Call to order

1. Approval of the minutes of the (1) Special Concurrent HRA, City Council and Planning Commission Worksession of April 12, 2016 and (2) Regular HRA Meeting of April 18, 2016

2. HRA approval of the agenda

3. 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 a resolution authorizing the HRA to affirm the monetary limits on municipal tort liability established by Minnesota Statute 466.04 S.R. No. 15

   B. Consideration of the approval of a resolution authorizing the execution of an agreement with the Greater Metropolitan Housing Corporation for the acquisition, rehabilitation and sale of houses under the New Home Program utilizing Community Development Block Grant funds S.R. No. 16

4. Public hearing and consideration of a resolution authorizing the sale of 7309 10th Avenue to Endres Custom Homes and a Contract for Private Development with Endres Custom Homes for the construction of a single family home through the Richfield Rediscovered Program

   Staff Report No. 17

5. HRA discussion items

6. Executive Director report

7. 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.
CALL TO ORDER

The concurrent worksession was called to order by Mayor/HRA Commissioner Goettel at 5:45 p.m. in the Bartholomew Room.

HRA Members Present: Mary Supple, Chair; Pat Elliott, Debbie Goettel, Doris Rubenstein; and David Gepner

Council Members Present: Debbie Goettel, Mayor; Pat Elliott; Edwina Garcia; Tom Fitzhenry and Michael Howard.

Planning Commission Members Present: Sean Hayford Oleary; Susan Rosenberg; and Charles Standfuss (arrived 6:25).

Planning Commission Members Absent: Erin Vrieze Daniels, Chair; Gordon Vizecky; Rick Jabs; and Daniel Kitzberger.

Staff Present: Steven L. Devich, City Manager/Executive Director; John Stark, Community Development Director; Kristin Asher, Public Works Director; Karen Barton, Assistant Community Development Director; Jeff Pearson, City Engineer; and Cheryl Krumholz, Executive Coordinator.

Item #1 DISCUSSION REGARDING THE CEDAR CORRIDOR MASTER PLAN (COUNCIL MEMO NO. 20/HRA MEMO NO.10)

Michelle Mongeon Allen, JLG Architects, discussed the proposed road alignment options for Richfield Parkway as it continues south of 66th Street in the Cedar Corridor.

The City Council, HRA Commissioners and Planning Commission Members discussed pros and cons of the alignment options including traffic, neighborhood enhancement, property takings, affordable housing, land use, and pedestrian/bike trails.

The consensus was to proceed with the 18th Avenue alignment option.

Item #2 DISCUSSION REGARDING THE INTERSTATE PARTNERS PROPOSED DEVELOPMENT (COUNCIL MEMO NO. 21/HRA MEMO NO.11)

Lonnie Provencher, Interstate Partners, presented a revised proposal for the development area at the southwest corner of 66th Street and Richfield Parkway/17th Avenue.
The City Council, HRA Commissioners and Planning Commission Members discussed concerns related to the proposed retail site plan including addressing drive-thru noise, lack of storefront access from 66th Street, neighborhood issues, light pollution, landscaping, and the need for project flexibility.

Community Development Director Stark stated staff encouraged the developer to leave the drive-thru on the west side of the project due to the traffic flow at the roundabout. He added the developer and staff are looking for progress on the proposed development.

The concurrent worksession was adjourned by unanimous consent at 6:42 p.m.

Date Approved: May 16, 2016.

Mary B. Supple
Chair

Cheryl Krumholz
Executive Coordinator

Steven L. Devich
City Manager/Executive Director
HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES
Richfield, Minnesota

Regular Meeting
April 18, 2016

CALL TO ORDER

The meeting was called to order by Chair Supple at 7:00 p.m.

ATTENDANCE

HRA Members Present: Mary Supple, Chair; David Gepner; Debbie Goettel; and Doris Rubenstein

HRA Members Absent: Pat Elliott

Staff Present: John Stark, Acting Executive Director/Community Development Director, and Karen Barton, Assistant Community Development Director

Item #1
APPROVAL OF THE MINUTES OF THE (1) REGULAR HRA MEETING OF MARCH 21, 2016 AND (2) SPECIAL CONCURRENT CITY COUNCIL AND HRA WORKSESSION OF MARCH 22, 2016

M/Gepner, S/Rubenstein to approve the minutes.

Motion carried 4-0.

Item #2
HRA APPROVAL OF THE AGENDA

M/Goettel, S/Rubenstein to approve the agenda.

Motion carried 4-0.

Item #3
CONSIDERATION OF AN AMENDMENT TO THE NSP 1 DEVELOPER AGREEMENT WITH THE GREATER METROPOLITAN HOUSING CORPORATION FOR THE CONTINUED ACQUISITION, REHABILITATION AND SALE OF SINGLE FAMILY HOMES THROUGH THE NEIGHBORHOOD STABILIZATION PROGRAM S.R. NO. 12

Acting Executive Director Stark presented Staff Report No. 12.

The HRA Commissioners were very supportive of the program.

HRA Commissioner Gepner clarified that the previous contract had expired.
M/Goettel, S/Rubenstein to approve an amendment to the NSP 1 Developer Agreement with the Greater Metropolitan Housing Corporation for the continued acquisition, rehabilitation and sale of single family homes through the Neighborhood Stabilization Program.

Motion carried 4-0.

Item #4

CONSIDERATION OF A CONTRACT WITH TMS CONSTRUCTION FOR THE DEMOLITION OF STRUCTURES LOCATED AT 6421 14TH AVENUE, 7033 GARFIELD AVENUE, 7333 EMERSON AVENUE, AND 7533 DUPONT AVENUE S.R. NO. 13

Assistant Community Development Director Barton presented Staff Report No. 13.

HRA Commissioner Gepner sought clarification of the demolition process.

M/Goettel, S/ Rubenstein to approve a contract with TMS Construction for the demolition of structures located at 6421 14th Avenue, 7033 Garfield Avenue, 7333 Emerson Avenue, and 7533 Dupont Avenue.

Motion carried 4-0.

Item #5

CONSIDERATION OF A CONTRACT WITH TMS CONSTRUCTION FOR THE DEMOLITION OF 6321 PENN AVENUE, 1403-1405 EAST 66TH STREET AND 1407 EAST 66TH STREET S.R. NO. 14

Assistant Community Development Director Barton presented Staff Report No. 14.

HRA Chair Supple sought clarification on the property addresses.

HRA Commissioner Gepner asked why the two demolition packages were separated.

Assistant Community Development Director Barton responded that they represent properties in two different programs with separate funding sources.

M/Goettel, S/Rubenstein to approve of a contract with TMS Construction for the demolition of 6321 Penn Avenue, 1403-1405 East 66th Street and 1407 East 66th Street.

Motion carried 4-0.

Item #6

HRA DISCUSSION ITEMS

HRA Commissioner Goettel provided an update of the denial of the injunction in the Concierge Apartments lawsuit which will require several tenants to move out. She stated that she is in contact with the owners of Concierge Apartments to see if they would be willing to grant extensions.

Item #7

EXECUTIVE DIRECTOR REPORT

None.

Item #8

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

<table>
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<tr>
<th>U.S. BANK</th>
<th>04/18/2016</th>
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<tr>
<td>Section 8 Checks: 127585-127666</td>
<td>$164,275.35</td>
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<tr>
<td>HRA Checks: 32648-32679</td>
<td>$143,328.04</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$307,603.39</td>
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</tbody>
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Motion carried 4-0.

ADJOURNMENT

The meeting was adjourned by unanimous consent at 7:15 p.m.

Date Approved: May 16, 2016

Mary B. Supple
HRA Chair

John Stark
Acting City Clerk

John Stark
Acting Executive Director
ITEM FOR HRA CONSIDERATION:
Consideration of resolution authorizing the HRA to affirm the monetary limits on statutory municipality tort liability.

I. RECOMMENDED ACTION:
By Motion: Adopt a resolution authorizing the HRA to affirm the monetary limits on municipal tort liability established by Minnesota Statutes 466.04.

II. EXECUTIVE SUMMARY
The HRA purchases its insurance from the League of Minnesota Cities Insurance Trust (LMCIT). Each year, the HRA must either affirm or waive its statutory limits of liability by July 1st. After reviewing cost considerations measured against potential risk, the HRA has, historically, affirmed the liability limits which are $500,000 for an individual claimant and $1,500,000 per occurrence. Staff is recommending the same course of action for the current period.

III. BASIS OF RECOMMENDATION
A. BACKGROUND
A requirement of insurance coverage through the LMCIT is an annual affirmation or waiver of statutory limits of liability.

The current statutory limits of liability for Minnesota cities and political entities are $500,000 for an individual claimant and $1,500,000 per occurrence. Cities can waive these limits to allow an individual claimant to recover more than $500,000, up to the $1,500,000 per occurrence limit, if excess liability insurance is purchased. However, the cost of excess liability insurance continues to be very expensive. An additional $1,000,000 of coverage would cost the HRA approximately $6,000 annually.

Slightly more than half of the cities in Minnesota do not waive its limits of liability.

B. POLICY

- The State Statute establishes liability limits for cities and the current level is $1,500,000, which appears to be a reasonable limit.
- Historically, just over one-half of the municipalities in Minnesota have not waived the monetary limits on municipality tort liability as was established by Statutes 466.06.
- The HRA could waive its statutory limits in future years if the Commissioners should decide to do so.
- The City of Richfield has historically not waived its limits of liability.

C. CRITICAL TIMING ISSUES

- The HRA’s insurance policy with the League of Minnesota Cities Insurance Trust renews on July 1, 2016. This action must be completed before that time.
- The HRA does not have to make a decision on purchasing excess liability coverage at this time. Coverage such as excess liability may be added at any time.

D. FINANCIAL

- There is a slight premium savings for political entities that affirm the statutory monetary limits. For the Richfield HRA, the savings would be less than $1,000 for the coverage year.
- The HRA has historically not purchased excess liability coverage because of the relatively high cost of such coverage. The cost for $1,000,000 of excess coverage would likely be between $6,000 and $8,000 per year.

E. LEGAL

- The tort liability limits established by Minnesota statutes have historically protected cities and no Minnesota court has ever established a monetary award in excess of the statutory limits against a municipality.
- Each municipal entity must annually decide whether the entity would voluntarily waive the statute for both the single claims and each occurrence limit.
IV. ALTERNATIVE RECOMMENDATION(S)

- If the HRA feels that any single claimant should receive more than the $500,000 limit, the HRA could elect to waive the statutory monetary limits.
- If the HRA feels that the $1,500,000 per occurrence limit is not adequate, the HRA could purchase excess liability coverage.

V. ATTACHMENTS

- Resolution.

VI. PRINCIPAL PARTIES EXPECTED AT MEETING

- None.
HRA RESOLUTION NO.

RESOLUTION AFFIRMING MUNICIPAL TORT LIABILITY LIMITS ESTABLISHED BY MINNESOTA STATUTES 466.04

WHEREAS, Minnesota Statute 466.04 provides for Municipal tort liability limits for Minnesota cities and for other municipal entities like the Richfield Housing and Redevelopment Authority; and

WHEREAS, the League of Minnesota Cities Insurance Trust has asked that each participating entity review the tort liability limits and determine if the respective entity would choose to waive its limits; and

WHEREAS, such decision to affirm or waive the tort liability limits must be filed with the League of Minnesota Cities Insurance Trust at the insurance renewal date.

