

Crow Wing County HRA Board Meeting
5:00 p.m. Tuesday, July 14th, 2020
Webex Video/Teleconference

Join from your browser: <https://brainerdhra.my.webex.com.brainerdhra.my/j.php?MTID=mce239568d1fef5b757a35d1a7c26a3bc>

Join by phone: 1-415-655-0001

Meeting number (access code): 126 293 1540

Meeting password: 07142020

“Our mission is to support the creation and preservation of affordable housing, economic development, and redevelopment projects towards a more vibrant Crow Wing County.”

AGENDA

- 1. CALL to ORDER**
- 2. ROLL CALL**
- 3. REVIEW and APPROVE MINUTES (Attachment 1)**
- 4. REVIEW and ACCEPT FINANCIAL STATEMENTS (Attachment 2)**
- 5. UNFINISHED BUSINESS**
 - a. Approve Revised Purchase and Redevelopment Agreement Between CWC HRA and Level Contracting (Attachment 3)
- 6. NEW BUSINESS**
 - a. Approve Purchase and Redevelopment Agreement Between CWC HRA and Level Contracting (Attachment 4)
- 7. REPORTS**
 - a. Executive Director (Attachment 5)
 - b. Brainerd HRA/Rehab Programs (Attachment 6)
 - c. BLAEDC/CREDI (Attachment 7)
 - d. CWC
- 8. COMMISSIONER COMMENTS**
- 9. NEXT MEETING AGENDA TOPICS: Tuesday, August 11, 2020**
- 10. ADJOURNMENT**

2020 Commissioners

Craig Nathan, Chair - District 4 (12-31-20)

Michael Aulie, Vice Chair - District 5 (12-31-21)

Michael Morford, Secretary/Treasurer - District 2 (12-31-23)

Vacant Seat - District 1 (12-31-22)

Zach Tabatt, Commissioner - District 3 (12-31-24)



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Crow Wing County HRA Board Meeting Minutes

from Tuesday, June 9th, 2020

A regular meeting of the Board of Commissioners of the Housing and Redevelopment Authority (HRA) in and for the County of Crow Wing, Minnesota, was held via Webex video/teleconference at 5:00 p.m., Tuesday, June 9th, 2020.

- 1. CALL TO ORDER:** Chair Craig Nathan called the meeting to order at 5:02 p.m.
- 2. ROLL CALL:** Those present include Chair Craig Nathan and Commissioners Michael Morford, Michael Aulie, and Zach Tabatt; Interim Executive Director/Finance Director Karen Young, Rehab Coordinator John Schommer, and Executive Assistant LeAnn Goltz; Debby Erickson and Steve Barrows with Crow Wing County; Tyler Glynn with BLAEDC; and Mark Miller with MJ Builders. Absent: Theresa Goble.
- 3. REVIEW AND APPROVE MINUTES:**

Commissioner Aulie moved to approve the minutes from the meeting on May 12th, 2020. Commissioner Morford seconded the motion. Through a roll call vote, all commissioners were in favor of the motion and none were opposed. The minutes were approved.

- 4. REVIEW AND APPROVE FINANCIAL STATEMENTS:** Reflected in the May financial statements is the closing that took place for the purchase of the five lots at Brainerd Oaks for a total of \$22,765.52 as approved at the April meeting. Of this, \$11,500 went to the City for SAC/WAC/Park Fees and \$8,620.37 went to the City in lieu of assessments. The HRA was reimbursed for direct costs of \$2,157.65.

Moved by Commissioner Aulie and seconded by Commissioner Tabatt to accept the May 2020 financial statements as presented. Through a roll call vote, all commissioners voted in favor and none were opposed. The motion passed.

- 5. UNFINISHED BUSINESS:**

- a. Approve Revised Tax Forfeited Property Policy:** At the May meeting, the Board revised the Tax Forfeited Property Policy to encourage development and redevelopment by dropping acquisition prices to zero percent of market value plus costs along with other changes to reflect more accurately how the process is working. In reviewing some of the wording changes, staff realized the policy does not clarify when the acquisition price is to be paid, define the costs or when the administrative fee and holding cost is to be submitted. A revised policy, which was reviewed by Attorney Marth Ingram, was provided to the Board that highlighted all proposed changes. Schommer went through each change and explained the policy in detail.

Moved by Commissioner Aulie and seconded by Commissioner Morford to approve Resolution No. 2020-07 amending the CWC HRA Tax Forfeited Hold Policy and Sales Procedure as presented. Through a roll call vote, all commissioners voted in favor and none were opposed. The motion passed.

- 6. NEW BUSINESS:** Nothing to report.
- 7. REPORTS:**



a. **Executive Director:**

Workforce Housing Study Outreach: Following the May meeting regarding the Workforce Housing Study presentations, staff sent e-mail correspondence out to the Phase 1 and Phase 2 groups and will continue reaching out to the additional groups in the remaining two Phases.

Phase 1 – the 18 municipalities as defined in the Study.

Phase 2 – the Study Taskforce participants.

Phase 3 – the Study participants who were solicited to participate in the two surveys that were conducted as part of the Study process.

Phase 4 – various industry groups as defined in the Study.

Request for Technical Assistance (RFTA): Staff submitted a RFTA to Minnesota Housing Partnership (MHP) on behalf of CWC HRA in mid-April. This application focused on current CWC HRA initiatives as related to the Work Force Housing Study, creation of a Housing Trust Fund, and the affordable housing shortage in CWC.

Staff had a follow-up call with MHP regarding the application and they are still considering the HRA's application for funding. They received 26 applications and they estimated that it will still be a couple of more weeks until they make their awards.

Executive Director Search: The Brainerd HRA Board conducted interviews on May 27th with the final candidate selected by the hiring committee. Upon completion of the interview process, the Brainerd HRA Board took action offering the position to Eric Charpentier, contingent on HUD approval. He accepted the offer also contingent on HUD approval and a formal job offer has been withheld until HUD approval is received. Until recently, Mr. Charpentier served as a Brainerd HRA Board Member, which requires HUD approval in order to hire a former board member as an employee. A waiver request has been submitted to HUD.

- b. **Brainerd HRA/Rehab Programs:** Schommer reviewed his report that provided updates on the rehab programs as well as the Brainerd Oaks/Serene Pines Developments.
- c. **BLAEDC:** Glynn reviewed the BUF Loan Portfolio and Key Recruitment Program Report. He also announced that the Pequot Lakes City Council approved plans and the sale of four acres of property to Excel Energy located in the Heart of the Good Life Development. They expect 17 employees to be working out of that location.
- d. **Crow Wing County:** Erickson reported that the County has some buildings open to the public and the number of visitors is being monitored. They are moving toward reopening all of the buildings though they are not quite ready. County board meetings still continue to be held virtually. Staff is preparing for the 2021 budget cycle. She also informed the Board that there is a BLADE community forum this evening.

8. **JULY 14TH MEETING AGENDA TOPICS:** Update on the Workforce Housing Study outreach and feedback; Housing Trust Fund

9. **ADJOURNMENT:**

Commissioner Morford moved to adjourn the meeting. Commissioner Tabatt seconded the motion. Via roll call vote, all commissioners were in favor and none were opposed. The motion was approved at 6:03 p.m.



Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Karen Young, Finance Director
Date: July 6, 2020
Re: Review & Accept Financial Statements

Please find attached the financial information for June 2020.

Grand Oaks Settlement Statement

Reflected in the June financial statements is the payoff of the Grand Oaks mortgage of \$48,000 along with interest of \$7,613 for a total payment of \$55,613. The Settlement Statement was executed upon receipt of payment.

CWC HRA Tax Levy

Reflected in the June General Fund Financial Statements is the deposit of \$250,242.84 in Property Tax Revenue (levy). The second deposit of \$153,391.43 was deposited in July for total deposits of \$403,634.27. The total levy amount for 2020 is \$729,500. The second half property tax settlement will be in December.

Collections for the first half settlement seem to be on track for what we have seen historically and do not appear to be significantly affected by the County's tax penalty waiver or COVID-19 related issues.

2021 Budget Preparation

There is a CWC Budget Committee meeting scheduled on August 13th. We have been added to that agenda to present the 2021 CWC HRA budget to the CWC Commissioners. The CWC HRA Board normally approves the budget at their August meeting. In order to have our approved budget in the packet for the August 13th Budget Committee meeting, I am suggesting that we move the August CWC HRA meeting up one week to August 4th.

The biggest variable in this budget will be the funding of the Housing Trust Fund and the BLAEDC/CREDI funding. Staff would like to have a discussion regarding the 2021 budget.

Action Requested: Accept the June financial statements as submitted.



