



STAFF REPORT

DATE: July 6, 2021

CONSENT

TO: Mayor and City Council
FROM: Ken Roberts, Planning Director
AGENDA ITEM: **Royal Golf Club at Lake Elmo 3rd Addition Development Agreement**
REVIEWED BY: Jack Griffin, City Engineer
Sarah Sonsalla, City Attorney

BACKGROUND:

On December 4, 2018, the City Council approved the Final Plat and final PUD plans for the Royal Golf Club at Lake Elmo 3rd Addition. An executed Development Agreement is a condition of final plat approval and is required prior to the Developer recording the final plat with Washington County.

ISSUE BEFORE THE CITY COUNCIL:

The City Council is being asked to adopt Resolution 2021 - XXX approving the Developer Agreement for Royal Golf Club at Lake Elmo 3rd Addition.

REVIEW/ANALYSIS:

A condition of approval of the Royal Golf Club at Lake Elmo 3rd Addition Final Plat is that the developer enter into a Developer's Agreement prior to the execution of the plat by City officials. Staff has prepared this Developer Agreement that is attached for consideration by the City Council. The key aspects of the agreement include the following components:

- Legal documents regarding homeowner association documents, covenants, and restrictions are to be submitted, reviewed, and approved by the City Attorney.
- That all public improvements be completed by October 31, 2022, with the exception of the final wear course of asphalt on streets.
- The parkland dedication is to be dedicated incrementally with each phase. The total assessed value of the entire subdivision was \$8,000,000.00. The zoning district in which the development is located requires 10% of the land of the entire subdivision to be dedicated towards parkland, or a fee in lieu of land. As approved by the City, the developer has proposed trails instead of a public park. The developer has agreed to not receive credit for costs of construction of the trails in exchange for an increased amount of impervious surface for residential lots, as approved with the Final Plat but will receive credit for a 30 foot corridor for trails, less wetland buffer encroachments. The parkland dedication for the first phase was calculated as follows:

Factors Considered	Running Totals
\$800,000.00 for required parkland dedication	
Less \$188,543.00 for appraised value of land underneath trail (8,085 lineal feet of trail with a 30-foot wide corridor, less 5,010 wetland buffer encroachment)	Total: \$611,457.00
Divided by 291 lots (number of lots for entire development)	Total: \$2,101.00
Multiplied by 73 lots (number of lots for 3 rd Addition)	Total Owed for 3rd Addition: \$153,373

- The original conditions of approval required the developer pay the City an additional park dedication fee of \$111, 552 for required trees not planted within the 3rd Addition as per Section 19 (C) of this Agreement. This fee was calculated as follows: [(\$500 X 969 2.5-caliper inch trees reduced within the entire preliminary plat area) / 291 Single Family Lots within all phases of the Subdivision X 73 Single Family Lots within the 3rd Addition]. Staff has revised this requirement as follows:

That the developer pay a parkland dedication fee equal to \$300 ~~\$500~~ per 2.5 caliper inch required in lieu of some required tree preservation replacement tree requirements, totaling \$69,350.00 ~~\$111,552.00~~ in lieu of planting the required number of trees required. This fee was calculated as follows: \$300.00 ~~\$500.00~~ multiplied by 969 2.5-caliper inch tree not planted within the entire subdivision, divided by 291 single family lots within the entire subdivision, multiplied by 73 ~~67~~ single family lots within the 3rd Addition.

- That the developer provide a letter of credit in the amount of \$3,232,171.00 related to the cost of the proposed improvements.
- The original conditions of approval for the development required the Developer to pay the City a cash donation of \$1,000,000 with the Royal Golf Club at Lake Elmo 3rd Addition final plat, or with that phase of the development when the Tartan Park ballfields are no longer able to be used by the City. The Developer has asked the City for different options for the timing of when the City would require them to make \$1,000,000 payment to the City. Staff is proposing that the Developer pay the City the required donation before any building permits are issued for the Subdivision or all or a portion of the Property is conveyed by the Developer to another developer, whichever comes first.
- That the developer provide a cash deposit of \$713,580 for SAC and WAC charges, engineering administration, required park dedication fees and park dedication fees to be paid in lieu of planting agreed-upon number of trees, base map updating costs, one year of street light operating costs.

