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**CITY OF RAMSEY
SECONDARY DEVELOPMENT CONTRACT
FOR RAMSEY TOWN CENTER 7TH ADDITION
SYMPHONY AT TOWN CENTER**

STEWART TITLE-JW
115867

CONTRACT dated this 24th day of August, 2005, by and between the **CITY OF RAMSEY**, a Minnesota municipal corporation (the "CITY") and **RAMSEY TOWN CENTER, LLC**, a Minnesota limited liability company and **K. HOVNANIAN T&C HOMES AT MINNESOTA, LLC**, a Minnesota limited liability company, (collectively the "DEVELOPERS" and individually "RTC" and "T&C").

1. Request for Plat Approval. The **DEVELOPERS** have asked the **CITY** to approve a **Plat** for **RAMSEY TOWN CENTER 7th ADDITION** (also referred to in this Contract as the "Plat"). The land is legally described as:

Outlot U, Ramsey Town Center Addition, according to the recorded plat thereof, Anoka County, Minnesota

And

All that part of Outlot B, Ramsey Town Center 2nd Addition, according to the recorded plat thereof, described as follows:

Beginning at the northwest corner of said Outlot B; thence on an assumed bearing of south 89 degrees 42 minutes 54 seconds east along the northerly line of said Outlot B, for 607.10 feet; thence on a bearing of south for 247.47 feet to a southerly line of said Outlot B; thence on a bearing of west along said southerly line and its westerly extension for 616.21 feet to the westerly line of said Outlot B; thence north 07 degrees 21 minutes 03 seconds east, along said westerly line for 4.51 feet to a point of curvature in said westerly line; thence northerly for 133.43 feet, along said westerly line, along a tangential curve concave to the west, radius 1040.00 feet and central angle 07 degrees 21 minutes 03 seconds, to a point of tangency in said westerly line; thence on a bearing of north, along said westerly line for 112.96 feet to the point of beginning.

(the "Subject Property")

2. Other Agreements. By execution of this Contract, **DEVELOPERS** acknowledge the **Subject Property** and its development contemplated by the Final **Plat** is subject to the terms and conditions of that certain other documents entitled:

“CITY OF RAMSEY
MASTER DEVELOPMENT AGREEMENT
FOR RAMSEY TOWN CENTER
By and Between
CITY OF RAMSEY
And
RAMSEY TOWN CENTER LLC
Dated September 17, 2003”

(the “**Master Development Agreement**”)

and

“FIRST AMENDMENT TO CITY OF RAMSEY
MASTER DEVELOPMENT AGREEMENT
FOR RAMSEY TOWN CENTER
By and Between
CITY OF RAMSEY
And
RAMSEY TOWN CENTER LLC
Dated February 28, 2005”

(the “**First Amendment**”)

The terms and conditions of the aforementioned agreements are incorporated herein by reference as if fully set forth at this point. **DEVELOPERS** further acknowledge, by execution of this Contract, receipt of a copy of the aforementioned agreements.

In the event of a conflict between the terms of this Contract and the terms of the aforementioned agreements shall control.

3. Conditions of Approval. The **CITY** hereby approves the Plat on condition that:

- a. the **DEVELOPERS** enter into this Contract, and
- b. the **DEVELOPERS** provide the necessary security in accordance with the terms of this Contract, and in accordance with their respective responsibilities.

4. Development Plans. The **DEVELOPERS** shall develop the **Plat** in accordance with the Final Plat and Final Engineering Plans prepared by URS and dated June 24, 2005, and

the 24-sheet set of civil plans prepared by Landform, dated June 24, 2005. The plans shall not be attached to this Contract, but are in **CITY** files

5. Stage I Improvements Required. The improvements the **CITY** requires **RTC**, to construct within the **Plat** are as follows:

- a. Trunk and lateral sanitary sewer system
- b. Trunk and lateral watermains and appurtenances
- c. Public streets with concrete curb and gutter (East Town Center Drive, 146th Avenue N.W. west of Rhinestone Street, Traprock Street N.W. – to be constructed **RTC**)
- d. Trunk and lateral storm drainage facilities
- e. Sidewalk Construction along 146th Avenue, East Ramsey Parkway, East Town Center Drive and Traprock Street, and Bunker Lake Blvd.
- f. Trail construction along Bunker Lake Blvd. **T&C** shall secure a license agreement from the County of Anoka to permit the construction of the trail.
- g. Natural gas
- h. Telephone service
- i. Electric service
- j. Street lights (installment arranged by the **CITY** during Stage I Improvements and paid for by **RTC** as Stage II Improvement)
- k. **RTC** shall be responsible for completing the rough grading

(“**Stage I Improvements**”). The location of The Stage I Improvements are indicated on Exhibit B.

RTC agrees to construct the Stage I Improvements according to the terms and conditions of this Contract and in accordance with plans submitted to the **CITY**. Said plans shall be in conformance with the Final Plat and Final Engineering Plans dated June 24, 2005. All of the plans are subject to revisions per City Staff Review Letter dated July 7, 2005 and City Memo dated June 27, 2005. The final construction plan for the Stage I Improvements shall be submitted to the **CITY** Engineer for review and approval prior to commencement of construction.

RTC shall be responsible for completing the rough grading and providing lot corner stakes prior to the installation of underground utilities.

