



CITY OF CLEAR LAKE

15 North 6th Street • P.O. Box 185 • Clear Lake, IA 50428
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December 18, 2015

Mayor
NELSON P.
CRABB

HONORABLE MAYOR & CITY COUNCIL MEMBERS

City
Administrator
SCOTT
FLORY

The next regular meeting of the Clear Lake City Council is scheduled for Monday, December 21, 2015, at 6:30 p.m., in the Council Chambers, at City Hall. Please refer to the attached agenda for the items discussed below.

COUNCIL MEMBERS

DANA
BRANT
Ward 1

TONY J.
NELSON
Ward 2

JIM
BOEHNKE
Ward 3

MIKE
CALLANAN
At Large

GARY
HUGI
At Large

ITEM #6A. **FY 2015 Municipal Audit Report**. In accordance with Section 11.19 of the *Code of Iowa*, the annual audit report has been completed for the City of Clear Lake for the fiscal year ending on June 30, 2015. State law requires that a certified public accounting firm make an annual audit of the financial statements of all the departments of the City.

In May of 2013, the City Council approved a 5-year agreement with Bohnsack & Frommelt LLP, following issuance of an RFP for professional City audit services. The City is now completing the 3rd audit covered by that 5-year agreement.

The City's auditor will present the audit and review the findings, conclusions, and recommendations with the City Council. Following acceptance of the audit report by the City Council, a copy will be filled with the State Auditor's office.

Smart Quote: "People won't have time for you if you are always angry or complaining." – Stephen Hawking, Theoretical Physicist

Scott Flory
City Administrator



PUBLIC NOTICE IS HEREBY GIVEN that the following governmental body will meet at the date, time, and place herein set out. The tentative agenda for said meeting is as follows:

TENTATIVE AGENDA
CLEAR LAKE CITY COUNCIL
CITY HALL – 15 N. 6TH STREET
MONDAY, DECEMBER 21, 2015
6:30 P.M.

1. Call to Order and Pledge of Allegiance led by Mayor Nelson P. Crabb.
2. Approval of Agenda.
3. Consent Agenda:
 - A. Minutes – December 7, 2015.
 - B. Approval of the bills & claims.
 - C. Licenses & Permits:
 - **Excavator's License**: Haugen Contracting, Forest City; Country Landscapes, Clear Lake; Peterson Excavating, Kensett; (renewals).
4. Citizens opportunity to address the Council on items not on the agenda:
 - In conformance with the City Council's Rules of Procedure, no action can occur on items presented during the Citizens forum.
 - Please walk to the lectern, state your name (spell last name), address, and subject of your discussion.
 - Speakers are limited to a maximum of five (5) minutes per person.
5. Unfinished Business:
6. New Business:
 - A. Municipal Audit Report – 2015 Fiscal Year:
 - Introduction by Scott Flory, City Administrator.
 - Review of 2015 Fiscal Year Audit Report, Sarah Bohnsack – Bohnsack & Frommelt LLP.
 - **Motion** to accept the FY 2015 Municipal Audit Report by City Council.
 - Discussion and consideration of **Motion** by City Council.
 - B. Veterans Memorial Golf Course Operating Lease Extension:
 - Introduction by Scott Flory, City Administrator.

- Review of request Shane Cooney, Board President.
- **Motion to approve Resolution #15-63**, “A Resolution of the City of Clear Lake, Iowa, approving an operating agreement term extension agreement for Clear Lake Veterans Memorial Golf Club Foundation Inc. for the Veteran Memorial Golf Course” by the City Council.
- Discussion and consideration of **Motion** by City Council.

C. CLEAR Project – Water Management Authority:

- Review by Scott Flory, City Administrator.
- **Motion to approve Resolution #15-64**, “A Resolution of support and expressing intent to participate in the potential formation of a Water Management Authority pursuant to Chapter 28E of the Code of Iowa” by City Council.
- Discussion and consideration of **Motion** by City Council.

D. Kwik Star Development Project:

- Review by Scott Flory, City Administrator.
- **Motion to approve Resolution #15-65**, “A Resolution accepting the conveyance of public improvements constructed by Kwik Trip Inc. necessary for a development project in Clear Lake, Iowa.”
- Discussion and consideration of **Motion** by City Council.

7. Chief of Police’s Report:

8. Mayor’s Report:

- City Council swearing-in ceremony, 10:00 a.m. on December 22nd

9. Public Works Director’s Report:

10. City Administrator’s Report:

11. Other Business:

- Building Official Annual Report.

12. Adjournment.

NEXT REGULAR MEETING – JANUARY 4, 2016

This notice is given pursuant to Chapter 21.4(1) of the Code of Iowa and the local rules of said governmental body.

RESOLUTION NO. _____

RESOLUTION OF THE CITY OF CLEAR LAKE, IOWA, APPROVING AN OPERATING AGREEMENT TERM EXTENSION AGREEMENT FOR CLEAR LAKE VETERANS MEMORIAL GOLF CLUB FOUNDATION INC. FOR THE CLEAR LAKE VETERANS MEMORIAL GOLF COURSE

This Operating Agreement Term Extension Agreement is made and entered into this 22nd day of December, 2015, by and between the City of Clear Lake, Iowa (hereinafter called "City"), and the Clear Lake Veterans Memorial Golf Club Foundation Inc. (hereinafter called "Operator").

Witnesseth:

Whereas, the City entered into an Operating Agreement with Operator on March 7, 2011 for management and operation of the City-owned public golf course and facilities located at 2000 North Shore Drive; and

Whereas, the Operating Agreement provided for an initial term of two (2) years with an option to renew for an additional term of two (2) years; and

Whereas, on December 7, 2015, Operator requested to extend the Term, pursuant to the Operating Agreement, for a term ending on December 1, 2018; and

Whereas, the City and Operator have decided that it is in their mutual interests to extend the Operating Agreement for such term.

Now, therefore, in consideration of the covenants and agreements contained in this Operating Agreement Extension Agreement, the City and operator agree as follows:

1. The Operating Agreement for the premise is incorporated by reference and made a part of this Operating Agreement Extension Agreement as though set forth in full.
2. The Term shall be extended commencing December 22, 2015, and expiring December 1 2018, unless terminated sooner.
3. Acknowledgment of Continuing Lease. The parties agree that for the period from March 7, 2015, to the effective date of this 1st Lease Amendment all of the terms and conditions of the parties' Lease remained in full force and effect and that there is no breach thereof.

PASSED and APPROVED by the Mayor and City Council this 21st day of December, 2015.

Nelson P. Crabb, Mayor

Attest:

Jennifer Larsen, City Clerk

In Witness Whereof, the City and Operator have executed this Lease Extension Agreement on the 22nd day of December, 2015.

CITY OF CLEAR LAKE, IOWA:

By: _____
Nelson P. Crabb, Mayor

By: _____
Jennifer Larsen, City Clerk

VETERANS MEMORIAL GOLF CLUB FOUNDATION INC.

By: _____
President

By: _____
Secretary

**OPERATING AGREEMENT FOR THE CITY OF
CLEAR LAKE'S "VETERAN'S MEMORIAL GOLF CLUB"**

Between

THE CITY OF CLEAR LAKE

And

VETERAN'S MEMORIAL GOLF CLUB FOUNDATION, INC.

