

**CITY OF RAMSEY
DEVELOPMENT CONTRACT
FOR ALPHA DEVELOPMENT AND LEGACY CHRISTIAN ACADEMY SITE PLAN**

This CONTRACT dated this 17th day of May, 2011, and is by and between the **CITY OF RAMSEY**, a Minnesota municipal corporation (the “**CITY**”), and Hageman Holdings, LLC (“**PERMITTEE**”), a Minnesota limited liability company having an address for purposes of this Contract of 2019 Westridge Court, Buffalo, MN 55313.

Comment [TG1]: May need to amend.

WHEREAS, PERMITTEE is the owner of fee title to land situated within the city limits of the City, Anoka County, Minnesota, legally described as follows (the “Property”):

Lot 1, Block 1, HY-10 Ramsey 2nd Addition, Anoka County, Minnesota, except that part thereof depicted as Parcel 2 on Anoka County Highway Right of Way Plat No. 74, which was conveyed to the County of Anoka by Warranty Deed dated January 25, 2010, recorded on January 28, 2010, as Document No. 2012921.002;

-And-

The Northeast Quarter of the Southwest Quarter, Section 20, Township 32, Range 25, Anoka County, Minnesota;

-And-

Outlot A, Pine Shadows, according to the map or plat thereof on file and of record in the office of the County Recorder in and for Anoka County, Minnesota;

-And-

The Southwest Quarter of the Southeast Quarter, Section 20, Township 32, Range 25, Anoka County, Minnesota, except that part platted as Menkveld’s Pine Hills North;

-And-

That part of the Northeast Quarter of the Northwest Quarter and the Northwest Quarter of the Northeast Quarter that lies north of the Burlington Northern Railway right-of-way, Section 29, Township 32, Range 25, Anoka County, Minnesota.

-or upon recording of the Plat contemplated herein-

Lot 1, Block 1 and Outlots A, B, C, and D, ALPHA DEVELOPMENT, Anoka County, Minnesota.

WHEREAS, on December 14, 2010, pursuant to Resolution No. 10-12-271, the **CITY** approved the final plat of the Property, which plat is known as **ALPHA DEVELOPMENT** (the “**Plat**”), which approval is contingent on certain requirements, including **PERMITTEE** and the **CITY** entering into this Contract; and

WHEREAS, the **CITY** requires that certain improvements be constructed on the Property, which improvements (collectively, the “Improvements”) are defined in this Contract and consist of the Stage I Improvements and the Stage II Improvements; and

WHEREAS, **PERMITTEE** has requested, and the **CITY** has agreed, to cause certain Stage I Improvements to the Property to be constructed by and with financial participation by the **CITY** through a Minnesota Statutes Chapter 429 and City Charter assessment process; and

WHEREAS, **PERMITTEE** desires to construct certain Stage I and Stage II Improvements in accordance with the Plat and plans approved by **PERMITTEE** and the **CITY**; and

WHEREAS, **PERMITTEE** understands that the **CITY** will expend no **CITY** funds until **PERMITTEE** has complied with the relevant escrow requirements in the Code of Ordinances of the **CITY**.

WHEREAS, the **PERMITTEE** has proposed to construct a single buildable lot public/quasi public development.

WHEREAS, the **PERMITTEE** has proposed to construct a K-12 private school and that the **CITY** has had a long standing strategic goal to increase the educational opportunities within the community.

NOW, THEREFORE, the **CITY** and **PERMITTEE** agree as follows:

1. Conditions of Approval. The **CITY** hereby approves the Plat on condition that **PERMITTEE** provide the necessary security in accordance with the terms of this Contract pursuant to the City Code and agrees to the Assessment Agreement as defined below in paragraph #5.
2. Permittee Plans. **PERMITTEE** shall develop the Property in accordance with the Permittee Plans. The Permittee Plans as they currently exist were prepared by Anderson Engineering, are dated September 3, 2010 and revised November 1, 2010 and [REDACTED], are in the files of the **CITY** and consist of the following: Final Plat Plan, Utility Plans; Sanitary Sewer and Watermain Construction; Storm Sewer and Street Construction; Grading, Erosion Control and Details; Landscape Plan and Tree Inventory. The Permittee Plans shall not be amended without the consent of the **CITY**.
3. Stage I Improvements. The “Stage I City Improvements”, consist of the following:
 - a. Extension of sanitary sewer along the west side of Armstrong Boulevard from just north of Sunwood Drive to Bunker Lake Boulevard;

