

NORTHFIELD HOUSING AND REDEVELOPMENT AUTHORITY
RESOLUTION 2021-002

A RESOLUTION BY THE NORTHFIELD HOUSING AND REDEVELOPMENT
AUTHORITY APPROVING THE SALE OF REAL PROPERTY IN NORTHFIELD,
MINNESOTA, AND DISPENSING WITH REVIEW OF THE SALE BY THE NORTHFIELD
PLANNING COMMISSION

- WHEREAS, pursuant to Minn. Stat. § 469.001, the Northfield Housing and Redevelopment Authority (the “Authority”) was created and exists in significant part to provide a sufficient supply of adequate, safe, and sanitary dwellings and to remedy the shortage of housing for low and moderate income residents of the City of Northfield (the “City”); and
- WHEREAS, there exists in the City a shortage of adequate, safe, and sanitary affordable housing; and
- WHEREAS, the Authority previously partnered with Three Rivers Community Action, Inc. (the “Buyer”) to create 28 affordable workforce townhome rental units known as Spring Creek Townhomes, completed in 2012; and
- WHEREAS, the Authority owns an 11.18 acre parcel described as: Southbridge 2nd Addition, Outlot A; Rice County PID 22.07.3.03.003; located adjacent to the previously developed Spring Creek Townhomes property; and
- WHEREAS, Buyer seeks to develop a portion of Southbridge 2nd Addition, Outlot A approximately 4.5 acres in total (the “Property”) for the creation of additional affordable workforce townhome rental units (the “Project”); and
- WHEREAS, pursuant to Minn. Stat. § 469.012, subd. 1e, the Authority may give, sell, or otherwise dispose of real property and execute deeds, purchase agreements, and other contracts or instruments; and
- WHEREAS, pursuant to Minn. Stat. § 469.012, subd. 1f, the Authority may take action that is necessary or convenient to carry out the purposes for which it was created; and
- WHEREAS, the Project proposed by Buyer is not a redevelopment project as defined by Minn. Stat. § 469.002, subd. 14, nor is the Property subject to a redevelopment plan as defined by Minn. Stat. § 469.002, subd. 16, and therefore the requirements of Minn. Stat. 469.029 do not apply to the Seller’s disposal of the Property; and
- WHEREAS, pursuant to Minn. Stat. § 116J.993, subd. 3(7), the real estate transaction provided in this Agreement for the Project is not a business subsidy for the purposes of Minn. Stat. § 116J.994, subd. 3; and

WHEREAS, pursuant to Minn. Stat. § 116J.994, subd 2, the Authority has evaluated the real estate transaction provided in this Agreement in light of the City of Northfield, Minnesota Business Subsidy Policy, and has found the real estate transaction to satisfy the criteria for the awarding of a business subsidy contained therein; and

WHEREAS, pursuant to the foregoing, the Authority is willing to sell the Property for the Project for \$1.00; and

WHEREAS, a draft purchase agreement has been prepared for the sale of the Property and is attached hereto as Exhibit A; and

WHEREAS, in accordance with the attached draft purchase agreement, the Authority and Buyer expressly understand and agree that the sale of the Property is contingent upon approval by the Board of Commissioners of the Authority; and

WHEREAS, if any transaction approval as provided in the purchase agreement is not obtained by the closing date stated in the purchase agreement, the purchase agreement shall then be null and void, without further obligation by either party; and

WHEREAS, based upon the foregoing recitals, the Seller finds that the real estate transaction provided in this Agreement is in the public interest and necessary to facilitate the Project and further the creation and supply of adequate, safe, and sanitary affordable housing units in the City; and

WHEREAS, Minnesota Statutes, Section 462.356, subdivision 2 states that no publicly owned interest in real property within a city shall be acquired or disposed of until after the planning commission has reviewed the proposed acquisition or disposal and reported in writing to the city council its findings as to compliance of the proposed acquisition or disposal with the comprehensive plan; and

WHEREAS, the same statute further states, however, that the governing body may, by resolution adopted by two-thirds vote, dispense with the requirements of this subdivision when in its judgment it finds that the acquisition or disposal of real property has no relationship to the comprehensive plan.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Northfield Housing and Redevelopment Authority that:

1. The Board of Commissioners hereby finds that the proposed sale of the Property by the Northfield Housing and Redevelopment Authority for the Project has no relationship to the City's Comprehensive Plan, and therefore review of the proposed sale by the City of Northfield Planning Commission is not required under Minn. Stat. § 462.356, Subd. 2, and is hereby dispensed with as allowed by that statute.
2. The Board of Commissioners hereby approves the attached Purchase Agreement as to form and authorizes and directs the Chair and Secretary to: (a) execute the Purchase

Agreement substantially in the form hereby approved, allowing for any necessary minor or technical changes as approved by the City Attorney; (b) execute such other documents as a necessary to close on the sale of the Property by the Northfield Housing and Redevelopment Authority to the Buyer; and (c) require the Buyer to record the quit claim deed and any other requisite instruments of sale, as applicable, in the Office of the Rice County Recorder.

PASSED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Northfield on this ___ day of _____, 202___.

Brent Nystrom, Chair

Jayne Hager Dee, Secretary

VOTE: ___ NYSTROM ___ CROW ___ FINK ___ GERDES
 ___ GRABAU ___ HAGER DEE ___ LEE

EXHIBIT A

PURCHASE AGREEMENT

VACANT LAND PURCHASE AGREEMENT

THIS AGREEMENT (“Agreement”) is made effective as of _____, 2021, between the Northfield Housing and Redevelopment Authority, a/k/a Housing and Redevelopment Authority of the City of Northfield, Minnesota, a body politic and corporate under the laws of the State of Minnesota, 801 Washington St., Northfield, MN 55057 (the “Authority” or “Seller”), and Three Rivers Community Action, Inc., a Minnesota non-profit corporation, 1414 N Star Drive, Zumbrota, MN 55992 (“Buyer”); (collectively the “Parties”).

WITNESSETH:

WHEREAS, the Authority was created and exists in significant part to provide a sufficient supply of adequate, safe, and sanitary dwellings and to remedy the shortage of housing for low- and moderate-income residents of the City of Northfield (the “City”); and

WHEREAS, there exists in the City a shortage of adequate, safe, and sanitary low-income housing; and

WHEREAS, the Authority previously partnered with an affiliate of Buyer to create 28 affordable workforce townhome rental units known as Spring Creek Townhomes, completed in 2012; and

WHEREAS, the Authority owns an 11.18 acre parcel described as: Southbridge 2nd Addition, Outlot A; Rice County PID 22.07.3.03.003; located adjacent to the previously developed and above-referenced Spring Creek Townhomes property; and

WHEREAS, Buyer seeks to purchase and develop an approximately 4.5 acre portion of Southbridge 2nd Addition, Outlot A, approximately described and depicted as “PARCEL B” of the proposed “SPRING CREEK TOWNHOMES” on Exhibit A, attached hereto and incorporated herein by reference (the “Real Property”), for the creation of additional affordable workforce townhome rental units (the “Development”); and

WHEREAS, pursuant to Minn. Stat. § 469.012, subd. 1e, the Authority may give, sell, or otherwise dispose of real property and execute deeds, purchase agreements, and other contracts or instruments; and

WHEREAS, pursuant to Minn. Stat. § 469.012, subd. 1f, the Authority may take action that is necessary or convenient to carry out the purposes for which it was created; and

WHEREAS, the Development proposed by Buyer is not a redevelopment project as defined by Minn. Stat. § 469.002, subd. 14, nor is the Real Property subject to a redevelopment plan as defined by Minn. Stat. § 469.002, subd. 16, and therefore the requirements of Minn. Stat. 469.029 do not apply to the Authority’s disposal of the Real Property; and

WHEREAS, pursuant to Minn. Stat. § 116J.993, subd. 3(7), the real estate transaction provided in this Agreement for the Development is not a business subsidy for the purposes of Minn. Stat. § 116J.994, subd. 3; and

WHEREAS, pursuant to Minn. Stat. § 116J.994, subd 2, the Authority has evaluated the real estate transaction provided in this Agreement in light of the City of Northfield, Minnesota Business Subsidy Policy, and has found the real estate transaction to satisfy the criteria for the awarding of a business subsidy contained therein; and

WHEREAS, based upon the foregoing recitals, the Authority finds that the real estate transaction provided in this Agreement is in the public interest and necessary to facilitate the Development and further the creation and supply of adequate, safe, and sanitary affordable housing units in the City.

