

**COOPERATIVE AGREEMENT
BETWEEN THE CITY OF CHANHASSEN,
THE CITY OF VICTORIA AND
LUNDGREN BROS. INC.**

WHEREAS, Lundgren Bros. Inc. ("Lundgren") owns property as shown generally on Exhibit A attached hereto and a portion of that property is located in the City of Chanhassen and a portion of that property is located within the City of Victoria as shown on Exhibit A; and

WHEREAS, Lundgren has requested that the City of Chanhassen agree to the detachment from the City of Chanhassen of certain property shown on Exhibit B and annexation thereof to the City of Victoria; and

WHEREAS, Lundgren has requested that the City of Victoria agree to the detachment from the City of Victoria of certain property shown on Exhibit C and annexation thereof to the City of Chanhassen; and

WHEREAS, Lundgren has requested and the City of Victoria is willing to allow the City of Chanhassen to provide municipal sewer and water to the remaining property owned by Lundgren located in the City of Victoria after the completion of the annexations as described above.

NOW, THEREFORE, the parties hereto their heirs, successors and assigns, agree as follows:

1. Annexation.

- A. Lundgren shall submit to the City of Chanhassen a Joint Resolution attached hereto as Exhibit D to accept the detachment from the City of Victoria and annexation thereof to the City of Chanhassen of that property shown on Exhibit C which is approximately 2.56 acres and the detachment from the City of Chanhassen and the annexation thereof to the City of Victoria of that property shown on Exhibit B which is approximately .94 acres. Attached to said Joint Resolution shall be a survey and legal description of said properties. The City Council of the City of Chanhassen shall approve the Joint Resolution at its next regularly scheduled Council meeting. The Joint Resolution shall then be presented to the City of Victoria by Lundgren and the City Council of the City of Victoria shall approve the Joint Resolution at its next regularly scheduled Council meeting.

- B. Lundgren shall immediately thereafter file the Joint Resolution with the Minnesota Municipal Board ("MMB") and request that the Joint Resolution be approved as soon as possible by the MMB pursuant to Chapter 414 of the Minnesota Statutes. Lundgren shall pay to the MMB all filing fees related thereto and all costs of appearances, if any, by the City staff or consultants of the City of Victoria or City of Chanhassen before the MMB related to said petitions.

It is anticipated that the MMB will be able to act upon same at its next regularly scheduled monthly meeting.

2. Future Annexations.

- A. In the event that the Joint Resolution is approved by the MMB, the City of Chanhassen agrees not to seek or support the annexation of the property owned by Lundgren now located in the City of Victoria as shown on Exhibit E.

3. Approval of Plat for Property Owned by Lundgren in the City of Victoria.

- A. Upon the signing of this Agreement, Lundgren may proceed with the submission of the concept plan for the development of the property shown generally on Exhibit F, upon the removing or expiration of the moratorium on residential development currently in effect in the City of Victoria. Lundgren shall proceed to obtain preliminary plat and final plat approval for the property it owns in the City of Victoria after the annexation shown generally on Exhibit F hereto, including that portion which will be or will have been annexed to the City of Victoria pursuant to the Joint Resolution.

Subject to the current moratorium, any proposed preliminary plat and/or final plat shall be subject to the normal review and approval process. The City of Victoria by entering into this Agreement is not agreeing to any specific development proposal or lot layout.

The City agrees to a five year vesting period as to all rights for the approved final plat pursuant to Minnesota Statutes § 462.358, subd. 3c.

4. Sewer and Water Service to Said Plat.

- A. Upon approval of said final plat for property within the City of Victoria as set forth in paragraph 3 above, the City of Chanhassen shall allow Lundgren to discharge the sewerage from the homes to be built on lots in said plat into the municipal sewer system owned by the City of Chanhassen which is located in Minnewashta Parkway adjacent to said property on the east side thereof. The sewer pipes to be built by Lundgren within said plat at Lundgren's expense

shall conform to the plans and specifications approved by the City of Chanhassen. Upon completion thereof, those sewer pipes shall be owned by the City of Chanhassen which shall maintain them and allow use of them by the owners of the lots in said plat forever, subject to the policies, rules and regulations of the City of Chanhassen which apply to other residential lots in the City of Chanhassen in that area. The City of Chanhassen shall bill the owners of each house for said sewer service. The charges for said sewer service shall include a penalty for late payment equal to at least 5% of the billing. The City of Victoria, pursuant to Minn. Stat. 444.075, subd. 3, agrees to promptly certify the delinquent sewer bills against the property for collection with real estate taxes if requested to do so by the City of Chanhassen. Upon collection by the City of Victoria, the City shall remit amounts collected, less 5%, to the City of Chanhassen.

