



STAFF REPORT

DATE: 6/16/2020

**REGULAR
MOTION**

TO: City Council
FROM: Ken Roberts, Planning Director
AGENDA ITEM: **Union Park First Addition - Development Agreement**
REVIEWED BY: Jack Griffin, City Engineer
Sarah Sonsalla, City Attorney

BACKGROUND:

On September 3, 2019, the City Council adopted Resolution 2019-062 approving the Final Plat for the Union Park First Addition. An executed developer's agreement is a condition of final plat approval and is required before the developer records the final plat with Washington County.

ISSUE BEFORE CITY COUNCIL:

The City Council is being asked to adopt Resolution 2020-063 approving the developer agreement for the Union Park First Addition.

REVIEW/ANALYSIS:

A condition of approval of the Union Park First Addition Final Plat is that the developer enter into a Developer's Agreement with the City before the execution of the plat by City officials. The key aspects of the agreement include the following components:

- That all public improvements to be completed by December 1, 2020 due to phasing within the development.
- That the developer provide a letter of credit in the amount of \$2,303,148 related to the cost of the proposed improvements.
- That the developer provide the City with a cash deposit of \$548,066 for sewer and water availability charges, park dedication and engineering administration escrow.

The City has approved the final construction plans for the project, subject to some minor changes and corrections. Upon execution of this Agreement, receipt of all fees and securities, recording of the final plat and the completion of a preconstruction meeting with the City, the applicant may start site grading and construction.

FISCAL IMPACT:

The future financial impacts include maintenance of sanitary sewer mains, watermains and other public infrastructure, maintenance of storm water ponding areas (after warranty period), and other public financial responsibilities typically associated with a new development. The City will collect any necessary building permit fees, Sewer Accessibility Charges and Water Accessibility Charges and property taxes at the time of building permit application for each property as they develop.

OPTIONS:

The City Council is being asked to consider the approval of the developer's agreement and has the following options:

- 1) Adopt Resolution 2020-063 approving the developer agreement for Union Park First Addition; or
- 2) Direct Staff to amend the draft developer agreement to bring back to a future City Council meeting.

RECOMMENDATION:

Staff recommends the City Council adopt Resolution 2020-063 approving the developer's agreement for the Union Park First Addition with the following motion:

“Move to adopt Resolution 2020-063 approving the developer’s agreement for the Union Park First Addition”

ATTACHMENTS:

- Resolution 2020-063
- Union Park First Addition Development Agreement

**CITY OF LAKE ELMO
WASHINGTON COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. 2020 - 063

*A RESOLUTION APPROVING A DEVELOPER'S AGREEMENT FOR UNION PARK
ADDITION FINAL PLAT*

WHEREAS, the City of Lake Elmo is a municipal corporation organized and existing under the laws of the State of Minnesota; and

WHEREAS, Pulte Homes of MN, LLC of 7500 Flying Cloud Drive, Suite 670, Eden Prairie, MN 55344 ("Applicant") has previously submitted an application to the City of Lake Elmo ("City") for a Final Plat for Union Park; and

WHEREAS, on March 19, 2019, the Lake Elmo City Council adopted Resolution 2019-020 approving the Preliminary Plat for a 240-unit multi-family subdivision known as Bentley Village, subject to 12 conditions; and

WHEREAS, on September 3, 2019, the Lake Elmo City Council adopted Resolution 2019-062 approving the Final Plat for Union Park Addition (formerly known as Bentley Village); and

WHEREAS, a condition of approval of said Resolution 2019-062 establishes that prior to execution of the Final Plat by City officials, the Applicant shall enter into a Developer's Agreement with the City; and

WHEREAS, the Applicant and the City have agreed to enter into such a contract and a copy of the Developer's Agreement was submitted to the City Council for consideration at its June 16, 2020 meeting;

NOW, THEREFORE, BE IT RESOLVED THAT the City Council does hereby approve the Developer's Agreement for the Union Park Addition and authorizes the Mayor and city Clerk to execute the document.

Passed and duly adopted this 16th day of June, 2020 by the City Council of the City of Lake Elmo, Minnesota.

Mike Pearson, Mayor

ATTEST:

Julie Johnson, City Clerk

(reserved for recording information)

DEVELOPMENT AGREEMENT

(Public sewer and water)

Union Park First Addition

THIS DEVELOPMENT AGREEMENT is dated _____, 2020, by and between the **CITY OF LAKE ELMO**, a Minnesota municipal corporation (the “City”), and Pulte Homes of Minnesota LLC, a Minnesota limited liability company (the “Developer”).

1. REQUEST FOR PLAT APPROVAL. The Developer has asked the City to approve a plat for Union Park (referred to in this Agreement as the “Subdivision”). The property being platted is situated in the County of Washington, State of Minnesota, and is legally described on **Exhibit A**.

2. CONDITIONS OF PLAT APPROVAL. The City hereby approves the Subdivision on condition that the Developer enter into this Agreement, furnish the security required by it, and record the plat with the County Recorder or Registrar of Titles within 180 days after the City Council approves the final plat.

3. RIGHT TO PROCEED. This Agreement is intended to regulate the development of the Property and the construction therein of certain public and private improvements. The Developer may not grade or otherwise disturb the earth, remove trees or construct public or private improvements or any buildings within the Subdivision until all the following conditions precedent have been satisfied:

- A. the Developer has executed and recorded with Washington County all drainage and utility easements required for the Subdivision by the City Engineer and the Public Works Director in the City's standard form or the easements have been dedicated to the City on the plat;
- B. this Agreement has been executed by the Developer and the City;
- C. the required Security (as hereinafter defined) have been received by the City from or on behalf of the Developer;
- D. final construction plans and specifications have been submitted by the Developer and approved by the City Engineer;
- E. the Developer has paid the City for all legal, engineering and administrative expenses incurred by the City regarding the City approvals and has given the City the additional City Engineering Administration Escrow required by this Agreement;
- F. the Developer has received all necessary permits from the MPCA, MDH, DNR, applicable watershed, Washington County, and any other agency having jurisdiction over the Subdivision;
- G. the Developer has provided the City with a certificate of insurance required by this Agreement;
- H. the Developer, the Developer's engineer and the Developer's contractor(s) have initiated and attended a preconstruction meeting with the City Engineer, and City staff;

- I. the final plat has been recorded with Washington County;
- J. all homeowners' association declarations, covenants, and restrictions have been submitted, reviewed, and approved by the City Attorney; and
- K. a title insurance policy has been issued in the amount of \$100,000 in favor of the City, insuring the City's interests as they appear on the plat; and
- L. the City has issued a written notice that all of the above conditions have been satisfied and that the Developer may proceed.