In consideration of the covenants and agreements of the Parties hereto, the Authority and Buyer agree as follows:

1. **SALE OF REAL PROPERTY.** Upon and subject to the terms and conditions of this Agreement, the Authority agrees to sell to Buyer, and Buyer agrees to purchase from the Authority, the following property:
 - a. **Real Property.** The Real Property located in Rice County, Minnesota, legally described and depicted as “PARCEL B” of the proposed “SPRING CREEK TOWNHOMES” on Exhibit A, attached hereto and incorporated herein by reference, excepting any easements and rights benefiting or appurtenant to the Real Property and improvements including any right, title, or interest in the bed of any street, road, highway or alley adjoining the Real Property.
 - b. **Personal Property:** None.
2. **PURCHASE PRICE.** The total purchase price (“Purchase Price”) to be paid by Buyer to the Authority for the Real Property is One and 00/100 Dollar (\$1.00).
3. **CLOSING.** The closing of the purchase and sale contemplated by this Agreement (the “Closing”) shall occur no later than September 30, 2021 (the “Closing Date”), at Northfield City Hall, 801 Washington St., Northfield, MN 55057, or at such other time and place as may be agreed to mutually by the Parties subject to the contingencies and other terms and conditions contained herein being satisfied. The Authority agrees to deliver possession of the Real Property to Buyer on the closing date.
 - a. **Authority’s Closing Documents.** On the Closing Date, the Authority shall execute and/or deliver to Buyer the following (collectively, “Authority’s Closing Documents”):
 - i. **Quit Claim Deed.** Attached hereto and made a part hereof as Exhibit B is the form of the Quit Claim Deed containing the terms, covenants, and conditions upon which the sale of the Real Property is based (the “Deed”). The Deed shall contain the following restrictions, covenants, and conditions:
 1. The Real Property herein conveyed shall be devoted to the following intended use: affordable residential housing for persons of low

and/or moderate income and their families, as such persons and their families are defined by Minn. Stat. § 469.002, subds. 17 and 18. The Real Property shall be devoted to such use for not less than ten (10) consecutive years from the date of the Deed.

2. The Buyer's rights and interest in the Real Property are subject to the terms and conditions of that certain "Tax Increment Financing Assistance Agreement" between the parties to be negotiated prior to the Closing (the "TIF Assistance Agreement").
 3. Buyer shall not transfer title to the Real Property within five (5) years after the date of the Deed without the express written consent of the Authority; such consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, without the Authority's consent, Buyer may (i) transfer title to the Real Property to Spring Creek II Townhomes, LP, a Minnesota limited partnership, and (ii) grant a mortgage and/or security interest in the Real Property to any lender for the purpose of obtaining financing necessary to enable the Buyer or any successor in interest to the Real Property, or any part thereof, to perform its obligations with respect to completing the Project pursuant to the TIF Assistance Agreement.
 4. Any transfer of title to the Real Property made pursuant to the provisions of paragraph 3 hereof for which the consent of the Authority is required, shall be made only to a purchaser who demonstrates to the satisfaction of the Authority that such purchaser has the ability to perform in place of Buyer.
 - ii Well Certificate. If there are wells on the Real Property, a Well Certificate in the form required by Minn. Stat. § 103I.235.
 - iii Other Affidavits. Any other affidavits or certificates that may be required under Minn. Stat. § 116.48, Subd. 6, or Sect. 115B.16 or other provisions of law.
 - iv Other. Such other documents as may reasonably be required to transfer fee title to the Real Property to Buyer.
- b. **Buyer's Closing Documents.** On the Closing Date, Buyer will execute and/or deliver to the Authority the following (collectively, "Buyer's Closing Documents") along with any other documentation necessary to close the transaction:
- i Purchase Price. The Purchase Price in cash.
 - ii Guaranty. The Guaranty attached hereto as Exhibit C.

