



CITY OF RICHFIELD, MINNESOTA

MONDAY, JULY 18, 2016

RICHFIELD MUNICIPAL CENTER
6700 PORTLAND AVENUE

REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING

COUNCIL CHAMBERS

7:00 P.M.

AGENDA

Call to order

1. Approval of the minutes of the Regular HRA Meeting of June 20, 2016
2. HRA approval of the agenda
3. Public hearing and consideration of a resolution authorizing the sale of 7333 Emerson 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. 21

4. Public hearing and consideration of a resolution authorizing the sale of 7533 Dupont 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. 22

5. Public hearing and consideration of a resolution authorizing the sale of 7033 Garfield 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. 23

6. HRA discussion items
7. Executive Director report
8. 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.



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

June 20, 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; Pat Elliott; Doris Rubenstein; and Debbie Goettel.

Staff Present: Karen Barton, Acting Executive Director/Assistant Community Development Director.

Item #1

APPROVAL OF THE MINUTES OF THE (1) REGULAR HRA MEETING OF MAY 16, 2016 AND (2) SPECIAL CONCURRENT HRA, CITY COUNCIL AND PLANNING COMMISSION WORKSESSION OF MAY 24, 2016.

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

Motion carried 5-0.

Item #2

HRA APPROVAL OF THE AGENDA

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

Motion carried 5-0.

Item #3

CONSENT CALENDAR

- A. Consideration of the approval of a resolution approving the First Amendment to Preliminary Development Agreement with Inland Development Partners, LLC and authorizing the Chairperson and Executive Director to execute the Agreement S.R. No. 18

HRA RESOLUTION NO. 1229

RESOLUTION APPROVING FIRST AMENDMENT TO PRELIMINARY
DEVELOPMENT AGREEMENT WITH INLAND DEVELOPMENT PARTNERS, LLC

This resolution appears as HRA Resolution No. 1229.

- B. Consideration of the approval of a request to release a New Home second mortgage at 6822 Queen Avenue S.R. No. 19

Chair Supple thanked Inland Development Partners, LLC for their flexibility.

HRA Commissioner Elliott commented on tracking dates of loans.

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

Motion carried 5-0.

Item #4	CONSIDERATION OF FORGIVENESS OF A HOUSING AND REDEVELOPMENT AUTHORITY DEFERRED LOAN AT 7432 WASHBURN AVENUE S.R. NO. 20
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Acting Executive Director/Assistant Community Development Director Barton presented Staff Report No. 20.

HRA Commissioner Elliott questioned the underwriting of the first mortgage.

Chair Supple commented that the HRA would lose the funds regardless of action by the HRA, but it was more about the benefit to the neighborhood and community.

HRA Commissioner Rubenstein asked about the offers being so low compared to the county's assessed value.

M/Goettel, S/Elliott to approve the forgiveness of a Housing and Redevelopment Authority loan at 7432 Washburn Avenue.

Motion carried 5-0.

Item #5	HRA DISCUSSION ITEMS
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HRA Commissioner Goettel discussed a smoke-free housing program to recognize/award smoke-free multi-family housing.

HRA Commissioner Gepner asked about the status of the Cedar Point II (Boisclair) and Cedar Point South development projects.

Assistant Executive Director/Assistant Community Development Director Barton updated the HRA on the former City garage site, Cedar Point II and Cedar Point South projects.

Item #6	EXECUTIVE DIRECTOR REPORT
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None.

Item #7	CLAIMS AND PAYROLL
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M/Goettel, S/Elliott that the following claims and payroll be approved:

U.S. BANK		06/20/16
Section 8 Checks: 127746-127829	\$	156,863.50
HRA Checks: 32718-32757	\$	<u>361,313.21</u>
TOTAL	\$	518,176.71

Motion carried 5-0.

ADJOURNMENT

The meeting was adjourned by unanimous consent at 7:19 p.m.

Date Approved: July 18, 2016

Mary B. Supple
HRA Chair

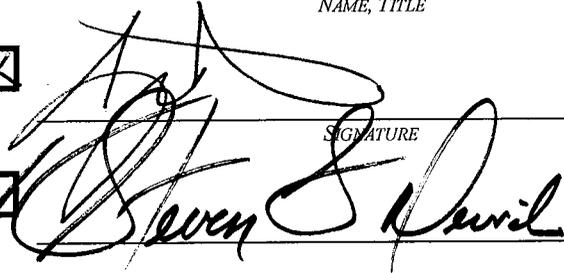
Karen Barton
Acting City Clerk

Karen Barton
Acting Executive Director



STAFF REPORT

HOUSING AND REDEVELOPMENT AUTHORITY MEETING JULY 18, 2016

REPORT PREPARED BY:	JULIE URBAN, HOUSING SPECIALIST <hr/> <i>NAME, TITLE</i>
REPORT PRESENTER:	KAREN BARTON, ASSISTANT COMMUNITY DEVELOPMENT DIRECTOR <hr/> <i>NAME, TITLE</i>
DEPARTMENT DIRECTOR REVIEW:	<input checked="" type="checkbox"/>  <hr/> <i>SIGNATURE</i>
REVIEWED BY EXECUTIVE DIRECTOR:	<input checked="" type="checkbox"/>  <hr/> <i>SIGNATURE</i>

ITEM FOR HRA CONSIDERATION:

Public hearing and consideration of a resolution authorizing the sale of 7333 Emerson 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 7333 Emerson 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 7333 Emerson Avenue.**

II. EXECUTIVE SUMMARY

Endres Custom Homes (the Builder) is applying to purchase the lot at 7333 Emerson from the Housing and Redevelopment Authority (HRA) to construct a new single family home. The new home would be a two-story home with five bedrooms, four baths, a finished basement and a three-car attached garage. The new home will be 3,300 finished square feet with an end value estimated at \$450,000.

III. BASIS OF RECOMMENDATION

A. BACKGROUND

- The HRA purchased 7333 Emerson Avenue in 2016 for \$65,000, and the existing home was demolished.
- Due to the high-demand for the Richfield Rediscovered lots, a request for proposals was issued in May of 2016. Seven applications were received for the lot. The proposed home was selected because it best meets the Richfield Rediscovered Program guidelines.

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 garage and garage door is minimized with the detached garage.
 - The height is minimized through the use of a front gable, so the house doesn't look like a full two stories.
 - The gable roof design is similar to that of neighboring houses, which will help it blend with the existing neighborhood.

C. CRITICAL TIMING ISSUES

- The Contract for Private Development (Contract) requires the Builder to close on the property by August 30, 2016, and to complete construction by February 28, 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 50-foot wide property and structure in 2016 for \$65,000.
- 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 \$450,000.
- 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 July 7, 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
- Photo of 7333 Emerson Avenue
- Contract for Private Development
- Elevations and floor plans of proposed home
- Site Plan of proposed home

VI. PRINCIPAL PARTIES EXPECTED AT MEETING

- Dustin Endres, Endres Custom Homes, Inc.

HRA RESOLUTION NO.

**RESOLUTION AUTHORIZING THE SALE OF REAL PROPERTY LOCATED AT
7333 Emerson 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: 7333 Emerson Avenue South

Legal: Lot 16, Block 9, Irwin Shores, according to the recorded plat thereof, and situate in Hennepin County, Minnesota

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 7333 Emerson 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 7333 Emerson 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 18th day of July, 2016.

Mary B. Supple, Chair

ATTEST:

Doris Rubenstein, Secretary

Photo of 7333 Emerson Avenue



CONTRACT FOR PRIVATE DEVELOPMENT

Between

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD**

and

Endres Custom Homes, Inc.

for property located at

7333 Emerson 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, Inc., a Minnesota Corporation (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 April 23, 2013, 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. \$450,000, 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 16, Block 9, Irwin Shores, according to the recorded plat thereof, and situate in Hennepin County, Minnesota

Located on land having a street address of:

7333 Emerson 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
- 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 draftsman 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.

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 August 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 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 February 28, 2017 ("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 escrow account established under Section 5.1, and 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 re-vest in the HRA the interest of the Builder in the Property; provided, however, that such re-vestiture 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, Inc.
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.

[signature pages follow]

Signature Page for HRA

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

Signature Page for Builder

Builder

By _____

Its _____

STATE OF MINNESOTA)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, the _____ of _____, a _____ under the laws of _____, on behalf of the _____.

Notary Public

EXHIBIT B
PROGRAM GUIDELINES – LOT SALE PROGRAM

RICHFIELD REDISCOVERED
PROGRAM GUIDELINES
LOT SALE PROGRAM

REVISED: April 23, 2013

PROGRAM OBJECTIVES..... 3

DEFINITIONS..... 3

PROGRAM BASICS 3

APPLICATION REQUIREMENTS..... 4

ADDITIONAL REQUIREMENTS 5

HOUSE DESIGN AND SITE DEVELOPMENT REQUIREMENTS 5

New House Standards 6

Site Standards..... 6

Construction Requirements 6

General Standards 7

Green Community Concepts 8

CITY REVIEW PROCEDURE..... 8

LOT SALE TO BUILDER/BUYER..... 9

PROGRAM MARKETING..... 9

DATA PRIVACY..... 9

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
14. Proof of Builder's Comprehensive General Liability with Property Damage Protection.

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.