NOW, THEREFORE, BE IT RESOLVED that the Executive Director is directed to report to the League of Minnesota Cities Insurance Trust that the Richfield HRA does not waive the monetary limits on the municipal tort liability established by Minnesota statutes 466.04.

Approved by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 16th day of May, 2016.

Mary Supple, Chair

ATTEST:

Doris Rubenstein, Secretary
ITEM FOR HRA CONSIDERATION:
Consideration of a resolution authorizing execution of an agreement with the Greater Metropolitan Housing Corporation for the acquisition, rehabilitation and sale of houses under the New Home Program utilizing Community Development Block Grant funds.

I. RECOMMENDED ACTION:
By Motion: Approve a resolution authorizing execution of an agreement with the Greater Metropolitan Housing Corporation for the acquisition, rehabilitation and sale of houses utilizing Community Development Block Grant funds, subject to final approval by legal counsel.

II. EXECUTIVE SUMMARY
In Federal Fiscal Year (FFY) 2015, the City Council budgeted Community Development Block Grant (CDBG) funds for the Housing and Redevelopment Authority (HRA) to purchase, rehabilitate, and sell houses to households earning no more than 80 percent of the area median income (AMI).

The HRA is currently working with the Greater Metropolitan Housing Corporation (GMHC) operating a similar program for the HRA through the Neighborhood
Stabilization Program (NSP). Under the proposed agreement, GMHC would continue this model of purchasing and rehabilitating homes to be sold to qualifying households on behalf of the HRA, utilizing CDBG funds.

In order to ensure affordability, the CDBG funds will be used to provide development gap-financing for the difference between the cost to acquire and rehabilitate the home, and the proceeds from the sale of the house.

III. BASIS OF RECOMMENDATION

A. BACKGROUND

- The HRA's New Home Program serves to encourage the development of new housing opportunities for low and moderate income families through the construction of new affordable housing and/or the acquisition and extensive rehabilitation of existing single-family homes.
- Under the New Home Program, the HRA has worked with a variety of developers over the years to either build new homes or purchase and rehabilitate existing homes and make them available to households earning no more than 80 percent of the AMI.
- GMHC has successfully purchased, rehabilitated and sold seven homes for the HRA through NSP. Currently, an eighth home is in the process of being rehabilitated through this Program.

B. POLICY

- Purchasing and rehabilitating homes with CDBG funds carries out the policies of the City's Comprehensive Plan, including:
  - Support the rehabilitation and upgrading of the existing housing stock.
  - 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

- A property has been identified for purchase and rehabilitation. Approval of the Agreement would allow the HRA and GMHC to complete the purchase and rehabilitation of this home and spend FFY 2015 funds by the June 30, 2016 deadline.

D. FINANCIAL

- The City Council has budgeted $94,190 in FFY 2015 CDBG funds for the HRA to acquire, rehabilitate and sell homes to homebuyers earning no more than 80 percent of the area median income.
- The HRA will provide development gap-financing utilizing the CDBG funds to cover the difference between the cost to acquire and
rehabilitate the property and the proceeds earned from the sale of the property.

- Maximum reimbursement under this Agreement is $94,190.
- The Agreement provides for HRA staff to approve the acquisition purchase price, and rehab costs prior to GMHC acquiring any property.

E. **LEGAL**

- The Agreement was prepared by HRA legal counsel.

IV. **ALTERNATIVE RECOMMENDATION(S)**

- Do not approve the Agreement.

V. **ATTACHMENTS**

- Resolution
- Draft Agreement

VI. **PRINCIPAL PARTIES EXPECTED AT MEETING**

- N/A
RESOLUTION NO. _____

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA

RESOLUTION APPROVING DEVELOPMENT AGREEMENT WITH GREATER METROPOLITAN
HOUSING CORPORATION

WHEREAS, the City of Richfield has entered into a Subrecipient Agreement with Hennepin
County with respect to the use of CDBG funds from the Department of Housing and Urban
Development ("HUD") for federal fiscal year 2015; and

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield,
Minnesota (the "Authority") executed a Third Party Agreement (Urban Hennepin County 2015
Community Development Block Grant Program) effective July 1, 2015 (the "Authority Third Party
Agreement") with the City which provides the Authority the ability to administer the use of the fiscal
year 2015 CDBG funds; and

WHEREAS, the Greater Metropolitan Housing Corporation, a Minnesota nonprofit
corporation (the "Developer"), has proposed to purchase, rehabilitate, and resell two or more
properties located in the City of Richfield, Minnesota (the "City") which are eligible to be purchased,
rehabilitated, and resold with CDBG funds (the "Eligible Properties"); and

WHEREAS, there has been presented before this Board of Commissioners of the Authority
a Developer Agreement – Urban Hennepin County – 2015 Community Development Block Grant
Program (the "Developer Agreement"), proposed to be entered into between the Authority and the
Developer, pursuant to which the Authority will direct the Developer to purchase, rehabilitate, and
resell one or more Eligible Properties using the CDBG funds; and

WHEREAS, the Board has reviewed the Developer Agreement and finds that the execution
thereof by the Authority and the performance of the Authority's obligations thereunder are in the
best interest of the City and its residents; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and
Redevelopment Authority in and for the City of Richfield, Minnesota as follows:

1. The Developer Agreement is hereby in all respects authorized, approved, and
confirmed, and the Chairperson and the Executive Director are hereby authorized and directed to
execute the Developer Agreement for and on behalf of the Authority in substantially the form now
on file with the Community Development Director but with such modifications as shall be deemed
necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of
their approval of any and all modifications therein.

2. The Chairperson and the Executive Director are hereby authorized to execute and
deliver to the Developer any and all additional documents deemed necessary to carry out the
intentions of this resolution and the Developer Agreement.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield,
Minnesota this 16th day of May, 2016.

ATTEST:

Doris Rubenstein, Secretary

Mary Supple, Chair
DEVELOPER AGREEMENT
URBAN HENNEPIN COUNTY
2015 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
(Greater Metropolitan Housing Corporation)

THIS DEVELOPER AGREEMENT (the “Agreement”), made and entered into as of this ___ of _____, 2016 (“Effective Date”), by and between the Housing and Redevelopment Authority in and for the City of Richfield (“Authority” or “HRA”), a body corporate and politic under the laws of Minnesota, having its principal office at 6700 Portland Avenue, Richfield, Minnesota (“HRA”) and the Greater Metropolitan Housing Corporation, a nonprofit corporation under the laws of Minnesota, having its principal office at 15 South Fifth Street, Suite 710, Minneapolis, Minnesota 55402 (“Developer” or “GMHC”).

RECITALS

A. The City of Richfield (the “City”) is a cooperating unit in the Urban Hennepin County Community Development Block Grant (CDBG) Program by virtue of a Joint Cooperation Agreement dated October 1, 2014 and executed between the Authority and Hennepin County pursuant to Minn. Stat. Section 471.59.

B. The City executed a Subrecipient Agreement with Hennepin County (Subrecipient Agreement No. A153293SR), effective July 1, 2015 (the “Subrecipient Agreement”), which approved the use of $164,833 of Federal Fiscal Year 2015 CDBG funds from the Department of Housing and Urban Development.

C. The Authority executed a Third Party Agreement (Urban Hennepin County 2015 Community Development Block Grant Program) effective July 1, 2015 (the “Authority Third-Party Agreement”) with the City which provides the Authority the ability to administer the use of the Fiscal Year 2015 CDBG funds.

D. HRA desires GMHC to purchase, rehabilitate, and resell one or more properties eligible to be purchased, rehabilitated and resold with CDBG funds (the “Eligible Properties”) at the direction of HRA; and GMHC has agreed to do so pursuant to the terms and conditions of this Agreement and 24 CFR 570 (the “CDBG Regulations”) and to use the CDBG funds available pursuant to the terms of the Subrecipient Agreement and Authority Third-Party Agreement described above.

E. This Agreement is intended to satisfy the requirements of 24 CFR 570.202 and the HUD Guidance so that Eligible Properties acquired by GMHC retain their eligibility for CDBG funds.

AGREEMENT

1. Scope of Work.

A. Developer. HRA hereby designates GMHC as a Developer to purchase, rehabilitate, and resell Eligible Properties at the direction of HRA in accordance with the terms
and conditions of this Agreement.

B. **Memorandum of Understanding.** GMHC shall purchase, rehabilitate and resell Eligible Properties based on the Memorandum of Understanding of the parties set forth in EXHIBIT A. The acquisition of one Eligible Property described in the Developer Pro Formas set forth in EXHIBIT B are preliminarily approved by the HRA and GMHC shall provide the documentation described in Section 8 to the HRA to obtain final approval for the acquisition of such property.

C. **Criteria.** The HRA and GMHC will work cooperatively to develop criteria for Eligible Properties that it would like to acquire under this Agreement. Such criteria shall include location, quality, price, and level of needed repairs.

D. **Compliance with Required Programs.** To the extent required by federal, state, and local law and regulation, GMHC agrees to comply with the program requirements of:

1) Hennepin County Affirmative Action Policy and Commissioners' Policies Against Discrimination;
2) Equal opportunity and discrimination provisions of 24 CFR Part 570 and all applicable State and Federal laws, rules, and regulations and as set forth in Section 3.02 of the Procedural Manual;
3) Section 504 of the Rehabilitation Act of 1973, as amended;
4) 24 CFR 570.200; and
5) Lead based paint notification, inspection, testing and abatement procedures established in 24 CFR Part 35 as referenced in 24 CFR 570.608, including but not limited to the Lead Disclosure Rule and HUD's Lead Safe Housing Rule as set forth in Section 3.06 of the Procedural Manual; and
6) Fair housing requirements of section 104(b) and section 109 of Title I of the Housing and Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and other applicable fair housing laws and as set forth in Section 3.02 of the Procedural Manual.

GMHC further agrees to provide HRA with a timely certification that the program requirements listed in this Section have been met as required by law and this Agreement.

E. **Reports.** GMHC shall provide HRA on a monthly basis with a report of its activities.

F. **Subrecipient Agreements.** The terms and provisions of the Subrecipient Agreements described in Recitals B and C above are incorporated herein by reference and GMHC agrees to comply with the terms and provisions of such agreements to the extent applicable to the purchase, rehabilitation and resale of Eligible Properties.
2. **Term.** This Agreement is effective as of the Effective Date and until June 30, 2016.

3. **Acquisition, Relocation and Displacement.** GHMC shall be responsible for carrying out all acquisitions of real property necessary for implementation of this Agreement. GMHC shall conduct all such acquisitions in its name and shall hold title to all real property purchased and shall be responsible for preparation of all notices, appraisals, and documentation required in conducting acquisition under the regulations of the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as required under 49 CFR Part 24 and of the CDBG Program. GMHC shall also be responsible for providing all relocation notices, counseling, and services required by said regulations.

In addition, GMHC shall comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as required under 24 CFR 570.606(a) and HUD implementing regulations at 24 CFR Part 42; the requirements in 24 CFR 570.606(b) governing the residential anti-displacement and relocation assistance plan under section 104(d) of the Housing and Community Development Act of 1974 (the Act); the relocation requirements of 24 CFR 570.606(c) governing displacement subject to Section 104(k) of the Act; and the requirements of 24 CFR 570.606(d) governing optional relocation assistance under Section 105(a)(11) of the Act.

4. **Environmental Review.** Prior to a commitment of CDBG funds to purchase, rehabilitate and resell Eligible Properties, GMHC and HRA will undertake the appropriate environmental review procedures and documentation as determined, requested, or required by the County.

