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CONTRACT FOR PRIVATE DEVELOPMENT

BETWEEN

THE CITY OF RAMSEY, MINNESOTA

AND

BASALT PROPERTIES, LLC

This Instrument Drafted by

City of Ramsey
15153 Nowthen Boulevard Northwest
Ramsey, MN 55303

Reviewed by

Randall, Dehn & Goodrich
2140 4th Avenue North
Anoka, MN 55303

THIS AGREEMENT, made and entered as of this 30th day of September, 2003, by and between the **City of Ramsey,** a Minnesota municipal corporation, having its principal office at 15153 Nowthen Boulevard Northwest, Ramsey, Minnesota (the "City"), and **BASALT PROPERTIES, LLC, a Minnesota Limited Liability Company,** having its principal office at 14160 Baslt Street, Ramsey, MN 55303 (the "Developer")

WITNESSETH:

WHEREAS, the City has created and established Development District No 1 ("District") and Tax Increment Financing District No 2 ("TIF District") pursuant to the authority granted in Minnesota Statutes, Sections 469 124 through 469 134 and Sections 469 174 through 469 179, (collectively, "the Acts"); and

WHEREAS, pursuant to the Acts, the City has adopted a Development District Program ("Program") and a Tax Increment Financing Plan ("TIF Plan") to finance all or a portion of the public development costs of the District, and

WHEREAS, in order to achieve the objectives of the Program and TIF Plan as hereinafter defined and particularly to make land in the District available for development by private enterprise for and in accordance with the Program, the City has determined to provide substantial aid and assistance through the sale of bonds and other obligations to finance public development costs in the District, and

WHEREAS, the Developer has proposed a development as hereinafter defined within the District which the City has determined will promote and carry out the objectives for which development in the District has been undertaken, will assist in carrying out the obligations of the Program and TIF Plan, will be in the vital best interests of the City, and the health, safety, morals and welfare of its residents, and is in accord with the public purposes and provisions of the applicable state and local laws and requirements under which development in the District has been undertaken and is being assisted, and

WHEREAS, the City intends to construct certain improvements listed in its capital improvement program including, but not limited to, additional wells and water towers, using the increments generated by the projects constructed in the Tax Increment Financing Districts, and

WHEREAS, the City intends to provide an inducement to Developer to acquire title to the Development Property and to cause the initiation of construction of a combined office/warehouse facility, and

WHEREAS, the requirements of the Business Subsidy Act, Minnesota Statutes, Section 116J 993 through 116J 995, apply to this Agreement (the "Business Subsidy Act"), and

WHEREAS, the City has adopted criteria for awarding business subsidies that comply with the Business Subsidy Act, after a public hearing for which notice was published, and

WHEREAS, the Council has approved this Agreement as a subsidy agreement under the Business Subsidy Act

NOW, THEREFORE, in consideration of the mutual covenants and obligations of the City and the Developer, each party does hereby represent, covenant and agree with the other as follows

ARTICLE I

DEFINITIONS, EXHIBITS, RULES OF INTERPRETATION

Section 1 1 Definitions In this Agreement, the following terms have the following respective meanings unless the context hereof clearly requires otherwise

(a) Benefit Date The date of the building permit issued by the city for the redevelopment of the property

(b) Certificate of Completion A certificate in the form of **Exhibit E** to this agreement to be issued by the City to the Developer upon substantial completion of the Minimum Improvements

(c) City The City of Ramsey, Anoka County, Minnesota

(d) Closing Date October 31, 2003 or such earlier date on which the parties may agree

(e) Construction Plans Collectively, the plans, drawings, and related documents described in **Exhibit B** to this agreement

(f) Council The City Council of the City of Ramsey.

(g) Developer **BASALT PROPERTIES, LLC, a** Minnesota Limited Liability Company.

(h) Development Property The property legally described in **Exhibit A** hereto

(i) Development District ("District") Development District No 1, created by the City pursuant to M S § 469.124 through § 469 134 and described in the Program adopted therefore

(j) Development District Program ("Program") The plan for development of the District adopted by the City pursuant to M S §469 124 through §469 134

(k) Holder. The owner of a Mortgage

(l) Market Value The market value of the Development Property and the Minimum Improvements as determined by the County Assessor in accordance with M S §273 11 (or as finally adjusted by an assessor, board of equalization, commissioner of revenue, or any court)

(m) Maturity Date The earlier of (i) December 31, 2012 or (ii) the date all financial assistance provided by the City described in Section 2 2(h) has been recovered from Tax Increments generated by the Development Property.

(n) Minimum Improvements The, warehousing, storage and distribution facility to be constructed by Developer in accordance with the Construction Plans

(o) Minimum Market Value The Minimum Market Value for the Development Property as set forth in Section 2 1 hereof

(p) Net Tax Increment The remaining increment after the subtraction of County and reasonable City Administrative Charges, Fiscal Disparities Contributions, State General Tax, Original Tax Capacity and all other charges required by the Acts

(q) Project The initial construction of the Minimum Improvements having a Minimum Market Value of Six Hundred Twenty-Seven Thousand Nine Hundred and 00/100's Dollars ($627,900)

(r) Public Improvements Collectively, the public improvements to be constructed by the City and described in Article IV

(s) Site Improvement Plans. Collectively, the plans, drawings and related documents described in **Exhibits B and C** of this agreement

(t) Tax Increment The tax increments derived from the Development Property wich have been received by the City in accordance with the provisions of Minnesota Statutes, Section 469 177

(u) Tax Increment Bonds ("TIF Bonds"). The general obligation tax increment bonds issued by the City to finance the Public Improvements on the Development Property and related costs The term also includes any bonds or obligations issued to refund any TIF Bonds

(v) Tax Increment Financing District ("TIF District") TIF District No. 2 created by the City pursuant to M S § 469 174 through § 469 179 and described in the TIF Plan adopted therefore

(w) Tax Increment Financing Plan ("Plan") The plan for development of the TIF District adopted by the City pursuant to M S §469 174 through §469 179

(x) Unavoidable Delays Delays beyond the reasonable control of the party seeking to be excused as a result thereof, which are the direct result of strikes, other labor troubles, civil disorder, failure or interruption of power, condemnation, riots, insurrections, war, fuel shortages, acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the City in exercising its rights under this Agreement) which directly result in delays

(y) Other Terms. Terms defined in other sections of this agreement have the meanings given them

Section 1 2 Exhibits The following Exhibits are attached to and, by reference, made a part of this Agreement·

A Legal Description of Development Property
B Construction Plans
C Development Permit
D. Assessment Agreement and Certification of County Assessor
E Form of Certificate of Completion
F Agreement to Pay Deficiencies

Section 1 3 Rules of Interpretation

(a) This Agreement shall be interpreted in accordance with and governed by the laws of the State of Minnesota

