

Agreement
by and between
BED Investments, LLC and the City of Princeton

This AGREEMENT is made this ____ day of _____, 2022 by and between the CITY OF PRINCETON, whose address is 705 Second Street North, Princeton, Minnesota, 55371, a Municipal Corporation organized under the laws of the State of Minnesota ("the City"), and BED Investments, LLC, a Limited Liability Corporation organized under the laws of the State of Minnesota ("the Developer"), as it relates to real property legally described as:

Parcel 1 (Drews Property)

All that part of the West Half of the Southwest Quarter of Section 28, Township 36, Range 26, Mille Lacs County, Minnesota, lying westerly of the centerline of the Burlington Northern, Inc. Railroad right of way and lying southerly of the southerly line of the right of way of State Trunk Highway No. 95 as shown on Minnesota Department of Transportation Right of Way Plat No. 48-6 on file and of record in the office of the County Recorder in and for said Mille Lacs County, Minnesota, and lying northerly of the centerline of West Branch Road, also known as the Greenbush to Princeton Road. Excepting therefrom all that part of said West Half of the Southwest Quarter described as lying West of the East line of the West 427.80 feet thereof, as measured at right angles to the West line thereof. Parcel #24-028-3402

Parcel 2 (City Property)

The West Fifty (50) feet of the Burlington Northern Railroad Company's 100.00 foot wide Branch Line right of way lying west of said Railroad Company's Main Track centerline, located upon, over and across the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 28, Township 36 North, Range 26 West of the 4th Principal Meridian, bounded on the South by a line drawn parallel with and distant 132.00 feet Northerly of, as measured at right angles to the South line of said SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ and bounded on the Northerly side by the Southerly boundary of Trunk Highway No. 95, condemned by the State of Minnesota and described as Parcel 54 on the Plat designated as Minnesota Department of Transportation Right of Way Plat No. 48-6, on file and of record in the Office of the County Recorder for said Mille Lacs County, Minnesota. EXCEPTING THEREFROM all that part lying Westerly of said Main Track centerline and lying Southerly of said Southerly boundary of Trunk Highway No. 95 and lying Northerly of the said centerline of West Branch Street as located upon, over and across said SW $\frac{1}{4}$ of the SW $\frac{1}{4}$. Parcel #24-028-0101.

Parcel 3 (City Property)

Outlot A, Great Northern Addition Parcel #24-322-0260

WHEREAS, the City desires to reserve right of way for a future extension of 13th Avenue North as illustrated in Exhibit A; and

WHEREAS, the Developer desires to have two (2) building sites for residential development consistent with the property's zoning, and

WHEREAS, it is in the City's best interest to enter into this Agreement with the Developer to:

- a. Preserve a future transportation corridor,
- b. Encourage development of the property and add to the City's housing stock and tax base, and
- c. Reduce the outstanding special assessments on the property (s).

THEREFORE, THE PARTIES AGREE TO THE FOLLOWING:

1. The City shall engage, at its expense, its Engineering firm to prepare a preliminary and final plat to create the right of way to be preserved, to be owned by the city, and two developable lots, to be owned by the Developer. Said plat shall encompass Parcels 1, 2 and 3 legally described above. Said plat shall limit the amount of land, to the legal extent possible, to be dedicated for West Branch Street in order to maximize the resulting depth of the developable lots. The plat shall include all permanent easements for public utilities which the Developer shall agree to.
2. The newly owned City property is generally identified on Exhibit A, in the red-shaded area, and consists of approximately 21,348 square feet, the final legal description of which will be finalized through the platting process. However, Developer specifically agrees that the City shall be granted a lot size necessary to accomplish the establishment of any road right of way desired by the City.
3. The Developer shall review the preliminary and final plat and agree to the developable lot configuration, within 30 days of completion of the preliminary and final plat. The Developer shall also identify any variances needed in order to construct reasonably sized and marketable residential dwellings on the developable lots, within 30 days of completion of the preliminary and final plat.
4. The City shall, at its expense, process the preliminary and final plats as well as the identified variances. The City, through this agreement, makes no guarantees that the variances will be granted by the Planning Commission, but acknowledges that the depths of the lots likely require approval of variances in order to build reasonably sized and marketable residential dwellings.
5. The Developer agrees to pay fifty (50) percent of the outstanding special assessments on Parcels 1 and 2. The City agrees to waive the remaining amount. The current assessment amount due on Parcel 1, as of October 2021, is \$7,437.85. The current assessment amount on Parcel 2, as of October 2021, is \$1,239.61. However, Developer specifically agrees is with pay fifty (50) percent of the total outstanding special assessments on both Parcel 1 and Parcel 2, as of the date of recording of all required documents, with the Mille County Recorder's Office. Said payment shall occur at the time of closing.
6. The City, shall, at its expense, procure title work, preparation of deeds and cover all closing costs necessary to complete the transaction.

NOTICES

Notices to the Developer shall be in writing and may be delivered by hand to the Developer or delivered by the United States Postal Service at:

BED Investments, LLC
Butch Drews

28504 120th Street NW
Princeton, MN 55371

Notices to the City shall be in writing and may be delivered by hand to the City Administrator or delivered by the United States Postal Service at:

City of Princeton
City Administrator
705 2nd Street North
Princeton, MN 55371

INDEMNIFICATION

The Developer hereby waives any claims whatsoever that it may have with respect to the property, now or in the future, as they pertain to the City, and agrees to hold harmless, defend and indemnify the City against any claims brought or actions filed against the City, or any officer, employee or agent of the City acting within the scope of their employment or duties.

In acceptance of this Agreement, the Developer and the City have executed this Agreement to be effective on the ____ day of _____, 2022.

DEVELOPER

By: _____ Date: _____
BED Investments LLC, Butch Drews

STATE OF MINNESOTA)
) SS:
COUNTY OF MILLE LACS)

The foregoing Agreement dated the ____ of _____, 2022 was subscribed before me in person this ____ day of _____, 2022, by Butch Drews, BED Investments, LLC its _____ who is personally known to me.

Notary Public

CITY OF PRINCETON

By: _____ Date: _____
Thom Walker, Mayor

By: _____ Date: _____
Michele McPherson, City Administrator

STATE OF MINNESOTA)
) SS:
COUNTY OF MILLE LACS)

The foregoing Agreement dated the ____ day of _____, 2022 was subscribed before me in person this ____ day of _____, 2022, by Thom Walker, Mayor, and by Michele McPherson, City Administrator of the **City of Princeton** (a Minnesota Municipal Corporation), who are personally known to me, on behalf of the Corporation and pursuant to the authority of the City Council.

Notary Public

Drafted by:

City of Princeton
705 North 2nd Street
Princeton, MN 55371

EXHIBIT A