- B. Upon approval of said final plat, the City of Chanhassen shall allow Lundgren to connect the municipal water system from the homes to be built on lots in said plat into the municipal water system owned by the City of Chanhassen which is located in Minnewashta Parkway adjacent to said property on the east side thereof. The water pipes to be built by Lundgren within said plat at Lundgren's expense shall conform to the plans and specifications approved by the City of Chanhassen. Upon completion thereof, those water pipes shall be owned by the City of Chanhassen which shall maintain them and allow use of them by the owners of the lots in said plat forever, subject to the policies, rules and regulations of the City of Chanhassen which apply to other residential lots in the City of Chanhassen in that area. The City of Chanhassen shall bill the owners of each house for said water service. The charges for said water service shall include a penalty for late payment equal to at least 5% of the billing. The City of Victoria, pursuant to Minn. Stat. 444.075, subd. 3, agrees to promptly certify the delinquent water bills against the property for collection with real estate taxes if requested to do so by the City of Chanhassen. Upon collection by the City of Victoria, the City shall remit amounts collected, less 5%, to the City of Chanhassen.
- C. Except as provided for in this subparagraph C, the City of Victoria waives any right to assess the lots in said plat for trunk or lateral sewer and water or charge any fees now or in the future related to such services as long as the City of Chanhassen provides such services. Lundgren will pay to the City of Victoria an amount of money equal to the number of utility core and availability charges that are lost to the City of Victoria as a result of Lundgren not connecting with the City of Victoria future sewer and water systems. The payment would be made at the time of the recordation of the final plat with the Carver County Recorder and would be based upon the rates in place at the time of final plat approval by the City of Victoria, times the number of buildable lots platted. Final plat approval, if given, will not be until such time as the

MUSA Line extension is granted. The current rates per lot for the City of Victoria for this agreement are \$760 per unit for water core, \$525 per unit for water availability and \$1,400 per unit for sewer core. These total \$2,685 per lot. Lundgren calculates that there may be 23 lots for a total payment of \$61,755. Said property is presently the subject of a request for MUSA extension by the City of Victoria. Because that approval process is not entirely within either Lundgren's control or the City of Victoria's, the City of Victoria agrees that no increase of any utility rates for the property would take effect until after such time as the MUSA amendment was approved.

- D. After connection of the sewer and water systems to be built by Lundgren on the property in the City of Victoria to the sewer and water pipes of the City of Chanhassen, Lundgren shall pay at the time of the issuance of each building permit to the City of Chanhassen the following amount for the lot on which a building permit is issued within said plat approved by the City of Victoria for said property: \$1,050 per lot for trunk sewer. \$1,375 for trunk water, the Metropolitan Sewer Availability Charge ("SAC") and payment for a water meter to be furnished by the City of Chanhassen. The rates specified are the current rates. They are subject to change. Connection to the City of Chanhassen's sewer and water system will not be permitted until the charges are paid.
5. Replat of Lundgren Property in the City of Chanhassen. Upon approval of the annexations and detachments as outlined in paragraph 1 above, Lundgren shall file an application for the replat of property shown in Exhibit G with the City of Chanhassen so that the property will be replatted with the annexed property as shown generally on Exhibit G.
- The City of Victoria agrees that the proposed lots 28 and 29 which will be located in the City of Chanhassen as shown on Exhibit G may have access to the proposed platted culdesac in the City of Victoria as shown on Exhibit G in the event that culdesac is generally so platted at some point in the future in the City of Victoria and access to the municipal sewer and water lines which Lundgren will construct but will be owned and maintained by the City of Chanhassen pursuant to paragraph 4A hereof.
6. Approval of Plat by City of Victoria. Nothing in this Agreement binds or commits the City of Victoria in any fashion to approve any proposal which is brought forward by Lundgren Bros., Inc., its successors and assigns with respect to development of the property shown on the Exhibits attached hereto, and all drawings and sketches with respect to said property are merely for illustration.
7. Signing of Agreement. This agreement may be signed in counterparts and on different dates by each party without affecting the validity thereof.

REC'D. BY MAY 02 1996
MMR

Lundgren Bros., Inc.