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Date/Time roberta
7/8/2020 10:09:01 AM

**Crow Wing County
CWC HRA Combined Balance Sheet
June, 2020**

Cumulative

ASSETS

550-000-1129.210	Cash Gen Fund	343,316.57
550-001-1129.210	Cash CWC SCDP	35,491.60
551-002-1129.210	Cash RLF TIF	359,856.15
556-000-1129.210	Cash Development Fund	-10.90
557-000-1129.210	Cash Tax Forf Property	-2,370.27
551-002-1141.000	Loans Rec RLF TIF	58,557.05
556-000-1450.000	Land Held for Resale	527,160.15
TOTAL ASSETS		1,322,000.35

LIABILITIES

557-000-2115.000	Escrow Account TFP	-1,000.00
556-000-2600.000	Def Inflow of Res - Dev	-527,160.15
TOTAL LIABILITIES		-528,160.15

SURPLUS

550-000-2700-000	Net Income	-141,871.24
550-000-2806.000	Retained Earnings	-651,968.96
TOTAL SURPLUS		-793,840.20

TOTAL LIABILITIES & SURPLUS

-1,322,000.35

Proof 0.00



Date: 7/8/2020
Time: 10:09:04 AM
roberta

**Crow Wing County
CWC HRA Combined Operating Stmt
June, 2020**

Page: 1
Rpt File: F:\HMS\REP

	Current Period	Current Year	Year To Date Budget	Variance
INCOME				
550-000-3610.000 Investment Earnings	-34.86	-502.02	0.00	-502.02
550-000-3690.000 Other Revenue	0.00	0.00	-13,500.00	13,500.00
550-000-3691.000 Property Tax Revenue	-250,242.84	-250,242.84	-438,000.00	187,757.16
551-002-3610.000 RLF TIF Interest Rev	-7,940.58	-10,168.58	-5,585.04	-4,583.54
556-000-3696.000 Development Revenue	0.00	-22,477.40	-95,599.98	73,122.58
557-000-3696.000 TFP Revenue	0.00	-500.00	-4,999.98	4,499.98
TOTAL INCOME	-258,218.28	-283,890.84	-557,685.00	273,794.16
EXPENSE				
550-000-4110.000 Administrative Salaries	300.00	1,950.00	2,250.00	-300.00
550-000-4130.000 Legal	0.00	256.00	4,999.98	-4,743.98
550-000-4140.000 Staff Training	0.00	0.00	750.00	-750.00
550-000-4150.000 Travel	12.08	17.26	124.98	-107.72
550-000-4171.000 Auditing Fees	0.00	6,798.75	6,800.00	-1.25
550-000-4172.000 Management Fees	12,500.00	75,000.00	75,000.00	0.00
550-000-4190.000 Other Administrative	0.00	0.00	100.02	-100.02
550-000-4500.000 TIF Expense	0.00	0.00	300.00	-300.00
550-000-4510.000 Insurance	0.00	1,579.00	1,050.00	529.00
550-000-4540.000 Employer FICA	22.96	149.19	175.02	-25.83
550-000-4590.000 Other General Expense	0.00	23,034.40	70,999.98	-47,965.58
550-001-4600.000 CWC SCDP Expense	0.00	10,000.00	13,500.00	-3,500.00
556-000-4600.000 Development Expense	1,876.40	22,488.30	95,599.98	-73,111.68
557-000-4600.000 TFP Expense	0.00	746.70	4,999.98	-4,253.28
TOTAL EXPENSE	14,711.44	142,019.60	276,649.94	-134,630.34
NET INCOME(-) OR LOSS	-243,506.84	-141,871.24	-281,035.06	139,163.82



**Crow Wing County HRA
June 2020 Payments**

Payment Number	Payment Date	Vendor	Description	Check Amount
724	43987	John Schommer	Mileage	\$ 22.98
23339	43986	Kennedy & Graven, Chartered	Level Contracting Closings	\$ 1,865.50
Total				\$ 1,888.48



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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: John Schommer, Rehab Coordinator
Date: July 7, 2020
Re: Approve Revised Purchase and Redevelopment Agreement Between CWC HRA and Level Contracting

The Board approved a request from Level Contracting LLC to purchase five lots at their May meeting. Level Contracting LLC requested to close on the lots July 16th and in reviewing the documentation, the title company noticed we were to close no later than July 11th. Martha Ingram drafted the revised Purchase and Redevelopment Agreement and Resolution that extends the closing date to no later than July 31st, 2020 (see attached). We have since informed Level Contracting LLC that all future closings need to happen within 60 days of the date the Board approves the Purchase and Redevelopment Agreement to ensure we do not have this happen again.

Action Requested: Approve Resolution No. 2020-08, Approving the Revised Purchase and Redevelopment Agreement between the Housing and Redevelopment Authority in and for the County of Crow Wing and Level Contracting LLC.



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PURCHASE AND REDEVELOPMENT AGREEMENT

Lots 6, 15, and 21, Block 5, BRAINERD OAKS, Crow Wing County, Minnesota

Lot 1, Block 2, SERENE PINES, Crow Wing County, Minnesota

Lot 3, Block 1, SERENE PINES, Crow Wing County, Minnesota

1. **Parties.** This Purchase and Redevelopment Agreement (the “Agreement”) is made as of May 12, 2020 between the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE COUNTY OF CROW WING, a public body corporate and politic under the laws of Minnesota having its office located at 324 East River Road, Brainerd MN 56401 (the “Seller”), and LEVEL CONTRACTING, LLC, a Minnesota limited liability company, having its principal office at 3495 Northdale Blvd. NW, Suite 200, Coon Rapids, MN 55448 (the “Buyer”), as assignee of Paxmar-Brainerd, LLC.
2. **Offer/Acceptance.** Buyer offers to purchase and Seller agrees to sell real property in Crow Wing County, Minnesota, legally described as follows (the “Property”):

Lots 6, 15 and 21, Block 5, BRAINERD OAKS, Crow Wing County, Minnesota, Lot 1, Block 2, SERENE PINES, Crow Wing County, Minnesota and Lot 3, Block 1, SERENE PINES, Crow Wing County, Minnesota

Check here if part or all of the land is Registered (Torrens)
3. **Acceptance Deadline.** This offer to purchase, unless accepted sooner, shall be null and void at 4:30 p.m. on May 13, 2020. (*1 day from date of this Agreement*)
4. **Price and Terms.** The price for the Property is \$49,448.69 (“Purchase Price”), allocated to each lot of the Property as shown on Exhibit A, which Buyer shall pay in full by certified check or wire transfer on the Date of Closing; provided, however, that Earnest Money (as defined in the Master Agreement described in paragraph 6), if available, shall first be applied to pay the Purchase Price. The “Date of Closing” shall be no later than July 31, 2020.
5. **Personal Property Included in Sale.** There are no items of personal property or fixtures owned by Seller and currently located on the Property for purposes of this sale.



6. Deed. Upon performance by Buyer, Seller shall deliver a quit claim deed conveying title to the Property to Buyer, in substantially the form attached as Exhibit B, subject to the conditions subsequent required by Sections 15, 16, and 17 of this Agreement (the “Deed”), and further subject to the terms and conditions of the Master Purchase and Redevelopment Contract between the Seller and Paxmar-Brainerd, LLC dated as of September 13, 2016, and recorded in the office of the Crow Wing County Recorder on March 17, 2017 as document no.A-886215, as amended by a First Amendment thereto dated November 8, 2016 and a Second Amendment thereto dated as of March 14, 2017, and Assignment of Master Purchase and Development Agreement dated October 8, 2019 (hereafter collectively referred to as the “Master Agreement”).

7. Real Estate Taxes and Special Assessments.

- A. Seller shall pay, at or before closing, all real estate taxes due and payable in 2019 and prior years. Real estate taxes for taxes payable year 2020 are exempt.
- B. Seller represents that there are no special assessments payable or pending as of the date of this Agreement. If a special assessment becomes pending after the date of this Agreement and before the Date of Closing, Buyer may, as Buyer’s option:
 - (1) Assume payment of the pending special assessment without adjustment to the purchase agreement price of the property; or
 - (2) Require Seller to pay the pending special assessment and Buyer shall pay a commensurate increase in the purchase price of the Property, which increase shall be the same as the estimated amount of the assessment; or
 - (3) Declare this Agreement null and void by notice to Seller, and earnest money shall be refunded to Buyer.

8. Closing Costs and Related Items. The Buyer will pay: (a) one-half the closing fees charged by the title insurance or other closing agent, if any, utilized to close the transaction contemplated by this Agreement; (b) fees for title evidence obtained by Buyer; (c) the recording fees for this Agreement and for the Deed transferring title to Buyer; and (d) any transfer taxes. Seller will pay all other fees normally paid by sellers, including (a) Well Disclosure fees required to enable Buyer to record its deed from Seller under this Agreement, (b) one-half the closing fees charged by the title insurance or other closing agent, if any, utilized to close the transaction contemplated by this Agreement, and (c) fees and charges related to the filing of any instrument required to make title marketable. Each party shall pay its own attorney fees. The Purchase Price shall be allocated and disbursed as provided in Sections 3.2 (b) and (c) of the Master Agreement.

9. Sewer and Water. Seller warrants that city sewer is available at the Property line, and that city water is available in the right of way adjacent to the Property. Seller makes no

warranty regarding the conditions of any existing water stub from the main to the Property line. Seller advises Buyer to inspect the condition of the water stub.