5. **Labor Standards, Employment and Contracting.** GMHC shall notify the HRA prior to initiating any rehabilitation activities, including advertising for contractual services, which will include costs likely to be subject to the provisions of Federal Labor Standards and Equal Employment Opportunity and related implementing regulations.

No CDBG funds shall be used directly or indirectly to employ, award contracts to, or otherwise engage the services of, or fund any contractor or subrecipient during any period of debarment, suspension, or placement in ineligibility status under the provisions of 24 CFR Part 24. Hennepin County must be notified prior to awarding a contract. Hennepin County shall be responsible for determining the status of the contractor under this requirement, and shall notify the HRA if the contractor is or is not prohibited from doing business with the Federal government as a result of debarment or suspension proceedings.

6. **Lobbying.**

   A. **No federal appropriated funds have been paid or will be paid, by or on behalf of GMHC, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.**
B. If any funds, other than federal appropriated funds, have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with this Federal contract, grant, loan, or cooperative agreement, GMHC will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

8. Documentation. GMHC must maintain the following records and reports relating to Eligible Properties acquired pursuant to this Agreement: appraisals, environmental reports, purchase agreements, settlement statements, and deed document number/filing information per property. GMHC shall submit copies of the foregoing documentation to HRA with respect to any Eligible Property acquired pursuant to this Agreement.

9. Other Program Requirements. GMHC shall carry out the acquisition activities under this Agreement in compliance with all federal laws and regulations described in 24 CFR Part 570, subpart K, except that (i) GMHC does not assume HRA’s environmental responsibilities described at 24 CFR 570.604; and (ii) GMHC does not assume HRA’s responsibility for initiating the review process under the provisions of 24 CFR Part 52 (Intergovernmental Review of HUD Development Programs and Activities).

10. Suspension and Termination. If GMHC materially fails to comply with any term of this Agreement after written notice and an opportunity to cure, this Agreement may be terminated. The time period for said opportunity to cure will be dependent upon the relevant time period requirements of the applicable law, regulation, program, or otherwise.

11. Notice. All communications, notices, and demands of any kind which either party may be required or may desire to give to or serve upon the other shall be made in writing, and such notice shall be deemed sufficiently given if and when it is addressed to then other party as provided below and either (a) delivered personally, (b) deposited in the United States mail, registered or certified, with postage prepaid, (c) deposited with an overnight delivery service for next day delivery, or (d) telecopied:

To HRA: Richfield Housing and Redevelopment Authority
Attention Mr. John Stark, AICP, Director of Community Development
6700 Portland Avenue
Richfield, Minnesota 55423-2599
Fax: (612) 861-8974

To GMHC: Greater Metropolitan Housing Corporation
Attention: Carolyn Olson
15 South Fifth Street, Suite 710
Minneapolis, MN 55402
12. **Data Practices.** GMHC agrees to abide by the provisions of the Minnesota Government Data Practices Act and all other applicable State and Federal laws, rules, and regulations relating to data privacy and confidentiality, and as any of the same may be amended.

13. **Access to Records.** HRA shall have the authority to review any and all procedures and all materials, notices, and documents prepared by GMHC in implementation of this Agreement.

14. **Indemnification.** GMHC agrees to hold harmless, indemnify and defend HRA, its elected officials, officers, agents, and employees against any and all claims, losses, or damages, including attorneys’ fees, arising from, allegedly arising from, or related to, the provision of services under this Agreement by GMHC, its employees, agents, officers, or volunteer workers.

15. **Independent Contractor.** Nothing in this Agreement is intended, nor may be construed, to create the relationship of partners or employer/employee between the parties. GMHC, its officers, agents, employees, and volunteers are, and will remain for all purposes and services under this Agreement, independent contractors.

16. **Entire Agreement.** The entire agreement of the parties is contained in this document. This Agreement supersedes all previous written and oral agreements and negotiations between the parties relating to the subject matter of this Agreement except as provided in paragraph 18 of this Agreement.

17. **Certain Earlier Agreement between the Parties.** Notwithstanding any provision in this Agreement to the contrary, that certain agreement entitled Acquisition and Services Agreement dated _____ and entered into by and between the parties shall remain in full force and effect except that the provisions of this Agreement relating to scope of work; Uniform Relocation Act; acquisition, rehabilitation, and resale; documentation; other program requirements; and access to records shall prevail and replace any inconsistent provision in that certain earlier agreement.

18. **Severability.** The invalidity, illegality or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall remain in full force and effect.

19. **Assignment of Agreement.** The parties shall not assign this Agreement without the express written consent of the other party.

20. **Modification.** No provision, term or clause of this Agreement shall be revised, modified, amended or waived except by an instrument in writing signed by both parties.

21. **Counterparts.** This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original, all of which, when taken together, shall constitute one agreement.

22. **Headings.** The titles to the sections and headings of various paragraphs of this Agreement are placed for convenience of reference only and in case of conflict, the text of this Agreement, rather than such titles or headings shall control.
23. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto.

24. **Invalidity.** If for any reason any portion or paragraph of this Agreement shall be declared void and unenforceable by any court of law or equity, it shall only affect such particular portion or paragraph of this Agreement, and the balance of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto.

25. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Minnesota.

26. **Obligations Limited.** HRA's obligation to make payments under this Agreement is limited entirely to CDBG funds being remitted to HRA in sufficient amounts and available for the purposes for which such payments are sought. HRA shall have no obligation to make payments under this Agreement from sources other than the CDBG funds described herein.

(Signature page follows)
IN WITNESS WHEREOF, the Authority has caused this Agreement to be duly executed in its name and behalf and GHMC has caused this Agreement to be duly executed in its name and behalf as of the date first above written.

HOUSING AND REDEVELOPMENT AUTHORITY 
AND FOR THE CITY OF RICHFIELD, MINNESOTA

By ____________________________
Its Chairperson

By ____________________________
Its Executive Director

GREATER METROPOLITAN HOUSING CORPORATION

By ____________________________
Its ____________________________
EXHIBIT A
PROCEDURES
Memorandum of Understanding

Properties, In General:
- GMHC will identify, purchase, and rehabilitate one or more Eligible Properties on the HRA’s behalf for subsequent resale to households earning at or below 80% of the Area Median Income.
- The HRA reserves the right to and GMHC agrees to identify, purchase, and rehabilitate more than two Eligible Properties in the event the HRA approves additional funds for this purpose.

Identification of Eligible Property:
- GMHC and the HRA will work cooperatively to identify Eligible Properties.
- If the HRA identifies Eligible Property, the HRA (in its sole discretion) may provide GMHC with the identity of the Eligible Property.
- If GMHC identifies Eligible Property, GMHC will provide the HRA with the identity of the Eligible Property so that the HRA may decide whether the HRA will use CDBG funds to acquire said Eligible Property.

Purchase of Eligible Property:
- GMHC will only purchase an Eligible Property after receipt of the HRA’s express written consent.
- HRA may express its written consent via email to GMHC at espencer@gmhchousing.org.
- GMHC shall be responsible for the timely completion of all CDBG required documentation.
- GMHC agrees to purchase and hold the Eligible Properties in its name unless the HRA informs GMHC that the HRA desires (in the HRA’s sole discretion) to hold an Eligible Property in the name of the HRA.

Rehabilitation of Eligible Property:
- After GMHC has purchased an Eligible Property, GMHC will work with the HRA to identify necessary improvements.
- GMHC and the HRA will agree in writing to a rehabilitation plan that describes, at a minimum, expenses, improvements, and deliverable dates, prior to GMHC beginning its rehabilitation efforts at that Eligible Property.
- Upon completion of the rehabilitation of each Eligible Property to the satisfaction of the HRA, GMHC will provide the HRA with all requested information, including but not limited to receipts.
- The rehabilitation plan may be amended from time to time as needed with the prior mutual consent of the HRA and GMHC.

Subsequent Resale of Certain Eligible Property to End Buyer:
- After GMHC completes the rehabilitation of an Eligible Property, GMHC will market said Eligible Property and execute a purchase agreement with an end buyer whose household income is at or below 80% of Area Median Income.
Reimbursement of Acquisition/Rehabilitation Costs (or Payment of the Estimated Gap)

- GMHC will use its own funds to purchase an eligible property.
- The HRA will use HRA funds to reimburse GMHC for the “Development Gap.” Development Gap means the estimated total development costs less the sales price of the improved property up to a maximum gap amount as shown on Exhibit B-1 and B-2 or other developer pro forma approved by the HRA.
- Following the acquisition of the property, GMHC may request that the HRA provide payment in the amount of the estimated Development Gap.
- Upon final sale of the property, if the cost to acquire and rehabilitate the property exceeds the amount of sales proceeds by more than the Development Gap amount paid by the HRA, the HRA will reimburse GMHC for that amount.
- If the amount of sales proceeds and the Development Gap paid by the HRA exceeds the cost to acquire and rehabilitate the property, GMHC will reimburse the HRA for that amount.
- The maximum amount of reimbursement available under this Agreement is $94,190.
EXHIBIT B
DEVELOPER PRO FORMA

<table>
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<th>Acquisition Costs</th>
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<td>Soft Costs (testing, survey, etc.)</td>
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<td>Utilities</td>
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<td>Insurance</td>
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<td><strong>Total Holding x 12 Months</strong></td>
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<td>TISH/Appraisal</td>
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<td>Seller-Paid Costs – 3%</td>
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<td>Developer Fee – 8%</td>
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<td><strong>Total Disposition Costs</strong></td>
<td><strong>$40,889</strong></td>
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**TOTAL DEVELOPMENT COSTS** | **$283,063**

**Resale Price** | **$189,000**

**Gross Profit (Loss)** | **$ (94,063)**

MAX GAP | **$94,190.00**

7305 17th Ave S
CDBG

3BR/1BA
REHAB

B-1
ITEM FOR HRA CONSIDERATION:

Public hearing and consideration of a resolution authorizing the sale of 7309 10th Avenue to Endres Custom Homes and a Contract for Private Development with Endres Custom Homes for the construction of a single family home through the Richfield Rediscovered Program.

I. RECOMMENDED ACTION:

Conduct and close the public hearing and by motion:
1. Approve a resolution authorizing the sale of 7309 10th Avenue to Endres Custom Homes, and;
2. Authorize execution of a Contract for Private Development between the Housing and Redevelopment Authority and Endres Custom Homes for the redevelopment of 7309 10th Avenue.

II. EXECUTIVE SUMMARY

Endres Custom Homes (the Builder) is applying to purchase the lot at 7309 10th Avenue from the Housing and Redevelopment Authority (HRA) to construct a new single family home. The new home would be a two-story home with three bedrooms, three baths, and a three-car attached garage. The new home will be 2,192 finished square feet with an end value estimated at $412,000.
III. BASIS OF RECOMMENDATION

A. BACKGROUND
- The HRA purchased 7309 10th Avenue in 2015 for $94,000, and the existing home was demolished.
- The HRA sold the lot to Key Land Homes in December of 2015; however, the buyers were unable to move forward with construction of the houses and Key Land sold the lot back to the HRA in February of 2016.

