

**LAND SALE AGREEMENT
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
ONE ROOF COMMUNITY HOUSING**

THIS AGREEMENT entered into this ____ day of _____, 2024, by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, AN ECONOMIC DEVELOPMENT AUTHORITY UNDER THE LAWS OF MINNESOTA (hereinafter referred to as "DEDA") and ONE ROOF COMMUNITY HOUSING, a Minnesota nonprofit corporation, (hereinafter referred to as "Developer").

WHEREAS, DEDA owns certain property, as shown in **Exhibit A**, located at 1438 North 8th Avenue East in the Kenwood neighborhood of Duluth , located in St. Louis County, Minnesota, which property is further described as:

Lot 11 Block 6 HOMEWOOD ADDITION TO DULUTH
Lot 12 Block 6 HOMEWOOD ADDITION TO DULUTH

(the "Property")

WHEREAS, Developer is desirous of acquiring the Property for development of no less than one (1) new housing unit, to be included in the Developer's Community Land Trust program which ensures the final Project will be for sale to an individual or family whose income is at or below 80% of the Area Median Income; and

WHEREAS, DEDA has the authority to sell and convey property owned by it if the sale and conveyance is in the best interest of the City of Duluth and its people, and if the transaction furthers its general plan of economic development, following a public hearing on the sale; and

WHEREAS, DEDA approved this Agreement, following a public hearing, finding this sale and conveyance is in the best interest of the City of Duluth and its people, and finding that the transaction furthers economic development.

NOW, THEREFORE in consideration of mutual covenants and conditions hereinafter contained, the parties hereto agree as follows:

1. Sale of Property.

Upon and subject to the terms and conditions of this Agreement, the proper DEDA officials hereby agree to sell and Developer agrees to purchase the Property located at 1438 North 8th Avenue East in the Kenwood neighborhood of Duluth, St. Louis County, Minnesota (PID 010-2270-02200), legally described in the attached Exhibit A, together with all building and improvements located on the property, if any.

- a. Purchase Price. The total purchase price to be paid by Developer to DEDA is One Dollar and no 100ths (\$1.00) (the "Purchase Price"). Developer also agrees to pay all closing costs including state deed tax and recording fees associated with the closing of the property and recording this Agreement, except DEDA attorneys' fees. Within ten (10) days of the signing of this Agreement, Developer agrees to deposit the Purchase Price in the form of cash or a certified check with DEDA.
 - b. Closing. The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall occur on a date mutually acceptable to Developer and DEDA (the "Closing Date").
 - c. Quit Claim Deed. On the Closing Date, DEDA shall deliver a Quit Claim Deed, containing the terms, covenants, and conditions upon which the sale is based. The Quit Claim Deed shall contain a covenant running with the land the conditions of Minnesota Statutes sections 469.090 to 469.108 relating to the use of the land. If the covenant is violated DEDA may declare a breach of the covenant and seek a judicial decree from the district court declaring a forfeiture and a cancellation of the deed.
 - d. Plans. Prior to Closing, Developer shall submit to the DEDA Executive Director (the "Director") for approval plans and specifications for the development of the Property, which approval by the Director shall be in writing. The detail of the plans and specifications shall be such as will enable DEDA to determine with reasonable certainty that the Project on the Property is or will be in compliance with the law and will, if carried out, provide for the intended use.
2. Contingent Performance

Upon the deposit of the Purchase Price with DEDA as provided for in Paragraph 1 above, DEDA hereby agrees to convey the Property to Developer under the terms and conditions of this Agreement. In addition, the parties hereto anticipate that the transaction covered by this agreement shall be completed within two (2) years of the effective date of this Agreement. If it is not so completed, either party not then in default of any of its obligations hereunder may terminate this Agreement without cause upon ten (10) days written notice to the other party as provided for in Paragraph 5 below, in which

case, neither party shall have any further rights or obligations to the other party under this Agreement.

3. Developers Project

Pursuant to Minnesota Statutes, Section 469.105, subd. 5, the Property shall be devoted to its intended use or work on the improvements to the Property to devote it to that use must be started within one (1) year of the Closing Date, based upon the final plans and specifications for the development project approved by DEDA.

Developer hereby agrees that, no later than (2) years from the Closing Date, Developer will have completed construction of the Project as herein defined on the Property and will have conveyed the Project to an individual or family having an income at or below 80% of the Area Median Income as defined by the United States Department of Housing and Urban Development. For the purposes of this Agreement, the "Project" shall consist of the construction on the Property of no less than one (1) new housing unit of at least 1,000 square feet in size and having at least two (2) bedrooms. The Project shall be constructed and installed only in conformance with plans approved in writing and in advance of construction by the Director and must conform to all applicable building, zoning, or other codes or ordinances. The Developer will acquire any and all necessary permits for the construction of the project.