10. **Condition of Property.** Buyer acknowledges that it has inspected or has had the opportunity to inspect the Property and agrees to accept the Property "AS IS." Buyer has the right, at its own expense to take soil samples for the purpose of determining if the soil is suitable for construction of the dwelling described in section 14 below. If the soil is determined to be unacceptable the Buyer may rescind this agreement by written notice to the Seller, in which case the agreement shall be null and void. Seller makes no warranties as to the condition of the Property.
11. **Marketability of Title.** As soon as reasonably possible after execution of this Agreement by both parties:
 - A. Seller shall surrender any abstract of title and a copy of any owner's title insurance policy for the property, if in Seller's possession or control, to Buyer or to Legacy Title, Buyer's designated title service provider; and
 - B. Buyer shall obtain the title evidence determined necessary or desirable by Buyer.

The Buyer shall have 20 days from the date it receives such title evidence to raise any objections to title it may have. Objections not made within such time will be deemed waived. The Seller shall have 30 days from the date of such objection to affect a cure; provided, however, that Seller shall have no obligation to cure any objections, and may inform Buyer of such. The Buyer may then elect to close notwithstanding the uncured objections or declare this Agreement null and void, and the parties will thereby be released from any further obligation hereunder.

12. **Title Clearance and Remedies.** If Seller shall fail to have title objections timely removed, the Buyer may, at its sole election: (a) terminate this Agreement without any liability on its part; or (b) take title to the Property subject to such objections.

If title is marketable, or is made marketable as provided herein, and Buyer defaults in any of the agreements herein, Seller may elect either of the following options, as permitted by law:

- A. Cancel this contract as provided by statute and retain all payments made hereunder as liquidated damages. The parties acknowledge their intention that any note given pursuant to this contract is a down payment note, and may be presented for payment notwithstanding cancellation;
- B. Seek specific performance within six months after such right of action arises, including costs and reasonable attorney's fees, as permitted by law.



If title is marketable, or is made marketable as provided herein, and Seller defaults in any of the agreements herein, Buyer may, as permitted by law:

- C. Seek damages from Seller including costs and reasonable attorney's fees;
- D. Seek specific performance within six months after such right of action arises.

13. Well Disclosure. Seller's knowledge of wells is as follows:

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document.
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the Property have not changed since the last previously filed well disclosure certificate.

14. Individual Sewage Treatment System Disclosure and Methamphetamine Disclosure. Seller certifies that there is no individual sewage treatment system on or serving the Property. To the best of Seller's knowledge, methamphetamine production has not occurred on the Property.

15. Construction and Sale of Dwelling. Buyer agrees that it will construct a new single family dwelling on each lot of the Property (each a "Lot"), intended for sale to a person or persons for residential occupancy (an "Owner Occupant"). This covenant shall survive the delivery of the Deed.

- A. Each single family dwelling described in this Section is referred to as the "Minimum Improvements."
- B. The Minimum Improvements shall consist of a new single family dwelling, and shall be constructed substantially in accordance with the Declaration of Covenants, Easements and Restrictions of record and applicable to each Lot, provided that approval of the building plans for such Minimum Improvements shall be evidenced by the issuance by the City of Brainerd of a building permit for the Minimum Improvements.
- C. Construction of the Minimum Improvements on each Lot must be substantially completed by one year from the Date of Closing. Construction of the Minimum Improvements on each Lot will be considered substantially complete when the final certificate of occupancy has been issued by the City of Brainerd building official.
- D. Promptly after substantial completion of the Minimum Improvements on each Lot in accordance with those provisions of this Agreement relating solely to the obligations of the Buyer to construct such Minimum Improvements (including the date for completion thereof), the Seller will furnish the Buyer with a Certificate of Completion, in the form attached hereto as Exhibit C, for the Minimum

Improvements on such Lot. Such certification by the Seller shall be (and it shall be so provided in the Deed and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in the Master Agreement, in this Agreement and in the Deed with respect to the obligations of the Buyer and its successors and assigns, to construct the Minimum Improvements on the applicable Lot and the dates for completion thereof.

The certificates provided for in this Section of this Agreement shall be in such form as will enable them to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Property. If the Seller shall refuse or fail to provide any certification in accordance with the provisions of this Section, the Seller shall, within thirty (30) days after written request by the Buyer, provide the Buyer with a written statement, indicating in adequate detail in what respects the Buyer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Seller for the Buyer to take or perform in order to obtain such certification.

E. The Buyer represents and agrees that until issuance of the Certificate of Completion for the Minimum Improvements on each Lot:

(1) Except for any agreement for sale to an Owner Occupant, the Buyer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity (collectively, a "Transfer"), without the prior written approval of the Seller's board of commissioners. Notwithstanding the foregoing, Developer may transfer or assign a Lot to a third-party builder for the purpose of construction of the Minimum Improvements on that Lot without the prior written consent of the Authority; provided that if Developer effects a such a Transfer to a third-party builder, Developer shall remain bound by all obligations with respect to the Property under this Agreement and the Master Agreement.

(2) If the Buyer seeks to effect a Transfer of any Lot with respect to this Agreement prior to issuance of the Certificate of Completion for that Lot, the Seller shall be entitled to require as conditions to such Transfer that:

(i) any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the Seller, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Buyer as to the portion of the Property to be transferred; and

(ii) Any proposed transferee, by instrument in writing satisfactory to the Seller and in form recordable in the public land records of Crow Wing County, Minnesota, shall, for itself and its successors and assigns, and

expressly for the benefit of the Seller, have expressly assumed all of the obligations of the Buyer under this Agreement as to the portion of the Property to be transferred and agreed to be subject to all the conditions and restrictions to which the Buyer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the Seller) deprive the Seller of any rights or remedies or controls with respect to the Property, the Minimum Improvements or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally, or practically, to deprive or limit the Seller of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Property that the Seller would have had, had there been no such transfer or change. In the absence of specific written agreement by the Seller to the contrary, no such transfer or approval by the Seller thereof shall be deemed to relieve the Buyer, or any other party bound in any way by this Agreement or otherwise with respect to the Property, from any of its obligations with respect thereto.

(iii) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Property governed by this subsection E. shall be in a form reasonably satisfactory to the Seller.

(3) If the conditions described in paragraph (2) above are satisfied then the Transfer will be approved and the Buyer shall be released from its obligation under this Agreement, as to the portion of the Property that is transferred, assigned, or otherwise conveyed. The provisions of this paragraph (3) apply to all subsequent transferors.

(4) Upon issuance of the Certificate of Completion for a Lot, the Buyer may Transfer such Lot and/or the Buyer's rights and obligations under this Agreement with respect to such Lot without the prior written consent of the Seller.

F. The Buyer, and its successors and assigns, agree that they (a) will use the Minimum Improvements only as a single family dwelling, and in the case of an Owner Occupant, will occupy the Property as a residence, (b) will not seek exemption from real estate taxes on the Property under State law, and (c) will not transfer or permit transfer of the Property to any entity whose ownership or operation of the Property

would result in the Property being exempt from real estate taxes under State law (other than any portion thereof dedicated or conveyed to the City of Brainerd or Seller in accordance with this Agreement). **The covenants in this paragraph run with the land, survive both delivery of the Deed and issuance of the Certificate of Completion for the Minimum Improvements on each Lot, and shall remain in effect for ten years after the Date of Closing.**

16. Revesting Title in Seller upon Happening of Event Subsequent to Conveyance to Buyer. In the event that subsequent to conveyance of the Property or any part thereof to the Buyer and prior to receipt by the Buyer of the Certificate of Completion for the Minimum Improvements on any Lot, the Buyer, subject to Unavoidable Delays (as hereafter defined), fails to carry out its obligations with respect to the construction of the Minimum Improvements (including the nature and the date for the completion thereof), or abandons or substantially suspends construction work, and any such failure, abandonment, or suspension shall not be cured, ended, or remedied within thirty (30) days after written demand from the Seller to the Buyer to do so, then the Seller shall have the right to re-enter and take possession of the Property and to terminate (and revest in the Seller) the estate conveyed by the Deed to the Buyer, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the Property to the Buyer shall be made upon, and that the Deed shall contain a condition subsequent to the effect that in the event of any default on the part of the Buyer and failure on the part of the Buyer to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, the Seller at its option may declare a termination in favor of the Seller of the title, and of all the rights and interests in and to the Property conveyed to the Buyer, and that such title and all rights and interests of the Buyer, and any assigns or successors in interest to and in the Property, shall revert to the Seller, but only if the events stated in this Section have not been cured within the time periods provided above.

Notwithstanding anything to the contrary contained in this Section, the Seller shall have no right to reenter or retake title to and possession of a portion of the Property for which a Certificate of Completion has been issued.

For the purposes of this Agreement, the term “Unavoidable Delays” means delays beyond the reasonable control of the Buyer as a result thereof which are the direct result of strikes, other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the Seller in exercising its rights under this Agreement) which directly results in delays. Unavoidable Delays shall not include delays in the Buyer’s obtaining of permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under this section of this Agreement.

