Call to order

1. Consideration of the election of the Richfield HRA officers for 2016
   Staff Report No. 1

2. Approval of the minutes of the Regular HRA Meeting of November 16, 2015

3. HRA approval of the agenda

4. Consent Calendar contains several separate items which are acted upon by the HRA in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further HRA action on these items is necessary. However, any HRA Commissioner may request that an item be removed from the Consent Calendar and placed on the regular agenda for HRA discussion and action. All items listed on the Consent Calendar are recommended for approval.

   A. Consideration of the approval of designating the Community Development Director as the Acting Executive Director of the HRA for 2016 in the event the Executive Director is absent from the City  S.R. No. 2
   B. Consideration of the approval of the resolutions designating the official depositaries for the HRA, including collateral, for 2016  S.R. No. 3
   C. Consideration of the approval of the annual Consultant Services Agreement with the Greater Metropolitan Housing Corporation for 2016  S.R. No. 4

5. Consideration of a resolution authorizing the purchase of real property located at 7333 Emerson Avenue through the Richfield Rediscovered Program
   Staff Report No. 5

6. Consideration of a resolution authorizing the purchase of real property located at 6421-14th Avenue through the Richfield Rediscovered Program
   Staff Report No. 6
7. HRA discussion items
   - Reschedule the Monday, February 15, 2016 Regular HRA Meeting to Tuesday, February 16, 2016 due to Presidents' Day holiday

8. Executive Director Report

9. Claims and Payroll

Adjournment

Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9738.
ITEM FOR HRA CONSIDERATION:
Consideration of the election of officers for the Richfield HRA for 2016.

I. RECOMMENDED ACTION:
By Motion: Elect officers for the Richfield HRA for 2016.

II. EXECUTIVE SUMMARY
The bylaws of the Richfield HRA provide that the HRA hold an annual meeting in January. The bylaws further provide that the Chair, Vice Chair and Secretary of the HRA be elected at this meeting.

Officers for 2015 were:

Mary Supple, Chair
Pat Elliott, Vice Chair
Doris Rubenstein, Secretary
• The HRA bylaws require that an election of officers be held at the annual meeting in January.

**B. POLICY**

• The HRA bylaws provide that the HRA hold an annual meeting in January.
• The HRA bylaws provide that the Chair, Vice Chair and Secretary be elected at the annual meeting in January.

**C. CRITICAL TIMING ISSUES**

• The bylaws of the HRA require that an election of officers for the HRA be held at the annual meeting in January.

**D. FINANCIAL**

• N/A

**E. LEGAL**

• The bylaws of the HRA require that an election of officers for the HRA be held at the annual meeting in January.

**IV. ALTERNATIVE RECOMMENDATION(S)**

• The HRA could decide to not hold an election. However, this would be contrary to the HRA bylaws.

**V. ATTACHMENTS**

• None.

**VI. PRINCIPAL PARTIES EXPECTED AT MEETING**

• None.
The meeting was called to order by Chair Supple at 7:00 p.m.

<table>
<thead>
<tr>
<th>Item #1</th>
<th>OATH OF OFFICE TO HRA COMMISSIONER DEBBIE GOETTEL</th>
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<tbody>
<tr>
<td></td>
<td>City Clerk Elizabeth VanHoose administered the Oath of Office to Commissioner Goettel.</td>
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<table>
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<tr>
<th>Item #2</th>
<th>APPROVAL OF THE MINUTES OF THE (1) SPECIAL CONCURRENT HRA AND CITY COUNCIL WORKSESSION OF OCTOBER 13, 2015 AND (2) REGULAR HRA MEETING OF OCTOBER 19, 2015.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M/Elliott, S/Gepner to approve the minutes. Motion carried 5-0.</td>
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<thead>
<tr>
<th>Item #3</th>
<th>HRA APPROVAL OF THE AGENDA</th>
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<tbody>
<tr>
<td></td>
<td>M/Rubenstein, S/Gepner to approve the agenda. Motion carried 5-0.</td>
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<tr>
<th>Item #4</th>
<th>CONSENT CALENDAR</th>
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<tbody>
<tr>
<td></td>
<td>A. Consideration of the approval of a resolution authorizing the purchase of real property located at 7033 Garfield Avenue through the Richfield Rediscovered Program S. R. No. 35</td>
</tr>
</tbody>
</table>
HRA RESOLUTION NO. 1213
RESOLUTION AUTHORIZING PURCHASE OF REAL PROPERTY LOCATED AT 7033 GARFIELD AVENUE

This resolution appears as HRA Resolution No. 1213

B. Consideration of the approval of a Policy Statement establishing a policy for the Richfield HRA to withhold tax increment for outstanding tax petitions within established Tax Increment Financing Districts S. R. No. 36

C. Consideration of the approval of a one-year extension of the Consulting Agreement with the Center for Energy and Environment to provide professional services for the Residential Energy Program S. R. No. 37

D. Consideration of the approval of a resolution authorizing the acquisition of certain properties within the City of Richfield S. R. No. 38

HRA RESOLUTION NO. 1214
RESOLUTION AUTHORIZING THE ACQUISITION OF CERTAIN PROPERTY WITHIN THE CITY OF RICHFIELD

This resolution appears as HRA Resolution No. 1214

M/Goettel, S/Gepner to approve the Consent Calendar.

Motion carried 5-0

| Item #5 | PUBLIC HEARING AND CONSIDERATION OF A RESOLUTION AUTHORIZING THE SALE OF 7029 NICOLLET AVENUE TO JAN BECKIUS AND KEITH HOLLOMAN AND A CONTRACT FOR PRIVATE DEVELOPMENT WITH JAN BECKIUS AND KEITH HOLLOMAN FOR THE CONSTRUCTION OF A SINGLE FAMILY HOME UNDER THE RICHFIELD REDISCOVERED PROGRAM STAFF REPORT NO. 40 |

Assistant Community Development Director Barton reviewed Staff Report No. 40

Commissioner Goettel invited contractor to testify about their involvement in the project.

Benjamin Akhigbe of Benoz Homes, Inc discussed constructing a new home at 7029 Nicollet Avenue.

M/Rubenstein, S/Elliott to close the public hearing

Motion carried 5-0

M/Rubenstein, S/Gepner that the following resolution be approved:

HRA RESOLUTION NO. 1215
RESOLUTION AUTHORIZING THE SALE OF REAL PROPERTY LOCATED AT 7029 NICOLLET AVENUE TO JAN BECKIUS AND KEITH HOLLOMAN

Motion carried 5-0. This resolution appears as Resolution No. 1215
Assistant Community Development Director Barton reviewed Staff Report No. 40

Commissioner Gepner asked why there wasn’t a public hearing.

Assistant Community Development Director Barton stated that the sale of property required a public hearing but not the issuance of the $50,000 credit.

Commissioner Gepner asked whether an end-buyer is a requirement of participation in the program.

Assistant Community Development Director Barton responded that there is a prospective buyer, but they have not yet signed a formal agreement.

At the invitation of the HRA, Dustin Endres approached the HRA and stated that there is a list of interested buyers if things don’t work out with the primary buyer.

M/Rubenstein, S/Elliot to approve the contract for private development between the Housing and Redevelopment Authority and Endres Custom Homes, Inc for the redevelopment of 6713 Queen Avenue under the Richfield Rediscovered Program.

Motion carried 5-0.

Commissioner Goettel asked about putting in doggie dispensers in the parks.

Acting Executive Director Stark said that it is something he could check with the Parks and Recreation Director.

Commissioner Goettel and Acting Executive Director Stark had general discussion about possible development properties around Richfield.

M/Goettel, S/Rubenstein to cancel the Monday December 21, 2015 Regular HRA meeting

Motion carried 5-0

None
Item #9  CLAIMS AND PAYROLL

M/Goettel, S/Rubenstein that the following claims and payroll be approved:

<table>
<thead>
<tr>
<th>U.S. BANK</th>
<th>11/16/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 8 Checks:</td>
<td></td>
</tr>
<tr>
<td>127186-127262</td>
<td>$149,636.93</td>
</tr>
<tr>
<td>HRA Checks:</td>
<td></td>
</tr>
<tr>
<td>32473-32507</td>
<td>$56,574.76</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$206,211.69</td>
</tr>
</tbody>
</table>

Motion carried 5-0

ADJOURNMENT

The meeting was adjourned by unanimous consent at 7:25 p.m.

Date Approved: January 19, 2015

Mary B. Supple
HRA Chair

Elizabeth VanHoose
City Clerk

John Stark
Acting Executive Director
ITEM FOR HRA CONSIDERATION:
Consideration of designating the Community Development Director as the Acting Executive Director of the HRA for 2016 in the event the Executive Director is absent from the City.

I. RECOMMENDED ACTION:
By Motion: Designate the Community Development Director as the Acting Executive Director of the HRA in the event the Executive Director is absent from the City.

II. EXECUTIVE SUMMARY
Since the City Manager also serves as the HRA Executive Director, it is recommended that the Community Development Director be designated by the HRA as the Acting Executive Director to serve in that capacity during the absence of the Executive Director.

III. BASIS OF RECOMMENDATION
A. BACKGROUND
   • Past practice has been for the HRA to designate an Acting Executive Director for times when the Executive Director is absent from the City.
B. **Policy**
   - Typically, this designation is made at the first meeting in January of each year.

C. **Critical Timing Issues**
   - It is necessary to designate a person to serve as Acting Executive Director to ensure continuation of HRA operations during an absence of the Executive Director.

