

HUMBOLDT GREENWAY
REDEVELOPMENT OPTION AGREEMENT
TERM SHEET

I. General Project Description

Sixty-three (63) units (52 single family Homes and 11 townhomes) on the 95 available lots in three (3) phases.

II. Parties

City and Greater Metropolitan Housing Corporation. MyHomeSource will be the General Contractor and development partner.

III. Good Faith Deposit

At the time of execution of the Redevelopment Contract, Developer must pay to the City a good faith deposit in cash or acceptable letter of credit equal to 10% of the total Project Purchase Price to secure construction performance of the full project. The good faith deposit will be returned, exclusive of any interest earnings, at the time the City issues a Certificate of Completion (*≈ \$37,000*) on the final unit.

IV. Purchase Price

\$1.00 per square foot as shown on **Attachment 1**, provided that the Purchase Price for Outlots A and B shall be determined based on the developable square feet.

V. Improvements

Phase I Improvements: Fifteen (15) single family homes and eight (8) townhomes on the real property described as the Phase I property on **Attachment 1** (the “Phase I Lots”).

Phase II Improvements: Thirteen (13) single family homes and three (3) townhomes on the real property described as the Phase II property on **Attachment 1** (the “Phase II Lots”) and a public art installation to be installed on the real property currently platted as Outlot A.

Phase III Improvements: Twenty-four (24) single family homes on the real property described as the Phase II property on **Attachment 1** (the “Phase III Lots”).

VI. Closing Conditions

The Developer shall have the option to acquire bundles of at least three (3) lots upon the following conditions:

- A. Developer shall evidence to the City’s satisfaction that it has financing to complete the Improvements associated with any Lots being conveyed and closed on such financing.

- B. The Developer shall have submitted construction plans for the portion of the Improvements to be built on the Lots being conveyed that are consistent with the requirements of Section VII below.
- C. Developer shall have, at its own expense, determined to Developer's satisfaction all environmental and geotechnical conditions of any Lots being conveyed are acceptable to Developer.
- D. The Developer and the City have determined, to their individual satisfaction, that all permits, zoning, site plan and platting necessary have been obtained or will be obtained for the portion of the Improvements to be constructed on the Lots being conveyed.
- E. The Developer shall have satisfied itself, at its sole cost and expense, as to the marketability of title.
- F. Developer shall have paid to the City on the date of closing the Purchase Price for the Lots being conveyed or, in the case of Lots that are currently tax forfeited and owned by the State of Minnesota, paid the Purchase Price (plus any State Imposed fees) pursuant to an escrow agreement (at Developer's expense) at least one month prior to the date of closing.
- G. The Developer shall have provided proof of insurance as reasonably required by the City.
- H. At least 60% of the Phase I Improvements are completed as evidenced by a certificate of occupancy issued by the City before the City will convey any Phase II Lots or Phase III Lots.
- I. At least 80% of the Phase II Improvements are completed as evidenced by a certificate of occupancy issued by the City and the Public Art installation is completed before the City will convey any Phase III Lots.

VII. Housing Designs

All homes must be substantially consistent with the plans presented by the Developer in its Proposal ("Proposal Plans"). The CPED Director may, in his discretion, approve plans that deviate from the Proposal Plans if the CPED Director determines such plans are generally consistent with the quality and character of the Proposal Plans and the development objectives of the City. All stand alone homes must score at least 22 points on the City of Minneapolis Residential Point System. Townhomes must score at least 17 points on the City of Minneapolis Residential Point System.

VIII. Timeline

Single-family Phase I Lots: Within 30 days of final City Council approval
 Townhome Phase I Lots: April 1, 2016

Phase I Improvements 60% complete: August 1, 2016
All Phase II Lots acquired by Developer: September 1, 2016
Phase II Improvements 80% complete: August 1, 2017
Public Art installed on Outlot A: October, 2017
All Phase III Lots acquired by Developer: September 1, 2017
Option to Acquire Expires: February 28, 2018
All Phase Improvements complete: August 31, 2019

IX. Deeds

Deeds will be quitclaim deeds and shall be subject to the requirements of the Redevelopment Option Contract and a forfeiture provision (which will be subordinated to financing for the project) to be released per parcel upon issuance of a Certificate of Completion for the improvements on such parcel. Except for Outlot A, which will be released from deed restrictions upon installation, the City will issue a Certificate of Completion for a parcel if the home constructed on it has been completed in accordance with the requirements of the Redevelopment Option Agreement AND it has been sold to a homeowner who intends to occupy the home as a primary residence. Developer acknowledges that any Lots currently owned by the State of Minnesota may be conveyed to Developer as tax title and Developer shall be responsible for clearing such title at Developer's expense.

X. Replat

The Developer shall be responsible, at its own expense, for any replatting necessary for the project.

XI. Standard Redevelopment Contract Terms

The City's standard redevelopment contract provisions shall apply to this Project, including, but not limited to:

- A. Developer shall pay all closing costs and fees, including state deed tax. The City shall pay all general real estate taxes due and payable in the year of closing for the Lots and all prior years, along with all special assessments, which are due and payable as of the date of closing for completed public improvements. Developer shall pay or take title to each Lot subject to all real estate taxes due and payable in subsequent years, along with all special assessments not the responsibility of the City herein.
- B. Developer shall comply with all City of Minneapolis regulatory and permitting requirements related to construction of the Improvements.
- C. "AS IS" sales.
- D. Prohibition against transfer of property prior to completion of each home.

- E. The Developer will not construct any building or other structures on, over or within the boundary lines of any public utility easement unless such construction is provided for in such easement or has been approved by the utility involved.
- F. The Developer will be responsible for the payment of all sewer availability charges, including all SAC or WAC charges that may be assessed against a project parcel.
- G. The Developer, at its own expense, will replace any public facilities and public utilities damaged by Developer or its agents, employees, or contractors during the construction of the Project in accordance with the technical specifications, standards and practices of the owner thereof.
- H. To the extent necessary to satisfy City requirements, if any, the Developer will install public sidewalks along the street frontage of all project parcels in accordance with the technical specifications, standards and practices of the City. The Developer will obtain any required permit for any new curb cuts necessary to provide for ingress and egress to the project parcels. The Developer will install, construct or replace all necessary curb cuts and driveways and shall replace any abandoned curb cuts with new curb and gutter. All such work shall be done in accordance with the technical specifications, standards and practices of the City at the expense of the Developer.

XII. Public Art

Developer shall, as part of the Phase II Improvements, acquire Outlot A, have a public Art Installation made on Outlot A and arrange for the ownership and maintenance of such to become the responsibility of the Humboldt Greenway Homeowner's Association.

XIII. Holding Costs

If Developer fails to meet the phased benchmarks for acquisition of Lots (see Section VIII), Developer shall pay to the City a non-prorated monthly property holding fee equal to \$100 per lot for each Lot that has not been timely acquired by the Developer, unless caused by unavoidable delays.