17. Resale of Reacquired Property; Disposition of Proceeds. Upon the revesting in the Seller of title to and/or possession of the Property or any part thereof as provided in Section 16, the

Seller shall apply the purchase price paid by the Buyer under Section 4 of this Agreement as follows:

- A. First, to reimburse the Seller for all costs and expenses incurred by the Seller, including but not limited to proportionate salaries of personnel, in connection with the recapture, management, and resale of the Property or part thereof (but less any income derived by the Seller from the Property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the Property or part thereof (or, in the event the Property is exempt from taxation or assessment or such charge during the period of ownership thereof by the Seller, an amount, if paid, equal to such taxes, assessments, or charges (as determined by the Seller assessing official) as would have been payable if the Property were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the Property or part thereof at the time of re vesting of title thereto in the Seller or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Buyer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the Minimum Improvements or any part thereof on the Property or part thereof; and any amounts otherwise owing the Seller by the Buyer and its successor or transferee; and
- B. Second, to reimburse the Buyer for the balance of the purchase price remaining after the reimbursements specified in paragraph (a) above. Such reimbursement shall be paid to the Buyer upon delivery of an executed, recordable warranty deed to the Property by the Buyer to the Seller.

18. **Time is of the essence for all provisions of this Agreement.**
19. **Notices.** All notices required herein shall be in writing and delivered personally or mailed to the address shown at paragraph 1 above and, if mailed, are effective as of the date of mailing.
20. **Minnesota Law.** This Agreement shall be governed by the laws of the State of Minnesota.
21. **Specific Performance.** This Agreement may be specifically enforced by the parties, provided that an action is brought within one year of the date of alleged breach of this Agreement.
22. **No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Seller or Buyer is intended to be exclusive of any other available remedy or remedies, 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.



23. **No Merger of Representations, Warranties.** All representations and warranties contained in this Purchase Agreement shall not be merged into any instruments or conveyance delivered at closing, and the parties shall be bound accordingly.
24. **Recording.** This Agreement shall be filed of record with the Crow Wing County Registrar of Titles or Office of Recorder, as the case may be. Buyer shall pay all recording costs.
25. **No Broker Involved.** The Seller and represent and warrant to each other that there is no broker involved in this transaction with whom it has negotiated or to whom it has agreed to pay a broker commission. Buyer agrees to indemnify Seller for any and all claims for brokerage commissions or finders' fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Buyer, and Seller agrees to indemnify Buyer for any and all claims for brokerage commissions or finders' fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Seller.

In witness of the foregoing, the parties have executed this agreement on the year and date written above.

SELLER: HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE COUNTY OF CROW WING

By: _____ By: _____
Its Chair Its Interim Executive Director

STATE OF MINNESOTA
} ss.
COUNTY OF CROW WING

The foregoing was acknowledged before me this _____ day of _____ 2020, by Craig Nathan and Karen Young, the Chair and Interim Executive Director of Housing and Redevelopment Authority in and for the County of Crow Wing, a public body corporate and politic under the laws of Minnesota, on behalf of the public body corporate and politic.

Notary Public



BUYER: LEVEL CONTRACTING, LLC

By: _____
Its _____

STATE OF MINNESOTA

} ss.

COUNTY OF _____

The foregoing was acknowledged before me this _____ day of _____ 2020, by _____, the _____ of Level Contracting, LLC, a Minnesota limited liability company, on behalf of the company.

Notary Public

This document drafted by:

Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South 6th Street
Minneapolis, MN 55402

EXHIBIT A

ALLOCATION OF PURCHASE PRICE BY LOT

Legal Description	PID	Price
Lot 6, Block 5, BRAINERD OAKS	41290555	\$5,870.36
Lot 15, Block 5, BRAINERD OAKS	41290546	\$5,512.41
Lot 21, Block 5, BRAINERD OAKS	41290540	\$5,154.46
Lot 1, Block 2, SERENE PINES	41290517	\$17,127.39
Lot 3, Block 1, SERENE PINES	41280522	\$15,784.07
		\$49,448.69

EXHIBIT B
FORM OF QUIT CLAIM DEED

Deed Tax Due: \$_____

ECRV: _____

THIS INDENTURE, between the Housing and Redevelopment Authority in and for the County of Crow Wing, a public body corporate and politic (the "Grantor"), and Level Contracting, LLC, a Minnesota limited liability company (the "Grantee").

WITNESSETH, that Grantor, in consideration of the sum of \$_____ and other good and valuable consideration the receipt whereof is hereby acknowledged, does hereby grant, bargain, quitclaim and convey to the Grantee, its successors and assigns forever, all the tract or parcel of land lying and being in the County of Crow Wing and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the "Property"):

Check here if part or all of the land is Registered (Torrens)

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging.

SECTION 1.

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement recorded with the Crow Wing County Recorder on March 17, 2017 as Document No. A-886215, entered into between the Grantor and Paxmar-Brainerd, LLC, on the 13th of September, 2016, identified as "Master Purchase and Redevelopment Agreement" as amended by a First Amendment thereto dated November 8, 2016, and a Second Amendment thereto dated as of March 14, 2017, and an Assignment and Assumption of Master Purchase and Development Agreement, dated October 8, 2019 (hereafter collectively referred to as the "Master Agreement") and of an agreement entered into between the Grantor and Grantee on the 12th of May, 2020, recorded herewith and identified as "Purchase and Redevelopment Agreement" (herein referred to as the "Agreement") and that the Grantee shall not convey this Property, or any part thereof, except as permitted by the Agreement until a certificate of completion releasing the Grantee from certain obligations of said Agreement as to this Property or such part thereof then to be conveyed, has been placed of record.

It is specifically agreed that the Grantee shall promptly begin and diligently prosecute to completion the redevelopment of the Property through the construction of the Minimum Improvements thereon, as provided in the Agreement.

Promptly after completion of the Minimum Improvements in accordance with the provisions of the Agreement, the Grantor will furnish the Grantee with an appropriate instrument so certifying. Such certification by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantee, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion thereof. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Grantee to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the Minimum Improvements, or any part thereof.

All certifications provided for herein shall be in such form as will enable them to be recorded with the County Recorder, or Registrar of Titles, Crow Wing County, Minnesota. If the Grantor shall refuse or fail to provide any such certification in accordance with the provisions of the Agreement and this Deed, the Grantor shall, within thirty (30) days after written request by the Grantee, provide the Grantee with a written statement indicating in adequate detail in what respects the Grantee has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

SECTION 2.

The Grantee's rights and interest in the Property are subject to the terms and conditions of Sections 15, 16 and 17 of the Agreement relating to the Grantor's right to re-enter and revest in Grantor title to the Property under conditions specified therein, including but not limited to termination of such right upon issuance of a Certificate of Completion as defined in the Agreement.

SECTION 3.

The Grantee agrees for itself and its successors and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantee and such successors and assigns shall comply with Section 15F of the Agreement for a period of ten years after the date hereof.

It is intended and agreed that the above and foregoing agreements and covenants shall be covenants running with the land for the respective terms herein provided, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Deed, be binding, to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor against the Grantee, its successors and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof.

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed a beneficiary of the agreements and covenants provided herein, both for and in its own right, and also for the purposes of protecting the interest of the community and the other parties, public or private, in whose favor or for whose

benefit these agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right, in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled; provided that Grantor shall not have any right to re-enter the Property or revest in the Grantor the estate conveyed by this Deed, or any part thereof, on grounds of Grantee's failure to comply with its obligations under this Section 3.

IN WITNESS WHEREOF, the Grantor has caused this Deed to be duly executed in its behalf by its Chair and Executive Director, this _____ day of _____, 2020.

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: _____).
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE COUNTY OF
CROW WING

By _____

Its Chair

By _____

Its Executive Director



STATE OF MINNESOTA)
) ss
COUNTY OF CROW WING)

On this _____ day of _____, 2020, before me, a notary public within and for _____ County, personally appeared _____ and _____ to me personally known who by me duly sworn, did say that they are the Chair and Executive Director of the Housing and Redevelopment Authority in and for the County of Crow Wing (the "Authority") named in the foregoing instrument; that said instrument was signed on behalf of said Authority pursuant to a resolution of its governing body; and said _____ and _____ acknowledged said instrument to be the free act and deed of said Authority.

Notary Public

This instrument was drafted by:

Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300

Tax Statements should be sent to:

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HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE COUNTY OF CROW WING

RESOLUTION NO. 2020-08

RESOLUTION RATIFYING APPROVAL OF A PURCHASE AND
REDEVELOPMENT CONTRACT BETWEEN THE HOUSING AND
REDEVELOPMENT AUTHORITY IN AND FOR THE COUNTY OF CROW
WING AND LEVEL CONTRACTING, LLC.

BE IT RESOLVED By the Board of Commissioners ("Board") of the Housing and Redevelopment Authority in and for the County of Crow Wing ("Authority") as follows:

Section 1. Recitals.

1.01. The Authority has determined a need to exercise the powers of a housing and redevelopment authority, pursuant to Minnesota Statutes, Sections 469.001 to 469.047 ("HRA Act"), and has established its Redevelopment Project No. 1 (the "Project") within Crow Wing County (the "County"), and has developed a Redevelopment Plan governing certain of its anticipated activities in the City of Brainerd (the "City") located within the Project, which was approved by the City on September 6, 2016 after a duly noticed public hearing, pursuant to Section 469.028 of the HRA Act.