D. **Financial**
   - This designation is at no additional cost to the HRA.

E. **Legal**
   - N/A

IV. **Alternative Recommendation(s)**
   - The HRA could defer this designation to a future HRA meeting.

V. **Attachments**
   - None.

VI. **Principal Parties Expected at Meeting**
   - None.
ITEM FOR HRA CONSIDERATION:
Consideration of resolutions designating official depositories for the Housing and Redevelopment Authority for 2016, including the approval of collateral.

I. RECOMMENDED ACTION:
By Motion: Adopt the attached resolutions designating official depositories, with the understanding that the HRA could not invest in any of the depositories beyond the level of insurance coverage of the pledged collateral.

II. EXECUTIVE SUMMARY
In compliance with Minnesota statutes, the Housing and Redevelopment Authority of Richfield (HRA) must designate on an annual basis those financial institutions it does business with.

The following resolutions for the HRA Board's consideration, designate U.S Bank/4M Fund as a depository of HRA funds, and certain savings and loan associations, banks, credit unions and certain financial institutions as depositories for the investment of HRA funds.
III. BASIS OF RECOMMENDATION

A. BACKGROUND
- N/A

B. POLICY
- In accordance with Minnesota Statutes Section 118A.01 - 118A.06, the HRA of Richfield must designate financial institutions annually. The institutions must pledge the collateral over and above the amount of federal insurance, as public depositories.
- U.S. Bank acts as the banking institution in the HRA's banking arrangement with the 4M Fund. Monies received, checks written, by the HRA, flow through U.S. Bank, however, at the end of each business day, any proceeds remaining in HRA U.S. Bank accounts are swept to the 4M Fund to be invested. Therefore, at the end of the business day the HRA accounts are zero, which means the collateral requirements of Minnesota Statutes Section 118A.03 are not required. Accordingly, U.S. Bank has met all other statutory requirements and should be considered as a depository for the HRA's vendor accounts and all savings deposits.
- The HRA must also designate annually, certain savings and loan associations, banks, and credit unions as official depositories for deposit and investment of certain HRA funds. With approval of these official depositories, the HRA will be able to invest funds in these institutions, not exceeding the federal insurance of $250,000.
- Finally, a designation must be made for certain financial institutions as depositories for the investment of HRA funds for 2016. These institutions, such as investment brokerage firms, offer government securities in the manner required by law. These financial institutions include U.S. Bank Institutional Sales, RBC Capital Markets, Raymond James & Associates, Northland Securities, Oppenheimer & Co., and the 4M Fund.

C. CRITICAL TIMING ISSUES
- N/A

D. FINANCIAL
- N/A

E. LEGAL
- The HRA is required by Minnesota Statute 118A.01 - 118A.06, to designate as a depository of funds, insured banks or thrift institutions. Any collateral so deposited is accompanied by an assignment pledged to the HRA in the amount specified in the attached resolutions.

IV. ALTERNATIVE RECOMMENDATION(S)
- The HRA could solicit other financial institutions for official depositories, but past relationships with the depositories recommended have proven satisfactory for the City.
V. ATTACHMENTS

- Resolution designating US Bank a depository of funds of the HRA of Richfield for the year 2016.
- Resolution designating certain savings and loan associations, banks, and credit unions as depositories for the investment of HRA funds in 2016.
- Resolution designating certain financial institutions as depositories for the investment of HRA of Richfield funds in 2016.

VI. PRINCIPAL PARTIES EXPECTED AT MEETING

- None
RESOLUTION NO.

RESOLUTION DESIGNATING U.S. BANK
A DEPOSITORY OF FUNDS OF THE HRA OF RICHFIELD
FOR THE YEAR 2016

BE IT RESOLVED, by the Housing and Redevelopment Authority of Richfield as follows:

That, in accordance with Minnesota Statutes, Section 118A.01-118A.06, U.S. Bank be, and hereby is designated a depository of the funds of the Housing and Redevelopment Authority of Richfield, subject to modification and revocation at any time by said Housing and Redevelopment Authority, and subject to the following terms and conditions:

The said depository shall not be required to give bonds or other securities for such deposits provided that the total sum thereof shall not at any time exceed in any depository the sums for which its deposits are insured under the Acts of Congress of the United States relating to insurance of bank deposits; but that in case such deposits in any such depository shall at any time exceed such insured sum, said depository shall immediately furnish bonds or other security for such excess according to law, approved by the Housing and Redevelopment Authority of Richfield.

That said depository shall pay on demand all deposits therein; and shall pay all time deposits, at or after the end of the period for which the same shall be deposited, on demand.

BE IT FURTHER RESOLVED, that there shall be maintained a general account in which shall be deposited all monies. The following officers or their facsimile signatures shall sign checks on this account;

MARY SUPPLE, CHAIR
STEVEN L. DEVICH, EXECUTIVE DIRECTOR

BE IT FURTHER RESOLVED, that all funds remaining in the account at the end of each business day will be transferred from U.S. Bank to the 4M Fund where funds deposited are invested and insured.

Adopted by the Housing and Redevelopment Authority of Richfield, Minnesota this 25th day of January, 2016.

ATTEST:

Mary Supple, Chair

Doris Rubenstein, Secretary
RESOLUTION NO.

RESOLUTION DESIGNATING CERTAIN SAVING AND LOAN ASSOCIATIONS, BANKS AND CREDIT UNIONS AS DEPOSITORIES FOR THE INVESTMENT OF HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2016

BE IT RESOLVED, by the Housing and Redevelopment Authority of Richfield, Minnesota:

WHEREAS, pursuant to Minnesota Statutes, Sections 118A.01 – 118A.06, municipal funds may be deposited in any Savings and Loan Association, Bank or Credit Union which has its deposits insured by the Federal Deposit Insurance Corporation (FDIC), or National Credit Union Administration (NCUA); and

WHEREAS, the amount of said deposits may not exceed the FDIC/NCUA insurance covering such deposits which insurance amount is presently $250,000; and

WHEREAS, the deposit of Housing and Redevelopment Authority funds in Savings and Loan Associations and Banks would provide greater flexibility in the Housing and Redevelopment Authority's investment program and maximize interest income thereon.

NOW, THEREFORE, BE IT RESOLVED, by the Housing and Redevelopment Authority of Richfield, Minnesota, as follows:

1. It is hereby found and determined that it is in the best interest of the proper management of Housing and Redevelopment Authority funds that certain Savings and Loan Association and Banks be designated as additional depositaries for Housing and Redevelopment Authority funds for 2016.

2. It is further found and determined that the purpose of such depository designation is to facilitate the proper and advantageous investments of Housing and Redevelopment Authority funds and that such designation is not exclusive nor does it preclude the deposit of any Housing and Redevelopment Authority funds in other officially designated depositories of the Housing and Redevelopment Authority.

3. The Treasurer and Finance Manager are hereby authorized to deposit Housing and Redevelopment Authority funds in various depositories up to the amount of $250,000, or such other amount as may be subsequently permitted by law, such deposits to be in the form of demand accounts, payable to the Housing and Redevelopment Authority of Richfield on the signatures of the Housing and Redevelopment Authority Treasurer or Finance Manager. Such deposits may be made and withdrawn from time to time by the Treasurer or Finance Manager as his best judgment and the interests of the Housing and Redevelopment Authority dictates.

4. The investment of funds and the reporting thereof pursuant to this resolution shall be conducted in accordance with established policies of the Housing and Redevelopment Authority regarding the investment of Housing and Redevelopment Authority funds.

Adopted by the Housing and Redevelopment Authority of Richfield, Minnesota this 25th day of January, 2016.

ATTEST:

Mary Supple, Chair

Doris Rubenstein, Secretary
RESOLUTION NO.

RESOLUTION DESIGNATING CERTAIN FINANCIAL INSTITUTIONS AS DEPOSITORIES FOR THE INVESTMENT OF HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2016

WHEREAS, the Housing and Redevelopment Authority of Richfield has money which is available for investment; and

WHEREAS, different financial institutions offer different rates of return on investments; and

WHEREAS, the Housing and Redevelopment Authority of Richfield shall purchase U. S. Treasury Bills, U. S. Treasury Notes and other such government securities in the manner required by law from the institution offering the highest rate to the Housing and Redevelopment Authority of Richfield providing greater flexibility in the investment program and maximize interest income thereon.

NOW, THEREFORE, BE IT RESOLVED, by the Housing and Redevelopment Authority of Richfield, Minnesota, in accordance with Minnesota Statutes, Sections 118A.01 – 118A.06, as follows:

1. It is hereby found and determined that it is in the best interest of the proper management of Housing and Redevelopment Authority of Richfield funds that certain financial institutions be designated as additional depositaries for Housing and Redevelopment Authority of Richfield funds for 2016.

2. The following financial institutions designated as depositaries for the Housing and Redevelopment Authority of Richfield funds:

   RBC Capital Markets. 
   4M Fund 
   US Bank Institutional Sales 
   Northland Securities, Inc. 
   Raymond James & Assoc. 
   U.S. Bank 
   Oppenheimer & Co.

3. The Treasurer and Finance Manager are hereby authorized to deposit the Housing and Redevelopment Authority of Richfield funds in any or all of the depositaries herein designated. Such deposits may be made and withdrawn from time to time by the Treasurer or Finance Manager's judgment and as the interest of the Housing and Redevelopment Authority of Richfield dictates.

4. The investment of funds and the reporting thereof pursuant to this resolution shall be conducted in accordance with established policies regarding the investment of these funds.

Adopted by the Housing and Redevelopment Authority of Richfield, Minnesota this 25th day of January, 2016.

ATTEST:

Mary Supple, Chair

Doris Rubenstein, Secretary
ITEM FOR HRA CONSIDERATION:
 Consideration of the annual Consultant Services Agreement with the Greater Metropolitan Housing Corporation for 2016.

