

**MEETING AGENDA  
HOUSING & REDEVELOPMENT AUTHORITY  
JUNE 19, 2018**

*Following Regular City Council Meeting*

North St. Paul City Hall – Council Chambers  
2400 Margaret Street

**I. CALL TO ORDER**

**II. ROLL CALL**

Mike Kuehn, Chair  
Terry Furlong, Commissioner  
Candy Petersen, Commissioner  
Jan Walczak, Commissioner  
Tom Sonnek, Commissioner  
Craig Waldron, Executive Director

**III. DIRECTOR REPORTS & PROJECT UPDATES**

**IV. HRA ACTION ITEMS & RECOMMENDATIONS**

- A. Approval of purchase of 2393 Margaret Street.
- B. JPA Student Built housing-2046 1<sup>st</sup> Street.
- C. Presentation Update from Century 916.

**V. FUTURE BUSINESS**

**VI. ADJOURNMENT**

*Next Meeting: TBD as needed.*

Agenda Information Memorandum  
North St. Paul City Council  
June 19, 2018

**Subject: Purchase of 2393 Margaret Street by the HRA.**

**ACTION TO BE CONSIDERED**

Authorize staff to complete the purchase of 2393 Margaret Street by the HRA.

**FACTS**

- The property which was a former dental office has been vacant since the fall of 2017.
- Staff has negotiated a purchase agreement in the amount of \$175,000 plus closing costs and taxes.
- The purchase of the property will allow for the parcel to be combined with existing adjoining city owned property for redevelopment of the area.
- Closing will be scheduled for on or before June 30, 2018.

Respectfully submitted,

/s/ SD by mm

Scott Duddeck  
Fire Chief

Approved for agenda enclosure: /s/ CW by mm

Dr. Craig Waldron, City Manager

## PURCHASE AGREEMENT

**1. PARTIES.** This Purchase Agreement is made on the \_\_\_\_\_ day of \_\_\_\_\_, 2018, (the "Effective Date") by and between the **CITY OF NORTH ST. PAUL HOUSING AND REDEVELOPMENT AUTHORITY**, a political subdivision of the State of Minnesota ("Buyer"), and **DANNA G. SURFACE**, a single person ("Seller").

**2. OFFER/ACCEPTANCE.** Buyer agrees to purchase and Seller agrees to sell that certain real property located at 2393 Margaret Street North, in the City of North St. Paul, in the County of Ramsey, State of Minnesota, 55109, PID No. 12-29-22-42-0113 ("Property"), all as legally described in attached Exhibit "A", including one existing building, together with all other existing improvements located thereon, all appurtenant rights, easements, mineral rights, and all right, title and interest of Seller in and to all streets, alleys; strips, gores and rights-of-way over or abutting said land, and together with all improvements and fixtures located thereon, including without limitation, all water and sewer taps, all equipment used in connection with the operation thereof, such as elevators, security and alarm systems, and heating and air conditioning systems (all of the foregoing hereinafter collectively referred to as the "Real Property").

**3. PRICE AND TERMS.** The price for the Property included under this Purchase Agreement is One Hundred Seventy Five Thousand and No/100 Dollars (\$175,000.00) which Buyer will pay in full, in cash or certified funds, on the Date of Closing.

**4. DEED/MARKETABLE TITLE.** Upon performance by Buyer, Seller shall execute and deliver a **Warranty Deed**, conveying good and marketable title of record to Buyer, subject to only to the following exceptions (collectively, "Permitted Exceptions"):

(a) Building and zoning laws, ordinances, state and federal regulations;

(b) The lien of real property taxes and the lien of special assessments and interest due thereon, if any, payable in the year of closing which by the terms of the Purchase Agreement are to be paid or assumed by Buyer.

**5. TITLE INSURANCE BY SELLER.** Buyer shall, within a seven (7) days after acceptance of this Agreement, obtain a title insurance commitment certified to date to include proper searches covering bankruptcies, state and federal judgments and liens, and levied and pending special assessments. Seller is not required to provide an abstract of title. Buyer shall pay all costs associated with the issuance of such commitment and the premium for the owner's policy of title insurance. The commitment for title insurance shall be issued in the full amount of the Purchase Price by a title insurance company in good standing and duly authorized to do business in Minnesota ("Title Insurer").

