

WATER SERVICE AGREEMENT

THIS AGREEMENT is made and entered into as of the 13th day of November, 2006, by and between the city of Medina, a Minnesota municipal corporation ("Medina") and the city of Maple Plain, a Minnesota municipal corporation ("Maple Plain").

BACKGROUND

1. Medina and Maple Plain are each authorized by law to construct, operate and maintain municipal water utilities for the purpose of supplying water within their respective corporate limits.

2. Medina has approved an amended conditional use permit and a site plan for a commercial redevelopment of the property located at 1400 Baker Park Road and expects other nearby sites to develop or redevelop in the future (the "Baker Park Road Development").

3. Sanitary sewer service for the Baker Park Road Development will be supplied by Medina but Medina has requested that Maple Plain supply the water service to the Baker Park Road Development.

4. Maple Plain has agreed to supply the water service to the Baker Park Road Development, pursuant to the following conditions.

RECITALS

NOW THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties hereto do stipulate and agree as follows:

1. Construction of the Water Service Improvements. Water service to the Baker Park Road Development will be supplied from an existing Maple Plain water main located west of Baker Park Road (the "Connection Point"). Medina shall construct or cause to be constructed the necessary improvements to extend water service from the Connection Point to the Baker Park Road Development and shall be responsible for obtaining any permit required by Hennepin County. Maple Plain shall be responsible for supplying the water service to the Baker Park Road Development when the connection is completed.

2. Water Connection Fees. Medina shall be responsible for collecting the current water connection fee from users within the Baker Park Road Development. The amount of the fee shall be established by Maple Plain and may be a non-resident fee. The connection fee shall be collected by Medina at the time of the issuance of a building permit for each user in the Baker Park Road Development. Medina shall remit to Maple Plain the connection fee collected from each user in the Baker Park Road Development. Exhibit A attached hereto shows the current fees.

3. Water Meters. All water connections in the Baker Park Road Development shall be metered. Medina shall be responsible for supplying and installing the meters and reading

apparatuses. Medina shall read the meters for all connections in the Baker Park Road Development on a quarterly basis. After each quarterly meter reading, Medina shall submit to Maple Plain information regarding the number of connections and the total amount of metered water consumed.

4. Water Charges. Medina shall charge all Baker Park Road Development water users the current water rate for non-residents as established by Maple Plain plus an additional administrative fee equal to 10 percent of the amount payable to Maple Plain. Medina shall be responsible for billing the users and collecting the water charges. Medina shall cooperate with Maple Plain in administering any assessments or and fees needed to be collected for water service in the Baker Park Road Development. Upon receipt of the water charges or any other assessments or fees, Medina shall remit all amounts collected to Maple Plain, less the administrative fee retained by Medina. Exhibit A attached hereto shows the current fees.

5. Hydrants. Medina shall be responsible for all hydrant flushing in the Baker Park Road Development. Prior to performing any hydrant flushing in the Baker Park Road Development, Medina shall coordinate with and obtain authorization from the Maple Plain public works department.

6. Water Use Restrictions. In the event that water use restrictions are declared by Maple Plain and notice thereof sent to Medina, Medina shall cooperate with Maple Plain in the establishment and enforcement of the restrictions needed, including, but not limited to, a sprinkling ban.

7. Information. Maple Plain shall be responsible for providing to Medina current consumers' confidence reports and any other notifications or advisories with respect to the water service to the Baker Park Road Development. Medina shall be responsible for distributing this information to water users in the Baker Park Road Development.

8. Repair and Maintenance. The water main, valves and hydrants located east of the Connection Point shall be the property and responsibility of Medina. Maple Plain shall be responsible for repair and maintenance of the interconnection, the valve and its lines. Medina shall be responsible for the repair and maintenance of the improvements east of the Connection Point. Each city, except in the case of emergency repair or maintenance, shall give the other city 24 hours advance notice of any repair or maintenance activity of the water service improvements that affect the Baker Park Road Development. The city performing the repair or maintenance activity shall be responsible for the restoration and costs of restoration of property or improvements that are disrupted as a result of such activities.

