

**CITY OF RAMSEY**  
**DEVELOPMENT AGREEMENT FOR HOMESTEAD ROAD ADDITION**

This Agreement (hereinafter the “Agreement”) is dated as of this \_\_\_\_\_ day of \_\_\_\_\_, 2017 and is by and between the **CITY OF RAMSEY**, a Minnesota municipal corporation (the “**CITY**”) and **CTW GROUP INC.**, 5402 Parkdale Drive #101, Minneapolis, MN 55416, (the “**DEVELOPER**”).

**WHEREAS**, the **DEVELOPER** is the owner of land legally described on the attached Exhibit A (the “Subject Property”).

**WHEREAS**, the **DEVELOPER** received approval from the **CITY** to subdivide the Subject Property and plat the same as HOMESTEAD ROAD ADDITION (the “Plat”).

**WHEREAS**, the Plat subdivides the Subject Property into Lots 1-3, Block 1, HOMESTEAD ROAD ADDITION, Anoka County, Minnesota.

THEREFORE, THE **CITY** AND THE **DEVELOPER** AGREE AS FOLLOWS:

1. Conditions of Approval. The **CITY** approved the Plat subject to satisfaction of the following conditions subsequent:
  - a. The DEVELOPER’S Execution of this Agreement. That the **DEVELOPER** enter into this Agreement.
  - b. Marketable Title. That prior to recording the Plat, the **DEVELOPER** shall provide the **CITY** with proof of marketable title to the Subject Property either through a currently certified abstract, registered property abstract or title insurance commitment or policy.
2. The Plans. The term “Plans” as used in this Agreement means the Final Plat Plans prepared by Advance Surveying & Engineering Co., dated October 18, 2016, revised May 1, 2017, revised \_\_\_\_\_. The Plans remain subject to compliance with the required revisions outlined in **CITY** Staff’s review letter dated June 9, 2017 and such further revisions as the **DEVELOPER** may propose and the **CITY** approves. The Plans shall not be attached to this Agreement, but are in the **CITY’S** files.
3. Stage I Improvements. The improvements, as stated in City Code Section 117-615 (b) (1), the **DEVELOPER** is required to construct or install are as follows (unless otherwise noted):
  - a. Trunk and lateral sanitary sewer (not required)
  - b. Trunk and lateral water main (not required)
  - c. Storm drainage facilities (rain gardens)
  - d. Stormwater maintenance through ninety percent (90%) buildout
  - e. Streets (not required)

- f. Concrete curb and gutter (not required)
- g. Street traffic control signals (not required)
- h. Lot grading
- i. Trail development (not required)
- j. Sidewalks (not required)
- k. Electricity (within one-fourth mile)
- l. Phone (within one-fourth mile)
- m. Natural gas (within one-fourth mile)
- n. Boulevard sodding
- o. Water shut off boxes (not applicable)
- p. Easement acquisition (not applicable)
- q. As-built plans
- r. Stage I financial surety
- s. Abandonment of unused utility stubs

(the “Stage I Improvements”).

The **DEVELOPER** agrees to construct the Stage I Improvements according to the terms and conditions of this Agreement and in accordance with the Plans and the City Code. Per City Code Section 117-615, the **DEVELOPER** shall provide the **CITY** with a set of re-producible as-built plans in Computer Aided Drafting (CAD) format upon completion of the Stage I Improvements and acceptance by the **CITY**. The **DEVELOPER** agrees to provide to the **CITY** the plans in CAD format prior to the commencement of construction of the Stage I Improvements.

4. Additional Requirements Related to Certain Stage I Improvements. *This paragraph intentionally deleted.*
5. Lot Corner Staking. The **DEVELOPER** must install lot corner stakes at all lot corners.
6. Stage I Improvement Financial Guarantee. The **DEVELOPER** shall provide a financial guarantee, in a form approved by the **CITY**, to the **CITY** guaranteeing the construction of the Stage I Improvements and their timely completion. The **DEVELOPER** shall be responsible for a financial guarantee in the amount of Twelve Thousand Five Hundred Dollars and No Cents (**\$12,500.00**), which amount is 125% of the **CITY** Engineer's estimated cost of the Stage I Improvements ( $\$10,000 \times 1.25 = \mathbf{\$12,500.00}$ ). Upon completion of Stage I Improvements (including the removal of “temporary” erosion control measures as identified in the approved Grading Plan), and acceptance by the **CITY**, supported by appropriate lien waivers, the **DEVELOPER** may request a reduction in the amount of the financial guarantee.
7. Inspection Fees for the Stage I Improvements. The **DEVELOPER** shall provide an inspection fee to the **CITY** to inspect the Stage I Improvements. The **DEVELOPER** shall be responsible for an inspection fee in the amount of Five