Buyer shall have ten (10) days after receipt of the Commitment to deliver to Seller written objections to title based on marketability of the Property and Seller shall have ten (10) days

to have such objections removed or satisfied. If Seller fails to have such objections removed within said time, Buyer may, at its sole election: (a) terminate this Agreement without any liability on its part in exchange for a quit claim deed for the Property; or (b) waive such objections and take title to the Property subject to such objections.

## **6. TAXES AND SPECIAL ASSESSMENTS.**

(a) Taxes. General real estate taxes payable in the years prior to the year of closing and installments of special assessments will be paid by the Seller. General real estate taxes payable in the year of closing have been paid in full by the Seller. At Closing, Buyer shall reimburse Seller for the general real estate taxes paid for the second half of the year of closing. The Seller shall pay on or before the Date of Closing all pending special assessments that are due prior to the Closing. The Buyer shall pay at Closing any deferred real estate taxes or special assessments payment of which is required as a result of the closing of this Agreement. The Buyer shall pay real estate taxes due and payable in the year following closing and thereafter.

(b) Utilities. Final readings on all gas, water and electric meters shall be made as of the Closing Date, or as soon thereafter as is possible. Seller shall be responsible for all charges for consumption of utilities through the Closing Date and Buyer shall be responsible for utility charges after Buyer takes possession of the Property. All deposits or bonds for utility services to the Property shall be transferred to Buyer at Closing.

(c) Operating Costs. Other operating costs shall be prorated between the Seller and Buyer as of the Closing Date, with Seller paying all such items applicable to the period through the Closing Date and the Buyer all such items to the period thereafter. If the actual amounts to be prorated are not known at Closing, the proration shall be computed on the basis of the best evidence then available; when actual figures are available, a cash settlement shall be made between the Seller and Buyer.

(d) Prorations. All prorations under this Section shall be made as though Seller owned the Property through midnight of the Closing Date, with all income and expenses for the Closing Date attributable to Seller.

**7. DAMAGES TO PROPERTY.** If the Property is materially or substantially damaged before Closing, Buyer may rescind this Agreement by notice to Seller within 3 days after Seller notifies Buyer of such damage or Buyer otherwise becomes aware of such damage.

**8. SELLER'S BOUNDARY LINE, RESTRICTIONS AND LIEN WARRANTIES.** Seller warrants that buildings on adjoining real property, if any, are entirely outside of the boundary lines of the Property. Seller warrants that there has been no labor or material furnished to the Property for which payment has not been made. Seller warrants that there are no present violations of any restrictions relating to the use or improvement of the Property. Seller warrants that the Property is not subject to a lien for Medical Assistance or other public assistance. These warranties shall survive the delivery of the Deed and Contract.

**9. SELLER'S COVENANTS AND REPRESENTATIONS.** Seller hereby represents and covenants to the Buyer as follows:

(a) That Seller has the requisite power and authority to enter into this Purchase Agreement and the closing documents relating thereto to be signed by it; that the execution, delivery and performance by Seller of such documents do not conflict with or result in violation of any judgment, order or decree of any court to which Seller is a party; such documents are valid and binding obligations of Seller, and are enforceable in accordance with their terms.

(b) On the Date of Closing there will be no (a) outstanding leases or occupancy agreements, or (b) outstanding contracts made by Seller for any improvements to the Property which have not been fully paid for or for which Seller shall make arrangements to pay off; and Seller shall cause to be discharged all mechanic's or materialmen's liens arising from any labor or materials furnished to the Property that were made at the request of Seller, his agents, or contractors, prior to the Date of Closing and any mortgages or other such similar encumbrances.

(c) Until the Date of Closing, except as otherwise provided in this Purchase Agreement, Seller shall maintain the land associated with the Property in its present condition.