The construction plans approval for the project are expected, but had not been given prior to the preparation of this report. If approved, staff will update the final page of the Development Agreement to include the final construction plan dates. The City will not finalize the Development Agreement until the City Engineer has approved the final construction plans, all fees and securities, and insurance certificates are received among other requirements. Only after recording of the final plat and the completion of a pre-construction meeting with the City can the Developer start construction.

FISCAL IMPACT:

The future financial impacts include maintenance of streets, trails, sanitary sewer mains, watermain, lift stations, and other public infrastructure, maintenance of storm water ponding areas (after warranty period), monthly lease payments for street lights, and other public financial responsibilities typically associated with a new development. The City will collect building permit fees, Sewer Accessibility Charges and Water Accessibility Charges and property taxes for the 73 lot single family residential subdivision.

OPTIONS:

The City Council has the following options:

- 1) Adopt Resolution 2021-075 approving the Development Agreement for Royal Golf Club at Lake Elmo 3rd Addition; or
- 2) Direct Staff to amend the draft Development Agreement to bring back to a future City Council meeting.

RECOMMENDATION:

Staff recommends the City Council adopt Resolution 2021-075 approving the Development Agreement for Royal Golf Club at Lake Elmo 3rd Addition.

“Move to adopt Resolution 2021 -075 approving the development agreement for Royal Golf Club at Lake Elmo 3rd Addition Final Plat”

ATTACHMENTS:

- Resolution 2021-075
- Royal Golf Club at Lake Elmo 3rd Addition Development Agreement

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

RESOLUTION NO. 2021-075

A RESOLUTION APPROVING A DEVELOPMENT AGREEMENT FOR THE ROYAL GOLF CLUB AT LAKE ELMO 3RD ADDITION PLANNED UNIT DEVELOPMENT

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

WHEREAS, H.C. Golf Land, LLC., 11074 Radisson Road NE, Blaine, MN 55449 (“Developer”) has previously submitted an application to the City of Lake Elmo (“City”) for Final Plat and Planned Unit Development (PUD) Plans to be called The Royal Golf Club at Lake Elmo 3rd Addition, a copy of which is on file in the City Planning Department; and

WHEREAS, the Lake Elmo City Council adopted Resolution 2017-47 approving The Royal Golf Club at Lake Elmo Preliminary Plat and PUD Plans on June 6, 2017; and

WHEREAS, the Lake Elmo City Council adopted Resolution 2019-005 on January 2, 2019 approving The Royal Golf Club at Lake Elmo 3rd Addition Final Plat and PUD Plans as approved by the City Council on December 4, 2018; and

WHEREAS, a condition of approval of said Resolution establishes that prior to execution of the Final Plat by City officials, the Applicant shall enter into a Development Agreement with the City; and.

WHEREAS, the Developer and the City have agreed to enter into such a contract and a copy of the Development Agreement was submitted to the City Council for consideration at its June 19, 2018 meeting;

NOW, THEREFORE, BE IT RESOLVED THAT the City Council does hereby approve the Development Agreement for The Royal Golf Club at Lake Elmo 3rd Addition and authorizes the mayor and city Clerk to execute the document.

Passed and duly adopted this 6th day of July 2021 by the City Council of the City of Lake Elmo, Minnesota.

Charles Cadenhead, Mayor

ATTEST:

Julie Johnson, City Clerk

(reserved for recording information)

DEVELOPMENT AGREEMENT
(Public sewer and water)
Royal Golf Club at Lake Elmo 3rd Addition

THIS DEVELOPMENT AGREEMENT is dated _____, 2021, by and between the **CITY OF LAKE ELMO**, a Minnesota municipal corporation (the “City”) and U.S. Home Corporation, a Delaware corporation d/b/a “Lennar” (the “Developer”).

1. PLAT APPROVAL. The City previously approved a plat for The Royal Golf Club at Lake Elmo 3rd Addition (referred to in this Agreement as the “Subdivision”) on November 28, 2018 and the City approved an extension to record the plat on March 5, 2019, again on April 21, 2020 and on July 6, 2021. The property being platted is situated in the County of Washington, State of Minnesota, and is legally described on **Exhibit A** (the “Property”).

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 no later than _____, 2021, which is the extension that was granted by the City Council to record the 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. Unless

separate written approval has been granted by the City, within the plat or land to be platted, 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 Public Works Director in the City's standard form;
- B. the Developer has executed and recorded with Washington County the storm water maintenance and easement agreement in the City's standard form;
- C. this Agreement has been executed by the Developer and the City;
- D. the required Security (as hereinafter defined) have been received by the City from or on behalf of the Developer;
- E. final construction plans and specifications have been submitted by the Developer and approved by the City Engineer;
- F. 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;
- G. the Developer has paid any outstanding assessments and taxes for the Property or property being deeded to the City;
- H. the Developer has fulfilled any park dedication requirements as specified under this Agreement;
- I. 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;

- J. the Developer has provided the City with a certificate of insurance required by this Agreement;
- K. the Developer or the Developer's engineer and the Developer's contractor(s) have initiated and attended a preconstruction meeting with the City Engineer, and City staff;
- L. the final plat has been recorded with Washington County;
- M. all homeowners' association declarations, covenants, and restrictions have been submitted, for review by the City Attorney, such approval not to be unreasonably withheld, conditioned, or delayed, and further provided that such declarations and covenants and restrictions consistent with Developer's existing communities within the City shall be considered acceptable. Said covenants and restrictions shall be in compliance with the conditions set forth in City Council Resolution No. 2019-008. Where there are inconsistencies between this Development Agreement and City Council Resolution No. 2019-008, the terms and conditions of this Development Agreement shall control;
- N. 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
- O. the City has issued a written notice that all 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. The Subdivision is the third phase of a multi-phased development known as Royal Golf Club at Lake Elmo (the "Development"). Notwithstanding that the Subdivision is the third phase of a multi-phased project, the Developer shall have no obligation for the Royal Golf Club at Lake Elmo 1st Addition ("Royal Golf Phase 1") and Royal Golf Club at Lake Elmo 2nd Addition ("Royal Golf Phase 2"). The City agrees that Royal Golf Phase 1 and Royal Golf Phase 2 remain the obligation of the original developer, Royal Development, Inc., a Minnesota corporation (the "Original Developer"). The parties anticipate that the Development will include an additional phase ("Royal Golf Phase 4") to be submitted by the Developer for approval at a later date.

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 (7) years after preliminary plat approval.

6. CHANGES IN OFFICIAL CONTROLS. For five (5) 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. 2021-XXX, 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. Intersection improvements (turn lanes, by-pass lanes, traffic control, etc.);
- K. Tree preservation and reforestation;
- L. Wetland mitigation and buffers; and
- M. 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.

Prior to the execution of this Agreement, the Developer shall submit to the City an amount to be escrowed by the City for costs incurred by the City for administration and construction observation costs in an amount provided under paragraph 34 of this Agreement - Summary of Cash Requirements. Thereafter, if said escrowed amounts become exhausted, the Developer shall reimburse the City each month, within thirty (30) days of receiving an invoice, for all City-related administration and construction observation costs incurred by the City related to the Subdivision Improvements and during the construction of the Subdivision Improvements by the City's engineering, public works, planning, and landscape architecture staff and consultants. If the Developer has not paid the invoices after thirty (30) days of the invoice date, the City may draw upon the escrow and stop the work on site until the Developer pays the invoice in full and/or 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 (5) 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, 2022, 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, which shall not be unreasonably withheld. If the City grants an extension, it shall be conditioned upon updating the Security posted by the Developer to reflect cost increases and amending this Agreement if necessary 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 also is responsible to locate all underground utilities until the Subdivision is accepted in writing by the City. Warning signs shall be placed by the Developer 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, such streets shall be barricaded and closed by the Developer. In the event residences are occupied prior to 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.

Prior to 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 right-of-ways 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 10th Street North or from Lake Elmo Avenue (County Road 17). No construction traffic is permitted on other adjacent local streets.

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 approved plans and specifications for the construction, 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, an erosion control plan must be implemented by the Developer and 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 site improvements will begin in that area within seven (7) 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 business 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.

17. 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 thirty (30) days after completion of the grading, the Developer shall provide the City with an “as built” grading plan and a certification prepared by a registered land surveyor or engineer as required in the City’s Engineering Design and Construction Standards Manual.

18. STREET AND UTILITY IMPROVEMENTS. All storm sewers, sanitary sewers, watermain, 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, 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. Prior to 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.

19. 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 warrantied and maintained for a period of two years, with

the exception of trees planted on lots that have villa homes or single-family homes, which are not required to be warrantied. The two-year warranty period for landscaping materials shall be deemed to start once all required landscaping identified as responsibility of Developer in the approved Plans for the Subdivision has been field verified and accepted by the City. The Developer agrees to have the installer of the landscaping complete an inspection thirty (30) days before 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 that any landscaping installed by the Developer is deemed through this inspection 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.”
- C. The City has agreed to reduce the number of required trees the Original Developer and Developer are required to plant within the entire Development from 2,912 to

1,943 as such number is reflected in the revised landscape plans on file with the City. Developer is responsible only for trees included within the Subdivision and the future Royal Golf Phase 4. However, in addition to planting the number of trees required by this paragraph, the Developer agrees that it will require that at least two trees be planted on lots that have villa homes and at least four trees be planted on lots that have single family homes. These trees are not to be counted towards the number of trees that are required by this paragraph to be planted by the Developer. All trees planted on villa or single-family home lots must be planted before a certificate of occupancy for the lot will be issued by the City. The Developer may further reduce the number of trees that it is required to plant within the Subdivision by: (i) implementing woodland management or pollinator friendly native seeding practices within the Subdivision, in a manner approved by the City's Landscape Architect, provided that the number of trees that may be removed from the Developer's plantings will be agreed upon by the Developer and the City at the time such practices are approved; or (ii) paying to the City a per-tree parkland dedication fee of \$300.00 per 2.5 caliper inch tree that the Developer elects not to plant within the Subdivision.

- D. In consideration for the reduction in the number of trees to be planted by the Developer in accordance with paragraph 19 (C) above, the Developer will pay a proportionate share of the total per tree parkland dedication fee for the Subdivision based upon the number of Single Family or Villa Lots within the Subdivision. For the Subdivision, the Developer will pay the City \$69,350 in parkland dedication fees $((\$300 \times 969 \text{ 2.5 caliper inch trees reduced within the entire plat area}) / 306 \text{ Single Family/Villa Lots within all phases of the Development} \times 73 \text{ Single Family/Villa Lots within the Subdivision})$.

20. 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 before 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.

21. 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. Before 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.

22. PARK DEDICATION.

The Developer will not be deeding any outlots or other property to the City in the Subdivision. The Developer shall pay a cash contribution of \$153,373.00 to satisfy the City's park dedication requirements for the Subdivision. The Subdivision park dedication was calculated as follows: 73 lots at \$2,101.00 per lot (\$2,749.00 per lot, less \$648.00 for the appraised value of land for the trails being conveyed to the City per lot).

23. 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 \$219,000.00.

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 \$219,000.00.

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.

24. 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 \$48,000 and consists of eight decorative lights at \$6,000 each. The Developer shall also pay the City \$129/light (\$1,032.00) to reimburse the City for the first year operating costs for the street lights.

25. WETLAND MITIGATION. The Developer shall complete wetland mitigation/restoration in accordance with the approved Plans and in accordance with any applicable Watershed or agency permits. If the mitigation work is found to be incomplete or restoration is unsuccessful, the City may draw down the Security at any time during the warranty period to perform the work if the Developer fails to take corrective measures after being provided reasonable notice by the

City.

26. BUILDING PERMITS/CERTIFICATES OF OCCUPANCY.

- A. The City will not issue any building permits 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 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 may issue a single building permit for a “Model Home” if authorized by the City Planning Director before the completion of the Subdivision Improvements described in paragraph 26 (A) above, however, the Model Home Lot (as hereinafter defined) shall have the following in place before the City will allow construction of the Model Home to proceed:
1. Adequate safe public access for emergency services and contractors, including a paved bituminous road to the building pad for the Model Home that is sufficient to allow construction to proceed;
 2. A grading as-built plan approved by the City for the lot identified (the “Model Home Lot”) to include the Model Home and all downstream drainage facilities;

3. All storm water drainage facilities that include and are downstream from the Model Home Lot are in place, meet the approved project plans, and are verified by the City; and
 4. The Developer shall install adequate parking, and sanitary sewer and municipal water to the Model Home Lot.
- C. The City will not issue a certificate of occupancy for any Model Home until:
1. The Model Home Lot has paved street access, parking, and circulation and meet all City Code Standards;
 2. The Developer has installed all the curb and gutter and sidewalks in the Phase of the Development in which the Model Home is located;
 3. The Developer has installed all storm water facilities for and adjacent to the Model Home and the storm water facilities down-stream from the Model Home:
 4. All other building and City Code requirements, including but not necessarily limited to, connection to sanitary sewer and water and all conditions and improvements identified in paragraph 26 (A) above have been completed, inspected, verified by as-built surveys, and approved and accepted by the City.
- D. The Developer shall use the Model Home only for real estate sales purposes and no other purpose.
- E. Before the City issues any building permits, the Developer shall install wetland buffer monuments in accordance with the City's zoning ordinance. The monument design shall be approved by the City Planning Department.
- F. 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.

- G. 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, the Developer, the Developer's contractors, subcontractors, materialmen, employees, agents, or any third parties.
- H. 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 before City approval; and 4) that all boulevard grading and restoration re-work is completed immediately following the sidewalk or trail construction.
- I. 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.

27. 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 before the City will execute and release 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, 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 thirty (30) days after receipt. Bills not paid within thirty (30) days shall be assessed a late fee per the City adopted fee schedule. Upon request, and within ten (10) business days of the request, the City will provide copies of detailed invoices of the work performed by the City and its consultants.

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

- A. The implementation of all changes and recommendations listed in the November 19, 2018, Engineering memorandum shall be incorporated into the final plat and project plans.
- B. H.C. Golf Land, LLC or the Developer must incorporate into the final plat and the project plans all necessary storm water management provisions, both permanent and temporary, as may be required by the VBWD permit.
- C. The final plat and PUD plans shall meet all City standards and design requirements unless specifically addressed otherwise in the City Council resolution of approval.
- D. The final plat and project plans shall include street names as approved by City Council.
- E. The Developer must obtain a sign permit from the City Building Official before the installation of any subdivision identification signs.
- F. Prior to the construction of any subdivision identification signs or neighborhood markers within the development, the Developer shall submit sign plans for review and obtain a sign permit from the City. Any amendments to the finding regarding signs indicated in the City Council Resolution shall be subject to a PUD amendment or variance.

- G. All public trails shall be located within outlots, at least 30 feet in width and either be dedicated to the City in the plat or in 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 the property.
- H. 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 final plat.
- I. The Developer shall pay the City a cash contribution of \$153,373.00 to satisfy the City's park dedication requirements for the third phase of the development.
- J. The Developer shall make a \$1,000,000 cash donation to the City Parks fund before any building permits are issued by the City for the Subdivision or all or a portion of the Property within the Subdivision is conveyed by the Developer to another developer, whichever occurs first.
- K. The Developer shall pay the City a park dedication fee of \$69,350 for required trees not planted within the Subdivision as per paragraph 19 (C) of this Agreement. This fee was calculated as follows: $((\$300 \times 969 \text{ 2.5-caliper inch trees reduced within the entire Development}) / 306 \text{ Single Family Lots within the Development} \times 73 \text{ Single Family Lots within the Subdivision})$.
- L. That all open space within the shorelands of the Subdivision be protected with a conservation easement, deed restriction, covenant, or other instrument. Such document(s) must be provided for review and approval by the City Attorney and be executed before final plat release.
- M. The Developer shall follow all of the rules and regulations spelled out in the Wetland Conservation Act and shall acquire the needed permits from the appropriate watershed districts prior to the commencement of any grading or development

activity on the site.

- N. That the Subdivision will only have street lights at street intersections and cul-de-sacs.
- O. The Developer shall pay the City a cash contribution of \$25,000.00 for the future maintenance costs of a lift station that will be serving the Subdivision and the Royal Golf Phase 4 of the Development. The Developer also shall be responsible for constructing the lift station and the costs of the construction. Said lift station must be constructed by the Developer during the Royal Golf Phase 4 of the Development. The contribution shall be paid prior to the City signing the final plat for the Royal Golf Phase 4.

29. 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 any other building permit is issued for a lot on which a retaining wall is required to be built.
- C. Homeowners' association declarations, covenants, and restrictions and other documents related to the homeowners' association shall be submitted to the City

prior to recording of the final plat for review and approval by the City Attorney.

D. Homes in the Subdivision will be designed and constructed consistent with Developer's *Classic*[™] series (as to single family homes) and Villa series (with respect to villa units) or other architecturally and aesthetically compatible plan series with four-sided architecture and any garages facing the public street rights-of-way must have windows or other architectural features. The width of the visible garage door area when closed shall not exceed 60 percent of the principal building façade (including garage) fronting the primary street.

E. 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 thirty (30) days' advance written notice of the cancellation of the insurance.

