

MEMORANDUM OF UNDERSTANDING
(LOTS 4, 5, 6 & 7 LYING SOUTHERLY OF HIGHWAY 95 RIGHT OF WAY DUNHAMS
ADDITION, SECTION 28, TOWNSHIP 36, RANGE 26 FURTHER IDENTIFIED BY PID NO.
24-201-0580)

THIS AGREEMENT is made this _____ of _____, 2020, 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, hereinafter referred to as the "CITY", and CKW DEVELOPERS, a Minnesota Limited Liability Company, whose address is 11428 293rd Ave., Princeton, MN 55371, hereinafter referred to as the "DEVELOPER" and relates to real property described as Lots 4, 5, 6 and 7 lying Southerly of Highway 91 ROW of Dunhams Addition, Section 28, township 36, Range 26, and further identified by PID No. 24-201-0580 "PROPERTY".

WHEREAS; The Property that is the subject of this Agreement was previously assessed the sum of \$20,144.06 as and for public improvements benefiting the Property; and

WHEREAS; the current owners of the Property have made no payments towards the assessments on the Property; and

WHEREAS; the Property is currently subject for forfeiture for non-payment of assessments; and

WHEREAS; the current owners of the Property are in negotiations with Developer to sell the Property to Developer; and

WHEREAS; the Developer has requested the City commit to a number of issues, in order to facilitate the removal of the Property from the forfeiture process and enable the Developer to move forward with the purchase and development of the Property; and

WHEREAS; the City believes it is in the City's best interest to enter into this Agreement so as to facilitate the Developer's purchase and development of the property in that it will ensure the City is reimbursed for that property's fair share of the public improvement project previously completed; it will increase the tax basis for the City by improving the Property and it will aid in providing additional housing within the City.

NOW THEREFORE LET IT BE HEREBY AGREED UPON BETWEEN THE PARTIES THAT:

1. Developer shall close on the Property, such that it has all rights, title and interest into the Property, no later than December 15, 2020.
2. Developer shall execute a consent to assessment, and any other related documents required by the City, in order to facilitate the reassessment on the Property, no later than December 31, 2020.
3. Developer agrees to a reassessment on the Property in the amount of \$20,144.06 effective December 31, 2020 with a 10-year repayment term with an annual interest rate of 4%.

4. City will undertake a vacation of the alley/roadway that lies to the West of the Property. Developer understands that there a legal process the City must go through to vacate the alley/roadway, and while the City does not anticipate any problems, successful vacation cannot be guaranteed as of the execution of this Agreement.
5. City will give to Developer a predetermined amount of fill that is owned by the City and located on the City's cemetery property. No later that December 15, 2020, Developer shall meet at the location of the fill with City staff. City staff will identify the fill Developer may remove. No later than December 31, 2020, Developer shall secure said fill with orange temporary fencing. The fill being given to Developer by the City must be used only for the development project on the Property, and Developer is prohibited from removing the fill for any other reason. Furthermore, Developer must remove the fill and commence construction of the development on the Property no later than _____, or this provision of this Agreement will be vacated and Developer forfeits any interest in to the fill bring granted by the City to Developer.
6. Required notices to the DEVELOPER shall be in writing and shall be either hand delivered to the DEVELOPER, its employees, or agents or mailed to the DEVELOPER by United States surface mail at the following address:

Shawn Williams
CKW Developers, LLC
11428 293rd Ave.
Princeton, MN 55371

Required notices to the CITY shall be in writing and shall be either hand delivered to the City Administrator or mailed to the City by United States surface mail in care of the City Administrator at the following address:

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

7. 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, for any injury to, death of, or damage to the property of any third person or persons, arising from the exercise of its rights or the performance its duties with respect to this Agreement. This indemnification extends to prior constructions upon the Property with respect to the City's prior public improvement project that was the basis for the original assessment. Developer further agrees to include a permanent easement for public utilities for any portion of any public utilities lying over, under, or adjacent to the Property, in such form and format as the City may require.

In acceptance of this Memorandum of Understanding, the appropriate representatives of the DEVELOPER and the CITY have executed this Agreement to be effective on _____, 2020.

SIGNATURE PAGE TO MEMORANDUM OF UNDERSTANDING REGARDING
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CITY:
CITY OF PRINCETON

By: _____
Brad Schumacher, Mayor

Date: _____

By: _____
Robert Barbian, City Administrator

Date: _____

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

On this ____ day of _____, 2020, before me, a Notary Public in and for said county, personally appeared Brad Schumacher and Robert Barbian, to me personally known, who being duly sworn, did say that they are the Mayor and City Administrator of the City of Princeton, a Minnesota Municipal Corporation, named in the foregoing instrument and that said instrument was signed on behalf of said City of Princeton by authority of its City Council and said Brad Schumacher and Robert Barbian acknowledged said instrument to be the free act and deed of the City of Princeton.

Notary Public

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DEVELOPER:
CKW DEVELOPERS, LLC

By: _____
_____, Its President

Date: _____

By: _____
_____, Its _____

Date: _____

STATE OF MINNESOTA)
) SS:
COUNTY OF)

On this _____ day of _____, 2020, before me, a Notary Public in and for said county, personally appeared _____ and _____ to me personally known, who being duly sworn, did say that they are the President and _____ of _____, the Limited Liability Company named in the foregoing instrument and that said instrument was signed on behalf of said Limited Liability Company by authority of its Board of Directors and said _____ and _____ acknowledged said instrument to be the free act and deed of said Limited Liability Company.

Notary Public

DRAFTED BY:
Damien F. Toven
Dove Fretland, P.L.L.P.
413 S. Rum River Dr., Suite 6
Princeton, MN 55371
(763) 389-2214