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 draftsman. 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 revest 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 revest upon issuance of a Certificate of Completion as defined in the Agreement.

(if more space is needed, continue on back)

together with all hereditaments and appurtenances.

- 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.

*HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD*

Affix Deed Tax Stamp Here

By _____
Its Chairperson

By _____
Its Executive Director

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 WDC's at:
www.health.state.mn.us/divs/eh/wells/disclosures/discclaimer.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 no WDC 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

- 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 addition name); 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.
- 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) should 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. Where 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 operated 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 pumping.

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 known.
- 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 a well by pumping 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 "capped" 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 maps 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 800-383-9808. To request this document in another format, call 651-201-4600. Deaf 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/eh/wells/disclosures.

COUNTY USE ONLY

MDH USE ONLY

MINNESOTA DEPARTMENT OF HEALTH
Well Management Section, P.O. Box 61973, St. Paul, Minnesota 55161-0973
651-201-4987 or 800-385-9808

WELL DISCLOSURE CERTIFICATE
PLEASE TYPE OR PRINT ALL INFORMATION

Person filing deed must include a \$50 fee payable to the county recorder.

A. PROPERTY LOCATION LEGAL DESCRIPTION				
Attach a legal description of the property				
County	Section No.	Township No.	Range No.	Quarter (or Government Lot)
Hennepin				
Lot No(s).	Block No.	Addition Name		Outlot Tract
Property Street Address				
City/Township			ZIP Code	Property ID No. /Parcel No. (optional)
Richfield			55423	
B. PROPERTY BUYER MAILING ADDRESS AFTER CLOSING				
First Name		Middle Initial	Last Name	
Company Name (if applicable)				
Mailing Address				
Mailing Address				
City	State/Province	ZIP Code	Telephone No. (including area code)	
Provide Name of Seller (please print) <u>Housing and Redevelopment Authority in and for the City of Richfield</u>				
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				Date
D. CERTIFICATION BY BUYER				
For fulfillment of a contract for deed, the buyer or person authorized to act on behalf of the buyer, <u>must</u> 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				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 MLRH for \$175. A copy of this Well Disclosure Certificate should be provided to the property buyer at the time of closing.				



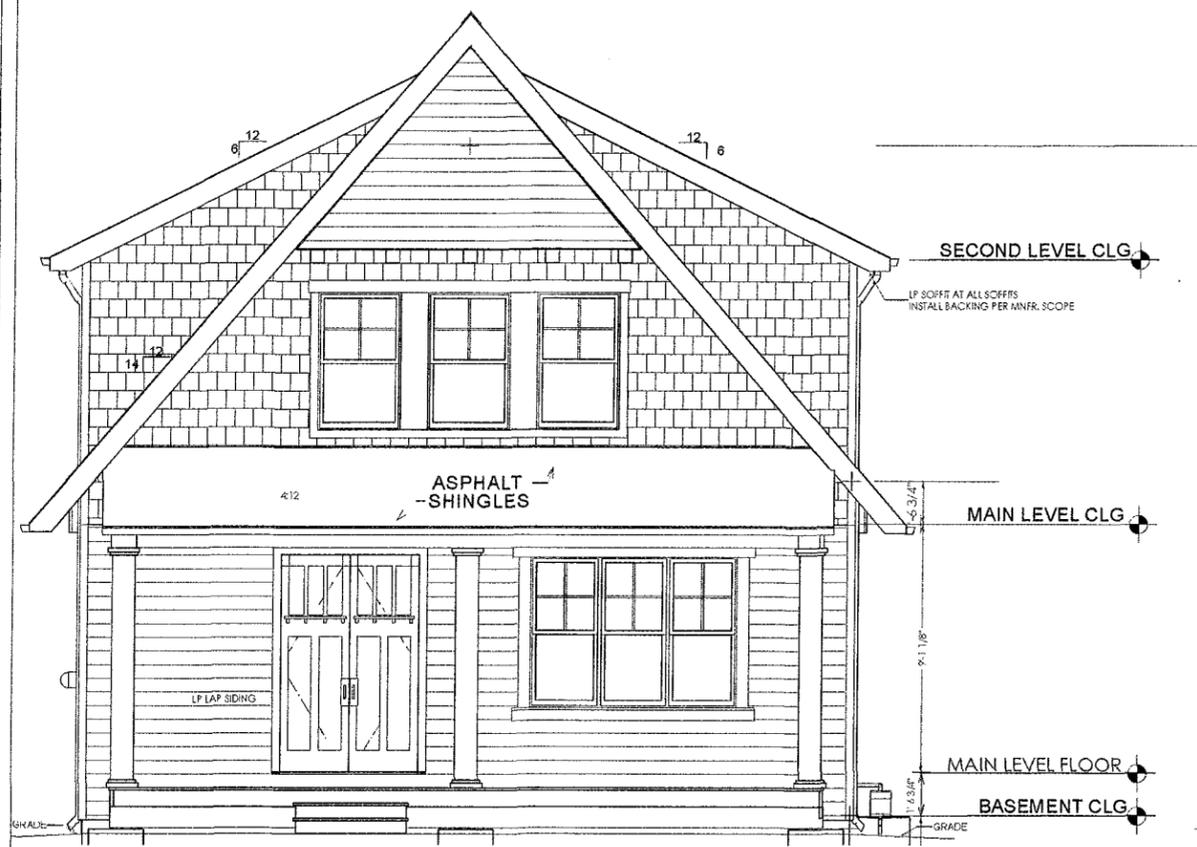
**MINNESOTA DEPARTMENT OF HEALTH
WELL DISCLOSURE CERTIFICATE
PLEASE TYPE OR PRINT ALL INFORMATION**

Indicate Total Number of
Wells on Property _____

Fill out a separate well information page if more than two wells are located on the property.

E. WELL LOCATION LEGAL DESCRIPTION					
WELL #1 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.					
County Hennepin	Section No.	Township No.	Range No.	Quarter (or Government Lot)	
Lot No.	Block No.	Address Name	Outlet	Tract	MN Unique Well No. or Sealing Record No.
WELL STATUS (Check only one box) WELL IS: <input type="checkbox"/> In Use (1) <input type="checkbox"/> Not in Use (2) <input type="checkbox"/> Sealed by Licensed Well Contractor (3)* <small>*Call MDH to verify sealing record is on file.</small>					Date of Well Construction or Sealing
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. Also see "IMPORTANT NOTE" on page 1.					Name of Licensed Well Contractor
If well is not in use, is there an MDH variance for this well? <input type="checkbox"/> Yes <input type="checkbox"/> No			If the well is not in use, is there an MDH maintenance permit for this well? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If yes, 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.					
County	Section No.	Township No.	Range No.	Quarter (or Government Lot)	
Lot No.	Block No.	Address Name	Outlet	Tract	MN Unique Well No. or Sealing Record No.
WELL STATUS (Check only one box) WELL IS: <input type="checkbox"/> In Use (1) <input type="checkbox"/> Not in Use (2) <input type="checkbox"/> Sealed by Licensed Well Contractor (3)* <small>*Call MDH to verify sealing record is on file.</small>					Date of Well Construction or Sealing
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. Also see "IMPORTANT NOTE" on page 1.					Name of Licensed Well Contractor
If well is not in use, is there an MDH variance for this well? <input type="checkbox"/> Yes <input type="checkbox"/> No			If the well is not in use, is there an MDH maintenance permit for this well? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If yes, 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 to identify each well. 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.					

Information provided on this form is classified as public information under Minnesota Statutes, Chapter 13.
To request this document in another format, call 651-201-4600. Deaf 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/ohw/wells/disclosure.
HE-01387-12 IC# 142-0385 orig:well disclosure certificate-instructions 7/21/2018



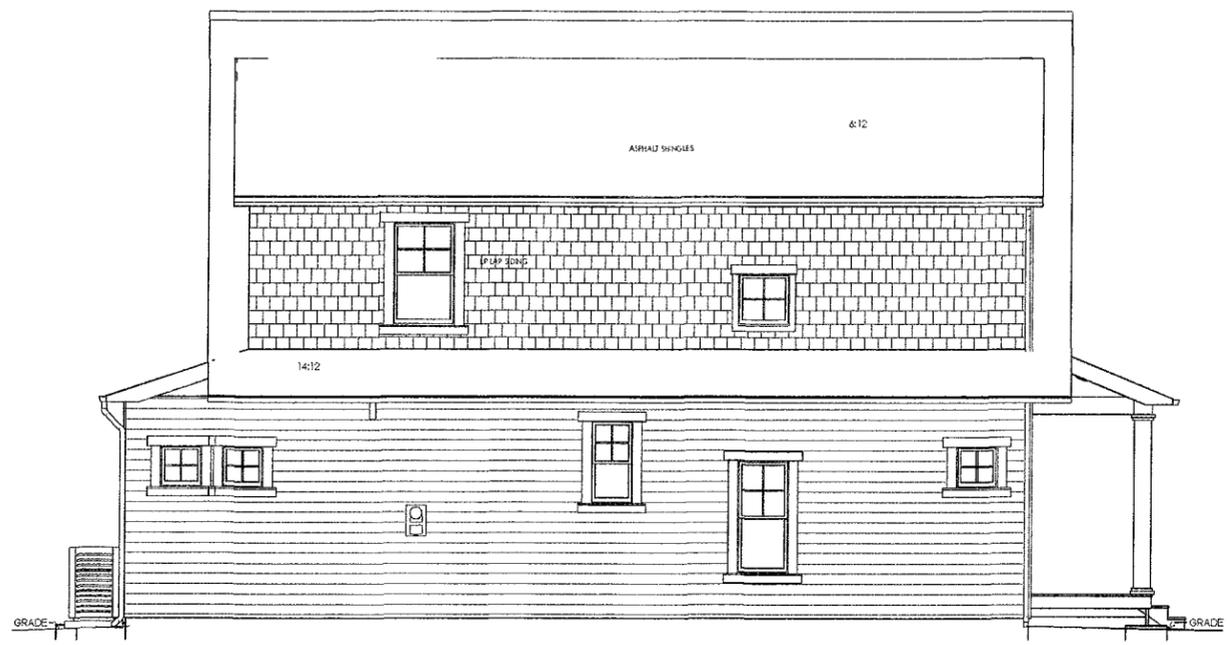
Exterior Elevation Front
1/4" PER FOOT SCALE