- b. Extension of watermain from the east side of Armstrong Boulevard to the west side of Bunker Lake Boulevard;
- c. Extension of sanitary sewer and watermain in the Bunker Lake Boulevard right-of-way dedicated pursuant to the Plat;
- d. Development of a storm sewer system to service the street and right-of-way requirements in the Property;
- e. Extension of Bunker Lake Boulevard roadway through the Property from Armstrong Boulevard to Puma Street N.W., consisting of two lanes, with curb and gutter on the north side of the roadway, and shoulder, feet wide, on the south side of the roadway; and
- f. Construction of trail: along the north side of Bunker Lake Boulevard from Armstrong Boulevard to Puma Street N.W.; and along the west side of Puma Street N.W. from Bunker Lake Boulevard to Alpine Drive.
- g. Extension of Puma Street roadway from Bunker Lake Blvd. to Alpine Drive with limited width and overlay standards, consisting of two lanes, no curb and trail extension on west side of street.

The **CITY** agrees to construct the Stage I City Improvements according to the terms and conditions of this Contract and in accordance with the Plans, which are subject to revisions per City Staff Review Letter dated December 8, 2010, and which, together with each contract for construction of the Improvements, shall be submitted to the City Engineer and to **PERMITTEE** for their review and approval prior to execution by the **CITY** of any such contract and prior to commencement of construction of the Stage I City Improvements.

- 4. The improvements that the **CITY** requires be made to the Property and that the **PERMITTEE** shall cause to be made are the “Stage I Permittee Improvements”, and consist of the following:
 - a. Sanitary sewer and water line extensions from the main municipal trunk line to the building to be constructed on Lot 1.
 - b. Natural gas line to building on Lot 1
 - c. Telephone service to building on Lot 1
 - d. Electric Service to building on Lot 1
 - e. Landscaping improvements in accordance with the approved Permittee Plans on Lot 1 and within the Bunker Lake Boulevard right-of-way.
 - f. Stormwater facilities on Lot 1 and Outlot D
 - g. Easements
 - h. Grading of Lot 1 and stormwater facilities on Outlot D

- i. Rough grading in right-of-way of Bunker Lake Boulevard and required removals consistent with City plans prepared by WSB dated [REDACTED].
- j. As-builts in scalable, reproducible format, public and private Stormwater ponds and utilities as part of Stage I Permittee Improvements.

A Stage I Permittee Improvement Financial Guarantee shall be provided as required in Paragraph 6 below in conjunction only with items a, e, f, h, i and j above.

PERMITTEE agrees to construct the Stage I Permittee Improvements according to the terms and conditions of this Contract and in accordance with the Permittee Plans, which are subject to revisions per City Staff Review Letter dated December 8, 2010, and which, together with each contract for construction of the Permittee Improvements, shall be submitted to the City Engineer and to **PERMITTEE** for their review and approval prior to execution by **PERMITTEE** of any such contract and prior to commencement of construction of the Stage I Permittee Improvements.

