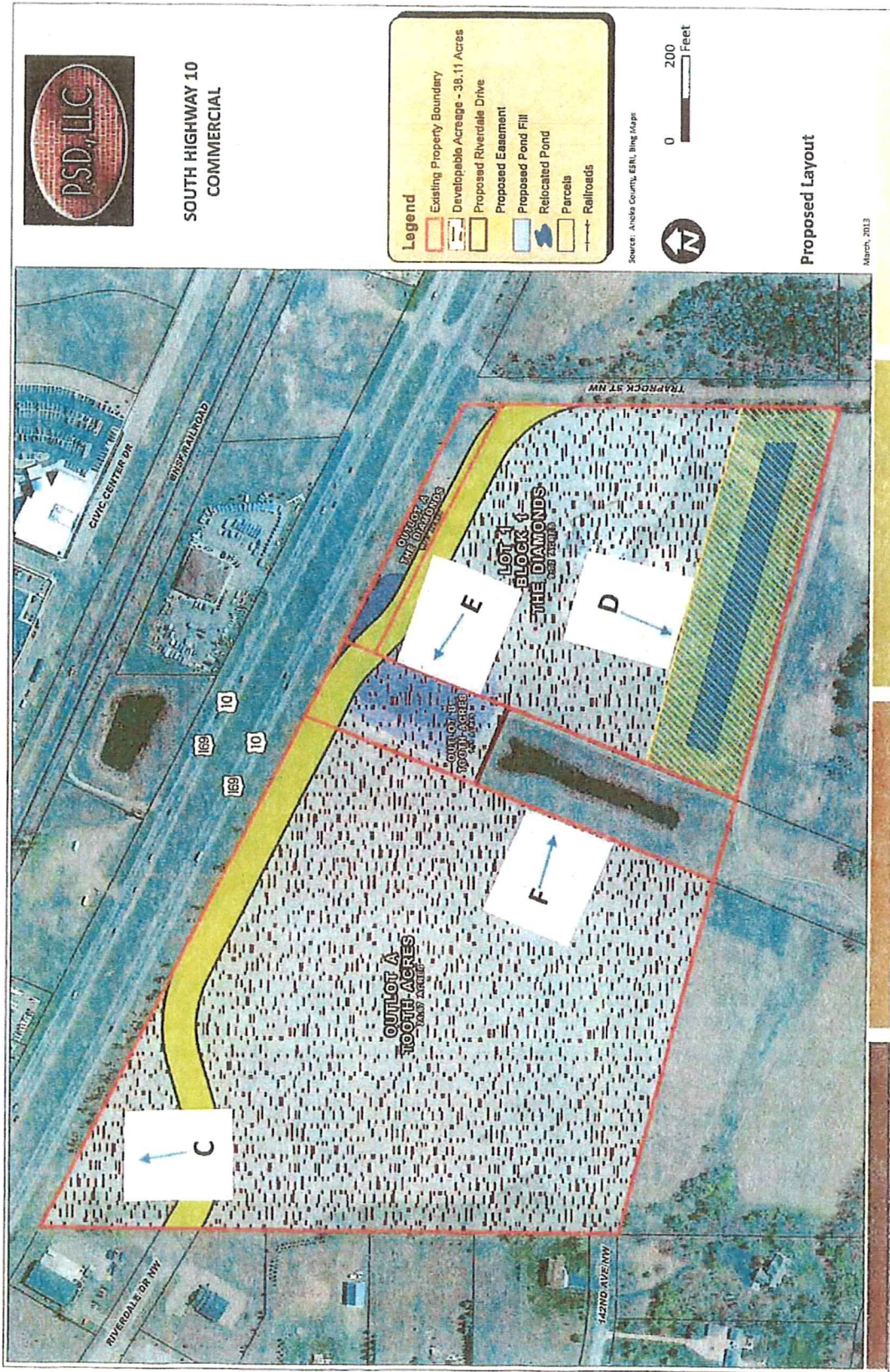
By: 
 Its: COO

PSG, LLC

Dated: 2/19, 2014

By: 
 Its: COO

Exhibit 1



**SOUTH HIGHWAY 10
COMMERCIAL**

Legend

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

Source: Anoka County, ESRI, Bing Maps

0 200 Feet

Proposed Layout

March, 2013

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