Exterior Elevation Back
3/16" PER FOOT SCALE



Exterior Elevation Right
3/16" PER FOOT SCALE



Exterior Elevation Left
3/16" PER FOOT SCALE

REVISION TABLE	
NUMBER	DATE

REVISION BY: DESCRIPTION

DRAWINGS PROVIDED BY:
Endres
custom homes
15561 Durbin Way, Apple Valley, MN 55124

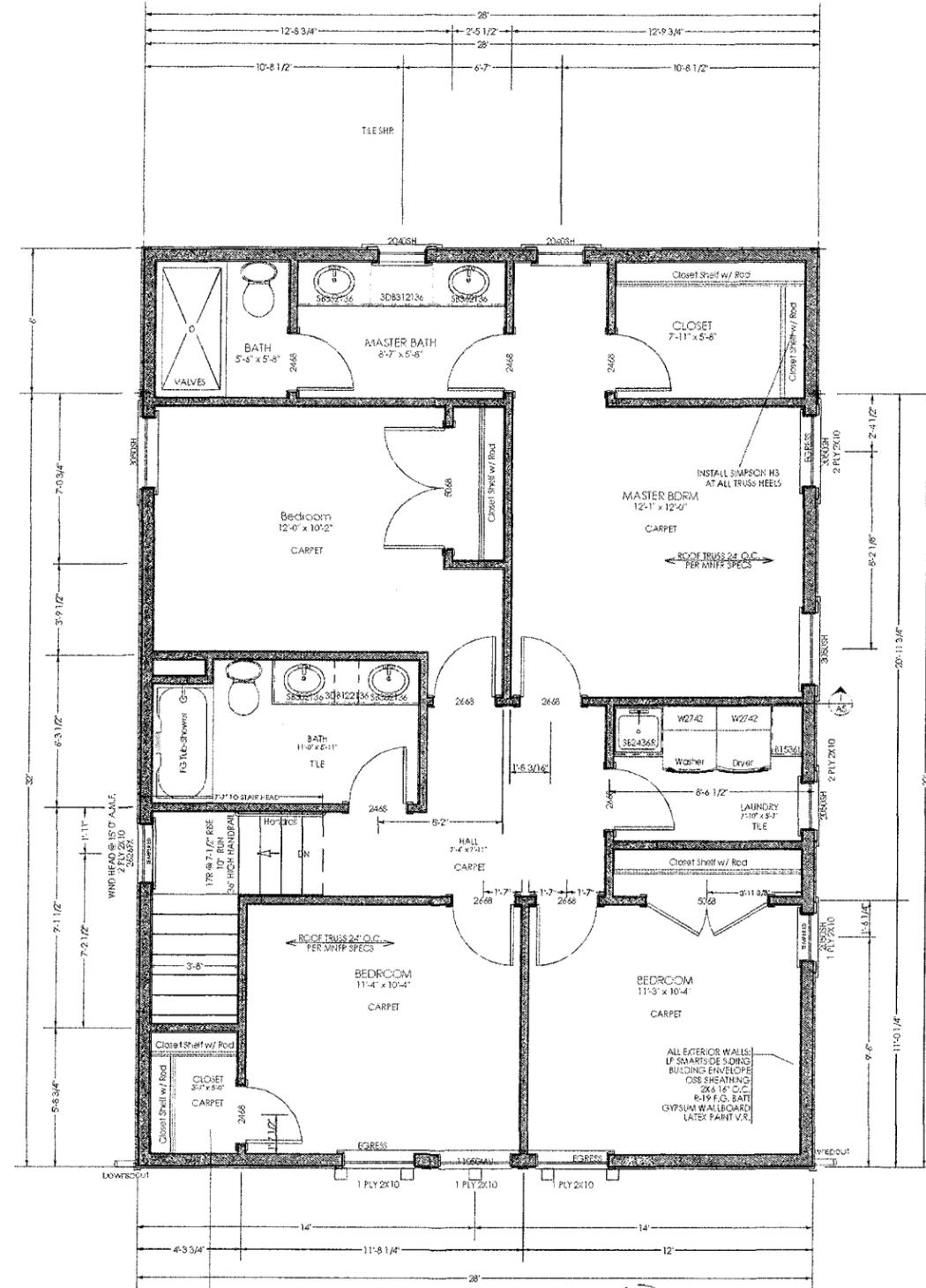
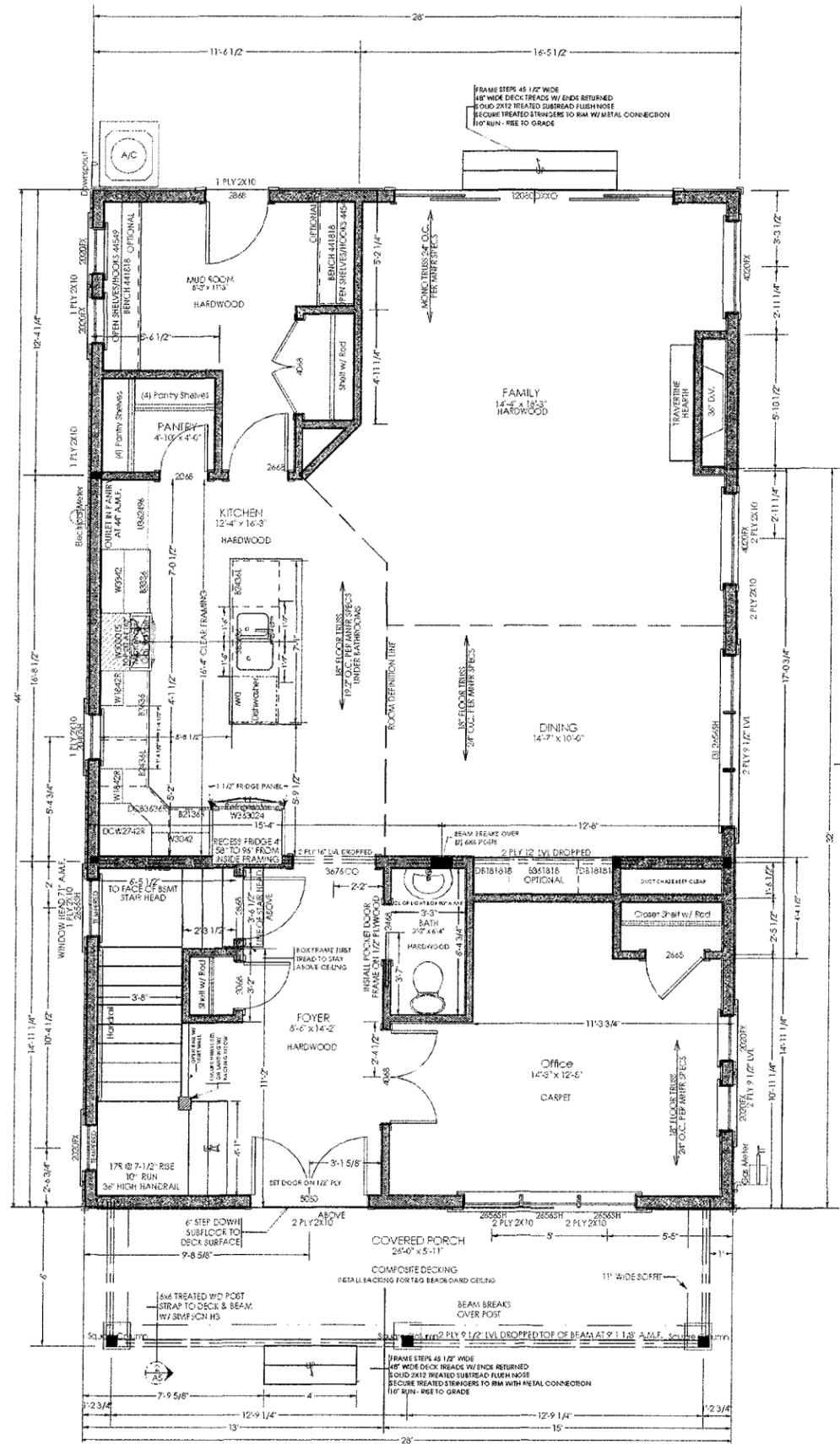
DATE:

5/3/2016

SCALE:

SHEET:

KEELEN



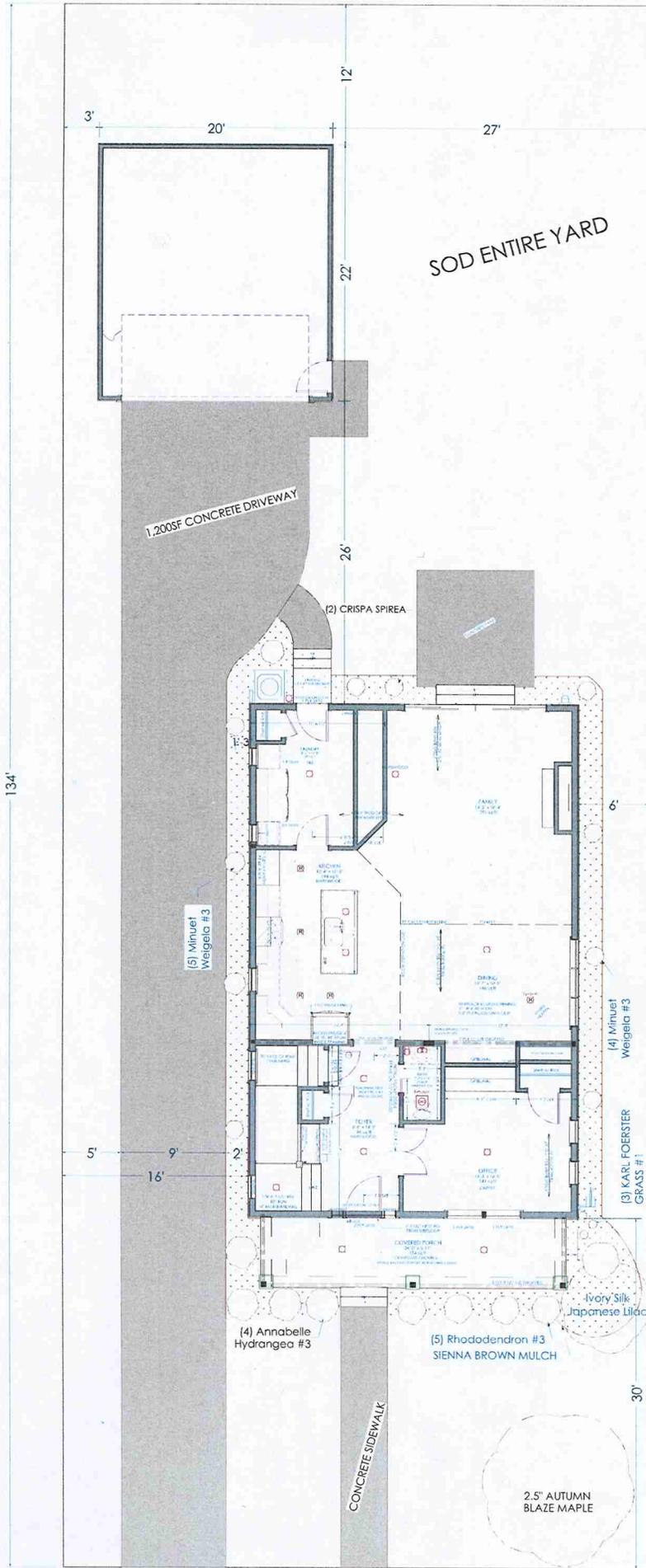
REVISION TABLE	REVISOR	DATE	DESCRIPTION

DRAWINGS PROVIDED BY:
Endres
custom homes
15561 Dunbar Way, Apple Valley, MN 55124

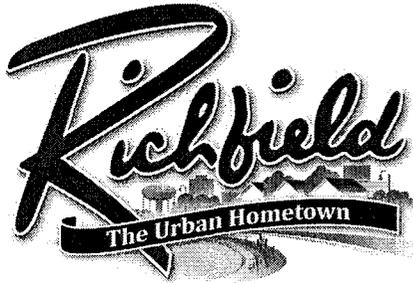
DATE:
5/3/2016

SCALE:

SHEET:

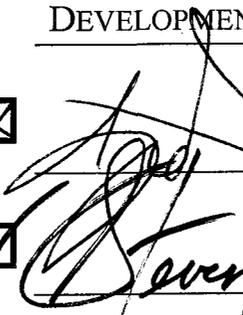
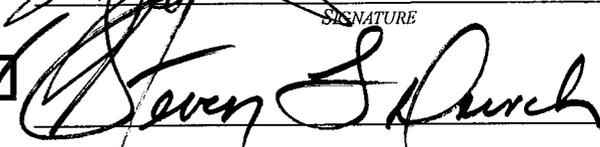


Landscaping Plan
 7333 Emerson Ave S
 Richfield



STAFF REPORT

HOUSING AND REDEVELOPMENT AUTHORITY MEETING JULY 18, 2016

REPORT PREPARED BY:	JULIE URBAN, HOUSING SPECIALIST <hr/> <i>NAME, TITLE</i>
REPORT PRESENTER:	KAREN BARTON, ASSISTANT COMMUNITY DEVELOPMENT DIRECTOR <hr/> <i>NAME, TITLE</i>
DEPARTMENT DIRECTOR REVIEW:	<input checked="" type="checkbox"/>  <hr/> <i>SIGNATURE</i>
REVIEWED BY EXECUTIVE DIRECTOR:	<input checked="" type="checkbox"/>  <hr/> <i>SIGNATURE</i>

ITEM FOR HRA CONSIDERATION:

Public hearing and consideration of a resolution authorizing the sale of 7533 Dupont 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 7533 Dupont 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 7533 Dupont Avenue.**

II. EXECUTIVE SUMMARY

Endres Custom Homes (the Builder) is applying to purchase the lot at 7533 Dupont from the Housing and Redevelopment Authority (HRA) to construct a new single family home. The new home would be a two-story home with five bedrooms, four baths, a finished basement and a three-car attached garage. The new home will be 3,158 finished square feet with an end value estimated at \$435,000.

III. BASIS OF RECOMMENDATION

A. BACKGROUND

- The property was abandoned and tax forfeited in 2015. The HRA purchased the property from the State of Minnesota in April of 2016.
- The HRA purchased the property for \$77,681, and the existing home was demolished.
- Due to the high-demand for the Richfield Rediscovered lots, a request for proposals was issued in May of 2016. Four applications were received for the lot. The proposed home was selected because it best meets the Richfield Rediscovered Program guidelines.

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 garage and garage door is minimized with the detached garage.
 - The house is only 26 feet wide, which minimizes the impact of the two stories.
 - The front setback is 35 feet, bringing it in line with the principal building line of the house to the south and minimizing the impact of the two stories.
 - The adjacent homes are also two-story homes.

C. CRITICAL TIMING ISSUES

- The Contract for Private Development (Contract) requires the Builder to close on the property by August 30, 2016, and to complete construction by February 28, 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 50-foot wide property and structure in 2016 for \$77,681.
- 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 \$435,000.

- 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 July 7, 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
- Photo of 7533 Dupont Avenue
- Contract for Private Development
- Elevations and floor plans of proposed home
- Site Plan of proposed home

VI. PRINCIPAL PARTIES EXPECTED AT MEETING

- Dustin Endres, Endres Custom Homes, Inc.

HRA RESOLUTION NO.

**RESOLUTION AUTHORIZING THE SALE OF REAL PROPERTY LOCATED AT
7533 Dupont 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: 7533 Dupont Avenue South

Legal: Lot 16, Block 22, Irwin Shores, Hennepin County, Minnesota

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 7533 Dupont 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 7533 Dupont 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 18th day of July, 2016.

Mary B. Supple, Chair

ATTEST:

Doris Rubenstein, Secretary

Photo of 7533 Dupont Avenue



CONTRACT FOR PRIVATE DEVELOPMENT

Between

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD**

and

Endres Custom Homes, Inc.

for property located at

7533 Dupont 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, Inc., a Minnesota Corporation (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 April 23, 2013, 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. \$435,000, 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 16, Block 22, Irwin Shores, Hennepin County, Minnesota

Located on land having a street address of:

7533 Dupont 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

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 draftsman 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.

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 August 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 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 February 28, 2017 ("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 escrow account established under Section 5.1, and 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 revert in the HRA the interest of the Builder in the Property; provided, however, that such reversion 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, Inc.
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.

[signature pages follow]

Signature Page for HRA

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

EXHIBIT B
PROGRAM GUIDELINES – LOT SALE PROGRAM

RICHFIELD REDISCOVERED
PROGRAM GUIDELINES
LOT SALE PROGRAM

REVISED: April 23, 2013

PROGRAM OBJECTIVES	3
DEFINITIONS	3
PROGRAM BASICS	3
APPLICATION REQUIREMENTS	4
ADDITIONAL REQUIREMENTS.....	5
HOUSE DESIGN AND SITE DEVELOPMENT REQUIREMENTS.....	5
New House Standards	6
Site Standards	6
Construction Requirements	6
General Standards	7
Green Community Concepts.....	8
CITY REVIEW PROCEDURE	8
LOT SALE TO BUILDER/BUYER	9
PROGRAM MARKETING	9
DATA PRIVACY	9

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
14. Proof of Builder's Comprehensive General Liability with Property Damage Protection.

