

**DEVELOPMENT AGREEMENT
DALTON RIVER VILLAS**

This Development Agreement (“Agreement”) is made and entered into this ____ day of _____, 2026, by and between the City of St. Francis, a Minnesota municipal corporation ("City") and Meadow Creek Construction, Inc., a Minnesota corporation ("Developer").

WITNESSETH:

WHEREAS, the City approved the final plat and final plan DALTON RIVER VILLAS on November 3, 2025, said plat legally described in **Exhibit A** attached hereto and made a part hereof ("Property") contingent upon the conditions recited therein and on the execution of this Development Agreement by the Developer and City; and

WHEREAS, the City approved 19 Single Unit Residential lots; and

WHEREAS, the proposed plat contemplates the dedication of certain streets and roads to be constructed in accordance with applicable ordinances and standards, and with the plans prepared by the Developer's Engineer as provided herein as **Exhibit B**, which the Developer has reviewed and agrees to be bound by, which is made a part hereof; and

WHEREAS, the proposed plat contemplates the construction of a sanitary sewer, water service and drainage facilities by the Developer within the Property, and with the plans as provided herein as **Exhibit B**, which the Developer has reviewed and agrees to be bound by, which is made a part hereof; and

WHEREAS, the City requires that the water, and sewer and drainage facilities constructed upon the Property meet the City's quality standards; and

WHEREAS, the Developer desires that after it completes the construction, the City will accept and maintain said streets, roads, sidewalk, water and sewer and drainage facilities that serve said plat; and

WHEREAS, the City requires certain security hereunder to guaranty the proper construction of said streets and road, trails, water and sewer, and drainage facilities and the payment of all costs for labor and materials incurred in connection therewith; and

WHEREAS, the Developer has fee simple title to the property legally described in Exhibit A; and

WHEREAS, the Developer agrees to be fully bound by the terms and conditions of this Development Agreement (hereinafter referred to as "Development Agreement" or "Agreement").

NOW, THEREFORE, in consideration of the mutual promises of the parties made herein, it is agreed by and between the parties hereto, that the Developer will provide all labor and materials and construct streets, roads, sidewalk, trails, water and sewer and drainage facilities to adequately serve the plat of DALTON RIVER VILLAS and take all other actions in accordance with this Development Agreement at its own expense except as hereinafter provided.

IT IS ALSO AGREED:

1. **Request for Plat Approval.** The Developer is the fee owner of the land in the City of St. Francis legally described on Exhibit A and has asked the City to approve the plat DALTON RIVER VILLAS and the plans and specifications for the installation of public and private improvements within the plat of DALTON RIVER VILLAS (hereinafter referred to as the "plat"). The land within the plat is legally described in Exhibit A.

2. **Conditions of Plat Approval.** The City hereby approves the plat and the installation of public improvements on the condition that the Developer complies with all conditions outlined in the November 3, 2025, final plat approval (including references to requirements of the preliminary plat) city ordinances and compliance with this Agreement. The City hereby further conditions this approval upon the requirement that the Developer submit and receive approval from the City Engineer for the final utility plans, final grading and storm water. The City further conditions its approval on the Developer entering into this Agreement and furnishing the security required by it. The Developer is also required to secure sewer extension permits, an NPDES Phase II permit, provide evidence of full fee title in the property and pay all outstanding tax and special assessment obligations if any, as a condition of plat approval telephone, electric and gas utility lines are to be placed underground in accordance with applicable City ordinances; driveways should be located so as to preserve as many trees as possible; addresses for each individual home shall be posted at each driveway entrance; street signs shall be required at all intersections at Developer's expense; the Developer shall comply with the Agreement and Waiver Regarding Pre-Approval Grading of Plat known as Dalton River Villas; all as a condition of plat approval.

3. **Right to Proceed.** Within the Property, the Developer may not grade or otherwise disturb the earth, remove trees, construct sewer lines, water lines, streets, utilities, public or private improvements, or any buildings until all the following conditions have been satisfied: 1) this Contract has been fully executed by both parties and filed with the City Clerk; 2) the Developer has submitted a title insurance policy to the City establishing that good and marketable title to the Property is in the name of the Developer; 3) the necessary security has been received by the City; 4) final engineering and construction plans and Storm Water Pollution Prevention Plan have been delivered by Developer to city engineer and the engineer has approved; 5) Developer has obtained all necessary permits from all federal, state and local governmental entities; 6) Developer has submitted to City the Insurance Binder required herein; and 7) the City's administrator has issued a letter that conditions 1 through 6 herein have been satisfied and that the Developer may proceed.

