

CITY OF LAKE ELMO
WASHINGTON COUNTY, MINNESOTA

RESOLUTION NO. 2006-0 32

WHEREAS, the City of Lake Elmo and Chris Riley Utilities, Inc. (the "Contractor"), entered into an agreement on or about April 5, 2005, regarding the construction of certain items related to the City's Water System Interconnect Project, Phase I; and

WHEREAS, the City and Chris Riley Utilities, Inc., entered into an agreement on or about Sept. 20, 2005, regarding the construction of certain items related to the City's Water System Interconnect Project, Phase III; both agreements being referred to herein as the "Contracts"; and

WHEREAS, in November 2005, the City agreed to extend the completion date for Phase III; and

WHEREAS, the City Staff sent the Contractor a Notice of Termination of the Contracts on March 15, 2006, a copy of which was also sent to Travelers Casualty and Surety Company (the "Surety"), which was listed as the surety under the performance bond given with respect to both Phase I and Phase III; and

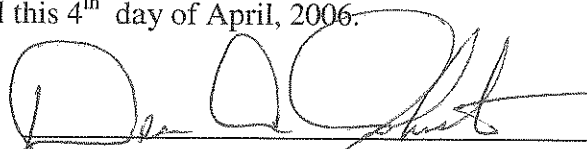
WHEREAS, the City Staff has contacted the Surety and has entered into negotiations with the Surety for a Takeover Agreement pursuant to which the Surety would essentially become responsible for the completion of the work on the Project. A copy of the current draft of the Takeover Agreement is attached hereto as Exhibit A; and

WHEREAS, the City Council has received a report from the City Staff concerning the matters stated above.

NOW, THEREFORE, BE IT RESOLVED,


1. The City Council hereby authorizes the Mayor and City Staff to execute the Takeover Agreement in substantially the same form in which it has been presented to the City Council subject, however, to non-substantive changes which have been approved by the City Staff and City Attorney's office.

ADOPTED by the Lake Elmo City Council this 4th day of April, 2006.



Dean Johnson, Mayor

ATTEST:



Martin J. Rafferty, City Administrator