Minnehaha Creek Watershed District

REQUEST FOR BOARD ACTION

MEETING DATE: May 9, 2019 **TITLE:** Amending the School Lake Preserve conservation easement **RESOLUTION NUMBER: 19-056** PREPARED BY: Laura Domyancich **E-MAIL:** Idomyancich@minnehahacreek.org **TELEPHONE:** 952-641-4582 **REVIEWED BY:** □ Administrator □ Counsel □ Program Mgr. Michael Hayman ☐ Board Committee ☐ Engineer □ Other WORKSHOP ACTION: ☐ Advance to Board meeting for discussion prior to action. ☐ Advance to Board mtg. Consent Agenda. Refer to a future workshop (date):_____ Refer to taskforce or committee (date):_____

☐ No further action requested.

PURPOSE or ACTION REQUESTED: Authorization to amend the School Lake Preserve conservation easement to align with approved final plat

PROJECT/PROGRAM LOCATION: School Lake Preserve Conservation Design-Planned Unit Development (CD-PUD), Medina.

PROJECT TIMELINE: July 12, 2018: School Lake Preserve conservation easement recorded April 16, 2019: Second Addition plat approval granted by City of Medina

PROJECT/PROGRAM COST:

☐ Return to staff for additional work.

Fund name and number: Planning 200-2002

☑ Other (specify): Requesting authorization at May 9 Board Meeting.

Current Budget: \$955,564 Expenditures to date: \$148,950 Requested amount of funding: \$0

SUMMARY: Wallace Marx is currently developing a 90-acre property in Medina southwest of what is commonly known as School Lake. A 6-lot, single family subdivision is being built under the City of Medina's conservation design-planned unit development (CD-PUD) ordinance which requires at least 30% of the buildable land area, wetlands, and wetland buffers to be protected by conservation easement. The District agreed to serve as the holder of the conservation easement in order to facilitate the conservation development, and accordingly acquired this 70-acre easement in July 2018.

This property is of interest to the District because of its location within a key conservation area as designated by the District's watershed management plan with proximity to an additional District-held conservation easement along the western shoreline of School Lake and Three Rivers Park District's Baker Park. The District

has provided technical guidance to other private landowners in this area to undertake conservation planning and natural areas restoration, which has created a significant conservation corridor within Medina.

The School Lake Preserve conservation easement protects high-quality woodlands and wetlands, including a tamarack bog. In an effort to protect additional habitat under the conservation easement, Mr. Marx has worked with the City of Medina to adjust property lines on the final plat of the 2nd Addition to shift wetland buffer on a private lot into the conservation easement and add adjacent woodland to the protected acreage. The repositioning of the lot lines causes no net loss or gain to the total area within the conservation easement, and all conditions of the conservation easement are unchanged.

The City of Medina approved the final plat of the 2nd Addition with this adjustment on April 16, 2019, and Mr. Marx is now requesting the amendment of the conservation easement to align with this change.

ATTACHMENTS: 1. First Amendment to the School Lake Preserve Conservation Easement

2. School Lake Preserve Conservation Easement

RESOLUTION

RESOLUTION NUMBER: 19-056		
TITLE:	Amending the School Lake Preserve conservation easement	
WHEREAS,	Wallace Marx intends to develop 90 acres for residential use utilizing a conservation design planned unit development named School Lake Preserve; and	
WHEREAS,	the District holds a conservation easement over 70 acres of the property, which protects approximately 29 acres of upland habitat and 41 acres of wetlands and wetland buffers; and	
WHEREAS,	the subject property is located in a key conservation area as designated by the District's watershed management plan with proximity to School Lake, Three Rivers Park District's Baker Park, and other District-held conservation easements on School Lake and east of Lake Katrina and	
WHEREAS,	the District and Mr. Marx have worked proactively and collaboratively to bring conservation considerations to bear on the development of the property to optimize the water resource and ecological benefits of the development; and	
WHEREAS,	Mr. Marx has identified sensitive habitat originally platted on a residential lot and has worked with the City of Medina through final platting to adjust lot lines and protect this habitat under the District-held conservation easement, with no change in the total conservation area; and	
WHEREAS,	Mr. Marx requests that the conservation easement be amended to reflect this adjustment of the boundary between the residential lot and conservation area; and	
WHEREAS,	the District acknowledges benefit in both the further protection of sensitive habitat and the practical advantages to long-term conservation easement monitoring;	
hereby author	EFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers izes the Board President to execute the First Amendment to the School Lake Preserve Easement, with non-material changes and on the advice of counsel.	
Resolution Nu	Imber 19-056 was moved by Manager, seconded by Manager of the resolution aves pays abstentions Date: May 9, 2019	

Secretary

_____ Date: May 9, 2019

FIRST AMENDMENT TO CONSERVATION EASEMENT

THIS FIRST AMENDMENT TO CONSERVATION EASEMENT ("the Amendment") is by and between SCHOOL LAKE NATURE PRESERVE LLC, a Minnesota limited liability company ("the Grantor") and MINNEHAHA CREEK WATERSHED DISTRICT, a governmental body created under Minnesota Statutes Chapter 103(D) ("the District").

RECITALS:

- A. On June 26, 2018, pursuant to a Conservation Design Planned Unit Development ("CD-PUD") approved by the City of Medina, a political subdivision of the State of Minnesota (the "City"), Wallace and Bridget Marx, each the spouse of the other, granted to the District a Conservation Easement affecting certain property, legally described as: Lots 1 and 2, Block 1; Lots 1 and 2, Block 2; Lots 1 and 2, Block 3, and Outlots A-K, School Lake Nature Preserve, Hennepin County, Minnesota, all according to the plat of School Lake Nature Preserve, Hennepin County, Minnesota, and filed on July 12, 2018 in the Office of the County Recorder, Document A10571122, Hennepin County ("the Easement"); and
- B. Ownership of the property was transferred to the Grantor pursuant to a warranty deed filed on July 12, 2018 in the Office of the County Recorder, Hennepin County and in the Registrar of Titles, Hennepin County; and
- C. The Grantor and the District desire to amend the Conservation Easement as it relates to a single lot and a single outlot, legally described as *Lot 2*, *Block 2* and *Outlot E*, respectively, *School Lake Nature Preserve*, *Hennepin County*, *Minnesota*, as approved by the City on April 16, 2019, in Resolution No. 2019-___ Granting Final Approval of the School Lake Nature Preserve 2nd Addition Plat, and as set forth in this Amendment.