THIS Agreement, executed in duplicate, made and entered into this 7th day of March, 2011, by and between the City of Clear Lake, Iowa, hereinafter called the "City", whose address for the purpose of this Operating Lease Agreement is 15 N. 6th Street, Clear Lake, Iowa, 50428 and the Clear Lake Veteran's Memorial Golf Club Foundation, Inc. hereinafter called "Operator", whose address for the purpose of this Operating Lease Agreement is 2000 North Shore Drive, Clear Lake, Iowa, 50428.

WITNESSETH:

WHEREAS, the City owns a public golf course and facilities located at 2000 North Shore Drive, called the Clear Lake "Veteran's Memorial Golf Club" and the City desires to engage an Operator to manage and provide certain services at the Veteran's Memorial Golf Course; and

WHEREAS, the Operator is desirous of procuring from the City the right to operate and manage the said golf course and facilities associated therewith; and

WHEREAS, the public interest and welfare will be served and the facilities of the Veteran's Memorial Golf Club materially enhanced by the City entering into this Agreement with the Operator who will provide certain services to the public patronizing the golf course.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements hereinafter set forth, it is agreed by and between the parties hereto as follows:

1. TERM

A. The Term of this Operating Agreement shall begin as of (DATE) ("Effective Date"), at which time this Operating Agreement shall take full force and effect. Operator shall operate the Golf Course property during the Term of this Operating Agreement beginning on the Effective Date and continuing for a period of two (2) years (the "Initial Term") from that date until the expiration of the Operating Agreement ("Expiration Date"), unless the Operating Agreement shall end sooner pursuant to any of the terms, covenants, or conditions, herein provided or pursuant to law. The City may terminate this Operating Agreement during the Term of the Operating Agreement in accordance with the termination provisions as contained herein or in accordance with applicable law. In the event of such termination, after expiration of the notice period, Operator shall not be permitted to enter the Golf Course property without accompaniment of a representative of the City.

B. Provided that no event of default has occurred and is continuing, Operator may request that the term of this Operating Agreement be renewed for an additional two (2) year period (the "Renewal Term") by giving City written notice of Operator's request to renew no less than ninety (90) days prior to the expiration of the Initial Term of this Operating Agreement. City reserves the right to disapprove renewal of this Operating Agreement if City determines that Operator has not satisfactorily complied with the terms, covenants, or conditions herein provided or pursuant to law or that continuation of this Operating Agreement is not consistent with reasonably anticipated plans for development or use of the Golf Course property by City. The Initial Term and the Renewal Term are hereinafter collectively referred to as the "Term." Operator shall not continue operation of the Golf Course property beyond the expiration of the Renewal Term except upon execution of a new Operating Agreement.

2. RENT

During the Term of the Operating Agreement, the Operator shall pay rent of \$1 per month to City.

3. RECORDS, MEETINGS, AND FINANCIAL REPORTING

A. Operator shall maintain complete and adequate financial records that will allow Operator to prepare financial statements in accordance with generally accepted accounting principles. Operator shall retain such records for at least five (5) years from the expiration or termination of this Operating Agreement. Such records shall be made available for audit during normal business hours by an authorized representative of City to determine the adequacy of Operator's financial management systems and internal control systems established to meet the terms and conditions of this Operating Agreement and that the financial statements are fairly presented in accordance with generally accepted accounting principles. The results of any audit by the City shall be final and binding on the Operator, including but not limited to the City's determinations with respect to revenue reporting by the Operator.

B. Operator shall prepare and compile, or oversee the preparation and compilation of, and submit to the City a monthly financial report itemizing actual golf course revenues and expenses against projected revenues and expenses.

C. Operator shall, or on or before March 1st of each year, provide to the City a Financial Statement consisting of a statement of financial position and statement of income and expenses for the prior calendar year ending December 31, in accordance with generally accepted accounting principles. In the alternative, Operator may provide a special report as prescribed in Statement on Auditing Standards No. 62 prepared by a Certified Public Accountant licensed to practice accounting in Iowa to fulfill this requirement.

D. Operator, its contractors, and subcontractors, shall provide the City, through an authorized representative, reasonable access to and the right to examine all records,

books, papers, or documents reasonably related to Operator's operation of any part of the Golf Course property and any project, services, and work being performed pursuant to any contract or subcontract. Proper facilities shall be furnished for access and inspection. The City has the right to request, and the Operator agrees to provide free of charge, all information and copies of all records.

E. The Operator shall confer with the City and attend meetings with City officials and other persons as reasonably requested by the City to discuss matters relating to the operation and management of the Golf Course property.

F. Voting Liaison Position. The Mayor shall appoint one (1) representative of the City Council to serve as a voting liaison from the City Council to the Board of Directors of the Operator. The City Administrator, or in his absence, the City Finance Officer, shall serve as City staff non-voting liaison to the Board of Directors.

4. PURPOSE; HOURS OF OPERATION; TOURNAMENTS; & OTHER USE

A. Between April 1st and October 31st, during the term of the Operating Agreement, the Golf Course property and facilities shall be open and properly staffed seven (7) days per week, with appropriate hours to serve golf patrons and the general public.

B. The Golf Course may be used November 1 through March 31 (considered the "Off Season"), provided use of the Golf Course does not damage the greens, tees, or other turf areas, when weather conditions render the Golf Course unusable for golfing, the Operator shall permit to occur and facilitate such other recreational activities as shall be determined acceptable to the City and provide for a more active recreational use of the Golf Course. The Operator shall be responsible for the payment of any additional insurance premiums necessitated by the Operator's sanction of such more active recreational use. The Operator shall have the specific authority and responsibility to ensure that the Golf Course is not damaged by any said recreational use.

C. Tournaments. The Operator shall be responsible for organizing and conducting at least three (3) annual tournaments during the Term of the Operating Agreement, one (1) of which shall be designed to promote the Golf Course property's origin as a "Veteran's Memorial Golf Course".

D. Operator may not operate or use the Golf Course property for any other purpose except a public golf course, without the prior written consent of the City.

E. The Clear Lake Community School District shall be allowed to utilize the Golf Course for school athletics events as needed and mutually agreed upon.

F. Operator understands that as Owner of the Golf Course, it is the City's objective that the Golf Course functions as a complement to other City tourism and recreation amenities. Operator shall develop synergy with other Community entities and organizations to take advantage of cross-promotion opportunities.

5. GOLF COURSE MANAGEMENT

A. During the Term of this Operating Agreement, the Operator shall have full control over the day-to-day operations of the golf course, including but not limited to handling the collection and deposit of all money, hiring and supervision of all employees, and purchasing of all goods and services consistent with the operation of a public golf facility. The Operator also shall be responsible for handling disputes with third parties, collecting and paying appropriate taxes, obtaining all appropriate permits, and providing accountability to the City for its activities.

B. Alcoholic Beverages. Operator shall not allow Course visitors to bring their own alcoholic beverages onto the Golf Course property. The Operator may set up a concession to sell alcoholic beverages, provided it obtains all necessary license and permits including, but not limited to, the proper license from the Division of Alcoholic Beverage for such sales and consumption.