B. POLICY
- The proposed project meets the policy objectives of the Richfield Rediscovered Program:
  - Removes substandard, functionally obsolete housing and eliminates its blighting influence.
  - Provides new, higher valued housing.
  - Alleviates shortage of housing choice for families.
- The project meets the Housing Design and Site Development Criteria, as defined in the Richfield Rediscovered Guidelines. Several features are incorporated to address the design criteria:
  - The appearance of the three-car garage is minimized by stepping back the garage stalls.
  - The height is minimized through use of a hip-style roof with a low pitch (consistent with the roof style of neighboring properties) and a single-story garage.
  - The impact of the height on neighboring properties is minimized with a larger front setback of 40 feet.
  - The simple, contemporary design will help the house blend with the existing single-story, rambler-style homes on the block.

C. CRITICAL TIMING ISSUES
- The Contract requires the Builder to close on the property by June 30, 2016 and to complete construction by December 31, 2016.
- All Richfield Rediscovered contracts include a provision authorizing staff to grant an extension to these deadlines for a period up to six months.

D. FINANCIAL
- The HRA acquired the 75-foot wide property and structure in 2015 for $94,000.
- The appraised value of the vacant lot is $60,000.
- Under the terms of the Contract, the $60,000 will be due at closing.
- Under the terms of the Contract, the minimum market value of the house will be $412,000.
- Under the terms of the Contract, the Builder must submit a $10,000 cash escrow to be held until construction is completed as provided in the Contract.

**E. LEGAL**

- Notice of the public hearing was published in the Sun Current on May 5, 2016.
- Mailed notification is not required on this item; however, a courtesy notice was mailed to residents within 350 feet of the property.
- The HRA Attorney prepared the Contract for Private Development.

**IV. ALTERNATIVE RECOMMENDATION(S)**

- Do not approve the Contract for Private Development.

**V. ATTACHMENTS**

- Resolution
- Contract for Private Development
- Elevations and floor plans of proposed home
- Site Plan of proposed home
- Photo of 7309 10th Avenue

**VI. PRINCIPAL PARTIES EXPECTED AT MEETING**

- Dustin Endres, Endres Custom Homes, Inc.
- Sue and Ray Kimal, Homebuyers
HRA RESOLUTION NO.

RESOLUTION AUTHORIZING THE SALE OF REAL PROPERTY LOCATED AT 7309 10TH AVENUE TO ENDRES CUSTOM HOMES

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

Address: 7309 10th Avenue South

Legal: Lot 15, Block 4, "Fallden's Third Addition"

WHEREAS, the HRA is authorized to sell real property within its area of operation after a public hearing; and

WHEREAS, the purchaser of the described property has been identified as Endres Custom Homes, and

WHEREAS, a Contract for Private Development has been prepared, and the sale price of 7309 10th Avenue is $60,000 with performance security in the amount of $10,000; and

WHEREAS, a public hearing has been held after proper public notice.

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

1. A public hearing has been held and 7309 10th Avenue is authorized to be sold for $60,000 to Endres Custom Homes; and

2. The Chairperson and Executive Director are authorized to execute a Contract for Private Development and other agreements as required to effectuate the sale to the Builder.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 16th day of May, 2016.

ATTEST:

Mary B. Supple, Chair

Doris Rubenstein, Secretary
CONTRACT FOR PRIVATE DEVELOPMENT

Between

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD

and

Endres Custom Homes

for property located at

7309 10th Avenue South

This Instrument Drafted by:

The Housing and Redevelopment Authority
in and for the City of Richfield
6700 Portland Avenue South
Richfield, Minnesota 55423
Telephone: (612) 861-9760
CONTRACT FOR PRIVATE DEVELOPMENT

THIS AGREEMENT, made and entered into as of this _____ day of ______, 20___, by and between 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, having its principal office at 6700 Portland Avenue, Richfield, Minnesota (HRA) and Endres Custom Homes (Builder).

WITNESSETH:

WHEREAS, the City of Richfield (City) and the HRA have previously created and established a Redevelopment Project (Project) pursuant to the authority granted in Minnesota Statutes, Sections 469.001 through 469.047 (collectively, the Act); and

WHEREAS, pursuant to the Act, the City and the HRA have previously adopted a redevelopment plan for the Project (Redevelopment Plan); and

WHEREAS, in order to achieve the objectives of the Redevelopment Plan and particularly to make specified land in the Project available for development by private enterprise for and in accordance with the Redevelopment Plan, the HRA has determined to provide substantial aid and assistance to finance development costs in the Project; and

WHEREAS, the Builder has proposed a development as hereinafter defined within the Project which the HRA has determined will promote and carry out the objectives for which the Project has been undertaken, will assist in carrying out the obligations of the Redevelopment Plan, will be in the vital best interests of the City and the health, safety and welfare of its residents and is in accord with the public purposes and provisions of the applicable state and local laws and requirements under which development in the Project has been undertaken and is being assisted.

NOW, THEREFORE, in consideration of the mutual covenants and obligation of the HRA and the Builder, each party does hereby represent, covenant and agree with the other as follows:

ARTICLE I.

DEFINITIONS, EXHIBITS, RULES OF INTERPRETATION

Section 1.1. Definitions. In this Agreement, the following terms have the meaning given below unless the context clearly requires otherwise:

Building Plans. Detailed plans for the Improvements to be constructed on the Property, as required by the local building official for issuance of a building permit.
**Construction Plans.** The construction plans approved by the HRA pursuant to Section 4.1 of this Agreement. The Construction Plans include a schedule for construction of the Improvements, preliminary plans and schematics of the Improvements to be constructed, and a landscaping plan.

**Development.** The Property and the Improvements to be constructed thereon according to the Construction Plans approved by the HRA.

**Event of Default.** Event of Default has the meaning given such term in Section 8.1.

**Guidelines.** The Richfield Rediscovered Program Guidelines Lot Sale Program, revised November 15, 2010 and attached as Exhibit B to this Agreement.

**Homeowner.** The individuals purchasing the Property from Builder and who will be living in the home following purchase.

**Improvements.** Each and all of the structures and site improvements constructed on the Property by the Builder, as specified in the Construction Plans to be approved by the HRA.

**Minimum Market Value.** $412,000, which is the minimum market value for the land and Improvements as confirmed by the Hennepin County Assessor.

**Mortgage.** A mortgage obtained by the Builder from a third party lender in accordance with Section 7.2 of this Agreement.

**Property.** The real property legally described as:

Lot 15, Block 4, Fallden's Third Addition, Hennepin County, MN

Located on land having a street address of:

7309 10th Avenue South

**Unavoidable Delays.** Delays which are the direct result of strikes, labor troubles, fire or other casualty to the Improvements, litigation commenced by third parties which results in delays or acts of any federal, state or local government, except those contemplated by this Agreement, which are beyond the control of the Builder.

**Section 1.2. Exhibits.** The following Exhibits are attached to and by reference made a part of this Agreement:

A. Form of Certificate of Completion
B. Program Guidelines – Lot Sale Program
C. Form of Quit Claim Deed

401253v8 CBR RC125-65
D. Well Disclosure

Section 1.3. Rules of Interpretation.

(a) This Agreement shall be interpreted in accordance with and governed by the laws of the State of Minnesota.

(b) The words “herein” and “hereof” and words of similar import, without reference to any particular section or subdivision refer to this Agreement as a whole rather than any particular section or subdivision hereof.

(c) References herein to any particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed.

(d) Any titles of the several parts, articles and sections of this Agreement are inserted for convenience and reference only and shall be disregarded in construing or interpreting any of its provisions.

ARTICLE II.

REPRESENTATIONS AND UNDERTAKINGS

Section 2.1. By the Builder. The Builder makes the following representations and undertakings:

(a) The Builder has the legal authority and power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement;

(b) The Builder has the necessary equity capital or has obtained commitments for financing necessary for construction of the Improvements;

(c) The Builder will construct the Improvements in accordance with the terms of this Agreement and all local, state and federal laws and regulations;

(d) The Builder will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, the requirements of all local, state and federal laws and regulations which must be obtained or met before the Improvements may be constructed;

(e) The plans for the Improvements have been prepared by a qualified draftsperson or architect; and

(f) The Builder has read and understands the Guidelines and agrees to be bound by them.
Section 2.2. By the HRA. The HRA makes the following representations as the basis for the undertaking on its part herein contained:

(a) The HRA is authorized by law to enter into this Agreement and to carry out its obligations hereunder; and

(b) The HRA will, in a timely manner, subject to all notification requirements, review and act upon all submittals and applications of the Builder and will cooperate with the efforts of the Builder to secure the granting of any permit, license, or other approval required to allow the construction of the Improvements.

ARTICLE III.

ACQUISITION OF PROPERTY; CONVEYANCE TO BUILDER

Section 3.1. Purchase of Property by Builder. The HRA agrees to sell the Property to Builder and the Builder agrees to purchase the Property from the HRA in an “as-is” condition. The sale of the Property is contingent upon the Builder providing the HRA with evidence satisfactory to the HRA that Builder has entered into a binding legal commitment, in the form of a Purchase Agreement for the resale of the Property to a Homeowner following completion of the Improvements. The HRA agrees to convey the Property to the Builder by Quit Claim Deed in the general form of Exhibit C. The HRA’s deed to the Builder will contain the right of reverter required in Section 8.3. The purchase price for the Property, payable at Closing, will be $60,000 (“Purchase Price”).

Section 3.2. Title and Examination. As soon as reasonably possible after execution of this Contract for Private Development by both parties,

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

(b) Builder shall obtain the title evidence determined necessary or desirable by Builder or Builder’s lender, including but not limited to title searches, title examinations, abstracting, a title insurance commitment or an attorney’s title opinion, at Builder’s selection and cost, and provide a copy to the HRA.

The Builder 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 HRA shall have 90 days from the date of such objection to effect a cure; provided, however, that the HRA shall have no obligation to cure any objections, and may inform Builder of such. The Builder 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.

401253v8 CBR RC125-65

4
Section 3.3. **Taxes and Special Assessments.** Real estate taxes and installments of special assessments will be prorated between the HRA and Builder as of the date of closing.

Section 3.4. **Soil Conditions and Hazardous Wastes.** The Builder acknowledges that the HRA makes no representations or warranties as to the conditions of the soils on the Property, its fitness for the construction of improvements or any other purpose for which the Builder may use the Property, or regarding the presence of hazardous wastes on the Property. The HRA will allow reasonable access to the Property for the Builder to conduct such tests regarding soils conditions and hazardous wastes as the Buyer may desire. Permission to enter the Property to conduct such tests must be given in writing under reasonable terms and conditions established by the HRA.

Section 3.5. **Site Clearance.** The HRA will be responsible for clearance of all buildings as required to prepare the Property for development. All other site preparation is the responsibility of Builder. Builder will comply with all of the provisions of the Guidelines relating to tree protection, preservation and replacement.

Section 3.6. **Other Preconditions to Closing.** Closing may not take place until the HRA is satisfied that the Project is in all respects in full compliance with the provisions of the Guidelines contained in Exhibit B. It is anticipated that the Builder will involve the Homeowner in the various activities required under the Guidelines so that the Homeowner will have an opportunity to contribute suggestions concerning development of the Property.

Section 3.7. **Closing.** Closing must take place on or before June 30, 2016, ("Closing Date") or such other date as may be agreed to by the Builder and HRA in writing. At Closing, the Builder will provide the HRA with a a cash deposit for the escrow account established pursuant to Section 5.1, in addition to the Purchase Price.

