

REAL PROPERTY SALE AND PURCHASE AGREEMENT

This Real Property Sale and Purchase Agreement ("Agreement") is made and entered into as of the 30th day of January, 2014, by and among the City of Saint Paul ("City"), the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA") and Brian Kjellberg ("Buyer").

RECITALS

- A. The City has proposed to sell to Buyer certain real property located at 1720 Seventh Street East and legally described on Exhibit A attached hereto (the "City Property").
- B. To facilitate the sale, the City has asked the HRA to acquire and subsequently sell to Buyer the City Property for \$75,000.
- C. Buyer intends to purchase the City Property for use as his principal residence.
- D. The HRA is willing to act as a conduit of the City Property in accordance with the terms and conditions contained in this Agreement.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of and in reliance on the foregoing Recitals, covenants, restrictions, contingencies and agreements contained herein, the parties hereby agree as follows:

1. **Acquisition and Conveyance of City Property.** Subject to the conditions as set forth in this Agreement, the HRA agrees to: (i) acquire the City Property from the City, and (ii) convey the City Property to Buyer. The HRA shall close the purchase of the City Property from the City as soon as practicable following the execution of this Agreement. During such time as the HRA holds title to the City Property, it shall not undertake nor suffer any acts which could impair the title to the City Property.

2. **Purchase Price.** The purchase price for the City Property shall be Seventy-Five Thousand and 00/100 Dollars (\$75,000.00). The purchase price shall be paid by Buyer to the City in cash.

3. **Restrictions on Use of the City Property.** Buyer agrees to hold, use, occupy and convey the City Property subject to the restrictions set forth in Exhibit B attached hereto ("Restrictions"). The Restrictions shall be included in the HRA deed of the City Property to Buyer.

4. **“As-is” Conveyance.** Buyer agrees to accept the City Property in its ‘as-is’ condition. Neither the City nor the HRA make any representations or warranties of any kind concerning the City Property, or any improvements located thereon.

5. **Closing.** Upon the HRA’s acquiring title to the City Property, it shall promptly convey the City Property to Buyer by a quit claim deed in the form attached hereto as Exhibit C (“Deed”). If the HRA is unable to complete the closing of the City Property for any reason, this Agreement and the rights of the parties hereunder shall terminate without further obligation, provided however, that the HRA is entitled to retain all costs and fees paid to it under section 6 below.

6. **Costs, Fees.** All closing costs for the acquisition of the City Property by the HRA, and the HRA conveyance to Buyer, including but not limited to state deed tax on the deeds and the recording fees, shall be paid by the City. If the Buyer chooses to use a title company in the closing, all costs associated with the title company will be paid by the Buyer.

7. **Indemnity Clause.** The City agrees to defend, indemnify and hold the HRA harmless from all costs, claims, causes of action, expenses and liabilities of every kind and nature, including reasonable attorneys fees, arising out of: (i) the City’s failure to perform the terms of this Agreement, (ii) the HRA’s ownership of the City Property; and (iii) the presence or release by the City of any hazardous materials and substances, toxic materials, and petroleum products on the City Property.

Buyer agrees to defend, indemnify and hold the City and HRA harmless from all costs, claims, causes of action, expenses and liabilities of every kind and nature, including reasonable attorneys fees, arising out of: (i) Buyer’s failure to perform the terms of this Agreement, (ii) the City’s and HRA’s ownership of the City Property; and (iii) the presence or release by Buyer of any hazardous materials and substances, toxic materials, and petroleum products on the City Property.

8. **Contingencies.** The following contingencies affect the parties to this Agreement:

(a) HRA – The HRA’s obligations under this Agreement are subject to approval of this Agreement by the HRA’s Board of Commissioners after a public hearing, and closing of the purchase of the City Property by the HRA.

(b) City – The City’s obligations under this Agreement are subject to approval of this Agreement by the City Council and closing of the sale of the City Property to the HRA. Additional obligations include the City granting the following approval prior to the City’s conveyance of the City Property to the HRA: Rezoning the City Property from B-1 (Local Business) to the appropriate zoning district that permits a one-family dwelling.

(c) Buyer – The Buyer’s obligations under this Agreement are subject to obtaining, to its reasonable satisfaction, an owner’s title insurance commitment for an

owner's policy of title insurance for clear and marketable title to the City Property. Additional obligations include Buyer completing, within one (1) year following closing on the purchase of the City Property, all City-required Phase 1 (\$37,500) and Phase 2 (\$30,000) items for a total amount of \$67,500.00, on the "Proposed Capital Improvements" list, attached to this Agreement as Exhibit D. Buyer shall not be obligated to purchase the City Property and may terminate this Agreement if the City approvals stated in Section 8 (b) are not granted by the City.