If Developer fails to commence work on time or devote the Property to its intended use on time, title to the Property shall revert to DEDA, at DEDA's election, and in that event, Developer shall promptly offer a deed to the Property legally described herein, to DEDA, who will then refund Developer the amount of the Purchase Price paid by Developer to DEDA, without interest, less any taxes or other encumbrances affecting the marketability of title. Notwithstanding the foregoing, the Director may, at their discretion, consider an extension of time for good cause shown by Developer, and upon conditions to protect the public interest. In the event an extension is granted, such extension shall be to a date certain.

4. Environmental Indemnification.

Developer hereby agrees that for itself, its successors and assigns, it will defend, indemnify and save DEDA and the City of Duluth and their officers, agents, servants and employees harmless from and against all liabilities, losses, damages, costs, expenses, including reasonable attorney's fees and expenses, causes of action, suits, claims, demands and judgments arising out of any condition existing on the Property, whether pre-existing or after created, which constitutes a violation of any environmental law or laws with regard to pollutants or hazardous or dangerous substances promulgated by the government of the United States, the State of Minnesota or of any such duly promulgated rules and regulations of the United States Environmental Protection Agency or the

Minnesota Pollution Control Agency or the presence on the Property of any element, compound, pollutant, contaminant or toxic or hazardous substance, material or waste, or any mixture thereof, which otherwise causes injury or death to persons or damage to property and that indemnification granted hereby shall include all the costs of clean up, remediation, together with the costs incurred in proceedings before a court of law or an administrative agency, including attorney's fees, expenses, the fees and expenses of persons providing technical expertise addressing such problems, including expert witnesses, and the cost of preparing and securing approval of Response Action Plans as may be necessary to meet the requirements of the aforesaid agencies and any other costs and expenses of any kind whatsoever arising out of conditions existing on the Property. Provided, however, that the indemnity provided by Developer to DEDA and the City of Duluth pursuant to this paragraph is intended to run only to the benefit of DEDA and the City and is not intended to, nor shall it, inure to the benefit of any third party.

Promptly after receipt by DEDA of notice of the commencement of any action with respect to which the Developer is required to indemnify DEDA or the City under this Agreement, DEDA shall notify the Developer in writing of the commencement of the action, and, subject to the provisions as hereinafter stated, the Developer shall assume the defense of the action, including the employment of counsel selected by the Developer and the payment of expenses. Insofar as such action shall relate to any alleged liability of DEDA and/or the City with respect to which indemnity may be sought against the Developer, DEDA and/or the City shall have the right to employ separate counsel and to participate in the defense thereof, and the fees and expenses of such separate counsel shall be at the expense of the Developer. With respect to conditions on the Property created by the Developer during any inspection of the Property, or otherwise as related strictly to claims or liabilities accruing after the date of this Agreement based on Buyer's actions hereunder, this paragraph shall survive the cancellation of this Agreement for any reason.

5. Default and Remedies.

In the event that Developer failed to perform or to comply with any of the terms, covenants and conditions of this Agreement, including but not limited to those contained in Paragraphs 2 and 3 above, and said failure to so perform or comply shall continue for a term of thirty (30) days after notice from DEDA to Developer of such nonperformance or noncompliance, Developer shall be in default of its obligations hereunder and DEDA may, at its option, exercise any one or more of the following rights and remedies. The remedies provided for under this Paragraph shall be deemed to be cumulative and non-exclusive and the election of one remedy shall not be deemed to be a waiver of any other remedy with regard to any occasion of default hereunder. Further, the waiver by DEDA

of any default on the part of Developer hereunder or the failure of DEDA to declare default on the part of Developer of any of its obligations pursuant to this Agreement shall not be deemed to be a waiver of any subsequent event of default on the part of Developer of the same or any other obligation of Developer hereunder and, to be effective, any waiver of any default by Developer hereunder shall be in writing by DEDA.

a. DEDA may seek and be entitled to monetary damages, including consequential damages, from Developer for any damages, including consequential damages incurred by DEDA as a result of Developer's default.

b. DEDA may seek and be entitled to receive reconveyance of the Property from Developer, free and clear of all liens and encumbrances whatsoever, if said default occurs prior to certification by DEDA's Executive Director of the completion of the Project.

c. DEDA may seek and be entitled to injunctive and declaratory relief as is necessary to prevent Developer's violation of the terms and conditions.

d. DEDA may seek such other legal or equitable relief as a court of competent jurisdiction may be determined as available to DEDA.

Notwithstanding the foregoing, if the default reasonably requires more than thirty (30) days to cure, Developer shall promptly commence said cure default, and with due diligence thereafter continuously prosecute said cure to completion within a reasonable period of time, and provided that Developer keeps DEDA informed of its progress in curing the default; provided in no event shall such additional cure period extend beyond 90 days.