NOW THEREFORE, the Grantor and the District, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, consent and agree to amend the Conservation Easement as follows:

- 1. The boundaries of *Lot 2*, *Block 2* and *Outlot E* shall be adjusted and the two shall be renamed *Lot 1*, *Block 1* and *Outlot A*, respectively, *School Lake Nature Preserve Second Addition*, as set forth in the plat of the School Lake Nature Preserve 2nd Addition, attached hereto as Exhibit A, and filed in the Office of the County Recorder, Hennepin County and in the Registrar of Titles, Hennepin County, and as further set forth in the Site Plan attached hereto as Exhibit B.
- 2. The Amendment shall be binding on the parties and all of their successors and assigns.
- 3. Except as specifically set forth herein, all other terms and conditions of the Easement shall remain in full force and effect. In the event of any conflict between the terms and conditions of the Amendment and the terms and conditions of the Easement, the terms and conditions of the Amendment shall control.
- 4. The Amendment may be executed in counterparts, each of which shall be considered an

original. Signature pages may be detached from the counterparts and attached to a single copy of this document to physically form one document.

IN WITNESS WHEREOF, on the basis of mutual valuable consideration, and intending to be legally bound, the Grantors and the District voluntarily execute this First Amendment to Conservation Easement.

	GRANTOR
	SCHOOL LAKE NATURE PRESERVE, LLC
	By: Wallace Marx, President, School Lake Nature Preserve
STATE OF MINNESOTA)) ss.
COUNTY OF HENNEPIN)
The foregoing instrument w by Wallace Marx, President, Schoo	ras acknowledged before me thisday of, 2019, l Lake Nature Preserve, LLC.