C. Fees. Fees for public admission to the Golf Course property, including greens fees, membership fees, or any other fees associated with access to and use of the Golf Course property shall be submitted to City and approved by City before such fees become effective. When submitting proposed fees to the City, the Operator shall be required to show that the proposed fees are to comparable to fees charged by similar public golf courses within twenty five (25) miles and are capable of sustaining Golf Course operations. City shall be reasonable in considering such approval. The Operator's first fee schedule attached hereto and made a part of this Operating Agreement is hereby accepted and approved by City.

D. During the Term of this Operating Agreement, on an annual basis, if the Operator's total revenues exceed expenditures, the net difference shall be deposited in a "Golf Course Capital Improvement Trust Fund" for future capital improvements to the Golf Course property. Repayment by the Operator of any outstanding annual debt service on Loan Agreement(s) with the City shall be considered an operating expense for purposes of this paragraph.

E. The Operator will be permitted to carry forward, from one budget year to the next, projected necessary operating expenses associated with "pre-opening" of the Golf Course for the following year. Such costs are to be considered an "operating expense" for purposes of paragraph "5D".

If during the Term of this Operating Agreement, on an annual basis, the Operator's expenses exceed total revenues, the City shall be responsible to reconcile the net operating loss.

6. SECURITY

Operator shall, at its sole cost and expense, be responsible for security of the Golf Course property and any improvements thereon. City has no obligation to Operator for security of the Golf Course property and shall not be responsible to Operator, its agents, employees, or invitees (express or implied) for personal injury, death and/or loss, damage or destruction of improvements, supplies, equipment, or personal property on the Golf Course property.

7. MAINTENANCE, REPAIR, AND UTILITIES

A. Operator shall, at its sole cost and expense, be solely responsible for the budgeting and purchase of operating supplies; for the maintenance and repairs of any leased equipment, and fixtures used in connection with the Golf Course property, facilities, and premises, which shall also include housekeeping and custodial upkeep to the interior of the buildings and facilities.

B. City shall conduct ordinary parking lot sweeping, striping, and surface maintenance. City shall be responsible for all major repairs and replacements of below ground-level water and sanitary sewer services and HVAC equipment and exterior and structural aspects of the permanent buildings.

In the event there should be any doubt as to whether a particular item of maintenance or repair is the responsibility of the Operator or City, Operator shall be responsible. Operator shall be responsible for all items and matters that would be deductible or expensed for accounting purposes.

C. Operator shall deliver the Golf Course property to City upon expiration or termination of this Operating Agreement in at least as good condition as it was delivered at the commencement of the term with reasonable wear and tear accepted.

D. Operator shall, at its sole cost and expense, pay for the cost of all utility service, including water, gas, heat, telephone, electricity, sewer, and other utility and communications services rendered or used on or about the Golf Course property.

F. Operator shall keep the Golf Course property free of trash and be responsible for the collection, disposal, and recycling of all garbage, rubbish, and other waste from the Golf Course property. Operator shall participate in and comply with all recycling programs in effect for the county and municipality.

G. Operator shall not make or allow any physical change in the natural condition of the Golf Course property, including but not limited to the cutting or removal of trees or shrubs, without first submitting plans and specifications therefore from City. City shall respond to such plans and specifications within 48 hours. Normal seasonal pruning of trees and shrubs shall be allowed without City approval. Exceptions will be allowed for any sudden storm damage that requires immediate removal of debris, i.e., blown down trees, shrubs, etc. City shall provide equipment and help Operator in removal of any sudden storm damage.

H. Operator shall comply with the turf cultivation and management practices established by the United States Golf Association. Operator shall maintain the turf for playing conditions. Turf maintenance shall include, but not be limited to, the following: general cleanliness; landscaping; mowing/trimming; irrigation; fertilization; general erosion repairs; and other related tasks necessary to maintain acceptable playing conditions on the Golf Course.

I. Operator shall be responsible for and ensure that all golf course patrons, sub-operators, licensees, and permit holders are satisfying all obligations to maintain and repair areas occupied by them as required under any sub-operating agreement or other applicable instrument.

8. GOLF CARTS AND OTHER CAPITAL EQUIPMENT

A. Operator shall be responsible for providing and maintaining all equipment necessary for the successful management and operation of the golf course. City and Operator acknowledge that Operator may in the ordinary course of its business enter into leases for equipment used for the operation of Operator's business at the Golf Course property.

B. City agrees to perform maintenance on all capital equipment owned by the City and utilized by the Operator, including the fairway mower; irrigation system, pick-up truck, etc. Operator will be responsible for overseeing and scheduling the necessary maintenance and will be financially responsible for costs resulting from its own negligence. All of the Operator's costs that are necessary to comply with its obligations under this Agreement shall be considered operating expenditures.

C. The leasing of equipment necessary for the Operator to comply with its obligations under this Agreement shall be the sole responsibility of the Operator and annual lease payments shall represent an operating expense of the Operator. All operator-provided leased equipment is not a City asset. Operator shall fund all repair and maintenance costs for leased equipment and will fund replacement of leased equipment as necessary.

9. PRO SHOP

Operator may operate a pro shop on the Golf Course property. Sales at the shop may include, but are not limited to, merchandise, golf equipment, cart rentals, and equipment rentals.

10. FOOD AND BEVERAGE CONCESSION

Operator may operate a small-scale food and beverage concession operation, including an alcoholic beverage concession within the pro-shop/clubhouse or the surrounding patio area immediately adjacent to the clubhouse as well as mobile vending throughout the property.

11. RENOVATIONS AND IMPROVEMENTS

A. Operator shall not enter into any contract for or commence any restoration, preservation, renovation, or improvement project including, but not limited to, the construction or placement of any buildings, structure, or utility or any change in the natural condition of the Golf Course property (collectively "Improvements") without first submitting to City, and obtaining City's written approval of, an Improvement Plan for the proposed Improvement. The Improvement Plan shall include but not be limited to: (a) a description (including plans and specifications when deemed appropriate by City) of each Improvement; (b) a schedule for initiation and completion of each Improvement; (c) a statement whether each Improvement will be performed by Operator or a contractor; and (d) such additional information that City may reasonably require to determine whether to approve the proposed Improvement.

B. City's approval shall be based upon City's determination that Operator is capable of completing the proposed Improvement, that the intended use and character of the proposed Improvement is consistent with the purposes of this Operating Agreement, is compatible with the natural condition of the Golf Course property, is consistent with the terms under which City acquired the Golf Course property, and will not pose a threat to public health and safety. As approved by City, said Improvement Plan shall become a part of this Operating Agreement by reference, and Operator shall not modify or deviate therefore without first obtaining City's express written approval. The City shall have two weeks to approve the plan, reject the plan or make changes to the plan. If the City fails to respond in two weeks, the plan as submitted is approved.