6. Stage I Improvement Financial Guarantee. **RTC** shall provide a financial guarantee to the **CITY** guaranteeing the construction of the Stage I Improvements and their timely completion. **RTC**, shall be responsible for a financial guarantee in the amount set out in Exhibit A. The financial guarantee shall be deposited with the **CITY** at the time of execution of this Contract in accordance with the Escrow Agreement dated the date hereof (the “Escrow Agreement”) between the **CITY**, **RTC** and **T&C**, and Stewart Title. Upon completion of Stage I Improvements (including the removal of “temporary” erosion control measures as identified in the approved Grading Plan), acceptance by the **CITY**, supported by appropriate lien waivers, **RTC** may request a reduction in the amount of the financial guarantee, but only if the

landscaping maintenance guarantee required by Paragraph 24b below has been deposited. RTC may also request interim disbursements in accordance with the Escrow Agreement.

7. RTC Inspection Fees. RTC shall be responsible for all inspection costs incurred by the CITY related to the installation of Stage I Improvements. RTC shall make a cash deposit into the appropriate escrow account at the CITY and the CITY shall have the authority to draw upon these funds for the purpose of compensating for inspection services. The amount of the deposit shall be equal to five percent (5%) of the estimated cost of the Stage I Improvements. RTC, shall be responsible for a cash deposit in the amount of Thirty Three Thousand Two Hundred Dollars and no cents (\$33,200.00). Upon completion of the Improvements to the satisfaction of the CITY, any surplus balance remaining in the CITY's escrow account shall be refunded to RTC.

8. Stage I Improvement Maintenance Financial Guarantee. RTC shall post a Stage I Improvement maintenance guarantee with the CITY. Said maintenance guarantee shall be deposited with the CITY at the time Stage I Improvements are accepted by the CITY and prior to release by the CITY of the financial guarantee required by Paragraph 7 above. The amount of the maintenance guarantee shall be Ten Thousand and 00/100 Dollars (\$10,000.00) or five percent (5%) of the cost of the Stage I Improvements, whichever is greater. Said maintenance guarantee shall be held by the CITY for a one (1) year period from the date of its deposit. This financial guarantee is for the purpose of ensuring that the Stage I Improvements have been constructed in accordance with CITY standards and may be called upon at the CITY's discretion during said one (1) year period if the CITY determines it necessary to repair and/or replace any of the Stage I improvements. Said financial guarantee shall be in the form of cash or a letter of credit, approved as to form by the CITY.

9. Stage II Improvements Required. The Stage II Improvements which the CITY requires to be installed within the Plat are as follows:

- a) Street striping and signing
- b) Traffic signing
- c) Future Through Street Signing
- d) Street lights
- e) Street light maintenance
- f) Street sweeping
- g) Seal coating

("Stage II Improvements").

10. Payment for Stage II Improvements. The CITY will install in the Plat the Stage II Improvements. RTC and T&C shall deposit an amount that is set forth below that was determined by the CITY to be adequate to aid in the operation and maintenance of street lights in locations within the Plat determined by the CITY Engineer and installed by Connexus for the first three (3) years after final plat approval. The CITY will bill residents in the Plat at least quarterly for street light maintenance and operation costs; billing will be initiated at the time a residence connects to municipal water and sanitary sewer. RTC and T&C will pay to the CITY

an amount equal to 100% of the CITY Engineer's estimated construction cost of the items prior to recording of the final Plat. The CITY Engineer's estimated cost of construction is:

	RTC Obligations	T&C Obligations	Total
Street signing (\$200.00 each)	9 - \$1,800.00	16 - \$3,200.00	\$ 5,000.00
Street striping (\$.20/ft.)	3,220 - \$640.00	4,000 - \$800.00	\$ 1,440.00
Traffic signs (\$200.00 each)	15 - \$3,000.00	12 - \$240,000	\$ 5,400.00
Future Through Street Signing (0)	N/A	N/A	N/A
Street lights (\$1,500.00 each)	23 - \$34,500.00	25 - \$37,500.00	\$ 72,000.00
Street light maintenance (\$270 each)	23 - \$6,210.00	25 - \$6,750.00	\$ 12,960.00
Street sweeping	\$500	\$500	\$ 1,000.00
Seal coating (\$.85 sq. yd.)	17,000 - \$14,450.00	17,100 - \$14,535.00	\$ 28,985.00
TOTAL	\$61,100.00	\$65,685.00	\$126,785.00

It is agreed that RTC will deposit the sum of \$61,100.00 and that T&C shall deposit the sum of \$65,685.00.

11. Required Improvements. As specifically indicated below, one of the DEVELOPERS shall construct and install the following site improvements on the Site in accordance with the specifications and location as shown on the Plat and site plan. The Required Improvements are as follows:

- a. Site grading in accordance with the Grading Plan prepared by URS dated June 24, 2005. RTC is responsible for all grading requirements of the interim grading plan prepared by Landform. T&C is responsible for the balance of the grading.
- b. Private streets with concrete curb and gutter. **T&C's responsibility.**
- c. Installation of storm sewer and appurtenances. **RTC's responsibility except to the extent located within platted blocks, which is T&C's responsibility.**
- d. Sanitary sewer system. **RTC's responsibility except to the extent located within platted blocks, which is T&C's responsibility.**
- e. Watermains and appurtenances. **RTC's responsibility except to the extent located within platted blocks, which is T&C's responsibility.**
- f. Trunk and lateral storm drainage facilities. **RTC's responsibility except to the extent located within platted blocks, which is T&C's responsibility.**
- g. Installation of bituminous driveways, parking lots, and maneuvering areas. **T&C's responsibility**
- h. Installation of continuous, surmountable concrete curbing and gutter around the perimeter of all bituminous surfaces. **RTC has the responsibility for only public street improvements; T&C has the responsibility for private street improvements.**
- i. Installation of Landscaping in accordance with the Landscape Plan, dated June 24, 2005. **RTC except to the extent located within platted blocks, which is T&C's responsibility.**

- j. Irrigation metering and backflow devices shall be approved as part of the Utility Plan, and installed accordingly by **T&C**.
- k. Irrigation rain sensors shall be installed and appropriately placed throughout the development by **T&C**.
- l. Establishment of turf in areas disturbed during construction and in accordance with the Plat. **RTC's responsibility except to the extent located within platted blocks, which is T&C's responsibility.**
- m. Temporary and permanent erosion control. **RTC's responsibility except to the extent located within platted blocks, which is T&C's responsibility.**
- n. Natural gas. **RTC's responsibility except to the extent located within platted blocks, which is T&C's responsibility.**
- o. Telephone service. **RTC's responsibility except to the extent located within platted blocks, which is T&C's responsibility.**
- p. Electric service. **RTC's responsibility except to the extent located within platted blocks, which is T&C's responsibility.**

("Required Improvements").