4. **Phased Development.** The Developer will submit a phasing plan, if any, to the City for review and a determination by the City as to whether the phasing plan will be approved. In the event that the phased development plan is not acceptable to the City, the Developer shall comply with City instructions and resubmit the phasing plan for City review and a determination by the City as to whether the phasing plan will be approved. The City may refuse to approve final plats of subsequent Phases if the Developer has breached this Agreement and the breach has not been remedied.

5. **Development Plans.** The Developer intends to develop the Dalton River Villas in one phase. The plat shall be developed according to plans submitted to and approved by the City. The plans shall not be attached to this Agreement. With the exception of Plan A, the plans may be revised, subject to reasonable City approval, after entering the Agreement, but before commencement of any work in the plat. The erosion control plan must also be approved by the City Engineer. If the plans vary from the written terms of this Agreement, the written terms shall control.

The plans are:

Plan A: Plat

Plan B: Construction Plans for Dalton River Villas, dated xx/xx/2026, prepared by Sathre-Bergquist, Inc.

Plan C: Stormwater Management Plan for Dalton River Villas, dated October 1, 2025, prepared by AE2S

Plan D: Specifications for Dalton River Villas, dated xx/xx/2026, prepared by Sathre-Bergquist, Inc.

6. **Improvements.** The Developer shall install and pay for the following public and private improvements (collectively the “Improvements”) as required to be built in accordance with the approved plans:

- A. Site Grading and Ponding and all temporary and permanent erosion control measures
- B. Bituminous Streets
- C. Street Signs
- D. Street Lights
- E. Setting of Lot and Block Monuments
- F. Surveying and Staking
- G. Storm Sewer System, including all necessary culverts, catch basins, ponds, inlets and other appurtenances
- H. Water System
- I. Sanitary Sewer System
- J. Concrete Curb and Gutter
- K. Concrete Sidewalk

- L. Underground Utilities
- M. Landscaping
- N. Connection to municipal water and sewer facilities, sewage disposal constructed in accordance with the laws of the State of Minnesota, the regulations of the State Health Department and the City code provisions and the requirements of the City and the Minnesota Pollution Control Agency

The improvements shall be installed in accordance with City standards, ordinances, and plans and specifications which have been prepared by an Engineer registered in the State of Minnesota and reviewed and approved by the City Engineer. The Developer shall obtain all necessary permits from the Minnesota Pollution Control Agency (MPCA), Minnesota Department of Health, Anoka County Highway Department and other agencies before proceeding with construction. The City, at the Developer's expense as set out in Section 22, shall have one or more City inspectors and a soil engineer inspect the work on a full or part-time basis. The Developer's Engineer shall schedule a preconstruction meeting at a mutually agreeable time at the City offices with all parties concerned, including the City staff, to review the program for the construction work. A complete set of reproducible "As Built" utility and grading plans shall be prepared for the City Engineer. The Developer shall provide electronic AutoCAD files to the City Engineer for preparation of the "As Built" plans. A complete set of "As Built" grading plans shall be prepared by the Developer's Engineer. The cost of preparing these plans shall be paid for by the Developer.

The Developer also agrees to design all streets and roadways to meet thirty (30) miles per hour design standards and acknowledges and agrees that a minimum of a three hundred (300) foot radius or approved super elevated curve is required to meet this standard. The Developer will submit thickness design calculations to verify that the proposed pavement thickness is acceptable to the City.

7. **Security.** To guaranty the compliance with the requirements, provisions, limitations and terms set forth in this agreement, and the installation and construction of improvements in a good and workmanlike manner, pursuant to the plans and specifications and the requirements of the City Engineer, and payment of the costs of all improvements, the Developer shall furnish and deliver to the City a letter of credit, in the form attached hereto (or as deemed acceptable by the City) from an FDIC insured bank ("security") prior to beginning any construction within the plat. The letter of credit shall renew automatically until released by the City. The amount of the security includes all the security requirements set forth in this Agreement and was calculated as follows:

CONSTRUCTION COSTS:

Sanitary Sewer	\$ 99,500.00
Water Main	\$ 85,200.00
Storm Sewer	\$ 198,300.00
Streets	\$ 124,600.00
Grading, Erosion Control and Final Stabilization	\$ 171,000.00
CONSTRUCTION TOTAL	\$ 678,600.00
125% of Construction Total	\$ 848,250.00