Section 3.8. **Closing Costs.** The Builder will pay: (a) the closing fees charged by its title insurance company or other closing agent, if any, utilized to close the transaction for Builder; (b) title services chosen by Builder pursuant to Section 3.2 above, including the premium for title insurance policy, if any, and (c) the recording fees for the Contract for Private Development and the deed transferring title to the Builder. HRA will pay all other fees normally paid by sellers, including (a) any transfer taxes, 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.

Section 3.9. **Sewer and Water.** HRA warrants that city water is available at the lot line and city sewer is available at the curb.

Section 3.10. **ISTS Disclosure.** HRA is not aware of any individual sewage treatment system on the property. Buyer is responsible for all costs of removing any individual sewage treatment system that may be discovered on the Property.

Section 3.11. **Well Disclosure.** HRA’s knowledge of wells on the Property is disclosed in Exhibit D.
ARTICLE IV.
CONSTRUCTION OF IMPROVEMENTS

Section 4.1. Construction of Improvements. The Builder shall construct the Improvements on the Property in accordance with the Guidelines and the Construction Plans, shall cause the Improvements to meet or exceed the Minimum Market Value specified in Section 1.1, and shall maintain, preserve and keep the Improvements in good repair and condition. The Builder shall provide his or her proposed construction plans to the HRA for review; if the proposed construction plans are in conformity with this Agreement and the Guidelines, the HRA will approve the Construction Plans following review and comment by the Homeowner.

Section 4.2. Construction Plans. No building permit will be issued by the City unless the Building Plans are in conformity with the Guidelines, the Construction Plans, the Builder’s Minimum Market Value, other requirements contained in this Agreement, and all local, state and federal regulations. The Builder shall provide the HRA with a set of Building Plans to be used in connection with any application for a building permit. The HRA shall, within 25 days of receipt of the Building Plans review the same to determine whether the foregoing requirements have been met. If the HRA determines such Building Plans to be deficient, it shall notify the Builder in writing stating the deficiencies and the steps necessary for correction. Issuance of the building permit by the City shall be a conclusive determination that the Building Plans have been approved and shall satisfy the provisions of this Section 4.2.

Section 4.3. Schedule of Construction. Subject to Unavoidable Delays, construction of the Improvements shall be completed prior to December 30, 2016 (“Construction Completion Date”). All construction shall be in conformity with the approved Construction Plans and the Guidelines. Periodically during construction the Builder shall make reports in such detail as may reasonably be requested by the HRA concerning the actual progress of construction. If at any time prior to completion of construction the HRA has cause to believe that the Builder will be unable to complete construction of the Improvements in the time permitted by this Section 4.3, it may notify the Builder and demand assurances from the Builder regarding the Builder’s construction schedule. If such assurances are not forthcoming or are deemed by the HRA at its sole discretion to be inadequate, the HRA may declare an Event of Default and may avail itself of any of the remedies specified in Section 8.2 of this Agreement.

Section 4.4. Certificate of Completion. After notification by the Builder of completion of construction of the Improvements, the HRA shall inspect the construction to determine whether the Improvements have been completed in accordance with the Construction Plans and the terms of this Agreement, including the date of the completion thereof. In the event that the HRA is satisfied with the construction, and upon closing on the sale of the Property to the Homeowner, the HRA shall furnish the Builder with a Certificate of Completion in the form attached hereto as Exhibit A. Such certification by the HRA shall be a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement. Issuance of the Certificate of Completion shall also serve as a satisfaction of any obligation of Builder...
secured by the Letter of Credit [or the escrow account established under Section 5.1], and the Letter of Credit will be released [or the cash in the escrow account will be released to the Builder]. At the time a Certificate of Completion is issued, the HRA will also provide Builder with a $5,000 cash rebate if Builder has obtained Green Community Concepts certification through LEED for Homes, Minnesota GreenStar, Minnesota Green Communities or Minnesota Green Path.

If the HRA shall refuse or fail to provide certification in accordance with the provisions of this Section 4.4, the HRA shall within 15 days of such notification provide the Builder with a written statement, indicating in adequate detail in what respects the Builder has failed to complete the Improvements in accordance with the provisions of this Agreement necessary, in the opinion of the HRA, for the Builder to take or perform in order to obtain such certification.

Section 4.5. Failure to Construct. In the event that construction of the Improvements is not completed as provided in Section 4.3 of this Agreement, an Event of Default shall be deemed to have occurred, and the HRA may proceed with its remedies under Section 8.2.

ARTICLE V.

REDEVELOPMENT ASSISTANCE

Section 5.1. Establishment of Cash Escrow. Builder acknowledges that although it is purchasing the Property at its fair market value as raw land, the HRA has incurred significant costs in acquiring and preparing the Property for development by Builder. At Closing, Builder will deliver to the HRA $10,000 to be placed in a non-interest bearing escrow account pursuant to the Escrow Agreement, dated as of the date hereof, between Builder and HRA. The obligation to pay the $10,000 to the HRA will be forgiven, and the cash in the escrow account will be returned to Builder if: (i) the Builder receives a Certificate of Completion; and (ii) the Builder is not otherwise in default of any of its obligations hereunder. If such have not occurred, an Event of Default shall be deemed to have occurred and the HRA may exercise its remedies under Section 8.2. In certain circumstances, after construction is complete, the Builder or Buyer may be required to deposit another cash escrow with the planning department of the City for incomplete improvements. In these cases, following the HRA's release of the cash escrow, the cash escrow will be transferred to the City's planning department for such purpose. The terms of the escrow will be set forth in an Escrow Agreement between the HRA and the Builder or Buyer.

ARTICLE VI.

FINANCING

Section 6.1. Financing. HRA acknowledges that Builder has submitted evidence of financing for the Improvements in compliance with the provisions of Section 2.1(b) of this Agreement. Builder must notify HRA immediately of any changes to or withdrawal of the approved financing, HRA shall have 10 days to approve or disapprove changes in financing. If the HRA rejects a change in the approved financing or if the approved financing is withdrawn,
the Builder shall have 30 days or such additional period of time as the Builder may reasonably require from the date of the HRA's notification to submit evidence of financing satisfactory to the HRA. If the Builder fails to submit such evidence or fails to use due diligence in pursuing financing, the HRA may terminate this Agreement and both parties shall be released from any further obligation or liability hereunder. Closing shall not take place until Builder has provided HRA with acceptable evidence of financing for construction of the Improvements.

Section 6.2. Copy of Notice of Default to Lender. Whenever the HRA shall deliver any notice or demand to the Builder with respect to any Event of Default by the Builder in its obligations or covenants under this Agreement, the HRA shall at the same time forward a copy of such notice or demand to each holder of any Mortgage authorized by the Agreement at the last address of such holder shown in the records of the HRA.

Section 6.3. Subordination. In order to facilitate obtaining financing for the construction of the Improvements by the Builder, the HRA may, in its sole and exclusive discretion, agree to modify this Agreement in the manner and to the extent the HRA deems reasonable, upon request by the financial institution and the Builder.

ARTICLE VII.

PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER

Section 7.1. Representation as to Redevelopment. The Builder represents and agrees that its undertakings pursuant to the Agreement, are for the purpose of development of the Property and not for speculation in land holding. The Builder further recognizes that, in view of the importance of the Development to the general welfare of Richfield and the substantial financing and other public aids that have been made available by the HRA for the purpose of making the Development possible, the qualification and identity of the Builder are of particular concern to the HRA. The Builder further recognizes that it is because of such qualifications and identity that the HRA is entering into this Agreement, and, in so doing, is further willing to rely on the representations and undertakings of the Builder for the faithful performance of all undertakings and covenants agreed by the Builder to be performed.

Section 7.2. Prohibition Against Transfer of Property and Assignment of Agreement. For the reasons set out in Section 7.1 of this Agreement, the Builder represents and agrees as follows:

(a) Except as specifically allowed by this section, Builder has not made or created, and, prior to the issuance of the Certificate of Completion, Builder will not make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or any trust in respect to this Agreement or the Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the HRA.

(b) This provision shall not be deemed as preventing the Builder from entering into a Purchase Agreement for the sale of the Property to a Homeowner.
(c) This provision does not prohibit conveyances that are only by way of security for, and only for the purpose of obtaining financing necessary to enable the Builder or any successor in interest to the Property, or any part thereof, to perform its obligations with respect to the Development under this Agreement, and any other purpose authorized by this Agreement. Any Mortgage obtained by the Builder must be disclosed to the HRA, and must be subordinate to this Agreement. The Builder must provide the HRA with an address for the holder of the Mortgage for purposes of providing notices as may be required by this Agreement.

ARTICLE VIII.

EVENTS OF DEFAULT

Section 8.1. Events of Default Defined. The following shall be deemed Events of Default under this Agreement and the term shall mean, whenever it is used in this Agreement, unless the context otherwise provides, any one or more of the following events:

(a) Failure by the Builder to pay when due the payments required to be paid or secured under any provision of this Agreement;

(b) Failure by the Builder to observe and substantially perform any covenant, condition, obligation or agreement on its part to be observed or performed hereunder, including the time for such performance;

(c) If the Builder shall admit in writing its inability to pay its debts generally as they become due, or shall file a petition in bankruptcy, or shall make an assignment for the benefit of its creditors, or shall consent to the appointment of a receiver of itself or of the whole or any substantial part of the Property;

(d) If the Builder, on a petition in bankruptcy filed against it, be adjudicated as bankrupt, or a court of competent jurisdiction shall enter an order or decree appointing, without the consent of the Builder, a receiver of the Builder or of the whole or substantially all of its property, or approve a petition filed against the Builder seeking reorganization or arrangement of the Builder under the federal bankruptcy laws, and such adjudication, order or decree shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(e) If the Development is in default under any Mortgage and has not entered into a work-out agreement with the holder of the Mortgage.

Section 8.2. Remedies on Default. Whenever any Event of Default occurs, the HRA may, in addition to any other remedies or rights given the HRA under this Agreement, take any one or more of the following actions following written notice by the HRA to the Builder as provided in Section 9.3 of this Agreement:
(a) Suspend its performance under this Agreement until it receives assurances from the Builder, deemed reasonably adequate by the HRA, that the Builder will cure its default and continue its performance under this Agreement;

(b) Cancel or rescind this Agreement;

(c) Exercise its right under Section 8.3;

(d) Withdraw all funds in the escrow account established in Section 5.1;

(e) Withhold the Certificate of Completion; or

(f) Take whatever action at law or in equity may appear necessary or desirable to the HRA to enforce performance and observance of any obligation, agreement, or covenant of the Builder under this Agreement; provided, however, that any exercise by the HRA of its rights or remedies hereunder shall always be subject to and limited by, and shall not defeat, render invalid or limit in any way (a) the lien of any Mortgage authorized by this Agreement and (b) any rights or interest provided in this Agreement for the protection of the holders of a Mortgage; and provided further that should any holder of a Mortgage succeed by foreclosure of the Mortgage or deed in lieu thereof to the Builder's interest in the Property, it shall, notwithstanding the foregoing, be obligated to perform the obligations of the Builder under this Agreement to the extent that the same have not therefore been performed by the Builder.