- 5. Assessment Agreement. **PERMITTEE** and the **CITY** shall execute and deliver an Assessment Agreement (the "Assessment Agreement"), substantially in the form and substance attached hereto as **Exhibit "A"** prior to commencement of the Stage I City Improvements.
- 6. Stage I Improvement Financial Guarantee. **PERMITTEE** shall not be responsible for a financial guarantee for the Stage I City Improvements. **PERMITTEE** shall be responsible for a financial guarantee for the Stage I Permittee Improvements to insure timely completion of the Stage I Permittee Improvements. **PERMITTEE** agrees that the Certificate of Occupancy shall not be released until the Stage I Permittee Improvements are completed. **PERMITTEE** shall be responsible for a financial guarantee for any remaining Stage I Permittee Improvements that are not complete at the time a City required Certificate of Occupancy is requested by **PERMITTEE** equal to the amount of 125% of the City Engineer's estimated cost of the remaining Stage I Permittee Improvements. The said financial guarantee shall be in the form of a letter of credit or cash escrow held by the **CITY**. **PERMITTEE** agrees to provide the City with documentation from applicable utility companies that said utility has been satisfied as to Stage I Permittee Improvements and properly paid for said workor provide appropriate lien waivers. The **PERMITTEE** may apply for reductions in the Letter of Credit or cash escrow as the Stage I Permittee Improvements are completed and accepted by the City. Upon completion of the Stage I Permittee Improvements and final inspection and acceptance by the City, any remaining balanced on the letter of credit or escrow account shall be promptly returned to the Permittee.
- 7. Inspection Fees. **PERMITTEE** shall be responsible for all inspection costs incurred by the **CITY** related to the installation of the Stage I Permittee Improvements. **PERMITTEE** shall be responsible for all inspection costs incurred by the **CITY** related to the installation of the Stage I Permittee Improvements in the amount of [REDACTED] Dollars and No Cents (\$____.00), which equals 5% of the City Engineer's estimated cost of the Stage I Permittee Improvements. **PERMITTEE** shall deposit said amount as a cash

escrow held by the **CITY**. **PERMITTEE** agrees that said fees may be used to address clean-up costs in the event of default by the **PERMITTEE**. The **CITY** shall maintain an accurate accounting of charges to the escrow amount and shall provide a monthly statement of all such charges. Upon completion of the Stage I Permittee Improvements and final inspection and acceptance by the **CITY**, the remaining balance in the escrow account shall be promptly returned to **PERMITTEE**.

8. Stage I Improvement Installation. The Stage I Improvements shall be installed in accordance with the City Plans and Permittee Plans and in accordance with **CITY** standards and the City Code. The **CITY** and **PERMITTEE** shall obtain all necessary permits from all agencies before proceeding with construction of the Stage I Improvements. Within thirty (30) days after the completion of the Stage I City Improvements, the **CITY** shall have prepared a complete set of reproducible "As Built" plans for the Stage I City Improvements, developed by a certified engineer.
9. Time of Performance. The **CITY** shall have substantial completion of all Stage I City Improvements by December 1, 2011 and final completion by June 30, 2012, provided that the time for completion shall be extended to the extent that **PERMITTEE'S** acts or omissions unreasonably delays completion of the Stage I City Improvements. **PERMITTEE** shall install all Stage I Permittee Improvements by June 30, 2012, provided that the time for completion shall be extended to the extent that **CITY'S** acts or omissions unreasonably delays completion of the Stage I Permittee Improvements.
10. Stage I Improvement Warranty Financial Guarantee. A Stage I Improvement Financial Warranty Guarantee shall not be required for Stage I City Improvements. A Stage I Improvement Warranty Financial Guarantee shall be required for Stage I Permittee Improvements inas applicable to Item #4.e above. The **PERMITTEE** shall deposit as cash escrow or letter of credit the amount of _____ Dollars and No Cents (\$____.00), which is equivalent to $([\$150/\text{tree} + \$75/\text{shrub}] \times 30\% \text{ mortality rate})$. The **PERMITTEE** may apply for reductions in the Letter of Credit or cash escrow as the Stage I Permittee Improvements are completed and accepted by the City. Upon completion of the Stage I Permittee Improvements and final inspection and acceptance by the City, any remaining balanced on the letter of credit or escrow account shall be promptly returned to the Permittee.
11. Ownership of Improvements. Upon completion and acceptance by the **CITY**, the Stage I City Improvements lying within public easements shall become **CITY** property without further notice or action.
12. License. **PERMITTEE** hereby grants to the **CITY**, its agents, employees, officers and contractors, a license to enter the Property from time to time in order to perform all work and/or inspections deemed appropriate by the **CITY** during installation of the Improvements. This license shall expire after the Improvements installed pursuant to this Contract have been installed and accepted by the **CITY**.