4. PHASED DEVELOPMENT. If the plat is a phase of a multi-phased preliminary plat, the City may refuse to approve final plats of subsequent phases of the development if the Developer is not in compliance with any term of this Agreement and the non-compliance has not been remedied. Development of subsequent phases of the development may not proceed until development agreements for such phases are approved by the City. Park dedication charges and availability charges for sewer and water referred to in this Agreement are not being imposed on outlots that are designated in the plat for future subdivision into lots and blocks, if any, in the plat. Such charges will be calculated and imposed when these outlots, if any, are platted into lots and blocks.

5. PRELIMINARY PLAT STATUS. If the Subdivision is a phase of a multi-phased preliminary plat, the preliminary plat approval for all phases not final platted shall lapse and be void unless final platted into lots and blocks, not outlots, within seven years after preliminary plat approval.

6. CHANGES IN OFFICIAL CONTROLS. For five years from the date of this Agreement, no amendments to the City's Comprehensive Plan or official controls shall apply to or affect the use, development density, lot size, lot layout or dedications of the approved final plat unless required by state or federal law or agreed to in writing by the City and the Developer. Thereafter, notwithstanding anything in this Agreement to the contrary, to the full extent permitted by state

law, the City may require compliance with any changes to the City's Comprehensive Plan, official controls, platting or dedication requirements enacted after the date of this Agreement.

7. DEVELOPMENT PLANS. The Developer agrees to develop the Property in accordance with the City approvals, including the terms and conditions of approval of the final plat as detailed in City Council Resolution No. 2019-063, and to construct all improvements in accordance with the approved construction plans and specifications (collectively, the "Plans") prepared by a professional engineer registered in the State of Minnesota at its sole expense. All terms and conditions of the City approvals are hereby incorporated by reference into this Agreement. The documents which constitute the Plans are those on file with and approved by the City and are listed on **Exhibit B** attached hereto. The Plans may not be modified by the Developer without the prior written approval of the City.

8. IMPROVEMENTS. In developing the Subdivision in accordance with the Plans, the Developer shall make or install at its sole expense the following public and private improvements (collectively, the "Subdivision Improvements"):

- A. Grading and erosion control;
- B. Sanitary sewer;
- C. Water system improvements;
- D. Stormwater improvements (storm sewer pipe, control structures, ponds, BMPs, etc.);
- E. Streets and sidewalks;
- F. Trails;
- G. Underground private utilities;
- H. Landscaping;
- I. Street lighting and signage;
- J. Tree preservation and reforestation; and
- K. Monuments required by Minnesota Statutes.

All improvements shall be installed in accordance with the approved Plans, the City approvals, the City Code, the City's Engineering Design and Construction Standards Manual, and

the City's Landscape and Irrigation Standards. The Developer shall instruct its engineer to provide adequate field inspection personnel to assure an acceptable level of quality control to the extent that the Developer's engineer will be able to certify that the construction work meets the approved Plans, the City approvals, the City Code, the City's Engineering Design and Construction Standards Manual, and the City's Landscape and Irrigation Standards as a condition of City acceptance. In addition, the City may, at the City's discretion and at the Developer's expense, have one or more City inspectors or a soil engineer inspect the Developer's work on a full or part-time basis. The Developer's engineer shall provide for on-site project management. The Developer's engineer is responsible for design changes and contract administration between the Developer and the Developer's contractor.

9. CITY ADMINISTRATION AND CONSTRUCTION OBSERVATION. At the time of the City's approval of the final plat for the Subdivision, the Developer shall submit to the City an amount to be escrowed by the City for City administration and construction observation costs in an amount provided under Paragraph 34 of this Agreement - Summary of Cash Requirements. Thereafter, the Developer shall reimburse the City each month, within 30 days of receiving an invoice, for all administration and construction observation costs incurred by the City during the construction of the Subdivision Improvements by the City's engineering, public works, planning, and landscape architecture staff and consultants. After 30 days of the invoice, the City may draw upon the escrow and stop the work on site until the escrow has been replenished in its full amount. City administration and oversight will include monitoring of construction progress and construction observation, consultation with the Developer and the Developer's professionals on status or problems regarding the project, coordination for testing, final inspection and acceptance, project monitoring during the warranty period, and processing of requests for reduction in the Security. Construction observation shall include, at the discretion of the City, part- or full-time inspection of proposed public utilities and street construction. Services will be billed by the City on an hourly basis.

The direction and review provided by the City through the inspection of the Subdivision Improvements should not be considered a substitute for the Developer-required management of the construction of the Subdivision Improvements. The Developer must require the Developer's contractor(s) to furnish the City with a schedule of proposed operations at least five days prior to the commencement of construction of each type of Subdivision Improvement. The City shall inspect all Developer-installed Subdivision Improvements during and after construction for compliance with the Plans, the City approvals, the City Code, the City's Engineering Design and Construction Standards Manual, and the City's Landscape and Irrigation Standards. The Developer will notify the City at such times during construction as the City requires for inspection purposes. Such inspection is pursuant to the City's governmental authority, and no agency or joint venture relationship between the City and the Developer is thereby created.

10. CONTRACTORS/SUBCONTRACTORS. City Council members, City employees, and City Planning Commission members, and corporations, partnerships, and other entities in which such individuals have greater than a 25 percent ownership interest or in which they are an officer or director may not act as contractors or subcontractors for the Subdivision Improvements identified in Paragraph 8 above.

11. TIME OF PERFORMANCE. The Developer shall install all required Subdivision Improvements by October 31, 2021, with the exception of the final wear course of asphalt on streets. The Developer shall install the bituminous wearing course of streets after the first course has weathered a winter season, consistent with warranty requirements, however, final acceptance of the Subdivision Improvements by the City will not be granted until all work is completed, including the final wear course. The Developer 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 the Developer to reflect cost increases and amending this Agreement to reflect the extended completion date. Final wear course placement outside of this time frame must have the written

approval of the City Engineer.