Hundred Dollars and No Cents (**\$500.00**), which amount is 5% of the City Engineer's estimated cost of the Stage I Improvements ( $\$10,000 \times 0.05 = \text{\$500.00}$ ). The inspection fee must be in the form of a cash escrow. The **DEVELOPER** may request a refund of the remaining balance in the escrow upon completion of the inspections for the Stage I Improvements and acceptance by the **CITY**.

8. Installation of the Stage I Improvements. The **DEVELOPER** shall obtain all necessary permits from all governmental agencies before commencing construction of the Stage I Improvements. The **PERMITEE** must provide the **CITY** with copies of all necessary permits from other governmental agencies prior to or when the **DEVELOPER** applies for a building permit to construct improvements on a lot within the Plat. Within thirty (30) days after the completion and acceptance of the Stage I Improvements, the **DEVELOPER** shall provide the **CITY** with a complete set of reproducible "As Built" plans in CAD format for the Stage I Improvements.
9. Time of Performance for the Stage I Improvements. The **DEVELOPER** must complete the Stage I Improvements within one (1) year after the recording of the Plat.
10. Ownership of the Stage I Improvements. The **DEVELOPER** owns the Stage I Improvements until the **CITY'S** acceptance of the Stage I Improvements. Title to the Stage I Improvements automatically passes to the **CITY** upon the **CITY'S** written acceptance of the Stage I Improvements. Except to the extent the **CITY** has accepted all or portions of the Stage I Improvements, in writing, prior to the lapse, expiration, or other termination of the **CITY'S** financial guaranty described in Section 6 and except to the extent the **CITY** and the **DEVELOPER** may agree, in writing, to defer the **CITY'S** acceptance of certain specified Stage I Improvements, the **CITY** is deemed to have accepted the Stage I Improvements when the **CITY** releases the financial guaranty described in Section 6.
11. Stage I Improvements License. The **DEVELOPER** hereby grants the **CITY** and the **CITY'S** agents, employees, officers, and contractors an irrevocable license to enter the Subject Property to perform all necessary work and/or inspections the **CITY** deems appropriate during the **DEVELOPER'S** installation of the Stage I Improvements. The license shall expire after the **CITY** accepts ownership of Stage I Improvements.
12. Stage II CITY Improvements. The future improvements the **DEVELOPER** must construct or install are as follows:
  - a. Street striping and signing (not required)
  - b. Seal coating
  - c. Street lights (not required)
  - d. Inspections
  - e. Installation of survey monumentation.
  - f. Stage II cash deposit (not required)

(the “Stage II Improvements”). The **DEVELOPER** must complete the construction of the Stage II Improvements within one (1) year after the date upon which the Plat is recorded.

**DEVELOPER** must install the Stage II Improvements in accordance with the Plans. Per City Code Section 117-615, the **DEVELOPER** shall provide the **CITY** with a set of re-producible as-built plans CAD format upon completion of the Stage II Improvements and acceptance by the **CITY**. Additionally, the **DEVELOPER** agrees to provide to the **CITY** the plans in CAD format prior to the commencement of construction of the Stage II Improvements.