(d) Seller shall deliver to Buyer a written notice of the commencement of any legal action by any governmental authority or third party materially affecting the Property and will make no concessions or settlements with respect to any such action materially affecting the Property without Buyer's prior written consent, which shall not be unreasonably withheld or conditioned.

(e) Seller is not a foreign person; as such term is defined in Section 1445(f) (3) of the Internal Revenue Code of 1986, as amended, and shall deliver an affidavit to that effect at closing, which shall be in form and substance reasonably acceptable to Buyer.

(f) To the best of Seller's knowledge (i) no toxic materials, hazardous wastes or hazardous substances, as such terms are defined in the Resource Conservation and Recovery Act of 1996, as amended (42 U.S.C. §6901, et seq.) or in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (42 U.S.C. §9601, et seq.), including, without limitation, any asbestos or asbestos-related products or materials and any oils, petroleum-derived compounds or pesticides ("Hazardous Materials") have been generated, treated, stored, released or disposed of or otherwise placed, deposited in or located on the Property except as allowed by law; and (ii) the Property is free of Hazardous Materials and is not subject to any "superfund" type liens or claims by governmental regulatory agencies or third parties arising from the release or threatened release of hazardous substances in, on, or about the Property. Seller shall indemnify and hold Buyers harmless from any and all claims, causes of action, damages, losses, or costs (including reasonable lawyer's fees) relating to breach of the foregoing

representations and warranties by Seller or to hazardous substances or petroleum products in the subsoil or ground water of the Property or other property in the area which arise from or are caused by acts or occurrences upon the Property prior to Buyers taking possession.

(g) To the best of the Seller's knowledge, there are no above ground tanks in or about the Property. To the extent such tanks exist, each will be duly registered with all appropriate regulatory and governmental bodies and will be removed or brought in to compliance with applicable federal, state and local statutes, regulations, ordinances and other regulatory requirements at the Seller's expense.

(h) Seller will indemnify Buyer, its successors and assigns, against, and will hold Buyer, its successors and assigns harmless from, any expenses or damages, including reasonable attorney's fees, that Buyer incurs because of the breach of any of its representations and warranties, whether such breach is discovered before or after the conveyance of the Property for a period of two (2) years following the Date of Closing as defined below.

(i) There are no tenants in the Property, and there are no parties in possession or with right to possession of the Property other than Seller and the tenants disclosed by Seller under this Agreement.

**10. ACCESS TO PROPERTY AND ENVIRONMENTAL REVIEW.** The Buyer and its agents shall have the right to enter upon the Property for the purpose inspecting the Property and conducting such environmental examination and tests as the Buyer deems necessary. The Seller agrees to provide Buyer with copies of all reports in Seller's possession or control relating to the environmental condition of the Property. The Buyer agrees to indemnify the Seller against any liens, claims, losses, or damage occasioned by Buyer's exercise of its right to enter and inspect the Property. The Buyer agrees to provide the Seller with copies of environmental reports, if any, that the Buyer obtains as the result of the Buyer's inspection and examination of the Property.

**11. SELLER'S AFFIDAVIT.** At closing, Seller shall supplement the warranties and representations in this Purchase Agreement by executing and delivering a Minnesota Uniform Conveyancing Blank [Form No. 116-M, 117-M, or 118-M] Affidavit of Seller ("Seller's Affidavit").

**12. WELL DISCLOSURE.** *[Check one of the following: ]*

Seller certifies that Seller does not know of any wells on the Property.

Wells on the Property are disclosed by Seller on the attached Well Disclosure form.

**13. DISCLOSURE OF INDIVIDUAL ON-SITE SEWAGE TREATMENT SYSTEM.** *[Check one of the following: ]*

Seller certifies that Seller does not know of any individual on-site sewage treatment systems on the Property.

Individual on-site sewage treatment systems on the Property are disclosed by

Seller on the attached Disclosure form.

