
(reserved for recording)

ASSESSMENT AGREEMENT

THIS ASSESSMENT AGREEMENT (this “Agreement”) is made this ____ day of May, 2015, by and between **City of Ramsey**, a Minnesota municipal corporation (the “City”) with offices at 7550 Sunwood Drive N.W., Ramsey, Minnesota 55303, and **Village Bank**, a Minnesota bank with offices at 3350 Bridge Street, St. Francis, Minnesota, 55070 (“Owner”), and is based on the following facts:

- A. Owner is the owner of fee title to the Property, as defined in Exhibit A, attached hereto.
- B. Owner has applied to the City for approval of a subdivision of the Property into Lots 1-7, Ridgepoint, Anoka County, Minnesota (the “Plat”).
- C. The City has approved the Plat subject to certain conditions as specified in that certain Development Agreement between the City and Owner, dated _____ (the “Development Contract”), which contemplates that the City and Owner will enter into this Agreement.
- D. The Owner desires to have certain public improvements constructed to serve the Property as described in Exhibit B (the “Improvement Project”). The plans and specifications for the Improvement Project are completed.
- E. The Owner desires to have the City construct the Improvement Project without notice of hearing or hearing on the special assessments levied to finance the Improvement Project, and to levy up to \$ _____ of the cost of the Improvement Project against the Property.
- F. The City is willing to construct the Improvement Project without certain notices or hearings, provided that assurances and covenants stated below are made by the Owner to ensure that the City will have valid and collectable special assessments as they relate to the Property to finance all of the actual costs of the Improvement Project at no cost to the City.
- G. Were it not for the assurances and covenants provided in this Agreement, the City would not construct the Improvement Project without such notices and hearings and is doing so solely at the behest, and for the benefit, of the Owner.

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. Petition. The Owner hereby petitions the City for construction of the Improvement Project.
4. Authority. The Owner represents and warrants that it is the owner of 100 percent of the Property, that it has full legal authority to encumber the Property as provided in this Agreement, and that as of the date of this Agreement, it has fee simple absolute title in the Property, which is not subject to any liens, interests or encumbrances, except as listed in Exhibit C.
5. Waiver of Hearings. The Owner waives notice of hearing and hearing pursuant to Minn. Stat. section 429.031, on the Improvement Project, notice of hearing and hearing on the special assessments levied to finance the Improvement Project pursuant to Minn. Stat. section 429.061, and any notice of hearing or procedure specified under the City Charter, and specifically requests that the Improvement Project be constructed and special assessments be levied against the Property without hearings.
6. Waiver of Appeal or Reapportionment. The Owner waives the right to appeal the levy of the special assessments in accordance with this Agreement pursuant to Minn. Stat. section 429.081, or reapportionment thereof upon land division pursuant to Minn. Stat. section 429.071, subd. 3, or otherwise, and further specifically agrees with respect to such special assessments against the Property or reapportionment that:
 - a. Any requirements of Minn. Stat. chapter 429 or the City Charter with which the City does not comply are hereby waived by the Owner;
 - b. The increase in fair market value of the Property resulting from construction of the Improvement Project will be at least equal to the cost of the Improvement Project as set forth herein, and that such increase in fair market value is a special benefit to the Subject Property;
 - c. Assessment of the above-specified cost of the Improvement Project against the Subject Property is reasonable, fair and equitable and there are no other properties against which such cost should be assessed.
7. No Deferral. Owner represents and warrants that the Property is not so classified for tax purposes as to result in deferral of the obligation to pay special assessments, and Owner agrees that it will take no action to secure such tax status of the Property during the term of this Agreement.

8. Assessment. The Owner requests that up to \$_____ of the actual cost of the Improvement Project be assessed against the Property created by the Plat as follows:

Parcel Description	Area	Allocation %	Assessment Amount
Lot 1	38,122	22.82	
Lot 2	19,413	11.62	
Lot 3	20,349	12.18	
Lot 4	27,677	16.57	
Lot 5	17,456	10.46	
Lot 6	22,422	13.42	
Lot 7	21,594	12.93	
Total	167,033	100.0	

The composition of the maximum amount of the cost of the Improvement Project is set forth in Exhibit B.

