

ESCROW AGREEMENT
Between the Pelican River Watershed District
And

This Agreement is made by and between the Pelican River Watershed District, a watershed district under Minnesota Statutes Chapters 103D (PRWD), and _____, a _____, (“Permittee”), to establish a cash escrow in fulfillment of financial assurance requirements under PRWD Permit(s)_____.

Recitals

A. Pursuant to Minnesota Statutes § 103D.345, the PRWD has adopted and implements permitting rules governing development and other activity within the boundaries of the PRWD that may have an impact on water resources.

B. PRWD rules may require as a condition of permit approval that a permittee provide and maintain a financial assurance in the form of a bond, letter of credit or cash escrow for the purpose of covering costs the PRWD may incur in monitoring and inspecting activity under the permit and in responding to violations of PRWD statutes, rules, permits and orders.

C. This Agreement documents that Permittee has submitted a cash escrow to fulfill a financial assurance obligation under Permit(s) _____ and specifies the conditions and procedures under which the PRWD will hold and may draw on the escrow. Permittee and the PRWD, in executing this Agreement, concur that it is legally binding.

Agreement

1. Permittee has submitted a cash escrow in the amount of \$ _____. The PRWD will hold the escrow in an escrow account where it may be commingled with escrow funds held by the PRWD on behalf of parties other than Permittee. The PRWD need not hold the funds in an interest-bearing account and Permittee will not be entitled to interest on the escrow. If the escrow is submitted in a form other than cash and the escrow amount is not credited promptly to the PRWD account, the PRWD may declare this Agreement null and void by written notice to Permittee.

2. Additional escrow funds will be submitted by Permittee, and unused funds will be released to Permittee, in accordance with the PRWD Rules and duly adopted resolutions and policies of the PRWD Board of Managers.

3. Escrow funds will become the sole property of the PRWD, and Permittee agrees to the relinquishment of all legal and equitable interest therein, as follows:

a. The PRWD may invoice Permittee for permit review, compliance monitoring, and other eligible costs in accordance with duly established PRWD procedures.

b. If after notice and opportunity to be heard the PRWD finds violation of a PRWD statute, rule, permit or order, the PRWD may give written notice to Permittee. The notice will describe the violation, the action required to correct it, and the date by which the violation must be corrected. If the violation is not corrected as directed and arrangements

acceptable to the PRWD have not been made, without further notice the PRWD may take steps it deems reasonable to correct the violation, and may have access to the property during reasonable times for that purpose. Provided, that the PRWD will give 24 hours' notice before entry and exercise due care to avoid unnecessary disturbance or damage to the property. If the PRWD finds that entry is required to address an occurring or imminent threat to water resources, it may enter and correct without prior hearing or opportunity to cure, but only to the extent reasonably necessary to address the threat.

c. The PRWD may invoice Permittee for reasonable costs incurred for activity under paragraph 3.b. If payment is not made within 30 days, the PRWD may transfer funds from the escrow account into PRWD accounts and credit Permittee accordingly.

4. Permittee represents unconditionally that all escrow funds submitted hereunder are funds of Permittee. All obligations of the PRWD under this Agreement in holding and using the escrow funds are to Permittee only. Nothing in this Agreement creates any right in any third party as against the PRWD or in any way waives or abridges any immunity, defense or liability limit of the PRWD. Permittee indemnifies the PRWD for any claim, liability or cost the PRWD incurs as a result of a party other than Permittee asserting ownership in or a right to the escrow funds or any part thereof. Permittee will not assign or purport to assign any interest in the escrow funds or this Agreement to any third party, except in conjunction with a transfer of Permittee's permit and written PRWD approval.

5. Nothing in this Agreement affects Permittee's legal right, if any, to appeal a finding of violation or seek a legal determination of the purposes to which the PRWD may use the escrow funds.

6. The Permittee agrees that, should the escrow funds submitted hereunder remain unclaimed by the Permittee or his successor in interest so as to become "abandoned property" as that term is defined in Minnesota Law, the District may assess a service charge from the unclaimed assets to cover costs of attempting to locate the Permittee or his successor in interest and, if necessary, reporting and paying the unclaimed funds as required by law.

7. This Agreement is effective on the signature of the parties and terminates when the District releases the escrow or declares the Agreement null and void under paragraph 1, above. The Agreement may be amended only in a writing signed by the parties. An increase or decrease in the amount of escrow funds held by the PRWD for permit(s) _____ does not constitute an amendment.

8. Notice to Permittee under this Agreement is effective when sent by certified mail to Permittee's address as stated in the permit application or such other address as Permittee subsequently has notified the PRWD in writing. The law of the State of Minnesota will govern any legal proceeding concerning this Agreement. Venue for any such proceeding will be in the county where the real property that is the subject of this Agreement is located. The recitals are incorporated as a part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

PELICAN RIVER WATERSHED DISTRICT

By _____ Date: _____
Administrator

PERMITTEE

By: _____ Date: _____

Print Name: _____

Acknowledged before me this _____ day of _____, _____ by
_____ as _____ of

[Stamp] _____
Notary Public