This breakdown is for historical reference; it is not a restriction on the use of the security. The bank shall be subject to the reasonable approval of the City Administrator. The Letter of Credit shall allow the City to draw upon the instrument, in whole or in part, in order to complete construction of any or all of the improvements or to satisfy the claims of Contractors or suppliers which have not been satisfied by Developer and to pay any fees or costs due to the City by the Developer. The City may draw down the security, upon ten (10) business days' prior written notice to the Developer for any violation of the terms of this Agreement. Amounts drawn shall not exceed the amounts necessary to cure to the default. If the required public 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 to cure the default. The Developer may apply to the City Council of the City for a reduction of the security once per month commencing 30 days after the permit for the Sanitary Sewer is issued. The City Council shall respond to this request within 30 days of receipt of the Application for Reduction of Security. Upon receipt of proof satisfactory to the City that work has been completed to the quality as required by the City, and that the Developer has taken all steps necessary to ensure that no liens will attach to the plat, and financial obligations to the City have been satisfied, with City approval the security may be reduced from time to time up to seventy-five percent (75%) of the financial obligations that have been satisfied, as determined by the City in its sole discretion. Ten percent (10%) of the amounts certified by the Developer's engineer shall be retained as security until all improvements have been completed, all financial obligations to the City satisfied, the required "as constructed" plans have been received by the City, a warranty security is provided, and the public improvements are accepted by the City Council. Reductions in the security will be based on the actual work completed based on the bids submitted to the City.

8. Summary of Cash Requirements. The following is a summary of the cash deposit under this Agreement which must be furnished to the City at the time of final plat approval and execution of this Agreement by the City:

Section 22 Escrow (Engineering, City Administration, Legal Expenses)	\$30,000.00
plus charges already on record and incurred by the City	
Park Dedication (\$2,500 x 19)	\$47,500.00
Sanitary Sewer Trunk Line Availability	\$28,925.50
Water Trunk Line Availability	\$20,603.32

TOTAL CASH REQUIREMENTS **\$127,028.82**
Plus charges already on record and incurred by the City

The City will utilize the Section 22 Escrow to pay all bills associated with this project. If said fees are less than estimated, the City shall reimburse the Developer within thirty (30) days of completion of all project warranty periods. If it appears that the actual costs incurred will exceed the estimate, Developer and City shall review the costs required to complete the project and Developer shall deposit additional sums with the City.

9. Responsibility for Costs.

A. Except as otherwise specified herein, the Developer shall pay all costs incurred by it or the City in conjunction with the development of the plat, including but not limited to Soil and Water Conservation District charges, legal, planning, engineering and inspection expenses incurred in connection with approval and acceptance of the plat, the preparation of this Agreement, review of construction plans and documents, and all costs and expenses incurred by the City in monitoring and inspecting development of the plat, as well as preparation of record drawings.

B. The Developer shall hold the City and its officers, employees, and agents harmless from claims made by itself and third parties for damages sustained or costs incurred resulting from plat approval and development. The Developer shall indemnify the City and its officers, employees, and agents for all costs, damages, or expenses which the City may pay or incur in consequence of such claims, including attorneys' fees and costs.

C. The Developer shall reimburse the City for reasonable costs incurred in the enforcement of this Agreement, including engineering and attorneys' fees.

D. The Developer shall pay, or cause to be paid when due, and in any event before any penalty is attached, all special assessments, as outlined in Sections 7, 8, 9, 17, 18, 19 and 22 herein, referred to in this Agreement. This is an obligation of the Developer and shall continue in full force and effect even if the Developer sells one or more lots, the entire plat, or any part of it.

E. 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. If the bills are not paid on time, the City may halt plat development and construction until the bills are paid in full. Bills not paid within thirty (30) days shall accrue interest at the rate of twelve percent (12%) per year.

F. In addition to the charges herein and special assessments referred to the herein, other charges as required by City ordinance may be imposed such as but not limited to sewer access charges (“SAC”), City water access charges (“WAC”), and building permit fees.

10 Erosion Control. Before the site is graded and before any utility construction is commenced or building permits are issued, the erosion control plan shall be implemented by the Developer and inspected and approved by the City. All areas disturbed by the excavation and backfilling operations shall be reseeded forthwith after the completion of the work in the area. Except as otherwise provided in the erosion control plan, seed shall be certified oat seed to provide temporary ground cover as rapidly as possible. All seeded areas shall be fertilized, mulched, and disc anchored as necessary for seed retention. The parties recognize that time is of the essence in controlling erosion. If the Developer does not timely comply with the erosion control plan and schedule or supplementary instructions received by 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 effect the Developer's obligations or City's right hereunder. If the Developer does not reimburse the City for any cost the City incurred for such within thirty (30) days, the City may draw down the letter of credit (referred to in Section 7) to pay any costs. No development will be allowed and no building permits or occupancy certificates will be issued unless the plat is in full compliance with the erosion control requirements.