12. MAINTENANCE DURING CONSTRUCTION. The Developer shall be responsible for all maintenance of the Subdivision Improvements including the snow plowing of the streets, roads and alleys until the Subdivision Improvements are accepted by the City in writing. The Developer and its contractors must adhere to the City's weight restrictions for all streets both inside and outside of the Subdivision, regardless of whether said streets are included in the City's map of streets with weight restrictions and regardless of whether said streets are fully constructed. The Developer is also responsible to locate all underground utilities until the Subdivision is accepted in writing by the City. The Developer shall place warning signs when hazards develop in streets to prevent the public from traveling on same and to direct attention to detours. If and when streets become impassable, the Developer shall barricade and close such streets. In the event residences are occupied before completing streets, the Developer shall maintain a smooth surface and provide proper surface drainage to ensure that the streets are passable for traffic and emergency vehicles. The Developer shall be responsible for keeping streets within and without the Subdivision clean and clear of dirt and debris that may spill, track, or wash onto the street from the Developer's operations. The Developer shall contract for street cleaning for streets within and immediately adjacent to the Subdivision. At a minimum, scraping and sweeping shall take place on a weekly basis.

Before the City's acceptance of the streets the City may agree, at the City's sole discretion, to keep the streets open during winter months by plowing snow. The City will consider snow plowing streets on a case-by-case basis and under the following conditions: 1) the Developer must request in writing the streets it is requesting to be plowed by the City, with such request received prior to October 1st of each winter season that plowing is requested; 2) there must be residences along the street; 3) for streets that do not have the bituminous wear course placed, the Developer must install paved wedges along all curb lines and catch basins of the street; 4)

gate valves and manholes must be level with the pavement surface; 5) street curves, center medians, and other protrusions in the rights-of-way must be delineated with “HI-VIS” fiberglass stakes; 6) a site review must be scheduled by the Developer and conducted with the City’s Public Works Department with the Developer in attendance to review the streets that are being requested to be plowed prior to the commitment of plowing by the City; 7) the Developer must agree not to hold the City responsible for any damage caused by snow plowing operations to the streets, curb and gutter, manholes, catch basins or other infrastructure; and 8) the Developer shall enter into an agreement with the City for plowing of the streets.

13. LICENSE. The Developer hereby grants the City, its agents, employees, officers and contractors a license to enter the Property to perform all work and inspections deemed appropriate by the City in conjunction with the development of the Property and this Agreement.

14. CONSTRUCTION ACCESS. Construction traffic access and egress for grading, public utility construction, and street construction is restricted to access the Subdivision via 5th Street North. No construction traffic is permitted on other adjacent local streets. The Developer and its contractors are required to manage all construction parking, construction staging and material deliveries internal to the Subdivision. No parking or construction staging, including the loading and unloading of materials and equipment along 5th Street North is allowed at any time during the construction of the Subdivision Improvements and buildings and structures within the Subdivision. The Developer shall be responsible for repairing or replacing all street and boulevard damage caused by construction activities at no cost to the City.

15. CONSTRUCTION SEQUENCE AND COMPLIANCE. The City will require the Developer to construct the Subdivision Improvements in a sequence which will allow progress and compliance points to be measured and evaluated. The Developer and the Developer’s representatives are required to supervise and coordinate all construction activities for all Subdivision Improvements and must notify the City in writing stating when the work is ready for

the inspection at each of the measurable points defined in the following paragraphs.

16. EROSION CONTROL. All construction regarding the Subdivision Improvements shall be completed in a manner designed to control erosion and in compliance with the City Code, the City's Engineering Design and Construction Standards Manual, all watershed district permits, the Minnesota Pollution Control Agency's best management practices, and other requirements including the City's permit with the Minnesota Pollution Control Agency for the municipal separate storm sewer system program. Before initiating any work on the site, the Developer must implement an erosion control plan and have the erosion control measures inspected and approved by the City. Erosion and sediment control measures shall be coordinated with the various stages of development. The City may impose additional erosion control requirements at any stage in development as deemed necessary to maintain a compliant site. All areas disturbed for site improvements must be reseeded by the Developer promptly after the work in the area is complete unless construction of the next stage of the improvements will begin in that area within seven days. The parties recognize that time is of the essence in controlling erosion.

If the Developer does not comply with the erosion control plan and schedule or supplementary instructions received from the City, the City may take such action as it deems appropriate to control erosion. The City will endeavor to notify the Developer in advance of any proposed action, but failure of the City to do so will not affect the Developer's and City's rights or obligations hereunder. If the Developer does not reimburse the City for any cost the City incurred for such work within 10 days, the City may draw down the Security to pay any costs. No development, utility or street construction will be allowed, and no building permits will be issued by the City unless the Subdivision is in full compliance with the approved erosion control plan.

If the City issues building permits before the acceptance of public Subdivision Improvements, the Developer assumes all responsibility for erosion control compliance throughout the Subdivision and the City may take such action as allowed by this Agreement against the Developer for any noncompliant issue as stated above. Erosion control plans for

individual lots will be required in accordance with the City's building permit requirements, or as required by the City or City Engineer.

16. SITE GRADING. In order to construct the Subdivision Improvements and otherwise prepare the Property for development, it will be necessary for the Developer to grade the Subdivision. All grading must be done in compliance with this Agreement and the approved grading plans. Within 30 days after completion of the grading, the Developer shall provide the City with an "as built" grading plan and a certification by a registered land surveyor or engineer as required in the City's Engineering Design and Construction Standards Manual.

17. STREET AND UTILITY IMPROVEMENTS. All storm sewers, sanitary sewers, water main, and streets, including turn lane and intersection improvements, shall be installed in accordance with the approved Plans, the City approvals, the City Code, and the City's Engineering Design and Construction Standards Manual. Curb and gutter, the first lift of the bituminous streets, trails, sidewalks, boulevards graded, street signs installed, and all restoration work on the site shall be completed in accordance with the approved Plans. Once the work is completed, the Developer or the Developer's representative shall submit a written request to the City asking for an inspection of the initial improvements. The City will then schedule a walk-through to create a punch list of outstanding items or repairs the Developer is to complete. Upon receipt of the written punch list provided by the City, the Developer must complete all items on the punch list and then notify the City to re-inspect the improvements. The Developer shall install the final bituminous wear course after the first bituminous course has weathered a winter season. Before the placement of the final bituminous wear course, the Developer shall repair or replace all broken or failing curbs, sidewalks and damaged or settled streets as determined by the City from a pre-wear course walk through inspection.