13. Stage II Improvements. The Stage II Improvements which the **CITY** requires **PERMITTEE** to construct, which are not otherwise included in the Stage I Improvements, are as follows:
 - a. Monument stakes for the Plat
14. Stage II Improvements to remaining Plat outlots. **PERMITTEE** agrees that Stage II Improvements shall be required on remaining Plat outlots at the time of development of said outlots.
15. Clean Up. **PERMITTEE** and the **CITY** each shall promptly clear from public streets and property any soil, earth, or debris resulting from the construction work on the Stage I Permittee Improvements or the Stage I City Improvements, as the case may be.
16. Payment for Stage II Improvements. **PERMITTEE** shall be responsible for a financial guarantee for the Stage II Improvements to ensure timely completion of the Stage II Improvements. **PERMITTEE** agrees that the Certificate of Occupancy shall not be released until the Stage II Improvements are completed. **PERMITTEE** shall be responsible for a financial guarantee for any remaining Stage II Improvements that are not complete at the time a Certificate of Occupancy is requested by **PERMITTEE** in the amount of _____ Dollars and No Cents (\$_____.00), which amount is 125% of the City Engineer's estimated cost of the remaining State II Improvements. **PERMITTEE** shall deposit said amount as a letter of credit or cash escrow.
17. Street Cleaning. After the street surfacing is installed, the **CITY** and **PERMITTEE** each shall clear any soil, earth or debris from the streets and Stormwater facilities resulting from any construction within the Plat by such party. From time to time and upon not less than thirty six (36) hours prior notice to **PERMITTEE**, the **CITY** may remove, at the expense of **PERMITTEE**, accumulations of soil, earth and debris from the streets and Stormwater facilities within the Plat resulting from construction of the Improvements, and **PERMITTEE** shall pay each invoice from the **CITY** to **PERMITTEE** for such costs within fifteen (15) days of receipt of the invoice.
18. Default. In the event of default by **PERMITTEE** as to any of the work to be performed by it hereunder, the **CITY** may, at its option, perform the work and **PERMITTEE** shall promptly reimburse the **CITY** for any reasonable expense incurred by the **CITY**, provided **PERMITTEE** is first given written notice of the work in default, not less than 48 hours in advance. This Contract is a license for the **CITY** to act, and it shall not be necessary for the **CITY** to seek a Court Order for permission to enter the Property. When the **CITY** does any such work, the **CITY** may, in addition to its other remedies, assess the cost in whole or in part to the benefitted portion(s) of the Property. **PERMITTEE** authorizes reimbursement from any of **PERMITTEE**'s escrows held by the **CITY**.
19. Miscellaneous.