F. Third parties shall have no recourse against the City under this Agreement.

G. 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.

- H. 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.
- I. 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.
- J. 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.
- K. 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.

- L. The City agrees that the Developer shall have no obligation or liability with respect to the development obligations set forth in the various development agreements established for the Royal Golf Club at Lake Elmo 1st Addition and 2nd Addition. The City agrees that the following agreements do not encumber the Subdivision and may be disregarded in the property records: (i) Site Grading Agreement by and between the City of Lake Elmo and H.C. Golf Land, LLC, dated June 1, 2017, filed June 28, 2017, as Document No. 4117554, in the Office of the County Recorder, Washington County, Minnesota, as amended by that certain Amendment to Site Grading Agreement, dated October 17, 2017, filed November 9, 2017, as Document No. 4134802, as partially released by that certain Partial Release of Site Grading Agreement, dated April 30, 2019, filed May 8, 2019, as Document No. 4192258; (ii) City of Lake Elmo Site Improvement Agreement by and between the City of Lake Elmo and H.C. Golf Land, LLC, dated August 15, 2017, filed August 25, 2017, as Document No. 4125499, in the Office of the County Recorder, Washington County, Minnesota; (iii) License and Maintenance Agreement for Landscaping Improvements by and between the City of Lake Elmo and Royal Development, Inc., dated July 26, 2018, filed September 17, 2018, as Document No. 4168630, in the Office of the County Recorder, Washington County, Minnesota.

30. 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.

31. 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.

32. 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.

33. 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 forty-five (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 (2) 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 subject to one (1) year from the date of final written acceptance of the work.
- C. The required warranty period for sod, trees, and landscaping is two (2) years from the date of final written City acceptance of the installation.

34. 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 \$3,232,171. 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 forty-five (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 forty-five (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 thirty (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.

35. 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 \$685,340 may be released when all sanitary sewer and watermain 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 \$1,320,002 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 \$114,567 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; (6) all financial obligations to the City satisfied; (7) the required "record" plans in the form of the City standards have been received and approved by the City; and (8) the public Subdivision Improvements are accepted by the City Engineer and the City Council.
 4. Construction Categories 11, 12 and 13: The amount of \$304,219 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.

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

Sewer Availability Charge (SAC):	\$219,000
Water Availability Charge (WAC):	\$219,000
Park Dedication per Paragraph 22:	\$153,373
Parkland Dedication per Paragraph 19 (D):	\$69,350
Street Light Operating Fee:	\$1,032
City Base Map Upgrading (\$25.00 per REU):	\$1,825
City Engineering Administration Escrow:	\$50,000
TOTAL CASH REQUIREMENTS:	\$713,580

37. 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: U.S. Home Corporation, 16305 36th Avenue North, Suite 600, Plymouth, MN 55446. 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.

38. 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 30 days prior to the execution of the plat.

39. 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.

40. CERTIFICATE OF COMPLETION. Each individual home site within the Subdivision shall be deemed released from the obligations of this Agreement and this Agreement may be disregarded as to such home site upon substantial completion of the home site without further action by City or Developer and without need to record a separate release. Substantial completion will occur when the City issues a certificate of occupancy for the home site. Such certification by the City shall be a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement as to such home site. The City agrees to provide to the Developer a final certificate of completion and release once the City determines that all obligations of the Developer under this Agreement have been fully performed and all warranty periods for which Developer has deposited a financial guaranty have expired.

41. 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.

42. 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.

43. 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: _____
Its: Charles Cadenhead
Mayor

By: _____
Its: Julie Johnson
City Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF WASHINGTON)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by Charles Cadenhead 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

U.S. Home Corporation.

By: _____

Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____, day of _____, 2021, by _____, the _____ of U.S. Home Corporation, a Delaware corporation on behalf of the corporation.

NOTARY PUBLIC

DRAFTED BY:
City of Lake Elmo
3880 Laverne Avenue North, Suite 100
Lake Elmo, MN 55042
(651) 747-3901

This page left blank.

DRAFT

EXHIBIT A TO DEVELOPMENT AGREEMENT

Legal Description of Property Being Final Platted

Outlot T, The Royal Golf Club at Lake Elmo 1st Addition, Washington County, Minnesota; and
Outlot J, The Royal Golf Club at Lake Elmo 2nd Addition, Washington County, Minnesota,
according to the recorded plats thereof.