18. LANDSCAPING AND TREE REPLACEMENT IMPROVEMENTS.

A. The Developer agrees to install landscaping in accordance with the approved Plans,

the City approvals, the City Code, the City's Engineering Design and Construction Standards Manual, and the City's Landscape and Irrigation Standards. All landscaping materials such as trees, shrubs, grasses, or other vegetation installed by the Developer must be warranted and maintained for a period of two years. The two-year warranty period shall be deemed to start once all required landscaping identified as responsibility of Developer in the approved Plans has received acceptance by the City. The Developer agrees to have the installer of the landscaping complete an inspection 30 days prior to the end of the two-year warranty period and provide the City with a written report identifying the condition of all landscaping. In the event any landscaping installed by the Developer is deemed to be in poor condition or dead, the Developer is to replace the landscaping with like kind materials or as otherwise approved by the City.

- B. The Developer shall be responsible for maintaining regular watering, fertilizing, and over-seeding necessary to establish final lawns and yards as identified in the approved Plans for outlots, public rights-of-way, and any disturbed areas outside the Subdivision boundaries according to a landscape maintenance plan approved by the City. The Developer agrees to achieve "substantial performance" on all seeded or sodded lawns and yards disturbed during the construction of Subdivision Improvements. For the purpose of this Agreement, "substantial performance" shall be defined for areas seeded or sodded with a turf or lawn mix as "square foot turf areas with an average blade height of three inches free of eroded, bare, or dead spots and free from perennial weeds or unwanted grasses with no visible surface soil." For areas seeded with a native grass or flower mix, "substantial performance" shall be defined as "square foot native grass or flower areas with an average height of eight inches free of eroded, bare, or dead spots and no visible surface soil."

19. SIGNAGE, STREET LIGHTING AND OTHER UTILITIES. The Developer agrees to install street signs, traffic and parking signs, and pavement markings within the Subdivision all in accordance with the approved Plans and the City Engineering Design Standards Manual. Street and traffic sign details shall be submitted by the Developer to the City for approval prior to installation. In addition, the Developer shall be responsible for the cost and all coordination work to extend private utilities along with street lighting within the Subdivision all in accordance with the approved plans and right-of-way permits.

20. OWNERSHIP OF IMPROVEMENTS. Upon completion of the work and construction required by this Agreement, the Subdivision Improvements lying within public easements shall become City property. Prior to acceptance of the public Subdivision Improvements by the City, the Developer must furnish the City with a complete set of reproducible "record" plans and an electronic file of the "record" plans in accordance with the City's Engineering Design and Construction Standards Manual together with the following affidavits:

- Developer/Developer Engineer's Certificate
- Land Surveyor's Certificate

certifying that all construction has been completed in accordance with the terms of this Agreement. All necessary forms will be furnished by the City. Upon receipt of "record plans" and affidavits, and upon review and verification by the City Engineer that the public Subdivision Improvements have been completed in accordance with the terms of this Agreement, the City Engineer will accept the completed public Subdivision Improvements.

21. PARK DEDICATION. The Developer shall pay a cash contribution of \$124,000 in satisfaction of the City's park dedication requirements. The charge was calculated as follows: 10% of \$1,240,000 (the purchase price per the Purchase Agreement).

22. SANITARY SEWER AND WATER UTILITY AVAILABILITY CHARGES (SAC AND WAC). The Developer shall be responsible for the payment of all sewer availability charges (SAC) and all water availability charges (WAC) with respect to the Subdivision Improvements

required by the City and any state or metropolitan government agency.

The sewer availability charge (SAC) in the amount of \$3,000.00 per REC shall be paid by the Developer to the City before recording the final plat. The total amount to be paid by the Developer is: \$186,000.00.

The water availability charge (WAC) in the amount of \$3,000.00 per REC shall be paid by the Developer to the City before recording the final plat. The total amount to be paid by the Developer is: \$186,000.00.

In addition, a sewer connection charge in the amount of \$1,000.00 per REC, a Metropolitan Council sewer availability charge in the amount of \$2,485.00 per REC, and a water connection charge in the amount of \$1,000.00 per REC will be payable by the Developer and collected by the City at the time the City issues a building permit for each lot.

23. STREET LIGHTS. The Developer is responsible for the cost of street light installation consistent with a street lighting plan approved by the City. Before the City signs the final plat, the Developer shall post a Security for street light installation consistent with the approved plan. The required Security is \$24,000 and consists of four decorative lights at \$6,000 each. The Developer also shall pay the City \$129/light (\$516.00) to reimburse the City for the first year operating costs for the street lights.

24. BUILDING PERMITS/CERTIFICATES OF OCCUPANCY.

- A. The City will not issue a building permit for any lot within the Subdivision, or within a completed phase of the Subdivision in a City preapproved phasing plan, until such time that sanitary sewer, water, storm sewer, curbing and one lift of asphalt has been installed and tested for all public streets; boulevard grading has been completed within the entire right-of-way (without hold down grading for the future sidewalk or any other improvements); street and traffic control signs are installed; property monuments have been installed or all property corners have been staked with the

property corner elevation noted on the stake; and grading as-built plans have been submitted and approved by the City. A “preapproved phasing plan” is defined as a phased construction plan that has been submitted by the Developer and approved by the City in advance of the preconstruction meeting for the Subdivision. Once the construction has started, the City will not consider revisions to the phasing plan for the purpose of issuing building permits.

- B. The City Planning Director may authorize the issuance of a single building permit for a “model home” before the completion of the Subdivision Improvements described in paragraph 24 (A) above, if there is safe public access to the lot that is sufficient to allow construction to proceed and there is a grading as-built plan approved by the City for the lot and all downstream storm water drainage facilities. However, the City will not issue a certificate of occupancy for any “model home” until all conditions identified in paragraph 24 (A) above have been completed. The Developer shall use the model home only for real estate sales purposes and no other purposes.
- C. Breach of the terms of this Agreement by the Developer, including nonpayment of billings from the City, shall be grounds for denial of building permits, certificates of occupancy, and withholding of other permits, inspection or actions and the halting of all work in the Subdivision.
- D. If the City issues building permits before the acceptance of the public Subdivision Improvements by the City, the Developer assumes all liability and costs resulting in delays in completion of public Subdivision Improvements and damage to public Subdivision Improvements caused by the City, Developer, the Developer’s contractors, subcontractors, materialmen, employees, agents, or any third parties.
- E. If the City issues building permits before the construction of front yard sidewalks or trails, the Developer assumes all responsibility for the coordination, liability and costs

to: 1) ensure that the sidewalks and trails are constructed prior to any driveways for any lots with sidewalks or trails; 2) that the sidewalks and trails are constructed continuously from end of street to end of street without exceptions or gaps in the sidewalk or trail; 3) that there is a stop work order on all building construction for impacted lots during the sidewalk and trail construction and curing periods to prohibit traffic prior to City approval; and 4) that all boulevard grading and restoration re-work is completed immediately following the sidewalk or trail construction.