9. Payment of Assessment. Certified assessments for the Plat shall be payable in equal semi-annual installments over a period of three (3) years with the first installment due May 15, 2016, and subsequent installments due May 15 and October 15 each year. If the improvements are not completed and actual costs are not determined by November of 2015, the first installment will be due May 15, 2017. The fixed interest rate applied to the Assessment shall be set at the five (5) year U.S. Treasury rate on the date of this agreement plus 2 percentage points. The owner of any property so assessed may, at any time prior to certification of the assessment or the first installment thereof to the county auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the municipal treasurer, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption thereof; the owner may at any time prior to November 15 of any year, prepay to the treasurer of the municipality having levied said assessments, the whole assessment remaining due (MN Statutes 429.061 Subd. 3).
10. Collateral. The assessment will be pledged at 110% of the principal amount of the assessment using government backed securities rated at least A or higher that will be pledged in the City of Ramsey's name and can only be released by an authorized signer of the City of Ramsey.
11. Successors and Assigns. The covenants, waivers and agreements contained in this Agreement shall bind the successors and assigns of the Owner and shall run with the Property and bind all its successors in interest. It is the intent of the parties hereto that this Agreement be in a form that is recordable among the land records of Anoka County, Minnesota, and they agree to make any changes in this Agreement that may be necessary to effect the recording and filing of this Agreement against the title of the Property.
12. Termination. This Agreement shall terminate upon the final payment of all special assessments levied against the Property from the Improvement Project. The City shall then execute and deliver such documents, in recordable form, as are necessary to extinguish its rights hereunder.
13. City Option to Terminate. The City reserves the right to opt out of this Agreement if the cost of the Improvements exceeds the Assessment Amount prior to execution of this Agreement.
14. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original, but all of which together shall constitute a single agreement.

15. Exclusions. The assessment shall not include any costs related to construction of the public utilities (sanitary sewer and water supply) included in the plans for the purpose of serving a portion of the City of Anoka. All such costs are to be borne by the City of Anoka per the executed Joint Powers Agreement between the City of Anoka and the City of Ramsey.

Exhibit A

Legal Description of the Property

PROPERTY IDENTIFICATION NUMBER AND LEGAL DESCRIPTION

The subject property has been assigned the following PID numbers by Anoka County:

35-32-25-31-0034
35-32-25-31-0036

The property is legally described as follows:

That part of Lots 26 & 27, Auditors Subdivision No. 96 lying sely of the following described line: beginning at the intersection of the shoreline of the Mississippi River and a line parallel with and 75 feet sely of the sely line of Lot 7, Dickensons Mississippi Estates - as measured along the sely extension of the nely line of said Lot 7; thence nwly along said sely extension - 75 feet to the NE corner of said Lot 7; thence nely along the nely extension of said sely line - 66 feet to the nely right of way line of Rivlyn Avenue; thence sely along said right of way line to a point 500 feet sely as measured along said right of way line of intersection of said right of way line with the sely right of way line of Poplar Drive, now known as Astugsten Street NW; thence nely parallel with said sely right of way line to the intersection with the following described line also known as Line "A"; commencing at the SE corner of Lot 13, said Auditors Subdivision; thence swly along the swly extension of the sely line of said Lot 13 - 260 feet to the point of beginning of said line; thence ely at an interior angle to the NE of 91 degrees, 30 minutes - 427.1 feet and there terminating. Thence sely along said Line "A" to its point of termination; thence nely deflecting to the left 66 degrees, 50 minutes - 49 feet; thence nely deflecting to the right 36 degrees, 24 minutes - 50.8 feet; thence deflecting right 13 degrees, 50 minutes - 51 feet; thence ely deflecting left 66 degrees 50 minutes - 51 feet; thence nly deflecting to the left 74 degrees, 4 minutes - 168.1 feet; thence ely deflecting to the right 90 degrees, 26 minutes - 99 feet; thence nly deflecting left 89 degrees, 25 minutes - 163.1 feet to the nly line of said Lot 26 and there terminating - and lying nwly of the following described line; beginning at the most nly corner of Lot 14, said Auditors Subdivision - thence swly along the nwly line of said Lot 14 to the most wly corner thereof; thence sely along the swly line of said Lot 14 to the most wly corner thereof; thence sely along the swly line of said Lot 14 to the intersection with a line parallel with and 150 feet nwly of as measured at right angles of the swly extension of the sely line of said Lot 14; thence swly along said parallel line - 500 feet; thence swly deflecting to the right 45 degrees - 900 feet +/- to the shoreline of the Mississippi River and there terminating. Except that part thereof lying sly & wly of Rivlyn Avenue - subject to easements of record.

And - Outlot A Dickensons Mississippi Estate 2nd Addition to Anoka County.

Exhibit B

Improvement Project Costs

<u>Bid Prices</u>	
Sanitary sewer (incl. trunk, lateral, and service stubs)	\$ _____
Watermain (incl. trunk, lateral, and service stubs)	\$ _____
Storm drainage facilities	\$ _____
Streets (incl. concrete C&G and lot grading)	\$ _____
Trail development	\$ _____
Street striping and signing	\$ _____
Street lights	\$ _____
Sub-total	\$ _____
<u>Contingency Costs</u>	
10% Contingency	\$ _____
Sub-total	\$ _____
<u>Engineering Costs</u>	
5.5% City Construction Administration/Inspection	\$ _____
2.0% City Construction Testing	\$ _____
Sub-total	\$ _____
Grand Total	\$ _____

Exhibit C

Liens and Encumbrances