C. All Improvement Plans submitted to City by Operator under this Paragraph are for the purpose of assisting City in determining whether to approve the proposed Improvement under the criteria for approval set forth in Subparagraph B of this Paragraph. City's approval of any such plan shall not be construed to relieve Operator of its responsibility to obtain and maintain all licenses, certificates, permits, and approvals now or subsequently required by Federal, State, and local authorities for the construction and use of the Improvement. Operator shall, prior to the commencement of any Improvement, apply for and obtain all Federal, State, and local licenses, certificates, permits, and approvals required for construction of the proposed Improvement. Upon the issuance of said licenses, certificates, permits, and approvals, Operator shall submit copies of same to City and then commence the Improvement project in accordance with the approved Improvement Plan. All construction shall be done in a good and workmanlike manner in accordance with the approved Improvement Plan and all requisite licenses, certificates, permits, approvals, and any other requirements of Federal, State, or local authorities having jurisdiction.

D. Approval by City of design plans, specifications, and reports submitted by Operator in accordance with this Operating Agreement shall not in any way relieve Operator of responsibility for the technical accuracy thereof. Operator is responsible for the professional quality, technical accuracy, timely completion, and coordination of all designs, drawings, specifications, and reports furnished under this Operating Agreement.

Operator shall, at its sole cost and expense, correct or revise any errors, omissions, or other deficiencies in its designs, drawings, specifications, and reports.

E. City reserves the right to approve the location, type of structure, and/or physical alteration involved in any Improvement and to require that Improvements be constructed or placed in such a manner that they may be removed with minimum damage to the Golf Course property.

F. Upon compliance with this Paragraph, Operator may enter into contracts for the performance of construction of an Improvement, provided that in no such event shall Operator's obligations under this Operating Agreement be deemed to be diminished thereby. Nothing contained in any such contracts shall be construed as creating any contractual relationship between any contractor, subcontractor, and City.

G. All Improvements hereafter constructed on the Golf Course property by Operator shall become the property of City upon the expiration or termination of this Operating Agreement.

12. STAFF

Operator shall engage a sufficient number of reliable, competent, and qualified staff of legal age for operation and management of the Golf Course property to provide security for the Golf Course property and to meet the needs of the public.

13. COMPLIANCE WITH LAWS, LICENSES, PERMITS, & INSURANCE

A. Operator shall obtain, maintain and comply with all necessary licenses, permits, and approvals required by the appropriate Federal, State, and local authorities for the improvement, maintenance, and use of the Golf Course property in accordance with this Operating Agreement. City agrees to cooperate fully with Operator in obtaining same. Operator shall provide City with satisfactory written evidence that all such licenses, permits, and approvals have been obtained prior to the commencement of improvement, maintenance and use of the Golf Course property.

B. Operator shall, at its sole cost and expense, comply and shall cause the Golf Course property to comply with all duly promulgated and applicable Federal, State, and local laws, ordinances, rules, and orders affecting the Golf Course property, or any part thereof, or the use thereof, including but not limited to laws and regulations pertaining to pesticide storage and application.

C. Operator shall comply with the requirements of all policies of insurance required by this Operating Agreement which at any time may be in force with respect to the Golf Course property.

14. PROPERTY TAX, SALES TAX, AND ASSESSMENTS

A. Although it is anticipated that the property will be exempt from property taxation, City agrees that during the Term of this Operating Agreement, it will be responsible for any property taxes or assessments that might be imposed by any governmental body by reason of the Operator's operation of the Golf Course property. Operator immediately shall forward any notice of such to the City.

B. Operator shall pay any and all sales tax that may be levied on any of the services it provides or receives under this Operating Agreement.

15. OPERATOR'S OBLIGATIONS

Operator, at its sole cost and expense, shall be responsible for preparation and compilation of Plans, Reports, Documents, and financial reports, and Operator shall attend meetings with City staff as reasonably required by the City.

16. ACCESS TO GOLF COURSE PROPERTY

During the Term of this Operating Agreement, as the owner of the Golf Course Property, the City retains the unfettered right to enter the Golf Course Property for any reason or no reason at all.

17. SIGNAGE, ADVERTISING, AND NEWS RELEASES

A. Operator shall be allowed to put advertising on tee markers, operator may put signs on any of the buildings or structures on the Golf Course property, and/or on any other property or improvements, with approval by the City. The Operator shall not use the City's name, logos, images, or any data or results arising from the Operating Agreement as part of any commercial advertising without first obtaining the written consent of the City.

B. The Operator shall not change the name of the Golf Course property without the prior written consent of the City Council. The Operator may issue news releases pertaining to any aspect of the services being provided under the Operating Agreement without the prior written consent of the City.

18. DAMAGE TO PROPERTY

Operator shall, at Operator's sole cost and expense, repair any damage caused by Operator, its employees, agents, contractors, or invitees to the Golf Course property within the period of time prescribed by City in a written demand. All repairs by Operator of damage to the Golf Course property shall restore the affected property to the appearance, condition, and utility of said property immediately prior to the damage or destruction within reasonable period of time.

19. INDEMNIFICATION

A. Operator shall, for itself, its successors, and assigns, assume all risks and liabilities arising out of Operator's use, operation, maintenance, and improvement of the Golf Course property. Operator covenants to defend, protect, indemnify, and save harmless City and hereby releases City and each of its officers, agents, employees, successors, and assignees from and against any and all such liabilities, losses, damages, costs, expenses (including reasonable attorney's fees and expenses), causes of action, suits, claims, demands, or judgments of every nature arising from or claimed to arise, in whole or in part, in any manner out of, be occasioned by, or result from: (i) Any injury to, or the death of, any person in or on, or any damage to property which occurs in, on or about the Golf Course property, any Improvements thereon or upon any sidewalk or walkway within the Golf Course property or in any manner growing out of or connected with the use, non-use, condition, or occupancy of the Golf Course property, Improvements, or any part thereof, and construction or repair of any Improvements on the Golf Course property; (ii) Violation of any agreement or condition of this Operating Agreement by Operator, its agents, employees, contractors, express or implied invitees, or anyone claiming by or through Operator; (iii) Violation by Operator of any contracts, agreements, or restrictions of record concerning the Golf Course property; (iv) Failure or omission to comply with any insurance policy required under this Operating Agreement or any Federal, State, or local law, ordinance, rule, or order affecting the Golf Course property or Operator's use thereof; and (v) Any act, error, or omission by Operator, its agents, employees, contractors, express or implied invitees, or anyone claiming by or through Operator in the performance of this Operating Agreement.

B. Operator agrees that any contract with its contractors and consultants shall require such contractors and consultants to defend, indemnify, protect, and save harmless City and release Operator and City and their officials and employees from and against any suits, claims, demands, or damages of whatever kind or nature arising out of or claimed to arise out of in whole or in part any negligent act, error, or omission of the contractor, consultant, or their agents, subcontractors, servants, and employees in the performance of any work or professional services on or for the benefit of the Golf Course property.

C. City and Operator shall, as soon as practicable after a claim has been made against either of them, give written notice thereof to the other, along with full and complete particulars of the claim. If the suit is brought against City, Operator, or any of its agents, servants, or employees, it shall expeditiously forward or have forwarded to the other every demand, complaint, notice, summons, pleading, or other process received by or then in their possession or the possession of its representatives.

D. It is expressly agreed and understood that any approval by City of the work performed or reports, plans, and specifications provided by Operator shall not operate to limit the obligations of Operator assumed pursuant to this Operating Agreement.

E. Operator's liability pursuant to this paragraph shall continue after the termination or expiration of this Operating Agreement with regard to causes of action arising or claimed to arise prior to the termination or expiration hereof and/or obligations of Operator under this Operating Agreement which survive such termination or expiration.

F. This indemnification is not limited by, but is in addition to, the insurance obligations contained in this Operating Agreement.

G. The provisions of this indemnification clause shall in no way limit the obligations assumed by Operator under this Operating Agreement, nor shall they be construed to relieve Operator from any liability or to preclude City from taking any other actions available to it under any provisions of this Operating Agreement or at law or in equity.

20. INSURANCE

A. Operator shall, at Operator's sole cost and expense, obtain and maintain at all times during the term of this Operating Agreement, insurance for any damages imposed by law and assumed under this Operating Agreement of the types and in the amounts hereinafter provided

B. Operator shall furnish copies of the following policies to the City, with limits not less than the following, or greater if required by law and shall also furnish certificates of insurance from all independent subcontractors, which certificates shall provide evidence of coverage for the following limits not less than the following, or greater if required by law:

(i) Comprehensive General Liability policy as broad as the standard coverage form currently in use in the State of Iowa, which shall not be circumscribed by any endorsements limiting the breadth of coverage. The policy shall include an endorsement (broad form) for contractual liability. Limits of liability shall be maintained at the level of One Million (\$1,000,000.00) Dollars per occurrence as a combined single limit for bodily injury and property damage liability; (ii) Property insurance to cover loss or damage on an "all risk" of physical loss form of coverage against fire, water, wind, storm, loss, theft, and damage on any structures on the Golf Course property and all fixtures, equipment, and other property attached thereto and/or physically incorporated therein and the contents owned by Operator and located in or on the Golf Course property. Said insurance shall be in an amount not less than the full value of such structures, fixtures, equipment, and contents. The value of said structures, fixtures, equipment, and contents shall be determined by Operator using whatever procedures Operator considers appropriate. Said policy shall be written so as to provide that the insurer waives all right of subrogation against City in connection with any loss or damage covered by the policy; (iii) Worker's Compensation applicable to the laws of the State of Iowa and Employer's Liability Insurance with limits of not less than One Hundred Thousand (\$100,000.00) Dollars per occurrence for bodily injury liability and One Hundred Thousand (\$100,000.00) Dollars occupational disease per employee with an aggregate limit of Five Hundred Thousand (\$500,000.00) Dollars occupational disease; and (iv) Such other insurance and in such amounts as may from time to time be reasonably required by City.

C. Operator shall require any person providing any service and/or conducting any activity on the Golf Course property, as part of Operator's operation thereof, to secure and

maintain in force at all times during the provision of any service and/or conduct of any activity thereon, as part of Operator's operation of the Premises, insurance coverage of the types and in at least the minimum amounts required under subparagraph B of this Section.

D. All policies of insurance shall provide that the proceeds thereof shall be payable to City and Operator, as their respective interests may appear. All insurance coverage required to be maintained by Operator in accordance with this Operating Agreement shall be issued by an insurance company authorized and approved to conduct business in the State of Iowa and shall name the City as an additional insured.

E. When Operator returns this Operating Agreement, signed by Operator, to City for signature, Operator shall provide City with a certificate of insurance evidencing that Operator has obtained all insurance coverage in accordance with this Operating Agreement. Operator also shall provide City with valid certificates of renewal of the insurance upon the expiration of the policies so that City is continuously in possession of current documentation that Operator has obtained and is maintaining in full force and effect all insurance required under this Operating Agreement.

F. Operator shall not allow any contractor or subcontractor to engage in any activity on the Premises without first submitting to City a current certificate of insurance showing that the contractor or subcontractor has obtained insurance coverage in accordance with the requirements of this Operating Agreement.

G. Operator expressly understands and agrees that any insurance protection required by this Operating Agreement shall in no way limit Operator's indemnification obligations assumed in this Operating Agreement and shall not be construed to relieve Operator from liability in excess of such coverage, nor shall it preclude City from taking such other actions as are available to it under any provision of this Operating Agreement and as otherwise provided for at law or in equity.

21. ASSIGNMENT

Operator shall not assign or transfer this Operating Agreement or Operator's responsibilities under this Operating Agreement or the operations authorized hereunder, nor sell or otherwise assign or transfer a controlling interest in such operations (hereinafter collectively referred to as an "Assignment") without the prior written approval of City.

22. TERMINATION, EXPIRATION, AND SUSPENSION OF OPERATIONS

A. Operator shall comply with the terms and conditions of this Operating Agreement. Failure to comply and/or the existence of any condition which City determines to be in violation of the terms and conditions hereof shall be considered to be a material breach, in which event City may, in addition to any other right or remedy provided for by law or in equity, terminate this Operating Agreement.

B. Operator and City each shall have the right to terminate this Operating Agreement upon ninety (90) days written notice served upon either party by the other by certified mail, return receipt requested.

C. Failure of Operator to qualify for non-profit 501(c) legal status from the Internal Revenue Service and to maintain such status for the term of this Agreement shall be cause for the City to terminate the Agreement, if it so desires. Proof of such status shall be submitted to the City annually.

23. CREATION OF LIENS OR ENCUMBRANCES BY OPERATOR

Operator shall have no power to do any act or make any contract which may create or be the foundation for any lien, mortgage, or other encumbrance upon any interest of City in the Golf Course property or in the buildings or Improvements thereon.

24. AMENDMENTS

The parties hereto agree that this Operating Agreement may be amended, supplemented, changed, modified, or altered upon mutual agreement of the parties hereto made in writing. This Operating Agreement cannot be modified or amended by conduct or course of dealings.

25. ENTIRE AGREEMENT

The parties hereto agree that this Operating Agreement represents the entire agreement between the parties; all negotiations, oral agreements, and understandings are merged herein.

26. SUPERSEDES

This Operating Agreement supersedes and cancels all previous agreements covering the Golf Course property.

27. INDEPENDENT PRINCIPAL

Operator shall, at all times, act as an independent principal and not as an agent or employee of City. Operator agrees not to enter into any agreement or commitment on City's behalf.

28. SUCCESSION AND BINDING AGREEMENT

Except as otherwise set forth herein, all of the terms and provisions of this Operating Agreement shall be binding upon and shall inure to the benefit of the successors and assignees of City and Operator's heirs, executors, administrators, and assigns.

29. SEVERABILITY

If any term or provision of this Operating Agreement, or the application thereof to any person or circumstance shall, to any extent, be determined to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Operating Agreement, or the application of such term and provision of this Operating Agreement, shall be valid and enforced to the fullest extent permitted by law.

30. HEADINGS

The article, paragraph, and subparagraph headings throughout this Operating Agreement are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Operating Agreement.