**14. POSSESSION.** Seller shall deliver possession of the Property not later than the actual Date of Closing.

**15. CLOSING.** The closing (the "Closing") shall be at a location designated by Buyer, and shall occur on or before June 30, 2018 ("Closing Date"). At closing, Seller and Buyer shall disclose their Federal Tax Identification Numbers for the purposes of completing state and federal tax forms.

**16. CLOSING DOCUMENTS.**

(a) At the Closing, Seller shall execute and/or deliver to Buyer the following (collectively the "Closing Documents"):

- (1) **Warranty Deed.** A Warranty Deed in recordable form conveying title in accordance with this Agreement.
- (2) **Seller's Affidavit.** A standard form affidavit by Seller indicating that on the date of Closing there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Seller or the Property; that there has been no skill, labor or material furnished to the Property for which payment has not been made or for which mechanic's liens could be filed; and that there are no other unrecorded interests in the Property.
- (3) **Non-Foreign Person Certification.** A certification in form and content satisfactory to the parties hereto and their counsel, properly executed by Seller, containing such information as shall be required by the Internal Revenue Code, and the regulations issued thereunder, in order to establish that Seller is not a "foreign person" as defined in §1445(f)(3) of such Code and such regulations.
- (4) **Storage Tanks.** If required, an affidavit with respect to storage tanks pursuant to Minn. Stat. § 116.48.
- (5) **Well Certificate.** If there is a well located on the Property, a well disclosure certificate in form and substance true to form for recording.
- (6) **Bring-down Certification.** A certification that the representations and/or warranties made by Seller are materially the same as were in existence on the date of this Agreement or noting any changes thereto;
- (7) **Keys.** All keys owned by and in possession of Seller used in connection with the Property including key cards, security codes and combinations;
- (8) **Other Documents.** All other documents reasonably determined by either party and the title insurance company to be necessary to transfer and provide title insurance for the Property.

**17. CLOSING COSTS.** All costs relating to the closing of this transaction shall be allocated according to standards in the industry, except as allocated below:

(a) Buyer shall pay:

- (1) Recording fee for the Limited Warranty Deed;
- (2) The closing fee,
- (3) The premium for owner's title insurance;
- (4) The cost of engineers or other consultants, if any, engaged by the Buyer regarding the Property.
- (5) State deed tax
- (6) Costs of title insurance commitment;
- (7) Conservation fee attributable to said deed.

**18. BUYER'S CONTINGENCIES.** The obligations of the Buyer under this Agreement are expressly contingent upon each of the following (the "Buyer's Contingencies"):

- (a) The Buyer shall have determined on or before the Closing Date, that it is satisfied, in its sole discretion, with the results of any environmental/soil investigations and tests of the Property conducted by the Buyer, the costs of which shall be the responsibility of the Buyer.
- (b) Buyer shall have determined on or before the Closing Date, that it is satisfied, in its sole discretion, with the title to the Property.
- (c) All of the covenants, representations, and warranties made by the Seller shall be true and correct as of the Closing Date.

If the Buyer's Contingencies have not been satisfied on or before the Closing Date, then the Buyer may, at the Buyer's option, terminate this Agreement by giving notice to the Seller on or before the Closing Date. The contingencies set forth in this section are for the sole and exclusive benefit of the Buyer, and the Buyer shall have the right to waive the contingencies by giving notice to the Seller.

**19. DEFAULT.**

- (a) In the event that Seller fails to consummate the transaction contemplated by this Purchase Agreement for any reason except for Buyer's default or the failure of Buyer to satisfy any conditions to Seller's obligation hereunder Buyer may, as their sole remedy, cancel and terminate this Purchase Agreement and be relieved of its obligations hereunder, except those obligations which are intended to survive the termination of this Purchase Agreement. No delay or omission in the exercise of any right or remedy accruing to Buyer upon any breach by Seller under shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter occurring. The waiver by Buyer of any condition or the breach of any other term, covenant, or condition herein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained. All rights, powers, options or remedies afforded to Buyer, either hereunder or by law or equity, shall be cumulative and not alternative, and the exercise of one right, power, option, or remedy shall not bar any other rights, powers, options or remedies allowed hereunder or by applicable law.
- (b) In the event that Buyer fails to consummate the transaction contemplated herein for any reason, except the default by Seller or the failure of Seller to satisfy any of the conditions to the Buyer's obligations set forth herein, the Seller shall be entitled, as their