- a. Invalidity of Any Section. If any portion, section, subsection, sentence, clause, paragraph or phrase of this Contract is for any reason invalid, such decision shall not affect the validity of the remaining portions of this Contract.
- b. Written Amendments Only. The action or inaction of the **CITY** shall not constitute a waiver of or amendment to the provisions of this Contract. To be binding, amendments or waivers shall be in writing, signed by the parties and approved by written resolution of the City Council. The **CITY**'s failure to promptly take legal action to enforce this Contract shall not be a waiver or release.
- c. Compliance with Laws and Regulations. **PERMITTEE** represents to the **CITY** that the Plat complies with all **CITY**, County, metropolitan, State, and Federal laws and regulations, including but not limited to: subdivision ordinances, zoning ordinances and environmental regulations. If the **CITY** determines that the Plat does not comply, the **CITY** may, at its option, refuse to allow any construction or development work in the Plat until **PERMITTEE** cause the Plat to so comply. Upon the **CITY**'s demand, **PERMITTEE** shall cease work until there is compliance.
- d. Recording; Termination and Release. This Contract shall run with the land and shall be recorded in the office of the Anoka County Recorder at the expense of **PERMITTEE**. After **PERMITTEE** has completed the work required of it under this Contract, as to all or any portion of the Property, at the request of **PERMITTEE** the **CITY** will execute in recordable form and deliver either a termination of this Contract or a release of such portion of the Property from the effect of this Contract.
- e. Mailbox Locations. **PERMITTEE** agree that the placement of mailboxes along public streets is subject to the approval by the **CITY**, and location of utilities will be necessary through Gopher State One-Call.
- f. Boulevard and Area Restoration. The **CITY** shall be responsible for the cost of establishing seed in all boulevards, except as otherwise noted, within thirty (30) days after completion of the street improvements included in the Stage I City Improvements, and restoring all other areas disturbed by the Stage I City Improvements, in accordance with approved Grading and Erosion Control plans prepared by WSB Associated dated [REDACTED]. **PERMITTEE** shall be responsible for topsoil, trees, and establishment of seed along the north side of Bunker Lake Boulevard. The **CITY** or **PERMITTEE**, as the case may be, shall be responsible for the cost of cleaning any soil, earth or debris from wetlands within and adjacent to the Property resulting from grading in connection with the Stage I City Improvements or the Stage I Permittee Improvements, respectively.
- g. Construction, Hours and Entrance Signs. The **CITY** restricts construction and delivery hours to Monday through Saturday, 7:00 a.m. to 10:00 p.m. **PERMITTEE** is required to provide a sign at each entrance point stating delivery

and construction operation hours. Said signs are not to exceed eighty (80) square feet in size and must be clearly visible at all times during the construction period.

- h. Construction Site Maintenance. **PERMITTEE** shall adhere to all **CITY** ordinances relating to, but not limited to, dumping of garbage, site development, construction debris, open burning, etc.
- i. Estimated Cost. It is understood and agreed that cost amounts set forth in this Contract as to the Stage I City Improvements, unless qualified as fixed amounts, are estimated. **PERMITTEE** agree to pay the entire cost of the Improvements, including interest, engineering and legal fees related thereto; provided, however, that **PERMITTEE'S** responsibility for payment of the cost of the Stage I City Improvements shall be limited to the obligations of **PERMITTEE** under the Assessment Agreement.
- j. Plat Approval Expenses. **PERMITTEE** shall pay to **CITY** all reasonable **CITY** expenses incurred in the approval of the Plat, including, but not limited to, administration expenses, and engineering and legal fees. Any such expenses incurred after recording of the Plat shall be paid within fifteen (15) days after receipt of an invoice therefor. Failure to pay the **CITY'S** expenses within that fifteen (15) day period will permit the **CITY** to draw for payment upon any of the escrows required by this Contract. The **CITY** agrees to provide to **PERMITTEE**, promptly upon request, an estimate of all such expenses.
- k. Reimbursement to the CITY. **PERMITTEE** shall reimburse the **CITY** for all costs incurred by the **CITY** in defense or enforcement of this Contract, or any portion thereof, including court costs and reasonable engineering and attorney's fees.
- l. Marketable Title. Prior to recording of the Plat, **PERMITTEE** shall provide the **CITY** with proof of marketable title to the Property, either through a currently certified abstract, registered property abstract or title insurance.
- m. Certificate of Occupancy. The term "Certificate of Occupancy" as used in this Contract shall be defined as a document issued by the **CITY'S** Building Official, which authorizes a structure to be used for its intended purposes.
- n. Proof of Authority. The **CITY** requires **PERMITTEE** to provide proof of authority by its governing board to execute this Contract. This proof of authority may be satisfied by providing the **CITY** with a certified copy of the minutes of the governing board of **PERMITTEE**.
- o. Recording of This Contract. See Section 19(d) above.
- p. Violation of This Contract. If **PERMITTEE** fail to perform any of the terms of this Contract, the **CITY** shall be entitled to recover, from **PERMITTEE** or the issuer of its financial guarantee, the full amount of any and all financial

guarantees or withhold the Certificate of Occupancy as defined in Section 16(m) above. Breach of any of the terms of this Contract by **PERMITTEE** shall be grounds for denial of a building permit for any portion of the Property still owned by **PERMITTEE**.