1.02. The Authority and Paxmar-Brainerd, LLC ("Paxmar") entered into a Master Purchase and Redevelopment Contract, recorded in the office of the Crow Wing County Recorder as Document No. A886215, as amended by a First Amendment thereto dated as of November 16, 2016 and recorded as Document No. A886216 and a Second Amendment thereto dated as of March 14, 2017, recorded as Document No. A886217 (as so amended, the "Master Contract"), setting forth the terms and conditions of sale and redevelopment of certain property within the City and Project, currently owned by the County, located in the subdivisions known as Brainerd Oaks, Serene Pines, and Dal Mar Estates (the "Property"). By resolutions adopted on July 7, 2016 and July 12, 2016, the County approved the conveyance of the Property to the Authority, and the Authority accepted acquisition of the Property from the County.

1.03 Paxmar's interest in the Master Contract was assigned to Level Contracting, LLC, a Minnesota limited liability company (hereinafter "Buyer") by an Assignment and Assumption of Master Purchase and Development Agreement, dated October 8, 2019, and the Authority ratified its consent to the Assignment on October 8, 2019.

1.04. On May 12, 2020, the Board approved a Purchase and Redevelopment Agreement (the "2020B Agreement") related to specific lots to be conveyed to the Buyer in 2020 and described on Exhibit A to this resolution (the "2020B Lots"), and found that conveyance of the 2020B Lots conform to the provisions of the Master Contract and 2020B Agreement and is in the best interest of the City and County, for the reasons stated above.

1.05. The Developer has requested a later date of closing on the conveyance of the 2020B Lots than the date originally provided in the 2020B Agreement, and the Board finds that the

Developer's request is reasonable and in the best interest of the City and County.

Section 2. Authority Ratification; Further Proceedings.

2.01. The Board's prior approval of the 2020B Agreement, as now modified to provide for closing no later than July 31, 2020, is hereby in all respects ratified, subject to further modifications that do not alter the substance of the transaction and that are approved by the Chair and Executive Director or Interim Executive Director, provided that execution of the documents by such officials shall be conclusive evidence of approval.

2.02. The Chair and Executive Director or Interim Executive Director are hereby authorized to execute on behalf of the Authority the 2020B Agreement and any documents referenced therein requiring execution by the Authority, including without limitation any deeds, and to carry out, on behalf of the Authority, its obligations thereunder.

2.03. Authority and City staff are authorized and directed to take all actions to implement the 2020B Agreement.

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the County of Crow Wing this 14th day of July, 2020.

Chair

ATTEST:

Secretary



Housing & Redevelopment Authority

To: CWC HRA Board Members
From: John Schommer, Rehab Coordinator
Date: July 7, 2020
Re: Approve Purchase and Redevelopment Agreement Between CWC HRA and Level Contracting

Level Contracting LLC would like to purchase five additional lots, four in Brainerd Oaks and one in Serene Pines with a total purchase price of \$35,291.59. Attorney Martha Ingram from Kennedy & Graven drafted the Purchase and Redevelopment Agreement and corresponding resolution (see attached).

Action Requested: Approve Resolution No. 2020-09, Approving the Purchase and Redevelopment Agreement between the Housing and Redevelopment Authority in and for the County of Crow Wing and Level Contracting LLC.



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PURCHASE AND REDEVELOPMENT AGREEMENT

Lots 9 and 14, Block 2, BRAINERD OAKS, Crow Wing County, Minnesota

Lots 22 and 27, Block 5, BRAINERD OAKS, Crow Wing County, Minnesota

Lot 4, Block 2, SERENE PINES, Crow Wing County, Minnesota

- 1. Parties.** This Purchase and Redevelopment Agreement (the "Agreement") is made as of July 14, 2020 between the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE COUNTY OF CROW WING, a public body corporate and politic under the laws of Minnesota having its office located at 324 East River Road, Brainerd MN 56401 (the "Seller"), and LEVEL CONTRACTING, LLC, a Minnesota limited liability company, having its principal office at 3495 Northdale Blvd. NW, Suite 200, Coon Rapids, MN 55448 (the "Buyer").
- 2. Offer/Acceptance.** Buyer offers to purchase and Seller agrees to sell real property in Crow Wing County, Minnesota, legally described as follows (the "Property"):

Lots 9 and 14, Block 2, BRAINERD OAKS, Crow Wing County, Minnesota; Lots 22 and 27, Block 5, BRAINERD OAKS, Crow Wing County, Minnesota; and Lot 4, Block 2, SERENE PINES, Crow Wing County, Minnesota

Check here if part or all of the land is Registered (Torrens)

- 3. Acceptance Deadline.** This offer to purchase, unless accepted sooner, shall be null and void at 4:30 p.m. on July 15, 2020. (*1 day from date of this Agreement*)
- 4. Price and Terms.** The price for the Property is \$35,291.59 ("Purchase Price"), allocated to each lot of the Property as shown on Exhibit A, which Buyer shall pay in full by certified check or wire transfer on the Date of Closing; provided, however, that Earnest Money (as defined in the Master Agreement described in paragraph 6), if available, shall first be applied to pay the Purchase Price. The "Date of Closing" shall be no later than September 12, 2020. (*60 days from date of this Agreement*)
- 5. Personal Property Included in Sale.** There are no items of personal property or fixtures owned by Seller and currently located on the Property for purposes of this sale.

6. Deed. Upon performance by Buyer, Seller shall deliver a quit claim deed conveying title to the Property to Buyer, in substantially the form attached as Exhibit B, subject to the conditions subsequent required by Sections 15, 16, and 17 of this Agreement (the “Deed”), and further subject to the terms and conditions of the Master Purchase and Redevelopment Contract between the Seller and Paxmar-Brainerd, LLC dated as of September 13, 2016, and recorded in the office of the Crow Wing County Recorder on March 17, 2017 as document no.A-886215, as amended by a First Amendment thereto dated November 8, 2016 and a Second Amendment thereto dated as of March 14, 2017, and Assignment of Master Purchase and Development Agreement dated October 8, 2019 (hereafter collectively referred to as the “Master Agreement”).

7. Real Estate Taxes and Special Assessments.

- A. Seller shall pay, at or before closing, all real estate taxes due and payable in 2019 and prior years. Real estate taxes for taxes payable year 2020 are exempt.
- B. Seller represents that there are no special assessments payable or pending as of the date of this Agreement. If a special assessment becomes pending after the date of this Agreement and before the Date of Closing, Buyer may, as Buyer’s option:
 - (1) Assume payment of the pending special assessment without adjustment to the purchase agreement price of the property; or
 - (2) Require Seller to pay the pending special assessment and Buyer shall pay a commensurate increase in the purchase price of the Property, which increase shall be the same as the estimated amount of the assessment; or
 - (3) Declare this Agreement null and void by notice to Seller, and earnest money shall be refunded to Buyer.

8. Closing Costs and Related Items. The Buyer will pay: (a) one-half the closing fees charged by the title insurance or other closing agent, if any, utilized to close the transaction contemplated by this Agreement; (b) fees for title evidence obtained by Buyer; (c) the recording fees for this Agreement and for the Deed transferring title to Buyer; and (d) any transfer taxes. Seller will pay all other fees normally paid by sellers, including (a) Well Disclosure fees required to enable Buyer to record its deed from Seller under this Agreement, (b) one-half the closing fees charged by the title insurance or other closing agent, if any, utilized to close the transaction contemplated by this Agreement, and (c) fees and charges related to the filing of any instrument required to make title marketable. Each party shall pay its own attorney fees. The Purchase Price shall be allocated and disbursed as provided in Sections 3.2 (b) and (c) of the Master Agreement.

9. Sewer and Water. Seller warrants that city sewer is available at the Property line, and that city water is available in the right of way adjacent to the Property. Seller makes no warranty regarding the conditions of any existing water stub from the main to the Property line. Seller advises Buyer to inspect the condition of the water stub.



10. Condition of Property. Buyer acknowledges that it has inspected or has had the opportunity to inspect the Property and agrees to accept the Property "AS IS." Buyer has the right, at its own expense to take soil samples for the purpose of determining if the soil is suitable for construction of the dwelling described in section 14 below. If the soil is determined to be unacceptable the Buyer may rescind this agreement by written notice to the Seller, in which case the agreement shall be null and void. Seller makes no warranties as to the condition of the Property.

11. Marketability of Title. As soon as reasonably possible after execution of this Agreement by both parties:

- A. Seller shall surrender any abstract of title and a copy of any owner's title insurance policy for the property, if in Seller's possession or control, to Buyer or to Legacy Title, Buyer's designated title service provider; and
- B. Buyer shall obtain the title evidence determined necessary or desirable by Buyer.

The Buyer shall have 20 days from the date it receives such title evidence to raise any objections to title it may have. Objections not made within such time will be deemed waived. The Seller shall have 30 days from the date of such objection to affect a cure; provided, however, that Seller shall have no obligation to cure any objections, and may inform Buyer of such. The Buyer may then elect to close notwithstanding the uncured objections or declare this Agreement null and void, and the parties will thereby be released from any further obligation hereunder.

12. Title Clearance and Remedies. If Seller shall fail to have title objections timely removed, the Buyer may, at its sole election: (a) terminate this Agreement without any liability on its part; or (b) take title to the Property subject to such objections.

If title is marketable, or is made marketable as provided herein, and Buyer defaults in any of the agreements herein, Seller may elect either of the following options, as permitted by law:

- A. Cancel this contract as provided by statute and retain all payments made hereunder as liquidated damages. The parties acknowledge their intention that any note given pursuant to this contract is a down payment note, and may be presented for payment notwithstanding cancellation;
- B. Seek specific performance within six months after such right of action arises, including costs and reasonable attorney's fees, as permitted by law.

