



May 13, 2015

Mr. Patrick Brama
The City of Ramsey
7550 Sunwood Drive SW
Ramsey, MN 55303

RE: City Parcel #47 at the COR in Ramsey, MN

Dear Patrick:

Dominium Development & Acquisitions, LLC (“Buyer”) is interested in purchasing from the City of Ramsey (“Seller”) the site described below, located in Ramsey, Minnesota.

Dominium plans to construct an approximately 124 unit senior, affordable, independent living property on the site using the Section 42 LIHTC program. Equity for the Project will be generated through the sale of 4% Low Income Housing Tax Credits allocated by MHFA. Tax-Exempt housing revenue bonds issued by the City of Ramsey will finance the first mortgage on the Project. The proposed development will feature urban architecture in line with the design standards of the COR and fits well in the context of the COR Master Plan and vision. Furthermore, an affordable, senior independent living apartment complex meets the top priorities of the City’s Housing Assistance policy.

Financing Gap: The proposed development currently has a financing gap of approximately \$2,600,000. In order to move forward with the potential development, Dominium will need a commitment from the City of Ramsey to fund \$2,200,000 of this gap. Funding could be in the form of TIF, development fee waivers, a land write down, or other sources of funds for the Project. Dominium will take on the risk of filling the remaining \$400,000 gap through Anoka County or MetCouncil funds. If funding for the Project from Anoka County and MetCouncil exceeds the remaining \$400,000 gap, the funds will be credited toward the \$2,200,000 from the City of Ramsey to reduce the City’s commitment.

This letter is intended to outline the terms and conditions of the purchase of the property by Buyer from Seller. Please consider the following proposed terms and conditions:

1. PROPERTY: Approximately 4.94 acres, or 215,186 sf, in Ramsey, MN located at the corner of Sunwood Drive and Zeolite Street NW, Property ID: 28-32-25-23-0010.
2. SELLER: The City of Ramsey
3. BUYER: Dominium Acquisition, LLC, or an applicable affiliated entity.

May 13, 2015

4. PURCHASE PRICE: \$1,000,000 cash at closing
5. EARNEST MONEY: \$30,000 earnest money shall be deposited into escrow upon the signing of a Purchase Agreement. Earnest money shall become non-refundable at the rate of 25% per month, if the Purchase Agreement is extended by Dominion.
6. TITLE: The Seller shall promptly deliver to Buyer full and complete copies of all title commitments, encumbrance documents and surveys currently in Seller's possession. Buyer may obtain a Commitment for Owner's Title Insurance from a title insurance agent and a current ALTA survey of the Property, at Buyer's expense. By no later than 120 days before Closing, the Buyer shall notify the Seller of any objections to title ("Objections") based on Buyer's review of the title commitments, encumbrance documents and Survey received by Buyer. Seller shall in good faith and with reasonable diligence attempt to correct Buyer's Objections. If the Objections are not cured by 60 days prior to Closing, the Buyer may by giving written notice to the Seller (i) terminate the Purchase Agreement, or (ii) waive the Objections and proceed to Closing.
7. CONTINGENCY FINANCING PERIOD: Dominion will work with the City of Ramsey to satisfy the contingency items listed in Section 8, including seeking County of Anoka and MetCouncil funds to close the financing gap. If by June 15, 2017 funding has not been secured for the financing gap, Dominion has the right to cancel the agreement and to the refund of all earnest money.
8. CONTINGENCY:
 - A commitment to provide \$2,200,000 through TIF, a land write down, fee waivers, or other sources will need to be provided by the city before Dominion will enter into a Purchase Agreement.
 - Buyer must be able to negotiate a Development Agreement with the City of Ramsey.
 - Buyer must be able to receive a commitment for Tax Credits from MHFA by the Second quarter of 2017.
 - Title and zoning satisfactory to Buyer.
 - Available financing acceptable to Buyer.
9. CLOSING: No later than June 15, 2017 or after the above contingencies have been satisfied.
10. PURCHASE AGREEMENT: Within thirty (30) business days after the City of Ramsey approves TIF, a land write down, fee waivers or other funding which provides no less than \$2,200,000 in total benefit to the sources of the project, Buyer will deliver to Seller a proposed Purchase Agreement.

May 13, 2015

12. ATTORNEY'S FEES: Each party will pay its own attorney's and any other consultant fees. Fees associated with a business subsidy request will be the responsibility of Dominion.
13. BROKER'S FEE: Buyer will not be responsible for payment of any broker's fees.

This letter is non-binding, but states the general terms of a purchase agreement to be drafted which the parties hereto agree to negotiate expeditiously and in good faith.

May 13, 2015

It is expressly understood and agreed that this letter provides the framework for further negotiations between Seller and Buyer and does not create any binding obligation or liability on the part of either party. As such, neither party shall be liable to the other party for any claims, losses, liabilities, damages, costs or expenses in the event of a failure of either party, for any reason whatsoever or for no reason, to execute and deliver the purchase agreement contemplated herein.

If the terms of this letter are acceptable, please acknowledge by signing below and returning a signed copy of this letter to me.

Sincerely,

Buyer:
Dominium Development & Acquisitions, LLC

Seller:
The City of Ramsey

By: _____

By: _____

Its: Managing Partner

Its: _____

Date: 4/27/2015

Date: _____