sole remedies, to cancel and terminate this Agreement in the manner provided by applicable law. No delay or omission in the exercise of any right or remedy accruing to Seller upon any breach by Buyer under this Agreement shall impair such right or remedy accruing to Seller upon any breach by Buyer under this Agreement or be construed as a waiver of any such breach theretofore or thereafter occurring. The waiver by Seller of any condition or the breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained.

**20. METHAMPHETINE DISCLOSURE.** To the best of Seller's knowledge, methamphetamine production has not occurred on the Property.

**21. LEAD PAINT DISCLOSURE.** [*Check one of the following*]

\_\_\_\_ Seller represents that the dwelling was constructed on the real property in 1978 or later.

\_\_\_\_ Seller represents that the dwelling was constructed on the real property before 1978. (If such housing is located on the real property, attached and made a part of this Purchase Agreement is "LEAD PAINT ADDENDUM FOR HOUSING CONSTRUCTED BEFORE 1978".)

**22. PROTECTED HISTORICAL SITES.** To Seller's knowledge, the Property does not have any American Indian burial grounds, other human burial grounds, ceremonial earthworks, historical materials, and/or other archeological sites that are protected by federal or state law. Buyer's obligation to close is contingent upon Buyer determining to Buyer's satisfaction that the Property does not have any American Indian burial grounds, other human burial grounds, ceremonial earthworks, historical materials, and/or other archeological sites that are protected by federal or state law.

**23. DISEASED TREES.** Seller has not received any notice from any governmental authority as to the existence of, and Seller has no knowledge of, any Dutch elm disease, oak wilt, or other disease of any trees on the Property.

**24. NO PARTNERSHIP OR JOINT VENTURE.** Nothing in this Agreement shall be interpreted as creating a partnership or joint venture among the parties.

**25. NO BROKER COMMISSIONS.** Each party represents and warrants to the other parties that there is no broker involved in this transaction with whom the warranting party has negotiated or to whom the warranting party has agreed to pay a broker commission. Each party agrees to indemnify the other parties for any and all claims for brokerage commissions or finder's fees in connection with negotiations for the purchase and sale of the Property arising out of any alleged agreement or commitment or negotiation by the indemnifying party.

**26. CONDITION OF REAL PROPERTY/"AS IS" PURCHASE.**

(a) Seller and Buyer hereby **WAIVE** the written disclosure required under Minnesota Statutes Section 513.52 to 513.60.

**27. TIME IS OF THE ESSENCE; CALCULATION OF TIME PERIODS.** Time is of the essence for all provisions of this Purchase Agreement. Unless otherwise specifically provided herein, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday under the laws of the State of Minnesota, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday. The final day of such period shall be deemed to end at 5:00 p.m., Central Standard Time.

**28. 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 Property. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in a writing executed by the parties.

**29. BINDING EFFECT; NO WAIVERS.** This Agreement binds and benefits the parties and their heirs, representatives, successors and assigns. The waiver by either party hereto of any condition or the breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained. Buyer, in its sole discretion, may waive any right conferred upon Buyer by this Agreement; provided that such waiver shall only be made by Buyer giving Seller written notice specifically describing the right waived.

**30. GOVERNING LAW.** This Agreement has been entered into in the State of Minnesota and shall be governed by and construed in accordance with the laws of the State of Minnesota.