12. **Required Improvements Completion Date.** The Required Improvements shall be completed on or before July 30, 2006.

13. **Required Improvements Financial Guarantee.** In order to ensure the installation of the Required Improvements in accordance with City specifications and in a timely manner, **T&C** shall be required to deposit with the City a cash escrow or letter of credit, approved as to form by the City, in the amounts set forth on Exhibit A attached hereto, which is 125% of the City's estimated cost of the Required Improvements. The foregoing deposits by **T&C** shall be in accordance with the Escrow Agreement. Prior to the issuance of the building permit, all financial guarantees must be provided as required herein. As provided in Section 6, the parties may request interim disbursements in accordance with the Escrow Agreement.

Upon completion of the construction of the Required Improvements, the financial guarantee shall be returned to the party that made the deposit and each Developer shall be required to provide the landscaping maintenance guarantee described in paragraph 24b of this Development Contract. The determination of completion of the construction of the Required Improvements shall be made by the City Council after consultation with the City Engineer. In the event the **DEVELOPERS** fail to construct and install the Required Improvements as required herein, the City Council may order the completion of the Required Improvements with City day labor and/or by letting contracts for said completion and draw upon the escrow for payment. Only the City Council shall have the authority to direct completion of the Required Improvements and withdraw from the escrow account. The **DEVELOPERS** hereby grant permission and a license to the City and/or its contractors and assigns to enter upon the Site for the purpose of completing the construction and installation of the Required Improvements in the event of a default by the **DEVELOPERS**.

The Required Improvements shall be installed in accordance with the the Final Plat and Final Engineering Plans dated June 24, 2005, and in accordance with CITY standards, CITY Code and plans and specifications which have been prepared by a competent registered professional engineer furnished to the CITY and approved by the CITY Engineer. The DEVELOPERS shall obtain all necessary permits from all agencies before proceeding with construction. Within thirty (30) days after the completion of the Improvements and before the security is released, each Developer shall supply the CITY with a complete set of reproducible "As Built" plans for the portions of the Required Improvements it constructed.

14. T&C Inspection Fees. T&C shall be responsible for inspection costs incurred by the City related to the installation of the portion of Required Improvements to be constructed by T&C. T&C shall make a cash deposit into the appropriate escrow account at the City and the City shall have the authority to draw upon these funds for the purpose of compensating for inspection services. The amount of the deposit shall be equal to five percent (5%) of the estimated cost of the Required Improvements, which equates to Fifty Two Thousand Dollars and no cents (\$52,000.00). Upon completion of the Improvements to the satisfaction of the City, any surplus balance remaining in the City's escrow account shall be refunded to T&C.
15. Payment of Sewer and Water Charges. RTC will pay Sewer Trunk Fees in the amount of \$1,862 per Unit and Water Trunk Fees in the amount of \$1,100 per Unit upon final plat approval. T&C will pay SAC Fees, SAC Handling Fees, and WAC Fees when it secures building permits. The fees reflected in this Section are subject to adjustment by the City.
16. Ramsey Town Center Phase I Roadway Improvements, Phase II Roadway Improvements, AUAR Roadway Improvements, Parking Facility Improvements: In accordance with City of Ramsey Resolutions 05-02-065, 05-02-066, 05-02-067 and 05-02-068, assessments for Ramsey Town Center Phase I Roadway Improvements, Phase II Roadway Improvements, AUAR Roadway Improvements, and parking facility improvements shall be payable to the CITY in a single installment prior to the release of the final plat mylars for recording.
 - a. As a part of the terms of the June 15, 2005 closing of the sale of part of Outlot B, Ramsey Town Center 2nd Addition, from RTC, to D.R. Horton, a total payment in the amount of One Hundred Seventy Four Thousand Seven Hundred Ninety Two Dollars and ninety-six cents (\$174,792.96) (principal of \$171,449.00 + \$3,343.96 interest at a rate of 6.3% per annum from February 22, 2005 until June 15, 2005). was received by the CITY as satisfaction of the assessments due on that portion of the Plat lying on Outlot B, east of Rhinestone Street N.W.
 - b. The remainder of assessments due to the CITY for that part of the Plat lying on Outlot U less those parts of Outlot U to be platted as Outlots A and B, Ramsey Town Center 7th Addition are equal to approximately 6% of the overall assessments due on Ramsey Town Center, or Six Hundred Twenty Three Thousand Four Hundred Fifty One Dollars and 99/100 cents (\$623,451.00), plus interest at a rate of 6.3% per annum commencing February 22, 2005 to the actual

date of payoff, which amount shall be paid by **RTC**. The assessments on this part of Outlot U are as follows:

1.	Phase I Roadway Improvements:	\$52,562.00.
2.	Phas II Roadway Improvements:	\$30,899.00.
3.	AUAR Roadway Improvements:	\$180,000.00.
4.	Municipal Parking Improvements:	<u>\$360,000.00.</u>
	TOTAL	<u>\$623,451.00</u>

c. Reconciliation of Outlot B. It has been determined by the **CITY** that there was an error in the area calculation for computing the assessments due on part of Outlot B, which assessments were collected at the June 15, 2005, closing between D.R. Horton and K. Hovanian T&C Homes at Minnesota, LLC. The area calculation has been adjusted and the remaining assessment due on part of Outlot B is Forty Thousand Five Hundred Forty Eight dollars and Seventeen Cents (\$40,548.17) (principal of \$39,485.00, plus interest in the amount of \$1,063.17 at a rate of 6.3% per annum from February 22, 2005 until July 28, 2005)

17. Stormwater Management Fee. The current Stormwater Management Fee is \$384.00 per unit. Stormwater management fee obligations for the development are Seventy Two Thousand Nine Hundred Sixty Dollars and no cents (\$72,960.00) (190 x \$384.00), which fees will be paid by **T&C** at the time of release of final mylar plats.