13. Stage I and Stage II Improvements to Outlots. *This paragraph intentionally deleted.*
14. Financial Guaranty for Stage II Improvements. The **CITY** does not require a financial guaranty to secure the **DEVELOPER’S** obligation to construct the Stage II Improvements.
15. Warranty for Stage I and Stage II Improvements. The **PERMITTEE** shall provide a one year warranty in the amount of Two Thousand Five Hundred Dollars and No Cents (**\$2,500.00**) ( $\$10,000 \times 0.25 = \mathbf{\$2,500.00}$ ), which is 25% of the cost of the Stage I and Stage II Improvements. Said warranty shall be in force for one year following the final acceptance of any required improvements and shall guarantee satisfactory performance of said improvements. The warranty must be in the form of an Irrevocable Letter of Credit in a form acceptable to the **CITY’S** Finance Director or cash escrow.
16. Street Cleaning and Clean Up. After the street surfacing that is a part of the Stage I Improvements is installed, the **DEVELOPER** shall clear any soil, earth, or debris from the streets. From time to time, the **CITY** may remove accumulations of soil, earth, and debris from the streets resulting from the construction of the Stage I Improvements. It shall be the **DEVELOPER’S** responsibility to pay the costs associated with this necessary street cleaning. Invoices from the **CITY** to the **DEVELOPER** for such costs shall be paid within fifteen (15) days of the date of the invoice.
17. Payment of Development Fee’s. The **DEVELOPER** must pay to the **CITY** the fees described on Exhibit B which may include, but are not limited to, Park Land Dedication Fees, Trail Development Fees, Sanitary Sewer Connection (Trunk and Lateral) Fees, Water Connection (Trunk and Lateral) Fees, Stormwater Management Fees, Street Light as well as Street Light Operation and Maintenance Fees (not applicable).
18. Requirements for Building and Occupancy Permits.
  - a. No building permit for any lot in the Plat shall be issued until the **DEVELOPER** has: (a) installed a Class 5 driving surface to within 300 feet

of the structure; (b) provided the **CITY** Building Official with a Certificate of Survey; c) provided the financial guaranty described in Section 6 to the **CITY**; and d) obtained all necessary permits from the Lower Rum River Watershed Management Organization and the Anoka County Soil Conservation District and has provided a copy of each such permit to the **CITY**.

- b. No occupancy permit for any lot in the Plat shall be issued until the **DEVELOPER** has: (a) constructed vehicular access to the lot, including the installation of at least one layer of bituminous surfacing; (b) constructed all utilities and storm water/drainage facilities this Agreement requires to serve the lot and such utilities and storm water facilities are in place, operational and the **CITY** has accepted those utilities and storm water facilities; (c) for lots that have a slope of less than 2%, provided the **CITY** with a certificate of grading, prepared by a licensed (State of Minnesota) professional land surveyor, certifying that the flattest grade on the lot is 1% or greater; and (d) installed and planted the sod and landscaping that are required as a part of the Stage I Improvements.

19. **DEVELOPER Defaults.** If the **DEVELOPER** defaults in the performance of one or more of the **DEVELOPER'S** obligations under this Contract, i) the **CITY** gives the **DEVELOPER** thirty (30) days written notice of the default and ii) the **DEVELOPER** fails to cure the default within said thirty (30) days, then the **CITY** may pursue any and all remedies available at law or in equity including, but not limited to, the following:

- a. The **CITY** may, at its option, perform or engage one or more third parties to perform the **DEVELOPER'S** obligations. If, in the reasonable judgment of the **CITY'S** staff, the **DEVELOPER'S** default creates an immediate risk to public health or safety, the **CITY** may perform or engage one or more third parties to perform the work before the **CITY** provides the notice described in the initial paragraph of this Section, but the **CITY** must use commercially reasonable efforts to notify the **DEVELOPER** as promptly as possible that the **CITY** is undertaking to perform the **DEVELOPER'S** obligation or obligations. If the **CITY** performs one or more obligations of the **DEVELOPER**, the **DEVELOPER** must reimburse the **CITY** for any costs or expenses the **CITY** incurs, including costs and expenses for **CITY** staff time, to perform the work within 30 days after the **CITY** notifies the **DEVELOPER**, in writing, of the costs and expenses the **CITY** incurred to perform the work. If the **DEVELOPER** does not reimburse the **CITY** within said 30 day period, the **CITY** may pursue any remedies available to the **CITY** either at law or in equity or, in the alternative, the **CITY** may draw on the financial guaranty the **DEVELOPER** provided to the **CITY** pursuant to this Agreement to reimburse itself for the expenses the **CITY** incurs to perform

the work. This Agreement 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 **DEVELOPER** Property. As an alternative to seeking recovery from the **DEVELOPER** or the financial guaranty, the **CITY** may levy special assessments against the **Subject** Property in accordance with Minnesota Statutes Section 429, and the **DEVELOPER**, for itself and its successors in title, hereby expressly waives any and all substantive and procedural objections or defenses the **DEVELOPER** may have to such special assessments;