- F. No sewer and water connection permits may be issued until the streets needed for access have been paved with a bituminous surface and the utilities are tested and approved by the City Engineer.

25. RESPONSIBILITY FOR COSTS.

- A. In the event that the City receives claims from labor, materialmen, or others that work required by this Agreement has been performed and the amounts due to them have not been paid, and the laborers, materialmen, or others are seeking payment from the City, the Developer hereby authorizes the City to commence an Interpleader action pursuant to Rule 22, Minnesota Rules of Civil Procedure for the District Courts, to draw upon the Security in an amount up to 125 percent of the claim(s) and deposit the funds in compliance with the Rule, and upon such deposit, the Developer shall release, discharge, and dismiss the City from any further proceedings as it pertains to the funds deposited with the District Court, except that the Court shall retain jurisdiction to determine attorneys' fees pursuant to this Agreement.
- B. Except as otherwise specified herein, the Developer shall pay all costs incurred by it or the City in conjunction with the development of the Subdivision, including but not limited to legal, planning, engineering, and inspection expenses incurred in connection with the City's approval and acceptance of the plat and the Subdivision,

the preparation of this Agreement, the City's review of construction plans and documents, and all costs and expenses incurred by the City in monitoring and inspecting development of the Subdivision. All amounts incurred and due to the City at the time of the recording of the final plat must be fully paid by the Developer prior to the City executing and releasing the final plat for recording.

- C. The Developer shall hold the City and its officials, employees, and agents harmless from claims made by itself and third parties for damages sustained or costs incurred resulting from the City's approval of the plat and the development of the Subdivision. The Developer shall indemnify the City and its officials, employees, and agents for all costs, liabilities, damages, or expenses which the City may pay or incur in consequence of such claims, including attorneys' fees.
- D. The Developer shall reimburse the City for costs incurred in the enforcement of this Agreement, including reasonable engineering and attorneys' fees.
- E. The Developer shall pay, or cause to be paid when due, and in any event before any penalty is attached, all special assessments referred to in this Agreement. This is a personal obligation of the Developer and shall continue in full force and effect even if the Developer sells one or more lots, the entire Property, or any portion of it.
- F. The Developer shall pay in full all bills submitted to it by the City for obligations incurred under this Agreement within 30 days after receipt. Bills not paid within 30 days shall be assessed a late fee per the City adopted fee schedule. Upon request, the City will provide copies of detailed invoices of the work performed by the City and its consultants.

26. SPECIAL PROVISIONS. The following special provisions shall apply to the Subdivision:

- A. Implementation of the changes and recommendations listed in the August 1, 2019,

Engineering memorandum.

- B. The Developer must obtain a sign permit from the City Building Official before the installation of any subdivision identification signs.
- C. All public trails shall be located within outlots, with easements that are at least 30 feet in width, and that said easements either be dedicated to the City in the plat or an easement in a form acceptable to the City be provided. The title policy to be provided to the City shall insure the City's interests in this property.
- D. The Developer shall enter into a Landscape License Agreement with the City that clarifies the individuals or entities responsible for maintenance of any landscaping installed in areas outside of land dedicated as public park and open space on the plat.
- E. The Developer shall install a bituminous trail and a concrete sidewalk along Julia Avenue in the public right-of-way.
- F. The Developer shall extend the public watermain to the southerly limits of the Subdivision as required by the City Engineer.
- G. The Developer shall revise the landscape plans to meet the conditions of approval of the preliminary plat and the changes required by the City's Landscape Architect as outlined in his memo dated July 24, 2019.
- H. The Developer shall address all Fire Chief and Building Official comments in its final development plans.
- I. The Developer shall obtain any necessary approvals or easements from adjoining property owners for any private off-site work or impacts the development of the Property may have, including, but not limited to, storm water drainage and utility work.

- J. The Developer shall notify all home builders and home buyers about possible City outdoor watering restrictions and require that the home builders notify all home buyers that the City may impose limits on outdoor water use including no vehicle washing and no watering of grass or sod unless the Developer is notified by the City that this notice is no longer required. Said decision about whether or not this notice is no longer required shall be made at the sole discretion of the City. The Developer shall have the City approve the notification message before recording the final plat.

27. MISCELLANEOUS.

- A. The Developer may not assign this Agreement without the written permission of the City Council. The Developer's obligations hereunder shall continue in full force and effect even if the Developer sells one or more lots, the entire Property, or any portion of it.
- B. Retaining walls that require a building permit shall be constructed in accordance with plans and specifications prepared by a professional engineer licensed by the State of Minnesota. Following construction, a certification signed by the design engineer shall be filed with the City Engineer evidencing that the retaining wall was constructed in accordance with the approved Plans. All retaining walls identified on the Plans or by special conditions referred to in this Agreement shall be constructed before the city issues any other building permit for a lot on which a retaining wall is required to be built.
- C. Legal documents regarding homeowner association declarations, covenants, and restrictions shall be submitted to the City before recording of the final plat for review and approval by the City Attorney.
- D. The Developer shall take out and maintain or cause to be taken out and maintained until six months after the City has accepted the public Subdivision Improvements,

public liability and property damage insurance covering personal injury, including death, and claims for property damage which may arise out of Developer's work or the work of its subcontractors or by one directly or indirectly employed by any of them.

Limits for bodily injury and death shall be not less than \$500,000 for one person and \$1,500,000 for each occurrence; limits for property damage shall be not less than \$200,000 for each occurrence; or a combination single limit policy of \$1,500,000 or more. The City shall be named as an additional insured on the policy, and the Developer shall file with the City a certificate of insurance evidencing coverage prior to the City signing the plat. The certificate shall provide that the City must be given 30 days' advance written notice of the cancellation of the insurance.