I. RECOMMENDED ACTION:
By Motion: Authorize the attached Consultant Services Agreement with the Greater Metropolitan Housing Corporation for 2016.

II. EXECUTIVE SUMMARY
The Greater Metropolitan Housing Corporation (GMHC) specializes in a variety of housing programs, services and financing options for homeowners. The partnership with the Richfield Housing and Redevelopment Authority (HRA) began in 2004 and provides GMHC's services to Richfield residents at no cost.

Services offered include, but are not limited to:
- Home buyer information;
- Loan services (including Minnesota Housing Finance Agency loans);
- Construction consultations;
- Energy assistance;
- Mortgage foreclosure prevention;
- Home improvement information; and
• Assistance with rental and emergency housing issues.

The cost of their services for 2016 will be $7,000. This amount has been the same since 2009.

III. BASIS OF RECOMMENDATION

A. BACKGROUND

• Through December 2015 GMHC provided 88 services to 53 Richfield residents through its Southside Housing Resource Center (HRC) (see Richfield Summary Status Report Monthly Tracking Report – December 2015). In addition, 7 Minnesota Housing Finance Agency rehabilitation loans were processed through the HRC.

• The HRA has also successfully partnered with GMHC for the construction of five affordable houses built under the New Home Program, the purchase and rehabilitation of properties through the Neighborhood Stabilization Program, and is currently working with GMHC on the construction of one affordable single family home and five townhomes, three of which will be affordable to households earning less than 80 percent of the area median income.

• In 2015, GMHC again coordinated a grant proposal to Minnesota Housing on behalf of Richfield, Brooklyn Center and Crystal for an interest-rate write-down program. GMHC received funds to continue offering the program in Richfield.

• GMHC offers Richfield homeowners comprehensive home improvement support and a variety of programs in a cost-effective manner.

• GMHC offers their packages of programs and services in 16 metro area communities. By partnering with GMHC for these services, Richfield will remain competitive in the metro area.

B. POLICY

• A partnership between the HRA and GMHC ensures the availability of comprehensive rehabilitation resources and financing resources to Richfield residents. It also serves to accomplish the two housing goals and several housing policies identified in the 2008 Comprehensive Plan:
  o Goal: Maintain and enhance Richfield’s image as a community with strong, desirable and livable neighborhoods.
    • Support the rehabilitation and upgrading of the existing housing stock.
    • Encourage the creation of "move-up" housing through new construction and home remodeling.
    • Support ongoing maintenance and upkeep of residential properties.
  o Goal: Ensure sufficient diversity in the housing stock to provide for a range of household sizes, income levels and needs.
    • Encourage improvements to the housing stock to better serve families with children and seniors.
• Promote the development, management, and maintenance of affordable housing in the City through assistance programs; alternative funding sources; and the creation of partnerships whose mission is to promote low to moderate income housing.

C. **CRITICAL TIMING ISSUES**

• GMHC’s current Agreement for services expired on December 31, 2015.

D. **FINANCIAL**

• The cost of services for 2016 is $7,000; unchanged since 2009.
• Funds are allocated for these services in the 2016 HRA budget

E. **LEGAL**

• The Agreement has been reviewed by HRA legal counsel.

IV. **ALTERNATIVE RECOMMENDATION(S)**

• Direct staff to modify the scope of services or modify the amount with GMHC.
• Do not approve the Agreement with GMHC.

V. **ATTACHMENTS**

• 2016 GMHC Consultant Services Agreement
• Richfield Summary Status Report Monthly Tracking Report – December 2015

VI. **PRINCIPAL PARTIES EXPECTED AT MEETING**

• None
CONSULTANT SERVICES AGREEMENT

THIS IS AN AGREEMENT entered into the ____ day of ______, 20__, by and between the Richfield Housing and Redevelopment Authority, (“HRA”), and GREATER METROPOLITAN HOUSING CORPORATION, a Minnesota non-profit corporation (“Consultant”).

RECATALS

A. The Consultant has a division called The Housing Resource Center (“HRC”). GMHC has agreed to provide certain Services through HRC (as defined below) in connection with the HRA’s housing program.

B. The HRA desires to hire the Consultant to render this technical, professional, and marketing assistance in connection with housing programs in the HRA for the term as set forth in this Agreement.

C. Consultant is willing to provide such services on the terms and conditions set forth herein.

In consideration of the foregoing recitals and following terms, conditions and mutual promises contained herein, the parties agree as follows:

1. **Scope of Services.** The Consultant shall provide services as follows (the “Services”):

a. Administer the following home improvement programs for residents of the City of Richfield (the “City”): MHFA Fix Up Fund, Community Fix Up Fund (collectively the MHFA programs):
   1. Providing information to residents and property owners about the programs, upon request;
   2. Assist the HRA in marketing the programs;
   3. Receipt of applications from residents;
   4. Processing applications;
   5. Closing loans to qualified applicants in accordance with the applicable program;
   6. Overseeing the draw process for the funds, including, as necessary, reviewing draws, reviewing the progress of the work and collecting lien waivers and certificates of occupancy. Consultant may, for this purpose, rely on third-party representations and certifications.
   7. Provide monthly reports about the number of loans closed and the balance in each loan program.
b. Assist City residents considering rehabilitation, including property visits, meet with homeowners and potential contractors, suggest alternatives for rehabilitation to homeowners, educate homeowners on the construction bid process, assist homeowners to evaluate bids and work completed and construction progress.

c. Provide HRC housing information to City residents, including information on emergency assistance, housing rehabilitation, first time homebuyers and limited rental information;

d. Assist the HRA in developing programs to purchase and rehabilitate homes;

e. Coordinate these services out of Consultant’s Minneapolis office; and

f. Have Consultant’s staff visit residences as determined necessary by Consultant.

2. **Term.** This Agreement shall be in full force and effect from January 1, 2016 and shall continue through December 31, 2016, unless otherwise terminated as set forth below.

3. **Compensation.** For services provided under this Agreement, the HRA shall pay to the Consultant Seven Thousand Dollars ($7,000.00) within thirty (30) days after execution of this Agreement. Pursuant to paragraphs 1b through 1f.

The Consultant shall receive compensation for administering the MHFA Programs directly from the Minnesota Housing Finance Agency and not from the HRA. Pursuant to paragraph 1a.

4. **Termination.** Notwithstanding any other provision hereof to the contrary, this Agreement may be terminated as follows:

a. The parties, by mutual written agreement, may terminate this Agreement at any time in which case the parties shall agree to the amount of fees payable to Consultant.

b. HRA may terminate this Agreement upon the breach by Consultant of any of its material covenants contained herein, where such breach shall have continued for a period of thirty (30) days following the receipt by Consultant of a written notice from HRA, specifying the alleged breach; provided, however, if the nature of a non-monetary breach is such that Consultant cannot reasonably cure same in the thirty (30) day period, Consultant shall not be deemed to be in breach if it commences to cure within the thirty (30) day period, and diligently pursues same to completion within ninety (90) days following receipt by Consultant of such written notice. In the event of termination by HRA hereunder, Consultant shall be entitled to fees due to the date the notice of breach is sent by the HRA.

c. If Consultant or HRA (as applicable) (i) files a voluntary petition in bankruptcy (ii) files a voluntary petition for reorganization under any bankruptcy law, statute or regulation or other similar statute or regulation, (iii) is adjudicated a bankrupt, (iv) makes an assignment for the benefit of creditors or applies for or consents to
the appointment of a receiver or trustee as part of or in conjunction with a “creditor plan” with respect to any substantial part of its assets, or (v) a receiver or trustee is appointed, or an attachment or execution levied with respect to any substantial part of its assets, and said appointment is not vacated, or the attachment or execution not released, within sixty (60) days, then this Agreement shall, effective as of such date, without notice or further action by either party, immediately terminate.

d. Consultant may terminate this Agreement upon the breach by HRA of any of its material covenants contained herein, where such breach shall have continued for a period of thirty (30) days following the receipt by HRA of a written notice from Consultant, specifying the alleged breach; provided, however, if the nature of a non-monetary breach is such that HRA cannot reasonably cure same in the thirty (30) day period, HRA shall not be deemed to be in breach if it commences to cure within the thirty (30) day period, and diligently pursues same to completion within ninety (90) days following receipt by HRA of such written notice. In the event of termination by Consultant hereunder. Consultant shall be entitled to retain the entire fee under this Agreement.

5. **Insurance.**

a. During the term of this Agreement, the Consultant shall obtain and maintain workers compensation, comprehensive general liability, and automobile liability insurance. Comprehensive general liability insurance shall have an aggregate limit of Two Million Dollars ($2,000,000.00).

b. Upon request by the HRA, the Consultant shall provide a certificate or certificates of insurance relating to the insurance required. Such insurance secured by the Contractor shall be issued by insurance companies licensed in Minnesota. The insurance specified may be in a policy or policies of insurance, primary or excess.

c. Such insurance shall be in force on the date of execution of an Agreement and shall remain continuously in force for the duration of the Agreement.

6. **Indemnification.**

a. Notwithstanding anything to the contrary in this Agreement, the HRA, its officers, agents, and employees shall not be liable or responsible in any manner to the Consultant, the Consultant’s successors or assigns, the Consultant’s subcontractors, or to any other person or persons for any third party claim, demand, damage, or cause of action of any kind, nature, or character, including intentional acts, arising out of or by reason of the performance of this Agreement by Consultant. The Consultant, and the Consultant’s successors or assigns, agree to protect, defend and save the HRA, and its officers, agents, and employees, harmless from all third party claims, demands, damages, and causes of action, to the extent caused by the negligence or wrongful acts of Consultant, and the costs, disbursements, and
expenses of defending the same, including but not limited to, attorneys fees, consulting services, and other technical, administrative or professional assistance.

b. Nothing in this Agreement shall constitute a waiver or limitation of any immunity or limitation of any immunity or limitation on liability to which the HRA is entitled under Minnesota Statutes, Chapter 466, or otherwise.

