SPACE ABOVE THIS LINE RESERVED FOR COUNTY RECORDER
(Revised 10/18/07)

DEVELOPER'S AGREEMENT
TOWN OF SUNRISE, CHISAGO COUNTY, MINNESOTA

THIS AGREEMENT is made and entered into this_____day of_____, 20____, by and between the Town of Sunrise, a political subdivision of the State of Minnesota (hereinafter "Township"), and_____[name of individual(s) or corporation*], _____ [marital or corporate status*], (hereinafter "Developer").

*NOTE: If Developer is a married individual or individuals, all spouses are required to enter into this Agreement. If Developer is a corporation or other limited-liability entity, the state where it is registered must be stated and this Agreement must be executed by one or more officers or principals of the corporation or other entity, by authority of a resolution of its governing board.

SECTION 1. RECITALS

1.1 Development Property. The Developer is, or prior to the Commencement Date as hereinafter defined the Developer will be, the fee owner of real property in Sunrise Township, Chisago County, Minnesota, legally described on Exhibit "A" attached (hereinafter "Development Property").

1.2 Name of Subdivision. The Developer has proposed to subdivide and plat the Development Property into a subdivision entitled _____ _____ (hereinafter "Subdivision"). A copy of the preliminary plat of the Subdivision (hereinafter "Preliminary Plat") is attached as Exhibit "B".

1.3 Request for Approvals. The Developer has made applications as follows:

1.3.1 Township Subdivision Permit. The Developer has submitted an application to the Township for a permit to subdivide the Development Property pursuant to the Sunrise Township Amended Subdivision and Road Ordinance adopted April 12, 2001, and any amendments thereto, and has paid the required fee therefor.

1.3.2 County Preliminary Plat Approval. The Developer has submitted an application to the Chisago County Planning Commission for approval of the Preliminary Plat of the Subdivision pursuant to the Chisago County Subdivision Ordinance and any amendments thereto. The Developer has requested approval of said Preliminary Plat by the Township pursuant to the terms of said County Subdivision Ordinance, Section 3.05, Paragraph C, which requires Township review of the Preliminary Plat. The Developer has included with the Preliminary Plat a copy of all Restrictive Covenants pertaining to the Subdivision.

1.4 Improvements. The Developer shall, at Developer's sole expense, install public improvements (hereinafter "Public Improvements") within the Subdivision. If applicable the Public Improvements shall meet the requirements of the Sunrise Township Amended Subdivision and Road Ordinance adopted April 12, 2001, and any amendments thereto; the Sunrise Township Fourth Amended Private Driveway and Culvert ordinance adopted April 15, 2004, and any amendments thereto; Sunrise Township Road Specifications adopted April 2003 and any amendments thereto; and the Chisago County Subdivision Ordinance, Section 5, and any amendments thereto, subject to additions or modifications pursuant to the terms of this Agreement. For purposes of this Agreement, the date of commencement of Public Improvements (hereinafter "Commencement Date") shall be the first day when the Developer initiates or undertakes any of the following: grading, excavating, or otherwise disturbing the earth; removing trees or other growth; installing culverts, driveways, roads, or any other improvements.

1.5 Purpose and Intent. The purpose and intent of this Agreement are as follows:

1.5.1 Compliance with Township Ordinances. To comply with the Sunrise Township Subdivision and Paved Road Ordinance and any amendments thereto, and the Sunrise Township Private Driveway and Culvert Ordinance and any amendments thereto.

1.5.2 Compliance with County Ordinance. To comply with the County Subdivision Ordinance and any amendments thereto, Section 5.07 of which requires the Developer to enter into a written agreement with the local unit of government and stipulates certain conditions thereof.

1.5.3 Assurances. To provide assurances that design and construction of Public Improvements and other elements within and/or pertaining to the Subdivision will be conducted in a manner that will allow the Township to accept said improvements for public use and maintenance upon their completion.

1.6 Conditions of Permit and Preliminary Plat Approval by Township. The Township hereby grants approval of the permit to subdivide the Development Property, and approval of the Preliminary Plat and Restrictive Covenants pursuant to the County Subdivision Ordinance, subject to the following conditions:

1.6.1 Execution of Agreement. That the Developer enters into, executes, and fully performs this Agreement according to its terms.

1.6.2 Recording of Agreement. That the Developer pays, at the time of execution of this Agreement, all costs of recording same in the Office of the Chisago County Recorder, including without limitation filing fees, mileage, and clerical time; it being agreed that the Township shall be responsible to forward the executed Agreement and filing fees to the Recorder.

1.6.3 Compliance with Laws. That the Developer does not violate any applicable Township, county, state, or federal laws that pertain to the Development Property.