- E. Third parties shall have no recourse against the City under this Agreement.
- F. If any portion, section, subsection, sentence, clause, paragraph, or phrase of this Agreement is for any reason held invalid, such decision shall not affect the validity of the remaining portion of this Agreement.
- G. The action or inaction of the City 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 written resolution of the City Council. The City's failure to promptly take legal action to enforce this Agreement shall not be a waiver or release.
- H. This Agreement shall run with the land and may be recorded against the title to the Property at the Developer's expense. The Developer covenants with the City, its successors and assigns, that the Developer has fee title to the Property being final platted and has obtained consents to this Agreement, in the form attached hereto, from all parties who have an interest in the Property, including, but not limited to, mortgagees; that there are no unrecorded interests in the Property being final

platted; and that the Developer will indemnify and hold the City harmless for any breach of the foregoing covenants.

- I. Each right, power or remedy herein conferred upon the City is cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter arising, available to City, at law or in equity, or under any other agreement, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the City and shall not be a waiver of the right to exercise at any time thereafter any other right, power or remedy.
- J. The Developer represents to the City that the Subdivision and the Subdivision Improvements comply or will comply 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 Subdivision is not in compliance, the City may, at its option, refuse to allow construction or development work in the Subdivision until it is brought into compliance. Upon the City's demand, the Developer shall cease work until there is compliance.

28. EVENTS OF DEFAULT. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement, any one or more of the following events:

- A. Subject to unavoidable delays, failure by the Developer to commence and complete construction of the public Subdivision Improvements pursuant to the terms, conditions and limitations of this Agreement.
- B. Failure by the Developer to substantially observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.

29. REMEDIES ON DEFAULT. Whenever any Event of Default occurs, the City, subject to any rights of third parties agreed to by the City pursuant to this Agreement, or otherwise by written, executed instrument of the City, may take any one or more of the following:

- A. The City may suspend its performance under the Agreement until it receives assurances from the Developer, deemed adequate by the City, that Developer will cure its default and continue its performance under the Agreement. Suspension of performance includes the right of the City to withhold permits including, but not limited to, building permits.
- B. The City may initiate such action, including legal or administrative action, as is necessary for the City to secure performance of any provision of this Agreement or recover any amounts due under this Agreement from the Developer, or immediately draw on the Security, as set forth in this Agreement.

30. ENFORCEMENT BY CITY; DAMAGES. The Developer acknowledges the right of the City to enforce the terms of this Agreement against the Developer, by action for specific performance or damages, or both, or by any other legally authorized means. In the event of a default by the Developer as to construction or repair of any of the Subdivision Improvements or any other work or undertaking required by this Agreement, the City may, at its option, perform the work and the Developer shall promptly reimburse the City for any expense incurred by the City. This Agreement is a license for the City to act, and it shall not be necessary for the City to seek an order from any court for permission to enter the Subdivision for such purposes. If the City does such work, the City may, in addition to its other remedies, levy special assessments against the land within the Subdivision to recover the costs thereof. For this purpose, the Developer, for itself and its successors and assigns, expressly waives any and all procedural and substantive objections to the special assessments, including, but not limited to, hearing requirements, and any claim that the assessments exceed the benefit to the land so assessed. The Developer, for

itself and its successors and assigns, also waives any appeal rights otherwise available pursuant to Minnesota Statutes Section 429.081.

The Developer also acknowledges that its failure to perform any or all of the Developer's obligations under this Agreement may result in substantial damages to the City; that in the event of default by the Developer, the City may commence legal action to recover all damages, losses and expenses sustained by the City; and that such expenses may include, but are not limited to, the reasonable fees of legal counsel employed with respect to the enforcement of this Agreement.

31. WARRANTY. During the warranty period, the Developer warrants that all Subdivision Improvements will be free from defects and that they will continue to meet all technical specifications and standards. During the warranty period, the Developer agrees to repair or replace any Subdivision Improvement, or any portion or element thereof, which shows signs of failure, normal wear and tear excepted. If the Developer fails to repair or replace a defective Subdivision Improvement during the warranty period, the City may repair or replace the defective portion and may use the Security to reimburse itself for such costs. The Developer agrees to reimburse the City fully for the cost of all Subdivision Improvement repair or replacement if the cost thereof exceeds the remaining amount of the Security. Such reimbursement must be made within 45 days of the date upon which the City notifies the Developer of the cost due under this paragraph. The Developer hereby agrees to permit the City to specially assess any unreimbursed costs against any lots in the Subdivision which have not been sold to home buyers if the Developer fails to make required payments to the City. The Developer, on behalf of itself and its successors and assigns, acknowledges the benefit to the lots within the Subdivision of the repair or replacement of the Subdivision Improvements and hereby consents to such assessment and waives the right to a hearing or notice of hearing or any appeal thereon under Minnesota Statutes, Chapter 429.

- A. The required warranty period for all work relating to the public sewer and water shall be two years from the date of final written City acceptance of the work.
- B. The required warranty period for all work relating to street construction, including concrete curb and gutter, sidewalks and trails, materials and equipment shall be one year from the date of final written City acceptance of the work.
- C. The required warranty period for sod, trees, and landscaping shall be two years from the date of final written City acceptance of the installation.

32. SUMMARY OF SECURITY REQUIREMENTS. To guarantee compliance with the terms of this Agreement, payment of special assessments, payment of the costs of all public Subdivision Improvements, and construction of all public Subdivision Improvements, the Developer shall furnish the City with an irrevocable letter of credit or a cash escrow or a combination of a cash escrow and letter of credit (the "Security") in the amount of \$2,303,148. The bank originating the letter of credit shall be determined by the City to be solvent and creditworthy. The letter of credit shall substantially be in the form attached to this Agreement and must be approved by the City. The amount of the Security was calculated as itemized on Exhibit C. If at any time the City reasonably determines that the bank issuing the letter of credit no longer satisfies the City's requirements regarding solvency and creditworthiness, the City shall notify the Developer and the Developer shall provide to the City within 45 days a substitute for the letter of credit from another bank meeting the City's requirements. If the Developer fails to provide the City within 45 days with a substitute letter of credit from an issuing bank satisfactory to the City, the City may draw under the existing letter of credit.

This breakdown is for historical reference; it is not a restriction on the use of the Security. The City may draw down the Security, without notice, for any violation of the terms of this Agreement or if the Security is allowed to lapse prior to the end of the required term. If the required public Subdivision Improvements are not completed at least 30 days prior to the expiration of the

Security, the City may also draw it down. If the Security is drawn down, the proceeds shall be used by the City to cure the default.

33. REDUCTION OF SECURITY. Upon written request by the Developer and upon receipt of proof satisfactory to the City Engineer that work has been completed in accordance with the approved Plans and the terms of this Agreement and that all financial obligations to the City have been satisfied, the City Engineer may approve reductions in the Security in the following instances:

- A. Up to 75 percent of the Security associated with the itemization on **Exhibit C** may be released upon completion of the following key milestones of the project as determined by the City Engineer:
 - 1. Construction Categories 2 and 3: The amount of \$588,634 may be released when all sanitary sewer and water main utilities have been installed, all testing and televising has been successfully completed, sanitary sewer as-built inverts have been verified, and the utilities are considered ready for use by the City Engineer.
 - 2. Construction Categories 4 and 5: The amount of \$707,486 may be released when all streets, sidewalks, and storm sewer have been installed and tested, and have been found to be complete to the satisfaction of the City Engineer including all corrective work for any identified punch list items and including verification of storm sewer as-built inverts, but not including the final wear course.
 - 3. Construction Categories 6-10 and 14-17: The amount of \$145,261 may be released when all remaining Developer's obligations under this Agreement have been completed including: (1) bituminous wear course; (2) street lighting and private utilities; (3) trails; (4) bio retention facilities; (5) iron monuments for lot corners have been installed; (3) all financial obligations to the City satisfied;

(4) the required "record" plans in the form of the City standards have been received and approved by the City; and (5) the public Subdivision Improvements are accepted by the City Engineer and the City Council.

4. Construction Categories 11, 12 and 13: The amount of \$34,331 may be released when landscaping Subdivision Improvements have been installed to the satisfaction of the City including all corrective work for any identified punch list items.
 - B. Twenty-five percent of the original Security amount, excluding grading and landscaping improvements shall be retained until: (1) all Subdivision Improvements have been fully completed and accepted by the City, including all corrective work and warranty punch list items; (2) all financial obligations to the City have been satisfied; and (3) the warranty period has expired.
 - C. Twenty-five percent of the original Security amount associated with landscaping shall be retained by the City until: (1) all landscaping Subdivision Improvements have been fully completed and accepted by the City, including all corrective work and warranty punch list items being completed by the Developer; (2) all financial obligations to the City have been satisfied; and (3) the warranty period has expired.
 - D. In addition to the above project milestone based Security reductions, the Developer may submit a written request and upon receipt of proof satisfactory to the City Engineer that work is progressing in accordance with the approved Plans and the terms of this Agreement and that all financial obligations to the City have been satisfied, the City Engineer may approve a one-time reduction in the Security for Construction Categories 2-5 in an amount not to exceed 50 percent of the initial Security amount. This one-time Security reduction does not apply to Categories 4-5 if boulevard sidewalks or trails have not been installed.

E. It is the intent of the parties that the City at all times have available to it Security in an amount adequate to ensure completion of all elements of the Subdivision Improvements and other obligations of the Developer under this Agreement, including fees or costs due to the City by the Developer. To that end and notwithstanding anything herein to the contrary, all requests by the Developer for a reduction or release of the Security shall be evaluated by the City in light of that principle.

34. SUMMARY OF CASH REQUIREMENTS. The following is a summary of the cash requirements under this Agreement which must be paid to the City before recording the final plat:

Sewer Availability Charge (SAC):	\$186,000
Water Availability Charge (WAC):	\$186,000
Park Dedication:	\$124,000
Special Assessments Due:	\$0
Street Light Operating Fee:	\$516
City Base Map Upgrading (\$25.00 per REU):	\$1,550
City Engineering Administration Escrow:	\$50,000
TOTAL CASH REQUIREMENTS:	\$548,066

35. NOTICES. Required notices to the Developer shall be in writing, and shall be either hand delivered to the Developer, its employees or agents, or mailed to the Developer by certified mail at the following address: 7500 Flying Cloud Drive, Suite 670, 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 in care of the City Administrator at the following address: Lake Elmo City Hall, 3880 Laverne Avenue N., Suite 100, Lake Elmo, Minnesota 55042.

36. EVIDENCE OF TITLE. The Developer shall furnish the City with evidence of fee ownership of the property being platted by way of a title insurance policy dated not earlier than thirty (30) days prior to the execution of the plat.

37. COMPLIANCE WITH LAWS. The Developer agrees to comply with all laws, ordinances, regulations, and directives of the state of Minnesota and the City applicable to the

Subdivision. This Agreement shall be construed according to the laws of the Minnesota.

38. SEVERABILITY. In the event that any provision of this Agreement shall be held invalid, illegal, or unenforceable by any court of competent jurisdiction, such holding shall pertain only to such section and shall not invalidate or render unenforceable any other provision of this Agreement.

39. NON-WAIVER. Each right, power, or remedy conferred upon the City by this Agreement is cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter arising, or available to the City at law or in equity, or under any other agreement. Each and every right, power, and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the City and shall not be a waiver of the right to exercise at any time thereafter any other right, power, or remedy. If either party waives in writing any default or nonperformance by the other party, such waiver shall be deemed to apply only to such event and shall not waive any other prior or subsequent default.

40. COUNTERPARTS. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be an original and shall constitute one and the same Agreement.

CITY OF LAKE ELMO

By: _____
Mike Pearson
Its: Mayor

By: _____
Julie Johnson
Its: City Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF WASHINGTON)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020, by Mike Pearson and Julie Johnson, the Mayor and City Clerk, respectively, of the City of Lake Elmo, a Minnesota municipal corporation, on behalf of the corporation and pursuant to the authority granted by its City Council.

NOTARY PUBLIC

PULTE HOMES OF MINNESOTA LLC

By: _____

Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____, day of _____, 2020, by Pulte Homes of Minnesota LLC, the _____ of Pulte Homes of Minnesota LLC on behalf of the limited liability company.

NOTARY PUBLIC

DRAFTED BY:
City of Lake Elmo
3880 Laverne Avenue North
Lake Elmo, MN 55042
(651) 747-3901

**FEE OWNER CONSENT TO
DEVELOPMENT AGREEMENT**

_____, fee owners of all or part of the subject property, the development of which is governed by the foregoing Development Agreement, affirm and consent to the provisions thereof and agree to be bound by the provisions as the same may apply to that portion of the subject property owned by them.

Dated this _____ day of _____, 2019.

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019.