7. **Assignment.** This Agreement shall not be assigned, sublet, or transferred, in whole or in part without the prior written approval of the HRA.

8. **Conflict of Interest.** The Consultant shall use best efforts to meet all professional obligations to avoid conflicts of interest and appearances of impropriety in representation of the HRA. In the event of a conflict, the Consultant, with the prior written consent of the HRA, shall arrange for suitable alternative services.

9. **Compliance with Laws.** The Consultant shall comply with all applicable Federal, State, and local laws, rules, ordinances, and regulations at all times and in the performance of the services pursuant to this Agreement.

10. **Notices.** Any notices permitted or required by this Agreement shall be deemed given when personally delivered or upon deposit in the United States mail, postage fully prepaid, certified, return receipt requested, addressed to:

    Consultant:
    Greater Metropolitan Housing Corporation
    15 South 5th Street, Suite 710
    Minneapolis, MN 55402
    ATTN: Suzanne Snyder

    HRA:
    Richfield Housing and Redevelopment Authority
    6700 Portland Avenue
    Richfield, MN 55423

Or such other address as either party may provide to the other by notice given in accordance with this provision.

11. ** Entire Agreement.** This Agreement, any attached exhibits and any addenda or amendments signed by the parties shall constitute the entire agreement between the HRA and the Consultant, and supersedes any other written or oral agreements between the HRA and the Consultant. This Agreement can only be modified in writing signed by the HRA and the Consultant.

12. **Third Party Rights.** The parties to this Agreement do not intend to confer on any third party any rights under this Agreement.

13. **Counterparts.** This Agreement may be signed in one or more counterparts but all of which taken together shall constitute one instrument.
14. **Choice of Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

15. **Agreement Not Exclusive.** The HRA retains the right to hire other housing program consultants, in the HRA’s sole discretion.

16. **Data Practices Act Compliance.** Data provided to the Consultant or created by the Consultant under this Agreement shall be administered in accordance with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as amended.

[Signature Page Follows]
IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement on the respective dates indicated below.

HRA:

RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY

By: ________________________________

Its: Chairperson

Date: _____________________________, 20__.

By: ________________________________

Its: Executive Director

Date: _____________________________, 20__.

CONSULTANT:

GREATER METROPOLITAN HOUSING CORPORATION

By: ________________________________

Its: President

Date: _____________________________, 20__.
### Counseling Related Activities

<table>
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<tr>
<th>Previous Year Totals</th>
<th>Jan '15</th>
<th>Feb '15</th>
<th>Mar '15</th>
<th>Apr '15</th>
<th>May '15</th>
<th>Jun '15</th>
<th>July '15</th>
<th>Aug '15</th>
<th>Sept '15</th>
<th>Oct '15</th>
<th>Nov '15</th>
<th>Dec '15</th>
<th>TOTAL</th>
<th>2015 TOTAL</th>
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### MHFA Loan Products

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<tr>
<th></th>
<th>Jan '15</th>
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<th>Mar '15</th>
<th>Apr '15</th>
<th>May '15</th>
<th>Jun '15</th>
<th>July '15</th>
<th>Aug '15</th>
<th>Sept '15</th>
<th>Oct '15</th>
<th>Nov '15</th>
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<tbody>
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<tr>
<td><strong>TOTAL CLIENTS SERVED</strong></td>
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<td><strong>6</strong></td>
<td><strong>3</strong></td>
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<td><strong>8</strong></td>
<td><strong>3</strong></td>
<td><strong>5</strong></td>
</tr>
</tbody>
</table>

**NOTE:** These numbers reflect the number of CLIENTS serviced. In many instances a client will receive more than one service.

1. ENERGY ASSISTANCE DENOTES REFERRALS TO SOCIAL SERVICE AGENCIES THAT PROVIDE MONETARY ASSISTANCE FOR ENERGY EXPENSES.
2. HOME IMPROVEMENTS INCLUDES REFERRALS TO MHFA, CPED, PRIVATE LENDERS OR OTHERS FOR FINANCIAL INFORMATION ON HOME
3. RENTAL/Emergency Housing Issues is a new category and was combined with other in previous years.
4. This category includes all loan administered through the housing resource centers including MHFA products
5. Construction consultation include home visits and telephone consultations on related matters.
ITEM FOR HRA CONSIDERATION:
Consideration of a resolution authorizing the purchase of real property located at 7333 Emerson Avenue through the Richfield Rediscovered Program.

I. RECOMMENDED ACTION:
By Motion: Approve the resolution authorizing the purchase of real property located at 7333 Emerson Avenue through the Richfield Rediscovered Program.

II. EXECUTIVE SUMMARY
The owner of 7333 Emerson Avenue has expressed an interest in selling the property to the Housing and Redevelopment Authority (HRA). The 440 square-foot house was appraised on behalf of the HRA at $65,000.

The house was evaluated and determined to meet the substandard criteria. The HRA would acquire the property for the appraised value of $65,000. Subsequently, the house will be demolished and the 50-foot wide vacant lot marketed for sale through the Richfield Rediscovered Program.
III. BASIS OF RECOMMENDATION

A. BACKGROUND
- The 440 square-foot house was built in 1940. It has one small bedroom and one bathroom. There is a shed but no garage on the property.
- An independent evaluation was conducted and concluded that the house is structurally and functionally substandard, containing many code and structural deficiencies that would be difficult to correct.

B. POLICY
- The 2008-2018 Richfield Comprehensive Plan states as policy:
  - Encourage the creation of “move-up” housing through new construction and home remodeling.
  - Promote the development of a balanced housing stock that is available to a range of income levels.
- Through the City's Richfield Rediscovered Program, the HRA purchases and removes substandard and functionally obsolete housing and replaces it with newer, higher valued homes.

C. CRITICAL TIMING ISSUES
- A Purchase Agreement was submitted to the property owner contingent upon HRA approval.
- Closing would take place by April 2016.

D. FINANCIAL
- The property was appraised at $65,000.
- Funding is available for this acquisition and demolition in the HRA's 2016 Budget under the Richfield Rediscovered Program.

E. LEGAL
- Legal counsel has reviewed the Purchase Agreement.

IV. ALTERNATIVE RECOMMENDATION(S)
- Do not authorize the purchase of the property.

V. ATTACHMENTS
- Resolution
- Purchase Agreement
- Photo of existing structure

VI. PRINCIPAL PARTIES EXPECTED AT MEETING
- None
HRA RESOLUTION NO. ________

RESOLUTION AUTHORIZING PURCHASE OF REAL PROPERTY
LOCATED AT 7333 EMERSON AVENUE

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota ("the HRA") desires to purchase certain real property pursuant to and in furtherance of the Richfield Rediscovered Program, said property being described as:

7333 Emerson Avenue

Legal: Lot 16, Block 9, Irwin Shores

WHEREAS, the HRA is authorized by Minnesota Statutes Section 469.012 to acquire real property within its area of operation; and

WHEREAS, Housing and Redevelopment Fund money is available for acquisition purposes.

NOW THEREFORE, BE IT RESOLVED, by the Housing and Redevelopment Authority in and for the City of Richfield:

1. The purchase price for the property is approved at $65,000 plus closing costs, not to exceed $70,000.

2. The Chairperson and Executive Director are authorized to execute a Purchase Agreement and to take other actions necessary to purchase the property for the amount set forth in this Resolution.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota on this 25th day of January, 2016.

Mary B. Supple, Chair

ATTEST:

Doris Rubenstein, Secretary
PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the "Agreement") is made as of this day of ______________, 20__, by and between Gladyce E. Hamernes, single ("Seller") and the Housing and Redevelopment Authority in and for the City of Richfield, a public body corporate and politic under the laws of the State of Minnesota ("Buyer").

RECITALS

Seller is the owner of property located at 7333 Emerson Avenue South, Richfield, Minnesota, which is legally described on the attached Exhibit A ("Property").

The Property includes includes all plants, shrubs and trees, storm windows and/or inserts, storm doors, screens, awnings, window shades, blinds, curtain-traverse-drapery rods, attached lighting fixtures with bulbs, plumbing fixtures, water heater, heating system, humidifier, central air conditioning, electronic air filter, automatic garage door opener with controls, water softener, cable television outlets and cabling, and built-ins, including dishwasher, garbage disposal, trash compactor, oven(s), cook top stove, microwave oven, hood-fan, intercom and installed carpeting located on the premises which are the property of Seller. The property also includes the following personal property: NONE. Seller is responsible for removal of all personal property. Seller may remove the following items, provided Seller does not cause any unnecessary damage to the Property:

AGREEMENT

1. **Offer/Acceptance for Sale of Property.** The Seller agrees to sell to Buyer the Property and Buyer agrees to purchase the same, according to the terms of this Agreement.

2. **Purchase Price for Property and Terms.**

   A. **PURCHASE PRICE:** The total purchase price for the Property is Sixty-five Thousand and 00/100ths Dollars ($65,000.00) (the "Purchase Price").

   B. **TERMS:**

   (1): **EARNEST MONEY.** The sum of Zero Dollars ($0.00) (the "Earnest Money") shall be paid by Buyer to Seller.