1.6.4 Limitation. These provisions apply specifically and are limited to Township approval of the Preliminary Plat of the Subdivision, and not to acceptance of the Final Plat or to acceptance of roads or other Public Improvements. It is expressly stipulated and agreed that neither the approvals referred to herein, nor any other verbal or written approval, nor the recording of the Final Plat, nor any road construction or maintenance performed by the Township at any time, shall constitute a final acceptance of any road(s) or other Public Improvements. Final acceptance of any Public Improvements for public use and maintenance by the Township shall be effected only by resolution of the Township Board pursuant to the terms of Section 2.2.5 herein. The date of such resolution (hereinafter "Acceptance Date") shall be the date upon which the Township accepts the

Public Improvements for maintenance by the Township pursuant to said Section 2.2.5. No provision of this Agreement shall operate to preclude, bar, or nullify the dedication of roads to the public on the Final Plat pursuant to county ordinances and state law.

1.6.5 Revocation or Denial of Approvals. It is understood and agreed that the Township may withhold, deny, or revoke approvals, permits, and execution of documents, including without limitation execution of the Final Plat and acceptance of roads, if any condition of this Agreement is not met.

SECTION 2. REPRESENTATIONS AND UNDERTAKINGS

2.1 By the Developer. The Developer hereby makes the following representations and undertakings:

2.1.1 Authority. The Developer has legal authority and power to enter into this Agreement. If the Developer is an individual or individuals, all spouses of said individual(s) have been identified herein and have executed this Agreement. If the Developer is a corporation or other limited-liability entity, all required corporate or other actions have been taken so as to approve this Agreement and the transactions contemplated hereunder and to authorize its execution by the officer(s) or other agent(s) signing this Agreement.

2.1.2 Title Evidence and Encumbrances. The Developer is, or prior to the Commencement Date the Developer will be, the fee owner of the Development Property, as evidenced by the Attorney's Title Opinion or Commitment for Title Insurance or Policy of Title Insurance attached hereto as Exhibit "C", showing the property to be free and clear of all encumbrances except the encumbrances identified in Exhibit "D" attached, it being understood that encumbrances listed in Exhibit "D" may be currently in place or may be allowed to be placed in the future. The Developer agrees not to place or allow to be placed against the Development Property any encumbrances except those listed in Exhibit "D" until after the Acceptance Date. If any encumbrance(s) other than those listed in Exhibit "D" are placed against the Development Property prior to the Acceptance Date, whether with or without the Developer's knowledge, the Developer hereby agrees to remove or cure such encumbrance(s) within Sixty (60) days of receiving notice of said encumbrance(s).

In addition to the title evidence provided herewith in Exhibit "C", the Developer agrees to provide, prior to the Commencement Date, an Attorney's Preliminary Title Opinion addressed to the Township or a Commitment for Title Insurance in an amount acceptable to the Township and running in favor of the Township, warranting that the Township will be the record owner, free and clear of all encumbrances except this Agreement and those listed on Exhibit "D" attached hereto, of all roads and turnarounds within the Subdivision on the date of recording of the Final Plat; and further warranting that the road(s) within the Subdivision will have legal access to an already existing Township, county, or state road.

The Developer further agrees to provide, prior to the Acceptance Date, an Attorney's Final Title Opinion addressed to the Township or a Policy of Title Insurance running in favor of the Township, pursuant to the terms of Section 2.1.19 (c) herein.

2.1.3 Documents. The Developer agrees to timely provide all deeds, releases, satisfactions, or other documents, in recordable form, necessary to convey to the Township good and unencumbered title to all roads, turnarounds, easements, and other improvements dedicated to the public or running in

favor of the Township, whether located within the Subdivision or outside of it if necessary to provide access or services.

2.1.4 Financial Condition. The Developer has the financial ability to complete the Subdivision in a timely and workmanlike manner. If requested by the Township, the Developer will obtain written commitment(s) for mortgage financing necessary for construction and completion of the Public Improvements and will provide written copies thereof to the Township prior to the Commencement Date; or in the alternative, prior to the Commencement Date the Developer will provide to the Township written evidence that the Developer has the capital necessary to complete the Public Improvements. This provision shall not be construed as making this Agreement contingent upon the Developer procuring any proposed financing; the Developer will complete the Public Improvements pursuant to the terms of this Agreement regardless of subsequent denial of financing on the part of any proposed lender.

2.1.5 Compliance and Environmental Concerns. The Developer will construct the Public Improvements in accordance with the terms of this Agreement, the Subdivision plat, and without limitation all Township, county, state, and federal laws and regulations, including all applicable wetland and environmental laws and regulations. The Developer has not received notice or communication from any Township, county, state, or federal official or any government agency indicating that the activities of the Developer may be in violation of any law(s) or regulation(s) thereof. The Developer is not aware of any facts the existence of which would cause the Developer to be in violation of any Township, county, state, or federal law, regulation, or review procedure, or which would give any person a valid claim under the Minnesota Environmental Rights Act, the Minnesota Historical Preservation Statute, or similar law. The Developer is not aware of any cemetery, human remains, or significant historical artifacts located on the Development Property. The Developer has knowledge of the requirements under Minnesota law for an Environmental Impact Statement or Environmental Assessment Worksheet, and warrants that neither are required for this Subdivision.