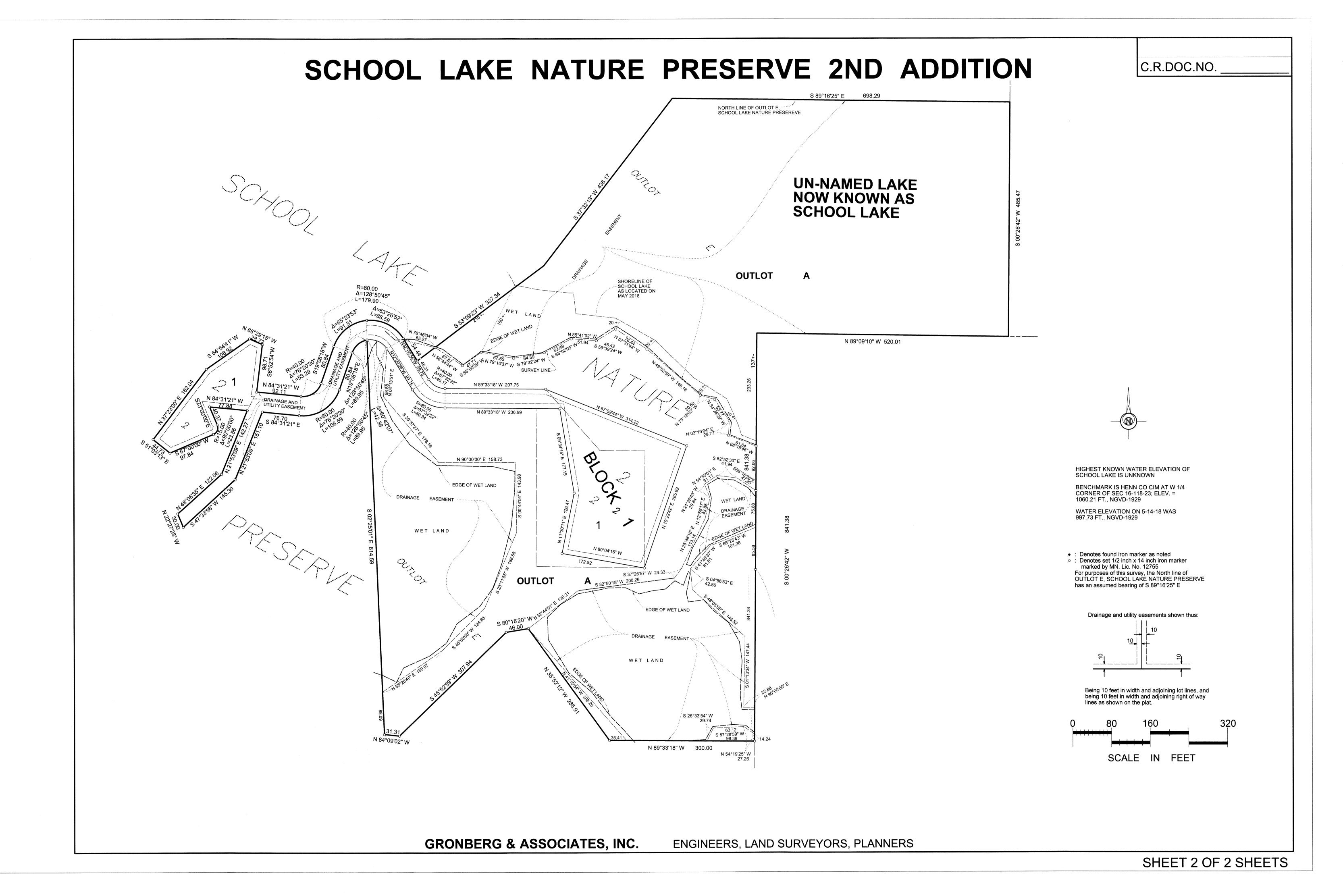
Notary Public

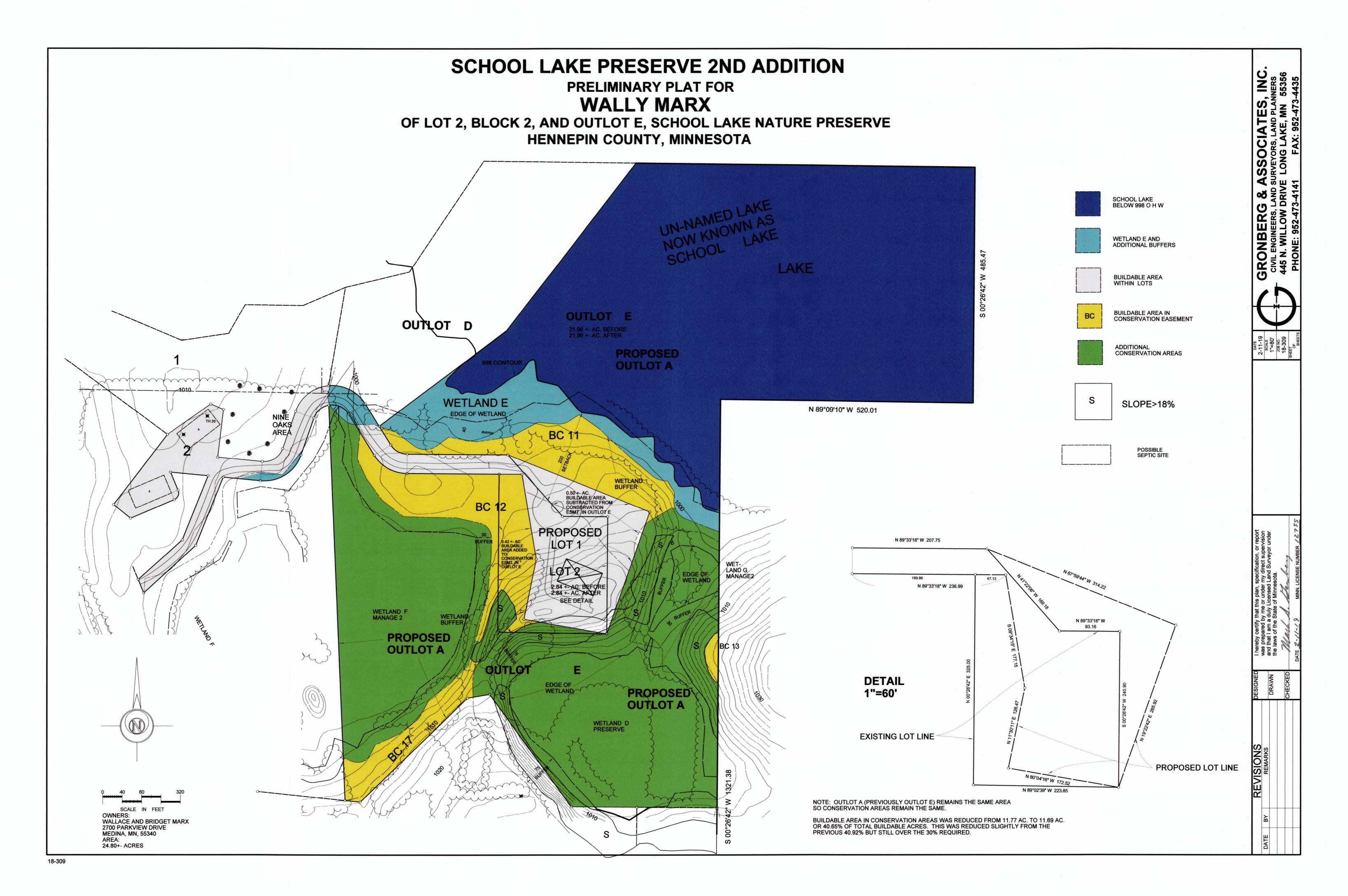
ACCEPTANCE

The Minnehaha Creek Watershed District hereby accepts the foregoing First Amendment to Conservation Easement.

MINNEHAHA CREEK WATERSHED DISTRICT

	By:
	Title: President, Board of Managers
STATE OF MINNESOTA COUNTY OF HENNEPIN)) ss.)
	ras acknowledged before me thisday ofesident, Board of Managers, of the Minnehaha Creek
	Notary Public My Commission Expires:





Transfer Entered

Jul 12, 2018 2:48 PM

Hennepin County, Minnesota Mark Chapin County Auditor and Treasurer



Doc No A10571122

Certified, filed and/or recorded on Jul 12, 2018 2:48 PM

Office of the County Recorder Hennepin County, Minnesota Martin McCormick, County Recorder Mark Chapin, County Auditor and Treasurer

Deputy 71

Pkg ID 1711126C

Attested Copy or Duplicate Original

\$2.00

Document Recording Fee

\$46.00

Document Total

\$48.00



CONSERVATION EASEMENT

Legal Description of Burdened Property:

Lots 1 and 2, Block 1; Lots 1 and 2, Block 2; Lots 1 and 2, Block 3; and Outlots A Through I, and Outlot K

All according to the plat of School Lake Nature Preserve, Hennepin County, Minnesota.

This is a CONSERVATION EASEMENT (hereinafter "Easement") granted by Wallace and Bridget Marx, each the spouse of the other ("Grantors") pursuant to a Conservation Design – Planned Unit Development ("CD-PUD") approved by the City of Medina, a political subdivision of the State of Minnesota (the "City"), to the Minnehaha Creek Watershed District, a governmental body created under Minnesota Statutes Chapter 103D (the "District").

RECITALS:

A. OWNER. The Grantors are the fee owners of the real property legally described above (the "Burdened Property"). The areas of the Burdened Property encumbered by this Easement are identified as Outlots A through I, and Outlot K on the Final Plat attached hereto as Exhibit A (hereinafter referred to as the "Plat") and the Site Plan attached hereto as Exhibit B (hereinafter referred to as the "Site Plan") (Outlots A through I, and Outlot K hereinafter referred to as the "Protected Property"). The terms and covenants of this Easement that bind the remaining (residential) lots within the Burdened Property are appurtenant to the conservation protections on the Protected Property hereunder and intended by this Easement to run with the land and bind those lots in perpetuity in accordance with Minnesota Statutes chapter 84C.

The term "property owner" or "owner" is used in certain terms of this Easement to indicate that the term applies only to the owner of the affected parcel, and not to all owners within the Burdened Property.

B. PROTECTED PROPERTY. The Protected Property is approximately 29.7 acres of maple-oak-basswood woodland and restored prairie and 41.58 acres of wetlands and lakeshore along two lakes, one locally known as School Lake on the northeastern corner of the property and another locally known as Miller Lake to the south of the site. These lakes are public waters under Minnesota Statutes §103G.005. The Grantors have agreed to grant this Easement, in part, as a condition imposed by the City for approval of a Conservation Design Planned Unit Development, (hereinafter referred to as the "CD-PUD") a form of residential development (pursuant to applicable City regulations) on the Burdened Property and contiguous real property thereto (hereinafter referred to as the "Residential Community"). In its PUD approval process, the City will reference "Ordinance No. 618 Establishing a Conservation Design-Planned Unit Development District for 'School Lake

Nature Preserve', approved on October 17, 2017, and amending the Official Zoning Map" and the "School Lake Nature Preserve Final Plat" approved on February 20, 2018.

- C. MINNEHAHA CREEK WATERSHED DISTRICT. The District is a governmental body created and operated exclusively for the purposes of water resource protection, conservation and management, including the protection, conservation, and management of related lands. The District is an organization qualified to hold conservation easements under Minnesota law and Section 170(h) of the Internal Revenue Code and related regulations.
- D. CONSERVATION VALUES. The Protected Property has the following natural, scenic and open space qualities of significant importance:

Numerous natural habitat communities are present including a tamarack wetland complex, maple-basswood forest, mesic oak forest, extensive undeveloped lakeshore on School Lake, and a diverse mosaic of wetland communities. The Protected Property also provides scenic views to and from School Lake. There are several animal trails leading to and from School Lake, and habitat for numerous species of animals including white-tail deer, grey and red squirrels, groundhogs, opossums, rabbits, coyotes, foxes, minks, pheasants, wild turkeys, and migratory waterfowl such as ducks, geese, trumpeter swans, egrets, blue herons, and sandhill cranes.