By ~~_____~~
Its Vice President
Date 4/19/96

City of Chanhassen

By Donald Phillips
Its Mayor

And By Don O'Quinn
Its City Manager

Date 4-10-96

City of Victoria

By Mary Meunisse
Its Mayor

And By Dianne M. Kopet
Its City Administrator

Date 4-18-96

RECD. BY MAY 02 1996
M A R

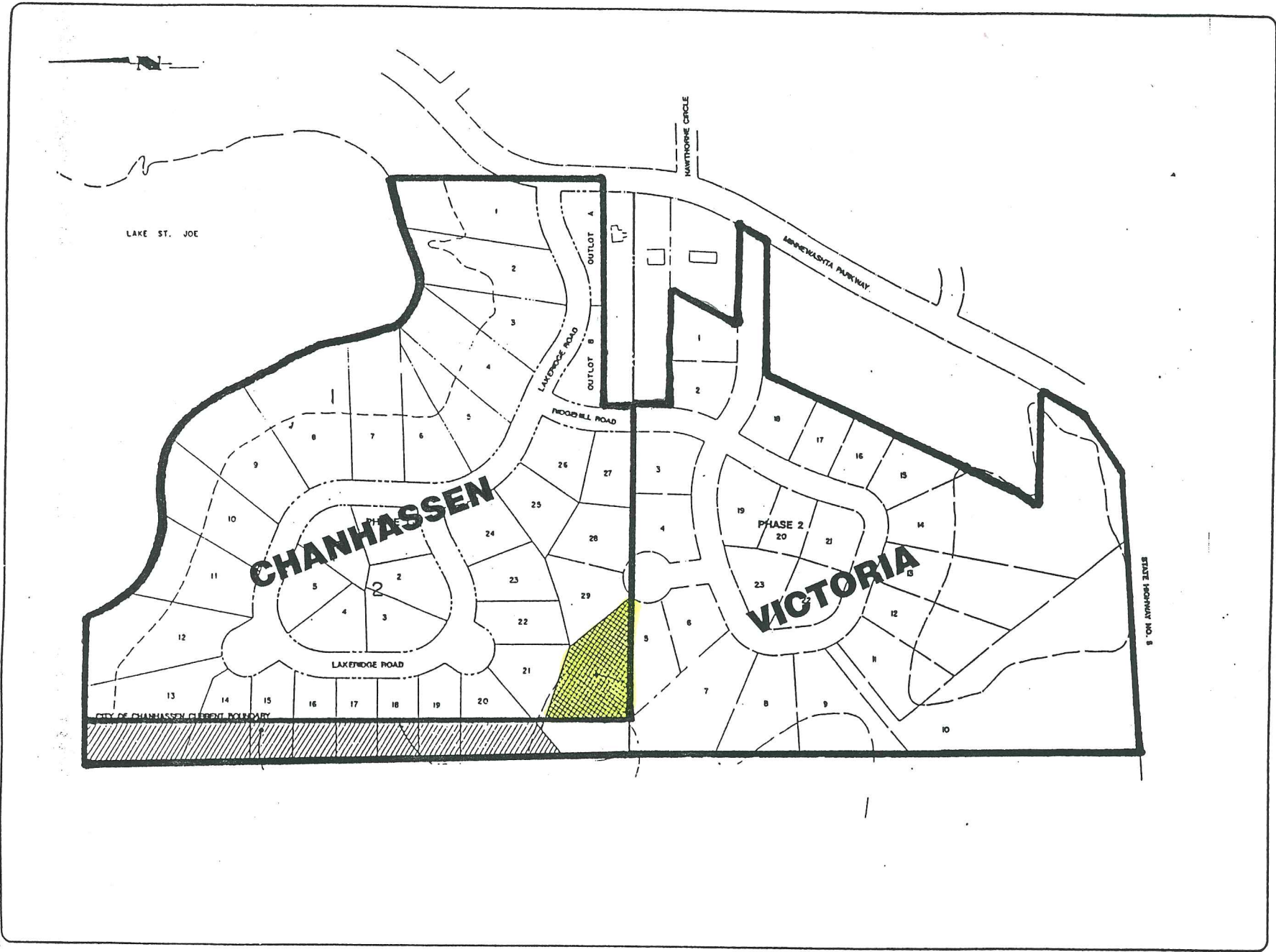
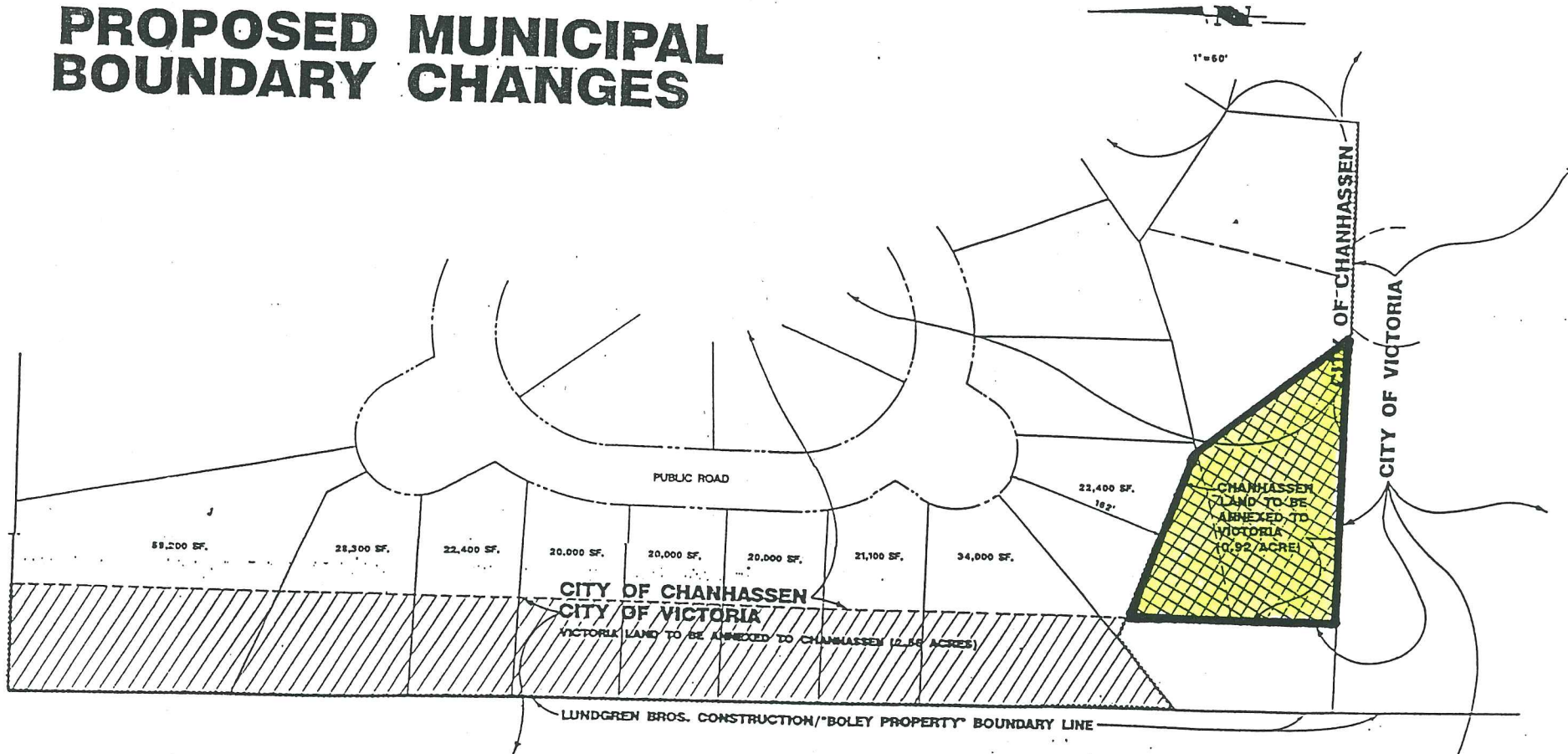