(b) The words "herein" and "hereof' and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than any particular section or subdivision hereof

(c) References herein to any particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed

(d) Any titles of the several parts, articles, and sections of this Agreement are inserted for convenience and reference only and shall be disregarded in construing or interpreting any of its provisions

ARTICLE II

REPRESENTATION AND UNDERTAKINGS

Section 2 1. By the Developer. The Developer makes the following representations and undertakings

(a) The Developer has the legal authority and power to enter into this Agreement and is duly organized and existing limited liability company under the laws of the State of Minnesota

(b) The Developer will construct the Minimum Improvements in accordance with the terms of this Agreement, the Program, the TIF Plan, and all local, state and federal laws and regulations

(c) Upon completion of the Minimum Improvements, the Developer shall operate and maintain, or cause to be operated and maintained, the Minimum Improvements until the Maturity Date

(d) That Minimum Improvements will be permitted uses under City ordinance, and will be constructed in conformity with the Program and TIF Plan, and will be constructed by the Developer together with land at a Minimum Market Value of at least Six Hundred Twenty-Seven Thousand Nine Hundred and 00/100's Dollars ($627,900)

(e) The Developer has received no notice or communication from any local, state or federal official that the activities of the Developer or the City in the Development District may be, or will be, in violation of any environmental law or regulation (other than those notices or communications of which the City is aware) The Developer is aware of no facts, the existence of, which would cause it to be in violation of or give any person a valid claim under any local, state or federal environmental law, regulation or review procedure

(f) Subject to Unavoidable Delays, the Developer will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed

(g) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of, or compliance with, the terms and conditions of this Agreement, is prevented, limited by, or conflicts with, or results in a breach of the terms, conditions, or provisions of any partnership restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which the Developer is bound, or constitutes a default under any of the foregoing

(h) The Developer will cooperate with the City with respect to any litigation, other than litigation in which the City and the Developer are adverse parties, commenced with respect to the TIF Plan, the Program, or Minimum Improvements

(i) Business Subsidies Act

(i) In order to satisfy the provisions of Minnesota Statutes, Sections 116J 993 to 116J.995 (the Business Subsidies Act), the Developer acknowledges and agrees that the amount of the Business Subsidy granted by the City to the Developer under this Agreement is Fifty Thousand Six Hundred Fifty One and 00/100 Dollars ($50,651) which is an amount equal to the financial assistance provided by the City that includes the Development Property, public improvements, and capitalized interest The Developer further acknowledges that the Business Subsidy is needed because the Project is not sufficiently feasible for the Developer to undertake without the Business Subsidy The Tax Increment District is a redevelopment district and the public purpose of the Business Subsidy is to encourage the redevelopment of the Development Property in the City The Developer agrees that it will meet the following goals (the "Goals"). It will create at least four (4) full time jobs in connection with the operation and maintenance of the Minimum Improvements at an hourly wage of at least $15 00 per hour within two years from the Benefit Date, which is the date of the building permit issued by the city for the construction of the Minimum Improvements.

(ii) If the Goals are not met, the Developer agrees to repay all or a part of the Business Subsidy to the City, plus interest ("Interest") set at the implicit price deflator defined in Minnesota Statutes, Section 275 70, Subdivision 2, accruing from and after the Benefit Date, compounded semiannually. If the Goals are met in part, the Developer will repay a portion of the Business Subsidy (plus Interest) determined by multiplying the Business Subsidy by a fraction, the numerator of which is the number of jobs in the Goals which were not created at the wage level set forth above and the denominator of which is four (4) (i e number of jobs set forth in the Goals) The Developer agrees to continue its operations consisting of the Minimum Improvements on the Development Property for at least five years after the Benefit Date

(iii) The Developer agrees to (i) report its progress on achieving the Goals to the City until the Goals are met, or the Business Subsidy is repaid, whichever occurs earlier, (ii) include in the report the information required in Subdivision 7 of the Jobs Act on forms developed by the Minnesota Department of Trade and Economic Development, and (iii) send completed reports to the Commissioner of the Department of Employment and Economic Development and to the City The Developer agrees to file these reports no later than January 1 of each year commencing January 1, 2004, and within 30 days after the deadline for meeting the Goals The

City agrees that if it does not receive the reports, it will mail the Developer a warning within one week of the required filing date If within 14 days of the post marked date of the warning the reports are not made, the Developer agrees to pay to the City a penalty of $100 for each subsequent day until the report is filed up to a maximum of $3,000

(iv) The Developer agrees to continue operations consisting of the Minimum Improvements on the Development Property for at least five (5) years after the Benefit Date There are no other state or local government agencies providing financial assistance for the Project other than the City

(v) There is no parent corporation or other entity of the Developer

(j) The Developer shall pay to the City all of its legal and administrative expenses that are incurred by the City in association with the project within 15 days of a written notice by the City indicating the legal and administrative expenses that are currently due and owing in an amount not to exceed $5,000 00

(k) Until the Maturity Date the Developer shall operate the Minimum Improvements as a manufacturing or warehousing, storage and distribution facility

Section 2.2 By the City The City makes the following representations as the basis for the undertaking on its part herein contained

(a) The City is authorized by law to enter into this Agreement and to carry out its obligations hereunder

(b) The City has found that the TIF District is a "redevelopment tax increment financing district," pursuant to M S § 469 174

(c) The City will, in a timely manner, subject to all notification requirements, review and act upon all submittals and applications of the Developer, and will cooperate with the efforts of the Developer to secure the granting of any permit, license, or other approval required, to allow the construction of the Minimum Improvements, provided, however, that nothing contained in this subparagraph shall be construed to limit in any way the reasonable and legitimate exercise of the City's discretion in considering any submittal or application

(d) The activities of the City are undertaken for the purpose of fostering the redevelopment of certain real property which, for a variety of reasons, is presently unutilized and underutilized and for the purpose of promoting economic development and the creation of employment opportunities

(e) The City will cooperate with the Developer with respect to any litigation, other than litigation in which the City and the Developer are adverse parties, commenced with respect to the TIF Plan, Program, or Minimum Improvements

(f) The Development Property is properly zoned for the developer's intended use and the Minimum Improvements contemplated by the Construction Plans are in conformity with the Program and TIF Plan

(g) The City has received no notice or communication from any local, state or federal official that the activities of the Developer or the City in the Development District may be, or will be, in violation of any environmental law or regulation (other than those notices or communications of which the Developer is aware) The City is aware of no facts, the existence of, which would cause it to be in violation of, or give any person a valid claim, under any local, state or federal environmental law, regulation or review procedure.