11. Clean Up. The Developer (and Home Builders) will keep the premises free from accumulation of waste materials, rubbish, and other debris resulting from work. The Developer shall promptly clean dirt and debris from streets resulting from construction work by the Developer, its agents, assigns or purchasers of lots in the plat. If the streets are not cleaned within five (5) calendar days after notice to the developer, the City will undertake the cleaning of the streets and charge the cost of the street cleaning back to the developer.

At the completion of the work, the Developer (and Home Builders) will remove all waste materials, rubbish and debris from and about the premises as well as all tools, construction equipment, machinery, and surplus materials, and will leave the site clean. The Developer (and Home Builders) will restore to their original conditions (including topsoil and seed), those portions of the site not designated for alteration by the Agreement Plans.

12. Time of Performance. The Developer shall install all required public improvements except the final wear course in accordance with the approved Plans for the Development by October 31, 2026. The final wear course on streets shall be installed between August 15 and September 15, the first summer after the base layer of asphalt has been in place for one freeze thaw cycle. The Developer may, however, request in writing an extension of time from the City. If an extension is granted, it shall be conditioned upon updating the security posted by the Developer to reflect cost increases and the extended completion date. Final wear course placement must have the written approval of the City Engineer and shall be completed by August 31, 2027, unless an extension is granted. The final wear course may be delayed or scheduled at any time of the year based upon existing site conditions at the discretion of the City Engineer.

Requests that are not in writing will have no effect on Developer's time of performance. Work on the Improvements to the Property shall be performed between the hours of 7:00 a.m. to 7:00 p.m. Monday through Friday and 8:00 a.m. to 5:00 p.m. on Saturday.

13. **Title of Plat.** The Developer hereby warrants that it is the full fee owner of the development as of the time of the filing of the final plat for the development, and that any encumbrances will be junior to this Agreement. The Developer agrees to obtain a consent to plat and dedication of streets to City from all mortgagees on the property before the plat will be executed by the City.

14. **Ownership of Improvements.** The acceptance by the City of the work and construction required by this Agreement and the improvements lying within public easements shall operate to transfer such property to the City without further notice or action this transfer shall be effective at the time of acceptance even if such improvements were accepted before the entry into this Agreement.

15. **Claims.** In the event that the City receives claims from labor or materialmen that work required by this Agreement has been performed, the sums due them have not been paid, and the laborers or materialmen are seeking payment out of the financial guarantees posted within 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 letters of credit in an amount up to 100% 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 attorney's fees pursuant to this Agreement. The City will endeavor to notify the Developer of its intention to draw down the letter of credit. The City will give the Developer five (5) days' notice, unless the security will expire within thirty (30) days, to deposit with the court an equal amount of cash in lieu of the City drawing down the letter of credit.

16. **Park and Trail Dedication and Improvements.** The Developer agrees to comply with all recommendations by the City Parks Commission related to this development. The Developer shall be providing cash to satisfy its park dedication requirement for the development. The Developer shall pay all park dedication fees in advance of filing of the plat. The Developer will also install a five (5) foot sidewalk on at least one side of every street in DALTON RIVER VILLAS as approved by the City Engineer. The sidewalk does not satisfy any portion of the park dedication requirement.

17. **Storm Water Improvements.**

1. **Initial Construction.** The Developer agrees to construct the storm water drainage facilities for the project, including the infiltration basins / storm water ponds and stormwater pipes and conveyances, in accordance with the approved Plans and in compliance with all City and state requirements regarding such Improvements.