One of the primary conservation values of the Protected Property is the corridor created between and among the diverse habitat features of the Protected Property and with other habitats outside of the Protected Property. The connectivity created by the Protected Property will be essential as climate change potentially alters vegetation composition and species' distributions over time. The specific plants, animals, and habitat found on the Protected Property at the time of this Easement are reflective of the conditions at that time. Should climate change or other natural factors beyond Grantors' control affect the plants, animals, or habitat on the Protected Property, it is the intention of the parties that the Protected Property will be preserved and managed to provide habitat reflective of local natural conditions as they may vary from time to time.

Collectively, these natural, scenic and open space qualities of the Protected Property constitute its "Conservation Values."

These Conservation Values have not been and are not likely to be adversely affected to any substantial extent by the continued use of the Protected Property as described above or as authorized below or by the construction of those structures and improvements that are authorized below.

- E. CONSERVATION POLICY. Preservation of the Protected Property will further those governmental policies established by the following:
 - 1. Minnesota Statutes Chapter 84C, which recognizes the importance of private conservation efforts by authorizing conservation easements for the protection of natural, scenic, or open space values of real property, assuring its availability for agriculture, forest,

recreational, or open space use, protecting natural resources, and maintaining or enhancing air or water quality.

- 2. The Metropolitan Surface Water Act, Minnesota Statutes Section 103B, which specifically identifies the importance of protecting the natural surface waters and groundwaters of the Metropolitan Area.
- 3. Minnesota Statutes Section 103D which provides for the establishment of watershed districts to conserve the natural resources of the State.
- 4. Minnehaha Creek Watershed District Comprehensive Water Management Plan, which includes the policies, programs, and projects implementing the Metropolitan Surface Water Act.
- 5. The City of Medina Comprehensive Plan, which states that the City shall "maintain its rural character in which natural infrastructure is the dominant feature while planning for new business and residential areas," "Protect natural resources and natural corridors," and "Plan neighborhoods using innovative design techniques to ensure a high quality of life for residents."
- 6. The City of Medina CD-PUD Ordinance, as determined by the Medina City Council on July 5, 2017.
- 7. The City of Medina Natural Resource Inventory in which significant portions of the Protected Property are identified as an Ecologically Significant Natural Area.
- 8. The City of Medina Open Space Plan which identifies the Protected Property as Priority Areas.
- 9. The Hennepin County Environmental Services 2008 conceptual Greenway Corridor Plan.
- 10. The Minnesota Department of Natural Resources Regionally Significant Terrestrial and Wetland Ecological Areas plan which identifies the Protected Property as part of a large complex identified as Regionally Significant. Along with Baker Park and areas to the immediate north, the Protected Property is one of a few large complexes of such areas in Hennepin County.
- F. CONSERVATION INTENT. The parties are committed to protecting and preserving the Conservation Values of the Protected Property in perpetuity. Accordingly, it is their intent to create and implement a conservation easement that is binding in perpetuity upon the current owners and all future owners of the Protected Property and that conveys to the District the right to protect and preserve the Conservation Values of the Protected Property for the benefit of this generation and generations to come.
- G. DOCUMENTATION. The current condition of the Protected Property will be described and documented in a property report, signed by Grantors and the District, titled "School Lake Nature Preserve Conservation Easement Property Report" (the "Property Report"). Grantors

and the District each acknowledge that they will consider the Property Report to accurately represent the condition of the Protected Property at the time of this conveyance, except as the Property Report explicitly may provide otherwise, and that the Property Report may be used by the parties in monitoring future uses of the Protected Property, in documenting compliance with the terms of this Easement, and in any enforcement proceeding. This paragraph does not preclude the use of other information and evidence to establish the present condition of the Protected Property in the event of a future controversy.

The Easement is accompanied by a Land Stewardship Plan ("Plan") that provides detail as to the rights and responsibilities of Grantors under the Easement. The Plan is not specifically incorporated herein except as explicitly referenced, or otherwise to be filed on the title of the Protected Property, but gives more detailed meaning to certain provisions of this Easement that reference the Plan. The parties intend that the Plan be admissible in defining the meaning of those provisions of this Easement that reference it. It will not be interpreted to authorize any use or disturbance of the Protected Property contrary to this Easement, or that is detrimental to any Conservation Value set forth herein. To the extent any provision of this Easement is found to be in conflict with the Plan, the Easement provision shall prevail. The Plan may be amended by the Grantors and District. The Plan and any amendment thereto will be signed by the Grantors and the District and dated. In conjunction with a conveyance of land rights within the Burdened Property or an assignment or transfer of this Easement, or at any other reasonable time, a party on request will sign an estoppel or other mutually-acceptable document affirming the then-current version of the Plan and amendments.

CONVEYANCE OF CONSERVATION EASEMENT:

Pursuant to the laws of the State of Minnesota and in particular Minnesota Statutes Chapter 84C and in consideration of the facts recited above and the mutual covenants contained herein and in further consideration of the sum of one dollar and other valuable consideration, the Grantors hereby convey to the District a perpetual conservation easement over the entirety of those lots identified as Outlots A through I, and Outlot K on Exhibit A, also known as the Protected Property. This Easement consists of the following rights, terms, and restrictions applicable within the Protected Property.

1. CONSERVATION PURPOSE. The purpose of this Easement is to preserve and protect in perpetuity the Conservation Values of the Protected Property by confining the development, management, and use of the Protected Property to activities that are consistent with the preservation of these Conservation Values, by prohibiting activities that significantly impair or interfere with these Conservation Values, and by providing for remedies in the event of any violation of this Easement.

The terms of this Easement are specifically intended to provide a significant public benefit, including but not limited to the protection of the water quality, habitat value (including terrestrial upland habitat), and ecological integrity of surface waters and wetlands, as well as associated riparian land, floodplain and supporting groundwater, both on the Protected Property and within the wider hydrologic system in which they are situated, as further described in the District's watershed management plan as it may be amended, along with the facilitation of public use of designated walking trails consistent with the protection of the Conservation Values.