**31. NOTICES.** All notices and demands given or required to be given by any party hereto to any other party shall be deemed to have been properly given if and when delivered in person, sent by facsimile (with verification of receipt) or three (3) business days after having been deposited in any U.S. Postal Service and sent by registered or certified mail, postage prepaid, addressed as follows (or sent to such other address as any party shall specify to the other party pursuant to the provisions of this Section), prepaid property addressed as set forth below, or if sent by recognized overnight courier:

To Buyer:                      City of North St. Paul HRA  
   2400 Margaret Street North  
   North St. Paul, MN 55109

With a copy to:                Campbell Knutson, P.A.  
   Grand Oak Office Center I  
   860 Blue Gentian Road, Suite 290  
   Eagan, MN 55121

To Seller: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**32. COUNTERPARTS.** This Agreement may be executed in one or more counterparts each of which when so executed and delivered shall be an original, but together shall constitute one and the same instrument.

I agree to purchase the Property for the price and terms and conditions set forth above.

**CITY OF NORTH ST. PAUL HOUSING  
AND REDEVELOPMENT AUTHORITY**

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its City Manager

I agree to sell the Property for the price and terms and conditions set forth above.

**SELLER:**

\_\_\_\_\_  
\_\_\_\_\_  
Danna G. Surface

**EXHIBIT A**

The North 15 feet of Lot 9, all of Lots 10 and 11, Block 3, North St. Paul Land Co's Re-arrangement No. 1 in Blocks 14, 15 and 18, North St. Paul Proper, Ramsey County, Minnesota

**BUILDING CONSTRUCTION  
JOINT POWERS AGREEMENT**

**AGREEMENT** made this 19<sup>th</sup> day of June, 2018, by and between the City of North Saint Paul Housing & Redevelopment Authority (City and HRA), a Minnesota Municipal Corporation, and the Northeast Intermediate School District 916, on behalf of the Career and Technical Center (CTC); and,

**WHEREAS**, the City is undertaking certain redevelopment activities in the City, by which it acquires certain properties for improvements and resale; and,

**WHEREAS**, NE Metro Intermediate School District 916 is a state agency; and,

**WHEREAS**, both entities have the authority to enter into joint powers agreements pursuant to Minnesota Statutes, Section 471.59, Subdivision 10; and,

**WHEREAS**, CTC is a technical high school which offers courses in building trades, training men and women to be competent employees in all fields of construction; and,

**WHEREAS**, the City has acquired title to certain property located at 2046 1<sup>ST</sup> Street North, North St. Paul and legally described in Exhibit "A", attached hereto, (the premises); and,

**WHEREAS**, CTC desires to construct a single family residence on the premises to provide on-the-job home building and remodeling experience to its students; and,

**WHEREAS**, City and CTC desire to effect certain improvements on the premises, and CTC desires to perform same in accordance with the terms, covenants and conditions hereinafter set forth.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH ST. PAUL, MINNESOTA**, in consideration of the mutual covenants and agreements herein contained, the parties hereto do hereby covenant and agree as follows:

1. **General Scope of Work.** The plans will be provided from the CTC inventory of houses if applicable to the lot. Otherwise the City will contract with an architect to prepare plans conducive to the lot and neighborhood. Copies of the plans shall be initialed by each of the parties hereto, shall be in the possession of each of the parties, and are incorporated by reference in this Agreement. CTC and City will agree on approval of the plans before commencement of construction. CTC shall furnish City with a complete listing of all contractors and subcontractors which it intends to utilize in the course of the construction referred to herein. CTC undertakes to perform all the necessary work, arranging subcontractor scheduling, and to furnish all the necessary labor, and equipment, and City will supply materials in order to construct a single family dwelling in accordance with the plans within the time constraints of the commencement of the project as related to the beginning of the school year and the end of the school year. The City shall pay for all permits and building inspection fees. CTC will comply with applicable building and zoning codes.
2. **Independent Contractor.** CTC represents to the City that it is a technical secondary center and that students of the school will perform the work provided for herein and that

these students will be properly supervised by the instructional staff of CTC. CTC will operate as an independent contractor and not as the agent of the City.