2.1.6 Final Plat. Any changes made to the Preliminary Plat after the date hereof are subject to review and approval by the Township. The Developer shall submit to the Township a paper print of the Final Plat at the time the Developer orders hardshell copies. The Township reserves the right to withhold execution of the Final Plat should the Developer fail to apprise the Township in a timely manner of changes made to the Preliminary Plat, or should the Developer fail to submit the required paper print of the Final Plat at the time of ordering hardshell copies.

2.1.7 Public Improvements. The Developer shall install and pay for the following:

a. Roads and turnarounds, including without limitation all construction and paving, and if applicable any roads outside the Development Property necessarily constructed to serve the Subdivision, all of which shall be dedicated to the public in the Final Plat;

b. Site grading, ponds, swales, and ditches, all of which shall be constructed on public easements or land owned by a governmental unit;

c. Utility infrastructure, all of which shall be constructed entirely within utility easements as shown on the plat, or confined to the back slope of ditches;

d. Culverts and other access requirements;

e. Seeding, mulching, back sloping, and other erosion-control and dust-control measures to be determined by the Township;

f. Surveying, staking, and setting of lot and block monuments pursuant to Minn. Stat. 505.02;

g. Road identification and traffic control signs;

h. Other Public Improvements required by the Township, as listed on Exhibit "E" attached hereto and made a part hereof; and

i. In addition to the above, the Developer shall pay for all engineering, inspections, attorney, and legal fees and costs incurred by the Developer and the Township.

2.1.8 Private Driveways and Culverts. The Developer agrees to apply for permits for all private driveways and culverts to be installed within the Subdivision, pursuant to the Sunrise Township Private Driveway and Culvert Ordinance and any amendments thereto, and subject to the terms of Section 2.1.22 herein. Notwithstanding the aforesaid, it is agreed that the Township may deny all private driveway permits if the Developer fails to comply with or is in default of any of the terms of this Agreement. Nothing in this Agreement shall require the Developer to install or pay for installation of any such private driveways. This provision shall operate to notify prospective buyers that private driveway permits may be duly withheld from all lots within the Development at any time after the date hereof, regardless of whether or not the Developer still owns the lots. This provision shall survive this Agreement and shall be binding upon the Developer and the Developer's successors and assigns in interest.

2.1.9 Preliminary Plans and Pre-construction Meeting. Not less than Ten (10) days prior to the Commencement Date, the Developer shall submit to the Township preliminary plans and specifications (hereinafter "Preliminary Plans") for all Public Improvements pertaining to the Subdivision. The Preliminary Plans shall be designed and prepared by an engineer licensed to perform engineering design and inspection of such Public Improvements in the State of Minnesota (hereinafter "Developer's Engineer"), and shall include a written certificate of such license.

Not less than Ten (10) days prior to the Commencement Date, the Developer and Developer's Engineer shall meet with such Township officers or personnel as the Township may deem appropriate, including the township's designated engineer (hereinafter "Township Engineer"), for the purpose of reviewing said Preliminary Plans and incorporating Township requirements therein.

2.1.10 Construction Plans, Schedule, and Cost Estimate. Not less than Ten (10) days prior to the Commencement Date, the Developer shall submit to the Township Three (3) copies of the following, all of which shall be prepared by the Developer's Engineer:

a. Final construction plans (hereinafter "Construction Plans");

b. Proposed schedule of construction and inspections (hereinafter "Schedule"); and

c. Estimate of the total cost of the Subdivision project, including Public Improvements; surveying, staking, and setting of monuments; legal and engineering fees of the Developer and Township; governmental fees and permits; cleanup; maintenance during

the period prior to the Acceptance Date; and any other costs expected to be associated with the Subdivision (hereinafter "Cost Estimate").

2.1.11 Changes in Construction Plans. In the event that the Township shall order modifications to the Construction Plans, Schedule, and Cost Estimate, the Developer agrees to incorporate such modifications and resubmit said Construction Plans, Schedule, or Cost Estimate. Any such resubmissions shall conform to the requirements of Section 2.1.10 above.

Should the Developer desire to make changes in the Construction Plans after their approval by the Township Engineer, the Developer shall submit the proposed changes to the Township subject to the requirements of Section 2.1.10 above.