31. GOVERNING LAW

The City and Operator hereby agree that jurisdiction of any action The City and Operator hereby agree that jurisdiction of any action hereunder shall be solely in the Iowa District Court for Cerro Gordo County, Iowa. This Operating Agreement shall be governed by and interpreted in accordance with the laws of the State of Iowa.

32. NO THIRD PARTY BENEFICIARIES

There shall be no third party beneficiaries of this Operating Agreement, and no person, firm, or entity not a party to this Operating Agreement shall be entitled to claim any right, benefit, or presumption from or estoppel by this Operating Agreement.

33. NEGOTIATED DOCUMENT

Each and every provision of this Operating Agreement has been independently, separately, and freely negotiated by the parties as if this Operating Agreement were drafted by all parties hereto. The parties therefore waive any statutory or common law presumption which would serve to have this document construed in favor of or against any party as the drafter hereof.

34. CORPORATE RESOLUTION

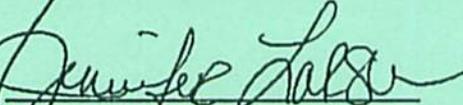
Operator shall adopt a resolution authorizing the execution of this Operating Agreement by Operator for the purposes and subject to the terms and conditions herein provided.

When Operator returns this Operating Agreement, signed by Operator, to City for signature, a certified copy of said resolution shall be attached to this Operating Agreement.

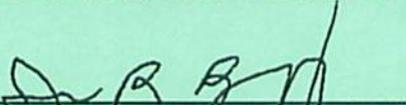
IN WITNESS WHEREOF, the said parties have duly executed these presents the days and year first obtain written.

CITY OF CLEAR LAKE, IOWA

By: 
Nelson P. Crabb, Mayor

By: 
Jennifer Larsen, City Clerk

VETERAN'S MEMORIAL GOLF CLUB FOUNDATION, INC.

By: 
President or Vice-President

By: 
Secretary

RESOLUTION NO. _____

**A RESOLUTION OF SUPPORT AND EXPRESSING INTENT TO PARTICIPATE IN
THE POTENTIAL FORMATION OF A WATER MANAGEMENT AUTHORITY
PURSUANT TO CHAPTER 28E OF THE CODE OF IOWA**

WHEREAS, the City of Clear Lake has discussed its potential participation in the formation of a newly created Water Management Authority (WMA), pursuant to Chapter 28E of the Code of Iowa, with a consortium of other governmental entities, including: the City of Ventura; Cerro Gordo County; Hancock County Soil & Water Conservation District; and the Cerro Gordo County Soil & Water Conservation District, as well as the Association for the Preservation of Clear Lake; and

WHEREAS, the proposed WMA would be jointly funded, managed, and governed by the participating entities; and

WHEREAS, the general purpose and structure of the proposed WMA is to provide for the on-going environmental stewardship of Clear Lake for the benefit of the citizens and visitors.

NOW, THEREFORE, it is resolved by the City Council of Clear Lake, Iowa as follows:

Section 1. The City Council of Clear Lake hereby proclaims its support for the initiative and continued financial support, in the amount of \$15,000/annual, subject to terms and conditions which shall be negotiated as part of a future 28E Agreement, which shall be subject to review and approval by the City Council.

Section 2. The City Council also encourages the Association for the Preservation of Clear Lake (APCL) and other prospective stakeholders and governmental partners to take whatever actions are necessary to further the formation of a WMA.

Section 3. The Mayor, City Administrator, and City Clerk are authorized to take such further action as may be necessary to carry out the intent and purpose of this Resolution.

Section 4. All resolutions, orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby repealed, and this resolution shall be in full force and effect immediately upon its adoption and approval.

Passed and approved on December 21, 2015.

Nelson P. Crabb, Mayor

Attest:

Jennifer Larsen, City Clerk

RESOLUTION NO. _____

A RESOLUTION ACCEPTING THE CONVEYANCE OF PUBLIC IMPROVEMENTS CONSTRUCTED BY KWIK TRIP INC. NECESSARY FOR A DEVELOPMENT PROJECT IN THE CITY OF CLEAR LAKE, IOWA

WHEREAS, on May 18, 2015, following public notice and hearing, the City of Clear Lake did enter into a Development Agreement with Kwik Trip Inc. (LaCrosse, WI), providing for the design and construction, to City standards, by the Developer, of certain improvements to be conveyed to the public upon completion, including traffic signal and right-of-way intersection improvements located at IA HWY 122 & Willow Creek Court/N. 32nd Street; and

WHEREAS, the improvements have now been designed and constructed and Developer wishes for the City to assume its ownership obligations for the operation and maintenance of these public improvements; and

WHEREAS, the City has retained the engineering firm of SEH Engineering (Mason City, IA) to perform an independent review of the improvements on behalf of the City and SEH has conducted a review and inspection of the plans and improvements and has provided the City with a "Certificate of Completion" attesting that the improvements have been constructed in accordance with accepted engineering standards of the City; and

WHEREAS, the best interest of the public will be served by the transfer and conveyance of said improvements.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLEAR LAKE, IOWA: that the City accepts the conveyance of the public improvements and will own, operate, and maintain them.

BE IT FURTHER RESOLVED that the payment of \$250,000 from the City to the Developer, pursuant to the terms of the Development Agreement is hereby approved and authorized.

PASSED and APPROVED this 21st day of December, 2015.

Nelson P. Crabb, Mayor

Attest:

Jennifer Larsen, City Clerk

December 17, 2015

Scott Flory
City of Clear Lake, IA
15 North 6th Street
Clear Lake, IA 50428

Re: Reimbursement under Conditions of Development Agreement

Dr. Mr. Flory:

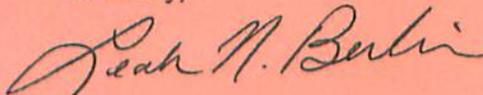
Kwik Trip is officially requesting reimbursement in the amount of \$250,000.00 for work performed and completed to design and construct a traffic signal and roadway improvements at the intersection of North 32nd Street/Willow Creek Court and Iowa Highway 122. This reimbursement request is made under the terms of the Development Agreement entered into between the City of Clear Lake and Kwik Trip Inc. dated May 18th, 2015.

It is Kwik Trip's understanding that SEH was retained by the City of Clear Lake to review the final project for general conformance with the project plans and specifications and that SEH has issued a Certificate of Completion on behalf of the City of Clear Lake. That letter dated December 16, 2015 is attached.

The final construction cost for the traffic signal and roadway improvement totaled \$943,400.00. As per the Development Agreement, the associated invoices from Dean Snyder Construction are attached.

Kwik Trip Inc. is excited to be operating in the City of Clear Lake and sincerely thanks the City of Clear Lake for their support in moving this project forward.

Sincerely,



Leah N. Berlin
Store Engineering, Kwik Trip Inc.



Our Mission: "To serve our customers and community more effectively than anyone else by treating our customers, co-workers and suppliers as we, personally, would like to be treated, and to make a difference in someone's life."