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.

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 draftsman. 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 revest 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 revest upon issuance of a Certificate of Completion as defined in the Agreement.

(if more space is needed, continue on back)

together with all hereditaments and appurtenances.

- 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.

*HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD*

Affix Deed Tax Stamp Here

By _____
Its Chairperson

By _____
Its Executive Director

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/disclaimer.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 no WDC 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 addition name); 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) should 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. Where 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, quartile (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 operated 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 pumping.

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 known.
- 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 a well by pumping 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 "capped" 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 800-383-9808. To request this document in another format, call 651-201-4600. Deaf 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/eh/wells/disclosures.

COUNTY USE ONLY

MDH USE ONLY

MINNESOTA DEPARTMENT OF HEALTH
 Well Management Section, P.O. Box 64975, St. Paul, Minnesota 55164-0975
 651-201-4587 or 800-383-9808

WELL DISCLOSURE CERTIFICATE
 PLEASE TYPE OR PRINT ALL INFORMATION

Person filing deed must include a \$50 fee payable to the county recorder.

A. PROPERTY LOCATION LEGAL DESCRIPTION

Attach a legal description of the property.

County Hennepin		Section No.	Township No.	Range No.	Quarter (or Government Lot)	
Lot No(s).	Block No.	Addition Name			Outlot	Tract
Property Street Address						
City/Township Richfield			ZIP Code 55423	Property ID No./Parcel No. (optional)		

B. PROPERTY BUYER MAILING ADDRESS AFTER CLOSING

First Name		Middle Initial	Last Name	
Company Name (if applicable)				
Mailing Address				
Mailing Address				
City	State/Province	ZIP Code	Telephone No. (including area code)	

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

 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

 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.



**MINNESOTA DEPARTMENT OF HEALTH
WELL DISCLOSURE CERTIFICATE
PLEASE TYPE OR PRINT ALL INFORMATION**

Indicate Total Number of
Wells on Property _____

Fill out a separate well information page if more than two wells are located on the property.

E. WELL LOCATION LEGAL DESCRIPTION

WELL #1 – 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.

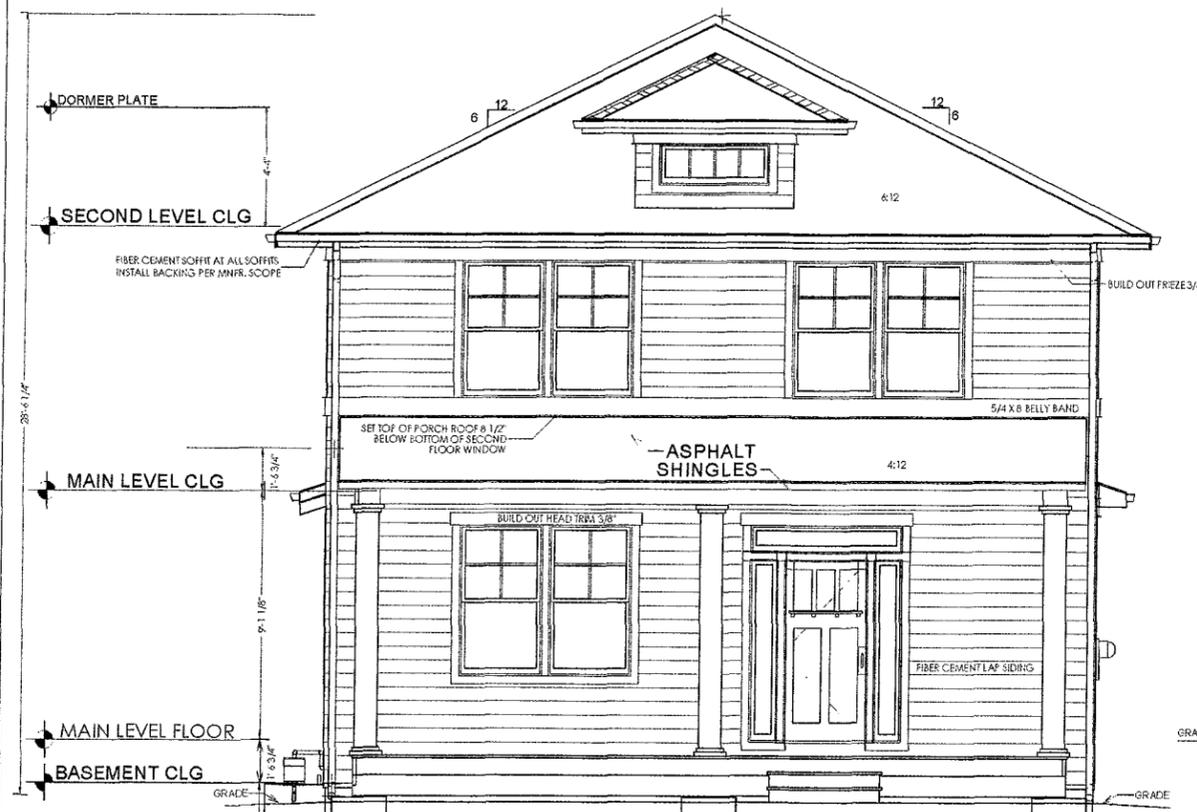
County Hennepin		Section No.	Township No.	Range No.	Quarter (or Government Lot)
Lot No.	Block No.	Addition Name		Outlot	Tract
MN Unique Well No. or Sealing Record No.					
WELL STATUS (Check only one box) WELL IS: <input type="checkbox"/> In Use (1) <input type="checkbox"/> Not in Use (2) <input type="checkbox"/> Sealed by Licensed Well Contractor (3)* *Call MDH to verify sealing record is on file.					Date of Well Construction or Sealing
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. Also see "IMPORTANT NOTE" on page 1.					Name of Licensed Well Contractor
If well is not in use, is there an MDH variance for this well? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, provide the variance tracking number (TN) _____			If the well is not in use, is there an MDH maintenance permit for this well? <input type="checkbox"/> Yes <input type="checkbox"/> No 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.

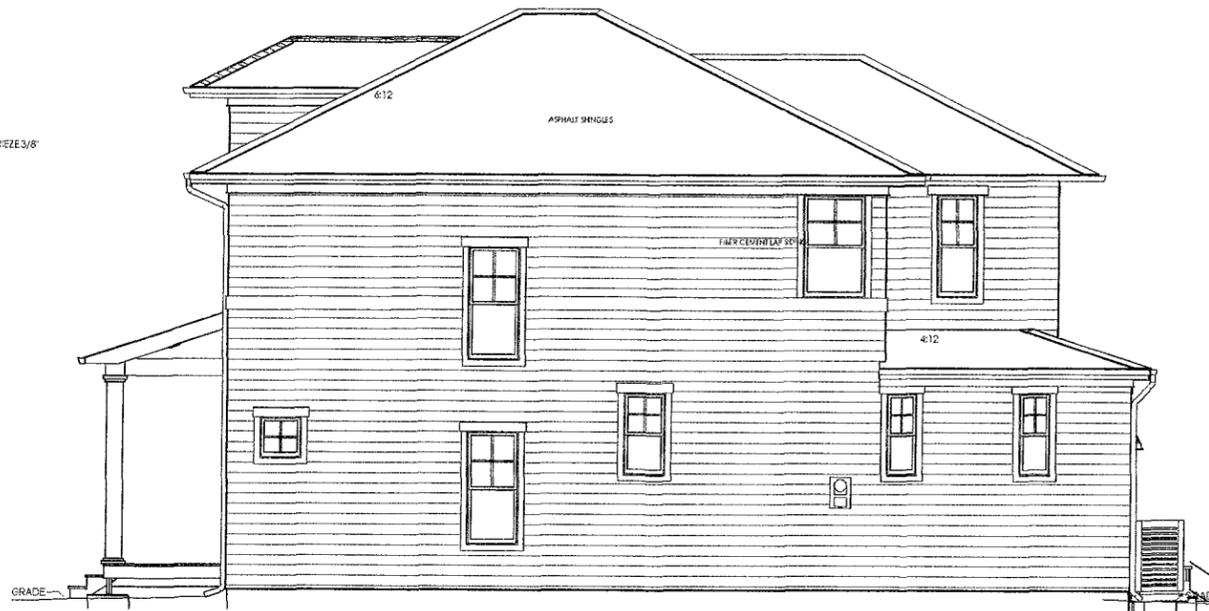
County		Section No.	Township No.	Range No.	Quarter (or Government Lot)
Lot No.	Block No.	Addition Name		Outlot	Tract
MN Unique Well No. or Sealing Record No.					
WELL STATUS (Check only one box) WELL IS: <input type="checkbox"/> In Use (1) <input type="checkbox"/> Not in Use (2) <input type="checkbox"/> Sealed by Licensed Well Contractor (3)* *Call MDH to verify sealing record is on file.					Date of Well Construction or Sealing
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. Also see "IMPORTANT NOTE" on page 1.					Name of Licensed Well Contractor
If well is not in use, is there an MDH variance for this well? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, provide the variance tracking number (TN) _____			If the well is not in use, is there an MDH maintenance permit for this well? <input type="checkbox"/> Yes <input type="checkbox"/> No 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 to identify each well. 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.