2.1.12 Security. Pursuant to Section 5.07 of the Chisago County Subdivision Ordinance and any amendments thereto, the Developer shall, prior to the Commencement Date, deposit with the Township security guaranteeing the Developer's ability to satisfactorily complete the Public Improvements, in the form of a cash escrow deposit by cashier's check or certified check in an amount not less than One Hundred Twenty-five Percent (125%) of the estimated cost of the Public Improvements (hereinafter "Security Deposit".) Developer and Township shall enter into an Escrow Agreement, the terms of which are attached hereto as Exhibit "F." Pursuant to the terms of the Chisago County Subdivision Ordinance, Section 5.07, the amount and form of the Security Deposit and Escrow Agreement may be subject to review by the Chisago County Attorney prior to acceptance by the Township.

In the event that cost overruns become evident during construction, the Developer shall, within Five (5) days of Developer's knowledge of any such cost overruns, increase the Security Deposit so that at all times the Security Deposit shall be not less than One Hundred Twenty-five Percent (125%) of the total estimated cost of the Public Improvements.

Under no circumstances shall any construction commence prior to the posting of the entire Security Deposit. Developer agrees that the Township shall have the right to withhold, deny, or revoke any and all approvals, permits, and execution of documents should any construction be undertaken prior to posting of the entire Security Deposit.

2.1.13 Additional Payments. Without limiting any continuing payment obligations contained in this Agreement, the Developer will timely make any other additional cash payments, including but not limited to real estate taxes, special assessments, and application and permit fees which may be assessed by the Township or other units of government. The Developer shall reimburse the Township for all costs incurred in the enforcement of this Agreement, including without limitation engineering fees, attorneys' fees, and costs and disbursements. Developer shall pay all bills submitted by the Township within Thirty (30) days of receipt thereof. Any bills not paid within Thirty (30) days shall accrue interest at the rate of Eighteen Percent (18%) per year. It is agreed that all fees and accrued interest shall be paid prior to execution of the Final Plat by the Town Board. Any costs and accrued interest incurred by the Township subsequent to execution of the Final Plat shall be secured by the Security Deposit and/or by the Warranty Deposit defined in Section 2.1.24 herein.

2.1.14 Insurance. Prior to the Commencement Date and continuously until and through the Acceptance Date, Developer shall obtain and keep in full force and effect all of the following insurance policies, written by insurance companies authorized to do business in Minnesota:

a. Commercial general liability insurance including public liability insurance to be carried by the Developer and all contractors performing work on the Development Property, each policy naming the Township as co-insured, with limits for bodily injury or death of not less than $1,000,000.00 for each occurrence and with an aggregate limit of not less than $2,000,000.00; and

b. Workers' Compensation insurance, with statutory coverage as required by Minnesota law, including employer's liability coverage of not less than $500,000.00 with respect to the Developer and not less than $100,000.00 each with respect to any contractor working on the Development Property.

Prior to the Commencement Date and thereafter not less than Fifteen (15) days prior to expiration dates, the Developer shall file with the Township Clerk certificates of insurance, along with written evidence of payment of premiums therefor, setting forth that all coverage required herein is in full force and effect, and providing that the Township will be given Ten (10) days written notice prior to termination or cancellation of such coverage. It shall be the Developer's responsibility to provide that certificates of insurance and evidence of payment of premiums are filed with the Township for each contractor.

2.1.15 Construction Conformity and Standards. Not less than Five (5) days prior to the Commencement Date, Developer shall give written notice of such date to the Township Clerk and Engineer. The Developer will construct the Public Improvements in accordance with the Construction Plans and Schedule, subject to amendment by the Township Engineer. The Developer shall obtain all necessary permits before proceeding with construction. The Developer shall make construction progress reports in such form and at such times as may be reasonably requested by the Township. The Developer will operate, maintain, and preserve the Public Improvements in good repair and condition until they are accepted by the Township, and will warrant said Improvements pursuant to the terms of Section 2.1.24 herein.

2.1.16 Inspections. During construction of the Public Improvements, Developer shall be responsible for inspections and testing performed by or under the direction of the Township Engineer. The times and frequency of said inspections shall be reasonable and expedient but shall notwithstanding be at the sole discretion of the Township. The cost for said inspections shall be borne by the Developer at such rate(s) as are actually charged to the Township by the Township Engineer and any inspector(s) deemed necessary by the Township at its sole discretion. It is agreed that costs for inspections shall be billed to the Township and may be paid by the Township at Township's discretion, to be reimbursed by the Developer, with copies of invoices and demand for reimbursement being forwarded upon receipt to the Developer by U.S. Mail. The Developer agrees to pay all such costs within Thirty (30) days of the date of invoices. Without limiting the discretion of the Township to require and schedule inspections, the Developer agrees not to install any gravel on the roads until the subgrade has been inspected and approved by the Township Engineer, and further not to install any blacktop until the gravel has been inspected and approved by the Township Engineer.

2.1.17 Freeze-Thaw Cycle. In order to allow the Improvements to go through one freeze-thaw cycle during the Warranty Period (Section 2.1.24), the Developer agrees to install the first lift of bituminous prior to November 15 of the calendar year in which construction commences, and shall not install the second lift until after May 15 of the succeeding year. This provision is subject

to the terms of Section 2.1.25 herein, which provides an alternative in the event that the Developer opts not to follow this schedule.