EXHIBIT A

REC'D. BY MAY 02 1996
M M R

PROPOSED MUNICIPAL BOUNDARY CHANGES



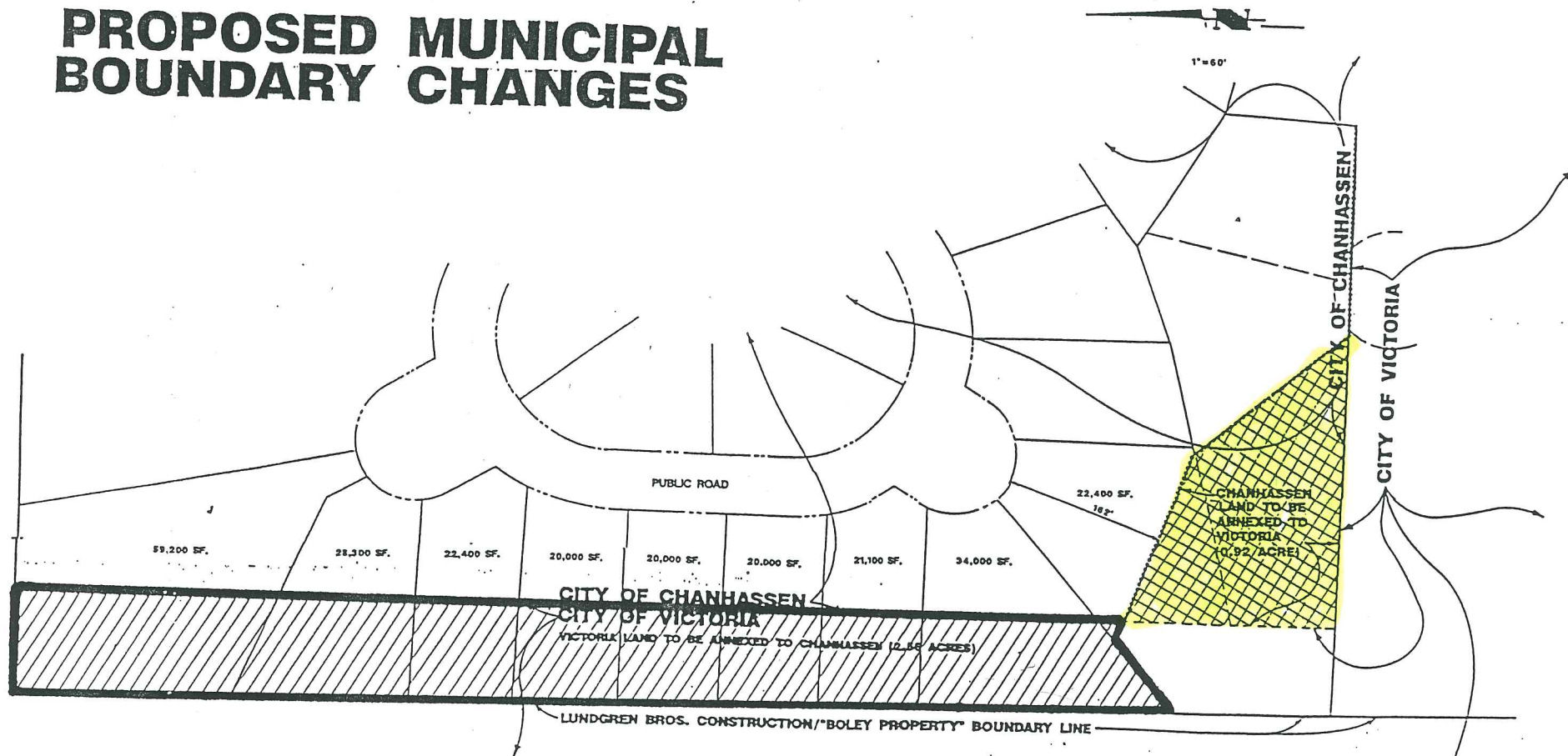
PREPARED FOR: LUNDGREN BROS. CONSTR. INC.
BY: SATHRE - BERGQUIST, INC.

BOLEY PROPERTY (HIGHLANDS ON LAKE ST. JOE)
CONCEPT SKETCH

10/13/94 , REVISED 12/2/94
REVISED 12/20/94
REVISED 01/4/95

REC'D. BY
MAY 02 1996
M M R

PROPOSED MUNICIPAL BOUNDARY CHANGES



PREPARED FOR: LUNDGREN BROS. CONSTR. INC.
 BY: SATHRE + BERGQUIST, INC.
 BOLEY PROPERTY (HIGHLANDS ON LAKE ST. JOE)
 CONCEPT SKETCH

10/13/94 , REVISED 12/2/94
 REVISED 12/20/94
 REVISED 3/14/95

RECD. BY MAY 02 1996
MAY 02 1996

EXHIBIT D

CITY OF CHANHASSEN RESOLUTION NO. 96-20

CITY OF VICTORIA RESOLUTION NO. 96-14

JOINT RESOLUTION BETWEEN THE CITY OF CHANHASSEN
AND THE CITY OF VICTORIA FOR THE CONCURRENT DETACHMENT
AND ANNEXATION OF INCORPORATED LAND PURSUANT TO
MINNESOTA STATUTE SECTION 414.061

WHEREAS, the City of Chanhassen desires to detach a parcel of property approximately 0.9434 acres in size and legally described as follows:

That part of Outlot B, HIGHLANDS ON LAKE ST JOE, according to the plat thereof on file or of record on the office of the Registrar of Titles, described as follows:

Beginning at the Southwest corner of said Outlot B; thence on an assumed bearing of North 0 degrees 24 minutes 27 seconds West, along the west line of said Outlot B, 211.31 feet; thence South 71 degrees 22 minutes 19 seconds East, 191.22 feet; thence South 36 degrees 59 minutes 12 seconds East, 188.07 feet to the intersection with the south line of said Outlot B; thence on a bearing of West, along the south line of said Outlot B, 292.35 feet to the point of beginning.