Kwik Trip & Kwik Star Stores • Tobacco Outlet Plus • Convenience Transportation, LLC • Hearty Platter Restaurants & Cafés

223- Intersection

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF FIVE

PAGES

TO OWNER Kwik Trip, Inc. PROJECT: Kwik Star Clear Lake APPLICATION NO: 15360-1 Distribution to:
 ATTN: Leah Nicklaus-Berlin 3205 Willow Creek Court OWNER
 1626 Oak Street, P.O. Box 2107 Clear Lake, Iowa ARCHITECT
 La Crosse, Wisconsin 54602 CONTRACTOR
 FROM CONTRACTOR: VIA ARCHITECT: PERIOD TO: 7/29/15
 Dean Snyder Construction Co. PROJECT NOS: M79760870
 PO Box 181
 Clear Lake, IA 50428

CONTRACT FOR: Construction of Intersection and Signal Work at Kwik Star in Clear Lake, Iowa. CONTRACT DATE July 1, 2015

CONTRACTOR'S APPLICATION FOR PAYMENT

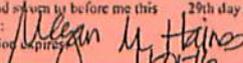
Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

1. ORIGINAL CONTRACT SUM \$ 943,400.00
 2. Net change by Change Orders \$ 0.00
 3. CONTRACT SUM TO DATE: (Line 1 + 2) \$ 943,400.00
 4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 582,119.00
 5. RETAINAGE:
 a. 10 % of Completed Work \$ 58,211.90
 (Column D + F on G703)
 b. 10 % of Stored Material \$ 0
 (Column F on G703)
 Total Retainage (Lines 5a + 5b or Total in Column I of G703) \$ 58,211.90
 6. TOTAL EARNED LESS RETAINAGE: \$ 523,907.10
 (Line 4 Less Line 5 Total)
 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 0.00
 8. CURRENT PAYMENT DUE \$ 523,907.10
 9. BALANCE TO FINISH INCLUDING RETAINAGE: \$ 419,492.90
 (Line 3 less Line 6)

CONTRACTOR:

By:  Date: July 29, 2015

State of: Iowa County of: Cerro Gordo
 Subscribed and sworn to before me this 29th day of July, 2015
 Notary Public:  My Commission Expires 12-31-16
 MEGAN M. HAINES
 Commission Number 731315
 My Commission Expires 12-31-16

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$

Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.
 ARCHITECT:

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	



Building a Better World
for All of Us®

December 16, 2015

RE: Certificate of Completion
Traffic Control Project Improvements
N. 32nd St. / Willow Creek Ct. and IA 122
Kwik Trip, Inc.

Scott Flory -City Administrator
City of Clear Lake
15 North 6th Street
Clear Lake, IA 50428

Dear Mr. Flory:

On November 19, 2015, Short Elliott Hendrickson Inc. (SEH) was retained by the City of Clear Lake to conduct a final review of the completed improvements made at the intersection of North 32nd Street / Willow Creek Court and Iowa Highway 122. The improvements included turn lane and intersection paving and new traffic signals in conjunction with the construction of a Kwik Star convenience store.

The effort was to include review of project plans, material submittals, available material testing results and a field observation of the improvements. The intent of the review was to check the completed improvements for general conformance with the project plans and specifications.

SEH obtained the project plans for the turn lane / intersection work and the traffic signalization work as prepared by Snyder & Associates. Approved signal material submittals and a Portland Cement Concrete (PCC) mix design submittal were also obtained. Concrete compression and flexural strength test reports for the completed paving work were submitted by Chosen Valley Testing. It is noted that the concrete test reports indicate compliant strength and entrained air values. However, several concrete slump test results were higher than the 4 inch maximum slump indicated in the contract documents.

The submitted project documents were reviewed by SEH prior to conducting the field observation of completed improvements. The field observation included a review of work quality and general conformance with the project plans. The field review was not intended to be a punch-list type inspection of all components of the completed work.

Based on our review of project plans, approved signal material submittals, available test results and limited field observation it appears that the completed work is in general conformance with the approved project plans and specifications. This letter serves as our certificate of completion to the City of Clear Lake for the project.

If we can be of further service, please do not hesitate to call.

Sincerely,

A handwritten signature in black ink that reads "Michael L. Danburg".

Michael L. Danburg, PE
Project Engineer

p:\aelc\c\11\129620\kwik trip\letter of completion.docx

Engineers | Architects | Planners | Scientists

Short Elliott Hendrickson Inc., 215 North Adams Avenue, Mason City, IA 50401-3119
SEH is 100% employee owned | sehinc.com | 641.424.6344 | 888.908.8166 fax

DEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF CLEAR LAKE, IOWA
AND
KWIK TRIP, INC
TRAFFIC SIGNAL WILLOW CREEK COURT/N. 32ND ST.
& IOWA HWY 122

This Agreement ("Agreement") is entered into this __ day of 2015, by and between the City of Clear Lake (the "City"), a political subdivision of the State of Iowa and KWIK TRIP INC. ("Kwik Trip").

Kwik Trip Inc. is the fee simple and sole owner of certain real property, known locally and described as: Kwik Star, #223 and proposes a property development project, consisting of a convenience store with vehicle fuel and truck diesel fueling near the intersection of Willow Creek Court/N.32nd Street and Iowa HWY 122 in the City of Clear Lake (the "Intersection").

Chapter 403 of the Code of Iowa authorizes cities to establish Urban Renewal Areas and to undertake economic development projects.

The City has established the Clear Lake Consolidated Urban Renewal Area, and has adopted a tax increment ordinance for the Urban Renewal Area.

In May, 2014, the City, following notice and hearing, in accordance with Iowa law amended the Clear Lake Consolidated Urban Renewal Area Plan (Amendment #2) to recognize the proposed Kwik Trip development project.

Chapter 15A of the Code of Iowa authorizes cities to provide grants, loans, guarantees, tax incentives, and other financial assistance to or for the benefit or promotion of private development within the City.

The City Planning & Zoning Commission considered the proposed site plan for the Development project and granted its approval on _____, 2015.

Kwik Trip commissioned a traffic study prepared by Snyder & Associates Consulting Engineers demonstrating that a traffic signal, intersection improvements, and other roadway modifications are warranted at the Intersection, in part based upon the proposed Kwik Trip development project.

For the benefit of the citizens of the City of Clear Lake, the safety of the driving public, and Kwik Trip and its development, the parties determined that the installation of a traffic signal, intersection improvements, and other roadway modifications at the Intersection are feasible, cost effective, and mutually beneficial.

The City and Kwik Trip propose to collaborate in designing an appropriate traffic signal, intersection improvements, and other roadway modifications consistent with City design standards and all other applicable regulations at the Intersection.

The parties additionally propose to share in the cost of construction and construction engineering for the installation of the traffic signal, intersection improvements, and other roadway modifications at the Intersection in accordance with plans to be approved by the City (the "Project").