9. Notices. Any notices in connection with this Agreement shall be given to the intended party by U.S. mail, postage prepaid, or by hand delivery, at the respective addresses set forth on the signature page of this Agreement. Notices delivered by U.S. mail shall be effective on the third day following the postmark and notices delivered by hand shall be effective upon delivery if left with a competent person at the delivery address during customary business hours.

10. Construction and Binding Effect. This Agreement contains the entire agreement of the parties, and supersedes all prior oral or written agreements between the parties. This Agreement shall be construed in accordance with the laws of the State of Minnesota, and shall be binding upon the parties hereto and their successors and assigns.

11. Survival of Covenants and Representations. Any representations and covenants contained in this Agreement shall survive the delivery of the deeds contemplated hereby, and shall be enforceable by any party after closing.

12. Buyer Default, Authority's Remedies. The following shall be Buyer's "Event of Default": Buyer shall fail to observe or perform any covenant, obligation or agreement on its part to be observed or performed under this Agreement and the continuation of such failure for a period of thirty (30) days after written notice of such failure by the HRA.

Whenever any Buyer Event of Default occurs, the HRA or the City or both may take any one or more of the following actions:

(a) Suspend performance under this Agreement until it receives assurances from Buyer, deemed adequate by the HRA and the City in their reasonable discretion, that the Buyer will cure its default and continue its performance under this Agreement.

(b) Cancel and terminate this Agreement.

(c) Upon filing an affidavit of default with the appropriate recording office title to the City Property will be revested with the HRA who in turn will reconvey it to the City.

(d) Take whatever action at law or in equity may appear necessary or desirable to the HRA and the City to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, restriction or covenant of Buyer under this Agreement.

No remedy herein conferred upon or reserved to the City or the HRA is intended to be exclusive of any other available remedy or remedies unless otherwise expressly stated, 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 to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in Section 9 and Section 12.

[The remainder of this page is left intentionally blank.]

**SEPARATE SIGNATURE PAGE OF
HOUSING AND REDEVELOPMENT AUTHORITY
FOR REAL PROPERTY SALE AND PURCHASE AGREEMENT**

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be made as of the day and year first above written.

**HOUSING AND REDEVELOPMENT
AUTHORITY OF THE CITY OF SAINT
PAUL, MINNESOTA**

By: _____
Its Executive Director

By: _____
Its Director, Office of Financial Services

Approved as to form:

Assistant City Attorney

STATE OF MINNESOTA)
) ss
COUNTY OF Ramsey)

The foregoing instrument was acknowledged before me this _____ day of _____, 2014, by _____, Executive Director of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a body corporate and politic under the laws of the State of Minnesota, and _____, Director of Financial Services of the City of Saint Paul, Minnesota, a municipal corporation under the laws of the State of Minnesota.

Notary Public

Address:
City Hall Annex, Suite 1200
25 West 4th Street
Saint Paul, MN 55102

**SEPARATE SIGNATURE PAGE OF
CITY OF SAINT PAUL
FOR REAL PROPERTY SALE AND PURCHASE AGREEMENT**

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be made as of the day and year first above written.

CITY OF SAINT PAUL, MINNESOTA

By: _____
Its Mayor or Deputy Mayor

By: _____
Its City Clerk

By: _____
Its Director of Financial Services

Approved as to form:

Assistant City Attorney

STATE OF MINNESOTA)
) ss.
COUNTY OF Ramsey)

The foregoing instrument was acknowledged before me this _____ day of _____, 2014, by _____, Mayor or Deputy Mayor, _____, City Clerk, and _____, Director of Financial Services of the City of Saint Paul, a municipal corporation under the laws of the State of Minnesota.

Notary Public

Address:
Office of Financial Services – Real Estate Section
1000 City Hall Annex
25 West 4th Street
Saint Paul, MN 55102

**EXHIBIT A
TO
ACQUISITION AGREEMENT**

· Lots 14 & 15, Block 1, Kuhl's 2nd Addition to St. Paul, according to the recorded plat thereof, Ramsey County, Minnesota

**EXHIBIT B
TO
ACQUISITION AGREEMENT
RESTRICTIVE COVENANTS**

1. No part of the City Property shall be used for any purpose other than a residential dwelling, and shall at all times be owner occupied.
2. No billboards or advertising signs shall be erected on any part of the City Property.
3. No part of the City Property shall be used for the storage or disposal of garbage, refuse, or debris, except to the extent that such storage or disposal is an accessory use to the City Property, as defined and provided for in the Code.
4. No freestanding broadcasting towers nor telecommunication antennas shall be erected on any part of the City Property; provided, however, that this restriction shall not prohibit the installation of concealed or interior rooftop antennas, wiring, metal or carbon fiber elements, and satellite dishes used to receive radio, television, or electromagnetic waves. Cellphone towers are an approved exception to this restriction, provided that the Owner receives rental income for allowing a cellphone tower on the building.