2. Warranty. The Developer agrees to warrant the storm water Improvements against defects in labor and materials for a period of two (2) years from the date of completion. During such period, the Developer agrees to repair and replace any storm water Improvements which show signs of failure, normal wear and tear excepted all as determined by the City in its reasonable discretion. If the Developer fails to repair or replace the defective storm water improvements during the warranty period, the City may repair or replace the defective storm water improvements and may use the Letter of Credit, as described below, to reimburse itself for such costs if the repair is made while the Letter of Credit is still posted with the City or charge the Developer for said cost. The Developer agrees to reimburse the City, within 30 days of notice thereof, fully for the costs of the repairs or replacement if the cost thereof exceeds the remaining amount of the Letter of Credit.
3. Maintenance of the Stormwater Improvements. The Developer and its successor or assigns as fee owner of the Property shall be responsible for maintaining the Rain Garden located on Lot 11, Block 1 and for observing all drainage laws governing the operation and maintenance of the Stormwater Improvements. The Developer shall complete inspections of the Stormwater Improvements at least once annually and shall keep record of all inspections and maintenance activities, and submit such records to the City upon request. Maintenance activities shall include but will not be limited to: vegetation management within the basin, and removal of sediment and/or debris in the basin. The Developer acknowledges that the stormwater improvements associated with this project includes infiltration basins for stormwater treatment and volume control. If, at any time, the infiltrating ability of the basin(s) diminishes or is significantly reduced the Developer will reconstruct the infiltration basins as necessary. The cost of all inspections and maintenance shall be the obligation of the Developer and its successors or assigns as the fee owner of the Property.
4. Permanent Access and Maintenance Easement. The Developer or its successors or assigns grants the City, its agents and Contractor(s) the right to enter the Property to inspect and maintain the Stormwater Improvements as set forth in this agreement.
5. City's Maintenance Rights. The City may maintain the Stormwater Improvements, as provided in this paragraph, if the City reasonably believes that the Developer or its successors or assigns has failed to maintain the Stormwater Improvements in accordance with applicable drainage laws and other requirements and such failure continues for 30 days after the City gives the Developer written notice of such failure. The City's notice shall specifically state which maintenance tasks are to be performed. If Developer does not complete the maintenance tasks within 30 days after such notice is given by the City, the City shall have the right to enter upon the property to perform such maintenance tasks. In such case, the City shall send an invoice of its reasonable maintenance costs to

the Developer or its successors or assigns, which shall include all staff time, engineering and legal and other costs and expenses incurred by the City. If the Developer or its assigns fails to reimburse the City for its costs and expenses in maintaining the Stormwater Improvements within 30 days of receipt of an invoice for such costs, the City shall have the right to assess the full cost thereof against all of the lots within the Property. The Developer, on behalf of itself and its successor and assigns, acknowledges that the maintenance work performed by the City regarding the Stormwater Improvements benefits the lots in the Property in an amount which exceeds the assessment and hereby waives any right to hearing or notice and the right to appeal the assessments otherwise provided by Minnesota Statutes Chapter 429. Notwithstanding the foregoing, in the event to an emergency, as determined by the City Engineer, the 30-day notice requirement to the Developer for failure to perform maintenance tasks shall be and hereby is waived in its entirety by the Developer, and the Developer shall reimburse the City and be subject to assessment for any expense so incurred by the City in the same manner as if written notice as described above has been given.

18. **Landscaping.** The Developer or Builder shall provide landscaping and ground cover consistent with Section 10-73-04 of the City's Zoning Ordinance, all in accordance with the Landscape Plan submitted by Developer and approved by City. The Developer or Builder shall plant two trees on every lot in the plat. The tree shall be selected from among the following species:

Birch
Kentucky Coffee Tree
Locust
Linden
Maple

The minimum tree size shall be two inches caliper, either bare root in season or balled and burlapped. The trees shall not be planted in the boulevard. The Developer shall assure that the front and side yards of each lot are properly graded, four inches of topsoil added, sod laid to complete front yard (including right-of-way) (seeding will be allowed in front yard if a sprinkler system is also installed), and seeding or sod to remainder of disturbed area of lot. Weather permitting, the trees, sod, and seed shall be planted before Certificates of Occupancy are issued for a lot. All required trees and sodding/seeding shall be provided within ninety (90) days after completion of the home/building construction or before a Certificate of Occupancy is issued for a house, whichever comes first. In the event that weather conditions prohibit the planting of trees and sodding/seeding, the Developer or Builder shall provide proof of escrow or financial security in the amount of \$750.00 per tree and \$3,500.00 for sodding/seeding of the property. All required trees and sodding/seeding shall be provided no later than October 1 of every year, unless an

extension is granted by the City. Once the required trees have been planted, the City will release the security.

A plan showing the location and proposed style of mailboxes to be used in the plat shall be submitted to the City for approval. Individual mailboxes on each lot will not be acceptable. Groupings of mailboxes will be required. The Developer should review mailbox placement with the U.S. Postal Service for its comments regarding same.