9. Indemnification. Maple Plain agrees to indemnify, defend and save harmless Medina, its officials, agents and employees from any claims or causes of action, of whatever nature, occasioned by or arising out of Maple Plain's repair, maintenance and operation of the water service to the Baker Park Road Development. Medina agrees to indemnify, defend and save harmless Maple Plain, its officials, agents and employees from any claim or cause of action, of whatever nature occasioned by or arising out of Medina's repair or maintenance of the water service improvements to the Baker Park Road Development. Such undertakings shall not extend to acts

that are the result of the intentional or negligent conduct of the other party, nor shall such undertakings be deemed to waive any limitation of liability available to either party.

10. Notices. Any notice or correspondence to be given under this Agreement shall be deemed to be given if delivered personally or sent by United States mail, postage prepaid, certified mail, return receipt requested:

a) as to Maple Plain: City of Maple Plain
1620 Maple Avenue
Maple Plain, MN 55359-0097
ATTN: Clerk-Treasurer

b) as to Medina: City of Medina
2052 County Road 24
Medina, MN 55340
ATTN: City Administrator

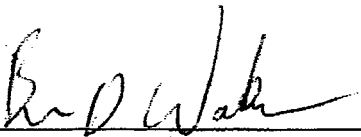
or at such other address as either party may from time to time notify the other in writing in accordance with this paragraph.

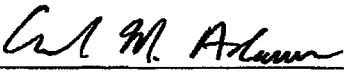
11. Severability. In the event that any provision of this Agreement shall be held invalid, illegal or unenforceable by any court of competent jurisdiction, such holding shall pertain only to such section and shall not invalidate or render unenforceable any other provision of this Agreement.

12. Termination of Agreement. Either party may terminate this Agreement upon delivering a notice of cancellation to the other party at least five years prior to the termination date.

IN WITNESS WHEREOF, and pursuant to authorization of their respective city councils, the cities of Medina and Maple Plain have entered into this Agreement as of the day and year first above written.

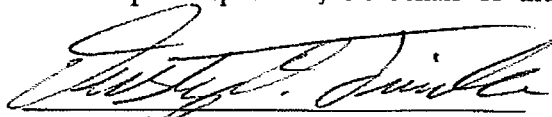
CITY OF MEDINA

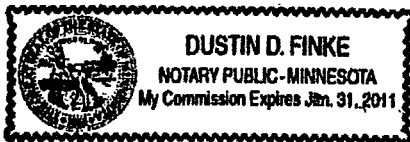
By 
Bruce D. Workman, Mayor

By 
Chad M. Adams,
City Administrator-Clerk

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 29th day of NOVEMBER, 2006, by Bruce D. Workman and Chad M. Adams, the mayor and city administrator-clerk, respectively, of the city of Medina, a Minnesota municipal corporation, on behalf of the municipal corporation.


Notary Public



CITY OF MAPLE PLAIN

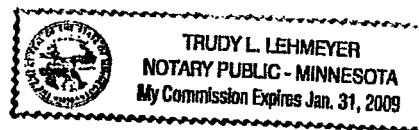
By *John R. Sweeney*
John Sweeney, Mayor

By *Beverly J. Anderson*
Beverly Anderson,
Clerk-Treasurer

STATE OF MINNESOTA)
COUNTY OF *Hennepin*) ss

The foregoing instrument was acknowledged before me this *29th* day of *November*, 2006, by John Sweeney and Beverly Anderson, the mayor and clerk-treasurer, respectively, of the city of Maple Plain, a Minnesota municipal corporation, on behalf of the municipal corporation.

Trudy Lehmeier
Notary Public



**EXHIBIT A TO WATER SERVICE AGREEMENT
BETWEEN MAPLE PLAIN AND MEDINA**

Rates for Water Usage.

The following rates shall be charged to all consumers of water from the City of Maple Plain water system for purposes of single family residences, churches, schools, commercial and industrial building in the amount and categories as follows:

All water usage outside the City of Maple Plain shall be charged per 1,000 gallons according to the following schedule:

\$2.40 per 1,000 gallons.

An additional service charge will be charged according to the following schedule:

\$6.84 per quarter

The permit fee for water main tapping shall be paid for each connection in the amount of \$2,350.00 for residential units and a minimum of \$9,400.00 for commercial and industrial units. Commercial and industrial units which are larger than one acre shall pay an additional \$2,350.00 per Residential Equivalent Unit (REU). One REU is equal to one-quarter acre. Non-resident connection charges for each residential unit shall be \$4,700.00/unit. Commercial and industrial units which are larger than one acre shall pay an additional \$2,350.00 per REU. In addition thereto, before any permit shall be issued, there shall be paid any sums required under this Section.