NOW, THEREFORE, be it agreed between the parties as follows:

1. The City and Kwik Trip will share in the actual cost of installation and construction, including construction engineering, for a traffic signal, intersection improvements, and other roadway modifications at the Intersection in accordance with plans and specifications to be subject to City Council approval. Each party shall contribute financially on a 50/50 cost-share up to a total project cost of not to exceed \$500,000. The City contribution shall be capped at a not to exceed \$250,000 for the Project in its entirety. If actual Project costs are less than the estimated amount set forth herein, the City and Kwik Trip project costs shall be reduced accordingly.
2. The estimated cost of the proposed improvements, dated APRIL 30, 2015 is shown on Exhibit "A" attached hereto and made a part hereof as follows:
 - a. Construction cost estimate
 - b. Construction engineering
3. Following completion of the construction of the proposed improvements and acceptance by the City Council, the Project will be under the jurisdiction of the City and will be operated and maintained by the City at the City's expense.
4. Kwik Trip shall be responsible for all costs associated with the Project in excess of \$250,000. The City shall be invoiced by Kwik Trip based upon actual invoices submitted by its consultant and contractors and copies of such shall be included with requests for cost-share reimbursements. The City shall have the authority to approve or deny pay requests or requests for additional costs within its sole reasonable discretion. Payments subject to approval by the City shall be made within 30-days of the invoice date. Kwik Trip shall make all invoices and accountings for the project available for review by the City.
5. The Project is expected to be awarded and substantially completed during the 2015 construction season. The tentative Project construction schedule is attached hereto and made a part hereof as Exhibit "B". Failure to complete the Project as stipulated will be cause for the City to terminate the Agreement.

6. The City and its authorized agents and employees are hereby granted rights to enter onto lands owned by Kwik Trip for purposes of performing and inspecting work in connection with the Project, provided however that such entry shall not interfere with Kwik Trip's access and/or business operation.
7. Kwik Trip will be responsible for securing design work and for the bidding of the Project.
8. Kwik Trip shall secure all permits from the Iowa DOT for the Project and the City agrees to sign permit applications, if necessary. For the improvements as contemplated herein. If, for any reason, permits cannot be obtained, this Agreement shall terminate and be of no further force or effect.
9. Job Creation. Kwik Trip Inc. agrees to create and maintain Ten (10) full-time equivalent employees and Twenty (20) part-time positions with an annual payroll of not less than \$ 350,000 for a period of not less than five (5) years from the date the Improvements are accepted by the City Council.
10. Minimum Taxable Valuation. The Parties agree to enter into a Minimum Assessed Value Agreement for purposes of property tax payments of not less than a value of \$1,500,000 net taxable value for not less than 7 years from the date the improvements are accepted by the City.
11. General Provisions:
 - a. Entire Agreement. This Agreement represents the entire Contract between Kwik Trip and the City. No verbal agreement, conversation, or representation by or between any officer, agent, or employee of the parties hereto, either before or after the execution of this Contract, shall affect or modify any of the terms or obligations herein contained.
 - b. Governing Law. This Contract shall be governed by the laws of the State of Iowa.
 - c. Assignment. Neither party shall assign this Contract or any part thereof without the written consent of the other party. This Contract shall be binding on the parties, their successors, assigns and legal representatives.
 - d. Third Parties. It is the intention of the parties hereto that this Agreement is not made for the benefit of any private third party. Kwik Trip and the City agree that no private party or parties will be allowed to hold sway or influence, in any way, over Kwik Trip's performance of the work.
 - e. Notices. Written notices under this Contract shall be given to the parties at their addresses contained in this Contract by personal or registered mail delivery to the attention of the following persons:

Kwik Trip:

KWIK TRIP, INC.

ATTN: LEGAL DEPARTMENT

1626 OAK STREET

LA CROSSE WI 54603

City:

CITY OF CLEAR LAKE

ATTN: SLOTT FLOYD, CITY ADMINISTRATOR

15 N. 6TH STREET

CLEAR LAKE, IA 50428

- f. Changes. Any changes in the provisions of this Contract must be in writing and signed by Kwik Trip and the City.
- g. Jurisdiction and Venue of Contract. This Contract shall be considered for all purposes, including the establishment of jurisdiction and venue in any court action between the parties, as having been entered into and consummated in the City of Clear Lake, Cerro Gordo County, Iowa.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, Kwik Trip and the City have executed this Contract as of the date first listed above.

FOR THE CITY:

By: _____
Nelson P. Crabb, Mayor

Attest: Jennifer Larsen
Jennifer Larsen, City Clerk

FOR KWIK TRIP, INC.

By: Jeffrey Wilcox
JEFFREY WILCOX, CFO

Attest: Stephen D. Loehr
STEPHEN D. LOEHR, VICE PRESIDENT

**BUILDING DEPARTMENT REPORT
JAN. 2015-DEC. 2015**

PERMITS ISSUED 149

TOTAL VALUE, \$ 13,460,171.00

17 – New Dwelling Permits

1 – Rebuild

4 – Commercial Building Permits

2 – Commercial Remodel Permits

38 – Re-Roof and /or Re-shingle Resident Permits

11 – Addition to Existing Building Permits

20 – Remodel Permits

37 – Miscellaneous Permits (Decks, Sheds, Porches, Windows)

11 – Garage Permits (New and Additions to Existing)

6 – Siding Permits

3 – Accessory Buildings

BUILDING DEPARTMENT REPORT
JANUARY 2014 – DECEMBER 2014

Permits Issued: 148

Valued At: \$32,664,667.38

15 – New Dwellings
1 – Rebuild

7 – Additions to Existing Buildings
1 – Sunroom

8 – Commercial Buildings
1 Public Building

18 – Remodel Existing Buildings
3 – Commercial

39 – Re-Roof and/or Re-shingle Resident Permits

11 – Siding Permits – Existing Dwelling

13 – Garages (New and Additions to Existing)
1 Carport

39 – Miscellaneous (Decks, Sheds, Porches, Patios, Windows)

BUILDING DEPARTMENT REPORT
January 2013 to December 2013

Permits Issued: 129

Valued At: \$15,095,220.28

- 10 – New Residences
 - 1 – Rebuild
 - 1 Accessory Building
- 13 – Additions to Existing Residences
- 8 – Remodel Existing Residences
 - 9 – Remodel Commercial Buildings
- 48 – Reroof and/or Reshingle Resident Permits
- 8 – Siding Permits
- 1 – Multi-Dwelling Permit
- 9 – Garages (New and Additions to Existing)
- 16 – Miscellaneous (Decks, Sheds, Porches, Windows)
- 5 – Commercial Permits
(New Structures)

Demolition Permits Issued: 4

BUILDING REPORT
1-1-12 to 12-31-12

Permits Issued: 148

Total Value: \$9,372,235.62

3 – Windows	\$ 13,071.00
1 – Sunroom	\$ 15,000.00
11 – Siding	\$ 105,420.00
3 – Shingle	\$ 29,650.00
4 – Sheds	\$ 2,450.00
6 – Roofs	\$ 48,180.00
30 – Re-roofs	\$ 1,052,234.50
1 – Remodel/Commercial	\$ 8,000.00
18 – Remodel 1 Remodel School	\$ 1,453,008.12
13 – New Dwellings	\$ 4,329,861.00
15 – Detached Garages	\$ 118,000.00
5 – Attached Garages	\$ 145,000.00
15 – Decks	\$ 74,000.00
2 – Commercial Buildings	\$ 774,861.00
13 – Additions	\$ 949,000.00
8 – Accessory Buildings	\$ 254,500.00