19. **Warranty.** The Developer warrants all work required to be performed by it against poor material and faulty workmanship. The warranty period for streets is one year. The warranty period for underground utilities is two years. The one-year warranty period on streets shall commence after the final wear course has been installed, the Final Project Punchlist has been completed, and the Development has been accepted by the City Council as documented in official City minutes. The two-year warranty period for underground utilities shall commence after all required testing has been completed, the as-built plans have been accepted by the City Engineer, and the bituminous base course pavement has been installed. Additionally, all trees grass and sod, shall be warranted to be alive, of good quality and disease free for twelve (12) months after planting. Any replacements shall be warranted for twelve (12) months from the time of planting. The Developer shall deliver a letter of credit (the "Warranty Letter of Credit") or other security acceptable to the City in the amount of ten (10%) of final certified construction costs to secure the warranties once the wear course has been installed. The City shall retain ten percent (10%) of the security previously delivered by the Developer (the letter of credit provided pursuant to Section 7 above) until the Warranty Letter of Credit is furnished to the City or until the warranty period expires, whichever first occurs. The retainage may be used to pay for warranty work. The security shall not be released until the expiration of the warranty period, and if any claims shall be made within the warranty period, the security shall not be released until such claims have been resolved.

20. **Construction of Model Homes.** The Developer shall be permitted to construct one (1) model home on the Property. Developer may commence construction of this model home only after the requirements of paragraph 3 above has been complied with and the streets have been completed except for the asphalt (a gravel street is in place). The Certificate of Occupancy for the model home will not be issued by the City until the Developer has completed the installation of the first lift of asphalt on the streets within this first phase of the Property and all other improvements are complete and accepted by the City.

21. **Developers Default.** In the event of default by the Developer as to any of the work to be performed by it hereunder, the City may, at its option, perform the work and the Developer shall promptly reimburse the City for any expense incurred by the City, provided the Developer is first given notice of the work in default, not less than 48 hours in advance, unless this agreement provides for greater notice. This Agreement is a license for the City to act, and it shall not be necessary for the City to seek a Court order for permission to enter the land. When the City does any such work, the City may, in addition to its other remedies, assess the cost in whole or in part upon the Property to recover the costs. For this purpose, the Developer expressly waives any 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 property as provided herewith.

22. **City Engineering Administration and Construction Observation.** Developer will undertake and finish the required staking. The Developer shall pay a fee for engineering, administration and legal costs incurred by the City. City engineering and administration will include monitoring of construction, plat review, plan review, consultation with Developer and his engineer on status or problems regarding the project, coordination for final inspection and acceptance, project monitoring during the warranty period, and processing requests for reduction in security. Fees for this service shall be at standard hourly rates. Developer will provide a \$30,000.00 escrow plus payment of charges already on record incurred by the City, which is separate and in addition to any other escrow funds for this developer/development. The Developer shall pay for construction observation by the City's consulting engineer. Construction observation shall include part or full time inspection of proposed public utilities and street construction and will be billed on standard hourly rates. Upon final inspection, if the inspector is satisfied that the work has been completed and the Developer has fulfilled all of its obligations under the plans and specifications, the inspector will review the seeding and drainage facilities, and report to the City regarding the acceptance of such improvements. (Some seeding may be required under Section 11 for erosion control prior to final inspection.) Legal fees shall include drafting of this Development Agreement and other associated documents for this Development title review and advice and counseling with the City Engineer, City Administrator and City staff. In the event that work is performed on the Property by a consultant of the City, the City shall provide to Developer itemized billing statements showing the time spent, name of company performing the work, and a general description of the work performed.

23. **Miscellaneous.**

A. The Developer represents to the City that the plat complies with all City, County, Metropolitan, State and Federal laws and regulations, including but not limited to: subdivision ordinances, zoning ordinances, and environmental regulations. The Developer represents that all lots meet the minimum standards of the City's zoning ordinances unless otherwise stated in the variance granted with the preliminary plat approval. The Developer further represents to the City that all construction will be in accordance with City standards or applicable ordinances, regulations and policies. If the City determines that the plat does not comply, the City may, at its option, refuse to allow construction or development work in the plat until the Developer does comply. Upon the City's demand, the Developer shall cease work until there is compliance.

B. 3rd parties shall have no recourse against the City under this Agreement.

C. Breach of the terms of this Agreement or the conditions of the Resolution approving Final Plat by the Developer shall be grounds for denial of building permits, including lots sold to third parties.