- q. Contract Binding On Successors and Assigns. This Contract shall be binding upon the parties, and their respective successors and assigns.
- r. Letters of Credit. All letters of credit presented as a financial guarantee, if required prior to issuance of a Certificate of Occupancy, shall be first approved as to form and content prior to acceptance by the City.

20. Requirements for Building Permit and Certificate of Occupancy.

- a. No building permit for any lot in the Plat shall be issued until: (a) a Class 5 driving surface is installed to within 300 feet of the proposed structure; (b) a Certificate of Survey, including the survey information required by the **CITY**, has been supplied to the **CITY** Building Official; (c) all the financial guarantees required by the **CITY** have been satisfied; (d) a permit from the Lower Rum River Watershed Management Organization has been obtained; (e) a permit from Anoka County Soil Conservation District has been obtained (if necessary); and (f) this Contract has been signed and received by the **CITY**. A footings and foundation permit for the structure has been waived by prior action of the City Council.
- b. No Certificate of Occupancy for any lot in the Plat shall be issued until: (a) vehicular access to the lot is provided, including installation of at least one layer of bituminous surfacing; (b) all utilities are in place, operational and accepted by the **CITY** in accordance with this Agreement; (c) for lots that have a slope of less than 2%, a certificate of grading, prepared by a licensed (State of Minnesota) professional land surveyor, is provided to the **CITY** documenting that the flattest grade on the lot is 1% or greater; and (d) boulevard sod and landscape tree, or escrow for same, have been provided.
- c. All improvements included in the Permittee Plans, including amendment required of the City Staff Review Letter dated [REDACTED] are completed, or financial guarantee in the amount of 150% the City Engineer's estimate of the cost of said improvements is secured in the form of cash escrow or letter of credit for the parking lot and related items.

21. Park Dedication. The Plat is located in the **CITY**'s Greenland Hills District. The current park dedication requirement is \$4,738 per commercial acre. At the City Council meeting on October 26, 2010, the Council accepted the recommendation of the Park Commission to accept, in full satisfaction of the park dedication requirement for the Plat, fee title to a 4.175 acre Outlot in the Plat. As a condition to the **CITY**'S release of the Plat for recording, **PERMITTEE** shall convey to the **CITY** fee title to the 4.175 acre Outlot C as shown on the proposed Plat, dated [REDACTED] prepared by Anderson Engineering

of Minnesota, LLC. The **CITY** and **PERMITTEE** agree that said Outlot is not being dedicated as park, but being transferred in fee-title to the **CITY**.