If title is marketable, or is made marketable as provided herein, and Seller defaults in any of the agreements herein, Buyer may, as permitted by law:

- C. Seek damages from Seller including costs and reasonable attorney's fees;

D. Seek specific performance within six months after such right of action arises.

13. Well Disclosure. Seller's knowledge of wells is as follows:

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document.
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the Property have not changed since the last previously filed well disclosure certificate.

14. Individual Sewage Treatment System Disclosure and Methamphetamine Disclosure.

Seller certifies that there is no individual sewage treatment system on or serving the Property. To the best of Seller's knowledge, methamphetamine production has not occurred on the Property.

15. Construction and Sale of Dwelling. Buyer agrees that it will construct a new single family dwelling on each lot of the Property (each a "Lot"), intended for sale to a person or persons for residential occupancy (an "Owner Occupant"). This covenant shall survive the delivery of the Deed.

- A. Each single family dwelling described in this Section is referred to as the "Minimum Improvements."
- B. The Minimum Improvements shall consist of a new single family dwelling, and shall be constructed substantially in accordance with the Declaration of Covenants, Easements and Restrictions of record and applicable to each Lot, provided that approval of the building plans for such Minimum Improvements shall be evidenced by the issuance by the City of Brainerd of a building permit for the Minimum Improvements.
- C. Construction of the Minimum Improvements on each Lot must be substantially completed by one year from the Date of Closing. Construction of the Minimum Improvements on each Lot will be considered substantially complete when the final certificate of occupancy has been issued by the City of Brainerd building official.
- D. Promptly after substantial completion of the Minimum Improvements on each Lot in accordance with those provisions of this Agreement relating solely to the obligations of the Buyer to construct such Minimum Improvements (including the date for completion thereof), the Seller will furnish the Buyer with a Certificate of Completion, in the form attached hereto as Exhibit C, for the Minimum Improvements on such Lot. Such certification by the Seller shall be (and it shall be so provided in the Deed and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in the Master Agreement, in this Agreement and in the Deed with respect to the obligations of



the Buyer and its successors and assigns, to construct the Minimum Improvements on the applicable Lot and the dates for completion thereof.

The certificates provided for in this Section of this Agreement shall be in such form as will enable them to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Property. If the Seller shall refuse or fail to provide any certification in accordance with the provisions of this Section, the Seller shall, within thirty (30) days after written request by the Buyer, provide the Buyer with a written statement, indicating in adequate detail in what respects the Buyer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Seller for the Buyer to take or perform in order to obtain such certification.

E. The Buyer represents and agrees that until issuance of the Certificate of Completion for the Minimum Improvements on each Lot:

(1) Except for any agreement for sale to an Owner Occupant, the Buyer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity (collectively, a "Transfer"), without the prior written approval of the Seller's board of commissioners. Notwithstanding the foregoing, Developer may transfer or assign a Lot to a third-party builder for the purpose of construction of the Minimum Improvements on that Lot without the prior written consent of the Authority; provided that if Developer effects a such a Transfer to a third-party builder, Developer shall remain bound by all obligations with respect to the Property under this Agreement and the Master Agreement.

(2) If the Buyer seeks to effect a Transfer of any Lot with respect to this Agreement prior to issuance of the Certificate of Completion for that Lot, the Seller shall be entitled to require as conditions to such Transfer that:

(i) any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the Seller, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Buyer as to the portion of the Property to be transferred; and

(ii) Any proposed transferee, by instrument in writing satisfactory to the Seller and in form recordable in the public land records of Crow Wing County, Minnesota, shall, for itself and its successors and assigns, and expressly for the benefit of the Seller, have expressly assumed all of the obligations of the Buyer under this Agreement as to the portion of the Property to be transferred and agreed to be subject to all the conditions and restrictions to which the Buyer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the

Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the Seller) deprive the Seller of any rights or remedies or controls with respect to the Property, the Minimum Improvements or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally, or practically, to deprive or limit the Seller of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Property that the Seller would have had, had there been no such transfer or change. In the absence of specific written agreement by the Seller to the contrary, no such transfer or approval by the Seller thereof shall be deemed to relieve the Buyer, or any other party bound in any way by this Agreement or otherwise with respect to the Property, from any of its obligations with respect thereto.

(iii) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Property governed by this subsection E. shall be in a form reasonably satisfactory to the Seller.

(3) If the conditions described in paragraph (2) above are satisfied then the Transfer will be approved and the Buyer shall be released from its obligation under this Agreement, as to the portion of the Property that is transferred, assigned, or otherwise conveyed. The provisions of this paragraph (3) apply to all subsequent transferors.

(4) Upon issuance of the Certificate of Completion for a Lot, the Buyer may Transfer such Lot and/or the Buyer's rights and obligations under this Agreement with respect to such Lot without the prior written consent of the Seller.

F. The Buyer, and its successors and assigns, agree that they (a) will use the Minimum Improvements only as a single family dwelling, and in the case of an Owner Occupant, will occupy the Property as a residence, (b) will not seek exemption from real estate taxes on the Property under State law, and (c) will not transfer or permit transfer of the Property to any entity whose ownership or operation of the Property would result in the Property being exempt from real estate taxes under State law (other than any portion thereof dedicated or conveyed to the City of Brainerd or Seller in accordance with this Agreement). **The covenants in this paragraph run with the land, survive both delivery of the Deed and issuance of the Certificate of Completion for the Minimum Improvements on each Lot, and shall remain in effect for ten years after the Date of Closing.**



16. Revesting Title in Seller upon Happening of Event Subsequent to Conveyance to Buyer.

In the event that subsequent to conveyance of the Property or any part thereof to the Buyer and prior to receipt by the Buyer of the Certificate of Completion for the Minimum Improvements on any Lot, the Buyer, subject to Unavoidable Delays (as hereafter defined), fails to carry out its obligations with respect to the construction of the Minimum Improvements (including the nature and the date for the completion thereof), or abandons or substantially suspends construction work, and any such failure, abandonment, or suspension shall not be cured, ended, or remedied within thirty (30) days after written demand from the Seller to the Buyer to do so, then the Seller shall have the right to re-enter and take possession of the Property and to terminate (and revest in the Seller) the estate conveyed by the Deed to the Buyer, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the Property to the Buyer shall be made upon, and that the Deed shall contain a condition subsequent to the effect that in the event of any default on the part of the Buyer and failure on the part of the Buyer to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, the Seller at its option may declare a termination in favor of the Seller of the title, and of all the rights and interests in and to the Property conveyed to the Buyer, and that such title and all rights and interests of the Buyer, and any assigns or successors in interest to and in the Property, shall revert to the Seller, but only if the events stated in this Section have not been cured within the time periods provided above.

Notwithstanding anything to the contrary contained in this Section, the Seller shall have no right to reenter or retake title to and possession of a portion of the Property for which a Certificate of Completion has been issued.

For the purposes of this Agreement, the term "Unavoidable Delays" means delays beyond the reasonable control of the Buyer as a result thereof which are the direct result of strikes, other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the Seller in exercising its rights under this Agreement) which directly results in delays. Unavoidable Delays shall not include delays in the Buyer's obtaining of permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under this section of this Agreement.

17. Resale of Reacquired Property; Disposition of Proceeds. Upon the revesting in the Seller of title to and/or possession of the Property or any part thereof as provided in Section 16, the Seller shall apply the purchase price paid by the Buyer under Section 4 of this Agreement as follows:

A. First, to reimburse the Seller for all costs and expenses incurred by the Seller, including but not limited to proportionate salaries of personnel, in connection with the recapture, management, and resale of the Property or part thereof (but less any income derived by the Seller from the Property or part thereof in connection with



such management); all taxes, assessments, and water and sewer charges with respect to the Property or part thereof (or, in the event the Property is exempt from taxation or assessment or such charge during the period of ownership thereof by the Seller, an amount, if paid, equal to such taxes, assessments, or charges (as determined by the Seller assessing official) as would have been payable if the Property were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the Property or part thereof at the time of re vesting of title thereto in the Seller or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Buyer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the Minimum Improvements or any part thereof on the Property or part thereof; and any amounts otherwise owing the Seller by the Buyer and its successor or transferee; and

- B. Second, to reimburse the Buyer for the balance of the purchase price remaining after the reimbursements specified in paragraph (a) above. Such reimbursement shall be paid to the Buyer upon delivery of an executed, recordable warranty deed to the Property by the Buyer to the Seller.

18. Time is of the essence for all provisions of this Agreement.

19. Notices. All notices required herein shall be in writing and delivered personally or mailed to the address shown at paragraph 1 above and, if mailed, are effective as of the date of mailing.

20. Minnesota Law. This Agreement shall be governed by the laws of the State of Minnesota.

21. Specific Performance. This Agreement may be specifically enforced by the parties, provided that an action is brought within one year of the date of alleged breach of this Agreement.

22. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Seller or Buyer is intended to be exclusive of any other available remedy or remedies, 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.

