

Façade Contract

This Agreement is made and entered into this day and date hereafter set forth, by and between and the City of Litchfield, Minnesota ("City"), a Minnesota municipal corporation, whose offices are located at 126 Marshall Avenue North, Litchfield, Minnesota 55355, and (owner's name) _____ ("Owner"), (address) _____.

WHEREAS under the provisions contained in Laws 2023, Chapter 71, Article 1, Section 14, Subdivision 23, as amended by Laws of MN, 2024 Chapter 88, Article 1, Section 15, the State of Minnesota has allocated \$2,025,000.00 which is to be given to the City of Litchfield, Minnesota as a grant to assist the City of Litchfield, Minnesota in designing and rehabilitating the façades of publicly and privately owned buildings in the Litchfield Commercial Historic District ("Grant Allocation");

WHEREAS, this agreement is being entered into in order to carry out the purposes of the Grant Allocation;

WHEREAS, the City of Litchfield has entered into a General Fund Grant – Construction Grant Agreement with the Minnesota Historical Society dated _____ being attached hereto as Exhibit A and incorporated by reference herein ("General Fund Grant – Construction Grant Agreement") for the design and rehabilitation of facades of publicly and privately owned buildings in the Litchfield Commercial Historic District of the City of Litchfield, consistent with the appropriate historic preservation standards and guidance for rehabilitation from the Minnesota Historical Society;

WHEREAS, City of Litchfield, Minnesota, is carrying out a program for Owners to participate in façade renovations of buildings located in the Commercial Historic District of the City of Litchfield, whereby the City of Litchfield agrees to procure on behalf of, or to reimburse the costs of, the participating Owners for the services and work associated with façade design and rehabilitation, all in accordance with the General Fund Grant – Construction Grant Agreement;

WHEREAS, the City of Litchfield, Minnesota, has the authority to enter into such contracts as may be deemed necessary or desirable to make effective any power possessed by the council, pursuant to Minnesota Statute 412.221, subdivision 2;

WHEREAS, Owner has applied to the City of Litchfield for participating in said program and has agreed by such application to conform to the program and design guidelines;

WHEREAS, **Owner is the fee simple owner** of the property, located in Meeker County, Minnesota, legally described as:

SEE ATTACHED EXHIBIT "A" (legal description) and Parcel ID

And locally known as (Address) _____, Litchfield, Minnesota 55355 ("License Property");

WHEREAS, this License Property is located in the Litchfield Commercial Historic District, as defined in the General Fund Grant – Construction Grant Agreement;

WHEREAS, City of Litchfield has determined that Owner's project meets the requirements of the General Fund Grant – Construction Grant Agreement and has approved the application of Owner and this Agreement;

WHEREAS, Owner has been acquainted and advised of the terms, conditions and provisions of the General Fund Grant – Construction Grant Agreement;

and

WHEREAS, this agreement will assist in protecting and preserving the historic character and quality of the area in which the License Property is located as a public benefit.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Owner hereby grants, conveys and transfers to City, a Façade license for a term lasting ----- years, in and over, that portion of the herein described License Property consisting of the exterior face of the building where work will be performed as part of the General Fund Grant – Construction Grant Agreement, visible from the public right-of-way, extending vertically from the exterior grade level to the top of the wall element (such as a parapet) and the full length of the street frontage ("Facades"). This includes all architectural and construction features visible from any point on the public right-of-way outside of the building, including without limitation structural materials, facing materials, windows, doors, trim, sills, steps, railings, cornices, moldings, fences and other associated features, in addition to connected interior features that necessitate modification or maintenance in order to rehabilitate and maintain the publicly visible features.
2. City, on behalf of Owner, agrees to contract with one or more architects and contractors for, or to reimburse Owner for costs associated with, the completion of a construction project with respect to the premises situated at _____, Litchfield, Minnesota, legally described in EXHIBIT A, said construction project shall consist of façade rehabilitation meeting the requirements of the General Fund Grant – Construction Grant Agreement and the design standards applicable thereto, specifically standards for rehabilitation under Code of Federal regulations, title 36, section 67.7, in accordance with the approved plans and specifications heretofore provided to the City.
3. City agrees to solicit bids or quotes from contractors having the ability to perform such work contemplated by the project application, and in the event City will be contracting various segments of the project to various specialty contractors, City shall solicit bids or quotes from contractors in each such specialty pursuant to the terms of the General Fund Grant – Construction Grant Agreement with the Minnesota Historical Society. City shall not contract with any person who is an officer or employee of City.
4. Owner shall maintain **property** insurance and fire and extended coverage insurance on the buildings and Facades in an amount equal to the full insurable value thereof and shall name City and the Minnesota Historical Society as loss payee thereunder. If damages which are

covered by such required insurance occurs to the buildings and Facades, then City shall use or cause the insurance proceeds to be used to fully or partially repair such damage and to provide or cause to be provided whatever additional funds that may be needed to fully or partially repair such damage. Upon written request of the Minnesota Historical Society, Owner and/or City shall promptly furnish thereto all written notices and all paid premium receipts received by City regarding the required insurance, or certificates of insurance evidencing the existence of such required insurance pursuant to Section 5.01 of the General Fund Grant – Construction Grant Agreement between City of Litchfield and the Minnesota Historical Society.