Section 8.3. Revesting Interest in HRA Upon Happening of Event of Default Subsequent to Conveyance of Property to Builder. In the event that subsequent to the closing or the sale of the Property to the Builder and prior to the issuance of the Certificate of Completion:

(a) The Builder fails to begin construction of the Improvements in conformity with this Agreement, and such failure is not due to Unavoidable Delays;

(b) The Builder, after commencement of the construction of the Improvements, defaults in or violates obligations with respect to the construction of the Improvements, including the nature and the date for the completion thereof, or abandons or substantially suspends construction work, and such act or actions is not due to Unavoidable Delays;

(c) The Builder or successor in interest fails to pay real estate taxes or assessments on the Property or any part thereof when due, or places thereon any encumbrance or lien unauthorized by this Agreement, or suffers any levy or attachment to be made, or any supplier's or mechanic's lien, or any other unauthorized encumbrance or lien to attach;

(d) There is, in violation of Article VII of this Agreement, any transfer of the Property or any part thereof; or

(e) The Builder fails to comply with any of its covenants under this Agreement,
then the HRA shall have the right upon 30 days’ written notice to Builder and the Builder’s failure to cure within such 30 days period, to re-enter and take possession of the Property and to terminate and revest in the HRA the interest of the Builder in the Property; provided, however, that such revestiture of title shall be subject to the lien of any prior encumbrance permitted under this Agreement, or any right of a Homeowner pursuant to a valid Purchase Agreement authorized by this Agreement.

Section 8.4. **No Remedy Exclusive.** No remedy herein conferred upon or reserved to the HRA is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the HRA or the Builder to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article VIII.

Section 8.5. **No Additional Waiver Implied by One Waiver.** In the event of the occurrence of any Event of Default by either party, which Event of Default is thereafter waived by the other party, such waiver shall be limited to the particular Event of Default so waived and shall not be deemed to waive any other concurrent, previous or subsequent Event of Default.

**ARTICLE IX.**

**ADDITIONAL PROVISIONS**

Section 9.1. **Conflict of Interests; Representatives Not Individually Liable.** No HRA officer who is authorized to take part in any manner in making this Agreement in his or her official capacity shall voluntarily have a personal financial interest in this Agreement or benefit financially there from. No member, official, or employee of the HRA shall be personally liable to the Builder, or any successor in interest, for any Event of Default by the HRA or for any amount which may become due to the Builder or successor or on any obligations under the terms of this Agreement.

Section 9.2. **Non-Discrimination.** The provisions of Minnesota Statutes Section 181.59, which relate to civil rights and non-discrimination, and any affirmative action program of the City shall be considered a part of this Agreement and binding on the Builder as though fully set forth herein.

Section 9.3. **Notices and Demands.** Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is sent by mail, postage prepared, return receipt requested or delivered personally:
(a) As to the HRA:

Richfield HRA
Executive Director
6700 Portland Avenue South
Richfield, MN 55423

(b) As to the Builder:

Dustin Endres
Endres Custom Homes
15561 Dunberry Way
Apple Valley, MN 55124

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section 9.3.

Section 9.4. Counterparts. This Agreement may be simultaneously executed in any number of counterparts, all of which shall constitute one and the same instrument.

Section 9.5. Extensions. Any extension to the Closing Date and/or extension to Construction Completion Date that exceeds 6 months from the date agreed to in Section 3.7 and 4.3, respectively, must be approved by the HRA Board. HRA staff is authorized to extend the Closing Date to a date less than 6 months from the Closing Date agreed to in Section 3.7 and extend the Construction Completion Date to a date less than 6 months from the Construction Completion Date agreed to in Section 4.3.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.
THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHHIELD, MINNESOTA

By _____________________________
Its Chairperson

By _____________________________
Its Executive Director

STATE OF MINNESOTA )
) SS
COUNTY OF _____________ )

The foregoing instrument was acknowledged before me this ______ day of ____________________, 20____, by __________________, the Chairperson of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, a public body corporate and politic under the laws of Minnesota, on behalf of the authority.

______________________________
Notary Public

STATE OF MINNESOTA )
) SS
COUNTY OF _____________ )

The foregoing instrument was acknowledged before me this _______ day of ____________________, 20____, by __________________, the Executive Director of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, a public body corporate and politic under the laws of Minnesota, on behalf of the authority.

______________________________
Notary Public
STATE OF MINNESOTA )
COUNTY OF Hennepin ) SS

The foregoing instrument was acknowledged before me this 6th day of May, 2016, by Dustin Endres, the President of Endres Custom Homes, a Corporation under the laws of Minnesota, on behalf of the

Notary Public

JULIE A. URBAN
Notary Public-Minnesota
My Commission Expires: Jan 31, 2019
EXHIBIT A

FORM OF CERTIFICATE OF COMPLETION

The undersigned hereby certifies that ________________________, has fully and completely complied with its obligations under that document entitled “Contract for Private Development”, between the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota and ________________________, dated ________________________, filed ________________________ as Document No. ________________________ (the “Contract”) with respect to the construction of the approved construction plans at ________________________, legally described as ________________________ and is released and forever discharged from its obligations under such Contract.

DATED: ________________________

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY RICHFIELD

By: ________________________
Its: Executive Director

STATE OF MINNESOTA )
) SS
COUNTY OF HENNEPIN )

The foregoing instrument was acknowledged before me this ___ day of ________________________, 20___, by ________________________, the Executive Director of 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 on behalf of the public body corporate and politic.

Notary Public

This instrument was drafted by:

Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
EXHIBIT B

PROGRAM GUIDELINES – LOT SALE PROGRAM

RICHFIELD REDISCOVERED

PROGRAM GUIDELINES

LOT SALE PROGRAM

REVISED: April 23, 2013
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This document has been developed as a guidance tool for program administration. It should not be interpreted as constituting any contractual agreement or liability by the City or Housing and Redevelopment Authority (HRA). The HRA may modify or divert from the guidelines where it deems appropriate.

I. Program Objectives

1. To remove substandard, functionally obsolete housing on scattered sites throughout the City and replace with new, higher-valued housing.
2. To eliminate the blighting influence of substandard housing, thus improving residential neighborhoods.
3. To alleviate the shortage of housing choices for families.
4. To facilitate the construction of larger three- to four-bedroom, owner-occupied homes designed for families.
5. To facilitate the construction of multi-unit, owner-occupied homes designed to expand family opportunities or to serve elderly residents.

These objectives will be achieved through the sale of lots by the Housing and Redevelopment Authority to Builder/Buyer teams for the development of newly constructed homes.

II. Definitions

Applicant: An individual who submits an application for a Richfield Rediscovered lot. The Applicant may be a Builder or the end Buyer. If the Applicant is a Builder, an end Buyer should be identified. If the Applicant is the Buyer, the Applicant must submit a signed contract between the Builder and the Buyer to build a home on the lot identified in the application.

Buyer: An individual(s) who will build, own and occupy a new housing unit in Richfield.

The Buyer will occupy the property and not offer it for rent. The Buyer may not also function as the Builder on a Richfield Rediscovered project. The Buyer and Builder must be unrelated separate legal entities. A speculative project by a Buyer may be considered if all other program requirements can be met. However, neither the Buyer, the Buyer's Builder or Builder's subcontractors, or the Builder's realty agents may occupy or purchase the property.

Buyers, unless licensed in the trade specified, may not put any sweat equity into the construction of the foundation, wall/roof framing, shingling, exterior work, electrical/plumbing/HVAC systems or interior carpentry.

Builder: Contractor who has signed a contract with the Buyer to build a home on the lot identified in the application.

Contract for Private Development: A contract between the HRA and the Builder or Buyer that establishes the conditions under which the lot will be sold and the proposed house will be developed.

Green Community Concepts Plan: A written plan indicating how the proposed development will incorporate green building features and concepts. Priority will be given to projects that incorporate green building features.

HRA: Housing and Redevelopment Authority in and for the City of Richfield.

Lot List: A listing of available lots for sale. Information regarding the lot location, size and sale price is provided.

III. Program Basics

1. HRA publishes a list of available vacant lots for purchase including sale price and development criteria.
2. Builder/Buyer team proposes a plan for a lot consistent with development criteria and program requirements and makes an offer to purchase.
3. HRA approves lot sale.
4. Lot is sold to Builder or Buyer.
5. Builder constructs new home.
6. Projects must be completed within one year of HRA approval of the project.

IV. Application Requirements

The following must be submitted for application to the program:

1. $525 application fee
   An application fee must be paid at the time of application. This fee is non-refundable and is not part of the lot price.
2. Application Form
3. Blueprints
   The layout of all levels, including basement and unfinished space, must be provided.
4. Elevations
   Elevations of all four sides of the house, including view of garage shall be provided. Colored renderings may also be required.
5. Site plan
   The site plan shall indicate the location of the new house, walkways and garage.
6. Landscaping plan
   A landscaping plan must indicate the location and type of trees, shrubbery, flowers and landscaping materials (e.g. rocks, mulch) and any existing trees to be preserved.
7. Detail of construction materials to be used on the project.
8. Green Community Concepts Plan
   The plan should indicate what Green Community Concepts will be incorporated into the project.
9. Construction timeline
   Construction must be completed with one year of the purchase of the property.
10. Signed contract with Builder
11. Purchase agreement
    If the Builder plans to purchase the lot, the application must include a valid purchase agreement between the Buyer and the Builder for the lot to be developed.
12. Financial capability statement
    A statement from a financial institution indicating willingness to provide sufficient construction capital to complete the project must be provided.
13. Builder References
    a. Five previous customers
    b. Three major suppliers, one being the construction supplier
    c. Building inspectors from two cities where the Builder has constructed new housing within the past three years
15. Proof of sufficient worker's compensation insurance coverage by the Builder.

16. Written warranty program
To be provided to the Buyer, which guarantees at a minimum, warranted repairs as required by Minnesota State Statute.

V. Additional Program Requirements

1. The Applicant is expected to meet with an architectural/design consultant prior to submitting an application. A two-hour consultation is available through the HRA at a cost of $25 to the applicant. See the City's website (www.cityofrichfield.org) for more information. This requirement may be waived if the applicant is using an architect for the project.

2. The site will be sold to the Builder or Buyer at the fair market value as appears on the Lot List. The HRA will not accept offers for less than the established sale price.

3. A Contract for Private Development is signed by the HRA and the Builder or the Buyer. The Contract is a standard form which includes conditions for acquisition and development of the property. The Contract will also establish a minimum required end-value for the property based on construction estimates provided by the applicant. The Builder or Buyer will be expected to agree to the terms of the Contract before the application can be scheduled on the HRA agenda.

4. All lots will have a required minimum end value that will be established in the Contract for Private Redevelopment.

5. The lot can be sold to either the Builder or the Buyer. If the lot is sold to the Builder, the Builder will pay cash for the lot at closing and submit a Letter of Credit or cash escrow for $10,000. The Letter of Credit must be from a financial institution incorporated in the Twin Cities metropolitan area. The cash escrow will be held in a non-interest bearing account. The Letter of Credit or cash escrow will be released once the construction and landscape work are completed and a final Certificate of Occupancy is issued.

6. If the lot is sold to the Builder and the Builder fails to complete construction as approved by the HRA, the Letter of Credit or cash escrow may be drawn upon by the HRA. In addition, the Contract for Private Development will contain a reverter provision, which will enable the HRA to reclaim ownership of the property in the event of a default in the Contract. In the event that the Builder fails to complete construction, the HRA may exercise its rights under the reverter provision, as well as draw upon the Letter of Credit or cash escrow.

7. If the lot is sold to the Buyer, the Buyer will pay cash for the lot at closing and a $10,000 mortgage in favor of the HRA will be filed on the property. The mortgage will be in first position. The HRA may consider subordinating its interest in appropriate cases.