2.1.18 Right of Entry. The Developer hereby grants to the Township, its agents, employees, officers, and contractors, right of entry to enter the Development Property to perform any and all work and inspections necessary or deemed appropriate by the Township during installation of Public Improvements by Developer or the Township, or to make any necessary corrective actions. Said right of entry continues until final release of this Agreement pursuant to the terms of Section 2.2.8 herein.

2.1.19 Completion. The Developer shall complete the Public Improvements within Eighteen (18) months after the Commencement Date or Eighteen (18) months after the date of execution of this Agreement, whichever is later. Upon completion of all required construction and related work, the Developer shall supply the Township with all of the following:

a. A complete set of reproducible "as-built" plans and utility locations and a complete set of blue-line "as-built" plans and utility locations prepared in accordance with Township standards;

b. Written certification from a licensed land surveyor that survey monuments have been installed pursuant to Minn. Stat. 505.02; and

c. An Attorney's Title Opinion addressed to the Township or a Policy of Title Insurance in an amount to be determined by the Township and running in favor of the Township, warranting that the Township is the record owner, free and clear of all encumbrances except this Agreement, of all roads and turnarounds within the Subdivision; and further warranting that the road(s) within the Subdivision have legal access to an already existing Township, county, or state road.

The date of completion (hereinafter "Completion Date") shall be the date when the Township has received the surveyor's certification and title evidence cited above and written certification from the Township Engineer that all Public Improvements have been completed to the satisfaction of the Township.

In the event that the Developer fails to complete the Public Improvements and provide the required documentation within the specified time, whether or not construction has commenced, the Township shall serve upon the Developer, pursuant to the terms of Section 4.6 herein, written notice of failure to complete the Public Improvements. If within Fifteen (15) days of such written notice the Developer has not cured such failure, the Township shall be entitled to collect the full Security Deposit and may, at Township's option, complete the construction of the Public Improvements and pay for same from the Security Deposit. The Township shall, at Township's sole option, be entitled to pay from the Security Deposit actual and incidental construction costs to complete the Public Improvements in a manner consistent with this Agreement, and Township's costs of collecting the Security Deposit and completing the construction and cleanup, including but not limited to attorneys' fees, engineering costs, surveying, inspection costs, insurance and bond costs, other professional fees, administrative costs, and all other expenses necessary to complete the Public Improvements as set forth in this Agreement.

If any portion of the Security Deposit remains after the above items have been fully paid and the Warranty Period and any extension thereof as defined in Section 2.1.24 herein have expired, such funds shall be returned to the Developer. If the Security Deposit is insufficient to pay the costs specified in this section, the Developer shall be obligated to and hereby agrees to pay the Township for such deficiency. Notwithstanding the foregoing, the Township shall be entitled to any other remedy available to it at law or in equity.

2.1.20 Maintenance. Developer agrees to maintain all Public Improvements within the Subdivision (and if applicable, any roads outside the Development Property constructed to serve the Subdivision) at all times prior to the Acceptance Date. Such maintenance shall be conducted in a workmanlike manner according to normal Township standards and shall include without limitation grading, paving, pavement repair, snowplowing, and maintenance of ditches, ponds, swales, ground cover, culverts, and signs. Developer agrees to indemnify and hold the Township harmless from any and all liability and/or damages of any kind whatsoever relative to maintenance of any Public Improvements prior to the Acceptance Date. Any discretionary or emergency snowplowing or other maintenance undertaken by the Township prior to the Acceptance Date shall be paid for by the Developer from the Security Deposit, at rates to be determined by the Township. Any such discretionary or emergency maintenance by the Township shall not constitute Township acceptance of any Public Improvements so maintained and shall not obligate the Township to continue such maintenance.

2.1.21 Cleanup. The Developer shall clean up the Development Property to a condition reasonably acceptable to the Township. In the event that the Developer fails to return the property to an acceptable condition, the Township shall have the right to hire or contract for cleanup and to pay for same from the Security Deposit.

2.1.22 Sale of Lots Prior to Acceptance Date. The Developer shall not sell, convey, or otherwise transfer any more than Fifty Percent (50%) of the lots within the Subdivision prior to the Acceptance Date. The specific lots which the Developer shall be entitled to sell, convey, or transfer are identified on Exhibit "G" attached hereto and made a part hereof. The Developer understands and agrees that the Township will issue driveway permits prior to the Acceptance Date only on lots listed on Exhibit "G"; no other driveway permits will be issued prior to the Acceptance Date.