(h) The City will provide $50,651 00 of Financial Assistance to the Developer determined as follows

Value of the Public Improvements	$45,942
Capitalized Interest	4,709
Total Financial Assistance (the "Business Subsidy")	$50,651

Section 2.3 Obligations on Closing Date At the closing, the City shall execute, where appropriate, and deliver to Developer·

(1) The Assessment Agreement

(2) The Agreement to Pay Deficiencies

At the closing, Developer shall execute, where appropriate, and/or deliver to the City

(1) The Development Permit

(2) The Assessment Agreement

(3) The Agreement to Pay Deficiencies

ARTICLE III

CONSTRUCTION OF MINIMUM IMPROVEMENTS

Section 3.1 Construction of Minimum Improvements.

(a) The Developer agrees that it will construct the Minimum Improvements on the Development Property in accordance with the Construction Plans and the terms of this Agreement and, at all times prior to the Maturity Date, will cause the Minimum Improvements to be maintained in good repair and condition.

(b) Site Plan. City and Developer acknowledge and agree that the Site Plan for the Development Property attached hereto as Exhibit C will be subject to modification and revision, and that modifications and revisions to the Site Plan are permitted with City approval, provided that the modifications and revisions do not substantially alter the nature of the Minimum Improvements and provided further that the modifications and revisions comply with the applicable City ordinances

Section 3 2. Building Plans No building permits shall be issued unless the plans are in conformity with the Construction Plans, the Program, the TIF Plan, this Agreement, and all local, state and federal regulations The City shall, within ten (10) business days of receipt of building plans for the Minimum Improvements, review such plans to determine whether the requirements have been met. If the City determines such plans to be deficient, it shall notify the Developer, in writing, stating the deficiencies and the steps necessary for correction Issuance of a building permit for the Minimum Improvements by the City shall be a conclusive determination that the building plans for the respective Minimum Improvements have been approved and shall satisfy these provisions

Section 3.3 Commencement and Completion of Construction

(a) Subject to Unavoidable Delays, the Developer shall commence construction of the Minimum Improvements by October 31, 2003, and shall substantially complete such construction by April 30, 2004.

(b) The Developer agrees for itself, its successors and assigns, that it shall promptly begin, and diligently prosecute to completion, the construction of the Minimum Improvements, and that such construction shall in any event be commenced and completed within the period specified in this Section 3 3 of this Agreement. Periodically during construction, but at intervals of not less than monthly, the Developer must make reports in such detail as may reasonably be requested by the City about the actual progress of construction

Section 3 4 Certificate of Completion.

(a) Promptly after substantial completion of the Minimum Improvements, in accordance with those provisions this Agreement, the City will furnish the Developer with a Certificate of Completion as described in **Exhibit E** hereto

Issuance of the Certificate of Completion by the City shall be a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement with respect to the obligations of the Developer, and its successors and assigns, to construct the Minimum Improvements, and the dates for the beginning and completion thereof Issuance of the Certificate of Completion and such determination shall not constitute evidence of compliance with, or satisfaction of, any obligation of the Developer to any Holder of a Mortgage, or any insurer of a Mortgage, securing money loaned to finance the Minimum Improvements, or any part thereof of the the Financial Assistance

(b) The Certificate of Completion shall be in such form as will enable it to be recorded in the Anoka County Recorder's Office If the City refuses or fails to provide any Certificate of Completion in accordance with the provisions of this Section, the City shall, within fifteen (15) days after written request by Developer, provide the Developer with a written statement, indicating, in adequate detail, in what respects the City believes that the Developer has failed to complete the Minimum Improvements in accordance with the provisions of this Agreement, or is otherwise in default, and what measures or acts will be necessary, for the Developer to take or perform in order to obtain a Certificate of Completion.

(c) The construction of the Minimum Improvements shall be deemed to be substantially completed when the Developer has received a Certificate of Occupancy from the City The City will not arbitrarily or unreasonably withhold or delay issuance of a Certificate of Occupancy for the Minimum Improvements upon request for its issuance.

ARTICLE IV

CONSTRUCTION OF PUBLIC IMPROVEMENTS

Section 4 1 Construction of Public Improvements The City has constructed, or is about to construct, the following public improvements in accordance with the plans and specification prepared by the City Engineer

(1) Extension of City utility services (the "Public Improvements") to the Development Property in accordance with plans and specifications prepared by the City Engineer including

(a) Sewer Trunk
(b) Sewer Lateral
(c) Water Trunk
(d) Water Lateral
(e) Storm Water Management System

ARTICLE V

TAX INCREMENT

Section 5 1 Assessment Agreement The City and the Developer shall execute the Assessment Agreement and Certification of County Assessor contained in **Exhibit D** of this Agreement. The City shall then present the Assessment Agreement to the county assessor for certification The county assessor shall assign a market value to the Development Property that shall not be less than Six Hundred Twenty-Seven Thousand Nine Hundred and 00/100's Dollars ($627,900) The Market Value so established may, in the discretion of the assessor, exceed the Minimum Market Value

Section 5.2 Review of Taxes Except as otherwise provided in this Agreement, the Developer shall pay all real property taxes and special assessments assessed against the Development Property The Developer agrees that prior to the Maturity Date

(a) It will not seek administrative review or judicial review of the applicability of any property tax statute determined by any tax official to be applicable to the Development Property or the Developer, or raise the applicability of any such tax statute as a defense in any proceedings including delinquent tax proceedings

(b) It will not seek administrative review or judicial review of the constitutionality of any such tax statute determined by any tax official to be applicable to the Development Property or to the Developer, or raise the unconstitutionality of such tax statute as a defense in any proceedings, including delinquent proceedings

(c) It will not request the assessor to reduce the assessed market value or tax capacity of all or any portion of the Development Property

(d) It will not petition the board of equalization of the City or the board of equalization of the county to reduce the assessed market value or tax capacity of all or any portion of the Development Property

(e) It will not petition the board of equalization or commissioner of revenue of Minnesota to reduce the assessed market value or tax capacity of all or any portion of the Development Property.

(f) It will not commence an action in a district court or the tax court of the state pursuant to Minnesota Statutes, Chapter 278, seeking a reduction in the assessed market value or tax capacity of the Development Property

(g) It will not make an application to the Minnesota commissioner of revenue requesting an abatement of real property taxes pursuant to Minnesota Statutes, Chapter 270

(h) It will not commence any other proceedings, whether administrative, legal or equitable, with any administrative body within the City, county, or the state, or with any court of the state or the federal government with regard to the Minimum Market Value contained in the Assessment Agreement. The Developer shall not, prior to the Maturity Date, apply for a deferral of property tax on the Development Property.

Nothing contained herein shall be deemed to limit the right or opportunity of the Developer to challenge through any of the means set forth above, or otherwise, that part of any valuation or the market value which is in excess of the stipulated value contained in the Assessment Agreement, provided, however, that the Developer may not institute or prosecute any challenge to the excess which, if successful, would also result in a reduction of the assessment below the stipulated value. Further, nothing contained herein shall be deemed to limit the right or opportunity of the Developer to challenge through any of the means set forth above, or otherwise, the tax capacity of the Development Property, provided, however, that Developer may not institute or prosecute any such challenge for any year to the extent that, if successful, such challenge would cause the Net Tax Increment generated by the Development Property for such year to be less than is Ten Thousand Dollars and 00/100's Dollars ($10,000).

