

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT, made this ____ day of _____, 2026, is by and among 15521 Edgewood Drive LLC, a Minnesota limited liability company (“**Developer**”), and City of Baxter, Minnesota, a municipal corporation duly organized and existing under the laws of the State of Minnesota, (“**City**”)

WITNESSETH:

WHEREAS, the Developer owns the portions of preexisting platted public right of way known as Novotny Road and Lake Forest Road contained within the plat VETERANS, described on Exhibit A and depicted on Exhibit B (the “**Property**”); and

WHEREAS, the Developer intends to construct the Public Improvements in the City Right of Way and all related facilities on the Property (the “**Development**”); and

WHEREAS, the City and Developer intend for this Agreement to impose certain commitments in connection with the Development of the Property; and

WHEREAS, the Development includes the construction and installation of public streets, curb, gutter, and all other infrastructure to support public right of way (hereinafter collectively referred to as the “**Public Improvements**”)

WHEREAS, the Developer agrees to construct the Public Improvements in accordance with all City ordinances, regulations, specifications, standards and policies (“**City Regulations**”) pursuant to the terms of this Agreement and will pay for all related charges, fees, and costs set forth in this Agreement; and

WHEREAS, the City and the Developer agree that the Development can best proceed pursuant to a development agreement such as this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties contained herein, it is agreed between the parties as follows:

ARTICLE 1 IMPROVEMENTS

1.1 Construction. The Developer shall cause to be constructed the Public Improvements set forth in this Section 1.1 and depicted on Exhibit C in compliance with the City Regulations. Construction shall not begin until complete and accurate plans and specifications have been approved by the City. All material and construction shall conform to the City Regulations.

(a) Road and Trail Improvements. As required by the City Regulations, the Developer shall, at its sole cost and expense, design and construct the following:

- (1) The intersection of Lake Forest Road and Novotny Road and the easterly extension of Novotny Road from said intersection for a distance of approximately 575 linear feet and as highlighted in red on Exhibit B.

1.2 Security. Within ten (10) days of the Effective Date, the Developer shall deposit or cause its general contractor to deposit with the City security in the form acceptable to the City Attorney in the amount of 125% of the cost of the Public Improvements as shown on Exhibit D. Said surety shall be released by the City upon acceptance of the Public Improvements by the City and a one-year warranty bond has been assigned to the City.

1.3 As-Built Plans. The Developer shall submit as-built plans for the Public Improvements installed in public rights-of-way or public utility easements and submit in electronic format in “.dwg file form” at the Developer’s expense. As-built plans shall include a complete set of plans depicting what was actually built and shall include all valves, hydrants, curb stops, sewer manholes, sewer clean-outs, and sewer service ends with a corresponding table showing County Coordinates on each item. Further plans shall include all storm sewer manhole, inverts, overflows, outflows, catch basins, and storm water ponds with elevations and a corresponding table showing County Coordinates on each item within six (6) months after substantial completion.

1.4 Inspections. The City Engineer or designee shall have the right to inspect, at any time, the construction of the Public Improvements and any related improvements necessary to support the Development. The Developer shall reimburse the City for all actual, out-of-pocket, reasonable inspection costs related to the inspections ensuring that they are constructed to City specifications. The estimated costs of inspections and material testing are set forth the attached Exhibit E. The City has designated Short Elliott Hendrickson Inc. (SEH) to inspect construction of the Public Improvements full time for a total estimated construction inspection cost of **\$130,000.00**. In addition to the inspections, SEH will be responsible for the construction testing. If SEH’s estimate for these charges is expected to exceed 110% of the estimate, the City will notify the Developer in advance and the City and Developer shall coordinate cooperatively to resolve any comments or objections that Developer may have regarding such exceedance.

1.5 No Easements. The entirety of the Public Improvements are within dedicated public ways as shown on the plat VETERANS.