2.1.23 Indemnification and Waiver. The Developer shall indemnify and hold the Township, its officers, agents, and employees, harmless from claims made by the Developer or any other parties for any and all damages, costs, or liability relative to the Subdivision, all construction thereon, operations and actions of contractors and subcontractors, and all matters pertaining to the Development Property and this Agreement, including without limitation any costs and expenses paid by the Township from Township funds. The Developer shall indemnify the Township for nonperformance of this Agreement. The Developer hereby expressly waives, for itself, its officers, directors, shareholders, successors, and assigns, any claim that any of the requirements agreed to by the Developer pursuant to this Agreement or otherwise required by the Township shall be deemed to be an unconstitutional taking, and to the extent, if any, that such requirements may constitute a taking, the Developer hereby waives its right to assert a claim for compensation for such taking against the Township.

2.1.24 Warranty and Warranty Period. The Developer shall warrant all Public Improvements and work performed by or on behalf of Developer against poor materials and faulty workmanship for a

period of One (1) year from Acceptance Date (hereinafter the "Warranty Period"), subject to extensions thereof pursuant to the terms of Section 2.2.7 herein. Said warranty shall cover without limitation all roads and turnarounds, road surfaces and grades, ditches, ponds, swales, drainage routes, culverts, grass, and other ground cover. All plantings required by the Construction Plans or other Township requirements shall be maintained and warranted to be alive, of good quality, and disease free through the Warranty Period. To secure these warranties, the Developer shall provide to the Township a **cash deposit in an amount to be determined by the Township** but in any event not to exceed Fifty Percent (50%) of the original estimated cost of the Public Improvements, securing all warranties made by the Developer herein, in a form acceptable to the Township at Township's discretion (hereinafter "Warranty Deposit").

The Warranty Deposit shall be in full force and effect and shall be deposited with the Township on or before the Acceptance Date. If repairs are ordered during the Warranty Period, the Developer agrees to make such repairs in a timely manner to the satisfaction of the Township. At Township's discretion, the Township reserves the right to make or hire for any repairs not made by the Developer within a reasonable time, and to submit bills for same to Developer. The Developer shall pay all bills submitted by the Township within Thirty (30) days of receipt thereof. Any bills not paid within Thirty (30) days shall accrue interest at the rate of Eighteen Percent (18%) per year. It is agreed that all fees and accrued interest shall be paid prior to release of the Warranty Deposit.

2.1.25 Two-Year Alternate Warranty Period. The Developer has agreed, in Section 2.1.17 herein, not to install both lifts of bituminous in the same season. This section provides an Alternate Warranty Period of Two (2) years from the Acceptance Date (hereinafter "Alternate Warranty Period") should the Developer wish to install both lifts in the same year. The terms and requirements of the Alternate Warranty Period shall be identical to those of the Warranty Period except for the two-year time length. The purpose of the Alternate Warranty Period is to provide the Developer with an earlier Acceptance Date and still allow the improvements to go through a freeze-thaw cycle prior to release of the Warranty Deposit. The Alternate Warranty Period shall automatically apply to this Agreement without further notice or action should the Developer, for any reason, fail to comply with the freeze-thaw schedule agreed upon in Section 2.1.17 herein.

2.2 By the Township. The Township hereby makes the following representations and undertakings:

2.2.1 Authority and Due Approval. This Agreement and the execution thereof were duly approved by resolution of the Township Board of Supervisors at a public meeting held on _____, 20_____.

2.2.2 Cooperation. So long as the Developer is not then in default hereunder, the Township will, in a timely manner subject to all notification requirements, act upon all submittals and applications of the Developer, including without limitation request to amend the list of saleable lots in Exhibit "G" attached hereto, provided the number of lots available for sale prior to the Acceptance Date does not exceed Fifty Percent (50%) of the total. So long as the Developer is not then in default hereunder, the Township agrees to grant a partial release of this Agreement for any lot listed on Exhibit "G" and sold under the terms of Section 2.1.22 herein. The Township will cooperate with the Developer to secure the granting of each approval and permission required under the terms of this Agreement, provided, however, that nothing contained in this paragraph shall be construed to

limit the reasonable and legitimate exercise of the Township's discretion in considering any submittal or application.

2.2.3 No Conflict of Interest. Except as disclosed herein, no supervisor, official, or employee of the Township has any personal interest in this Agreement. No supervisor, official, or employee of the Township shall participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which that person has an interest.

2.2.4 Recommendations and Inspections. The Township Engineer shall, within Ten (10) days of receipt thereof, review the Construction Plans, Schedule, and Cost Estimate and make recommendations in writing to the Developer and/or Developer's Engineer outlining changes necessary to ensure that the Public Improvements will comply with Township requirements. In the event that the Township shall order modifications to the Construction Plans, Schedule, or Cost Estimate, the Township Engineer shall respond in writing within Ten (10) days of any subsequent resubmissions thereof. The Township or Township Engineer shall make inspections, to be paid for by Developer pursuant to Section 2.1.6 herein.