Section 5.3. Agreement to Pay Deficiencies. The Developer and the City shall execute the Agreement to Pay Deficiencies contained in this Agreement as **Exhibit F**.

Section 5.4. Right to Collect Delinquent Taxes. The Developer acknowledges that the City is providing substantial aid and assistance in furtherance of the Project through tax increment financing. The Developer understands that the increment will be used to reimburse the City for the Financial Assistance and, therefore, the real estate taxes must be promptly and timely paid. To that end, the Developer agrees for itself, its successors and assigns, in addition to the obligation pursuant to statute to pay real estate taxes, that it is also obligated by reason of this Agreement to pay before delinquency all real estate taxes due and payable with respect to the Development Property prior to the Maturity Date based upon the Minimum Market Value as stipulated in the Assessment Agreement. The Developer acknowledges that this obligation creates a contractual right on behalf of the City to sue the Developer or its successors and assigns to collect such delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the county auditor.

ARTICLE VI

PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER

Section 6.1 Representation as to Development The Developer represents and agrees that its undertakings, pursuant to this Agreement, are for the purpose of development of the Development Property and not for speculation in landholding The Developer further recognizes that, in view of

(a) The importance of the development of the Development Property to the general welfare of the City, and

(b) The substantial financing and other public assistance that have been made available by the City for the purpose of making the Minimum Improvements possible, the qualifications and identity of the Developer are of particular concern to the City

The Developer further recognizes that it is because of such qualifications and identity that the City is entering into this Agreement, and, in so doing, is further willing to rely on the representations and undertakings of the Developer for the faithful performance of all undertakings and covenants agreed by Developer to be performed

Section 6 2. Prohibition Against Transfer of Property and Assignment of Agreement For the reasons set out in Section 6 1 of this Agreement, the Developer represents and agrees that, prior to the issuance of the Certificate of Completion.

(a) Except only by way of security for, and only for the purpose of obtaining financing necessary to enable the Developer or any successor in interest to the Development Property, or any part thereof, to perform its obligations under this Agreement, and any other purpose authorized by this Agreement, the Developer, except as so authorized, has not made or created, and will not make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or any trust or power, or transfer in any other form of, or with respect to this Agreement, or the Development Property, or any part thereof, any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the City; and

(b) The City shall be entitled to require, except as otherwise provided in this Agreement, conditions to any such approval under this Section 6 2 that

(1) Any proposed transferee shall have the qualifications and financial responsibility, as determined by the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer, or in the event the transfer is of, or relates to, the Development Property, such obligations to the extent that they relate to such part

(ii) Any proposed transferee, by instrument in writing satisfactory to the City and in form recordable among the land records shall, for itself and its successors and assigns, and specifically for the benefit of the City, have expressly assumed all of the obligations of the Developer under this Agreement and agreed to be subject to such obligations, restrictions and conditions or, in the event the transfer is, of, or relates to, part of the Development Property, such obligations, conditions, and restrictions to the extent that they relate to such part; provided, that the fact that any transferee of, or any other successor in, interest whatsoever to, the Development Property or any part thereof, shall, for whatever reason, not have assumed such obligations or agreed to do so, shall not, unless and only to the extent otherwise specifically provided in the Agreement or agreed to in writing by the City, relieve or except such transferee or successor from such obligations, conditions, or restrictions, or deprive or limit the City of, or with respect to, any rights or remedies or controls with respect to the Development Property or the construction of the Minimum Improvements, it being the intent of this Section, together with other provisions of this Agreement, that to the fullest extent permitted by law and equity and excepting only in the manner and to the extent specifically provided otherwise in the Agreement, no transfer of, or change with respect to, ownership in the Development Property or any part thereof, or any interest therein, however, consummated or occurring, whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the City of any rights or remedies with respect to the Development Property and the construction of the Minimum Improvements that the City would have had, had there been no such transfer or change

(iii) There shall be submitted to the City, for review, all instruments and other legal documents involved in effecting transfers described herein, and if approved by the City, its approval shall be indicated to the Developer in writing

In the absence of specific written agreement by the City to the contrary, no such transfer or approval by the City thereof shall be deemed to relieve the Developer from any of its obligations with respect thereto

(c) Notwithstanding the limitations set forth in this Article VI the City approves and consents that Developer may lease the Development Property provided that the Developer retains all obligations of the Developer under this Agreement in the manner set forth in Section 6 2 (b)(ii) herein Absent specific written agreement by the City to the contrary, such action shall not be deemed to relieve the Developer from any of its obligations under this Agreement

(d) No provision of Section 6 2 shall be construed or interpreted to prohibit the Developer from transferring the Development Property and/or Developers rights under this agreement to a partnership or limited liability company in which the Developer is the owner of 51 % or more of the partnership or membership

interests unless the transfers are to family members or related parties for the purpose of estate planning.

Section 6 3. Approvals. Any approval required to be given by the City under Article VI may be denied only in the event that the City reasonably determines that the ability of the Developer to their obligations under this Agreement will be materially impaired by the action for which approval is sought

ARTICLE VII

INDEMNIFICATION

Section 7 1 Release and Indemnification Covenants The Developer releases from and agrees that the City and governing body members, officers, agents, servants and employees thereof, shall not be liable for, and agrees to indemnify and hold harmless the City and the governing body members, officers, agents, servants and employees thereof against, any loss or damage to property or any injury to or death of any person occurring at, or about, or resulting from any defect in the Minimum Improvements except any loss, damage, injury or death arising from negligence or willful acts of the City, its officers, employees, agents or contractors

(a) Except for any negligent or willful misrepresentation or any negligent, willful or wanton misconduct of the following named parties, the Developer agrees to protect and defend the City and the governing body members, officers, agents, servants and employees thereof, now or forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action, or other proceeding whatsoever, by any person or entity whatsoever arising or purportedly arising from the acquisition, construction, installation, ownership, and operation of the Minimum Improvements by the Developer

(b) The City and the governing body members, officers, agents, servants or employees shall not be liable for any damage or injury to the persons or property of the Developer, or its officers, agents, servants or employees, or any other person who may be about the Development Property or Minimum Improvements due to any act of negligence of any person except any loss, damage, injury or death arising from negligence or willful acts of the City, its officers, employees, agents or contractors

(c) All covenants, stipulations, promises, agreements and obligations of the City contained herein, shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City in the individual capacity thereof

ARTICLE VIII

EVENTS OF DEFAULT

Section 8 1 Events of Default Defined The following shall be deemed Events of Default under this Agreement and the term shall mean, whenever it is used in this Agreement, unless the context otherwise provides, any one or more of the following events

(a) Failure by the Developer to pay, when due, the payments required to be paid or secured under any provision of this Agreement, including the Assessment Agreement, or the Agreement to Pay Deficiencies

(b) Failure by the Developer to observe and substantially perform any covenant, condition, obligation or agreement on its part to be observed or performed hereunder, after written notice to the Developer as provided in this Agreement.