4. **CONTINGENCIES.** The obligations of the Parties to perform under this Purchase Agreement are contingent upon the timely occurrence or satisfaction of each of the following conditions (the “Contingencies”) prior to or on the Closing Date:
- a. Title to the Real Property shall be acceptable to Buyer subject to and in accordance with the provisions of Section 8 regarding title examination.
 - b. The representations and warranties of the Seller shall be true and correct in all material respects up through and including the Date of Closing.
 - c. Buyer shall have provided documentation, sufficient in the Authority’s reasonable judgement, to evidence Buyer has received the financing necessary to complete all aspects of the Development.
 - d. The Authority shall have completed a minor subdivision of Southbridge 2nd Addition, Outlot A, to establish the Real Property as a distinct parcel of real estate and the legal description created thereby shall be the legal description of the Real Property included in the recorded Quit Claim Deed.
 - e. On or before May 31, 2021, the Authority shall obtain approval of this Agreement by the Board of Commissioners of the Northfield Housing and Redevelopment Authority.
 - f. Buyer and the Authority shall mutually agree on the terms of the TIF Assistance Agreement.

The Contingencies in this section are solely for the benefit of, and may at any time be waived by, the Party so benefitted. If any approval as provided herein is not obtained by the Closing Date, this Agreement shall be null and void.

5. **PURCHASE, AS-IS.** The Real Property described in this Purchase Agreement is being sold in an “as-is” and with “all faults” condition, Buyer hereby acknowledges that Buyer has had an opportunity to inspect the Real Property prior to the execution of this Agreement. Buyer’s acceptance of title to the Real Property shall represent Buyer’s acknowledgment and agreement that, except as expressly set forth in this Agreement: (i) Seller has not made any written or oral representation or warranty of any kind with respect to the Real Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose or use), (ii) Buyer has not relied on any written or oral representation or warranty made by the Seller, its agents or employees with respect to the condition or value of the Real Property, (iii) Buyer has had an adequate opportunity to inspect the condition of the Real Property, including without limitation, any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing, and (iv) the condition of the Real Property is fit for Buyer’s intended use. Buyer agrees to accept all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Real Property, known or unknown, contemplated or

uncontemplated, suspected or unsuspected, including without limitation, the presence of any Hazardous Substance on the Real Property, whether such Hazardous Substance is located on or under the Real Property, or has migrated or will migrate from or to the Real Property.

- a. For purposes of this Section, the following terms have the following meanings:
 - i. “Environmental Law” means the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. §9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. §9601 et seq. the Federal Water Pollution Control Act, 33 U.S.C. §1201 et seq., the Clean Water Act, 33 U.S.C. §1321 et seq., the Clean Air Act, 42 U.S.C. §7401 et seq., the Toxic Substances Control Act, 33 U.S.C. §1251 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing and hereafter enacted.
 - ii. “Hazardous Substance” means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.
 - iii. “Claim” or “Claims” means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgment, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney’s fees, consultant’s fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

6. **WELLS AND INDIVIDUAL SEWAGE TREATMENT SYSTEMS.** The Seller certifies that the Seller does not know of any wells or individual sewage treatment systems on or serving the Real Property described herein.

7. **PRORATIONS.** The Authority and Buyer agree to the following prorations and allocation of costs regarding the Real Property and this Agreement.

- a. **Deed Tax.** Buyer shall pay all state deed tax regarding the deed to be delivered by the Seller under this Agreement.
- b. **Real Estate Taxes and Special Assessments.** Real estate taxes payable in the year 2021 shall be prorated between the Seller and Buyer to the Closing Date. Seller shall pay any special assessments pending or levied as of the Closing Date. Buyer shall pay real estate taxes in 2022 and thereafter, and any special assessments levied after the Closing Date.

- c. **Recording Costs.** Buyer will pay the cost of recording the Deed. The Seller shall pay the cost of recording any documents necessary to perfect its own title.
- d. **Other Costs.** All other operating costs of the Real Property will be allocated between the Seller and Buyer as of the Closing Date, so that the Seller pays that part of such other operating costs accruing on or before the Closing Date, and Buyer pays that part of such operating costs accruing after the Closing Date.
- e. **Attorneys' Fees.** Each of the parties will pay its own attorneys', accountants', and consultants' fees.