Information provided on this form is classified as public information under Minnesota Statutes, Chapter 13.
 To request this document in another format, call 651-201-4600. Deaf 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/eh/wells/disclosures.
 HE-01387-12 IC# 140-0385 origswell disclosure certificate-instructions 7/21/2011R



Exterior Elevation Front
1/4" PER FOOT SCALE



Exterior Elevation Right
3/16" PER FOOT SCALE



Exterior Elevation Back
3/16" PER FOOT SCALE



Exterior Elevation Left
3/16" PER FOOT SCALE

REVISION TABLE	REVISION BY	DESCRIPTION

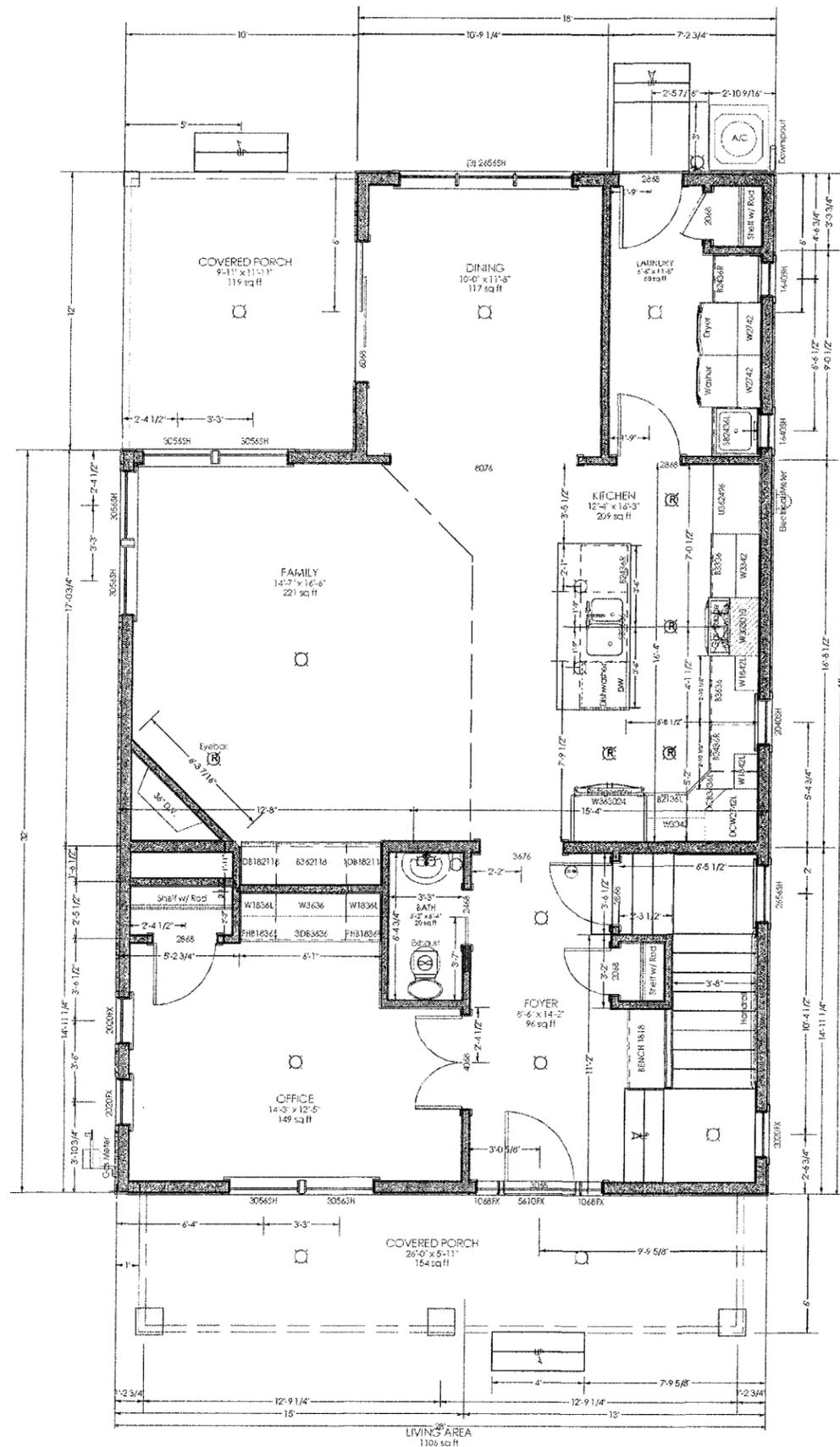
Miller

DRAWINGS PROVIDED BY:
Endres
custom homes
18861 Dunberry Way, Apple Valley, MN 55124

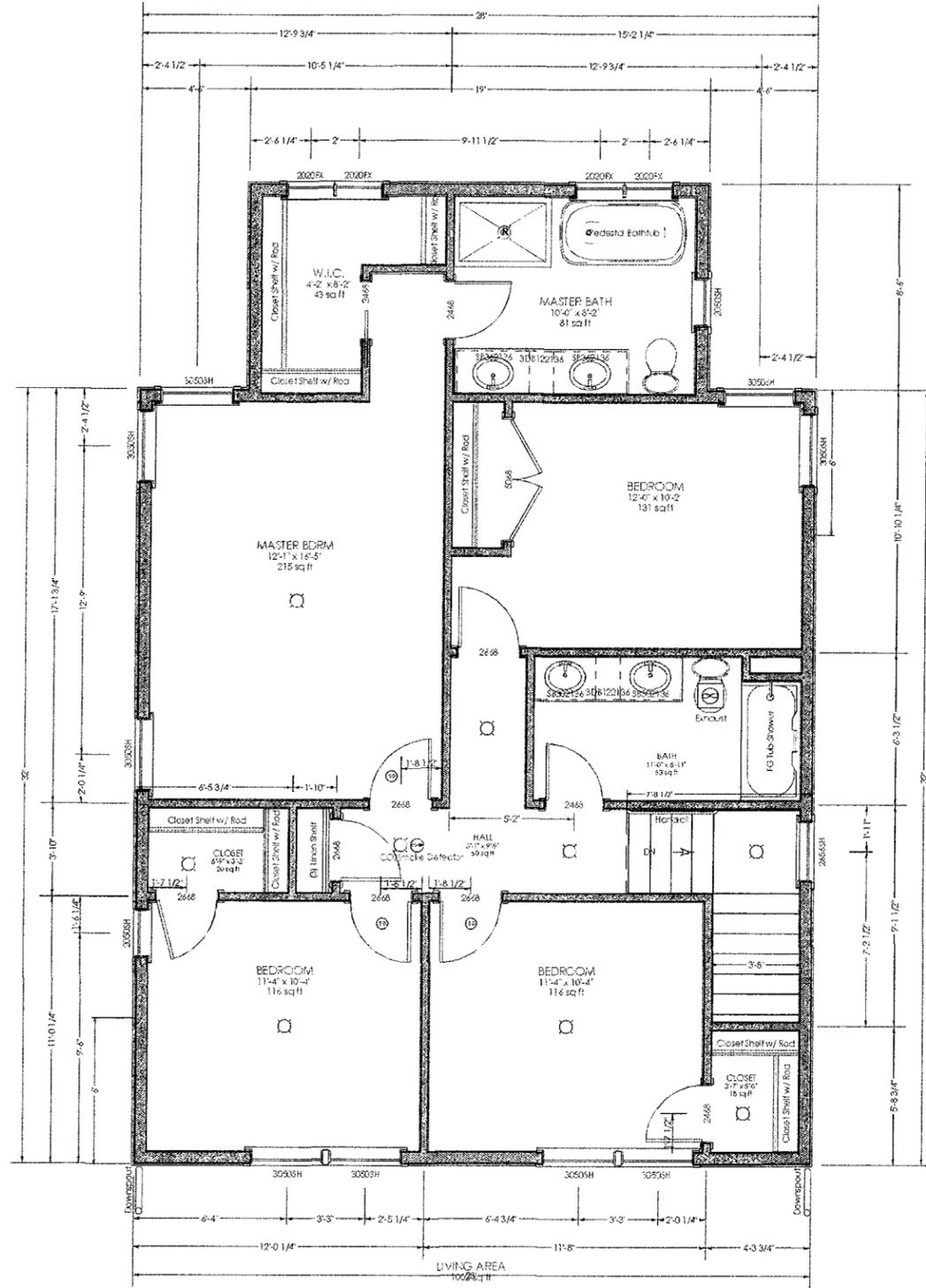
DATE:
5/2/2016

SCALE:

SHEET:



1st Floor



2nd Floor

REVISION TABLE		
NUMBER	DATE	DESCRIPTION

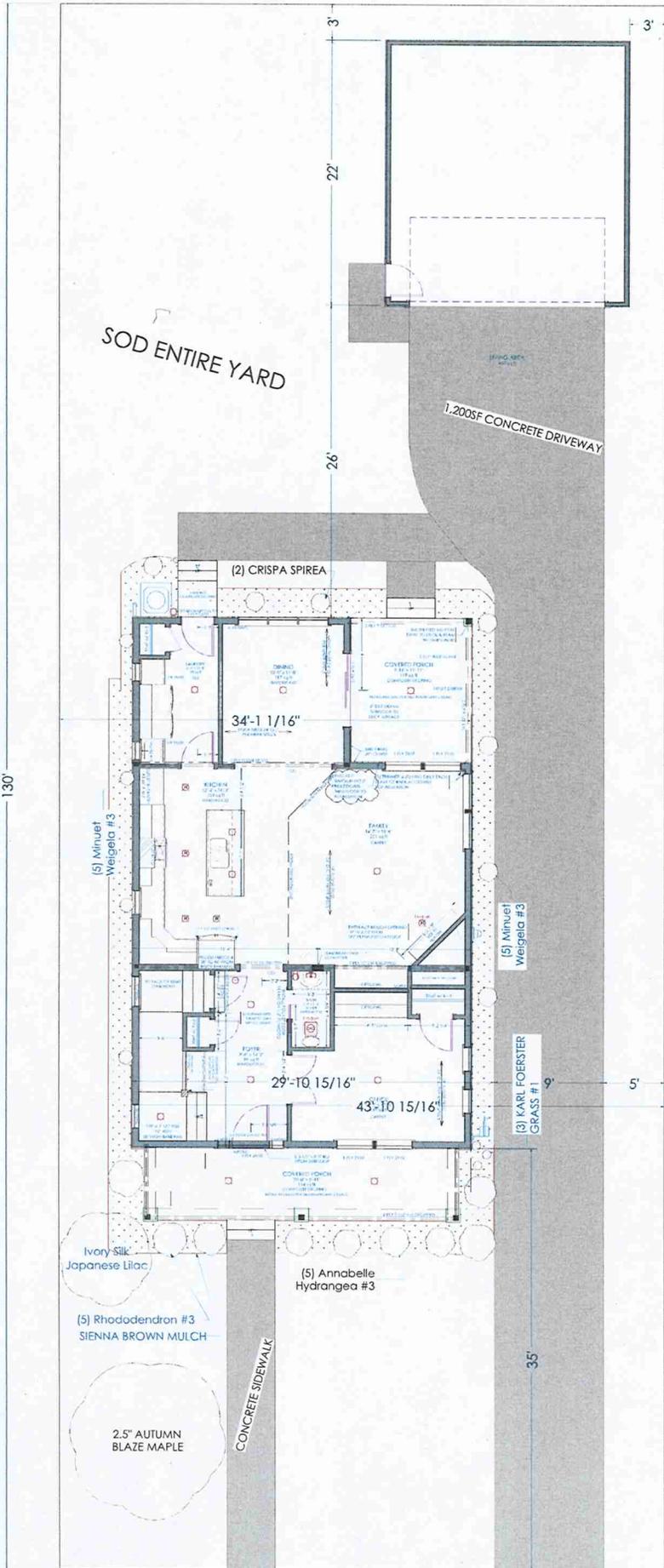
DRAWINGS PROVIDED BY:

Endres
custom homes
 15661 Dumberry Way, Apple Valley, MN 55124

DATE: 5/2/2016

SCALE:

SHEET:



SOD ENTIRE YARD

1,200SF CONCRETE DRIVEWAY

(2) CRISPA SPIREA

(5) Minuet Weigela #3

(5) Minuet Weigela #3

(3) KARL FOERSTER GRASS #1

Ivory Silk Japanese Lilac

(5) Rhododendron #3 SIENNA BROWN MULCH

(5) Annabelle Hydrangea #3

2.5\"/>

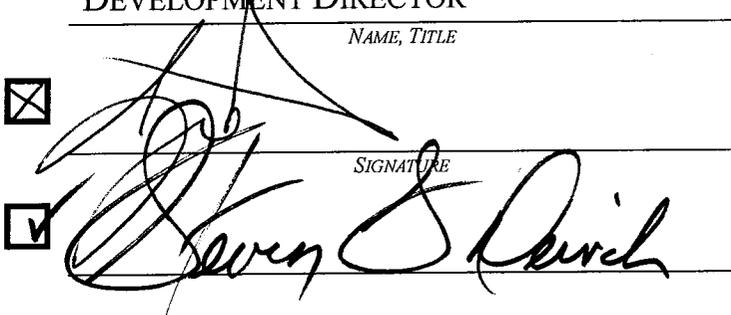
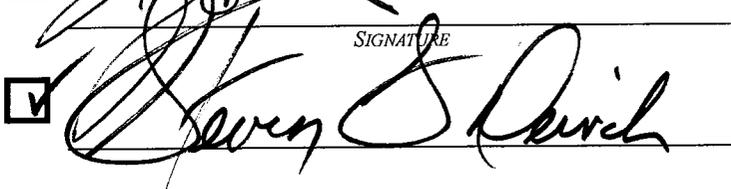
CONCRETE SIDEWALK

Landscaping Plan
7533 Dupont Ave S
Richfield



STAFF REPORT

HOUSING AND REDEVELOPMENT AUTHORITY MEETING JULY 18, 2016

REPORT PREPARED BY:	JULIE URBAN, HOUSING SPECIALIST <hr/> <i>NAME, TITLE</i>
REPORT PRESENTER:	KAREN BARTON, ASSISTANT COMMUNITY DEVELOPMENT DIRECTOR <hr/> <i>NAME, TITLE</i>
DEPARTMENT DIRECTOR REVIEW:	<input checked="" type="checkbox"/>  <hr/> <i>SIGNATURE</i>
REVIEWED BY EXECUTIVE DIRECTOR:	<input checked="" type="checkbox"/> 

ITEM FOR HRA CONSIDERATION:

Public hearing and consideration of a resolution authorizing the sale of 7033 Garfield 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 7033 Garfield 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 7033 Garfield Avenue.**

II. EXECUTIVE SUMMARY

Endres Custom Homes (the Builder) is applying to purchase the lot at 7033 Garfield 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 four bedrooms, three baths, and a two-car attached garage. The new home will be 2,246 finished square feet with an end value estimated at \$400,000.

III. BASIS OF RECOMMENDATION

A. BACKGROUND

- The HRA purchased 7033 Garfield Avenue in 2015 for \$110,000, and the existing home was demolished.
- Due to the high-demand for the Richfield Rediscovered lots, a request for proposals was issued in May of 2016. Five applications were received for the lot. The proposed home was selected because it best meets the Richfield Rediscovered Program guidelines.

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 front setback is 40 feet, bringing the house in line with the adjacent houses and minimizing the impact of the larger house.
 - Living space above the garage and the 20-foot porch entry minimize the impact of the two-car garage door.
 - The height is also minimized through the use of gables and varying roof heights.
 - The gable roof design is similar to that of neighboring houses, which will help it blend with the existing neighborhood.

C. CRITICAL TIMING ISSUES

- The Contract for Private Development (Contract) requires the Builder to close on the property by August 30, 2016, and to complete construction by February 28, 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 50-foot wide property and structure in 2016 for \$110,000.
- 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 \$400,000.

- 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 July 7, 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
- Photo of 7033 Garfield Avenue
- Contract for Private Development
- Elevations and floor plans of proposed home
- Site Plan of proposed home

VI. PRINCIPAL PARTIES EXPECTED AT MEETING

- Dustin Endres, Endres Custom Homes, Inc.

HRA RESOLUTION NO.

**RESOLUTION AUTHORIZING THE SALE OF REAL PROPERTY LOCATED AT
7033 GARFIELD 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: 7033 Garfield Avenue South

Legal: Lot 13, Block 4, Augsburg Park, according to the recorded plat thereof, and situate in Hennepin County, Minnesota together with that portion of the alley which accrued by vacation thereof as evidenced by Resolution filed May 27, 1947 as Document No. 242155

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 7033 Garfield 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 7033 Garfield 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 18th day of July, 2016.

Mary B. Supple, Chair

ATTEST:

Doris Rubenstein, Secretary

Photo of 7033 Garfield Avenue



CONTRACT FOR PRIVATE DEVELOPMENT

Between

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD**

and

Endres Custom Homes, Inc.

for property located at

7033 Garfield 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, Inc., a Minnesota Corporation (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 April 23, 2013, 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. \$400,000, 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 13, Block 4, Augsburg Park, according to the recorded plat thereof, and situate in Hennepin County, Minnesota together with that portion of the alley which accrued by vacation thereof as evidenced by Resolution filed May 27, 1947 as Document No. 242155

Located on land having a street address of:

7033 Garfield 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
- 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 draftsman 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.

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 August 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 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 February 28, 2017 ("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 escrow account established under Section 5.1, and 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 re-vest in the HRA the interest of the Builder in the Property; provided, however, that such re-vestiture 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, Inc.
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.

[signature pages follow]

Signature Page for HRA

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

By _____
Its Chairperson

By _____
Its Executive Director

STATE OF MINNESOTA)
)
COUNTY OF _____) SS

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)
)
COUNTY OF _____) SS

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

Signature Page for Builder

Builder

By _____

Its _____

STATE OF MINNESOTA)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, the _____ of _____, a _____ under the laws of _____, on behalf of the _____.

Notary Public

EXHIBIT B
PROGRAM GUIDELINES – LOT SALE PROGRAM

RICHFIELD REDISCOVERED
PROGRAM GUIDELINES
LOT SALE PROGRAM

REVISED: April 23, 2013

PROGRAM OBJECTIVES	3
DEFINITIONS.....	3
PROGRAM BASICS	3
APPLICATION REQUIREMENTS	4
ADDITIONAL REQUIREMENTS.....	5
HOUSE DESIGN AND SITE DEVELOPMENT REQUIREMENTS.....	5
New House Standards	6
Site Standards	6
Construction Requirements	6
General Standards	7
Green Community Concepts.....	8
CITY REVIEW PROCEDURE	8
LOT SALE TO BUILDER/BUYER	9
PROGRAM MARKETING	9
DATA PRIVACY	9

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
14. Proof of Builder's Comprehensive General Liability with Property Damage Protection.