NOTARY PUBLIC

DRAFTED BY:
City of Lake Elmo
3880 Laverne Avenue North
Lake Elmo, MN 55042
(651) 747-3901

**MORTGAGE CONSENT TO
DEVELOPMENT AGREEMENT**

_____, which holds a mortgage on the Property, the development of which is governed by the foregoing Development Agreement, agrees that the Development Agreement shall remain in full force and effect even if it forecloses on its mortgage.

Dated this _____ day of _____, 2020.

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020, by _____.

NOTARY PUBLIC

DRAFTED BY:
City of Lake Elmo
3880 Laverne Avenue North
Lake Elmo, MN 55042
(651) 747-3901

**CONTRACT PURCHASER CONSENT TO
DEVELOPMENT AGREEMENT**

_____,
which/who has a contract purchaser's interest in all or part of the Property, the development of which is governed by the foregoing Development Agreement, hereby affirms and consents to the provisions thereof and agrees to be bound by the provisions as the same may apply to that portion of the Property in which there is a contract purchaser's interest.

Dated this ____ day of _____, 2020.

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
2020, by _____.

NOTARY PUBLIC

DRAFTED BY:
City of Lake Elmo
3880 Laverne Avenue North
Lake Elmo, MN 55042
(651) 747-3901

**EXHIBIT A TO
DEVELOPMENT AGREEMENT**

Legal Description of Property Being Final Platted

Outlot C, DPS LAKE ELMO, according to the recorded plat thereof, County of Washington, State of Minnesota.

DRAFT

EXHIBIT B TO DEVELOPMENT AGREEMENT

List of Plan Documents

The following documents prepared by Alliant Engineering collectively constitute the Plans:

THOSE DOCUMENTS BY

AS FOLLOWS:

<u>SHEET</u>	<u>TITLE</u>	<u>REVISION DATE</u>
1 of 37	Cover Sheet	10/22/2019
2-3 of 37	Existing Conditions	10/22/2019
4 of 37	Phasing Plan	10/22/2019
5A – 8 of 37	Preliminary Plat	10/22/2019
9 – 11 of 37	Site Plan	10/22/2019
12 of 37	Parking and Boulevard Plan	10/22/2019
13-15 of 37	Grading and Drainage Plan	10/22/2019
16 of 37	BP High Pressure Petroleum Pipeline Profile	10/22/2019
17-18 of 37	Infiltration Basin and Pond Details	10/22/2019
19 of 37	Grading Profiles	10/22/2019
20-22 of 37	Erosion and Sediment Control Plan	10/22/2019
23	Erosion and Sediment Control Notes and Details	10/22/2019
24-26 of 37	Sanitary Sewer & Watermain Plan	10/22/2019
27-29 of 37	Storm Sewer Plan	10/22/2019
30-32 of 37	Tree Preservation Plan	10/22/2019
33 of 37	Tree Inventory	10/22/2019
34-36 of 37	Landscape Plan	10/22/2019
37 of 37	Landscape Schedule, Notes and Details	10/22/2019

EXHIBIT C TO DEVELOPMENT AGREEMENT

Subdivision Improvements Cost/Security Amount Estimate

<u>CONSTRUCTION CATEGORY</u>	<u>COST</u>	<u>125 percent</u>
1 <u>Grading</u>	\$268,425	\$335,550
2 <u>Sanitary Sewer</u>	\$365,093	\$456,366
3 <u>Watermain</u>	\$262,783	\$328,479
4 <u>Storm Sewer (includes pond structures and outfall pipes)</u>	\$319,348	\$399,185
5 <u>Streets and Sidewalks</u>	\$435,304	\$544,130
6 <u>Trails</u>	\$24,645	\$30,806
7 <u>Surface Water Facilities (ponds, infiltration basins, other BMPs)</u>	\$34,727	\$43,409
8 <u>Street Lighting</u>	\$24,000	\$30,000
9 <u>Street and Traffic Signs</u>	\$8,965	\$11,206
10 <u>Private Utilities (electricity, natural gas, telephone, and cable)</u>	\$0	\$0
11 <u>Landscaping Improvements</u>	\$36,620	\$45,755
12 <u>Tree Preservation and Restoration</u>	\$0	\$0
13 <u>Wetland Mitigation and Buffers</u>	\$0	\$0
14 <u>Monuments</u>	\$6200	\$7,750
15 <u>Erosion and Sedimentation Control</u>	\$51,408	\$64,260
16 <u>Miscellaneous Facilities</u>	\$0	\$0
17 <u>Developer's Record Drawings</u>	\$5,000	\$6,250
 <u>TOTALS</u>	 \$1,842,518	 \$2,303,148

FORM OF IRREVOCABLE LETTER OF CREDIT

No. _____

Date: _____

TO: City of Lake Elmo

Dear Sir or Madam:

We hereby issue, for the account of _____ (Name of Developer) and in your favor, our Irrevocable Letter of Credit in the amount of \$ _____ available to you by your draft drawn on sight on the undersigned bank.

The draft must:

- a) Bear the clause, "Drawn under Letter of Credit No. _____, dated _____, 2019, of (Name of Bank) _____";
- b) Be signed by the Mayor or City Administrator of the City of Lake Elmo.
- c) Be presented for payment at _____ (Address of Bank), on or before 4:00 p.m. on November 30, 20____.

This Letter of Credit shall automatically renew for successive one-year terms unless, at least forty-five (45) days prior to the next annual renewal date (which shall be November 30 of each year), the Bank delivers written notice to the Lake Elmo City Administrator that it intends to modify the terms of, or cancel, this Letter of Credit. Written notice is effective if sent by certified mail, postage prepaid, and deposited in the U.S. Mail, at least forty-five (45) days prior to the next annual renewal date addressed as follows: City Administrator, City Hall, 3880 Laverne Ave. N., Suite 100, Lake Elmo Minnesota 55042 and is actually received by the City Administrator at least thirty (30) days prior to the renewal date.

This Letter of Credit sets forth in full our understanding which shall not in any way be modified, amended, amplified, or limited by reference to any document, instrument, or agreement, whether or not referred to herein.

This Letter of Credit is not assignable. This is not a Notation Letter of Credit. More than one draw may be made under this Letter of Credit.

This Letter of Credit shall be governed by the most recent revision of the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 500.

We hereby agree that a draft drawn under and in compliance with this Letter of Credit shall be duly honored upon presentation.

BY: _____

Its _____