   (2): **BALANCE DUE SELLER.** Buyer agrees to pay by check or electronic transfer of funds on the date of closing on the Property (the "Closing Date") any remaining balance of the Purchase Price due to Seller according to the terms of this Agreement.
(3): **DEED/MARKETABLE TITLE.** Subject to performance by Buyer, Seller agrees to execute and deliver a Warranty Deed or Personal Representative’s Deed conveying marketable title to the Property to Buyer, subject only to the following exceptions:

- a. Building and zoning laws, ordinances, state and federal regulations.
- b. Reservation of minerals or mineral rights to the State of Minnesota, if any.
- c. Public utility and drainage easements of record which will not interfere with Buyer’s intended use of the Property.

(4): **DOCUMENTS TO BE DELIVERED AT CLOSING BY SELLER.** In addition to the Warranty Deed required at paragraph 2B(3) above, Seller shall deliver to Buyer:

- a. Standard form Affidavit of Seller.
- b. A “bring-down” certificate, certifying that all of the warranties made by Seller in this Agreement remain true as of the Closing Date.
- c. Certificate that Seller is not a foreign national.
- d. If an environmental investigation by or on behalf of Buyer discloses the existence of petroleum product or other pollutant, contaminant or other hazardous substance on the Property, either (i) a closure letter from the Minnesota Pollution Control Agency (MPCA) or other appropriate regulatory authority that remediation has been completed to the satisfaction of the MPCA or other authority; or (ii) Agreement for remediation/indemnification and security as Buyer may require.
- e. Well disclosure certification, if required, or, if there is no well on the Property, the Warranty Deed or Personal Representative’s Deed given pursuant to paragraph 2B(3) above must include the following statement: “The Seller certifies that Seller does not know of any wells on the described real property.”

If Seller is unaware of the location of a well and there is a building permit issued for the Property prior to installation of a City water system, Buyer agrees to have a licensed well contractor examine the Property for purposes of locating a well and assumes responsibility for sealing the well at Buyer’s expense.
f. Any other documents reasonably required by Buyer's title insurance company or attorney to evidence that title to the Property is marketable and that Seller has complied with the terms of this Agreement.

3. **Contingencies.** Buyer's obligation to buy is contingent upon the following:

a. Buyer's determination of marketable title pursuant to paragraph 4 of this Agreement;

b. Buyer's determination, in its sole discretion, that the results of any environmental investigation of the Property conducted pursuant to this Agreement are satisfactory to Buyer;

c. The parties acknowledge that the Richfield zoning ordinance requires that lots in the R district meet certain minimum lot width, and area requirements. If these standards are not met, one or more variances will be necessary prior to construction of a new dwelling on the property. If the City of Richfield does not issue all variances necessary to make the property a buildable lot within the meaning of the zoning ordinance, Buyer at its sole discretion may cancel this Agreement; and

d. Approval of this Agreement by Buyer's Board.

Buyer shall have until the Closing Date to remove the foregoing contingencies. The contingencies at a., b., and c. are solely for the benefit of Buyer and may be waived by Buyer. The contingency at d. may not be waived by either party. If Buyer or its attorney gives written notice to Seller that the contingencies at a., b., c., and d. are duly satisfied or waived, Buyer and Seller shall proceed to close the transaction as contemplated herein.

If one or more of Buyer's or Seller's contingencies is not satisfied, or is not satisfied on time, and is not waived, this Agreement shall thereupon be void at the written option of Buyer and Seller shall return the Earnest Money, if any, to Buyer, and Buyer and Seller shall execute and deliver to each other a termination of this Agreement. As a contingent Agreement, the termination of this Agreement is not required pursuant to Minnesota Statutes, Section 559.21, et. seq.

4. **Title Examination/Curing Title Defects.** As soon as reasonably possible after execution of this Agreement by both parties,
(a) Seller shall surrender any abstract of title and a copy of any owner’s title insurance policy for the property, if in Seller’s possession or control, to Buyer or to Buyer’s designated title service provider; and

(b) Buyer shall obtain the title evidence determined necessary or desirable by Buyer.

The Buyer shall have 20 days from the date it receives such title evidence to raise any objections to title it may have. Objections not made within such time will be deemed waived. The Seller shall have 90 days from the date of such objection to affect a cure; provided, however, that Seller shall have no obligation to cure any objections, and may inform Buyer of such. The Buyer may then elect to close notwithstanding the uncured objections or declare this Agreement null and void, and the parties will thereby be released from any further obligation hereunder.

5. **Environmental Investigation.** The Seller warrants that the Property has not been used for production, storage, deposit or disposal of any toxic or hazardous waste or substance, petroleum product or asbestos product during the period of time Seller has owned the Property. The Seller further warrants that Seller has no knowledge or information of any fact which would indicate the Property was used for production, storage, deposit or disposal of any toxic or hazardous waste or substance, petroleum product or asbestos product prior to the date Seller purchased the Property. Notwithstanding the above, Seller’s warranty regarding petroleum products does not preclude the presence of heating oil or other similar products used as a heating fuel for the dwelling but Seller does warrant that if there was a fuel tank on the Property used for the storage of heating oil or other similar product, Seller has no knowledge of any leak in the tank or contamination caused thereby.

Seller hereby grants to Buyer and Buyer’s agents a license to enter and evaluate the Property for the purpose of conducting an environmental assessment. The Buyer is required to perform an environmental assessment prior to committing federal Community Development Block Grant (CDBG) funds. Further, Buyer or Buyer’s agent shall have the right pursuant to the license to bring persons and equipment onto the Property, make inspections and perform tests and analyses as Buyer may deem reasonable to determine the presence of any toxic or hazardous waste, substance, or petroleum product or asbestos product, and ascertain soil conditions on the Property. Buyer shall bear the cost of the environmental assessment. If the results of the environmental assessment are not to the satisfaction of Buyer, including a release from environmental conditions related to the commitment and expenditure of CDBG funds, Buyer at its sole discretion may cancel this Agreement. If Buyer cancels this Agreement pursuant to this provision, Buyer shall restore the Property to its original condition or nearly so as is reasonably practicable.

6. **Real Estate Taxes and Special Assessments.** Real estate taxes payable in the year of closing will be pro-rated between Buyer and Seller to the Closing Date. Seller shall pay all real estate taxes payable in previous years, the entire unpaid balance of special assessments, and all installments of special assessments levied and pending, including special assessments installments payable after the year of closing. Seller also agrees to pay all assessments related to service charges furnished to the Property prior to the Closing Date (e.g., delinquent water or sewer bills, removed or diseased trees), including those charges levied, pending, or certified to taxes.
payable in the year of closing. If closing occurs prior to the date the amount of real estate taxes due in the year of closing are available from Hennepin County, the current year’s taxes will be pro-rated based on the amount due in the prior year.

7. **Closing Date.** The Closing Date will be on or before April 1, 2016. Delivery of all papers and the closing shall be made at the offices of Buyer, 6700 Portland Avenue South, Richfield, Minnesota 55423, or at such other location as is mutually agreed upon by the parties. All deliveries and notices to Buyer shall be made to the above address and marked to the attention of Housing Specialist.

8. **Possession/Utilities/Removal of Property/Escrow.**

(a) **Possession.** The Seller agrees to deliver possession not later than the Closing Date.

(b) **Utilities.** City water and sewer charges, electricity and natural gas charges, fuel oil and liquid petroleum gas shall be pro-rated between the parties as of the Closing Date. Seller shall arrange for final readings as of the Closing Date.

(c) **Personal Property.** The Seller agrees to remove all debris and all personal property not included herein from the Property before the possession date. Personal property not so removed shall be deemed forfeited to and shall become the property of Buyer. The Buyer may inspect the Property immediately prior to closing and deduct from the purchase price payable at closing an amount reasonably necessary to pay for the cost of removal of any debris or personal property then remaining on the Property. The provisions of this paragraph shall not merge with the deed and shall survive closing on the property.

(d) **Escrow.** Seller agrees that, at closing, Buyer may retain Five Hundred Dollars ($500.00) from the purchase price for the Property as an Escrow for payment of personal property removal, disposal charges and utility charges. The retained amount, less deductions provided for this in paragraph 8, will be delivered to Seller no later than 60 days following the Closing Date or delivery of possession, whichever is later. Said funds shall be held by Kennedy & Graven, Chartered, as Escrow Agent, pursuant to the terms of the Escrow Agreement attached here as Exhibit C.

(e) **Amounts Due.** The Buyer's ability to deduct amounts due under this paragraph from the retained escrow is not exclusive but is in addition to Buyer's rights at law and equity to collect such amounts from Seller. The Seller is responsible for the amounts due under this paragraph even if: (i) Buyer neglects to deduct the amount from escrow; or (ii) the escrowed amount is insufficient to pay all amounts due under this paragraph 8.

9. **Seller Warranties.**

(a) **Sewer and Water.** Seller warrants that the Property is connected to City sewer and City water.
(b) **Mechanics' Liens.** Seller warrants that, prior to the closing, Seller shall pay in full all amounts due for labor, materials, machinery, fixtures or tools furnished within the 120 days immediately preceding the closing in connection with construction, alteration or repair of any structure upon or improvement to the Property.

(c) **Notices.** Seller warrants that it has not received any notice from any governmental authority as to violation of any law, ordinance or regulation in connection with the Property.

(d) **Tenants.** Seller warrants that the Property is not now occupied by tenants and was not occupied by tenants at the time Seller first received Buyer's written offer to purchase the Property.

(e) **Broker Commission.** Each party represents to the other that it has not utilized the services of any real estate broker or agent in connection with this Agreement or the transaction contemplated by this Agreement. Each party agrees to indemnify, defend, and hold harmless the other party against and in respect of any such obligation and liability based in any way upon agreements, arrangements, or understandings made or claimed to have been made by the party with any third person.

(f) **Structures.** The Seller warrants that the buildings, if any, are entirely within the boundary lines of the Property. The parties acknowledge that the Property is being sold in "as is" condition relating to the structural, operational, and mechanical systems.

10. **Closing Costs/Recording Fees/Deed Tax.** The Buyer will pay: (a) the closing fees charged by the title insurance or other closing agent, if any, utilized to close the transaction contemplated by this Agreement; (b) fees for title evidence obtained by Buyer; and (c) the recording fee for the deed transferring title to Buyer. Seller will pay all other fees normally paid by sellers, including (a) any transfer taxes, recording fees and Well Disclosure fees required to enable Buyer to record its deed from Seller under this Agreement, and (b) fees and charges related to the filing of any instrument required to make title marketable. Each party shall pay its own attorney fees.

11. **Inspections.** From the date of this Agreement to the Closing Date, Buyer, its employees and agents, shall be entitled to enter upon the Property to conduct such surveying, inspections, investigations, soil borings and testing, and drilling, monitoring, sampling and testing of groundwater monitoring wells, as Buyer shall elect; provided, that Seller is given at least 24 hours' notice.

12. **Risk of Loss.** It there is any loss or damage to the Property between the date hereof and the Closing Date, for any reason including fire, vandalism, flood, earthquake or act of God, the risk of loss shall be on Seller. If the Property is destroyed or substantially damaged before the closing date, this Agreement shall become null and void, at Buyer's option. At the request of Buyer, Seller agrees to sign a cancellation of Agreement.

13. **Default/Remedies.** If Buyer defaults in any of the covenants herein, Seller may
terminate this Agreement, and on such termination all payments made hereunder shall be retained by Seller as liquidated damages, time being of the essence. This provision shall not deprive either party of the right to enforce specific performance of this Agreement, provided this Agreement has not terminated and action to enforce specific performance is commenced within six months after such right of action arises. In the event Buyer defaults in its performance of the terms of this Agreement and Notice of Cancellation is served upon Buyer pursuant to Minn. Stat. Section 559.21, the termination period shall be thirty (30) days as permitted by Minn. Stat., Section 559.21, Subd. 4.

14. **Notice.** Any notice, demand, request or other communication which may or shall be given or served by the parties, shall be deemed to have been given or served on the date the same is personally served upon one of the following indicated recipients for notices or is deposited in the United States Mail, registered or certified, return receipt requested, postage prepaid and addressed as follows:

**SELLER:**
Gladyce Hamernes  
c/o Dale Oftelie  
771 Terrace Drive  
Roseville, MN 55113

**BUYER:**
Housing and Redevelopment Authority of the City of Richfield  
Attn: Housing Specialist  
6700 Portland Avenue South  
Richfield, MN 55423

**AGENT:**
Kennedy & Graven, Chartered  
Attn: Julie Eddington and Catherine B. Rocklitz  
470 U.S. Bank Plaza  
200 South Sixth Street  
Minneapolis, MN 55402

15. **Entire Agreement.** This Agreement, Exhibits, and other amendments signed by the parties, shall constitute the entire Agreement between Seller and Buyer and supersedes any other written or oral agreements between the parties relating to the Property. This Agreement can be modified only in a writing properly signed on behalf of Seller and Buyer.

16. **Survival.** Notwithstanding any other provisions of law or court decision to the contrary, the provisions of this Agreement shall survive closing.
IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date and
year above.

Buyer:
Housing and Redevelopment Authority of the
City of Richfield

By: ____________________________
   Its Chair

And by: ____________________________
   Its Executive Director

Seller: ____________________________
   ATTOORNEY IN FACT
EXHIBIT A

Legal Description of Property

Lot 16, Block 9, Irwin Shores
EXHIBIT B

Escrow Agreement

THIS AGREEMENT entered into this _____ day of ________, 20__, by and between _______________ ("Seller"), the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHLAND, a Minnesota municipal corporation ("Buyer"), and KENNEDY & GRAVEN, CHARTERED ("Escrow Agent" or "Agent").

RECITALS

A. Seller and Buyer have entered into a Purchase Agreement dated ________, 20__ ("Purchase Agreement") for the sale of property located at ___________________, Richfield, Minnesota and legally described on the attached Exhibit One (the ("Property").

B. The parties desire to close the sale of the Property on ____________.

AGREEMENT

The parties agree as follows:

1. Delivery of Possession. Seller shall deliver possession of the Property to Buyer in accordance with the Purchase Agreement entered into by the parties. The Purchase Agreement requires Seller to pay all utilities and to remove all personal property from the Property upon closing.

2. Escrow. (a) Upon closing and execution of this Agreement, Seller agrees to deposit into escrow the sum of $500.00 (the “Escrowed Funds”) from the purchase price, to be held by Agent in a non-interest bearing account.

   (b) Within 7 days after requested by Agent, Buyer shall provide to Agent (with copy to Seller) evidence of expenses incurred for the removal and disposal of personal property and for payment of utility charges for services provided to the Property prior to date of possession, if any. Agent shall reimburse Buyer for the incurred expenses from the Escrowed Funds within 7 days following receipt of such evidence from Buyer.

   (c) Agent shall deliver to Seller the balance of the Escrowed Funds on deposit, less deductions provided for in paragraph 2(b) above, no later than 30 days following vacation of the Property by Seller.

   (d) The sole duties of Agent shall be those described herein, and Agent shall be under no obligation to determine whether the other parties hereto are complying with any requirements of law or the terms and conditions of any other
agreements among said parties. Agent shall have no duty or liability to verify any amounts deducted from the retained amount and Agent's sole responsibility shall be to act expressly as set forth in this Escrow Agreement.

3. Escrow Agent Liability. The sole duties of Escrow Agent shall be those described herein, and Escrow Agent shall be under no obligation to determine whether the other parties hereto are complying with any requirements of law or the terms and conditions of any other agreements among said parties. Escrow Agent may conclusively rely upon and shall be protected in acting on any notice believed by it to be genuine and to have been signed or presented by the proper party or parties, consistent with reasonable due diligence on Escrow Agent's part. Escrow Agent shall have no duty or liability to verify any such notice, and its sole responsibility shall be to act expressly as set forth in this Escrow Agreement.

Seller and Buyer understand that Agent is legal counsel to Buyer and each consents to Agent's serving as Escrow Agent notwithstanding such representation. In the event Agent determines, in its sole discretion, that it cannot continue to serve as Escrow Agent herein, Agent shall deposit the funds with Old Republic National Title Insurance Company or such other Escrow Agent acceptable to Seller and Buyer. Seller consents to Agent's continued representation of Buyer after a deposit is made, and Buyer agrees to pay all escrow fees charged by the substitute Escrow Agent.

4. Notices to be sent to the parties to this Agreement shall be sent by mail or personal delivery to:

SELLER: ____________________________

__________________________

BUYER: Housing and Redevelopment Authority
in and for the City off Richfield
Attn: ____________________________
Richfield City Hall
6700 Portland Avenue South
Richfield, MN 55423

AGENT: Kennedy & Graven, Chartered
ATTN: Julie Eddington and
Catherine B. Rocklitz
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

IN WITNESS WHEREOF, the parties have executed this agreement as of the date written above.
SELLER:


BUYER:

HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD

By: ____________________________
   Its Chair

And by: __________________________
   Its Executive Director

ESCROW AGENT:
KENNEDY & GRAVEN, CHARTERED

By: ____________________________
Exhibit One
Legal Description of Property
7333 Emerson
STAFF REPORT

HOUSING AND REDEVELOPMENT AUTHORITY MEETING
JANUARY 25, 2016

ITEM FOR HRA CONSIDERATION:
Consideration of a resolution authorizing the purchase of real property located at 6421-14th Avenue through the Richfield Rediscovered Program.

I. RECOMMENDED ACTION:
By Motion: Approve the resolution authorizing the purchase of real property located at 6421-14th Avenue through the Richfield Rediscovered Program.

II. EXECUTIVE SUMMARY
The owners of 6421-14th Avenue have expressed an interest in selling the property to the Housing and Redevelopment Authority (HRA). The 1,072 square-foot house was appraised on behalf of the HRA at $80,000.

The house was evaluated and determined to meet the substandard criteria. The HRA would acquire the property for the appraised value of $80,000. Subsequently, the house will be demolished and the 50-foot wide vacant lot marketed for sale through the Richfield Rediscovered Program.
III. BASIS OF RECOMMENDATION

A. BACKGROUND
- The 1,072 square-foot house was built in 1959. It has three bedrooms and one bathroom. There is no garage on the property.
- An independent evaluation was conducted and concluded that the house is structurally and functionally substandard, containing many code and structural deficiencies that would be difficult to correct.
- The house has been vacant for over a year and suffers from extensive deferred maintenance and water damage. If rehabilitation were feasible, the cost would likely exceed its value after renovation.

B. POLICY
- The 2008-2018 Richfield Comprehensive Plan states as policy:
  o Encourage the creation of “move-up” housing through new construction and home remodeling.
  o Promote the development of a balanced housing stock that is available to a range of income levels.
- Through the City’s Richfield Rediscovered Program, the HRA purchases and removes substandard and functionally obsolete housing and replaces it with newer, higher valued homes.

C. CRITICAL TIMING ISSUES
- A Purchase Agreement was submitted to the property owner contingent upon HRA approval.
- Closing is anticipated by March.

D. FINANCIAL
- The property was appraised at $80,000.
- Funding is available for this acquisition and demolition in the HRA’s 2016 Budget under the Richfield Rediscovered Program.