(c) If the Developer shall admit, in writing, its inability to pay its debts, generally, as they become due, or shall file a petition in bankruptcy, or shall make an assignment for the benefit of its creditors, or shall consent to the appointment of a receiver of itself or of the whole or any substantial part of the Development Property

(d) If the Developer shall file a petition under the federal bankruptcy laws

(e) If the Developer, on a petition in bankruptcy filed against it, be adjudicated a bankrupt, or a court of competent jurisdiction, shall enter an order of decree appointing, without the consent of the Developer, a receiver of the Developer, or of the whole or substantially all of its property, or approve a petition filed against the Developer seeking reorganization or arrangement of the Developer under the federal bankruptcy laws, and such adjudication, order or decree shall not be vacated or set aside or stayed within 60 days from the date of entry thereof, or

(f) If the Developer is in default under any Mortgage and has not entered into a workout agreement with the Mortgagee

Section 8.2 Remedies on Default Whenever any Event of Default occurs, the City may, in addition to any other remedies or rights given the City under this Agreement, but only after the Developer's failure to cure within 30 days of written notice of default (33 days if the notice is delivered by mail), take one or more of the following actions

(a) Suspend its performance under this Agreement until it receives assurances from the Developer, deemed reasonably adequate by the City, that the Developer will cure the default and continue its performance under this Agreement

(b) Cancel and rescind or terminate this Agreement

(c) Withhold the Certificate of Completion; or

(d) Take whatever action at law or in equity may appear necessary or desirable to the City to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement

Section 8 3 No Remedy Exclusive No remedy herein conferred upon or reserved to the City or Developer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, or now or hereafter, existing at law or in equity or by statute No delay or omission to exercise any right or power accruing upon any default shall impair any such right, and power may be exercised from time to time and as often as may be deemed expedient

In order to entitle the City or the Developer to exercise any remedy reserved to them, it shall not be necessary to give notice, other than such notice as may be required in this Article X

Section 8 4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 8 5 Remedies on City Default If the City fails to pay and/or observe and substantially perform any covenant, condition or obligation on its part to be paid, observed or performed hereunder, the Developer may, in addition to any other remedies or rights given the Developer under this Agreement, but only after the City's failure to cure within 30 days of written notice of default (33 days if the notice is delivered by mail), take whatever action at law or in equity may appear necessary or desirable to the Developer to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the City under this Agreement

ARTICLE IX

ADDITIONAL PROVISIONS

Section 9.1 Conflict of Interests Representatives Not Individually Liable No City officer who is authorized to take part in any manner in making this Agreement in his or her official capacity shall voluntarily have a personal financial interest in this Agreement or benefit financially therefrom No member, official, or employee of the City shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or successor or on any obligations under the terms of this Agreement

Section 9 2. Agreement Recorded This Agreement shall run with the Development Property until the Maturity Date and shall be recorded by the City in the office of the Anoka County Recorder

Section 9 3 Non-Discrimination During the life of this contract, the provisions of M S § 181 59, which relate to civil rights and non-discrimination, and any affirmative action program of the City, shall be considered a part of this Agreement and binding on the Developer as though fully set forth herein

Section 9 4 Amendment. This Agreement may be amended by the parties hereto only by written instrument executed in accordance with the same procedures and formality followed for the execution of this Agreement

Section 9 5 Counterparts This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument

Section 9.6 Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under this Agreement, by either party to the other shall be sufficiently given or delivered if it is sent by registered or certified mail, postage prepaid, return receipt requested or delivered personally

(a) As to the City	City of Ramsey City Administrator 15153 Nowthen Boulevard Northwest Ramsey, Minnesota 55303
(b) As to the Developer	BASALT PROPERTIES, LLC Lenny J Kalway, Chief Manager 14160 Basalt Street NW Ramsey, MN 55303

Either party may, by giving 10 days notice to the other party as provided above, change the place to which notifications are to be sent

Section 9.7 Waiver Any party to this Agreement may elect to waive any remedy it may enjoy under this Agreement, provided that no waiver shall be deemed to exist unless the party

waiving a right or remedy does so in writing No waiver shall obligate to a party to waive any other right or remedy under this Agreement, or shall be deemed to constitute a waiver of other rights and remedies provided the party pursuant to this agreement

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf and its seal to be hereunto duly affixed, and the Developer has caused this Agreement to be duly executed as of the day and year first above written

CITY OF RAMSEY, MINNESOTA

By _____
Its Mayor

By _____
Its City Administrator

BASALT PROPERTIES, LLC, A MN LIMITED LIABILITY COMPANY

By _____
Its Chief Manager

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

On this 27TH day of October, 2003, before me, a Notary Public, personally appeared Thomas G Gamec and James E Norman to me personally known, who, being each by me duly sworn did say that they are respectively the Mayor and City Administrator of the City of Ramsey, the Municipal Corporation named in the foregoing instrument, and the seal affixed to said instrument is the corporate seal of said Municipal Corporation, and the said instrument was signed and sealed on behalf of said Municipal Corporation by authority of its City Council and said Thomas G Gamec and James E Norman acknowledge said instrument to be the free act and deed of said Municipal Corporation

SEAN M. SULLIVAN
NOTARY PUBLIC - MINNESOTA
My Comm. Exp. Jan. 31, 2005

_____
Signature of Notary Public

STATE OF MINNESOTA)
)ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this 24TH day of October, 2003, by Lenny J Kalway, Chief Manager of BASALT PROPERTIES, LLC , a MN Limited Liability Company on behalf of the Limited Liability Company

SEAN M. SULLIVAN
NOTARY PUBLIC - MINNESOTA
My Comm. Exp. Jan. 31, 2005

_____
Signature of Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

Lot 2, Except the South 30 00 feet, Lots 3 and 4, Block 4 Gateway North Industrial Park Plat 2, Anoka County, Minnesota

EXHIBIT B

CONSTRUCTION PLANS

EXHIBIT C

CITY OF RAMSEY
DEVELOPMENT PERMIT
BASALT PROPERTIES LLC

On September 23, 2003, Site Plan approval was granted by the City of Ramsey ("City") to Basalt Properties LLC ("Permittee"), whose address is P.O. Box 120269, New Brighton, MN 55112 to construct two construct two buildings; a 11,200 square foot building and a 16,800 square foot building both of which will house office, storage, and industrial activities on property which is legally described as follows:

Lots 2, 3, and 4, Block 4, Gateway North Industrial Park Plat 2, Anoka County, Minnesota

Or upon recoding of the Basalt Office Park Plat

Lot 1, Block 1, Basalt Office Park, Anoka County, MN

the ("Site").