8. **TITLE EXAMINATION.**

- a. **The Delivery of the Title Commitment.** Buyer may obtain, at its option and expense, a commitment for an owner's policy of title insurance. Buyer shall pay all costs associated with obtaining title insurance including, but not limited to, updating of the abstract or obtaining a new abstract of title for the Real Property, title insurance premiums and title examination fees (hereinafter the "Title Commitment"), issued by a Title Insurance Company authorized to do business in the State of Minnesota and approved by Buyer (hereinafter the "Title Company"). Except as otherwise provided herein, the Title Commitment shall be based upon the description of the Real Property provided herein and shall show fee title in the Seller, subject only to the permitted encumbrances waived in writing by Buyer, and shall provide for extended coverage risks and include special endorsements for zoning, contiguity and such other matters as Buyer may request.
- b. **The Making and Curing of Title Objections.** Buyer shall be allowed twenty (20) days after receipt of the Title Commitment in which to make objections to the content of the commitment, said objections to be made in writing. If there are any objections to the title which are not remedied by the Closing Date, the Seller shall have sixty (60) days from the date of receipt of said written objections in which to remedy said objections.
- c. **The Consequences of Failing to Cure Title Objections.** If said objections are not remedied within sixty (60) days from the date of the Authority's receipt of said objections, then Buyer shall have the following two alternatives:
 - i Buyer may accept title to said Real Property subject to said objections; or
 - ii Buyer may declare this entire transaction to be null and void.

9. **ENTIRE AGREEMENT; MODIFICATION.** This written Agreement constitutes the complete agreement between the Parties and supersedes any prior oral or written agreements between the Parties regarding the Real Property. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in writing executed by the Parties.

the Agreement upon thirty (30) days' written notice to the Seller (the Seller having cure rights during the 30-day period), and thereafter, neither party shall have any further rights or obligations hereunder.

15. **MISCELLANEOUS PROVISIONS.**

- a. **Voluntary and Knowing Action.** The Parties, by executing this Agreement, state that they have carefully read this Agreement and understand fully the contents thereof; that in executing this Agreement they voluntarily accept all terms described in this Agreement without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.
- b. **Authorized Signatories.** The Parties each represent and warrant to the other that (1) the persons signing this Agreement are authorized signatories for the entities represented, and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Agreement; each party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.
- c. **Data Practices.** The Parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.
- d. **Assignment.** This Agreement may not be assigned by either Party without the written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed.
- e. **Headings and Captions.** Headings and captions contained in this Agreement are for convenience only and are not intended to alter any of the provisions of this Agreement and shall not be used for the interpretation of the validity of the Agreement or any provision hereof.
- f. **Survival.** The respective covenants, agreements, indemnifications, warranties, and other terms of this Agreement will survive and be in full force and effect for a period of twelve (12) months after the Closing and shall not be deemed to have merged into any of the Closing Documents.
- g. **Other Documents.** Each Party to this Agreement agrees, both at the Closing and after the Closing, to execute such other documents as may be reasonably requested by the other Party in order to complete the transactions contemplated by this Agreement.
- h. **Recitals.** The recitals hereto are made a part hereof.
- i. **Counterparts.** This Purchase Agreement may be executed in counterparts, each of which shall be deemed an original, and which together shall constitute a single, integrated contract.

16. **SELLER'S TRANSACTION APPROVAL.** The Seller's obligation to perform hereunder is contingent upon the Authority obtaining, before the Closing Date, approval of the transaction contemplated by this Agreement by the Board of Commissioners of the Northfield Housing and Redevelopment Authority. Notwithstanding anything in this Agreement to the contrary, if such approval has not been obtained by May 31, 2021, this Agreement shall be null and void. Execution of this Agreement by any person on behalf of the Authority prior to obtaining the necessary approvals provided herein shall not confer any personal authority nor create any personal liability on the signer for the obligations of the Authority under this Agreement.