E. LEGAL
- Legal counsel has reviewed the Purchase Agreement.

IV. ALTERNATIVE RECOMMENDATION(S)
- Do not authorize the purchase of the property.

V. ATTACHMENTS
- Resolution
- Purchase Agreement
- Photo of existing structure

VI. PRINCIPAL PARTIES EXPECTED AT MEETING
- None
HRA RESOLUTION NO. ______

RESOLUTION AUTHORIZING PURCHASE OF REAL PROPERTY
LOCATED AT 6421-14th AVENUE

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota ("the HRA") desires to purchase certain real property pursuant to and in furtherance of the Richfield Rediscovered Program, said property being described as:

6421-14th Avenue

Legal: Lot 19, Block 3, Nokomis Gardens Rearrangement of Block one (1), two (2), three (3), four (4), and five (5) Girard Parkview, Hennepin County, Minnesota

WHEREAS, the HRA is authorized by Minnesota Statutes Section 469.012 to acquire real property within its area of operation; and

WHEREAS, Housing and Redevelopment Fund money is available for acquisition purposes.

NOW THEREFORE, BE IT RESOLVED, by the Housing and Redevelopment Authority in and for the City of Richfield:

1. The purchase price for the property is approved at $80,000 plus closing costs, not to exceed $85,000.

2. The Chairperson and Executive Director are authorized to execute a Purchase Agreement and to take other actions necessary to purchase the property for the amount set forth in this Resolution.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota on this 25th day of January, 2016.

Mary B. Supple, Chair

ATTEST:

Doris Rubenstein, Secretary
PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the “Agreement”) is made as of this day of _/2/30_ 21, by and between Allen K. Hedde and Kathryn M. Hedde, husband and wife ("Seller") and the Housing and Redevelopment Authority in and for the City of Richfield, a public body corporate and politic under the laws of the State of Minnesota ("Buyer").

RECITALS

Seller is the owner of property located at 6421 14th, Richfield, Minnesota, which is legally described on the attached Exhibit A ("Property").

The Property includes includes all plants, shrubs and trees, storm windows and/or inserts, storm doors, screens, awnings, window shades, blinds, curtain-traverse-drapery rods, attached lighting fixtures with bulbs, plumbing fixtures, water heater, heating system, humidifier, central air conditioning, electronic air filter, automatic garage door opener with controls, water softener, cable television outlets and cabling, and built-ins, including dishwasher, garbage disposal, trash compactor, oven(s), cook top stove, microwave oven, hood-fan, intercom and installed carpeting located on the premises which are the property of Seller. The property also includes the following personal property: NONE. Seller is responsible for removal of all personal property. Seller may remove the following items, provided Seller does not cause any unnecessary damage to the Property:

________________________________________
________________________________________

AGREEMENT

1. **Offer/Acceptance for Sale of Property.** The Seller agrees to sell to Buyer the Property and Buyer agrees to purchase the same, according to the terms of this Agreement.

2. **Purchase Price for Property and Terms.**

   A. **PURCHASE PRICE:** The total purchase price for the Property is Eighty Thousand and 00/100ths Dollars ($80,000.00) (the “Purchase Price”).

   B. **TERMS:**

   (1): **EARNEST MONEY.** The sum of zero Dollars ($0.00) (the “Earnest Money”) shall be paid by Buyer to Seller.

   (2): **BALANCE DUE SELLER.** Buyer agrees to pay by check or electronic transfer of funds on the date of closing on the Property (the “Closing Date”) any remaining balance of the Purchase Price due to Seller according to the terms of this Agreement.
(3): DEED/MARKETABLE TITLE. Subject to performance by Buyer, Seller agrees to execute and deliver a Warranty Deed or Personal Representative’s Deed conveying marketable title to the Property to Buyer, subject only to the following exceptions:

a. Building and zoning laws, ordinances, state and federal regulations.

b. Reservation of minerals or mineral rights to the State of Minnesota, if any.

c. Public utility and drainage easements of record which will not interfere with Buyer’s intended use of the Property.

(4): DOCUMENTS TO BE DELIVERED AT CLOSING BY SELLER. In addition to the Warranty Deed required at paragraph 2B(3) above, Seller shall deliver to Buyer:

a. Standard form Affidavit of Seller.

b. A “bring-down” certificate, certifying that all of the warranties made by Seller in this Agreement remain true as of the Closing Date.

c. Certificate that Seller is not a foreign national.

d. If an environmental investigation by or on behalf of Buyer discloses the existence of petroleum product or other pollutant, contaminant or other hazardous substance on the Property, either (i) a closure letter from the Minnesota Pollution Control Agency (MPCA) or other appropriate regulatory authority that remediation has been completed to the satisfaction of the MPCA or other authority; or (ii) Agreement for remediation/indemnification and security as Buyer may require.

e. Well disclosure certification, if required, or, if there is no well on the Property, the Warranty Deed or Personal Representative’s Deed given pursuant to paragraph 2B(3) above must include the following statement: “The Seller certifies that Seller does not know of any wells on the described real property.”

If Seller is unaware of the location of a well and there is a building permit issued for the Property prior to installation of a City water system, Buyer agrees to have a licensed well contractor examine the Property for purposes of locating a well and assumes responsibility for sealing the well at Buyer’s expense.
f. Any other documents reasonably required by Buyer’s title insurance company or attorney to evidence that title to the Property is marketable and that Seller has complied with the terms of this Agreement.

3. **Contingencies.** Buyer’s obligation to buy is contingent upon the following:

a. Buyer’s determination of marketable title pursuant to paragraph 4 of this Agreement;

b. Buyer’s determination, in its sole discretion, that the results of any environmental investigation of the Property conducted pursuant to this Agreement are satisfactory to Buyer;

c. The parties acknowledge that the Richfield zoning ordinance requires that lots in the R district meet certain minimum lot width, and area requirements. If these standards are not met, one or more variances will be necessary prior to construction of a new dwelling on the property. If the City of Richfield does not issue all variances necessary to make the property a buildable lot within the meaning of the zoning ordinance, Buyer at its sole discretion may cancel this Agreement; and

d. Approval of this Agreement by Buyer’s Board.

Buyer shall have until the Closing Date to remove the foregoing contingencies. The contingencies at a., b., and c. are solely for the benefit of Buyer and may be waived by Buyer. The contingency at d. may not be waived by either party. If Buyer or its attorney gives written notice to Seller that the contingencies at a., b., c., and d. are duly satisfied or waived, Buyer and Seller shall proceed to close the transaction as contemplated herein.

If one or more of Buyer’s or Seller’s contingencies is not satisfied, or is not satisfied on time, and is not waived, this Agreement shall thereupon be void at the written option of Buyer and Seller shall return the Earnest Money, if any, to Buyer, and Buyer and Seller shall execute and deliver to each other a termination of this Agreement. As a contingent Agreement, the termination of this Agreement is not required pursuant to Minnesota Statutes, Section 559.21, et. seq.

4. **Title Examination/Curing Title Defects.** As soon as reasonably possible after execution of this Agreement by both parties,

(a) Seller shall surrender any abstract of title and a copy of any owner’s title insurance policy for the property, if in Seller’s possession or control, to Buyer or to Buyer’s designated title service provider; and

(b) Buyer shall obtain the title evidence determined necessary or desirable by Buyer.
The Buyer shall have 20 days from the date it receives such title evidence to raise any objections to title it may have. Objections not made within such time will be deemed waived. The Seller shall have 90 days from the date of such objection to affect a cure; provided, however, that Seller shall have no obligation to cure any objections, and may inform Buyer of such. The Buyer may then elect to close notwithstanding the uncured objections or declare this Agreement null and void, and the parties will thereby be released from any further obligation hereunder.

5. **Environmental Investigation.** The Seller warrants that the Property has not been used for production, storage, deposit or disposal of any toxic or hazardous waste or substance, petroleum product or asbestos product during the period of time Seller has owned the Property. The Seller further warrants that Seller has no knowledge or information of any fact which would indicate the Property was used for production, storage, deposit or disposal of any toxic or hazardous waste or substance, petroleum product or asbestos product prior to the date Seller purchased the Property. Notwithstanding the above, Seller's warranty regarding petroleum products does not preclude the presence of heating oil or other similar products used as a heating fuel for the dwelling but Seller does warrant that if there was a fuel tank on the Property used for the storage of heating oil or other similar product, Seller has no knowledge of any leak in the tank or contamination caused thereby.

6. **Real Estate Taxes and Special Assessments.** Real estate taxes payable in the year of closing will be pro-rated between Buyer and Seller to the Closing Date. Seller shall pay all real estate taxes payable in previous years, the entire unpaid balance of special assessments, and all installments of special assessments levied and pending, including special assessments installments payable after the year of closing. Seller also agrees to pay all assessments related to service charges furnished to the Property prior to the Closing Date (e.g., delinquent water or sewer bills, removed or diseased trees), including those charges levied, pending, or certified to taxes payable in the year of closing. If closing occurs prior to the date the amount of real estate taxes due in the year of closing are available from Hennepin County, the current year’s taxes will be pro-rated based on the amount due in the prior year.

7. **Closing Date.** The Closing Date will be on or before March 1, 2015. Delivery of all papers and the closing shall be made at the offices of Buyer, 6700 Portland Avenue South, Richfield, Minnesota 55423, or at such other location as is mutually agreed upon by the parties. All deliveries and notices to Buyer shall be made to the above address and marked to the attention of Housing Specialist.

8. **Possession/Utilities/Removal of Property/Escrow.**

   (a) **Possession.** The Seller agrees to deliver possession not later than the Closing Date.

   (b) **Utilities.** City water and sewer charges, electricity and natural gas charges, fuel oil and liquid petroleum gas shall be pro-rated between the parties as of the Closing Date. Seller shall arrange for final readings as of the Closing Date.