23. No Merger of Representations, Warranties. All representations and warranties contained in this Purchase Agreement shall not be merged into any instruments or conveyance delivered at closing, and the parties shall be bound accordingly.

24. Recording. This Agreement shall be filed of record with the Crow Wing County Registrar of Titles or Office of Recorder, as the case may be. Buyer shall pay all recording costs.

25. No Broker Involved. The Seller and represent and warrant to each other that there is no broker involved in this transaction with whom it has negotiated or to whom it has agreed to pay a broker commission. Buyer agrees to indemnify Seller for any and all claims for brokerage commissions or finders' fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Buyer, and Seller agrees to indemnify Buyer for any and all claims for brokerage commissions or finders' fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Seller.

In witness of the foregoing, the parties have executed this agreement on the year and date written above.

SELLER: HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE COUNTY OF CROW WING

By: _____ By: _____
Its Chair Its Interim Executive Director

STATE OF MINNESOTA
} ss.
COUNTY OF CROW WING

The foregoing was acknowledged before me this _____ day of July 2020, by Craig Nathan and Karen Young, the Chair and Interim Executive Director of Housing and Redevelopment Authority in and for the County of Crow Wing, a public body corporate and politic under the laws of Minnesota, on behalf of the public body corporate and politic.

Notary Public



BUYER: LEVEL CONTRACTING, LLC

By: _____
Its _____

STATE OF MINNESOTA

} ss.

COUNTY OF Crow Wing

The foregoing was acknowledged before me this _____ day of July 2020, by Monty Jensen,
the _____ of Level Contracting, LLC, a Minnesota limited liability
company, on behalf of the company.

Notary Public

This document drafted by:

Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South 6th Street
Minneapolis, MN 55402

EXHIBIT A

ALLOCATION OF PURCHASE PRICE BY LOT

Legal Description	PID	Price
Lot 9, Block 2, BRAINERD OAKS	41290586	\$5,011.28
Lot 14, Block 2, BRAINERD OAKS	41290581	\$5,512.41
Lot 22, Block 5, BRAINERD OAKS	41290539	\$4,868.10
Lot 27, Block 5, BRAINERD OAKS	41290534	\$5,011.28
Lot 4, Block 2, SERENE PINES	41280514	\$14,888.52
		\$35,291.59

EXHIBIT B
FORM OF QUIT CLAIM DEED

Deed Tax Due: \$_____

ECRV: _____

THIS INDENTURE, between the Housing and Redevelopment Authority in and for the County of Crow Wing, a public body corporate and politic (the "Grantor"), and Level Contracting, LLC, a Minnesota limited liability company (the "Grantee").

WITNESSETH, that Grantor, in consideration of the sum of \$35,291.59 and other good and valuable consideration the receipt whereof is hereby acknowledged, does hereby grant, bargain, quitclaim and convey to the Grantee, its successors and assigns forever, all the tract or parcel of land lying and being in the County of Crow Wing and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the "Property"):

Check here if part or all of the land is Registered (Torrens)

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging.

SECTION 1.

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement recorded with the Crow Wing County Recorder on March 17, 2017 as Document No. A-886215, entered into between the Grantor and Paxmar-Brainerd, LLC, on the 13th of September, 2016, identified as "Master Purchase and Redevelopment Agreement" as amended by a First Amendment thereto dated November 8, 2016, and a Second Amendment thereto dated as of March 14, 2017, and an Assignment and Assumption of Master Purchase and Development Agreement, dated October 8, 2019 (hereafter collectively referred to as the "Master Agreement") and of an agreement entered into between the Grantor and Grantee on the of July, 2020, recorded herewith and identified as "Purchase and Redevelopment Agreement" (herein referred to as the "Agreement") and that the Grantee shall not convey this Property, or any part thereof, except as permitted by the Agreement until a certificate of completion releasing the Grantee from certain obligations of said Agreement as to this Property or such part thereof then to be conveyed, has been placed of record.

It is specifically agreed that the Grantee shall promptly begin and diligently prosecute to completion the redevelopment of the Property through the construction of the Minimum Improvements thereon, as provided in the Agreement.

Promptly after completion of the Minimum Improvements in accordance with the provisions of the Agreement, the Grantor will furnish the Grantee with an appropriate instrument so certifying. Such certification by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantee, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion thereof. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Grantee to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the Minimum Improvements, or any part thereof.

All certifications provided for herein shall be in such form as will enable them to be recorded with the County Recorder, or Registrar of Titles, Crow Wing County, Minnesota. If the Grantor shall refuse or fail to provide any such certification in accordance with the provisions of the Agreement and this Deed, the Grantor shall, within thirty (30) days after written request by the Grantee, provide the Grantee with a written statement indicating in adequate detail in what respects the Grantee has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

SECTION 2.

The Grantee's rights and interest in the Property are subject to the terms and conditions of Sections 15, 16 and 17 of the Agreement relating to the Grantor's right to re-enter and revest in Grantor title to the Property under conditions specified therein, including but not limited to termination of such right upon issuance of a Certificate of Completion as defined in the Agreement.

SECTION 3.

The Grantee agrees for itself and its successors and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantee and such successors and assigns shall comply with Section 15F of the Agreement for a period of ten years after the date hereof.

It is intended and agreed that the above and foregoing agreements and covenants shall be covenants running with the land for the respective terms herein provided, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Deed, be binding, to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor against the Grantee, its successors and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof.

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed a beneficiary of the agreements and covenants provided herein, both for and in its own right, and also for the purposes of protecting the interest of the community and the other parties, public or private, in whose favor or for whose

benefit these agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right, in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled; provided that Grantor shall not have any right to re-enter the Property or revest in the Grantor the estate conveyed by this Deed, or any part thereof, on grounds of Grantee's failure to comply with its obligations under this Section 3.

IN WITNESS WHEREOF, the Grantor has caused this Deed to be duly executed in its behalf by its Chair and Executive Director, this _____ day of _____, 2020.

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: _____).
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE COUNTY OF
CROW WING

By _____

Its Chair

By _____

Its Executive Director

STATE OF MINNESOTA)
) ss
COUNTY OF CROW WING)

On this _____ day of _____, 2020, before me, a notary public within and for _____ County, personally appeared _____ and _____ to me personally known who by me duly sworn, did say that they are the Chair and Executive Director of the Housing and Redevelopment Authority in and for the County of Crow Wing (the "Authority") named in the foregoing instrument; that said instrument was signed on behalf of said Authority pursuant to a resolution of its governing body; and said _____ and _____ acknowledged said instrument to be the free act and deed of said Authority.

Notary Public

This instrument was drafted by:

Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300

Tax Statements should be sent to:

EXHIBIT C
TO

PURCHASE AND REDEVELOPMENT AGREEMENT
FORM OF CERTIFICATE OF COMPLETION

WHEREAS, the Housing and Redevelopment Authority in and for the County of Crow Wing, a public body corporate and politic (the "Grantor"), conveyed land in Crow Wing County, Minnesota to Level Contracting, LLC, a Minnesota limited liability company (the "Grantee"), by a Deed recorded in the Office of the County Recorder in and for the County of Crow Wing and State of Minnesota, as Document Number _____; and

WHEREAS, said Deed contained certain covenants and restrictions set forth in Sections 1 and 2 of said Deed; and

WHEREAS, said Grantee has performed said covenants and conditions insofar as it is able in a manner deemed sufficient by the Grantor to permit the execution and recording of this certification;

NOW, THEREFORE, this is to certify that all building construction and other physical improvements specified to be done and made by the Grantee have been completed and the above covenants and conditions in said Deed and the agreements and covenants in Sections 15A and 15B of the Agreement (as described in said Deed) have been performed by the Grantee therein, and the County Recorder [and the Registrar of Titles] in and for the County of Crow Wing and State of Minnesota are hereby authorized to accept for recording and to record, the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions of Sections 15A and 15B of the Agreement and the covenants and restrictions set forth in Sections 1 and 2 of said Deed; provided that the covenants set forth in Sections 15F of the Agreement, and in Section 3 of the Deed, remain in full force and effect through the period stated thereon.

Dated: _____, 20____.

**HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE COUNTY OF
CROW WING**

By _____
Its Chair

By _____
Its Executive Director

STATE OF MINNESOTA)
) ss
COUNTY OF CROW WING)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____ and _____, the Chair and Executive Director, respectively, of the Housing and Redevelopment Authority in and for the County of Crow Wing, on behalf of the authority.

Notary Public

This document drafted by:
KENNEDY & GRAVEN, CHARTERED
470 U.S. Bank Plaza
Minneapolis, MN 55402
(612) 337-9300



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HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE COUNTY OF CROW WING

RESOLUTION NO. 2020-09

RESOLUTION APPROVING A PURCHASE AND REDEVELOPMENT CONTRACT BETWEEN THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE COUNTY OF CROW WING AND LEVEL CONTRACTING, LLC.

BE IT RESOLVED By the Board of Commissioners ("Board") of the Housing and Redevelopment Authority in and for the County of Crow Wing ("Authority") as follows:

Section 1. Recitals.