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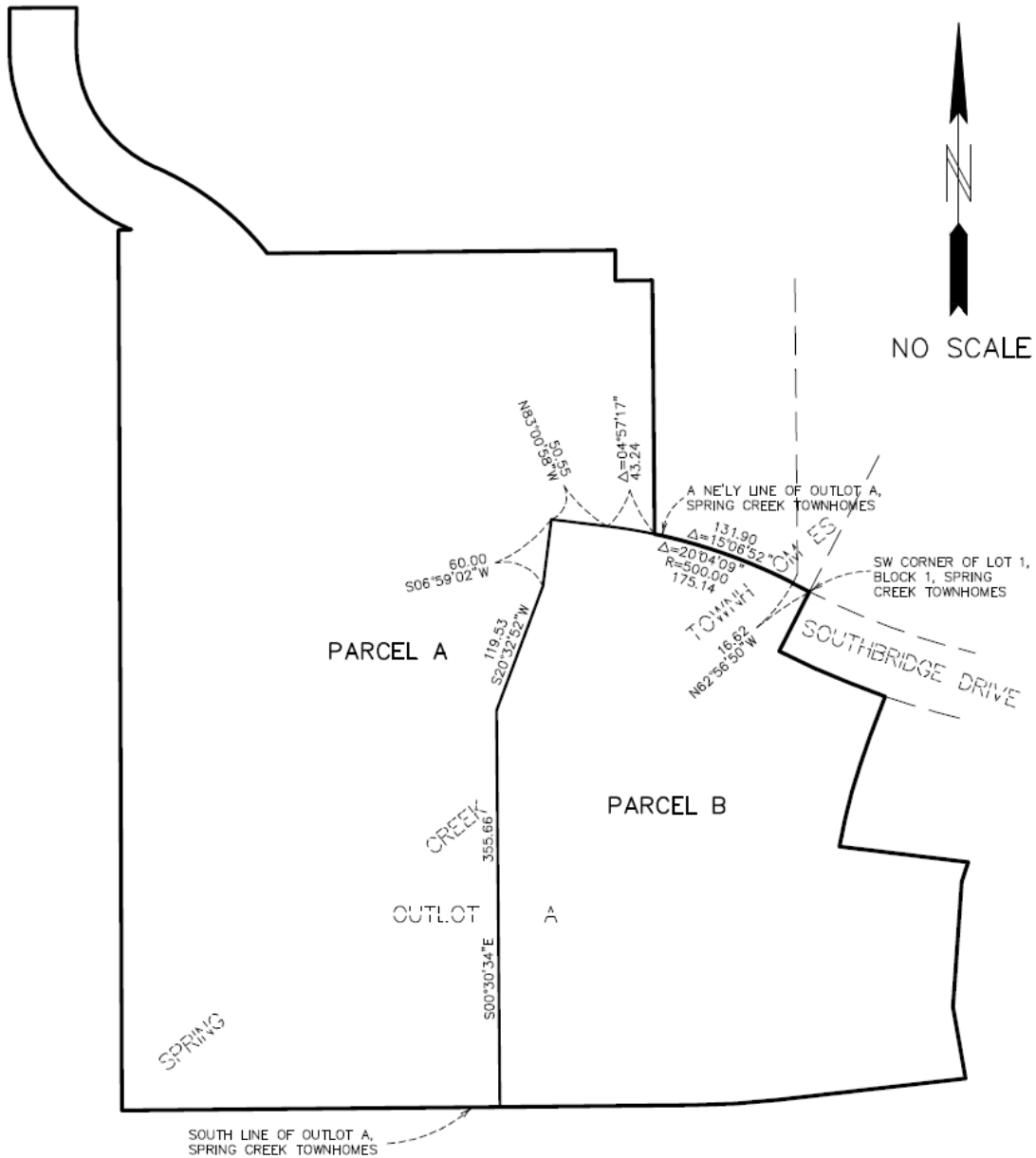
SELLER:

**Northfield Housing and Redevelopment
Authority, a/k/a Housing and Redevelopment
Authority of the City of Northfield, Minnesota**

By: _____
Brent Nystrom, Its Chair

By: _____
Jayne Hager Dee, Its Secretary

EXHIBIT A
DEPICTION AND MAP OF THE REAL PROPERTY



PROPOSED DESCRIPTION FOR PARCEL B

All that part of Outlot A, SPRING CREEK TOWNHOMES, according to the recorded plat thereof, Rice County, Minnesota, lying southerly and easterly of the following described line:

Commencing at the southwest corner of Lot 1, Block 1, said SPRING CREEK TOWNHOMES; thence on an assumed bearing of North 62 degrees 56 minutes 50 seconds West, along a northeasterly line of said Outlot A, a distance of 16.62 feet; thence northwesterly, continuing along said northeasterly line a distance of 131.90 feet, along a tangential curve, concave to the southwest, having a radius of 500.00 feet and a central angle of 15 degrees 06 minutes 52 seconds, to an easterly line of said Outlot A and the point of beginning of the line to be described; thence northwesterly, a distance of 43.24 feet, along the northwesterly extension of the last described curve, having a radius of 500.00 feet and a central angle of 04 degrees 57 minutes 17 seconds; thence North 83 degrees 00 minutes 58 seconds West, tangent to said curve, a distance of 50.55 feet; thence South 06 degrees 59 minutes 02 seconds West, a distance of 60.00 feet; thence South 20 degrees 32 minutes 52 seconds West, a distance of 119.53 feet; thence South 00 degrees 30 minutes 34 seconds East, a distance of 355.66 feet, to the south line of said Outlot A and there terminating.

EXHIBIT B
FORM OF QUIT CLAIM DEED

(Top 3 inches reserved for recording data)

QUIT CLAIM DEED

eCRV number: _____

DEED TAX DUE: \$ _____

Date: _____

FOR VALUABLE CONSIDERATION, the **Northfield Housing and Redevelopment Authority, a/k/a Housing and Redevelopment Authority of the City of Northfield, Minnesota**, a body politic and corporate under the laws of the State of Minnesota ("**Grantor**"), hereby conveys and quitclaims to **Three Rivers Community Action, Inc.**, a Minnesota non-profit corporation ("**Grantee**"), real property in Rice County, Minnesota, legally described as follows (such tract or parcel of land is hereinafter referred to as the "**Real Property**"):

[Insert legal description]

together with all hereditaments and appurtenances belonging thereto,

subject to the following restrictions, covenants, and conditions:

1. The Real Property herein conveyed shall be devoted to the following use: affordable residential housing for persons of low and/or moderate income and their families, as such persons and their families are defined by Minn. Stat. § 469.002, subds. 17 and 18. The Real Property shall be devoted to such use for not less than ten (10) consecutive years from the date of this Deed.
2. That certain "Tax Increment Financing Assistance Agreement" between the parties, dated _____, 2021 (the "TIF Assistance Agreement").
3. Grantee shall not transfer title to the Real Property within five (5) years after the date of this Deed without the express written consent of the Grantor; such consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, without the Authority's consent, Buyer may (i) transfer title to the Real Property to Spring Creek II Townhomes, LP, a Minnesota limited partnership, and (ii) grant a mortgage and/or security interest in the Real Property to any lender for the purpose of obtaining financing necessary to enable the Buyer or any successor in interest to the Real Property, or any part thereof, to perform its obligations with respect to completing the Project pursuant to the TIF Assistance Agreement.
4. Any transfer of title to the Real Property made pursuant to the provisions of paragraph 3 hereof for which the consent of the Grantor is required, shall be made only to a purchaser who demonstrates to the satisfaction of the Grantor that such purchaser has the ability to perform in place of Grantee.

The total consideration for this transfer is \$500.00 or less.

The Grantor certifies that the Grantor does not know of any wells on the described Real Property.

Grantor

**Northfield Housing and Redevelopment Authority, a/k/a
Housing and Redevelopment Authority of the City of
Northfield, Minnesota**

By: _____

Brent Nystrom

Its: **Chair**

By: _____

Jayne Hager Dee

Its: **Secretary**

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

This instrument was acknowledged before me on _____, 20__, by **Brent Nystrom** as **Chair** and by **Jayne Hager Dee** as **Secretary** of the **Northfield Housing and Redevelopment Authority, a/k/a Housing and Redevelopment Authority of the City of Northfield, Minnesota**, a body politic and corporate under the laws of the State of Minnesota, **Grantor**.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____

My commission expires: _____
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:

FLAHERTY & HOOD, P.A.
525 Park Street, Suite 470
St. Paul, MN 55103
(651) 225-8840

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN THIS INSTRUMENT SHOULD BE SENT TO:

Three Rivers Community Action, Inc.
1414 N Star Drive
Zumbrota, MN 55992

EXHIBIT C
GUARANTY

GUARANTY

THIS GUARANTY (“**Guaranty**”) is executed as of _____, 2021, by Three Rivers Community Action, Inc., a Minnesota non-profit corporation (“**Guarantor**”) for the benefit of Northfield Housing and Redevelopment Authority, a/k/a Housing and Redevelopment Authority of the City of Northfield, Minnesota, a body politic and corporate under the laws of the State of Minnesota (the “**HRA**”), with reference to the following facts:

A. Pursuant to that certain Vacant Land Purchase Agreement, dated effective _____, 2021 (the “**Agreement**”), HRA has agreed to convey to Guarantor that certain Real Property (as defined in the Agreement) for the sum of \$1.00, on certain terms and conditions. The Parties agree that the Real Property has a current market value of \$235,000.00 (“**Guaranteed Amount**”).

B. Guarantor has elected to contribute the Real Property to Spring Creek II Townhomes LP, a Minnesota limited partnership (“**Developer**”) to own, develop, construct and operate the Real Property.

C. Developer and HRA have entered into that certain Tax Increment Financing Assistance Agreement, dated _____, 2021 (the “**TIF Assistance Agreement**”), in which the Developer has agreed to construct certain Minimum Improvements on the Real Property. Any capitalized term used but not defined herein shall have the meaning set forth in the Agreement or the TIF Assistance Agreement.

D. As a condition to and an inducement for the HRA to convey the Real Property to Guarantor, the HRA has required that Guarantor guaranty the Guaranteed Amount in accordance with the terms of this Guaranty.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, Guarantor covenants and agrees with HRA, as follows.

17. **Guaranty.** Guarantor hereby guarantees the performance of the Developer’s obligation to Commence (as defined below) the Minimum Improvements on the Real Property up to the Guaranteed Amount. If for any reason Developer shall fail to Commence the Minimum Improvements by December 31, 2022, then Guarantor may (i) elect to perform such obligations and assume all responsibility to Commence the Minimum Improvements, or (ii) pay the HRA the Guaranteed Amount.
18. **Definition of Commence; Evidence.** For purposes of this Guaranty, “Commence” or “Commencement” means incurring at least \$1,500,000 in costs, expenses or fees associated with the development and/or construction of the Minimum Improvements on the Real Property. Once Guarantor and/or Developer incur, in aggregate, at least \$1,500,000 in costs, expenses or fees associated with the development and/or construction of the

Minimum Improvements on the Real Property, Guarantor shall deliver evidence of such costs, expenses and fees to the HRA for the HRA's approval (the "Summary Evidence of Contributions"). The HRA shall be deemed to have approved the Summary Evidence of Contributions unless HRA shall give written objections to the Summary Evidence of Contributions to Guarantor within thirty (30) days after receipt thereof specifying in detail the nature of its objection. The sole basis for the HRA's objection shall be that the proposed Summary Evidence of Contributions is not consistent with or a logical extension of the approved plans for the Minimum Improvements. If the HRA shall so object, then Guarantor shall submit a revised Summary Evidence of Contributions when appropriate, and the same shall be approved or disapproved in accordance with the same procedures. Once the Summary Evidence of Contributions is approved, or deemed approved, this Guaranty shall automatically be deemed terminated and of no further force or effect. Delivery of Summary Evidence of Contributions or any objections thereto, shall only be effective if delivered in the same manner as provided in Paragraph 13 of the Agreement for the giving of notices.

19. Term. The obligations of Guarantor under this Guaranty shall terminate upon Commencement of the Minimum Improvements pursuant to Section 2 above.
20. Miscellaneous.
 - a. Amendments. Neither this Guaranty nor any term hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.
 - b. Counterparts. This Guaranty may be executed in one or more counterparts, each of which taken together shall constitute one and the same instrument.
 - c. Governing Law. This Guaranty shall be governed by and construed according to the laws of Minnesota.

IN WITNESS WHEREOF, this Guaranty has been executed as of the date first written above.

GUARANTOR:

THREE RIVERS COMMUNITY ACTION,
INC.

By: _____
Name: _____
Title: _____