1.6 Coordination. The Developer agrees that it will, at its own expense, provide for and coordinate obtaining and/or installing each of the following items in connection with, and to the extent applicable to the Development:

- (a) All surveying, platting and recording requirements provided herein; and
- (b) Electricity, telephone, gas and cable television installations; and
- (c) Monumentation of lot corners; and
- (d) Plans and specifications for the Public Improvements; and
- (e) Payment of all fees, permits, licenses and recording fees; and

- (f) Erosion control in accordance with MPCA guidelines; and
- (g) All other items or site improvements necessary and incidental to completion of the Development; and
- (h) Water mains, gate valves, curb stops and fire hydrants; and
- (i) Sanitary sewer mains and manholes; and
- (j) Private topsoil, sod, seeding, and mulching of street right of way (only for that part disturbed as part of the construction of the Public Improvements); and

1.7 City Acceptance. The City agrees that the Public Improvements when fully constructed and approved for acceptance by the City Engineer, Baxter Utility Commission and City Council shall become part of the municipal utility, owned and controlled by the City.

1.8 Warranty. The Public Improvements shall require a one-year maintenance bond following acceptance by the City. The maintenance bond shall be in the form acceptable to the City Attorney. The amount of the bond shall be equal to 110% of the final construction cost of the Public Improvements. The City shall not accept the Public Improvements until the end of said warranty period. The City reserves the right to extend the time frame for acceptance of the Development if any problems with the Municipal Installed Improvements are not resolved.

ARTICLE 2

RESERVED

ARTICLE 3 **DEVELOPMENT FEES AND CHARGES**

3.1 General. The Developer shall be subject to those lawfully adopted fees and charges due and payable to the City in connection with the Development, including permit fees, and the fees and charges set forth in Exhibit F attached hereto.

3.2 Payment of City Fees. The City shall not issue a building permit until the Developer has paid all fees due and payable for this Development in accordance with this Agreement. The City shall present the Developer with estimated costs for engineering inspections and observation, legal or administrative costs incurred by the City to review the construction of the Public Improvements. The estimated fees for any engineering costs are as set forth in Section 1.4 above. All other fees due to the City for any legal or administrative fees are shown on Exhibit F. Upon completion of the Development, the City shall refund to the Developer any remaining funds if the actual costs were lower than estimated. If the actual costs exceed the estimates, the City shall bill the Developer for this surplus and the bill shall be paid by the Developer within 30 days; provided, however, that the City and Developer shall coordinate cooperatively to resolve any comments or objections that Developer may have regarding such exceedance. No interest shall accrue on any monies held by the City pursuant to this Section 3.3. If any invoice due to the City is unpaid after 30 days, a one-time late fee shall be assessed equaling 5% of the unpaid balance and interest at the rate of 1.5% per month shall be assessed for each month thereafter. If after multiple attempts to collect any outstanding bill(s) at the completion of the Development, a bill(s) remains unpaid, the

Developer agrees the City may certify the outstanding balance, with certification fees and interest, to the Property for collection by the county on the following year's property taxes. The Developer or its successors, further agrees that when said assessment is levied it will not appeal or challenge this assessment amount and waives any notice of hearing related to adopting said assessment.

3.4 GIS System. The Developer shall reimburse the City for its reasonable costs related to incorporating the Public Improvements into the City's GIS system as set forth in Exhibit F. The City shall charge an hourly rate based upon the City's adopted fee schedule in effect at the time services are performed. The 2026 hourly rate is \$101. The City will charge in one-hour increments.

ARTICLE 4 **CERTIFICATE OF OCCUPANCY**

4.1 Certificate of Occupancy. The following minimum improvements (as applicable) for the Development must be substantially completed and accepted by the City before consideration is given to issuance of a certificate of occupancy:

- (a) Sanitary sewer, water drainage controls, water main, and fire hydrants.
- (b) Installation of all electricity, telephone, gas, lot monumentation and street and traffic signs.
- (c) Road, trail, and stormwater improvements of the Public Improvements.

ARTICLE 5 **TERM; EXPIRATION**

5.1 Expiration. The term of this Agreement shall commence on the date of the last signature to this Agreement and expire after the parties have fulfilled their respective obligations required by this Agreement.

ARTICLE 6 **DEFAULT AND ESTOPPEL**

6.1 Default. No party shall be in default under this Agreement until notice of the alleged failure of such party to perform has been given in writing (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such party has been given 30 days to cure the alleged failure.

6.2 Estoppel. The City agrees, upon the written request of the Developer, within 10 business days of the request, to issue to the Developer or its prospective mortgagee or purchaser, an estoppel certificate stating, to the best of the City's knowledge: (i) whether it knows of any default under this Agreement, and if there are known defaults, specifying the nature thereof; (ii) whether this Agreement is in full force and effect; and (iii) whether there are any sums due and owing by the Developer to the City that remain outstanding (that have not otherwise been assessed to the Property).

