

January 14, 2014

Dean Zuleger, City Administrator
City of Lake Elmo
3800 Laverne Avenue North
Lake Elmo, MN 55042

RE: Memorandum of Understanding – Terms for Termination

Dear Mr. Zuleger:

We appreciate the effort that the City has undertaken to fulfill the terms of the Memorandum of Understanding (MOU) as it has been amended over time. Both the planning efforts and the capital expenditures have laid the groundwork for the City to accommodate urban development in a way that addresses City and regional interests.

As we have discussed, we are prepared to negotiate the terms under which Council staff would consider approaching the Council's governing body about sunsetting the requirements of the MOU. We propose that the MOU be terminated upon receipt of documentation of payment for substantial completion of the following elements of the City's local trunk sewer improvements, retainage and surety bonds notwithstanding:

- Section 34 / Lennar Development Improvements: including gravity sanitary sewer and sanitary sewer forcemain and lift station.
- Lake Elmo Avenue Sewer Infrastructure Project: including trunk gravity improvements between 10th Street and I-94 where connection to the regional system occurs, and lift station and forcemain piping along Lake Elmo Avenue between the Village Area and 10th Street.

We also propose that in the event that the City is unable to provide this documentation before the spring adoption of *Thrive MSP 2040*, we will work with the City to amend the MOU to extend the agreement through 2040 and re-negotiate the development targets through the year 2040, with all other terms of the MOU remaining in full force and effect.

If these proposed terms are acceptable to the City, please indicate the City's approval by signing a copy of this letter as provided below and routing the signed copy back to Guy Peterson. We look forward to our continued work with you.

Sincerely,



Patrick P. Born, Regional Administrator

The City concurs with these terms:

Dean Zuleger, City Administrator

CC: Susan Haigh, Metropolitan Council Chair
Harry Melander, Metropolitan Council District 12
Don Mueting, General Counsel
Dave Theisen, Deputy General Counsel
Leisa Thompson, General Manager Environmental Services
Guy Peterson, Community Development Director