8. If the lot is sold to the Buyer and the Buyer fails to complete construction as approved by the HRA, the HRA may exercise its rights provided in the mortgage.

VI. House Design and Site Development Requirements

The development of all sites shall meet the development criteria listed below, as reviewed and approved by the HRA. To maximize the development of a given lot, the HRA reserves the right to explore all development options without obligating the HRA to support any specific proposal, idea or solicitation.

Housing design is a critical element of the program. Siding materials, exterior façade presentation, roof, window, siding and building line variability, finished landscape, interior space function and use are all important issues of design to the HRA. The design requirements were created to ensure that the homes built on the HRA-sold lots blend in with the surrounding neighborhood and respond to the specific concerns of the HRA.

B-5
All new houses built under the Richfield Rediscovered Program must meet the requirements of the City's Zoning Code and additional criteria, as listed in this document.

A. New House Standards

1. New dwelling must be owner-occupied.
2. Three finished bedrooms are required.
3. Two finished bathrooms are required.
4. Two-car garage is required.
5. A full basement is required, unless the selected design results in a split-level or a garden-level type of basement. In the case of an "accessible" house, a basement may be omitted if it would otherwise prohibit accessible design elements.

B. Site Standards

1. After construction, the site must be fully landscaped, including plantings around the foundation. The entire grounds shall be landscaped and be aesthetically pleasing in all seasons. Land forms and plant materials shall be used to define the site and blend neatly with adjoining properties. Specific lot line blending requirements may be required, as appropriate, for specific sites.

At a minimum, the applicant must meet the "Landscaping and Screening Requirements" in the City's Zoning Code under Section 544.03, Subd. 4, General landscaping requirements and Subd. 5, Residential sites. The code is available on the City's website: http://www.ci.richfield.mn.us

To the greatest extent possible, existing trees should be preserved. Any trees removed must be replaced (they do not have to be the same species or in the same location) and should be labeled on the required landscape plan.

2. Utility meters shall be screened from street view and locations must be specified on plans.

3. Site drainage should be accommodated on the site so that water is directed away from the new home and the neighboring properties. Neighboring properties must not be disturbed by the creation of drainage swales. Specific storm water management requirements may be required, as appropriate, including the addition of gutters or on-site management for specific sites. Construction and the finished structure must not have a detrimental impact on storm water drainage patterns in the neighborhood.

4. All air conditioning units must be located in the rear yard of the house, or as approved by the HRA.

C. Construction Requirements

1. Existing trees identified on the landscape plan as being preserved, must be protected during construction. A tree wrap with board reinforcements shall be used on trees directly adjacent to active grading and construction areas. Damaged or destroyed trees must be replaced.

2. The construction site, neighboring properties and adjacent public streets shall be kept free of construction debris at all times.

3. No construction workers, construction equipment or construction material shall encroach upon neighboring properties.
4. The property shall have a new sanitary service line installed to the City sanitary sewer main consisting of schedule 40 PVC or equivalent. If there is an existing 6" sewer stub at the property line, it must be lined with 4" schedule 40 PVC or equivalent to the City's sanitary main, and it must include a "donut" at the end with cement.

The line must be televised after installation to ensure the following:
1. There are no obstructions in the line.
2. The PVC liner is not protruding into the City's sanitary sewer main line.

D. General Standards

1. The value of the new home must meet or exceed the minimum value specified in the Contract for Private Redevelopment.

2. All homes in the Richfield Rediscovered Program must be stick-built or high-quality modular, new construction.

3. Exterior materials (siding, soffit, doors and windows) should be low-maintenance and durable. Brick, aluminum, vinyl and fiber cement siding are preferred. Natural cedar lap is acceptable if properly stained or painted. Hardboard panels or hardboard lap siding are prohibited. Roof valleys must have metal valleys and not be woven.

4. Unit height and mass of the new house shall be compatible with the scale of the surrounding homes in the neighborhood.

5. Plans must present a balanced and pleasing distribution of wall, door and window areas from all views.

6. The dominance of the garage door must be minimized through placement, architectural detail, door design and utilization and design of windows. Garages, where the garage door faces the street, shall not be located closer to the front lot line than the foremost facade of the principal building facing the front property line. Garage sidewalls that face the street should appear to contain habitable space. This can be accomplished by incorporating windows and other design elements into the garage wall that are in character with the remainder of the dwelling. For lots that have alley access, the garage should be oriented to access the alley.

7. All building plans must have been prepared in consultation with an architect or qualified drafts person. All requirements by the Building Inspections Division must be met.

8. All Richfield Rediscovered houses must meet or exceed Minnesota Energy Code requirements.

9. All new homes shall be built to provide high quality sound insulation. Recommendations for sound insulation measures may be provided on a site-by-site basis. All construction must conform to current sound attenuation building standards for properties located within the 1996 65+ and/or 2007 63-64 DNL contours. In cases where sound attenuation standards are required and an increase in costs can be documented, the HRA may consider a reduction in the price of the lot in an amount equal to 75 percent of the cost of sound attenuation measures up to a maximum of $7,500.

9. If a variance is required to construct the proposed development, the HRA may, at its sole discretion, choose to reject the application.

10. If the HRA accepts an application that needs a variance(s), sale of the property will be contingent upon the applicant obtaining the necessary variance(s). The Applicant is responsible for applying for the variance(s) at its own expense. The HRA, as owner of the property, will, however, cooperate with the application.
E. Green Community Concepts

Priority will be given to projects incorporating the green community concepts listed below. Any concepts the applicant would like considered during the application process should be explained in a written plan submitted with the application. A $5,000 rebate will be provided to the Applicant for projects that obtain certification through LEED for Homes, Minnesota GreenStar or Minnesota Green Communities.

1. **Protect and conserve water and soil.** To reduce water consumption, consider the use of water-conserving appliances, fixtures, and landscaping. Steps should be taken to minimize the loss of soil and sediment during construction and occupancy to reduce storm-water sediment and air pollution.

2. **Minimize energy consumption.** Reduce energy consumption by taking advantage of natural heating, cooling and day lighting, and by using energy-efficient appliances, equipment and lighting.

3. **Enhance indoor environmental quality.** Use non-toxic materials, ventilation and exhaust systems, and moisture control products and systems.

4. **Use environmentally-preferable materials and resources.** Use locally-produced, salvaged and/or manufactured materials, products with recycled content or from renewable sources, recyclable or reusable materials, and low-VOC-emitting materials.

5. **Reduce waste.** Reduce and manage wastes generated during the construction process and operation of buildings. If demolition occurs, sort and recycle leftover materials and debris.

VII. City Review Procedure

1. Applicant reviews proposed project with HRA staff before plans are finalized.

2. Applicant submits application, plans, and application fee at least 45 days prior to the HRA meeting.

3. An application is considered to be received when delivered personally to HRA staff in a pre-arranged meeting. Following this meeting and upon receipt of the application fee, the lot will be considered reserved and no additional applications will be accepted for the proposed lot while the application is under review.

4. If an application is determined to be incomplete, the applicant will have 30 days to submit a complete application. If a complete application is not received within 30 days, the application will be rejected and the lot will be made available for new applications.

5. HRA staff review application to ensure conformance with House Design and Site Development Requirements.

6. HRA staff may reject or accept an application at its sole discretion.

7. The Builder or Buyer executes a Contract for Private Redevelopment.

8. An application is determined to be complete and the Contract executed at least three weeks prior to the HRA meeting.

9. HRA staff publishes a legal notice of the public hearing and prepares a report and recommendation for the HRA.

10. HRA reviews application, conducts a public hearing, and takes action at the HRA meeting.
11. If approved, the Contract for Private Redevelopment is executed by the HRA.

VIII. Lot Sale to Builder or Buyer

1. Upon approval of the application by the HRA, a closing will be scheduled between the HRA and
   the Builder or Buyer.

2. The HRA will prepare all statements, affidavits, documents, and general release forms required
   for closing.

3. The Builder applies for a building permit prior to closing. The Builder is responsible for acquiring
   the necessary building permits with the City of Richfield Building Inspections Division. If changes
   to the plans are required by the Inspections Division, the applicant must notify HRA staff.

4. The Applicant provides evidence to HRA staff that all requirements to proceed with construction,
   as determined in the Contract for Private Redevelopment, have been met.

5. The HRA conveys the property to the Builder or Buyer by Quit Claim Deed. The site will be sold to
   the Builder or Buyer at the fair market value as appears on the Lot List.

6. At closing with the Builder, the Builder provides a Letter of Credit or cash escrow for $10,000 to
   the HRA.

7. At closing with the Buyer, the Buyer signs a mortgage and promissory note for $10,000 in favor of
   the HRA.

8. Upon completion of the project, the Letter of Credit or cash escrow is released to the Builder or
   the Buyer’s mortgage is released. A Certificate of Completion is executed by the HRA, releasing
   the obligations of the Contract for Private Redevelopment.

IX. Program Marketing

Richfield Rediscovered program marketing is entirely at the discretion of the HRA. It may include the
following:

1. Buyer Solicitation. The HRA may market the program to potential Buyers through promotional
   articles, direct mail, the Internet, or other methods as deemed appropriate. Buyers may be any
   financially capable individual or household, including first-time buyers, move-up buyers or empty-
   nesters.

2. Public Promotion.
   a. The HRA will periodically provide information about the program through articles in city
      publications, on the City’s web site, on the Community Cable channel, or via press
      releases to promote community awareness.
   b. A public open house may be held to provide an opportunity for residents and other
      interested parties to collectively view the finished homes. The Parade of Homes Fall
      Showcase and Spring Preview may also accomplish this.

A program information package will be mailed to all interested participants. The information packet may
include the following:

1. Lot List
2. Richfield Rediscovered Lot Sale Procedural Guidelines
3. Application Form
4. Sample Contract for Private Redevelopment

X. Data Privacy

All information secured through the program is subject to the Data Privacy Act.
EXHIBIT C

QUIT CLAIM DEED

STATE DEED TAX DUE HEREON: $_____

Date: ____________________________

FOR VALUABLE CONSIDERATION, 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, Grantor, hereby conveys and quit claims to ______________________, a __________________ under the laws of the State of _____________, Grantee, real property in Hennepin County, Minnesota, described as follows:

, according to the map or plat thereof on file or of record in the office of the Hennepin County Recorder.

This deed is subject to that certain Contract for Private Development between Grantor and Grantee, dated __, 20__ (the “Contract”), recorded __, 20__, in the office of the Hennepin County Recorder/Registrar of Titles as Document No. ____________. The Contract provides that the Grantee’s rights and interest in the real property described above are subject to the Grantor’s right to re-enter and reves in Grantor title to the Property under conditions specified therein, including but not limited to termination of the Grantor’s right to re-enter and reves upon issuance of a Certificate of Completion as defined in the Agreement.

(if more space is needed, continue on back)

□ The Seller certifies that the seller does not know of any wells on the described real property.
□ A well disclosure certificate accompanies this document.
□ I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

Affix Deed Tax Stamp Here

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD

By__________________________

Its Chairperson

By__________________________

Its Executive Director
STATE OF MINNESOTA ss.

COUNTY OF HENNEPIN

The foregoing was acknowledged before me this ____ day of ____, 20__, by __________, the Chairperson of the Housing and Redevelopment Authority in and for the City of Richfield, a public body corporate and politic under the laws of Minnesota, on behalf of the corporation, Grantor.

NOTARIAL STAMP OR SEAL (OR OTHER TITLE OR RAK)

SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT

STATE OF MINNESOTA ss.