This approval is issued pursuant to §9 03.06 of the City Code. The conditions of this approval are as follows:

1. **STRUCTURE.** All building plans must be prepared and certified by a registered engineer or architect.

2. **STATE BUILDING CODE COMPLIANCE.** The structure shall be constructed in accordance with the requirements of the State Building Code.

3. **SITE PLAN COMPLIANCE.** The structures shall be constructed on the Site as shown on the Site Plan, Grading, Drainage, and Utility Plans prepared by SEI Consulting Civil Engineers dated August 5, 2003, Revised September 10, 2003, Landscaping Plan prepared by SEI Consulting Civil Engineers dated August 5, 2003, Revised September 9, 2003, Building Elevations prepared by Fischer Engineering dated July 19, 2003, Revised September 9, 2003 and Lighting Plan prepared by South Side Electric dated July 30, 2003

4. **REQUIRED IMPROVEMENTS.** The Permittee shall construct and install the following site improvements on the Site in accordance with the specifications and location as shown on the Site Plan The Required Improvements are as follows

   a Site grading in accordance with the Grading Plan prepared by SEI Consulting Civil Engineers dated August 5, 2003, Revised September 10, 2003
   b. Installation of concrete and bituminous driveways and parking lot.
   c. Installation of storm sewer and appurtenances.
   d. Installation of B-6/12 continuous concrete curbing around the perimeter of all concrete and/or bituminous surfaces.
   e Establishment of turf in areas disturbed during construction and in accordance with the Site Plan.
   f Installation of landscaping materials in accordance with the Landscape Plan prepared by SEI Consulting Civil Engineers dated August 5, 2003, Revised September 9, 2003.

   ("Required Improvements)".

5. **FIRE LANES.** Fire lanes shall be maintained on the Site. The exact location of these items on the Site shall be as directed by the City's Fire Chief.

6. **LIGHTING.** Lighting shall be installed on the site in accordance with the specifications and locations as shown on the Lighting Plan prepared by South Side Electric dated July 30, 2003

7. **BUILDING FACADE.** The Permittees agree to construct all building faces of the same material as listed on the Building Elevations prepared by Fischer Engineering dated July 19, 2003, Revised September 9, 2003.

8. **REQUIREMENTS FOR BUILDING PERMIT.** No building permit for the Site will be issued until the Permittees have: a) signed and returned this Development Permit; and b) provided the City with a copy of the LRRWMO and MPCA permits. No Certificate of Occupancy for the structure will be issued until the Required Improvements, or a financial surety for same, are accepted by the City.

9. **IMPROVEMENT CONSTRUCTION SCHEDULE.** The Required Improvements shall be completed before October 1, 2004.

10. **RECOGNITION OF LOCATION.** The Permittees herein agree to recognize Ramsey as the City of location on all forms of advertising and business correspondence whenever reasonably prudent to do so.

11. **ESCROW CHARGES.** In order to ensure the installation of the Required Improvements in accordance with City specifications and in a timely manner, the Permittees shall be required to deposit with the City a cash escrow or letter of credit, approved as to form by the City, in the amount of One Hundred Thirteen Thousand and Ninety-One dollars and no cents (**$113,091.00**), which is 150% of the City's estimated cost of the Improvements. Prior to the issuance of the building permit, all financial guarantees must be provided as required herein

Upon completion of the construction of the Required Improvements, the financial guarantee shall be returned to the Permittees and the Permittees shall be required to provide the landscaping maintenance guarantee described in Item #12 of this Development Permit. The determination of completion of the construction of the Required Improvements shall be made by the City Council after consultation with the City Engineer. In the event the Permittees fail to construct and install the Required Improvements as required herein, the City Council may order the completion of the Required Improvements with City day labor and/or by letting contracts for said completion and draw upon the escrow for payment. Only the City Council shall have the authority to direct completion of the Required Improvements and withdraw from the escrow account. The Permittees hereby grant permission and a license to the City and/or its contractors and assigns to enter upon the Site for the purpose of completing the construction and installation of the Required Improvements in the event of the Permittees' default.

12. **INSPECTION FEES.** The **DEVELOPER** shall be responsible for all inspection costs incurred by the City related to the installation of Required Improvements The **DEVELOPER** shall make a cash deposit into the appropriate escrow account at the City and the City shall have the authority to draw upon these funds for the purpose of compensating for inspection services. The amount of the deposit shall be equal to five percent (5%) of the estimated cost of the Required Improvements. Therefore, the amount is Three Thousand Seven Hundred Sixty Nine Dollars and no cents (**$3,769.00**) (5% x $75,394.00). Upon completion of the Improvements to the satisfaction of the City, any surplus balance remaining in the City's escrow account shall be refunded to the **DEVELOPER**

13. **MAINTENANCE GUARANTEE FOR LANDSCAPING.** It is herein agreed that the Permittees shall provide a maintenance guarantee to ensure the survival of the plantings Said maintenance guarantee shall consist of cash or a letter of credit, approved as to form by the City, in the amount of $3,360.00 [# plantings (33 trees, 158 shrubs) x cost/planting ($100/tree, $50/shrub) x 30% average non-survival rate], which shall be in effect for a two year period commencing on the date of the City's

acceptance of said plantings as part of the Required Improvements. This number will be supplied once a revised landscaping plan is submitted.

At the end of the two year period, the maintenance guarantee shall be returned to the Permittees. The determination that all plantings that have been planted in accordance with the Site Plan have either survived or have been replaced shall be made by the City Council after consultation with the City Engineer. In the event the Permittees fail to maintain the required plantings for a two year period, the City Council may order the replacement of plantings with City day labor and/or by letting contracts and draw upon the escrow for payment. Only the City Council shall have the authority to direct replacement of the plantings and withdraw from the escrow account. The Permittees hereby grant permission and a license to the City and/or its contractors and assigns to enter upon the Site for the purpose of replacing plantings in the event of the Permittees' default.

14. **STORM WATER SAVINGS PAYMENT.** In exchange for the savings realized by the **DEVELOPER** regarding storm sewer piping, the **CITY** has agreed to oversize the storm water pipes within the Basalt St. public improvements to be constructed by the **CITY.** The City Engineer's estimated cost of the savings to be realized is $26, 075 00 Therefore, the **DEVELOPER** shall pay the **CITY** Twenty Six Thousand Seventy Five Dollars and no cents **($26,075.00)** for the proposed oversizing of the storm water pipes.

15. **OUTSIDE REGULATORY AGENCIES.** The Permittees herein agree to be responsible for obtaining all required permits or licenses from any other regulatory agencies.

Basalt Properties LLC hereby acknowledge receipt of this permit and that they have reviewed the conditions of and have agreed that they will comply with the terms of this permit.