3. **Proof of Payment of Mechanic's Liens.** City will provide payment for all subcontractors, materialmen, and any other persons performing labor or services with prompt payment in accordance with their respective contracts. CTC shall furnish the following to City at the time of payment in accordance with Section 5 below, to-wit:
  - a. a sworn construction statement listing all subcontractors and materialmen who performed work or supplied material under this contract and the amounts of their subcontract or material.
  - b. lien waivers from all subcontractors and materialmen listed in Subparagraph (a) about for all work listed thereon.
  - c. invoices for material, subcontract work and other will be signed by both CTC instructor and City representative.
  - d. payments shall be made by City within thirty (30) days after City receives an invoice from subcontractors, materialmen, and any other persons performing labor or services hereunder.
4. **Contract Costs.** All work, equipment and labor will be furnished and performed by CTC Construction Occupations, City will assume direct costs incurred in completing construction, including but not limited to the costs of the plans, materials, supplies, permits, inspection fees, and contractor or subcontractor fees provided the City has had an opportunity to review and approve all quotes in advance of the materials being purchased or work being performed.
5. **Method of Payment.** It is understood CTC shall submit a detailed line-item budget with contingencies to the City for approval, and that the City shall finance the work hereinafter referred to. When City sells the property upon which the new home has been constructed by CTC, the City shall be entitled to all proceeds from the sale.
6. **Time of Completion.** CTC shall commence performance of its obligations under this Agreement immediately upon execution of the Building Construction Agreement and CTC shall complete the work described herein in accordance with the plans not later than June 30, 2019, subject to Paragraph 7 of this Agreement, and excepting circumstances beyond the control of CTC, including but not limited to, act of God and ordinary and reasonable construction delays.
7. **Best Efforts of CTC.** Notwithstanding the time set forth in Section 6 hereof for completion of construction, CTC will at all times exert its best efforts to complete construction at the earliest possible time, will at all times furnish sufficient labor, to assure the most efficient and speediest construction progress, and will have a competent instructor on the job during all periods when work is in progress in order to supervise construction.
8. **Insurance.** CTC shall at all times, commencing with the date upon which construction begins, and until completed made in accordance with Section 5 herein, purchase, maintain, and carry the following types of insurance or self insurance as follows:
  - a. Worker's Compensation Insurance fully covering all employees engaged in the performance of this agreement in accordance with Minnesota law. CTC will

require its subcontractors to provide evidence of Worker's Compensation insurance on their employees.

- b. public liability insurance covering death, bodily injury, and property damage with limits in accordance with the laws of the State of Minnesota. The City of North Saint Paul shall be listed as an additional insured on this policy.
- c. risk insurance against damage or destruction to building or premises by fire, windstorm, and other perils covered by standard extended coverage insurance policy including vandalism and malicious mischief, covering all improvements to be erected hereunder and all materials which are on or about the premises, in an amount equal to the full insurable value of such improvements and materials. Both City and CTC shall be named insured under said builder's risk policy to the extent of their respective insurable interest.

Certificates of Insurance acceptable to City shall be filed with them prior to commencement of the work under this Building Construction Agreement.

9. **Liability.** Each party will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of any others and the results thereof. CTC and City liability shall be governed by the provisions of the Minn. State Chapter 466.
10. **Defense and Indemnification.** CTC agrees to defend and indemnify the City for any liability claims arising from CTC's activities or operations. Nothing in this Building Construction Agreement shall constitute a waiver of statutory limits on liability set forth in Minnesota Statutes Chapter 466 or a waiver of any available immunities or defenses. Nothing herein shall be construed to provide insurance coverage or indemnification to an officer, employee, or volunteer of any party to this Building Construction Agreement for any act or omission for which the officer, employee, or volunteer is guilty of malfeasance in office, willful neglect of duty or bad faith.
11. **Correcting of Defects.** CTC agrees to promptly perform the work required by this Building Construction Agreement in a good workmanlike manner and City agrees to provide only materials of good quality and suitable for the uses intended. Upon completion of the construction, in accordance with "the plans" and at a mutually convenient date, a representative of City will make a "walk through" inspection of the premises with representative of CTC. The representative of City shall note any defects or flaws in the construction and upon correction of said defects or flaws in the construction by CTC, the possession of the construction shall be turned over to City for payment of utilities and maintenance. A further "walk through" inspection and correction of flaws and defects, if any, shall occur at that time. (All other flaws and defects shall be corrected pursuant to paragraph number 10).
12. **Statutory Warranty.** As "vendor" (seller) of the single-family dwelling structure on the premises, the City shall warrant to all applicable owners the following warranty (referred to herein as the "Statutory Warranty") pursuant to Minnesota Statutes 327 A, in part described as:

Subdivision 1. Warranties by vendor. In every sale of completed dwelling, and in every contract for sale of a dwelling to be completed, the vendor shall warrant the vendee that:

- a. During the one (1) year period from and after the warranty date, the dwelling shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with building standards.
- b. During the two (2) year period from and after the warranty date, the dwelling shall be free from defects caused by faulty installation of plumbing, electrical, heating, and cooling systems due to noncompliance with building standards; and
- c. During the 10 year period from and after the warranty date, the dwelling shall be free from major construction defects due to noncompliance with building standards.

City shall refer all claims of statutory Warranty to CTC which shall inspect same and, where appropriate, make repair or replacement with shared responsibility for expense.

13. **Applicable Law.** All parts of this Agreement shall be interpreted in accordance with the laws of the State of Minnesota.
14. **Housing and Redevelopment Act.** Contractors or subcontractors must provide performance bonds, or suitable alternative guarantees of performance acceptable to City, which bonds shall be the same as prescribed by the Minnesota Housing and Redevelopment Act, and all contractors or subcontractors acknowledge that this Agreement shall be subject to the terms of the Minnesota Housing and Redevelopment Act.
15. **Cooperation Between Parties.** The parties shall cooperate with each other in the performance of any work required by them respectively, to the end that neither shall cause the other any delay nor interference with the due prosecution of the work of the other in any manner whatsoever.
16. **Premises Kept Clean.** CTC shall at all times keep the premises and public streets free from an accumulation of waste materials or rubbish caused by its employees, students, or subcontractors and at the completion of the work shall remove all waste and excess material, rubbish, and equipment so as to leave the work and premises neat, clean and ready for the purpose for which they intended. City will provide a dumpster for this purpose.
17. **Data Practices.** Both parties agree that they comply with the Minnesota Government Data Practices Act, Minn. Stat. Chapter 13.
18. **Notices.** Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and delivered personally or by registered or certified mail, postage prepaid and return receipt requested, as follow (or to such other address as the parties shall designate by Notice to the other in accordance with this section) and shall be deemed to have been given as of the date of personal delivery or as of the date on the receipt or registered or certified mail delivery by the Postal Service.

**CTC**

Title: Jill Stewart-Kellar, Principal  
Address: 3300 Century Ave North, White Bear Lake, MN 55110  
Tel: (651) 415-6510  
E-mail: [Jill.Stewart-Kellar@nemetro.k12.mn.us](mailto:Jill.Stewart-Kellar@nemetro.k12.mn.us)

**City**

Title: Craig Waldron, City Manager  
Address: 2400 Margaret Street, North St. Paul, MN 55109  
Tel: (651) 747-2421  
E-mail: [craig.waldron@northstpaul.org](mailto:craig.waldron@northstpaul.org)

**IN WITNESS WHEREOF**, the parties hereto, pursuant to proper authority as granted by the governing boards of the parties hereto, have caused this Agreement to be executed by their properly and duly authorized officers, the day and year first written above.

City of North Saint Paul

North East Metro Career & Technical Center

By: \_\_\_\_\_  
Michael R. Kuehn  
Mayor

By: \_\_\_\_\_  
Connie Hayes  
Superintendent

Date: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Dr. Craig Waldron  
City Manager

By: \_\_\_\_\_  
Jill Stewart-Kellar  
Principal

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**

Property address of 2046 1<sup>st</sup> Street North is legally described as follows:

Lot 3, Block K, Northwood Heights and  
Lot 2, Block K, Northwood Heights, together with that part of the West half of the  
adjoining alley, vacated, lying between the extensions across said alley of the North and  
South lines of said Lot 2