5. If all or any portion of the buildings and Facades is condemned to an extent that City can no longer comply with the provisions contained in the General Fund Grant – Construction Grant Agreement, then City shall use or cause the condemnation proceeds to be used to fully or partially restore the Facade and to provide or cause to be provided whatever additional funds that may be needed for such purposes, in accordance with Section 5.02 of the General Fund Grant – Construction Grant Agreement.
6. Owner shall be responsible for all costs of operation and maintenance of the Façade, unless City is authorized by law to pay such costs and agrees to pay such costs.
7. Intentionally omitted.
8. For the license term, Owner shall maintain the façade on the building(s) now located on the License Property and will at all times maintain the same in good condition and repair, in accordance with Section 5.03 of the General Fund Grant – Construction Grant Agreement.
9. Owner shall grant City the following rights:
 - a. If Owner violates or allows the violation of this Agreement, upon reasonable notice to Owner, City may enter upon the License Property and correct such violations and hold Owner responsible for the corrective costs.
10. Owner agrees to comply in all respects with the General Fund Grant – Construction Grant Agreement.
11. Owner represents and warrants that Owner has fee simple title to the above described License Property, and if a contract purchaser or tenant is party to this Agreement, that this Agreement is executed by all persons having an ownership interest in the License Property and the contract purchaser or tenant, as applicable, who will all be bound by the terms of this contract, jointly and severally, and the references to Owner herein shall include all parties executing this Agreement other than City. Any mortgage holder having a mortgage interest in the License Property pursuant to an instrument executed prior to this Agreement or any mortgage holder who acquires a mortgage interest for the purpose of securing a loan in an amount not to exceed Owner's share of the cost contemplated hereunder, shall not be required to execute this Agreement. Any parties that desire a mortgage interest in the License Property not described in the previous sentence after the date of this Agreement or any future amendments to a mortgage interest described in the previous sentence shall obtain the consent of the Minnesota Historical Society before executing such interest.

12. Prior to Owner conveying its interest in the License Property benefiting from the General Fund Grant – Construction Grant Agreement, Owner shall provide the Minnesota Historical Society at _____, and City with written notice of said conveyance sixty (60) days prior to such conveyance. Owner shall not sell or convey its interest in the subject License Property unless this Agreement is assigned to and assumed by the grantee of Owner's conveyance in writing and such assignment and assumption agreement is consented to by the Minnesota Historical Society. Such new owner shall assume all terms, obligations, and conditions of this Agreement.
13. Upon reasonable request by the Minnesota Historical Society, Owner shall allow the Minnesota Historical Society to inspect the Facades.
14. Parties agree with respect to any data that it possesses regarding the Grant Allocation, the buildings, Facades, and this Façade Contract, to comply with all of the provisions and restrictions contained in the Minnesota Government Data Practices Act contained in Chapter 13 of the Minnesota Statutes that exists as of the date of this agreement or as may subsequently be amended, modified, or replaced from time to time.
15. Owner shall, with respect to employment practices in the completion and maintenance of the Facades, fully comply with all of the provisions contained in Minnesota Statute Chapters 363A and 181 that exists as of the date of this Agreement and as such may subsequently be amended, modified, or replaced from time to time.
16. Owner shall comply with all of the provisions relating to worker's compensation contained in Minnesota Statute Sections 176.181, subdivision 2 and 176.182 that exists as of the date of this Agreement and as such may subsequently be amended, modified or replaced from time to time, with respect to the completion of the Facades, and the maintenance of the Facades.
17. Owner hereby assigns to Minnesota Historical Society all claims it may have for over charges as to goods or services provided in its completion of the Facades, and maintenance of the Facades that arise under the antitrust laws of the State of Minnesota or of the United States of America.
18. Owner shall comply with all applicable provisions and requirements contained in Minn. Stat. § 16B.335 that exists as of the date of this Agreement and as such may subsequently be amended, modified or replaced from time to time, for the Facades, and in accordance therewith, Owner shall comply with the provisions and requirements, if such provisions and requirements are applicable, of Section 5.10 of the General Fund Grant – Construction Grant Agreement.
19. Owner shall comply with all of the applicable provisions contained in Minnesota Statutes Chapter 177 and specifically those provisions contained in Sections 177.41 through 177.435, as they may be amended, modified, or replaced from time to time with respect to the Facades as intended by the Minnesota Legislature.
20. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors, heirs, and assigns, and in Owners, if more than one, shall be binding upon each Owner, jointly and severally, and on their successors, heirs, and assigns.