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

E. The City will not issue any building permits prior to the first lift of bituminous base pavement on the streets, concrete sidewalk, bituminous trail, and underground utility installation; except the City will allow up to one (1) building permit to be issued for model homes after installation of utilities (including testing and a determination that the utilities are operational), but before pavement of the streets with bituminous surface.

If building permits are issued for a model home prior to the completion and acceptance of public improvements, the Developer assumes all liability and costs resulting in delays in completion of public improvements and damage to public improvements caused by the City, Developer, its Contractors, subcontractors, materialmen, employees, agents, or third parties. The Developer will be responsible for maintenance of the streets, including but not limited to winter plowing, until they are paved.

F. 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.

G. The Developer represents to the City to the best of its knowledge that the plat is not of "metropolitan significance" and that an environmental impact statement is not required. If the City or another governmental entity or agency determines that such a review is needed, however, the Developer shall prepare it in compliance with legal requirements so issued from the agency. The Developer shall reimburse the City for all expenses, including staff time and attorney's fees, the City incurs in assisting in preparation of the review.

H. This Agreement shall run with the land and shall be recorded against the title to the property. The Developer covenants with the City, its successors and assigns, that Developer is well seized in fee title of the property being final platted and/or has obtained consents to this Agreement, in the form attached hereto, from all parties who have an interest in the property; that there are no unrecorded interest in the property being final platted; and that the Developer will indemnify and hold the City harmless for any breach of the foregoing covenants.

I. Developer shall take out and maintain until six (6) months after the City has accepted the public improvements, public liability and property damage insurance covering personal injury, including death, and claims for the 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 \$1,000,000 for one person and \$2,000,000 for each occurrence; limits for property damage shall be not less than \$250,000 for each occurrence; or a combination single limit policy of \$1,000,000 or more. The City and consulting engineer shall be named as an additional insured on the policy, and the Developer shall file with the City a certificate evidencing coverage prior to the City signing the plat. The certificate

shall provide that the City must be given ten (10) days advance written notice of the cancellation of the insurance. The certificate may not contain any disclaimer for failure to give the required notice.

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 waiver of the right to exercise at any time thereafter any other right, power or remedy.

K. The Developer may not assign this Agreement without the prior written permission of the City Council, which permission shall not be unreasonably withheld. The Developer's obligation hereunder shall continue in full force and effect even if the Developer sells one or more lots, the entire plat, or any part of it.

L. The Developer shall clean and televise all sanitary mains and manholes along with all storm mains and storm water structures prior to acceptance by the City. The Developer shall provide electronic files of videos and logs of PACP certified inspections of sanitary and storm water infrastructure.

N. The Developer shall supply a copy of this Development Agreement to all Home Builders and persons who purchase lots from the Developer. The Developer will point out to purchasers their obligations regarding Erosion Control, Clean Up, and Landscaping described in Sections 11, 12, and 18 above. The terms and provisions of this Development Agreement, with the exception of Erosion Control, Clean Up and Landscaping described in Sections 11, 12, and 18 above shall not be binding upon the owners of an individual unit and shall not be deemed to run with the title of the individual unit of the development. This provision does not release any future developer or the developer's successors or assigns from the terms and provisions of this Development Agreement.

O. The Developer shall remove all debris from the development prior to the issuance of the first building permit.

P. The Developer will comply with all issues and directions of the City Engineer.

24. **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 registered mail at the following address:

Meadow Creek Construction, Inc.
4422 269th Ave NW
Isanti, MN 55070-5473

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

St. Francis City Hall
3750 Bridge Street N.W.
St. Francis, MN 55070
ATTN: City Administrator

25. **Completion.** The Developer shall notify the City when the construction of the Improvements has been completed. If the City determines in its sole and absolute discretion that (i) the improvements have been constructed in substantial conformity with the approved plans, (ii) the improvements are complete for purposes of issuing a certificate of occupancy, and (iii) all applicable warranty periods have expired, the City shall, in accordance with this Agreement, return all remaining deposits or securities held relating to the project. Upon the request of the Developer the City shall furnish to the Developer a Certificate of Completion certifying the completion of the project. Such Certificate of Completion shall be in recordable form. Developer shall reimburse City for the expense of legal and professional services in preparing the Certificate of Completion.

26. **Indemnification.** The Developer hereby agrees to indemnify and hold the City and its officials, employees, Contractors and agents harmless from claims made by itself and third parties for damages sustained or costs incurred resulting from any defect in the Subdivision. The Developer hereby agrees to indemnify and hold the City and its officials, employees, Contractors and agents harmless for all costs, damages, or expenses which the City may pay or incur in consequence of such claims, including attorneys' fees, except matters involving intentional acts of misconduct or acts of gross negligence by the City. This indemnification shall survive the execution of any Certificate of Completion.