- b. The **CITY** may commence an action in Anoka County District Court to pursue any remedy available to the **CITY** at law or in equity including, but not limited to, injunctive relief;
- c. The **CITY** may refuse to grant building permits for improvements to be constructed on any lots within the Plat until the **DEVELOPER** has cured all of its defaults; and
- d. The **CITY** may draw upon all or any portion of the financial guaranty the **DEVELOPER** provided to the **CITY** pursuant to Section 6 and (i) use all or any portion of the proceeds from the financial guaranty to reimburse the **CITY** pursuant to subsection (a) above; (ii) use all or any portion of the proceeds from the financial guaranty to satisfy any judgment the **CITY** obtains against the **DEVELOPER** pursuant to subsection (b) above; (iii) use all or any portion of the proceeds to reimburse the **CITY** pursuant to Section 19 (j) below; and (iv) hold all or any portion of the proceeds for a reasonable time for the future application as described in subsections (i), (ii) and (iii) of this Section 18(d).

20. Miscellaneous.

- a. Invalidity of Any Section. If any portion, section, subsection, sentence, clause, paragraphs or phrase of this Agreement is for any reason invalid, such decision shall not affect the validity of the remaining portion of this Agreement.
- b. Written Amendments Only. The action or inaction of the **CITY** or the **DEVELOPER** shall not constitute a waiver or amendment to the provisions of this Agreement. To be binding, amendments or waivers shall be in writing, signed by the parties, and approved by a resolution of the **CITY** Council. The **CITY'S** or the **DEVELOPER'S** failure to promptly take legal action to enforce this Agreement shall not be a waiver or release.

- c. Compliance with Laws and Regulations. The **DEVELOPER** 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 the **DEVELOPER** does comply. Upon the **CITY'S** demand **DEVELOPER** shall cease work until there is compliance.
  
- d. Mailbox Locations. If the **DEVELOPER** desires to construct mailboxes within the public right of way, the **DEVELOPER** agrees that the placement of mailboxes along public streets is subject to the approval by the **CITY**. Utility locates will be necessary. Mailboxes shall not be located within the bulb of cul-de-sacs.
  
- e. Boulevard and Wetland Restoration. The **DEVELOPER** shall be responsible for the cost of establishing seed in all boulevards within thirty (30) days of the completion of the street improvements, and restoring all other areas disturbed by the development grading operation in accordance with the approved Grading and Erosion Control plan. The **DEVELOPER** shall be responsible for the cost of cleaning any soil, earth, or debris from the wetlands within and adjacent to this Plat resulting from grading performed in the development of the Plat.
  
- f. Construction, Hours and Entrance Signs. The **CITY** restricts construction and delivery hours to Monday through Friday 7:00 a.m. to 10:00 p.m. (Saturdays with seventy-two [72] notice to **CITY**). The **DEVELOPER** 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.
  
- g. Construction Site Maintenance. The **DEVELOPER** shall adhere to all of the **CITY** ordinances relating to, but not limited to, dumping of garbage, site development, construction debris, open burning, etc. The **CITY** reserves the right to withhold permits, inspections, or certificates of occupancy to correct violations relating to construction site maintenance.
  
- h. Estimated Cost. It is understood and agreed that cost amounts set forth in this Agreement as to Stage I and Stage II Improvements, unless qualified as

fixed amounts, are estimated. The **DEVELOPER** agree to pay the entire cost of said improvements including interest, engineering and legal fees related thereto.