18. Hard Surfaced Driveways. Hard surfaced driveways (bituminous or concrete) are a requirement for each lot in the Plat. Driveways shall be installed by the building permit applicant or the homeowner at the time the Certificate of Occupancy is issued or as soon thereafter as possible, weather permitting. In the event the driveway is not timely installed on a lot, **T&C** and/or **T&C's** assign(s), agree that the **CITY** may install the driveway on the lot and specially assess the cost therefore against the lot. **T&C** waives all right to a public hearing and other statutory rights or **CITY** Charter rights granted a property owner relating to special assessments, including the right to appeal the special assessment for installation of the hard surfaced driveway. In addition, **T&C** grants the **CITY** a license to enter on each lot of the **Plat** in order to install the improvement described in this paragraph if the same has not been previously constructed.

19. Street Cleaning. After the street surfacing is installed, the **DEVELOPERS** shall clear any soil, earth, or debris from the streets within the **Plat** resulting from any construction within the **Plat** by the **DEVELOPERS** or its successors and assigns. From time to time, the **CITY** may remove accumulations of soil, earth and debris from the streets resulting from the construction of the Plat. It shall be the **DEVELOPERS'** responsibility to pay the costs associated with this necessary street cleaning. Invoices from the **CITY** to the

DEVELOPERS for such costs shall be paid within fifteen (15) days of the date of invoice. The duty to clear and/or to reimburse the **CITY** shall be allocated to **RTC** as to public streets and **T&C** as to private streets.

20. Private Streets and On-Street Parking. On-street parking shall be prohibited on private streets unless otherwise indicated on the final plans. All parking restrictions shall be signed and said signing shall be subject to the approval of the **CITY**. At no time will the private streets be maintained or accepted for ownership by the **CITY**. These items shall be clearly stated in the covenants drafted as part of the homeowners association. The association documents shall include appropriate enforcement provisions. **T&C** will provide the **CITY** a copy of the restrictive covenants for review.

21. Private Street Cleaning. In the event the **CITY** determines that the private streets and driveway collectors are contributing to the increased sedimentation of the ponds that the **CITY** is required to maintain, the **CITY** shall provide the homeowner's association with thirty (30) days written notice to sweep the streets. If the association fails to comply within the thirty (30) day time frame, the **CITY** or its contractor will sweep the streets and the associated costs shall be the responsibility of the homeowner's association. **CITY** expenses incurred in sweeping the private streets and/or driveway collectors shall be paid within 30 days of billing. Failure to compensate the **CITY** for the services shall be cause for a special assessment to be levied against the Plat and certified to the County Auditor for collection in the manner as taxes and special assessments are certified and collected. **T&C** grants permission and a license to the **CITY** or its contractors and assigns to enter upon the Plat for the purpose of cleaning the private streets and/or driveway collectors. **T&C** shall also be responsible for including these provisions in the covenants drafted as a part of the homeowner's association.

22. Time of Performance. The **DEVELOPERS** shall install all Required Improvements by July 30, 2006. The **DEVELOPERS** may, however, request an extension of time from the **CITY**. If an extension is granted, it shall be conditioned upon updating the security posted by **DEVELOPERS** to reflect cost increases.

23. Ownership of Improvements. Upon the completion of the work and construction required to be done by this Contract, the Improvements lying within public easements shall become **CITY** property without further notice or action.

24. Landscaping.

a. Compliance With Plans. The **DEVELOPERS** shall landscape the Plat in accordance with approved plans. The landscaping shall be accomplished in accordance with a time schedule approved by the **CITY**.

b. Maintenance Guarantee for Landscaping. **RTC** and **T&C** shall provide a maintenance guarantee to ensure the survival of the plantings in the Plat. Said maintenance guarantee shall consist of cash or a Letter of Credit, approved as to form by the **CITY**, in the amount of forty-six thousand nine hundred eighty dollars and no cents (\$46,980) [required

plantings (451 trees; 2,230 shrubs) x cost/planting (\$100/tree, \$50/shrub) x 30% average non-survival rate], which guarantee shall be in effect for a two-year period commencing on the date of the **CITY's** acceptance of said plantings as part of the Required Improvements. **RTC** and **T&C** shall be required to establish with the **CITY** an escrow to secure payment of said \$46,980 (the "Landscaping Escrow"). **RTC** shall be responsible for establishing the portion of the escrow allocated to landscaping for public streets; **T&C** shall be responsible for establishing the portion of the escrow allocated to landscaping for private streets, which allocation is shown on Exhibit A. The Landscaping Escrow does not include the plantings along Rhinestone St (42 trees), which are a part of the overall streetscape of Town Center that are covered through a separate surety.

At the end of the two-year period, the maintenance guarantee escrow shall be returned to **RTC** and **T&C** in proportion to their contributions. The determination that all plantings that have been planted in accordance with the approved Landscape Plan have either survived or have been replaced shall be made by the Community Development Department. In the event the **DEVELOPERS** fail to maintain the required plantings for a two-year period, the **CITY** Council may order the replacement of plantings with **CITY** day labor and/or by letting contracts and draw upon the escrow for payment. Only the **CITY** Council shall have the authority to direct replacement of the plantings and withdraw from the escrow account. The **DEVELOPERS** hereby grant permission and a license to the **CITY** and/or its contractors and assigns to enter upon the Subject Property for the purpose of replacing plantings in the event of the **DEVELOPERS'** default.

c. Tree Disease Prevention and Disposal. The **DEVELOPERS** shall prevent the introduction and spread of tree disease into the residual tree populations of the Subject Property and adjoining properties as well as mitigate the effects of construction activity on tree health, within and outside of the Subject Property. The **DEVELOPERS**, in order to protect trees from construction damage shall:

i. Install physical barriers, such as snow fence, around trees that are to remain after initial grading. The fencing shall be located at the dripline of these 'save' trees.

ii. Insure that all equipment operators will have readily available, a tree wound dressing and will apply it immediately to damaged oak trees if wounding occurs from April 15 through July 15.

iii. Insure that trees will only be skidded against other trees that are to be removed. Trees in the middle twenty (20) feet of a road easement will be removed first, with remaining trees to be skidded toward the middle of the road easement. This same procedure will apply to building sites.

iv. Mature trees, especially oak and elm, adjoining an easement so that roots enter the disturbed construction area shall first be severed by a vibratory plow to prevent shattering, scraping and exposure of roots of high value trees on adjoining

property. All exposed root zones of adjoining properties shall be immediately covered with clean topsoil and moistened to favorable conditions.

v. Recognized trees of value, suitable for tree spade removal that would otherwise be destroyed, shall be identified with ribbon and offered to the **CITY** at least five (5) business days prior to destruction.

vi. Tree wood removed during construction, road building and sewer/water installation shall be buried, burned, chipped or hauled to a licensed wood disposal site. Wood waste disposal must take into account tree disease control, especially for oak wilt and Dutch Elm disease. The **CITY** will perform a site inspection to ascertain tree disease hazards (including root damage and grade changes) prior to construction in order to minimize impact on trees to be protected within or outside of the Subject Property. Wood waste disposal by fire must also manage air quality impact and smoke nuisance to adjoining property owners as well as fire safety concerns.

vii. Whole trees may not be disposed of by burning. Trunks and limbs larger than six (6) inches in diameter must be salvaged for lumber, firewood, chipped or hauled to a licensed wood disposal site. Application may be made for an open burning permit to dispose of brush less than six (6) inches in diameter and stumps with less than four feet of main trunks attached. The location of the proposed open burn site will be specified by the **CITY**. Wood disposal by burning requires whole tree volume reduction, proposed site inspection prior to clearing and an open burning permit. Residual ash and unburned stumpage may be buried on the site at the approval of the **CITY**. Chipped material may be applied and utilized on site to mitigate root damage from grade changes or used in the right-of-way for erosion control and top soil restoration.

25. Tree, Shrub and Sod Planting Plan. The addition of trees, shrubs and sod to the **Plat** shall be in accordance with the approved Landscape Plan. The **DEVELOPERS** are required to submit a Plan for **CITY** approval that identifies existing tree growth within the **Plat** that will be protected during construction. The trees to be protected must be identified on the grading plan, and the plan must require the installation of 'tree save fences' prior to land clearing or grading. In addition, the requirement for this Plan shall be fulfilled by the **DEVELOPERS** as follows:

Minimizing the impact of construction on trees in accordance with Minnesota Extension Service publication "Protecting Trees From Construction Damage" (Publication #NR-FO-6135-S).

26. License. The **DEVELOPERS** hereby grant the **CITY**, its agents, employees, officers and contractors, a license to enter the **Plat** to perform all necessary work and/or inspections deemed appropriate by the **CITY** during the installation of Required Improvements by the **CITY**. The license shall expire after the Required Improvements installed pursuant to the development contract have been installed and accepted by the **CITY**.

27. Clean Up. **RTC** and **T&C** shall promptly clear from public streets and property any soil, earth or debris resulting from their respective construction work or that of their agents or subcontractors.

28. DEVELOPERS' Default. In the event of default by the **DEVELOPERS** as to any of the work to be performed by it hereunder, the **CITY** may, at its option, perform the work and the defaulting **DEVELOPER** shall promptly reimburse the **CITY** for any expense incurred by the **CITY**, provided the **DEVELOPER** 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 land. When the **CITY** does any such work, the **CITY** may, in addition to its other remedies, assess the cost in whole or in part.

29. Miscellaneous.

A. If any portion, section, subsection, sentence, clause, paragraph or phrase of this Contract is for any reason held invalid, such decision shall not affect the validity of the remaining portion of this Contract.

B. The action or inaction of the **CITY** shall not constitute a waiver 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. The **DEVELOPERS** represent 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 **RTC** does comply. Upon the **CITY**'s demand, the **DEVELOPERS** shall cease work until there is compliance.

D. This Contract shall run with the land and shall be recorded against the title to the **Plat** by **DEVELOPERS**. After the **DEVELOPERS** have completed the work required of it under this Contract, at the **DEVELOPERS**' request the **CITY** will execute and deliver to the **DEVELOPERS** a release.

E. Mailbox Locations. The **DEVELOPERS** herein agree to cluster the mailboxes for the townhome development along the private streets where possible and placement of mailboxes along public streets is subject to the approval of the **CITY**. Utility locates will be necessary.