**EXHIBIT C
TO
ACQUISITION AGREEMENT**

**QUIT CLAIM DEED FOR
CITY PROPERTY**

Corporation Partnership or Limited Liability Company
to Corporation, Partnership or Limited Liability Company

No delinquent taxes and transfer entered; Certificate of Real Estate Value () filed () not required Certificate of Real Estate Value No.

County Auditor

by

Deputy

STATE DEED TAX DUE HEREON: \$

Date: _____, 2014

(Reserved for recording data)

FOR VALUABLE CONSIDERATION, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a public body corporate and politic (“Grantor”) hereby conveys and quitclaims to Brian Kjellberg (“Grantee”), the real property in Ramsey County, Minnesota, described as follows:

See attached Exhibit A

together with all hereditaments and appurtenances belonging thereto and subject to the restrictive covenants set forth in Exhibit B (“Property”).

Grantor's delivery of this Deed and conveyance of title, and Grantee's acceptance of this Deed and title to the Property, are expressly subject to: (1) the terms and conditions and the rights of the Grantor and the obligations of the Grantee under that certain Real Property Sale and Purchase Agreement by and between Grantor and Grantee dated the ____ day of _____, 2014, including the right of Grantor under section 12 (c) to be revested in title to the Property, (2) minerals and mineral rights reserved by the State of Minnesota; and (3) real estate taxes and special assessments due and payable in 2014 and subsequent years, and (4) applicable zoning laws, ordinances and all other local, state, regional and federal laws and regulations, and (5) all easements, restrictions and covenants of record; and (6) all leases; and (7) all interests and other matters as shown on a survey.

It is intended and agreed that the above and foregoing agreement and covenants shall be covenants running with the land, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically

EXHIBIT A
TO
QUIT CLAIM DEED FOR CITY PROPERTY

Legal Description

Lots 14 & 15, Block 1, Kuhl's 2nd Addition to St. Paul, according to the recorded plat thereof,
Ramsey County, Minnesota

EXHIBIT B
TO
QUIT CLAIM DEED FOR CITY PROPERTY

Restrictive Covenants

1. No part of the City Property shall be used for any purpose other than a residential dwelling, and shall at all times be owner occupied.
2. No billboards or advertising signs shall be erected on any part of the City Property.
3. No part of the City Property shall be used for the storage or disposal of garbage, refuse, or debris, except to the extent that such storage or disposal is an accessory use to the City Property, as defined and provided for in the Code.
4. No freestanding broadcasting towers nor telecommunication antennas shall be erected on any part of the City Property; provided, however, that this restriction shall not prohibit the installation of concealed or interior rooftop antennas, wiring, metal or carbon fiber elements, and satellite dishes used to receive radio, television, or electromagnetic waves. Cellphone towers are an approved exception to this restriction, provided that the Owner receives rental income for allowing a cellphone tower on the building.

Listed	Buyers		City
Items	Proposal		Required
Lumber	\$1,500		\$1,500
Plumbing	TBD		\$5,000 Est.
Electrical	TBD		\$5,000 Est.
Home Automation	\$2,000		\$0
Security	\$2,000		\$2,000
Spray Foam Insul	\$20,000		\$20,000
Drywall	\$1,000		\$1,000
Paint	TBD		\$3,000 Est.
Total Ph 1	\$26,500		\$37,500
Boiler	\$10,000		\$10,000
Windows	\$20,000		\$20,000
Hardwood Floors	\$20,000		\$0
Total Ph 2	\$50,000		\$30,000
Tile	\$20,000		
Cabinets	TBD		
Appliances	TBD		
Total Ph 3	\$20,000		
Air Conditioning	\$8,000		
Big Ass Fan	\$5,000		
Security Door	\$6,000		
Outside Lights	\$1,000		
Total Ph 4	\$20,000		
Elevator	\$20,000		
Property	\$3,000		
Patio	\$8,000		
Total Ph 5	\$31,000		
Dry Ice Blasting	TBD		
Total Ph 6	\$0		
Garden Sanctuary	\$50,000		
Total Ph 7	\$50,000		
GRAND TOTAL	\$197,500		\$67,500

*the costs noted above were submitted by the Buyer, with the exception of the ones noted as "Est." It is intended that the Buyer complete the total of \$67,500 within Phases 1 & 2 as part of the purchase agreement; as stated in paragraph 8c.