2.2.5 Acceptance of Public Improvements. The Township agrees to accept the Public Improvements within the Subdivision, and if applicable any Public Improvements outside the Development Property necessarily constructed to serve the Subdivision, by resolution within Thirty (30) days after the Completion Date, provided that all of the following have been complied with, performed, and completed to the satisfaction of the Township:

a. The Developer has complied with all the terms of this Agreement and any amendments thereto, and all other Township, county, state, and federal laws and regulations;

b. The Developer has submitted "as-built" plans and utility locations, a surveyor's certificate, and a final title opinion or title insurance policy pursuant to the terms of Section 2.1.18 herein;

c. All required construction and installation work have been completed to the satisfaction of the Township, and a certificate so stating has been signed by the Township Engineer;

d. The Final Plat has been approved and executed by the Township Board and the Chisago County Board, and the Developer has recorded same with the Chisago County Recorder;

e. All monies required to be paid by the Developer have been paid in full; and

f. The Developer has posted the required Warranty Deposit pursuant to the terms of Section 2.1.24 herein.

It is expressly agreed that a resolution of acceptance shall not be forthcoming until all conditions have been fully met; no conditional or partial acceptance shall be granted.

2.2.6 Release of Security Deposit. The Township shall release the funds remaining in the Security Deposit not less than Thirty (30) days after the Acceptance Date, provided all the terms and conditions of this Agreement and any amendments thereto and all other Township and county requirements have been met. It is understood that release of the Security Deposit shall be

authorized only by resolution of the Township Board of Supervisors at a duly noticed public meeting.

2.2.7 Release of Warranty Deposit. Not less than Sixty (60) days but not more than One Hundred Eighty (180) days before the Warranty Period ends, the Township Engineer shall make an inspection of the Public Improvements and shall provide a written certificate as to the condition of same. If the Township Engineer determines that additional work is required, the Warranty Period shall automatically be extended without further notice or action, and the Warranty Deposit shall continue to be posted, until the work so ordered by the Township Engineer is completed to the satisfaction of the Township and has been certified in writing as so completed by the Township Engineer. The Township shall order repairs to be paid from the Warranty Deposit. Within Thirty (30) days after certification of completion by the Township Engineer, the Township shall return any remaining funds held in the Warranty Deposit to the Developer. Release of the Warranty Deposit shall be authorized only by resolution of the Township Board of Supervisors at a duly noticed public meeting.

2.2.8 Release of Developer's Agreement. Upon Developer's full and satisfactory performance of all terms and conditions of this Agreement and any amendments thereto, the Township will execute a recordable Release of this Agreement.

SECTION 3. DEFAULT

3.1 Events of Default. For purposes of this Agreement, the term default shall mean any one or more of the following events:

3.1.1 Failure to Perform. Failure by the Developer to perform any obligation on its part to be observed or performed.

3.1.2 Failure to Pay. Failure by the Developer to pay when due any amount to be paid or secured under the terms of this Agreement.

3.1.3 Mortgage or Letter of Credit Default. If the Developer is in default under any mortgage, letter of credit, or other encumbrance against the Development Property and has not entered into a written workout agreement with the Mortgagee or Creditor within Sixty (60) days after such default.

3.1.4 Insolvency. If the Developer shall admit in writing its inability to pay its debts as they become due, or shall file or be involuntarily named as a debtor in a petition of bankruptcy, or shall make an assignment for the benefit of its creditor(s), or shall consent to the appointment of a receiver of itself or of any part of the Development Property.

3.1.5 Court Order. If the Developer shall have a petition in bankruptcy filed against it, be adjudicated a bankrupt, or a court of competent jurisdiction shall enter an order or decree appointing a receiver of the Developer.

3.2 Remedies of Default. Whenever any event of default occurs, the Township shall serve written notice of such default on the Developer, which notice shall be effective on the date mailed or hand delivered to the Developer. If the Developer fails to cure such default within Thirty (30) days of said written notice, the Township may, in addition to any other remedies or rights given the Township under this Agreement or at law or in equity, take one or more of the following sanctions:

3.2.1 Suspend Performance. Suspend the Township's performance, including but not limited to granting of approvals and permits and execution of documents, until it receives assurances deemed reasonably adequate by the Township that the Developer will cure the default and continue performance under this Agreement.

3.2.2. Enforce Agreement. Take whatever action at law or in equity appearing necessary or desirable to the Township to collect any payments due under this Agreement, or to enforce performance or observance of any obligation, agreement, or covenant of the Developer under this Agreement and any amendments thereto.

3.3.3 Grant of License. The Developer grants the Township, its agents, employees, officers, and contractors, a license to enter the Development Property to perform all necessary work and inspections deemed appropriate by the Township to satisfactorily install and complete the Public Improvements. This Section 3.3.3 is a license for the Township to act, and it shall not be necessary for the Township to seek a court order for permission to enter the Development Property or post a bond or security of any kind when the Township does any work on the Development Property. The Township may, in addition to its other remedies, assess the costs of any such work in whole or in part pursuant to Minnesota Statutes.