D-3331
A-5661

(hereinafter Parcel A)

AND WHEREAS, Parcel A abuts the City of Victoria and the City of Victoria desires to annex said property to improve boundary delineation and appropriate development of the above-described property; and

WHEREAS, the City of Victoria desires to detach a parcel of property approximately 2.5648 acres in size and legally described as follows:

That part of the Southwest Quarter of the Northeast Quarter of Section 7, Township 116, Range 23, described as follows:

Beginning at the northeast corner of the Southwest Quarter of the Northeast Quarter of said Section 7, thence westerly along the north line of said Southwest Quarter of the Northeast Quarter, 110.0 feet; thence southerly 1150.28 feet along a line, the southerly extension of which intersects with a point on the north line of the south 75.00 feet of said Southwest Quarter of the Northeast Quarter, 1385.10 feet west of the east line of Government Lot 3 of

D-3341
A-5662

said Section 7, as measured along a line 75.00 feet north of and parallel with the south lines of said Government Lot 3 and the Southwest Quarter of the Northeast Quarter; thence North 48 degrees 48 minutes 57 seconds East, 84.00 feet; thence South 71 degrees 22 minutes 19 seconds East, 27.64 feet to the Intersection with the east line of said Southwest Quarter of the Northeast Quarter, 211.31 feet north of the southeast corner of said Southwest Quarter of the Northeast Quarter; thence North 0 degrees 24 minutes 27 seconds West, along the east line of said Southwest Quarter of the Northeast Quarter, 1102.93 feet to the point of beginning. For purposes of this description, the east line of said Southwest Quarter of the Northeast Quarter is assumed to bear North 0 degrees 24 minutes 27 seconds West.

(hereinafter Parcel B)

AND WHEREAS, Parcel B abuts the City of Chanhassen and the City of Chanhassen desires to annex said property to improve boundary delineation and appropriate development of the above described property.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Chanhassen, Carver County, State of Minnesota, as follows:

The City of Chanhassen agrees to the above-described detachments and annexation of Parcel A and Parcel B. That this joint resolution of the City of Chanhassen and the City of Victoria shall be submitted to the Minnesota Municipal Board with the intent and request that the Municipal Board concurrently detach Parcel A from the City of Chanhassen and annex Parcel A to the City of Victoria and detach Parcel B from the City of Victoria and annex Parcel B to the City of Chanhassen at the earliest possible date.

The motion for the adoption of the foregoing Resolution was duly made by SENN and seconded by MASON and upon vote being taken thereon, the following voted in favor thereof:

CHMIEL
BERQUIST

DOCKENDORF
MASON

SENN

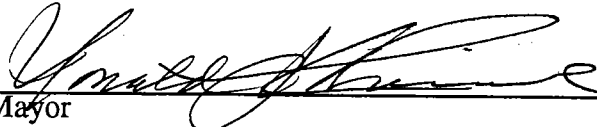
and the following voted against the same:

NONE

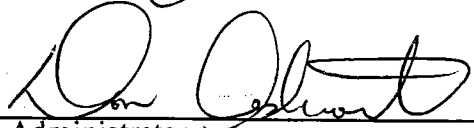
and the following abstained:

and the following were absent:

whereupon said Resolution was declared duly passed and adopted by the Chanhassen City Council this 26 day of February, 1996.

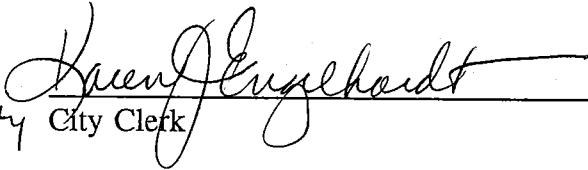


Mayor



City Administrator

ATTEST:



Deputy City Clerk

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Victoria, Carver County, State of Minnesota, as follows:

The City of Victoria agrees to the above described detachments and annexations of Parcel A and Parcel B. That this joint resolution of the City of Chanhassen and the City of Victoria shall be submitted to the Minnesota Municipal Board with the intent and request that the Municipal Board concurrently detach Parcel A from the City of Chanhassen and annex Parcel A to the City of Victoria and detach Parcel B from the City of Victoria and annex Parcel B to the City of Chanhassen at the earliest possible date.

The motion for the adoption of the foregoing Resolution was duly made by Lindgren and seconded by Meuwissen and upon vote being taken thereon, the following voted in favor thereof:

Meuwissen, Lindgren, Paulsen & Jones

and the following voted against the same:

none

and the following abstained:

and the following were absent:

Amundsen

whereupon said Resolution was declared duly passed and adopted by the Victoria City Council this 18 day of April, 1996.