- 2. ACTIVITY RESTRICTIONS ON PROTECTED PROPERTY: In furtherance of the intent of this Conservation Easement, the terms of this Section 2 apply to the Grantors and all persons acting under Grantors' authority or control.
 - 2.1. <u>Industrial and Commercial Activity</u>. No industrial or commercial use of the Protected Property is allowed.
 - 2.2. Right of Way. No right of way for surface travel shall be granted across the Protected Property except the right-of-way(s) shown as Outlots I, J, and L on the Plat (Exhibit A) and the Site Plan (Exhibit B), and right-of-way for trails pursuant to paragraph 2.10, below. Grantors may disturb the Protected Property adjacent to platted right-of- way to the extent necessary to pave and otherwise improve and maintain the right- of-way, and will restore soils and vegetation when work is completed.
 - 2.3. <u>Mining</u>. No mining, drilling, exploring for or removing of any minerals from the Protected Property is allowed.
 - 2.4. <u>Subdivision</u>. A lot of record as identified in Exhibit A may be subdivided only with a written amendment to the Easement to preserve the effectiveness of the assessment mechanism referenced in Section 5 of this Easement. This section does not prevent or otherwise inhibit a property owner's voluntary transfer of fee interest in any portion of the Protected Property to a government entity for conservation purposes.
 - 2.5. <u>Water</u>. No activity shall be conducted on the Protected Property that would pollute, alter, deplete, or extract surface water or groundwater; cause erosion; or be detrimental to water quality, except as follows:
 - Activities approved in writing by the District that restore or enhance wildlife habitat or native biological communities or that improve or enhance the function and quality of existing wetlands and surface waters on and off of the property.
 - b. Activities undertaken in the exercise of rights explicitly granted under this Section 2 that might cause erosion or impact water quality on a temporary basis, provided that all reasonable erosion and sediment control measures are undertaken to limit the impacts of those activities. All activities permitted hereunder remain subject to the permitting requirements of the District and other governmental bodies.
 - c. Activities expressly permitted in Paragraph 2.9 below.
 - 2.6. <u>Dumping</u>. No trash, waste vegetation, compostable or non-compostable garbage, hazardous or toxic substances or unsightly material may be dumped or placed on the Protected Property.

- Storage Tanks. There shall be no placement of storage tanks on, in, or under the Protected Property.
- 2.8. Agricultural Use. No agricultural use or cultivation is allowed within the Protected Property, except as permitted under subsection 2.13, below.
- 2.9. <u>Utilities.</u> No utility structure, system, or facility may be installed or extended across, under or above the Protected Property. This includes, without limitation, any structure, system, or facility to provide power, fuel, water, waste disposal, communication or data. Notwithstanding this provision: (a) stormwater management facilities may be located within the Protected Property; and (b) a utility structure, system or facility may be installed or extended to provide service to one or more residential lots within the Burdened Property. In each case, Grantors will select alignment and installation method to reasonably minimize disturbance, and will restore soils and vegetation after disturbance. Grantors may dedicate or convey one or more utility easements across the Protected Property for utilities permitted under this subsection 2.9. This Easement will be subordinated to each such easement, provided it states that disturbance will be reasonably minimized, and that soils and vegetation will be restored, in accordance with this subsection.
- 2.10. Roads and Trails. No road or trail, paved or unpaved, may be established or constructed on the Protected Property except for horse and pedestrian trails of grass, woodchip or paved surface, no more than eight feet in width average and 10 feet maximum, on the alignments indicated on Exhibit C, attached hereto and incorporated herein. Grantors may convey one or more easements to the City to construct and maintain public trail on alignments indicated on Exhibit C, provided each such easement states, as to construction-phase disturbance outside of the trail width, that: (a) disturbance will be minimized; (b) and the City will restore disturbed soils and vegetation in a manner satisfactory to the District.
- 2.11. Fences. Any fencing installed within the Protected Property will follow technical guidelines and best practice so that it does not materially restrict wildlife movement, and will not impede the exercise of any right of Grantors or the District under this Easement. Notwithstanding this limitation, existing fencing as identified within the Property Report may be maintained as described in the Plan.
- 2.12 Structures and Improvements. No temporary or permanent building, structure, or other improvement of any kind may be placed or constructed on the Protected Property. Notwithstanding the immediately foregoing, incidental placement of temporary structures on the Protected Property associated with permitted use of that part of the Burdened Property not subject to the Easement (e.g. weddings in the formal gardens) is permitted, provided that there is no land alteration or damage to vegetation. Grantors will restore soils and vegetation if disturbed. Further notwithstanding the foregoing, signage for ordinary residential or trail purposes may be placed and maintained within the Protected Property.

- 2.13 Vegetation Management. Vegetation may be altered within the Protected Property only to maintain, restore or enhance habitat for wildlife and native biological communities; for lake view and lake access in accordance with the Land Stewardship Plan; to prevent or control noxious weeds, invasive vegetation, or disease; or to improve the water quality of the site or stabilize areas of potential erosion. Any such activity must be authorized by the Plan or pursuant to written District approval, not to be unreasonably withheld. Notwithstanding, in an emergency situation, action may be taken as necessary to prevent or abate fire or any other condition causing or threatening injury or substantial property damage. Notwithstanding the foregoing, aquatic plant management subject to an individual or a general Minnesota Department of Natural Resources (MnDNR) permit does not require District approval. This Easement will be subordinated to any separately recorded instrument signed by the District that allows for land or vegetation disturbance consistent with the criteria of paragraph 6.7(d), including without limitation the Wetland Buffer Easement Agreement dated JONE 574 2018 between Grantor, the District, and the City.
- 2.14. Topography and Surface Alteration. No alteration or change in the topography or surface of the Protected Property is allowed except as explicitly permitted elsewhere under this section 2. This includes no ditching, draining, diking, filling, excavation, dredging, mining, drilling or removal of soil, sand, gravel, rock, minerals, or other materials. Notwithstanding, with the District's written approval, surface disturbance including excavation and fill may occur for the purpose of restoring previously disturbed areas on the Protected Property.
- 2.15. <u>Vehicles</u>. No motorized vehicle may be operated within the Protected Property except as reasonably required for uses authorized by this Easement or the Plan including City installation and maintenance of trails pursuant to subsection 2.10.
- 2.16. Chemicals. Except as authorized pursuant to subsection 2.13, above, or as otherwise authorized in writing by the District, within the Protected Property there shall be no use of pesticides or biocides, including but not limited to insecticides, fungicides, rodenticides, and herbicides, and no use of devices commonly known as "bug-zappers."
- 2.17. County Road Right of Way. Grantors are not responsible for actions taken or rights exercised by Hennepin County pursuant to any preexisting ROW easement.
- 3. RESERVED RIGHTS. The Grantors retain all rights associated with ownership and use of the Protected Property that are not expressly restricted or prohibited by this Easement. However, the Grantors may not exercise these rights in a manner that would adversely impact the Conservation Values of the Protected Property. The Grantors must give notice to the District before exercising any reserved right that might have an adverse impact on the Conservation Values associated with the Protected Property.
 - 3.1. <u>Right to Convey</u>. Subject to Section 5, The Grantors may sell, give, lease, bequeath, devise, mortgage or otherwise encumber or convey the Protected Property. Grantors must give written notice to the District of any conveyance of

fee title of a residential property within the Burdened Property, or of any conveyance of fee title or lease of any part of the Protected Property, in accordance with subsection 6.7 of this Easement.