SIGNATURES APPEAR ON NEXT PAGE

EXHIBIT A LEGAL DESCRIPTION

That part of the following described property:

Commencing at the northwest corner of the Northwest Quarter of Section 32, Township 34, Range 24, Anoka County, Minnesota; thence on an assumed bearing of South 00 degrees 32 minutes 18 seconds East, along the west line of said Northwest Quarter, a distance of 1254.00 feet to the point of beginning; thence continuing South 00 degrees 32 minutes 18 seconds East, along said west line, a distance of 791.17 feet to the intersection of said west line with the north line of Outlot 17, VILLAGE OF ST. FRANCIS AUDITOR'S PLAT, according to the recorded plat thereof, said north line also being the north line of the south 593.40 feet of said Northwest Quarter; thence North 89 degrees 48 minutes 15 seconds East, along said north line, a distance of 3727.21 feet more or less to the west bank of the Rum River, thence northwesterly along said west bank to the intersection of said west bank with a line bearing North 89 degrees 56 minutes 37 seconds East, parallel with the north line of said Northwest Quarter, from the point of beginning; thence South 89 degrees 56 minutes 37 seconds West a distance of 1413.09 feet more or less to the point of beginning.

EXCEPTING

That part of the above described property lying within the following described parcel:

That part of the Northwest Quarter of Section 32, Township 34, Range 24, in Anoka County, Minnesota, described as follows:

Commencing at a point on the West line of said Northwest Quarter, distant 891 feet South of the Northwest corner of said Northwest Quarter; thence Easterly and parallel with the North line of said Northwest Quarter a distance of 300 feet to the point of beginning of land to be described; thence continue Easterly on same described line a distance of 111 feet; thence South and parallel with the West line of said Northwest Quarter a distance of 395.5 feet; thence Westerly and parallel with the North line of said Northwest Quarter a distance of 411 feet to the West line of said Northwest Quarter; thence North on the West line of said Northwest Quarter a distance of 207.1 feet; thence Easterly and parallel with the North line of said Northwest Quarter a distance of 300 feet; thence North and parallel with the West line of said Northwest Quarter a distance of 188.4 feet to the point of beginning, Anoka County, Minnesota.

ALSO EXCEPTING

The west 344.00 feet of the north 150.00 feet of the south 743.40 feet of said Northwest Quarter of Section 32.

ALSO EXCEPTING

That part of the above described property lying within a distance of 50.00 feet easterly and 50.00 feet westerly of the line described in Parcel No. 14 of the Final Certificate filed as Doc. No. 397374 in the office of the County Recorder, Anoka County, Minnesota.

ALSO EXCEPTING

That part of the above described property lying within Minnesota Department of Transportation Right of Way Plat Nos. 02-28 and 02-29, filed as Document Nos. 1670395 & 1670396 in the office of the County Recorder, Anoka County, Minnesota.

Lying easterly of the following described line:

Commencing at the northwest corner of the Northwest Quarter of Section 32, Township 34, Range 24, Anoka County, Minnesota; thence on an assumed bearing of South 00 degrees 32 minutes 18 seconds East, along the west line of said Northwest Quarter, a distance of 2045.17 feet to the intersection of said west line with the north line of Outlot 17, VILLAGE OF ST. FRANCIS AUDITOR'S PLAT, according to the recorded plat thereof, said north line also being the north line of the south 593.40 feet of said Northwest Quarter; thence North 89 degrees 48 minutes 15 seconds East, along said north line, a distance of 1357.99 feet to the intersection of said north line with the easterly right of way line of Ambassador Boulevard NW per the Final Certificate filed as Doc. No. 397374 in the office of the County Recorder, Anoka County, Minnesota and the point of beginning of the line to be described; thence 153.07 feet along said easterly right of way line on a non-tangential curve concave to the west, having a radius of 1195.92 feet, a central angle of 07 degrees 20 minutes 01 second and a chord bearing of North 10 degrees 16 minutes 17 seconds West; thence continuing along said westerly right of way line, North 13 degrees 56 minutes 18 seconds West, tangent to the last described curve, a distance of 656.46 feet to the north line of the above described property and said line there terminating.

EXHIBIT B
DEVELOPMENT PLANS WITHIN PLAT OF
DALTON RIVER VILLAS