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.

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 draftsman. 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 revest 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 revest upon issuance of a Certificate of Completion as defined in the Agreement.

(if more space is needed, continue on back)

together with all hereditaments and appurtenances.

- 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.

*HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD*

Affix Deed Tax Stamp Here

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)

STATE OF MINNESOTA

SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT

} 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/disclaimer.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 no WDC 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

- PROPERTY LOCATION LEGAL DESCRIPTION** - Provide the county name: "unplatted" a metes and bounds description (quartile [one quarter section is required] or government lot, section, township, and range number); and/or "platted" (lot number and/or block number, and addition name); 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.
- 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) should 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. Where 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, quartile (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 operated 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 pumping.

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 known.
- 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 a well by pumping 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 "capped" 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 800-383-9808. To request this document in another format, call 651-201-4600. Deaf 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/eh/wells/disclosures.

COUNTY USE ONLY

MDH USE ONLY

MINNESOTA DEPARTMENT OF HEALTH
 Well Management Section, P.O. Box 64975, St. Paul, Minnesota 55164-0975
 651-201-4587 or 800-383-9808

WELL DISCLOSURE CERTIFICATE
 PLEASE TYPE OR PRINT ALL INFORMATION

Person filing deed must include a \$50 fee payable to the county recorder.

A. PROPERTY LOCATION LEGAL DESCRIPTION

Attach a legal description of the property.

County Hennepin		Section No.	Township No.	Range No.	Quarter (or Government Lot)	
Lot No(s)	Block No.	Addition Name			Outlot	Tract
Property Street Address						
City/Township Richfield			ZIP Code 55423	Property ID No./Parcel No. (optional)		

B. PROPERTY BUYER MAILING ADDRESS AFTER CLOSING

First Name	Middle Initial	Last Name	
Company Name (if applicable)			
Mailing Address			
Mailing Address			
City	State/Province	ZIP Code	Telephone No. (including area code)

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

 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

 Date

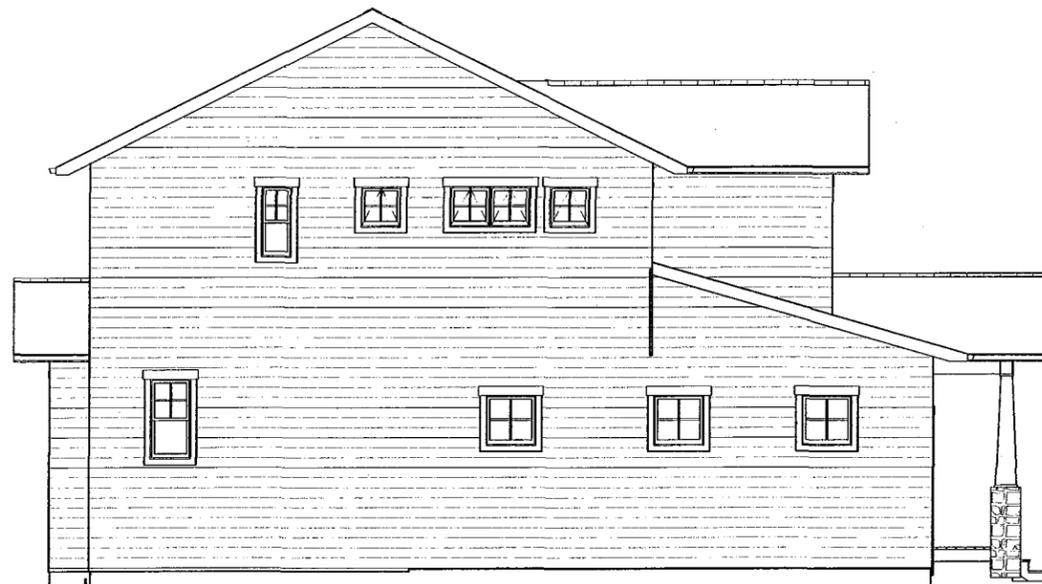
IMPORTANT NOTE: The Minnesota Department of Health (MDH) will follow-up with the property buyer regarding any wells disclosed as not in use. If a well is not in use, the property owner must either return the well to use, have the well sealed by a licensed well contractor, or obtain an annual maintenance 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.



Exterior Elevation Front
1/4" PER FOOT SCALE



Exterior Elevation Back
3/16" PER FOOT SCALE



Exterior Elevation Left
3/16" PER FOOT SCALE



Exterior Elevation Right
3/16" PER FOOT SCALE

REVISION TABLE	NUMBER	DATE	REVISION BY	DESCRIPTION

DRAWINGS PROVIDED BY:

Endres
custom homes

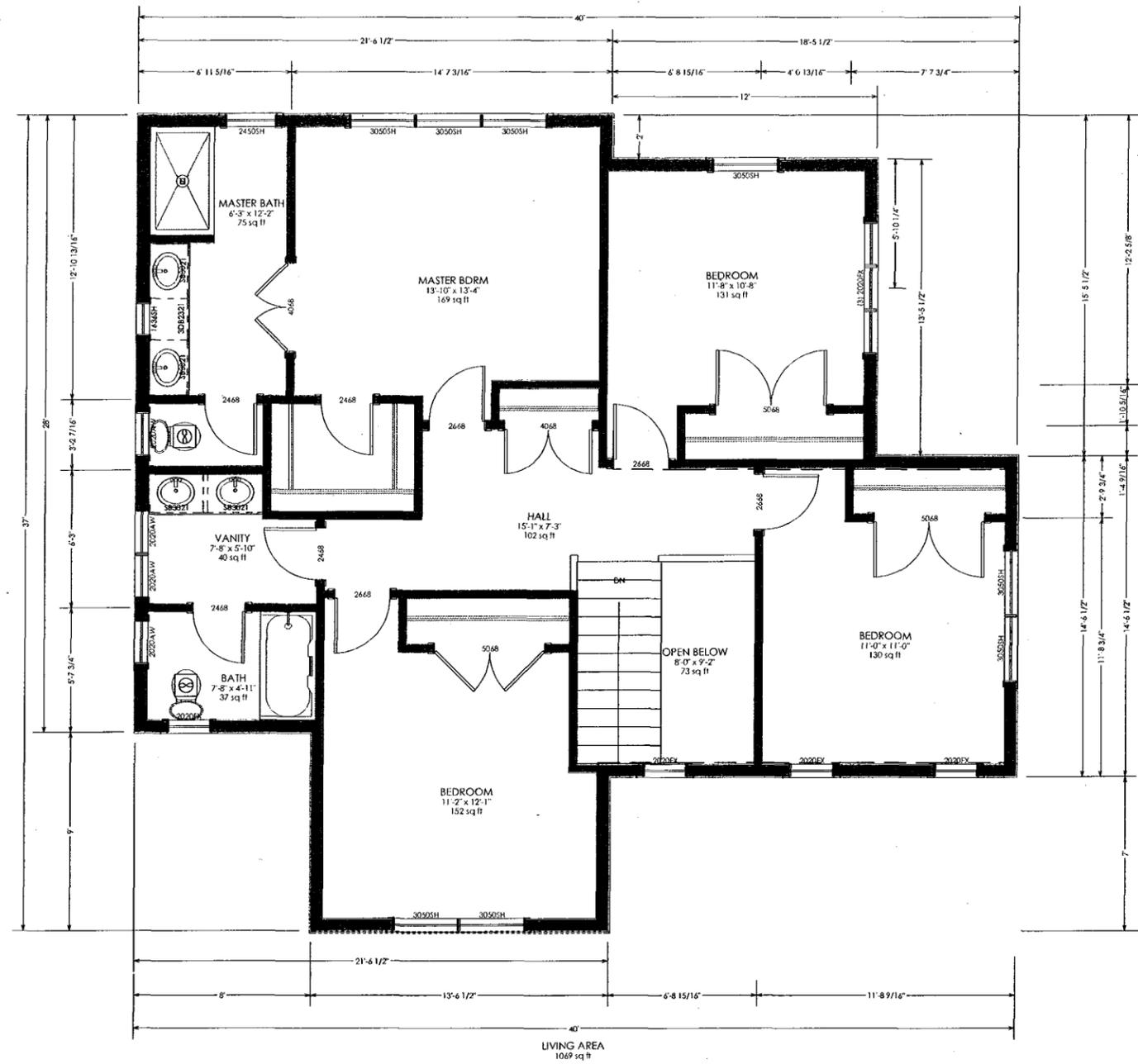
15561 Evergreen Way, Aberdeen, WA 98524

DATE:

6/28/2016

SCALE:

SHEET:



2nd Floor

NUMBER	DATE	REVISION TABLE	REVISED BY	DESCRIPTION

DRAWINGS PROVIDED BY:
Endres
 custom homes
 15561 Durbin Way, Apple Valley, MN 55124

DATE:

6/28/2016

SCALE:

SHEET:

