
(reserved for recording)

ASSESSMENT AGREEMENT

THIS ASSESSMENT AGREEMENT (this "Agreement") is made this 25 day of JULY, 2017, by and between between the **City of Ramsey**, Minnesota, a Minnesota municipal corporation ("City"), **Riverstone Development, LLC.**, a Minnesota limited liability company ("Riverstone Development"), and **Hageman Holdings, LLC**, a Minnesota limited liability company ("Hageman Holdings") (Riverstone Development and Hageman Holdings are collectively referred to as "Owners").

Recitals

- A. Owners are the owners of fee title to the Property, as defined in Exhibit A, attached hereto.
- B. The Owners desire to have certain public improvements constructed to serve the Property as described in Exhibit B (the "Improvement Project"). Concept level plans and specifications for the Improvement Project are completed.
- C. The Owners desire 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 40% of the cost of the Improvement Project against the Property.
- D. 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 Owners to ensure that the City will have valid and collectable special assessments as they relate to the Property.
- E. Were it not for the assurances and covenants provided in this Agreement, the City would not construct the Improvement Project and is doing so solely at the behest, and for the benefit, of the Owners.

Agreement

In consideration of the recitals 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 parties, the parties hereby agree as follows:

1. Recitals Incorporated. The recitals stated above are hereby incorporated into this Agreement and made a part of this Agreement by reference.
2. Petition. The Owners hereby petition the City for construction of the Improvement Project.
3. Authority.
 - a. Riverstone Development represents and warrants that it is the owner of 100 percent of the Riverstone Property as described in Exhibit A, that it has full legal authority to encumber the Riverstone Property as provided in this Agreement, and that as of the date of this Agreement, it has fee simple absolute title in the Riverstone Property, which is not subject to any liens, interests or encumbrances, except as listed in Exhibit E.
 - b. Hageman Holdings represents and warrants that it is the owner of 100 percent of the Hageman Property as described in Exhibit A, that it has full legal authority to encumber the Hageman Property as provided in this Agreement, and that as of the date of this Agreement, it has fee simple absolute title in the Hageman Property, which is not subject to any liens, interests or encumbrances, except as listed in Exhibit E.
4. Waiver of Hearings. The Owners waive 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.
5. Waiver of Appeal or Reapportionment. Each Owner, as to the portion of the Property owned by it, waives the right to appeal the levy of the special assessments pursuant to Minn. Stat. section 429.081, , and further specifically agrees with respect to such special assessments that:
 - a. Any requirements of Minn. Stat. chapter 429 or the City Charter with which the City does not comply are hereby waived;
 - b. The increase in fair market value of its portion 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 Property;
 - c. Assessment of the above-specified cost of the Improvement Project against its portion of the Property is reasonable, fair and equitable and there are no other properties against which such cost should be assessed.
6. No Deferral. Each Owner represents and warrants that its portion of 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 its portion of the Property during the term of this Agreement.

7. Assessment. The Owners request that up to 40% of the actual cost of the Improvement Project be assessed against the Property as detailed in Exhibit B and Exhibit C. Information contained in Exhibit B and Exhibit C, including assessment amounts, will be updated upon receiving bids for the Improvement Project, and upon completion of construction
8. Payment of Assessment.
 - a. Riverstone Development. Certified assessments for the Plat shall be payable in equal semi-annual installments over a period of four (4) years with the first installment due May 15, 2019, and subsequent installments due May 15 and October 15 each year. 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 percent. 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. Assessments levied against any parcel shall be paid in full upon transfer of ownership. Appendix D is an example payment schedule.
 - b. Hageman Holdings. No annual or semi-annual assessment payments are required until any portion of the Hageman Property is developed or sold. Interest shall accrue on the assessment. 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 percent. Certified assessments shall be paid in full upon transfer of ownership, or development of, all or any portion of the Hageman Property. Property is deemed "developed" as of the date of final plat approval by the Ramsey City Council.
9. Collateral.
 - d. Riverstone Development. Riverstone Development shall furnish the City with an irrevocable letter of credit equal to 40% of the assessments made against the Riverstone Property. This letter of credit will remain in place until all assessment payments are made by Riverstone Development. The City shall immediately draw on this letter of credit in the event Riverstone Development defaults on making any assessment payments. This letter of credit shall be furnished and executed within the City's final plat and development agreement process for the proposed Riverstone residential development project. This letter of credit shall adhere to the City's Finance Department minimum standards and must be approved by the City's Finance Director. This letter of credit is separate from the letter of credit that will be required by the City through the City's standard platting and development agreement processes.
 - e. Hageman Holdings. No additional collateral required.
10. Successors and Assigns. The covenants, waivers and agreements contained in this Agreement shall bind the successors and assigns of each Owner and shall run with such Owner's portion of 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 in 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 of this Agreement against the title to the Property.

11. Termination. This Agreement shall terminate as to the Riverstone Property or the Hageman Property, as the case may be, upon the final payment of all special assessments levied against that portion of 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.
12. 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.

(left blank intentionally; signature pages and appendix to follow)

CITY OF RAMSEY

By: [Signature]
Its: Mayor

ATTEST

By: [Signature]
Its: City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this 26th day of July, 2017, by Sarah Strommen and Kurtis G. Ulrich, the Mayor and City Administrator, respectively, of City of Ramsey, a Minnesota municipal corporation pursuant to the authority granted by its City Council.



[Signature]
Notary Public

EXHIBIT A: Property Description

Riverstone Development, LLC (A. Riverstone Property)

Riverstone Plat, Anoka County, City of Ramsey

Block 1 Lots 1-12

Block 2 Lots 1-6

Block 3 Lots 1-19

Block 4 Lots 1-14

Outlot F 1 lot

Outlot G 1 lot

Hageman Holdings, LLC (B. Hageman Property)

PID: 20-32-25-34-0004

Address: 8200 Bunker Lake Boulevard

Legal: Lot 1, Block 1, Alpha Development

EXHIBIT B

Improvement Project

Updated March of 2017. Concept level costs displayed. Information contained in Exhibit B, including estimated project costs, will be updated upon receiving bids for the Improvement Project.

<u>Improvement Type</u>	<u>Phase 1A</u>	<u>Phase 1B</u>
Roadway	\$ 795,000	\$ 940,000
Roadway Transitions	\$ 66,000	\$ 78,000
Right Turn Lanes	\$ 132,000	\$ 156,000
Trails/Sidewalks	\$ 106,000	\$ 125,000
Storm Water Management	\$ 0	\$ 48,000
Street Lighting	\$ 76,000	\$ 90,000
Trunk Water	\$ 154,000	\$ 182,000
Trunk Sanitary Sewer	<u>\$ 179,000</u>	<u>\$ 545,000</u>
Total Costs/Phase	\$ 1,508,000	\$ 2,164,000
Total Costs less Public Utilities	\$ 1,175,000	\$ 1,437,000

The above costs include 30% contingencies and project development costs. Project development costs include administrative, engineering, legal, and financing related costs.

NOTES:

1. The scope of the above Phase 1B will be expanded to include a pedestrian crossing at the intersection of Puma Street/ Alpine Drive (\$5,000 estimated cost). This is not reflected in Exhibit B; this is reflected in Exhibit C.
2. Riverstone has requested certain Phase 1B infrastructure improvements be constructed early. As a result, Phase 1B costs will increase by an estimated \$50,000, to account for a temporary gravel road. Riverstone will be assessed 100% of this additional cost. This is not reflected in Exhibit B; this is reflected in Exhibit C.

EXHIBIT C: Improvement Project Costs & Estimated Assessment Roll

TABLE A: Engineers Feasibility Estimates

<u>Total Costs</u>	
Phase 1A	\$ 1,508,000
<u>Phase 1 B</u>	<u>\$ 2,169,000</u>
Sub Total	\$ 3,677,000

Total Costs (less Trunk Water & Sewer)

Phase 1A	\$ 1,175,000
<u>Phase 1B</u>	<u>\$ 1,442,000</u>
Sub Total	\$ 2,617,000

TABLE B: Cost Share Agreement

	<u>City</u>	<u>Riverstone</u>	<u>Hageman</u>
Phase 1A	60%	16%	24%
Phase 1B	60%	40%	0%

TABLE C: Preliminary Assessment Roll*

	<u>City</u>	<u>Riverstone</u>	<u>Hageman</u>
Phase 1A	\$ 705,000	\$ 188,000	\$ 282,000
Phase 1B	\$ 865,200	\$ 576,800	\$ -
	\$ 1,570,200	\$ 764,800	\$ 282,000

TABLE D: Riverstone Preliminary Assessment Detail

Estimated Total Assessment	\$ 764,800
(add \$50,000 per Exhibit B, Note 2)	\$ 814,800
Number of Lots	150
% Share Per Lot	0.6667%
Estimated Assessment Per Lot	\$ 5,432

Breakdown	Lots	% Share	Estimate
Buildable	51	34.000%	\$ 277,032
Outlot F	23	15.333%	\$ 124,936
Outlot G	76	50.667%	\$ 412,832

TABLE E: Hageman Preliminary Assessment Detail

Estimated Total Assessment	\$ 282,000
Number of Lots	1
% Share Per Lot	100%
Estimated Assessment Per Lot	\$ 282,000

*Costs are Bolton & Menk preliminary feasibility estimates from March of 2017, and include 30% contingencies. Adjustments to assessment amounts will be made by the City of Ramsey upon receiving actual bids for these improvements. A risk factor exists, that actual costs for this project are different than originally estimated.

Exhibit D

Riverstone Development: Example Payment Schedule

Information contained in Exhibit D, including estimated payments, will be updated upon receiving bids for the Improvement Project.

Capstone Riverstone: Assessment Agreement Signed: Est 7/26/17 730 Days interest: Jan 1, 2018-Dec 31, 2019

Int rate = 5 Year Treasury + 2 basis points	Principal	3.83%**	Interest	Payment Amount	Pay-off Balance
Bld. Lots -51 Assessed					5,432.00
2019	1,358.00	416.09		1,774.09	4,074.00
2020	1,358.00	156.03		1,514.03	2,716.00
2021	1,358.00	104.02		1,462.02	1,358.00
2022	1,358.00	52.01		1,410.01	-
Total	\$ 5,432.00	\$ 728.16		\$ 6,160.16	

** Based on 5 year treasury rate 7-24-17 + 2 points

Capstone Riverstone: Assessment Agreement Signed: Est 7/12/17 730 Days interest: Jan 1, 2018-Dec 31, 2019

Int rate = 5 Year Treasury + 2 basis points	Principal	3.83%**	Interest	Payment Amount	Pay-off Balance
Outlot F					124,936.00
2019	31,234.00	9,570.10		40,804.10	93,702.00
2020	31,234.00	3,588.79		34,822.79	62,468.00
2021	31,234.00	2,392.52		33,626.52	31,234.00
2022	31,234.00	1,196.26		32,430.26	-
Total	\$ 124,936.00	\$ 16,747.67		\$ 141,683.67	

** Based on 5 year treasury rate 7-24-17 + 2 points

Capstone Riverstone: Assessment Agreement Signed: Est 7/12/17 730 Days interest: Jan 1, 2018-Dec 31, 2019

Int rate = 5 Year Treasury + 2 basis points	Principal	3.83%**	Interest	Payment Amount	Pay-off Balance
Outlot G					412,832.00
2019	103,208.00	31,622.93		134,830.93	309,624.00
2020	103,208.00	11,858.60		115,066.60	206,416.00
2021	103,208.00	7,905.73		111,113.73	103,208.00
2022	103,208.00	3,952.87		107,160.87	-
Total	\$ 412,832.00	\$ 55,340.13		\$ 468,172.13	

** Based on 5 year treasury rate 7-24-17 + 2 points

Exhibit E

Liens and Encumbrances

[both property owners shall provide the City of Ramsey with updated owners and encumbrances reports
10 days prior to final plat approval.]