- i. Plat Approval Expenses. The **DEVELOPER** agrees that it will pay to **CITY** all **CITY** expenses incurred in the approval of the Plat, including, but not limited to, administration expenses, engineering and legal fees. Said expenses incurred after recording of the Final Plat shall also be paid within a fifteen (15) day billing period. Failure to pay the **CITY'S** expenses within the fifteen (15) day billing period will permit the **CITY** to draw upon any of the escrows required by this Agreement for payment.
- j. Reimbursement to the **CITY**. The **DEVELOPER** agree to reimburse the **CITY** for all costs incurred by the **CITY** in defense or enforcement of this Agreement, or any portion thereof, including court costs and reasonable engineering and attorney's fees.
- k. Certificate of Occupancy. The term "Certificate of Occupancy" as used in this Agreement shall be defined as a document issued by the **CITY'S** Building Official that authorizes the structure to be used for its intended purposes.
- l. Estoppel Certificates and Certificate of Completion. Within ten (10) days after a written request from the **DEVELOPER**, the **CITY** will provide the **DEVELOPER** and any third party who is purchasing all or any portion of the Subject Property or to whom the **DEVELOPER** is granting a mortgage on all or any portion of the Subject Property with a written estoppel certificate stating: (i) that this Agreement remains in full force and **effect** - **or** - that this Agreement has been terminated; (ii) that this Agreement has not been modified or amended - **or, if this Agreement has been modified or amended** -, identifying such modifications or amendments; (iii) the type and amount of any security the **CITY** is holding to secure the performance of the **DEVELOPER'S** obligations under this Agreement; (iv) that, to the best of the **CITY'S** actual knowledge, the **DEVELOPER** is not in default in the performance of the **DEVELOPER'S** obligations under this Agreement - **or, if the CITY has knowledge of DEVELOPER defaults**, describing those defaults; and (v) that, to the best of the **CITY'S** actual knowledge, the **CITY** is not in default in the performance of the **CITY'S** obligations under this Agreement - **or, if the CITY has knowledge of CITY defaults**, describing those defaults. At any time that the **DEVELOPER** believes it has fully performed its obligations under this Agreement, the **DEVELOPER** may so notify the **CITY** and the **CITY** shall promptly inspect the Subject Property to determine if the **DEVELOPER** has fully

performed its obligations under this Agreement. Within ten (10) days after the CITY'S inspection the CITY must provide the DEVELOPER with either a detailed written description of the DEVELOPER's obligations which the CITY determines the DEVELOPER has not fully performed or a recordable instrument executed by the CITY'S mayor and CITY administrator evidencing the termination and satisfaction of this Agreement.

- m. Notices. Required notices shall be in writing, and shall be either hand delivered to the Parties, its employees or agents, or mailed to them by certified or registered mail at the following address:

**TO DEVELOPER:**

CTW Group Inc.  
Attn: Alexander Delendik  
5402 Parkdale Drive #101  
Minneapolis, MN 55416

**TO THE CITY:**

City of Ramsey  
Attn: Community Development Director  
7550 Sunwood Drive NW  
Ramsey, MN 55303

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## **EXHIBIT A**

### **Legal Description of the Subject Property**

That part of the Southwest Quarter of the Southwest Quarter of Section 10, Township 32, Range 25, described as follows: Commencing at a point on south line of said Quarter Quarter 670.30 feet east of southwest corner thereof, thence north parallel with east line of said Quarter Quarter 758.10 feet, thence at a right angle west 222 feet to point of beginning thence northerly parallel with west line of aid Quarter Quarter 565.92 feet to north line of said Quarter Quarter, thence westerly along said north line, 448.21 feet to northwest corner thereof, thence southerly along said west line 799.89 feet to appoint on said wet line 523.3 feet north of said southwest corner, thence east parallel with said south line 386.9 feet, thence northeasterly 240.62 feet to point of beginning, except roads subject to easement of record, Anoka County, Minnesota

-or upon recording-

Lots 1-3, Block 1 HOMESTEAD ROAD ADDITION, Anoka County, Minnesota.