22. Trail Development Fees. The current trail development fee is \$1,090 per commercial acre. The amount due for the Plat is Fifty Eight Thousand Dollars and No Cents ($\$1,090.00 \times 64.26 \text{ acres} = \$70,043.00$, less trail credit of $\$12,043 = \$58,000.00$ – final trail credit and fee amount to be inserted). The acreage is based on a net developable acreage amount instead of a gross acreage amount. **PERMITTEE**'s obligations with respect thereto are provided in the Assessment Agreement, and the actual costs of trail construction of off-site trail improvements as shown on Exhibit B, herein attached, payable by **PERMITTEE** pursuant to the Assessment Agreement shall be credited against the trail development fee for the Plat.
23. Water and Sanitary Sewer Connection (Trunk) Fees. The current water connection fee is \$8,337 per acre. The current sanitary sewer connection fee is \$3,824 per commercial acre. Based on the net acreage amount of 64.26 acres: the total amount due on the 64.26 acre Plat is Seven Hundred Eighty One Thousand Four Hundred Sixty Six Dollars and No Cents ($[\$8,337.00 \times 64.26 \text{ acres}] + [\$3,824.00 \times 64.26 \text{ acres}] = \$781,466.00$). **PERMITTEE**'s obligations with respect thereto are provided in the Assessment Agreement, and the actual costs of water and sanitary sewer trunk construction part of the Stage I City Improvements payable by **PERMITTEE** pursuant to the Assessment Agreement shall be credited against the water connection and sanitary sewer connection fees for the Plat.
24. Water and Sanitary Sewer Lateral Fees. The Property is not subject to standard sanitary sewer and water lateral fees. Water and sanitary sewer improvements are being constructed pursuant to the Assessment Agreement.
25. Stormwater Management Fee. The current stormwater management fee is \$4,465 per commercial acre. The amount due for the Plat is Two Hundred Fifty Thousand Forty and No/100 Dollars ($\$4,465.00 \times 56 \text{ acres} = \$250,040.00$). The acreage is based on a permeable surface calculation instead of a gross acreage calculation. **PERMITTEE**'s obligations with respect thereto are provided in the Assessment Agreement, and the actual costs of stormwater facilities part of the Stage I City Improvements payable by **PERMITTEE** pursuant to the Assessment Agreement shall be credited against the stormwater management fee for the Plat.
26. Future Development Fees. **PERMITTEE** agrees that none of the above fees are being collected for any of the outlots in the Plat, and therefore said outlots are subject to similar fees at a future date when such outlots are subdivided for development.
27. Trail Construction. Trails are being constructed pursuant to the Assessment Agreement.
28. Easements. **PERMITTEE** shall be responsible for drafting and recording easements for all trails and sidewalks on private property. Said easements shall be executed prior to the **CITY** releasing the Plat for recording and shall be recorded at the same time as the Plat.

29. Maintenance Agreement. **PERMITTEE** shall be responsible for drafting and recording a maintenance agreement for on-site stormwater improvements, subject to review and approval of the City Engineer.
30. Notices. All notices required or permitted by this Contract to be given to a party shall be in writing, and shall be either personally delivered or mailed by certified or registered mail to such party at the following address or such other address as such party shall specify in a notice to the other party:

Hageman Holdings, LLC
13200 43rd Street NE
St. Michael, MN 55376-8420

City Administrator
City of Ramsey
7550 Sunwood Dr NW
Ramsey, MN 55303

City of Ramsey

By: _____
Its Mayor

By: _____
Its City Administrator

Hageman Holdings, LLC

By: Mike Hageman _____

Its: Chief Manager _____

STATE OF MINNESOTA)
)ss.
COUNTY OF ANOKA)

On this _____ day of _____, 2011, before me a Notary Public within and for said County, personally appeared Bob Ramsey and Kurtis G. Ulrich, to me personally known, who each by me duly sworn, each did say that they are respectively the Mayor and the City Clerk of Ramsey, the municipal corporation named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed in behalf of said municipality by authority of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipal corporation.

Notary Public

STATE OF MINNESOTA)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by _____, the _____ of Hageman Holdings, LLC, a Minnesota limited liability company, on behalf of the limited liability company.

Notary Public

This Document Drafted By:
City of Ramsey
7550 Sunwood Dr NW
Ramsey, MN 55303

This Document Reviewed By:
Randall and Goodrich
2140 4th Avenue
Anoka, MN 55303

Exhibit A
Assessment Agreement
NOTE: FOR PRELIMINARY REVIEW
ALL FINANCIAL FIGURES ARE ESTIMATES UNTIL FINAL BID IS AWARDED

THIS ASSESSMENT AGREEMENT (this "Agreement") is made this _____ day of _____, 2011, by and between **City of Ramsey**, a Minnesota municipal corporation (the "City") with offices at 7550 Sunwood Drive N.W., Ramsey, Minnesota 55303, and **Hageman Holdings, LLC**, a Minnesota limited liability company ("Owner"), and is based on the following facts:

- A. Owner is the owner of fee title the Property, as defined in the Development Contract.
- B. Owner has applied to the City for approval of a subdivision of the Property into Lot 1, Block 1, and Outlots A, B, C and D, Alpha Development, Anoka County, Minnesota, pursuant to the plat of Alpha Development (the "Plat").
- C. The City has approved the Plat subject to certain conditions as specified in that certain Development Contract between the City and Owner, dated _____, 2011 (the "Development Contract").
- D. The Development Contract contemplates that the City and Owner will enter into this Agreement.