- a. The Grantors will reference this Easement in any deed or other document by which the Grantors convey title to, or a leasehold interest in, all or a portion of the Burdened Property.
- b. The Grantors will notify the District of any conveyance or lease, as required above, within fifteen (15) days after closing and will provide the District with the name and address of the new owner or lessee and, if transferring title, a copy of the deed.
- c. The enforceability or validity of this Easement will not be impaired or limited by any failure of the Grantors to comply with this subsection.
- 4. DISTRICT'S RIGHTS AND REMEDIES. In order to accomplish the purposes of this Easement, the District has the following rights and remedies. The District may not, however, exercise these rights in a manner that would adversely impact the Conservation Values of the Protected Property.
 - 4.1. <u>Preserve and Protect Conservation Values.</u> The right to preserve and protect the Conservation Values of the Protected Property through the rights and remedies set forth below.
 - 4.2. <u>Right to Enter</u>. The District, its agents and authorized representatives may enter the Protected Property at reasonable times and in a reasonable manner for the purpose of, and may engage in, the following activities:
 - a. To inspect the Protected Property, monitor compliance with the terms of this Easement, and enforce the terms of this Easement as set forth herein. The District shall not unreasonably interfere with the legal and appropriate use and quiet enjoyment of the Protected Property by the Grantors, trail users, or any permitted invitees of those persons, so long as such use is in a manner consistent with this Conservation Easement.
 - b. To survey or otherwise mark the boundaries of all or part of the Protected Property. Any survey or boundary demarcation completed under this provision will be at the District's expense.
 - c. To make scientific and educational observations and studies and take samples within the Protected Property, in such a manner as will not disturb the quiet enjoyment of the Protected Property.
 - d. The right, but not the obligation, to manage the Protected Property subject to applicable laws and regulations. Said management may consist of, but not be limited to: vegetative maintenance and management; hydrologic or soils modifications; land alteration and stabilization; installation of improvements

for water quality and flood management purposes as the District reasonably determines to be consistent with the Conservation Values of the Protected Property and the Plan and in accordance with all reasonable measures to minimize the impact of any temporary disturbance to the waterbodies on or adjacent to the site and adjacent wetland; fencing or other measures to protect the Conservation Values against intentional or unintentional impact; and the installation and maintenance of boundary markers and informational signage.

- e. All actions hereunder except for vegetative management, slope stabilization and the installation of standard boundary survey markers are subject to written property owner concurrence, not to be unreasonably withheld. The written concurrence will document any agreement of Grantors and the District that the District will assume maintenance responsibility for the improvement. Boundary markers on boundary lines adjacent to a residential lot shall be low-profile and unobtrusive, while still establishing a durable, visible record of the boundary line.
- f. District entry will not interfere unreasonably with Grantors' permitted uses of the Burdened Property. District will provide advance notice to the property owner prior to entering the Burdened Property, except where immediate entry is necessary or desirable to prevent, terminate, or mitigate damage to the Conservation Values; necessary to prevent, terminate or mitigate an apparent violation of the terms of this Conservation Easement; or otherwise authorized by law.
- g. To further the purposes as set out in this Section 4, Grantors hereby grant to the District a perpetual non-exclusive easement for the purpose of access to the Protected Property by reasonable motorized and non-motorized means, on, over, and across all trails, public and private roads, rights of way, and platted drainage and utility easements within the Burdened Property. The District will repair any damage to the Burdened Property from its use.
- 4.3 No Grant of Public Right. Nothing in this Easement shall be construed as: (i) a public dedication; or (ii) a grant of right to persons other than the District, its agents, authorized representatives and contractors to enter or use the Easement as provided in this Easement. Nothing in this Easement constitutes a general right of public entry onto or across the Easement. Notwithstanding the foregoing, the City may allow for public trail use in accordance with paragraph 2.10, above.
- 4.4. Right of Enforcement. If the District finds at any time that a property owner has breached the terms of this Easement, the District, itself or in conjunction with the City, will notify the owner of the alleged breach and direct the owner to take action to cure the breach. If such action is not taken within a reasonable time, the District will give written notice detailing the breach to the owner and demand action to cure the breach including, without limitation, restoration of the Protected Property as required in this Easement. Notwithstanding anything to the contrary, a property owner is not liable for damages to the District for acts of trespassers except as paragraph 4.4(g) provides. The District may prevent or

remedy a violation of this Easement through judicial action brought against the responsible party in any court of competent jurisdiction. The City is granted a third-party right of enforcement as described in Minnesota Statutes chapter 84C.

- a. Notice. At least thirty (30) days before initiating judicial action against the owner of the Protected Property, the District will advise the owner in writing of the apparent violation or threatened violation and allow a reasonable opportunity to confer and resolve the matter, unless the District determines that immediate judicial action is needed to prevent or mitigate damage to the Protected Property.
- b. Enforcement Costs. The property owner is responsible for reasonable costs that the District incurs, exclusive of periodic monitoring costs, to investigate and resolve Easement violations. This includes reasonable costs of technical and legal assistance. The owner will not contest the legal authority of the City to assess the District's reasonable and verifiable enforcement costs incurred in accordance with the procedures of this Subsection 4.4 against the owner's residential lot within the Burdened Property, or to assess reasonable and verifiable maintenance and restoration costs against residential lots within the Burdened Property as stipulated in the Plan, each in the same manner as assessable City costs. The owner will not bear enforcement costs judicially determined to have been unreasonable or incurred without a good faith District judgment that there was an actual or imminent violation. The Grantors acknowledge the benefit to the Burdened and other property within the Subdivision and hereby consent to said City assessment and waive the right to a hearing or notice of hearing or any appeal thereon under Minnesota Statutes, Chapter 429.
- c. Attorney's Fees. Notwithstanding paragraph 4.4(b), the prevailing party in a judicial action under this Easement shall be entitled to reimbursement from the non-prevailing party for all reasonable attorneys' fees and costs incurred by the prevailing party after filing of the action. The parties waive their right to a jury trial on the issues of which is the prevailing party and the reasonable amount of attorneys' fees and costs to be awarded to the prevailing party. Those issues will be decided by the trial judge upon motion by one or both parties, such motion to be decided based on the record as of the end of trial augmented only by testimony and/or affidavits from the attorneys and others working on their behalf. The parties agree that, subject to the trial judge's discretion, the intent of this clause is to have all issues related to the award of attorneys' fees and costs decided by the trial judge as quickly as practicable.
- d. Remedies. Remedies available to the District include but are not limited to temporary and permanent injunctive relief, restoration of the Protected Property to its condition at the time of this conveyance or as otherwise necessitated by a violation of the Easement, specific performance, declaratory relief and recovery of damages. These remedies are cumulative and are available without requiring the District to prove actual impact to the Conservation Values protected by this Easement. The parties also recognize

that restoration may be the only adequate remedy for certain violations of this Easement. The District may seek expedited relief, ex parte if necessary, and need not post a bond applicable to a petition for such relief.

- e. <u>Discretionary Enforcement</u>. Enforcement of the terms of this Easement is solely at the District's discretion. The District does not, by any delay or prior failure of the District to discover a violation or initiate enforcement proceedings, waive or forfeit any enforcement right.
- f. Acts Beyond Owner's Control: Natural Events. Nothing in this Easement entitles the District to take or bring any action against a property owner for any change to the Protected Property resulting from natural events or natural causes beyond the owner's control, including, without limitation, fire, flood of a return frequency greater than 100 years, storm, infestations, natural deterioration, earth movement or climate change, or from any prudent action taken by the owner under emergency conditions to prevent, abate, or mitigate significant injury to the Protected Property resulting from such natural event or cause. Nor does this Easement entitle the District to take or bring any action against a property owner for any change to the Protected Property resulting from the acts of any animal beyond the property's owner's possession, custody or control. The owner will notify the District of any such event and the action taken in response to it, if any. If such an event alters the Protected Property, the owner and District will work together to identify restoration or rehabilitation activities and develop a restoration plan.

This paragraph 4.4(f) does not apply to actions that the owner is required to take in response to natural events as set forth in the Plan.

g. Acts Beyond Owner's Control: Third Parties. Under no circumstances shall a property owner's liability exceed that imposed by Minn. Stat. Sec. §604A.23. A property owner shall not be liable for injury to person or property to or on the Protected Property caused by the acts of a third party other than the property owner's agents, employees, lessees, invitees, family members, or contractors, provided the owner has not participated in, acquiesced in, or otherwise consented to such acts of such third parties.

A property owner shall also not be liable for any change to the Protected Property, to the extent caused by an action of the owner, or of a party acting under the owner's authority, taken reasonably and in good faith under emergency conditions to prevent or mitigate substantial damage from such a third party cause.

The owner will promptly notify the District and the City of any such occurrence and cooperate fully in reporting, investigating and taking any action against the responsible parties. In the event that such third party acts interfere with the Conservation Purpose and Conservation Values of this Easement, the owner and the District will work together to identify restoration or rehabilitation activities and develop a restoration plan.

Nothing in this Easement shall cause a property owner or the District to assume a duty of care with respect to, or responsibility for acts of, third party members of the public on the Protected Property in conjunction with use of a public trail maintained by the City pursuant to paragraph 2.10, above.

5. RESTRICTIONS ON CONVEYANCE OF PROTECTED PROPERTY. The means by which owners of residential property are held responsible for maintenance and enforcement costs related to the Protected Property, as provided in the Easement and Plan, requires that each platted outlot within the Protected Property be owned by an owner of residential property within the Burdened Property. Accordingly, the fee interest in an outlet within the Protected Property may not be conveyed to a party who is not also the owner of a residential lot within the Burdened Property. The parties consider this restriction on outlot sale as essential to this Easement and a part of the mutual consideration for it. Notwithstanding, the fee interest in an outlot may be conveyed to a government entity for conservation purposes.

6. GENERAL PROVISIONS.

6.1. Assignment. This Easement, and any rights or responsibilities hereunder, may be assigned exclusively or transferred by the District by written instrument, but only to a public body or conservation organization that is a qualified organization under Section 170(h) of the Internal Revenue Code and related regulations and that is authorized to hold conservation easements under Minnesota law. Any future holder of this Easement shall have all of the rights conveyed to the District by this Easement. As a condition of any assignment or transfer, the District shall require any future holder of this Easement to continue to carry out the Conservation Purposes of this Easement in perpetuity.

The District shall provide thirty (30) days written notice to the property owners within the Burdened Property and the City before any such transfer or assignment shall be effective. Any assignment or transfer under this provision is subject to approval by the City.

6.2. Amendment. This Easement may be modified or amended. However, no amendment or modification will be allowed if, in the sole and exclusive judgment of the District, it: (i) does not further the purposes of this Easement, (ii) will adversely impact the Conservation Values protected by this Easement, (iii) affects the perpetual duration of the Easement, or (iv) affects the validity of the Easement under Minnesota law or under Section 170(h) of the Internal Revenue Code.

Any amendment or modification must be in writing, signed by all parties, and recorded in the same manner as this Easement.

6.3. Extinguishment. This Easement may be extinguished without consent of the District only through judicial proceedings and only: (i) to the extent that one or more unexpected change(s) in the conditions of or surrounding the Protected Property makes the continued use of the Protected Property for the conservation

purposes set out above impossible or impractical; or (ii) pursuant to the proper exercise of the power of eminent domain.

The Grantors recognize that uses of the Protected Property prohibited by this Easement may, in the future, become more economically viable than those uses permitted by the Easement. The Grantors also recognize that in the future, neighboring properties may be put entirely to uses not permitted on the Protected Property by this Easement. The Grantors and the District agree that such changes in use may increase the public benefit provided by this Easement and, in any event, will not qualify as "unexpected changes" to justify the extinguishment of this Easement as otherwise set forth above.

- 6.4. Real Estate Taxes. The Grantors shall pay all real estate taxes and assessments levied against the Protected Property. At its discretion, the District may pay any outstanding tax or assessment and shall then be entitled to reimbursement from the Grantors.
- 6.5. Ownership Costs and Liabilities. Except as explicitly assumed by the District in this Easement as otherwise set forth herein, or as Grantors and the District may agree under paragraph 4.2(e), the Grantors retain all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep and maintenance of the Protected Property, including the maintenance of such comprehensive general liability insurance coverage as the Grantors deem adequate. The Grantors agree to release, hold harmless, defend and indemnify the District from any and all liabilities including, but not limited to, injury, losses, damages, judgments, costs, expenses and fees that the District may suffer or incur, to the extent they result from the activities of Grantors on the Protected Property. The District agrees to release, hold harmless, defend and indemnify the Grantors from any and all liabilities including, but not limited to, injury, losses, damages, judgments, costs, expenses and fees that the Grantors may suffer or incur, to the extent they result from the activities of the District on the Protected Property.