CITY OF RAMSEY, MINNESOTA

By _____
Its: Mayor

By _____
Its. City Administrator

BASALT PROPERTIES, LLC

By _____
Its MEMBER CHAIR

By _____
Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

On this 13th day of October, before me, a Notary Public, personally appeared Thomas G. Gamec and James E Norman to me personally known, who, being each by me duly sworn did say that they are respectively the Mayor and City Administrator of the City of Ramsey, the Municipal Corporation named in the foregoing instrument, and the seal affixed to said instrument is the corporate seal of said Municipal Corporation, and the said instrument was signed and sealed on behalf of said Municipal Corporation by authority of its City Council and Thomas G Gamec and James E. Norman acknowledge said instrument to be the free act and deed of said Municipal Corporation.

_____
Notary Public

JO ANN M THIELING
Notary Public
Minnesota
My Commission Expires Jan 31 2005

STATE OF MINNESOTA)
)ss

COUNTY OF Anoka)

On this 9th day of October, 2003, before me a Notary Public, personally appeared Leroy Kalwaz a private individual, signed said instrument as a free act and deed

STEVEN R TORNEY
NOTARY PUBLIC- MINNESOTA
MY COMMISSION EXPIRES 1-31-2005

Steven R Torney
Notary Public

Exhibit D

ASSESSMENT AGREEMENT AND CERTIFICATION OF COUNTY ASSESSOR

THIS AGREEMENT, made and entered into this 30th day of September, 2003, by and between the **City of Ramsey**, a Minnesota municipal corporation, having its principal office at 15153 Nowthen Boulevard Northwest, Ramsey, Minnesota 55303 (the "City"), and **BASALT PROPERTIES, LLC, a Minnesota Limited Liability Company,** having its principal office at 14160 Basalt St NW, Ramsey, MN 55303 (the "Developer")

WITNESSETH.

WHEREAS, the City is administering City Development District No 1 created pursuant to M S § 469 124 through § 469 134, and

WHEREAS, the City is administering Tax Increment Financing District No 2 created pursuant to M S § 469 174 through § 469 179, and

WHEREAS, the parties have entered into a Contract for Private Development (the "Agreement"), dated September 30, 2003, regarding the development of certain real property located in Development District No 1 and Tax Increment Financing District No 2 within the City and legally described as

Lot 2, Except the South 30 00 feet, Lots 3 and 4, Block 4 Gateway North Industrial Park Plat 2, Anoka County, Minnesota, (the "Development Property"), and

WHEREAS, it is contemplated that pursuant to the Agreement, the Developer will construct the Minimum Improvements described in the Agreement and shall complete them prior to December 31, 2004, and

WHEREAS, the City and the Developer desire to establish minimum market values for the Development Property and the Minimum Improvements to be constructed thereon, pursuant to M S § 469 177, Subdivision 8, and

WHEREAS, the county assessor has reviewed the plans and specifications for the Minimum Improvements which will be constructed

NOW THEREFORE, the parties do hereby agree as follows:

1 On January 2, 2005, the Minimum Market Value of the Minimum Improvements and the Development Property (the "Combined Property") shall be Six Hundred Twenty-Seven Thousand Nine Hundred and 00/100's Dollars ($627,900) The Minimum Market Value of the Combined Property will remain in effect for the term of this Agreement as described in paragraph 4 hereof

2 Nothing in this Agreement shall limit the discretion of the county assessor or any other public official or body having the duty to determine the Market Value of the Combined Property for ad valorem tax purposes to assign to the Combined Property a Market Value in excess of the Minimum Market Value specified in this Agreement

3 Neither the preambles nor the provisions of this agreement are intended to modify nor shall they be construed as modifying, the terms of the Agreement

4 This agreement shall remain in effect and inure to the benefit and be binding upon the successors and assigns of the parties through the Maturity Date as described in the Agreement

5 As provided in M S § 469 177, Subdivision 8, nothing contained herein shall be deemed to limit the right or opportunity of the Developer to challenge, through any legal means, that part of any valuation on the market value of the Combined Property, which is in excess of the stipulated Minimum Market Value contained in this agreement, provided, however, that the Developer may

not institute or prosecute any challenge to the excess which, if successful, would also result in a reduction of the assessment below the Minimum Market Value

6 Capitalized terms not otherwise defined herein have the meanings given them in the Agreement

CITY OF RAMSEY, MINNESOTA

By _____
Its Mayor

By _____
Its City Administrator

BASALT PROPERTIES, LLC, A MN LIMITED LIABILITY COMPANY

By _____
Its Chief Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

SEAN M. SULLIVAN
NOTARY PUBLIC - MINNESOTA
My Comm Exp Jan 31, 2005

On this 27TH day of October, 2003, before me, a Notary Public, personally appeared Thomas G Gamec and James E Norman to me personally known, who, being each by me duly sworn did say that they are respectively the Mayor and City Administrator of the City of Ramsey, the Municipal Corporation named in the foregoing instrument, and the seal affixed to said instrument is the corporate seal of said Municipal Corporation, and the said instrument was signed and sealed on behalf of said Municipal Corporation by authority of its City Council and said Thomas G Gamec and James E Norman acknowledge said instrument to be the free act and deed of said Municipal Corporation

_____
Signature of Notary Public

STATE OF MINNESOTA)
)ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this 24TH day of October, 2003, by Lenny J Kalway, Chief Manager of BASALT PROPERTIES, LLC, a Minnesota Limited Liability Company on behalf of the Limited Liability Company

_____
Signature of Notary Public

SEAN M. SULLIVAN
NOTARY PUBLIC - MINNESOTA
My Comm. Exp. Jan. 31, 2005

CERTIFICATION BY ASSESSOR

The undersigned duly appointed and qualified Interim Assessor of Anoka County, Minnesota, certifies as follows:

(1) That I have reviewed the foregoing Assessment Agreement between the City of Ramsey and BASALT PROPERTIES, LLC , a Limited Liability Company dated September 30 _____, 2003, and that for purposes of this certification, capitalized terms not otherwise defined in this Certification have meanings given them in the Assessment Agreement

(2) That I am legally responsible for assessment of the Development Property.

(3) That I have reviewed the plans and specifications for the Minimum Improvements to be constructed on the Development Property

(4) That I find that the Minimum Market Value of Six Hundred Twenty-Seven Thousand Nine Hundred and 00/100's Dollars ($627,900) for the Minimum Improvements and the Development Property as stipulated in paragraph ~~1 of the foregoing~~ Assessment Agreement is a reasonable value.

