

**ESCROW AGREEMENT**

**Between the Coon Creek Watershed District  
And \_\_\_\_\_**

This Agreement is entered into by the Coon Creek Watershed District, a metropolitan watershed district under Minnesota Statutes Chapters 103B and 103D (CCWD), and \_\_\_\_\_, a(n) \_\_\_\_\_ (Permittee), to establish a cash escrow in fulfillment of financial requirements under CCWD Permit Application Number \_\_\_\_\_.

**Recitals**

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

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

C. This Agreement documents that a cash escrow has been submitted by Permittee or on Permittee’s behalf to fulfill a financial assurance obligation under Permit Application Number \_\_\_\_\_ and specifies the conditions and procedures under which the CCWD will hold and may draw on the escrow. Permittee and the CCWD, in executing this Agreement, concur that it is legally binding.

**Agreement**

1. Permittee has submitted a cash escrow in the amount of \$ \_\_\_\_\_. The CCWD will hold the escrow in an escrow account where it may be commingled with escrow funds held by the CCWD on behalf of parties other than Permittee. The CCWD need not hold the funds in an interest-bearing account and Permittee will not be entitled to interest on the escrow.

2. Escrow funds will be submitted by Permittee or on Permittee’s behalf, and unused funds will be released to the payor, in accordance with CCWD rules and duly adopted resolutions and policies of the CCWD Board of Managers.

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

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

b. If a violation is found to exist on site, the CCWD must inform the Permittee of the violation through either informal contact or Notice of Apparent Violation. The notice will describe the violation and give a reasonable timeframe to correct the violation. Within 5 days of the correction date specified, a follow up inspection shall be performed. If the violation has not been corrected and the CCWD has determined that the Permittee is not making a good faith effort to correct, the CCWD may issue a Notice of Violation, obtain a Cease and Desist Order, seek enforcement action by the District Attorney, and/or without further notice take remedial action it deems reasonable to correct the violation, and may have access to the property during reasonable times for that purpose. If the CCWD 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 CCWD may invoice Permittee for reasonable costs incurred for activity under paragraph 3 (b) above. If payment is not made within 30 days of invoice date, the CCWD may transfer funds from the escrow account into CCWD accounts and credit Permittee accordingly.

4. Permittee represents that all escrow funds submitted under this Agreement are funds of Permittee. All obligations of the CCWD 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 CCWD or in any way waives or abridges any immunity, defense or liability limit of the CCWD. 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 CCWD approval.

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

6. This Agreement is effective on the date it has been signed by both parties and terminates when CCWD releases the escrow. 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 CCWD for Permit Application Number \_\_\_\_\_ does not constitute an amendment.

7. 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 has subsequently in writing provided the CCWD. The laws 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 part of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement.