## EXHIBIT B

### Fees Payable to the City

1. Park Dedication. The **DEVELOPER** is responsible for satisfying applicable Park Dedication requirements. The 2017 Park Dedication Fee applicable to the Plat is \$2,800 per residential unit. **DEVELOPER** must pay a Park Dedication Fee of Five Thousand Six Hundred Dollars and No Cents ( $\$2,800 \times 2 \text{ units} = \mathbf{\$5,600.00}$ ). The **DEVELOPER** acknowledges that these fees are estimates. The rate in effect when the Plat is recorded will be collected.
2. Trail Development Fees. The **DEVELOPER** is responsible for satisfying applicable Trail Development Fee requirements. The 2017 Trail Development Fee applicable to the Plat is \$800 per residential unit. **DEVELOPER** must pay a Trail Development Fee of One Thousand Six Hundred Dollars and No Cents ( $\$800 \times 2 \text{ units} = \mathbf{\$1,600.00}$ ). The **DEVELOPER** acknowledges that these fees are estimates. The rate in effect when the Plat is recorded will be collected.
3. Sanitary Sewer Connection (Trunk) Fees. The **DEVELOPER** is responsible for satisfying applicable Sanitary Sewer Connection (Trunk Fees). The 2017 Sewer Fee (Trunk/Connection) applicable to the Plat is \$1,154 per unit. **DEVELOPER** must pay a Sewer Fee (Trunk/Connection) of Three Thousand Four Hundred Sixty Two Dollars and No Cents ( $\$1,154 \times 3 \text{ units} = \mathbf{\$3,462.00}$ ). The **DEVELOPER** acknowledges that these fees are estimates. The rate in effect when the Plat is recorded will be collected.
4. Water Connection (Trunk) Fees. The Plat is subject to the Brookfield Addition Amendment to Water Main and Sanitary Sewer Cost Contribution/Reimbursement Agreement (the "Reimbursement Agreement"). Per Section 3.02 of the Reimbursement Agreement, future lots platted from the Northwest Service Area are subject to a per unit Water Connection (Trunk) Fee of \$1,925.00. **DEVELOPER** must pay a Water Connection (Trunk) Fee of Five Thousand One Hundred Sixty Dollars and No Cents ( $\$1,925 \times 3 \text{ units} = \mathbf{\$5,160.00}$ ). The **DEVELOPER** acknowledges that these fees are estimates. The rate in effect when the Plat is recorded will be collected.
5. Sanitary Sewer Lateral Benefit Fees. The sanitary sewer was originally installed by the **CITY** in conjunction with the reconstruction of 166<sup>th</sup> Ave and therefore, the **DEVELOPER** is responsible for satisfying applicable Sanitary Sewer Lateral Benefit Fees requirements. The 2017 Sanitary Sewer Lateral Benefit Fee is \$4,547 per lot. **DEVELOPER** must pay a Sanitary Sewer Lateral Benefit Fee of Thirteen Thousand Six Hundred Forty One Dollars and No Cents ( $\$4,547 \times 3 \text{ units} = \mathbf{\$13,641.00}$ ). The **DEVELOPER** acknowledges that these fees are estimates. The rate in effect when the Plat is recorded will be collected.
6. Water Lateral Benefit Fees. The municipal water line was originally installed by the **CITY** in conjunction with the reconstruction of 166<sup>th</sup> Ave and therefore, the **DEVELOPER** is responsible for satisfying applicable Water Lateral Benefit Fees requirements. The 2017 Water Lateral Benefit Fee is \$5,808 per lot. **DEVELOPER** must pay a Water Lateral Benefit Fee of Seventeen Thousand Four

Hundred Twenty Four Dollars and No Cents ( $\$5,808 \times 3 \text{ units} = \mathbf{\$17,424.00}$ ). The **DEVELOPER** acknowledges that these fees are estimates. The rate in effect when the Plat is recorded will be collected.

7. Stormwater Management Fee. The **DEVELOPER** is responsible for satisfying applicable Stormwater Trunk Fee requirements. The 2017 Stormwater Management Fee is \$473 per residential unit. **DEVELOPER** must pay a Stormwater Management Fee of Nine Hundred Forty Six Dollars and No Cents ( $\$473 \times 2 \text{ units} = \mathbf{\$946.00}$ ). The **DEVELOPER** acknowledges that these fees are estimates. The rate in effect when the Plat is recorded will be collected.
8. Street Light Fee. The **DEVELOPER** is not responsible for satisfying Street Light Fees.
9. Street Light Operation and Maintenance Fee. The **DEVELOPER** is not responsible for satisfying Street Light Operation and Maintenance Fees.