   (c) **Personal Property.** The Seller agrees to remove all debris and all personal
property not included herein from the Property before the possession date. Personal property not so removed shall be deemed forfeited to and shall become the property of Buyer. The Buyer may inspect the Property immediately prior to closing and deduct from the purchase price payable at closing an amount reasonably necessary to pay for the cost of removal of any debris or personal property then remaining on the Property. The provisions of this paragraph shall not merge with the deed and shall survive closing on the property.

(d) Escrow. Seller agrees that, at closing, Buyer may retain Five Hundred Dollars ($500.00) from the purchase price for the Property as an Escrow for payment of personal property removal, disposal charges and utility charges. The retained amount, less deductions provided for this in paragraph 8, will be delivered to Seller no later than 60 days following the Closing Date or delivery of possession, whichever is later. Said funds shall be held by Kennedy & Graven, Chartered, as Escrow Agent, pursuant to the terms of the Escrow Agreement attached here as Exhibit C.

(e) Amounts Due. The Buyer’s ability to deduct amounts due under this paragraph from the retained escrow is not exclusive but is in addition to Buyer's rights at law and equity to collect such amounts from Seller. The Seller is responsible for the amounts due under this paragraph even if: (i) Buyer neglects to deduct the amount from escrow; or (ii) the escrowed amount is insufficient to pay all amounts due under this paragraph 8.


(a) Sewer and Water. Seller warrants that the Property is connected to City sewer and City water.

(b) Mechanics' Liens. Seller warrants that, prior to the closing, Seller shall pay in full all amounts due for labor, materials, machinery, fixtures or tools furnished within the 120 days immediately preceding the closing in connection with construction, alteration or repair of any structure upon or improvement to the Property.

(c) Notices. Seller warrants that it has not received any notice from any governmental authority as to violation of any law, ordinance or regulation in connection with the Property.

(d) Tenants. Seller warrants that the Property is not now occupied by tenants and was not occupied by tenants at the time Seller first received Buyer's written offer to purchase the Property.

(e) Broker Commission. Each party represents to the other that it has not utilized the services of any real estate broker or agent in connection with this Agreement or the transaction contemplated by this Agreement. Each party agrees to indemnify, defend, and hold harmless the other party against and in respect of any such obligation and liability based in any way upon agreements, arrangements, or understandings made or claimed to have been made by the party with any third person.
(f) **Structures.** The Seller warrants that the buildings, if any, are entirely within the boundary lines of the Property. The parties acknowledge that the Property is being sold in "as is" condition relating to the structural, operational, and mechanical systems.

10. **Closing Costs/Recording Fees/Deed Tax.** The Buyer will pay: (a) the closing fees charged by the title insurance or other closing agent, if any, utilized to close the transaction contemplated by this Agreement; (b) fees for title evidence obtained by Buyer; and (c) the recording fee for the deed transferring title to Buyer. Seller will pay all other fees normally paid by sellers, including (a) any transfer taxes, recording fees and Well Disclosure fees required to enable Buyer to record its deed from Seller under this Agreement, and (b) fees and charges related to the filing of any instrument required to make title marketable. Each party shall pay its own attorney fees.

11. **Inspections.** From the date of this Agreement to the Closing Date, Buyer, its employees and agents, shall be entitled to enter upon the Property to conduct such surveying, inspections, investigations, soil borings and testing, and drilling, monitoring, sampling and testing of groundwater monitoring wells, as Buyer shall elect; provided, that Seller is given at least 24 hours’ notice.

12. **Risk of Loss.** If there is any loss or damage to the Property between the date hereof and the Closing Date, for any reason including fire, vandalism, flood, earthquake or act of God, the risk of loss shall be on Seller. If the Property is destroyed or substantially damaged before the closing date, this Agreement shall become null and void, at Buyer’s option. At the request of Buyer, Seller agrees to sign a cancellation of Agreement.

13. **Default/Remedies.** If Buyer defaults in any of the covenants herein, Seller may terminate this Agreement, and on such termination all payments made hereunder shall be retained by Seller as liquidated damages, time being of the essence. This provision shall not deprive either party of the right to enforce specific performance of this Agreement, provided this Agreement has not terminated and action to enforce specific performance is commenced within six months after such right of action arises. In the event Buyer defaults in its performance of the terms of this Agreement and Notice of Cancellation is served upon Buyer pursuant to Minn. Stat. Section 559.21, the termination period shall be thirty (30) days as permitted by Minn. Stat., Section 559.21, Subd. 4.

14. **Notice.** Any notice, demand, request or other communication which may or shall be given or served by the parties, shall be deemed to have been given or served on the date the same is personally served upon one of the following indicated recipients for notices or is deposited in the United States Mail, registered or certified, return receipt requested, postage prepaid and addressed as follows:

SELLER: Allen and -- Heddle
c/o Tracey Cramond, POA
14700 Fieldcrest Lane
Burnsville, MN 55306
BUYER: Housing and Redevelopment Authority of the City of Richfield
Attn: Housing Specialist
6700 Portland Avenue South
Richfield, MN 55423

AGENT: Kennedy & Graven, Chartered
ATTN: Julie Eddington and
Catherine B. Rocklitz
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

15. **Entire Agreement.** This Agreement, Exhibits, and other amendments signed by the parties, shall constitute the entire Agreement between Seller and Buyer and supersedes any other written or oral agreements between the parties relating to the Property. This Agreement can be modified only in a writing properly signed on behalf of Seller and Buyer.

16. **Survival.** Notwithstanding any other provisions of law or court decision to the contrary, the provisions of this Agreement shall survive closing.
IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date and year above.

Buyer:
Housing and Redevelopment Authority of the City of Richfield

By: ____________________________________________
   Its Chair

And by: _________________________________________
   Its Executive Director

Seller:
Tracey Cramond P.O.A.

Kathryn Heddle P.O.A.
EXHIBIT A

Legal Description of Property

Lot 19, Block 3, Nokomis Gardens Rearrangement of Blocks 1, 2, 3, 4, and 5, Girard Parkview
EXHIBIT B

Escrow Agreement

THIS AGREEMENT entered into this __________ day of __________, 20__, by and between _____________________ ("Seller"), the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD, a Minnesota municipal corporation ("Buyer"), and KENNEDY & GRAVEN, CHARTERED ("Escrow Agent" or "Agent").

RECOLLALS

A. Seller and Buyer have entered into a Purchase Agreement dated __________, 20__ ("Purchase Agreement") for the sale of property located at ________________, Richfield, Minnesota and legally described on the attached Exhibit One (the "Property").

B. The parties desire to close the sale of the Property on ________________.

AGREEMENT

The parties agree as follows:

1. Delivery of Possession. Seller shall deliver possession of the Property to Buyer in accordance with the Purchase Agreement entered into by the parties. The Purchase Agreement requires Seller to pay all utilities and to remove all personal property from the Property upon closing.

2. Escrow. (a) Upon closing and execution of this Agreement, Seller agrees to deposit into escrow the sum of $500.00 (the "Escrowed Funds") from the purchase price, to be held by Agent in a non-interest bearing account.

(b) Within 7 days after requested by Agent, Buyer shall provide to Agent (with copy to Seller) evidence of expenses incurred for the removal and disposal of personal property and for payment of utility charges for services provided to the Property prior to date of possession, if any. Agent shall reimburse Buyer for the incurred expenses from the Escrowed Funds within 7 days following receipt of such evidence from Buyer.

(c) Agent shall deliver to Seller the balance of the Escrowed Funds on deposit, less deductions provided for in paragraph 2(b) above, no later than 30 days following vacation of the Property by Seller.

(d) The sole duties of Agent shall be those described herein, and Agent shall be under no obligation to determine whether the other parties hereto are complying with any requirements of law or the terms and conditions of any other
agreements among said parties. Agent shall have no duty or liability to verify any amounts deducted from the retained amount and Agent's sole responsibility shall be to act expressly as set forth in this Escrow Agreement.

3. Escrow Agent Liability. The sole duties of Escrow Agent shall be those described herein, and Escrow Agent shall be under no obligation to determine whether the other parties hereto are complying with any requirements of law or the terms and conditions of any other agreements among said parties. Escrow Agent may conclusively rely upon and shall be protected in acting on any notice believed by it to be genuine and to have been signed or presented by the proper party or parties, consistent with reasonable due diligence on Escrow Agent's part. Escrow Agent shall have no duty or liability to verify any such notice, and its sole responsibility shall be to act expressly as set forth in this Escrow Agreement.

Seller and Buyer understand that Agent is legal counsel to Buyer and each consents to Agent's serving as Escrow Agent notwithstanding such representation. In the event Agent determines, in its sole discretion, that it cannot continue to serve as Escrow Agent herein, Agent shall deposit the funds with Old Republic National Title Insurance Company or such other Escrow Agent acceptable to Seller and Buyer. Seller consents to Agent's continued representation of Buyer after a deposit is made, and Buyer agrees to pay all escrow fees charged by the substitute Escrow Agent.

4. Notices to be sent to the parties to this Agreement shall be sent by mail or personal delivery to:

SELLER: __________________________

BUYER: Housing and Redevelopment Authority
in and for the City of Richfield
Attn: __________________________
Richfield City Hall
6700 Portland Avenue South
Richfield, MN 55423

AGENT: Kennedy & Graven, Chartered
ATTN: Julie Eddington and
Catherine B. Rocklitz
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

IN WITNESS WHEREOF, the parties have executed this agreement as of the date written above.

B-2
SELLER:

Tracey Coad
P.O.A. Allen Heddle

Kym Heddle
P.O.A. Kathryn Heddle

BUYER:

HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD

By:
Its Chair

And by:
Its Executive Director

ESCROW AGENT:
KENNEDY & GRAVEN, CHARTERED

By:
Exhibit One
Legal Description of Property