3.3.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Township is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission in exercising any right or power accruing upon any event of default shall impair any such right or power and shall not be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

3.3.5 No Waiver. In the event any agreement or covenant contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous, or subsequent breach.

SECTION 4. ADDITIONAL PROVISIONS

4.1 Ownership of Public Improvements. All Public Improvements shall become the property of the Township, without further notice or action, on the Acceptance Date. This provision shall not be construed to exempt the Developer from any and all obligations to warrant said improvements pursuant to this Agreement.

4.2 Binding Effect. This Agreement shall run with the land and shall be binding upon all parties having a right, title, or interest in the Development Property or any part thereof, and their successors and assigns.

4.3 Third Parties. Third parties shall have no recourse against the Township under this Agreement.

4.4 Township Representatives Not Personally Liable. No supervisor, official, or employee of the Township shall be personally liable to the Developer, any successor in interest to the Developer, or any other parties, relative to the performance of this Agreement or any matters addressed herein.

4.5 No Joint Venture. Except as disclosed herein, the Developer is not an agent or employee of the Township. This Agreement shall not be construed as creating a joint venture, partnership, or other joint agreement between the Developer and the Township.

4.6 Notice of Demands. A notice, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested; or personally delivered. The addresses to which such communications shall be mailed or delivered are:

Developer's address: _____

_____

Township address: P.O. Box 933
North Branch, MN 55056

4.7 Compliance with Laws. No meeting, conference, review, inspection, or any other verbal or written communication from the Township, its officers, agents, and employees, shall operate to relieve the Developer of the obligation to comply with applicable laws, ordinances, and governmental regulations.

4.8 Minnesota Law to Govern. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Minnesota. Jurisdiction and venue shall forever remain in Chisago County, Minnesota.

4.9 No Merger. None of the provisions of this Agreement are intended to be or shall be merged by reason of any deed transferring any interest in any part of the Development Property, and any such deed shall not be deemed to affect or impair the provisions of this Agreement.

4.10 Separability. If any article, section, sentence, clause, or other part of this Agreement shall be adjudged void and of no effect, for any reason whatsoever, such decision shall not affect the validity of the other portions of this Agreement.

4.11 Headings. Headings as to the content of particular sections in this Agreement are for convenience and reference only and shall be disregarded in construing and interpreting any of its provisions.

4.12 Counterparts. This Agreement is simultaneously executed in two or more counterparts, each of which shall be an original, and all of which together shall constitute one and the same instrument.

4.13 Amendment and Supplementation. This Agreement shall not be amended or supplemented orally. This Agreement may only be amended or supplemented by a written agreement signed by the parties hereto. The parties acknowledge that this Agreement may be amended or supplemented after its execution by additional, replacement, or supplementary exhibits or schedules which, when dated and signed by the parties hereto, shall supplement or replace such exhibit or schedule and which shall be incorporated into this Agreement.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed on the day and year first above written.

TOWN OF SUNRISE:

By: _____
Chairman, Township Board of Supervisors

Attest: _____
Township Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF CHISAGO)

The foregoing instrument was acknowledged before me this_____day of_____, 20_____, by_____, the Chairman of the Sunrise Township Board of Supervisors, and_____, the Township Clerk.

_____
Notary Public

DEVELOPER—IF INDIVIDUAL(S):

By: _____
Type or print name: _____
By: _____
Type or print name: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF CHISAGO)

The foregoing instrument was acknowledged before me this_____day of_____, 20_____, by _____ (names), _____ (marital status).

_____
Notary Public

DEVELOPER—IF CORPORATION, PARTNERSHIP, OR OTHER ENTITY:

By: _____ Its _____
Type or print name: _____ (title)

By: _____ Its _____
Type or print name: _____ (title)

STATE OF MINNESOTA)
) ss.
COUNTY OF CHISAGO)

The foregoing instrument was acknowledged before me this_____day of_____, 20_____, by_____and_____, the_____and_____of the_____named in the foregoing instrument, on behalf of the_____.

_____
Notary Public

This instrument was drafted by:
Sunrise Township
P.O. Box 933
North Branch, MN 55056

EXHIBIT "A"

Legal Description of Development Property

EXHIBIT "B"
Copy of Preliminary Plat

EXHIBIT "C"

Title Opinion or Title Insurance Policy

EXHIBIT "D"

Permitted Encumbrances (If Any)

EXHIBIT "E"

Additional Required Public Improvements (If Any)

EXHIBIT "F"
Escrow Agreement

EXHIBIT "G"

Legal Descriptions of Lots Which May be Sold Prior to Acceptance Date