COUNTY OF HENNEPIN

The foregoing was acknowledged before me this __________ day of ____, 20__, by ______________, the Executive Director, of 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, on behalf of the corporation, Grantor.

NOTARIAL STAMP OR SEAL (OR OTHER TITLE OR RAK)

SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT

Check here if part or all of the land is Registered (Torrens)

Tax Statements for the real property described in this instrument should be sent to (include name and address of Grantee):

This instrument drafted by:

Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
EXHIBIT D

WELL DISCLOSURE

☐ The Seller certifies that the seller does not know of any wells on the described real property.
☐ A well disclosure certificate accompanies this document. [form attached]
☐ The status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.
WELL DISCLOSURE STATEMENT

Prior to signing an agreement to sell or transfer real property, the seller must always disclose in writing (well disclosure statement) the location and status (well status defined below) of all wells on the property to the buyer, along with the legal description and county of the property, and a sketch map showing the location of each well or indicate there are no wells on the property.

WELL DISCLOSURE CERTIFICATE

A Well Disclosure Certificate is required to be filed when there are wells on the property.

- At the time of closing, the well disclosure statement information, along with the property buyer's name and mailing address, must be provided on a Well Disclosure Certificate (WDC) form. When recording a deed or other instrument of conveyance requiring a Certificate of Real Estate Value (CRV), a completed WDC must be filed with the county recorder, including a $50 fee payable to the county recorder.

- If there is a previously filed WDC and the number of wells and/or the well status has changed, a new WDC must be filed. You may search for previously filed WDCs at: www.health.state.mn.us/divs/eh/wells/disclosures/disclosedwell.html

- If the number and status of wells on the property remain unchanged since the previously filed WDC, a statement must be placed on the deed or other instrument of conveyance that reads "I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate." This statement must be certified by the buyer or seller and an WDO is required.

If there are no wells on the property, a Well Disclosure Certificate is not required to be filed. However, the Seller must certify a statement on the deed or other instrument of conveyance that reads "The Seller certifies that the Seller does not know of any wells on the described real property."

INSTRUCTIONS FOR COMPLETING THE WELL DISCLOSURE CERTIFICATE

A $50 fee must be included when submitting this form to the county recorder's office. The fee is to be paid by the buyer or person filing the deed. Please make the check payable to the County Recorder. A copy of this WDC should be provided to the property buyer at the time of closing.

PROPERTY, BUYER, AND SELLER INFORMATION

A. PROPERTY LOCATION LEGAL DESCRIPTION - Provide the county name, "unplatted" a metes and bounds description [quarter [one quarter section is required]] or government lot, section, township, and range number; and/or "platted" (lot number and/or block number and additional naming property street address if applicable); and city (this is the physical location of the property not the mailing address; property ID number or parcel number [optional]). Attach a complete legal description of the property.

B. PROPERTY BUYER MAILING ADDRESS AFTER CLOSING - Provide the buyer's full name (or company name if buyer is a company), full address, and phone number (including area code). Be sure to include a complete mailing address. If the property is jointly owned, provide the name and complete mailing address of the contact person.

Seller's Name - Please provide the name of the seller in space provided (please print).
C. CERTIFICATION BY SELLER - The seller (or designated representative) shall sign this certificate before it is submitted to the county recorder’s office. If the seller is unable to sign the document, the buyer (or designated representative) may sign the certificate before it is submitted to the county recorder’s office.

D. CERTIFICATION BY BUYER - If the seller is unable to sign the document, the buyer (or designated representative) may sign the certificate before it is submitted to the county recorder’s office. When deeds are given in fulfillment of a Contract for Deed the WDC must be signed by the buyer or the person authorized to act on behalf of the buyer.

Signature Required - There must be at least one signature on the certificate.

WELL INFORMATION

E. WELL LOCATION LEGAL DESCRIPTION - For each well being disclosed the following physical location information is required:
- County name, quarter (one quarter section is required), section, township, and range number and/or
- County name, government lot, section, township, and range number and/or
- County name, lot number and/or block number, and addition name

WELL STATUS INFORMATION Indicate the status of each well. Check only one box:

In Use - A well is “in use” if the well is used on a daily regular or seasonal basis. A well “in use” includes a well that operates for the purpose of irrigation, fire protection, or emergency supplies.

Not In Use - A well is “not in use” if the well does not meet the definition of “in use” above and has not been sealed by a licensed well contractor.
- If the well is “not in use,” is there a Minnesota Department of Health (MDH) variance for this well? Please provide the variance tracking number (TN).
- If the well is “not in use,” is there an MDH maintenance permit for this well? Please provide the permit number, if known.

Sealed - A well is “sealed” if a licensed well contractor has completely filled the well with grout material throughout the entire well after removal of any obstructions from the well. A Well and Boring Sealing Record must be on file with the MDH. Contact the MDH to verify if a sealing record is on file. A well is “cased” if it has a metal or plastic cap or cover which is threaded, bolted, or welded onto the top of the well to prevent entry into the well. A “capped” well is not a “sealed” well.

Important Well Status Information:
- The MDH will follow-up with the property buyer regarding any wells disclosed as “not in use.” If a well is “not in use,” the property owner must either return the well to “in use,” have the well “sealed” by a licensed well contractor, or obtain an annual maintenance permit from the MDH for $175.
- Maintenance permits are not transferable. If a well is “in use,” a maintenance permit is not required.
- If the well has been “sealed” by someone other than a licensed well contractor or a licensed well sealing contractor, check the well status as “not in use.”

Additional Well Information - Provide the following information, if known: Minnesota Unique Well Number or Sealing Record Number, date of well construction or sealing, and name of licensed well contractor.

SKETCH MAP - Complete the sketch map as instructed on the WDC. The location of each well must be indicated. If the location of a well is not known, have the well located by a person qualified to locate wells, such as a licensed well contractor.

If you have questions, please contact the MDH Well Management Section at 651-201-4587 or 800-383-9806.
To request this document in another format, call 651-201-4606 TTY and hard-of-hearing: TTY 651-201-5797
Visit the MDH Well Management Section, Well Disclosure Program website at: www.health.state.mn.us/divs/elwells/disclosures

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401253v8 CBR RC125-65
**A. PROPERTY LOCATION/LEGAL DESCRIPTION**

<table>
<thead>
<tr>
<th>County</th>
<th>Section No.</th>
<th>Township No.</th>
<th>Range No.</th>
<th>Quarter (or Government Lot)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hennepin</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lot No(s)</th>
<th>Block No</th>
<th>Addition Name</th>
<th>Outlet</th>
<th>Tract</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**Property Street Address**

<table>
<thead>
<tr>
<th>City/Township</th>
<th>ZIP Code</th>
<th>Property ID No: Parcel No (national)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richfield</td>
<td>55423</td>
<td></td>
</tr>
</tbody>
</table>

**B. PROPERTY BUYER MAILING ADDRESS AFTER CLOSING**

<table>
<thead>
<tr>
<th>First Name</th>
<th>Middle Initial</th>
<th>Last Name</th>
<th>Company Name (if applicable)</th>
</tr>
</thead>
<tbody>
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<tr>
<th>Mailing Address</th>
<th>Mailing Address</th>
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<tbody>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>City</th>
<th>State/Province</th>
<th>ZIP Code</th>
<th>Telephone No. (including area code)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Provide Name of Seller (please print) Housing and Redevelopment Authority in and for the City of Richfield

**C. CERTIFICATION BY SELLER**

I certify that the information provided on this certificate is accurate and complete to the best of my knowledge.

Signature of Seller or Designated Representative of Seller: [Signature]

Date: [Date]

**D. CERTIFICATION BY BUYER**

For fulfillment of a contract for deed, the buyer or person authorized to act on behalf of the buyer, must sign a Well Disclosure Certificate if there is a well on the property.

In the absence of a seller’s signature, the buyer or person authorized to act on behalf of the buyer may sign this Well Disclosure Certificate. No signature is required by the buyer if the seller has signed above.

Based on disclosure information provided to me by the seller or other available information, I certify that the information on this certificate is accurate and complete to the best of my knowledge.

Signature of Buyer or Designated Representative of Buyer: [Signature]

Date: [Date]

**IMPORTANT NOTE:** The Minnesota Department of Health (MDH) will follow-up with the property buyer regarding any wells disclosed as not in use. If a well is not in use, the property owner must either return the well to use, have the well sealed by a licensed well contractor, or obtain an annual maintenance permit from the MDH for $175. A copy of this Well Disclosure Certificate should be provided to the property buyer at the time of closing.
Fill out a separate well information page if more than two wells are located on the property.

**F. WELL LOCATION LEGAL INFORMATION**

<table>
<thead>
<tr>
<th>WELL #1</th>
<th>If the property legal description has more than one section, township or range number, quarter (or government lot), or lot or block number, provide specific legal description information regarding the physical location of this well.</th>
</tr>
</thead>
<tbody>
<tr>
<td>County</td>
<td>Section No.</td>
</tr>
<tr>
<td>Hennepin</td>
<td>Lot No.</td>
</tr>
</tbody>
</table>

**WELL STATUS** (Check only one box)

- [ ] In Use (1)
- [ ] Not in Use (2)
- [X] Sealed by Licensed Well Contractor (3)

*Call MDH to verify sealing record on file.*

**If the well has been sealed by someone other than a licensed well contractor or a licensed well sealing contractor, check the well status, and in use. Also see IMPORTANT NOTE on page 1.**

**If the well is not in use, is there an MDH variance for this well?**

- [ ] Yes
- [X] No

**If you provide the variance tracking number (TN)_________ If yes, provide the permit number _________**

**WELL #2**

If the property legal description has more than one section, township or range number, quarter (or government lot), or lot or block number, provide specific legal description information regarding the physical location of this well.

<table>
<thead>
<tr>
<th>County</th>
<th>Section No.</th>
<th>Township No.</th>
<th>Range No.</th>
<th>Quarter (or Government Lot)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hennepin</td>
<td>Lot No.</td>
<td>Block No.</td>
<td>Addition Name</td>
<td>Outlet</td>
</tr>
</tbody>
</table>

**WELL STATUS** (Check only one box)

- [ ] In Use (1)
- [ ] Not in Use (2)
- [X] Sealed by Licensed Well Contractor (3)

*Call MDH to verify sealing record on file.*

**If the well has been sealed by someone other than a licensed well contractor or a licensed well sealing contractor, check the well status, and in use. Also see IMPORTANT NOTE on page 1.**

**If the well is not in use, is there an MDH variance for this well?**

- [ ] Yes
- [X] No

**If you provide the variance tracking number (TN)_________ If yes, provide the permit number _________**

**SKETCH MAP** - Sketch the location of the well(s) and include estimated distances from roads, streets, and buildings. If more than one well on property, use the well location number above its identity, such as well #1. When the location of the well(s) must be provided, if the location of a well is not known, have the well located by a person qualified to locate wells, such as a licensed well contractor.
KIMAL HOME - FRONT / WEST SIDE
SCALE = 3/16" = 1'-0"
MAY 8, 2016

KIMAL HOME - BACK / EAST SIDE
SCALE = 3/16" = 1'-0"
KIMAL HOME - NORTH SIDE
SCALE = 3/16" = 1'-0"

KIMAL HOME - SOUTH SIDE
SCALE = 3/16" = 1'-0"
Lower Level Floor Plan

All work shown is future work. Shown for rough-in location purposes.