NOW, THEREFORE, in consideration of the facts stated above, the mutual promises and agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the City and Owner, the parties hereby agree as follows:

- 1. Recitals Incorporated. The facts stated above are hereby incorporated into this Agreement and made a part of this Agreement by this reference.
- 2. Definitions. Capitalized terms used but not defined in this Agreement are defined as provided in the Development Contract.
- 3. Assessment. A special assessment (the "Assessment") is hereby levied against the Property under Minnesota Statutes Chapter 429 in an amount (the "Aggregate Assessment Amount") equal to the amount of the "Project Costs" of the Stage I City Improvements as defined in the Development Contract. For purposes of this Agreement, "Project Costs" means the actual total cost of the Stage I City Improvements including: 1) 10% contingency; 2) 18% for for construction engineering and administration fees, and; 3) trunk fees. The Aggregate Assessment Amount shall not exceed \$1,761,721.00, and the assessment shall be allocated to and levied against portions of the Property created by the Plat as follows:

Comment [TG2]: It is understood that these are estimates only, subject to final bid numbers.

Parcel Description	Area	Allocation %	Assessment Amount
Lot 1, Block 1	86.436 acres	61%	\$1,074,650
Outlot B	45.196 acres	32%	\$563,751
Outlot D	9.621 acres	7%	<u>\$123,320</u>
Total			\$1,761,721

To the extent that the Aggregate Assessment Amount is less than \$1,761,721, the Assessment Amount for Lot 1, Block 1 shall be reduced. The composition of the maximum amount of Project Costs is set forth as listed below:

<u>Estimated Improvement Costs</u>	
Street and Trail Improvement - Bunker Lake Extension	\$566,048.00
West Leg - Armstrong Intersection	\$(65,400.00)
Drainage Improvements - Bunker Lake	\$189,965.00
Sanitary Sewer - Bunker Lake	\$222,996.00
Watermain Extension - Bunker Lake Blvd.	\$277,512.00
Puma Street Surfacing	\$117,049.00
Puma Street Trail	<u>\$56,518.00</u>
Sub-total	\$1,364,688.00.00
<u>Allocation of Development Fees</u>	
Stormwater Fee	\$60,075.00
Sanitary Sewer Trunk Fee	\$22,734.00
Trail Development Fee	\$56,000
Water Trunk Fee	<u>\$258,224.00</u>
Grand Total	\$1,761,721.00

Comment [TG3]: ESTIMATED: Per discussion in regards to credit for grading work in ROW.

4. **Waiver by Owner.** The Assessments levied under Section 3 above shall be deemed adopted on the date this Agreement is signed by the City. Owner, by signing this Agreement, acknowledges that the Property is benefited by the Stage I City Improvements in an amount at least equal to the amount of the Project Costs, and hereby unconditionally waives all procedural and substantive objections to the Assessment, including without limitation any right to a hearing and any right to appeal the levying of the Assessment.

5. **Payment of Lot 1, Block 1 Assessment.** The Assessment for Lot 1, Block 1 of the Plat shall be payable in equal semi-annual installments over a period of twenty (20) years, the first installment of which shall be due not sooner than October 15, 2012. The fixed interest rate applied to the Assessment shall be: (a) if the City elects to finance the Project Costs internally, a fixed rate not greater than two percent (2%) per annum in excess of the "prime rate" as published in *The Wall Street Journal* on the date of this Agreement; or (b) if the City elects to finance Project Costs through issuance of bonds (the "Bonds"), the fixed rate payable on the Bonds plus any discount and costs of issuance of the Bonds actually payable by the City, not to exceed two percent (2%) of the aggregate amount of the Bonds.

Exhibit B
Off-Site Trail Improvements