21. This Agreement may be amended only by the written agreement of all of the parties hereto; however, in the event any term or provision of this Agreement is found to be unenforceable or unlawful for any reason, said term or provision shall be void, but this Agreement shall continue in full force and effect and shall be construed and interpreted without reference to the void provision(s) unless a result of the void provision(s), the substance of this Agreement and/or the obligations of the respective parties are materially changed, in which case the entire Agreement shall be void.
22. In the event of a dispute between City and Owner regarding the sufficiency of any improvements performed as contemplated hereunder as to whether said improvements have been performed in accordance with the plans and specifications approved by City and otherwise in conformance with the program and design requirements, the determination of City shall be conclusive.
23. Owner, and each of them if more than one, jointly and severally, agree to indemnify, defend, and hold City harmless of and from all liabilities and claims of liability arising out of this Agreement, including but not limited to claims arising out of the construction work to be performed, and the relationships between Owner and contractors. If the City has to commence litigation or take any other action to enforce this agreement, Owner shall pay City's reasonable attorney's fees and all other costs associated with any such required action.
24. This Agreement shall be construed and interpreted in accordance with the laws of the State of Minnesota and any action arising out of this Agreement shall be instituted and maintained exclusively in District Court, Meeker County, Minnesota, which shall have exclusive jurisdiction over the parties and the subject matter of such litigation.
25. City shall record this Façade Contract or a Memorandum of this Façade Contract and a declaration, or declarations, in the form as **Exhibit B** and all amendments thereto, indicating that City's interest in the License Property is subject to the provisions of this Agreement.
26. The recitals on pages 1 and 2 are hereby incorporated into this agreement.

This Agreement shall be effective immediately upon execution by the last of the parties hereto to execute the same and shall run with the land until the expiration of the term.

LICENSE HOLDER:

CITY OF LITCHFIELD

By: _____
Dave Cziok, City Administrator

Date: _____

OWNER:

_____ (name)

By: _____

Date: _____

STATE OF MINNESOTA)
) SS.
COUNTY OF MEEKER)

The foregoing instrument was acknowledged before me this _____ day of _____
20__, by (business/individual) _____.

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF MEEKER)

The foregoing instrument was acknowledged before me this _____ day of _____ 20__,
by Dave Cziok, as City Administrator, of CITY OF LITCHFIELD, a Minnesota municipal
corporation, on behalf of said corporation.

Notary Public

EXHIBIT A

General Fund Grant – Construction Grant Agreement

EXHIBIT B

DECLARATION

The undersigned has the following interest in the real property legally described in Exhibit A attached hereto and all facilities situated thereon (the "Restricted Property"):

(Check the appropriate box.)

☐ a fee simple title

☐ a lease

☐ an easement,

and as owner of such fee title, lease or easement, does hereby declare that such interest in the Restricted Property is subject to that certain Façade Contract dated _____ by and between _____ and the City of Litchfield and those provisions, requirements, restrictions and encumbrances contained in the "General Fund Grant Agreement Construction Grant for the _____ Project" dated _____, 20____, between the _____ and the _____. The Restricted Property shall remain subject to such provisions, requirements, restrictions, and encumbrances for 125% of the useful life of the Restricted Property or until the Restricted Property is sold pursuant to the terms of the Grant Agreement at which time it shall be released therefrom by way of a written release in recordable form signed by the Commissioner of [Insert the name of the State Entity that provided the grant], and such written release is recorded in the real estate records relating to the Restricted Property.

(SIGNATURE BLOCK AND ACKNOWLEDGMENT)

By: _____

Title. _____

Dated. _____

STATE OF MINNESOTA)

) SS.

COUNTY OF _____)

This foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____ the _____ [insert name and title of first signatory], and _____, the _____ [insert name and title of second signatory], respectively, of the _____, a _____, [insert name and description of the entity receiving the funds].

This Declaration was drafted by:

[insert name and address]

Exhibit A to Declaration
LEGAL DESCRIPTION OF RESTRICTED PROPERTY

DRAFT