F. Boulevard and Area Restoration. **RTC** shall be responsible for the cost of establishing seed in all boulevards within thirty (30) days of the completion of the Stage I street improvements, and for the cost of cleaning any soil, earth or debris from the

wetlands within or adjacent to the Plat and restoring all other areas resulting from the development grading operation in accordance with the approved Grading and Erosion Control plan. **T&C** shall also be responsible for the cost of cleaning any soil, earth or debris from the wetlands within and adjacent to this **Plat** resulting from building excavation and construction, and for seeding and/or sodding of private boulevard areas adjacent to private streets.

G. Construction Entrance Signs. The **CITY** restricts construction and delivery hours to Monday through Saturday 7:00am to 10:00pm. The **DEVELOPERS** are required to provide a sign at each entrance point stating delivery and construction operation hours. In this case a sign must be posted at any private entrance from a public street or road to a private road or driveway used for construction. 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. The **DEVELOPERS** 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 Stage I and Stage II Improvements, unless specified as fixed amounts, are estimated. The **DEVELOPERS** agree to pay the entire cost of said improvements including interest, engineering and legal charges.

J. Plat Approval Expenses. **RTC** agrees that they will pay to the **CITY** all **CITY** expenses incurred in the approval of the **Plat**, including, but not limited to administration expenses, engineering and legal fees. Said expenses shall be paid within fifteen (15) days of billing by the **CITY** and outstanding billings shall be paid prior to recording of the Final Plat. Any expenses incurred after recording of the Final Plat shall also be paid within said 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 contract for payment.

K. Reimbursement to the CITY. The **DEVELOPERS** agree to 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 Final Plat, **RTC** shall provide the **CITY** with proof of marketable title to the **Plat** 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 the structure to be used for its intended purposes.

N. Invalidity of Any Section. If any portion, section, subsection, sentence, clause, paragraph or phase of this Contract is for any reason held to be invalid by a court of competent jurisdiction, such decision shall not effect or void any of the other provisions of this Contract.

O. Proof of Authority. When the **DEVELOPERS** is a corporation, the **CITY** requires proof of authority by the corporation to execute this Contract. This proof of authority may be satisfied by providing the **CITY** with a certified copy of minutes of the corporate Board of Directors granting such authority.

P. Recording of This Contract. The **DEVELOPERS** shall record this Contract in the office of the Anoka County Recorder and Registrar of Titles and agree that the terms and provisions of this Contract shall run with the land and shall bind the **DEVELOPERS**, their successor and assigns.

Q. Violation of This Contract. If the **DEVELOPERS** fails to perform any of the terms of this Contract in the manner required by the **CITY**, the **CITY** shall be entitled to recover, from the **DEVELOPERS** or the issuer of **DEVELOPERS'** financial guarantee, the full amount of any and all financial guarantees. Breach of any of the terms of this Development Contract by the **DEVELOPERS** shall also be grounds for denial of Building Permits for buildings in the **Plat**.

R. Contract Binding On Successors and Assigns. The **DEVELOPERS** agree that this Development Contract shall be binding upon its successors and assigns.

30. Requirements for Building and Occupancy Permits. 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 structure; (b) a Certificate of Survey, including that survey information required by the **CITY** has been supplied to the **CITY** Building Official; and (c) all the financial guarantees required by the **CITY** have been satisfied. All foundation approvals will require a certificate of elevation verifying that the actual elevation is in compliance with the approved grading and drainage plan. (d) Permit from the Lower Rum River Watershed Management Organization has been obtained (e) Permit from Anoka County Soil Conservation District has been obtained (f) this Development Contract has been signed and received by the **CITY**. A footings and foundation permit for two structures will be released to the **DEVELOPERS** prior to the **Plat** being recorded as long as the rest of the requirements of this section are met.

No occupancy permit for any lot in the **Plat** shall be issued until: (a) vehicular access to the lot is provided including the installation of at least one layer of bituminous surfacing; (b) all utilities are in place, operational and accepted by the **CITY**; (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, must be provided to the **CITY** documenting that the flattest grade on this lot is 1% or greater will require certificates of grading; and (d) boulevard sod and landscape tree, or escrow for same, have been provided.

31. Parkland and Trail Dedication. The **Subject Property** is located in the Greenland Hills District. In accordance with the Park and Trail Dedication Contract dated April 12, 2005, there is a park payment obligation due to the **CITY** in amount of One Hundred Forty Two Thousand Five Hundred Dollars and no cents (\$142,500.00) (190 units x \$750/unit). As a part of the terms of the June 15, 2005 closing of the sale of part of Outlot B, Ramsey Town Center 2nd Addition, from **RTC** to **T&C**, a total payment in the amount of Thirty Six Thousand Seven Hundred and Fifty Dollars and no cents (\$36,750.00) (49 units x \$750.00 per unit) was received by the **CITY** from **RTC** as satisfaction of the parkland and trail dedication obligations due on that portion of the **Plat** lying on Outlot B, east of Rhinestone Street N.W. The net payment due to the **CITY** for the remainder of the **Plat** on Oulot U is One Hundred and Five Thousand and Seven Hundred Fifty Dollars and no cents (\$105,750.00) (141 units x \$750 per unit), which will be paid by **RTC**.
32. Sidewalk Construction. **RTC** shall construct and pave, in accordance with **CITY** standards, a five (5) foot wide concrete sidewalk with pedestrian ramps in locations prescribed by the **CITY** as shown on the final plat submittal dated June 24, 2005, at a grade not to exceed 5%, adjacent to streets which are included in Stage I improvements. All other sidewalks shall be constructed and paved by **T&C**.
32. Notices. Required notices to the **DEVELOPERS** shall be in writing, and shall be either hand delivered to the **DEVELOPERS**, its employees or agents, or mailed to the **DEVELOPERS** by certified or registered mail at the following address:

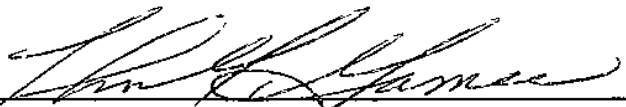
Ramsey Town Center, LLC
 4200 Central Ave. NE
 Minneapolis, MN 55421


K. Hovnanian T& C Homes at Minnesota, LLC
 7615 Smetana Lane, Suite 180
 Eden Prairie, MN 55344

Notices to the **CITY** shall be in writing and shall be either hand delivered to the **CITY** Administrator, or mailed to the **CITY** by certified mail or registered mail in care of the **CITY** Administrator at the following address:

CITY Administrator
CITY of Ramsey
 15153 Nowthen Boulevard NW
 Ramey, Minnesota 55303

CITY OF RAMSEY

By: 
 Its Mayor

By: 
 Its City Clerk Administrator

RAMSEY TOWN CENTER, LLC

By: *Bruce A. Helgeson*

Its: *CHIEF MANAGER*

**K. HOVNANIAN T&C HOMES AT
MINNESOTA, LLC**

By: _____

Its: _____

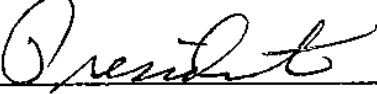
RAMSEY TOWN CENTER, LLC

By: _____

Its: _____

**K. HOVNANIAN T&C HOMES AT
MINNESOTA, LLC**

By:  _____

Its:  _____

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

On this 19th day of Aug. 2005, before me a Notary Public within and for said County, personally appeared Thomas G. Gamec and ~~JoAnn M. Thieling~~, to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and the City ~~Clerk~~ ^{Administrator} of the City 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~~ ^{Administrator} acknowledged said instrument to be the free act and deed of said municipal corporation.

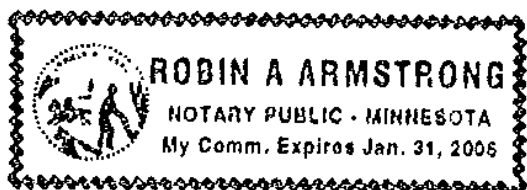
James Norman



Joann Shaw
Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF Hennepin)

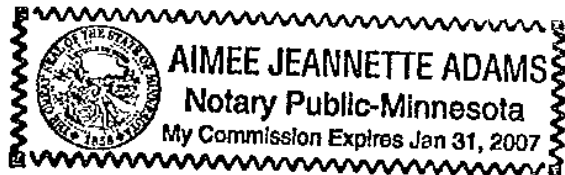
The foregoing instrument was acknowledged before me this 19th day of August, 2005, by Chief Manager ^{Robert A. Armstrong}, the Chief Manager of Ramsey Town Center, LLC, a limited liability company organized under the laws of the State of Minnesota, on behalf of the limited liability company.



Robin A. Armstrong
Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this 22nd day of August, 2005, by name, Arthur Plante, the President of K. Hovnanian T&C Homes at Minnesota, LLC, a limited liability company organized under the laws of the State of Minnesota, on behalf of the limited liability company.



Aimee Jeannette Adams
Notary Public

#3148350\4

Drafted By:
City of Ramsey
15153 Nowthen Boulevard
Ramsey, MN 55303

EXHIBIT A

Allocation of Financial Guarantees/Fees

Symphony at Ramsey Town Center
Allocation of Financial Guarantees Fees and Fees
Exhibit A - Secondary Development Agreement
Updated: 8/17/05

Developer Agreement		RTC Guarantees / Work Item		T & C Guarantees / Work Item		Notes
Activity	Section	Amount	Form of Security	Amount	Form of Security	
Stage I Improvements	8	\$828,340	cash deposit	\$0	NA	125% of city estimate to complete the work. City estimate is \$662,672.17.
Stage I Maintenance Guaranty	8	\$10,000.00 or 5% of cost of improvements	Upon acceptance of improvements	\$0	NA	
Stage II Improvements	10	\$61,100	cash deposit	\$65,685	cash deposit	See details below for breakdown. Payable to city prior to recording final plat.
Required Improvements	13	\$0	NA	\$1,125,000	letter of credit	125% of city estimate to complete the work. City estimate is \$900,000.
Inspection Fees	7 and 14	\$33,200	cash deposit	\$45,000	cash deposit	5% of city estimate to complete the work. Payable to city upon execution of developers agreement.
Landscape Maintenance Guarantee	24(b)	\$9,750	cash deposit	\$37,230	cash deposit	City estimate to ensure required landscaping (secured by larger security noted above) is maintained to city satisfaction for two years from acceptance of planting by the City.
Assessments	16	100% paid by RTC		\$0	NA	All area wide assessments paid by RTC.
Stormwater Management Fee*	17	\$0		\$72,960	cash deposit	Payable to city upon execution of developers agreement.
Sewer Trunk Fee *	15	\$1,862	per Unit at time of platting	\$0	NA	Payable to city upon execution of developers agreement.
Water Trunk Fee *	15	\$1,100	per Unit at time of platting	\$0	NA	Payable to city upon execution of developers agreement.
SAC Fee *	15	\$0		\$1,450	per Unit at time of building permitting	Payable to city upon issuance of building permit.
SAC Handling Fee *	15	\$0		\$200	per Unit at time of building permitting	Payable to city upon issuance of building permit.
WAC Fee *	15	\$0		\$1,384	per Unit at time of building permitting	Payable to city upon issuance of building permit.
Park and Trail Dedication Fees	15	\$750	per Unit at time of platting	\$0	NA	Payable to city upon execution of developers agreement.

* Fees noted with asterisk are subject to adjustment by the city.