ARTICLE 7

ADDITIONAL PROVISIONS

7.1 Binding Obligations. This Agreement shall inure to the benefit of and shall be binding upon the Developer and the City and their respective successors, agents and assignees, and shall be binding upon all future owners of the Property, and shall be deemed covenants running with the land. However, nothing in this Agreement, expressed or implied, shall give to any other person or entity any benefit or legal or equitable right, remedy or claim under this Agreement.

7.2 Notices. Notices shall be communicated to the following addresses:

If to the City: City of Baxter
 Attn: Public Works Director, or successor
 13190 Memorywood Dr.
 Baxter, MN 56425
 e-mail: twalter@baxtermn.gov and tthompson@baxtermn.gov

If to the Developer 35521 Edgewood Drive LLC
 Attn: _____
 2709 Lilac Court
 St. Cloud, MN 56301
 e-mail: _____

Notices are effective when actually received by the party designated above by personal delivery by overnight courier or by electronic mail or 72 hours following deposit of the same in any United States Post Office, registered or certified mail postage prepaid. The addresses of the parties may be changed upon notice to the other party given as provided in this section.

7.3 Authority. Each party to this Agreement acknowledges and agrees that this Agreement is binding upon such party and is enforceable against such party in accordance with its terms and conditions.

7.4 Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the parties.

7.5 Delays. No party shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the nonperforming party. For purposes of this Agreement, such circumstances include, but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics or pandemics; war, riots, and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage; judicial restraint; and inability to procure permits, licenses or authorizations from any local, state, or federal agency for any of the supplies, materials, accesses, or services required to be provided by the City or the Developer under this Agreement. If such circumstances occur, the nonperforming party shall, within a reasonable time of being prevented from performing, give written notice to another party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7.6 Severability. If any portion, section, subsection, sentence, clause, paragraph or phrase of this Agreement is for any reason held to be invalid, then (a) such enforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible and upon mutual agreement of the parties, be rewritten to be enforceable and to give effect to the intent of the parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the parties

7.7 Applicable Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. Exclusive venue for any action to enforce or construe this Agreement shall be in Crow Wing County, Minnesota.

7.8 Non-Waiver. Any party hereto may extend the time for the performance of any of the obligations of another, waive any inaccuracies in representations by another contained in this Agreement or in any document delivered pursuant hereto which inaccuracies would otherwise constitute a breach of this Agreement, waive compliance by another with any of the covenants contained in this Agreement, waive performance of any obligations by the other or waive the fulfillment of any condition that is precedent to the performance by the party so waiving of any of its obligations under this Agreement. Any agreement on the part of any party for any such amendment, extension or waiver must be in writing. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

7.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

7.10 Exhibits. The following exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A	Legal Description
Exhibit B	Plat
Exhibit C	Construction Plans and City Specifications for Sanitary Sewer, Watermain, Storm sewer, and Right-of-Way restoration
Exhibit D	Construction Costs & Security
Exhibit E	Inspection Fees
Exhibit F	Development Fees and Charges

[SIGNATURES APPEAR ON THE NEXT PAGE]

EXHIBIT A
LEGAL DESCRIPTION

The intersection of Lake Forest Road and Novotny Road and the easterly extension of Novotny Road from said intersection for a distance of approximately 575 linear feet and as highlighted in red on Exhibit B, all in the plat of VETERANS.

EXHIBIT C
CONSTRUCTION PLANS AND CITY SPECIFICATIONS FOR SANITARY SEWER,
WATERMAIN, STORM SEWER, AND RIGHT-OF-WAY RESTORATION

EXHIBIT D
CONSTRUCTION COSTS & SECURITY

EXHIBIT E
INSPECTION FEES

Short Elliott Hendrickson Inc. (SEH) fees to inspect construction of the Improvements is a total estimated construction inspection cost of \$ _____

See attached for full quote.

EXHIBIT F
DEVELOPMENT FEES AND CHARGES

Description	Hrs	Rate	Total
Administrative & Finance	xx	\$112.00	\$ x,xxx.00
Public Works/Engineering	xx	\$112.00	\$ x,xxx.00
Third Party Engineering Review	xx	\$208.00	\$ xx,xxx.00
City Attorney	xx	\$180.00	<u>\$ x,xxx.00</u>
			\$ xx,xxx.00