Anoka County Interim Assessor
Anoka County, Minnesota

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this 26th day of September, 2003, by Edward L Thurston, the Interim Assessor of the County of Anoka, Minnesota

SEAN M. SULLIVAN
NOTARY PUBLIC - MINNESOTA
My Comm Exp Jan 31, 2005

Signature of Notary Public

Exhibit E

FORM OF CERTIFICATE OF COMPLETION

The undersigned hereby certifies that BASALT PROPERTIES, LLC, a MN Limited Liability Company, has fully and completely complied with its obligations under Article III of that document entitled "Contract for Private Development", dated September 30, 2003 between the City of Ramsey, Minnesota and BASALT PROPERTIES, LLC, a MN Limited Liability Company, recorded in the office of the Anoka County Recorder as Document Number _____, with respect to construction of the Minimum Improvements on the real estate which is legally described as follows

Lot 2, Except the South 30 00 feet, Lots 3 and 4, Block 4 Gateway North Industrial Park Plat 2, Anoka County, Minnesota

(the "Development Property") in accordance with the Construction Plans, and is released and forever discharged from its obligations under the above referenced Article III.

CITY OF RAMSEY

Dated _____

By _____
Its Mayor

By:_____
Its City Administrator

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

On this ____ day of _____, _____, before me, a Notary Public, personally appeared _____and _____ to me personally known, who, being each by me duly sworn did say that they are respectively the Mayor and City Administrator of the City of Ramsey, the Municipal Corporation named in the foregoing instrument, and the seal affixed to said instrument is the corporate seal of said Municipal Corporation, and the said instrument was signed and sealed on behalf of said Municipal Corporation by authority of its City Council and said Thomas G Gamec and James E Norman acknowledge said instrument to be the free act and deed of said Municipal Corporation

_____
Signature of Notary Public

Exhibit F

AGREEMENT TO PAY DEFICIENCIES

THIS AGREEMENT, made and entered as of this 30th day of September, 2003, by and between the **City of Ramsey**, a Minnesota municipal corporation, having its principal office at 15153 Nowthen Boulevard Northwest, Ramsey, Minnesota 55303 (the "City") and **BASALT PROPERTIES, LLC, A MN LIMITED LIABILITY COMPANY**, having its principal office at 14160 Basalt Street NW, Ramsey, MN 55303 (the "Developer");

WITNESSETH:

WHEREAS, the City and the Developer have entered into an agreement entitled Contract for Private Development dated September 30, 2003 (the "Agreement") regarding development of certain real property situated in the City of Ramsey, legally described as

> Lot 2, Except the South 30 00 feet, Lots 3 and 4, Block 4 Gateway North Industrial Park Plat 2 , Anoka County, Minnesota, (the "Development Property"), and

WHEREAS, the City has established Tax Increment Financing District No. 2 pursuant to M S. § 469 174 through § 469 179, and has established Development District No 1 pursuant to M.S. § 469 124 through § 469 134, which includes the Development Property, and

WHEREAS, the Agreement requires the City to construct certain public improvements and requires the Developer to construct certain improvements (the "Minimum Improvements") thereon, all as more fully described in the Agreement; and

WHEREAS, in order to finance the public costs related to construction of the Minimum Improvements on the Development Property, the City has agreed to use its tax increment financing funds or to otherwise fund such costs, and

WHEREAS, the Agreement requires the execution of this Agreement to Pay Deficiencies, and

NOW, THEREFORE, in consideration of the mutual covenants and obligations of the City and the Developer, the parties do hereby agree as follows

1. Except as qualified by Section 3 herein, if for any reason, the Tax Increment generated from the Development Property payable with the real estate taxes due in any calendar year commencing in 2005 and ending in 2012, is less than the required tax increment (the "Required Increment") as defined in Section 2 herein, the City will notify the Developer of the difference (the "Deficiency"), and will make written demand of the Developer for the payment thereof. The Developer or its successors and assigns, within 30 days after the City gives written notice, shall pay to the City the Deficiency Payments will be based upon the normal real estate tax payment schedule of biannual payments

2 The required Net Tax Increment to be generated from the Development Property is Ten Thousand Dollars and 00/100's Dollars ($10,000) per year The tax increment is projected to start with the tax revenues received in 2005 and end in 2012

3 This agreement remains an obligation of the Developer and its heirs, executors, representatives, successors and assigns until the Maturity Date as defined in the Agreement This Agreement shall run with the Development Property

4 Capitalized terms not otherwise defined herein have the meanings given them in the Agreement

CITY OF RAMSEY, MINNESOTA

By _____
Its Mayor

By _____
Its City Administrator

BASALT PROPERTIES, LLC, A MN LIMITED LIABILITY COMPANY

By _____
Its Chief Manager

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

On this 27th day of October, 2003, before me, a Notary Public, personally appeared Thomas G Gamec and James E Norman to me personally known, who, being each by me duly sworn did say that they are respectively the Mayor and City Administrator of the City of Ramsey, the Municipal Corporation named in the foregoing instrument, and the seal affixed to said instrument is the corporate seal of said Municipal Corporation, and the said instrument was signed and sealed on behalf of said Municipal Corporation by authority of its City Council and said Thomas G Gamec and James E Norman acknowledge said instrument to be the free act and deed of said Municipal Corporation

SEAN M. SULLIVAN
NOTARY PUBLIC - MINNESOTA
My Comm Exp. Jan 31, 2005

_____
Signature of Notary Public

STATE OF MINNESOTA)
)ss
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this 24th day of October, 2003, by Lenny J Kalway, Chief Manager of BASALT PROPERTIES, LLC, a Minnesota Limited Liability Company on behalf of the Limited Liability Company

SEAN M. SULLIVAN
NOTARY PUBLIC - MINNESOTA
My Comm Exp. Jan. 31, 2005

_____
Signature of Notary Public

ABSTRACT

Receipt # 153148139.00	☐ Incorrect/No Reference #
Date/Time 11/3/10:20	☐ Non-standard Document
Document Order 1 of 1	☐ Certified Copy/
PINs Bc	34 pgs
Recordability Bc	
Filing Fees $20.00	
Copy/Additional Pg Fees $19.00	☐ Tax Lien/Release
Well Cert Fees $	☐ Transfer
	☐ Division
☐ Incomplete Form	☐ Status
☐ Missing Attachment	☐ New legal Description
☐ No Legal Description	☐ GAC
☐ Non-existent Legal Description	☐ Deferred Specials
☒ Part(s) Illegible	☑ No Change

DOCUMENT NO 1869469.0 ABSTRACT

ANOKA COUNTY MINNESOTA

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED IN THIS OFFICE FOR RECORD ON NOV 03 2003 AT 10:20 AM AND WAS DULY RECORDED FEES AND TAXES IN THE AMOUNT OF $39.00 PAID

RECEIPT NO 2003153148

MAUREEN J DEVINE
ANOKA COUNTY PROPERTY TAX ADMINISTRATOR/RECORDER/REGISTRAR OF TITLES

BY BMC
DEPUTY PROPERTY TAX ADMINISTRATOR/RECORDER/REGISTRAR OF TITLES