Stage II Improvements - Detail

Activity - Item	Unit Cost	Units	RTC Obligations		T&C Obligations		Total Cost
			Quantity	Cost	Quantity	Cost	
Street signing	\$200.00	Each	9	\$1,800.00	16	\$3,200.00	\$5,000.00
Street striping	\$0.20	Per LF	3,200	\$640.00	4,000	\$800.00	\$1,440.00
Traffic signs	\$200.00	Each	15	\$3,000.00	12	\$2,400.00	\$5,400.00
Future Through Street Signing	\$0.00	Each	0	\$0.00	0	\$0.00	\$0.00
Street lights	\$1,600	Each	23	\$34,500.00	25	\$37,500.00	\$72,000.00
Street light maintenance	\$270.00	Each	23	\$6,210.00	25	\$6,750.00	\$12,960.00
Street sweeping	NA	Lump Sum	NA	\$500.00	NA	\$500.00	\$1,000.00
Seal coating	\$0.85	Per SY	17,000	\$14,450.00	17,100	\$14,535.00	\$28,985.00
				\$61,100.00		\$65,685.00	\$126,785.00

EXHIBIT B
Stage I Improvements

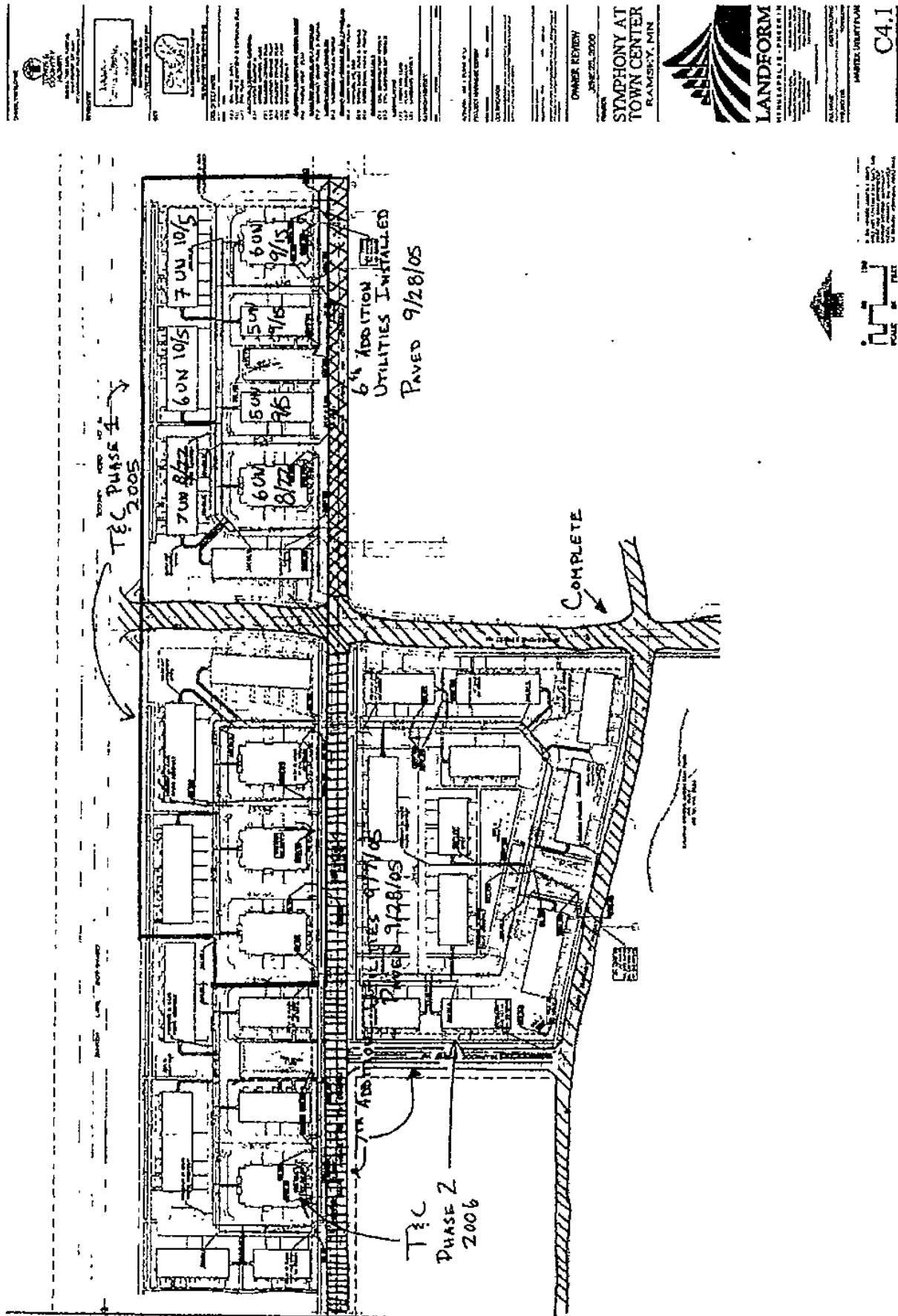


EXHIBIT B

	<p>OWNER REVIEW JUNE 28, 2006</p> <p>SYMPHONY AT TOWN CENTER RAMSEY, MINN</p>	<p>LANDFORM MUNICIPAL ENGINEERS</p>	<p>C4.1</p>
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ANOKA COUNTY MINNESOTA

Document No.: 1977751.011 ABSTRACT

I hereby certify that the within instrument was filed in this
office for record on: 08/25/2005 2:15:00 PM

Fees/Taxes In the Amount of: \$46.00

MAUREEN J. DEVINE

Anoka County Property Tax

Administrator Recorder Registrar of Titles

JMH, Deputy

Record ID: 1593646