The District shall keep the Protected Property free of any liens arising out of any work performed for, materials furnished to or obligations incurred by it. The property owner will transmit a copy of a lien statement of claim to the District within one week of receipt from the lien claimant. The property owner hereby assigns the District, non-exclusively, all rights that it possesses to apply for and obtain a release of lien. With due notice to the property owner, the District may apply and make payment for a release of lien, and may have the City assess the payment, as well as reasonable attorney fees and costs, against the owner's residential property.

Nothing in this paragraph or this Easement creates any right in any third party or diminishes any immunity, defense or liability limitation of the Grantors, the City, or the District as against any third party. Neither party by entering into this Easement assumes responsibility nor liability arising from the maintenance or use of City trails on the Protected Property pursuant to paragraph 2.10, above. In any matter involving both the District and the City, the total liability of the District and the

City on a claim against it or them arising out of a single occurrence shall not exceed the limits set forth in Minnesota Statutes Section 466.04, subd. 1.

- 6.6 The Grantors agree to release, hold harmless, defend and indemnify the District from any and all liabilities, loss, claim, damage or expense (including reasonable attorney fees, costs and disbursements) that the District may incur arising out of any waste or contaminant, or other pre-existing environmental condition, on the Protected Property as of the date of this Easement. The terms "waste" and "contaminant" are to be understood in their broad common meaning and not as defined by any specific statute.
- 6.7. <u>Notice and Approval</u>. Any notice or request for approval required by this Easement must be written and is subject to the following:
 - a. <u>Delivery.</u> Any required notice or request for approval must be delivered or sent by first class mail or other nationally recognized delivery service, or transmitted by electronic mail with confirmation from an authorized representative of the recipient, to the appropriate party at the following addresses (or other address specified in writing):

To the Grantors:

To the District:

at the address (es) on file with Hennepin County tax assessor. at the address of their principal place of business as on file with the Minnesota Secretary of State.

- b. <u>Timing.</u> Unless the parties agree otherwise in writing, any notice or request under this Paragraph shall be deemed accepted unless the receiving party objects in writing within thirty (30) days after receipt of same, provided that In the event the party who receives notice does not respond within 30 days of the documented day of delivery, the proposed activity shall be deemed approved by that party so long as the request states prominently in a top heading "Response Required Within 30 Days" and the activity is not inconsistent with the Conservation Purpose of the Conservation Easement and is not otherwise prohibited by the Conservation Easement. The District will communicate a final decision within 60 days of a request.
- c. <u>Content</u>. The notice or request for approval must include sufficient information to allow the recipient to make an informed decision on whether any proposed activity is consistent with the terms and purposes of this Easement.
- d. <u>District Approval</u>. The District may consent to any activity under this Easement only if it reasonably determines that the activity (1) will not violate the purpose of this Conservation Easement and (2) will either enhance or not impair any significant Conservation Values associated with the Protected Property. The District may condition its approval on the Grantors' acceptance of

- modifications that, in the District's reasonable judgment, would allow the proposed activity to meet these criteria.
- 6.8. Binding Effect. This Easement will run with and burden the Protected Property in perpetuity. The terms of this Easement are binding and enforceable against the Grantors, their heirs, lessees, agents, personal representatives, successors and assigns, and all other parties entitled to possess or use the Protected Property.
 - This Easement creates a property right immediately vested in the District that cannot be terminated or extinguished except as set out herein.
- 6.9. Merger. The terms of this Easement shall survive any merger of the fee and easement interest in the Protected Property.
- 6.10. <u>Termination of Rights and Obligations</u>. A party's rights and obligations under this Easement terminate upon the transfer or termination of that party's interest in this Easement or the Protected Property, provided, however, that any liability for acts or omissions occurring prior to the transfer or termination will survive that transfer or termination.
- 6.11. Recording. The District will record or register this Easement in a timely manner in the official records for Hennepin County. The District may re-record or re-register this Easement or any other document necessary to protect its rights under this Easement or to assure the perpetual enforceability of this Easement. The Grantors will cooperate as necessary to accomplish and effect acts of recordation.
- 6.12. Controlling Law and Construction. This Easement shall be governed by the laws of the State of Minnesota and construed to resolve any ambiguities or questions of validity of specific provisions in favor of giving maximum effect to its conservation purposes and to the policies and purposes of Minnesota Statutes Chapter 84C.
- 6.13. Permits and Applicable Laws. The Grantors and the District acknowledge that the exercise of any reserved right herein or other use of the Protected Property is not by this Easement relieved from complying with or obtaining any permit from any applicable governmental authority, including the District, prior to the exercise thereof.
- 6.14. Severability. A determination that any provision or specific application of this Easement is invalid shall not affect the validity of the remaining provisions or any future application.
- 6.15. <u>Captions and Recitals</u>. The captions herein have been inserted solely for convenience of reference and are not a part of this Easement and shall have no effect upon construction or interpretation. The Recitals are incorporated into this Easement and a part hereof.
- 6.16. Additional Documents. The Grantors agree to execute or provide any additional documents reasonably needed by the District to carry out in perpetuity the

provisions and intent of this Easement, including, but not limited to any documents needed to correct any legal description or title matter or to comply with any federal, state, or local law, rule or regulation.

6.17. <u>Entire Agreement.</u> This document states the entire agreement of the parties with respect to this Easement and supersedes all prior discussions or understandings.

IN WITNESS WHEREOF, on the basis of mutual valuable consideration, and intending to be legally bound, the Grantors and the District voluntarily execute this Conservation Easement on the day of _______, 2018.

GRANTORS

Wallace Marx

Bridget Marx

STATE OF MINNESOTA

) ss.

COUNTY OF HENNEPIN

The foregoing instrument was acknowledged before me this day of June 2018, by Wallace Marx and Bridget Marx, each the spouse of the other.

Notary Public

SUSAN M PRODAHL Notary Public-Minnesota My Comm. Expires Jan. 31, 2020

> Please Return to: Kennedy and Graven Box 198

DRAFTED BY KENT WILLAMS

ACCEPTANCE

MINNEHAHA CREEK WATERSHED DISTRICT

By Sharretwo Whi

Title: President, Board of Managers

My Commission Expires: 1/31/2023

STATE OF MINNESOTA

) ss COUNTY OF HENNERIN

The foregoing instrument was acknowledged before me this 28 day of June 2018, by Sherry Davis White as President, Board of Managers, of the Minnehaha Creek

Watershed District.

Michael D Hayman II

Notary Public - Minnesota

My Commission Expires 01/31/2023

Exhibit A: Final Plat