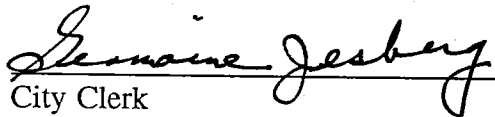


Mayor



City Administrator

ATTEST:



City Clerk

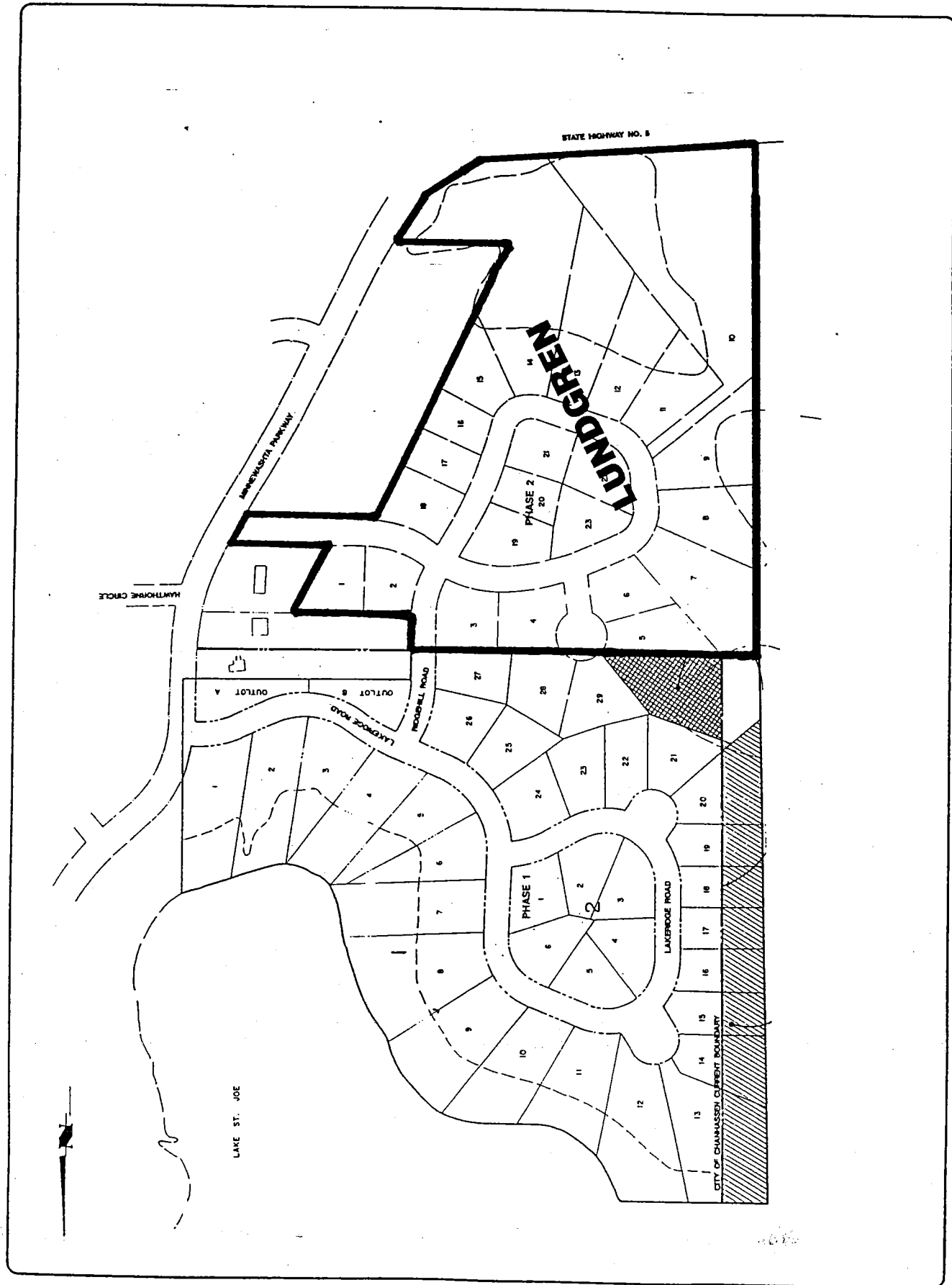
REVISIONS BY DATE
 M.M.F.
 MAY 02 1996

REVISIONS	BY	DATE

SATHRE-BERGQUIST, INC.
 130 SOUTH WOODWAY • WATZLA, MN 55381 • (612) 478-8000


BOLEY PROPERTY
 LUNDGREN BROS. CONSTR. INC.
 OLANDESSON, MINNESOTA

NO.	DATE	BY	REVISIONS



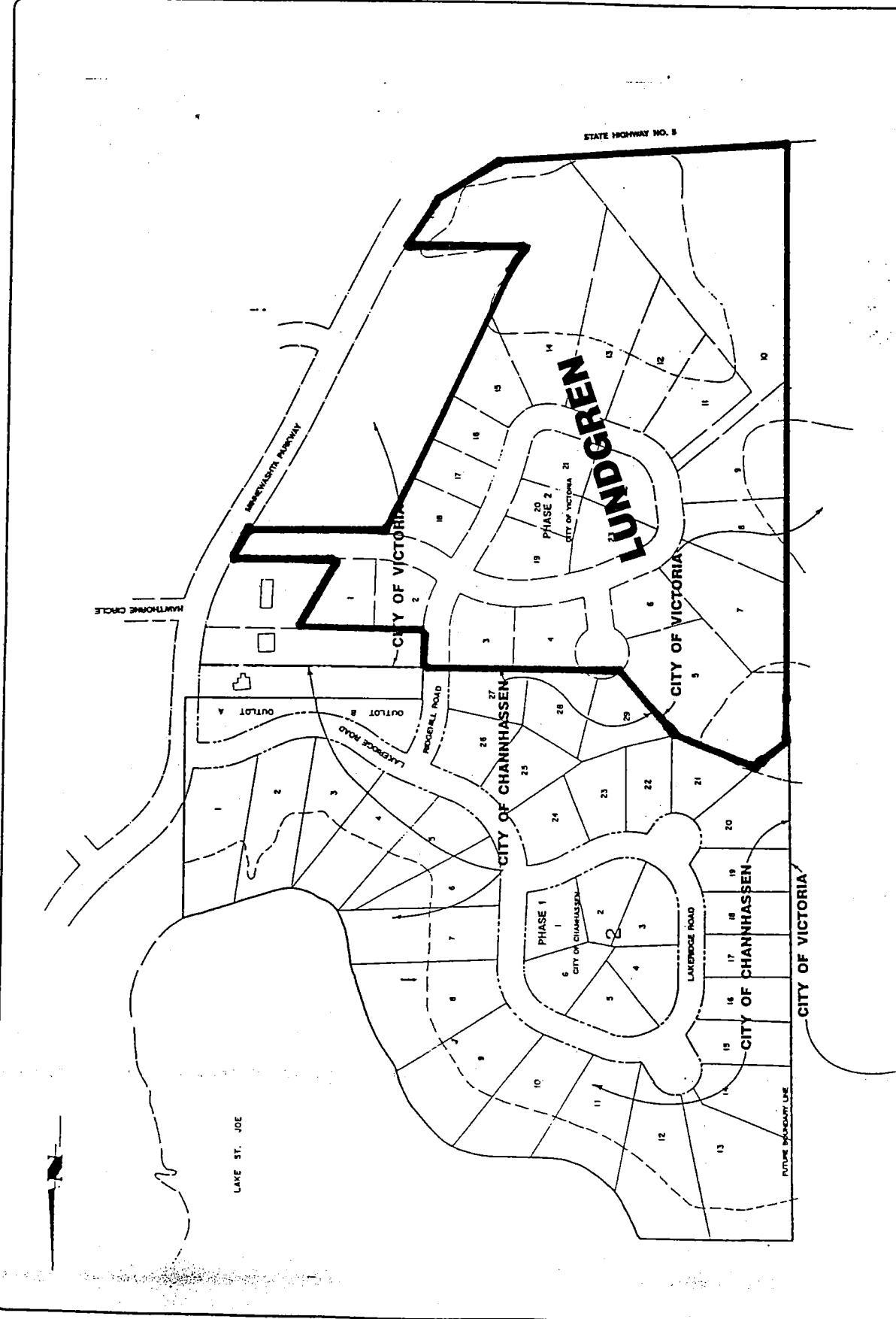
RECEIVED BY MAY 02 1996
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REVISIONS	BY	DATE


LUNDGREN BROS. CONSTR. INC.
 150 SOUTH BROADWAY • WATKIN, MN 55381 • (612) 478-5000
SATHRE-BERGQUIST, INC.

BOLEY PROPERTY
 CHANDLER, MINNESOTA

DATE	
BY	



POTENTIAL RESIDENTIAL DEVELOPMENT
 (ASSUMING EXCHANGE OF LAND BETWEEN CITIES.)

REC'D. BY MAY 02 1996
11:50 A.M.

REVISIONS	BY	DATE

SATHRE-BERGQUIST, INC.
 150 SOUTH BROADWAY • ARLINGTON, VA 22201 • (703) 478-4000

LUNDGREN BROS. CONSTR. INC.
 CHARLESTON, WEST VIRGINIA

NO.	DATE	DESCRIPTION	BY