6. AS-IS Provision.

. Developer is purchasing the Property "AS IS" and "WHERE IS", and with all faults. Developer agrees that Buyer is not liable or bound by any guarantees, promises, statements, representations or information pertaining to the Property made or furnished by DEDA or any agent, officer, director, employee or other person representing or purporting to represent DEDA. To the fullest extent allowed by Minnesota and Federal law, Developer and DEDA agree as follows: Developer expressly waives the requirement of any disclosure not expressly contained in this Agreement (including, without limitation, any disclosure required pursuant to Minn. Stat. §513.52-513.60), and Developer agrees to take the Property "As Is" notwithstanding any matter set forth in any disclosure statement required by Minnesota law.

DEVELOPER ACKNOWLEDGES AND AGREES THAT DEDA HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER

WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO:

(a) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY;

(b) THE INCOME TO BE DERIVED FROM THE PROPERTY;

(c) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON;

(d) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCE OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY OR ANY FRANCHISE LICENSE OR AGREEMENT OR ANY GRANT OR SIMILAR AGREEMENT;

(e) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY;

(f) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY;

(g) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY;

(h) THE AVAILABILITY OF WATER OR OTHER RESOURCES OR UTILITIES; OR

(i) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND SPECIFICALLY, THAT SELLER HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION OR POLLUTION RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING SOLID WASTE, AND INCLUDING THE DISPOSAL, RELEASE OR EXISTENCE, IN OR ON THE PROPERTY, OF ANY HAZARDOUS SUBSTANCE.

This section shall survive the Closing and cancellation of this Agreement for any reason.

7. Notices.

Any notice, demand or other communication under this agreement by either party to the other shall be deemed to be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, to:

In the Case of DEDA:

Duluth Economic Development Authority

City Hall – Room 418
Attn: Executive Director
411 West 1st Street
Duluth, Minnesota 55802

In the Case of Developer:

One Roof Community Housing
Attn: Jeff Corey
12 East 4th Street
Duluth, MN 55805

8. Force Majeure.

Under the terms of this Agreement, neither DEDA nor Developer shall be considered in default or in breach of any of the terms with respect to the performance to their respective obligations under this Agreement in the event of enforced delay in the performance of its obligations due to unforeseeable causes beyond its control and without its fault or negligence, including but not limited to acts of God, acts of a public enemy, acts of the federal government, acts of another party, fire, floods, epidemics, strikes or embargoes, or for delays of subcontractors due to such causes. In the event of any such delay, any time for completion or delivery under this Agreement shall be extended for the period of any such delay upon written notice from the party seeking the extension to the other party.

9. Release of right to receive reconveyance.

Upon the determination by DEDA's Executive Director that construction of the Project has been completed and upon Developer's request therefore, DEDA will furnish to the Developer a Release of Right to Receive Reconveyance ("Release") certifying the completion of the Project. The Release shall satisfy and terminate the agreements of the Developer in this Agreement. The Developer may cause the Release to be recorded in the proper office for recordation of deeds and other instruments pertaining to the Property. Provided, however, the Release shall in no way release Developer from its obligations set forth in Section 3 to convey the Project to an individual or family having an income at or below 80% of the Area Median Income as defined by the United States Department of Housing and Urban Development.

10. Applicable Law.

This Agreement, together with all of its paragraphs, terms and conditions, is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

11. No Broker.

Developer represents to DEDA that this Agreement is made and entered into without the aid or assistance of a Developer's broker or other Developer's agent, and Developer hereby represents and warrants to DEDA that Developer has not entered into an agreement or made any undertaking of any kind whatsoever as a result of which any claim could properly be brought against DEDA for any commission, finder's fee or other form of compensation of a similar character as a result of this transaction.

12. Assignment.

Developer agrees that it shall not assign this Agreement or any interest herein without the prior written approval of DEDA.

13. Binding Agreement

This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.

(the rest of this page is intentionally left blank; signature page to follow)

ONE ROOF COMMUNITY HOUSING

By: Jeff Corey
Its: Executive Director

STATE OF MINNESOTA)
)ss.
COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this _____ day of _____, 2024, by Jeff Corey, Its Executive Director, One Roof Community Housing, a Minnesota nonprofit corporation, on behalf of the corporation.

Notary Public

This Instrument Drafted By:
Amanda M. Mangan
Attorney for DEDA
411 West First Street, Room 440 City Hall
Duluth, Minnesota 55802
(218)730-5490

EXHIBIT A

Property located in St. Louis County, Minnesota, legally described as follows:

Lot 11 Block 6 HOMEWOOD ADDITION TO DULUTH

Lot 12 Block 6 HOMEWOOD ADDITION TO DULUTH

Exhibit A



**Lots 11 & 12, Block 6,
HOMWOOD ADDITION
TO DULUTH**