DRAFT

EXHIBIT B TO DEVELOPMENT AGREEMENT

List of Plan Documents

The following documents prepared by Carlson McCain and Pioneer Engineering, collectively constitute the Plans:

THOSE DOCUMENTS BY

AS FOLLOWS:

<u>SHEET</u>	<u>TITLE</u>	<u>REVISION DATE</u>
1 of 21 of The Royal Golf Club at Lake Elmo Phase 1 Grading, Development & Erosion Control Plans	Cover	06/10/20
2 of 21 of The Royal Golf Club at Lake Elmo Phase 1 Grading, Development & Erosion Control Plans	Grading Index	06/10/20
3-15 of 21 of The Royal Golf Club at Lake Elmo Phase 1 Grading, Development & Erosion Control Plans	Grading, Drainage & Erosion Control Plans	06/10/20
16-18 of 21 of The Royal Golf Club at Lake Elmo Phase 1 Grading, Development & Erosion Control Plans	Details	06/10/20
19-21 of 21 of The Royal Golf Club at Lake Elmo Phase 1 Grading, Development & Erosion Control Plans	Retaining Wall Profiles	06/10/20
1 of 24 of The Royal Golf Club at Lake Elmo 3rd Addition Sanitary Sewer, Water Main, Storm Sewer, and Street Construction Plans	Cover	06/10/20
2-3 of 24 of The Royal Golf Club at Lake Elmo 3rd Addition Sanitary Sewer, Water Main, Storm Sewer, and Street Construction Plans	Sanitary and Storm Sewer Index	06/10/20
4-7 of 24 of The Royal Golf Club at Lake Elmo 3rd Addition Sanitary Sewer, Water Main, Storm Sewer, and Street Construction Plans	Sanitary Sewer & Watermain –	06/10/20

8-13 of 24 of The Royal Golf Club at Lake Elmo 3rd Addition Sanitary Sewer, Water Main, Storm Sewer, and Street Construction Plans	Storm Sewer	06/10/20
14-17 of 24 of The Royal Golf Club at Lake Elmo 3rd Addition Sanitary Sewer, Water Main, Storm Sewer, and Street Construction Plans	Street Construction	06/10/20
18-19 of 24 of The Royal Golf Club at Lake Elmo 3rd Addition Sanitary Sewer, Water Main, Storm Sewer, and Street Construction Plans	Signing, Striping & Lighting Plan	06/10/20
20-24 of 24 of The Royal Golf Club at Lake Elmo 3rd Addition Sanitary Sewer, Water Main, Storm Sewer, and Street Construction Plans	Details	06/10/20
L1 – L5 of 8 of the Landscape Plan	Landscape Plan	06/10/20
L6 of 8 of the Landscape Plan	Groundcover Plan	06/10/20
L7 of 8 of the Landscape Plan	Irrigation Connection Points	06/10/20
L8 of 8 of the Landscape Plan	City Planting Details	06/10/20

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>	\$0	\$0
2 <u>Sanitary Sewer</u>	\$216,439	\$270,549
3 <u>Watermain</u>	\$514,590	\$643,238
4 <u>Storm Sewer (includes pond structures and outfall pipes)</u>	\$409,748	\$512,185
5 <u>Streets and Sidewalks</u>	\$998,255	\$1,247,818
6 <u>Trails</u>	\$72,670	\$90,838
7 <u>Surface Water Facilities (ponds, infiltration basins, other BMPs)</u>	\$0	\$0
8 <u>Street Lighting</u>	\$30,000	\$37,500
9 <u>Street and Traffic Signs</u>	\$4,235	\$5,294
10 <u>Private Utilities (electricity, natural gas, telephone, and cable)</u>		
11 <u>Landscaping Improvements</u>	\$324,500	\$405,625
12 <u>Tree Preservation and Restoration</u>	\$0	\$0
13 <u>Wetland Mitigation and Buffers</u>	\$0	\$0
14 <u>Monuments</u>	\$7,300	\$9,125
15 <u>Erosion and Sedimentation Control</u>	\$8,000	\$10,000
16 <u>Miscellaneous Facilities</u>	\$0	\$0
17 <u>Developer's Record Drawings</u>	\$0	\$0
<u>TOTALS</u>	\$2,585,736	\$3,232,171

**EXHIBIT D
TO DEVELOPMENT AGREEMENT**

Letter Regarding Construction Quality Control Plan

[to be added]

DRAFT

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 _____, 20____, 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 _____