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April 27, 2005

VIA FACSIMILE AND E-MAIL

Clarissa M. Klug
Jensen & Sondrall, P.A.
8525 Edinbrook Crossing, Suite 201
Brooklyn Park, MN 55443-1968

*Offer of Settlement
Inadmissible Pursuant to
Minn. R. Ev. 408*

**Re: Economic Development Authority in and for the City of Brooklyn Center v.
Hmong-American Shopping Center, LLC, et al.
Court File Number: CD 2750**

Dear Ms. Klug:

The District Court has now issued its Order Granting Petition, Appointing Commissioners and Authorizing Payment or Deposit and Transferring Title Pursuant to Minn. Stat. § 117.042. The Brooklyn Center EDA has made its deposit of \$3 million with the District Court. Pursuant to the District Court's Order, on April 29, 2005, the title and right to possession of the Real Property described in the Petition shall be vested in the Brooklyn Center EDA. The EDA has offered to allow your client to remain in occupancy pursuant to a short term lease but has had no response to its offer.

The time has come to see if this matter can be resolved in full without further litigation. As you know, in July 2004, the Brooklyn ~~Center~~ \$4.1 million compensation package inclusive of real property acquisition and relocation for the Lee/Vang family businesses. As time has progressed, the EDA has further defined the value and anticipated cost for these items. The EDA's approved appraisal of value for the real estate ~~is \$4.1 million~~. The EDA believes this to be a generous number which is fully reflective of just compensation. The EDA's fixture appraiser and relocation consultant have prepared preliminary estimates of the relocation costs which are likely to be incurred in the relocation of the three Lee/Vang family business operations. These estimates are as follows:

| | |
|-------------------------|-----------|
| Asia Supermarket | \$407,000 |
| Asia Fashion and Fabric | \$61,000 |
| Laundry King | \$82,000 |
| Total | \$550,000 |