1.01. The Authority has determined a need to exercise the powers of a housing and redevelopment authority, pursuant to Minnesota Statutes, Sections 469.001 to 469.047 ("HRA Act"), and has established its Redevelopment Project No. 1 (the "Project") within Crow Wing County (the "County"), and has developed a Redevelopment Plan governing certain of its anticipated activities in the City of Brainerd (the "City") located within the Project, which was approved by the City on September 6, 2016 after a duly noticed public hearing, pursuant to Section 469.028 of the HRA Act.

1.02. The Authority and Paxmar-Brainerd, LLC ("Paxmar") entered into a Master Purchase and Redevelopment Contract, recorded in the office of the Crow Wing County Recorder as Document No. A886215, as amended by a First Amendment thereto dated as of November 16, 2016 and recorded as Document No. A886216 and a Second Amendment thereto dated as of March 14, 2017, recorded as Document No. A886217 (as so amended, the "Master Contract"), setting forth the terms and conditions of sale and redevelopment of certain property within the City and Project, currently owned by the County, located in the subdivisions known as Brainerd Oaks, Serene Pines, and Dal Mar Estates (the "Property"). By resolutions adopted on July 7, 2016 and July 12, 2016, the County approved the conveyance of the Property to the Authority, and the Authority accepted acquisition of the Property from the County.

1.03 Paxmar's interest in the Master Contract was assigned to Level Contracting, LLC, a Minnesota limited liability company (hereinafter "Buyer") by an Assignment and Assumption of Master Purchase and Development Agreement, dated October 8, 2019, and the Authority ratified its consent to the Assignment on October 8, 2019.

1.04. Pursuant to the Master Contract, the Buyer will acquire the Property in phases, pursuant to separate purchase and redevelopment agreements conforming to the Master Contract, and will construct single-family homes intended for owner occupancy, subject further to the Redevelopment Plan and to the City's zoning and building codes and policies.

1.05. The Planning Commission of the City reviewed the Redevelopment Plan and the general terms of the Master Contract on August 17, 2016, and found that the Redevelopment Plan and the conveyance of the Property are consistent with the City's comprehensive plan, in that the

sale of the Property and construction of the single-family homes will further the City's housing goals for this area of the City.

1.06. On August 29, 2016, the Board conducted a duly noticed public hearing regarding the sale of the Property to the Buyer, at which all interested persons were given an opportunity to be heard.

1.07. On September 13, 2016, the Board reviewed the Master Contract and found that the execution thereof and performance of the Authority's obligations thereunder are in the public interest and will further the objectives of its general plan of economic development and redevelopment, because it will further the above-stated housing goals of the City and County and will be consistent with the Redevelopment Plan for the Project.

1.08. The Board has reviewed a new proposed Purchase and Redevelopment Agreement (the "2020C Agreement") related to specific lots to be conveyed to the Buyer in 2020 and described on Exhibit A to this resolution (the "2020C Lots"), and finds that conveyance of the 2020C Lots conform to the provisions of the Master Contract and 2020C Agreement and is in the best interest of the City and County, for the reasons stated above.

Section 2. Authority Approval; Further Proceedings.

2.01. The 2020C Agreement as presented to the Board, including the sale of the 2020C Lots described therein, is hereby in all respects approved, subject to modifications that do not alter the substance of the transaction and that are approved by the Chair and Executive Director or Interim Executive Director, provided that execution of the documents by such officials shall be conclusive evidence of approval.

2.02. The Chair and Executive Director or Interim Executive Director are hereby authorized to execute on behalf of the Authority the 2020C Agreement and any documents referenced therein requiring execution by the Authority, including without limitation any deeds, and to carry out, on behalf of the Authority, its obligations thereunder.

2.03. Authority and City staff are authorized and directed to take all actions to implement the 2020C Agreement.

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the County of Crow Wing this 14th day of July, 2020.

Chair

ATTEST:

Secretary

EXHIBIT A

2020C LOTS

Lots 9 and 14, Block 2, BRAINERD OAKS, Crow Wing County, Minnesota
Lots 22 and 27, Block 5, BRAINERD OAKS, Crow Wing County, Minnesota
Lot 4, Block 2, SERENE PINES, Crow Wing County, Minnesota

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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Karen Young, Interim Executive Director
Date: July 6, 2020
Re: Executive Director Report

Workforce Housing Study Outreach

Following our discussion at the May meeting regarding the Workforce Housing Study presentations, staff sent e-mail correspondence out to the Phase 1 and Phase 2 groups in June. We will continue reaching out to the additional groups in the remaining two Phases.

Phase 1 – the 18 municipalities as defined in the Study.

Phase 2 – the Study Taskforce participants.

Phase 3 – the Study participants who were solicited to participate in the two surveys that were conducted as part of the Study process.

Phase 4 – various industry groups as defined in the Study.

Request for Technical Assistance (RFTA)

Staff submitted a RFTA to Minnesota Housing Partnership (MHP) on behalf of CWC HRA in mid-April. MHP offers several rural capacity building programs and recently announced the availability of HUD's Rural Capacity Building 18 (RCB 18) program. The program is designed to build capacity in rural housing/economic development organizations to have greater impact. This application focused on our current CWC HRA initiatives as related to the Work Force Housing Study, creation of a Housing Trust Fund and the affordable housing shortage in CWC.

MHP has requested another follow-up call with John and me on July 15th regarding our application.

Executive Director Search

As we mentioned last month, the Brainerd HRA Board took action offering the position to Eric Charpentier, contingent on HUD approval. Eric accepted the offer also contingent on HUD approval. The formal job offer has been withheld at this time and the waiver request is in review with HUD.

CWC HRA Board

I am disappointed to report that Theresa Goble has resigned from the CWC HRA Board for personal reasons. She has notified Commissioner Koering of the resulting vacancy on the CWC HRA Board. Theresa's resignation also leaves a vacant seat on the BLAEDC Unified Fund (BUF) Board.

No Action Requested; Discussion Item



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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: John Schommer, Rehab Coordinator
 Date: July 6, 2020
 Re: Brainerd HRA/Rehab Programs Report

NE BRAINERD SCDP

Address	Owner	Type of Rehab	Units	Status
707 Laurel St.	Knotty Pine Bakery	Commercial	1	Complete
707 Laurel St.	Sarah H.S.	Mixed-use	9	In Construction
212 1 st Ave. NE	Andrea B.	Owner-occupied	1	Complete
612 2 nd Ave. NE	Kelly R.	Owner-occupied	1	Complete
201 & 203 B St.	Travis B.	Rental	2	Bidding
419 3 rd Ave. NE	Mary & Richard M.	Rental	3	Bidding
726 4 th Ave. NE	John G.	Rental	3	Application Phase
215 Gillis Ave. NE	Cheri S.	Owner-occupied	1	Application Phase
414 3 rd Ave. NE	Select Rental Properties	Rental	1	Application Phase

Emily SCDP

- » 5 owner-occupied projects are complete
- » 1 project is in construction
- » 2 projects are bidding

MHFA

- » 2 projects are in construction

BRAINERD OAKS/SERENE PINES

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	40	35	0	5
Serene Pines	23	11	11	0	1
Dalmar Estates	7	1	1	0	1

*Originally 83 lots, two have been merged/combined into a single parcel.

(continues on opposite side)

SCDP Preliminary Proposal

I will be attending the Garrison City Council meeting Tuesday, July 14th, to clarify how the program works to the council members and was told we would have their final decision to either pursue the grant or pass the opportunity on to another town that night. The application would be for single-family owner-occupied and commercial rehab.

FHLB

We are waiting on funding decisions, which are announced in December.

Tax Forfeited Property

On June 23rd, the county commissioners voted to effectively put the application from Bob Warzecha with HBW LLC on hold by placing all of the properties that were requested back on the “Over The Counter” list for the July 24th sale. The commissioners had previously taken action to reduce the assessed market value by 25% in an effort to get the properties sold and felt it prudent to see if they could sell them at the reduced price before conveying them to the HRA. The developer did reduce the number of tracts they were requesting down to 60 prior to this. We will have to wait until after the sale to see which properties are still available and how the developer would like to proceed.

No Action Requested; Discussion Item



BLAEDC Monthly Reporting

Clear and Redevelop blighted areas:

- Provided Unified Fund financing for Rural Enterprises in Pequot Lakes to redevelop a blighted building in downtown Pequot Lakes
- Provided Unified Fund financing for WRD Holdings to redevelop blighted commercial property on Washington Avenue in Brainerd
- Provided Unified Fund financing for a new childcare center to redevelop blighted commercial property on Laurel Street in Brainerd
- Met with and provided contact information to the owner of a blighted commercial property in Brainerd to the CWC HRA. BLAEDC staff have been working with the new owner for 3 months regarding permanent financing
- # of projects assisted in this area in the month of June was 9.

Perform Duties according to comprehensive plans:

- Provided guidance and assistance to city of Pequot Lakes staff and council regarding the sale and development of property in the Heart of the Good Life Development, which is part of the city comprehensive plan adopted in 2019.
- Currently working with the city of Brainerd staff to find buyers for the Industrial Park property as listed in their comprehensive plan that was adopted by the city in 2019
- # of projects assisted in the area was 3
- Both projects the involve work in each cities Industrial Park, BLAEDC staff is assisting city administration with the creation of TIF Districts

Housing for persons of all incomes in Crow Wing County

- BLAEDC staff will continue to work with the CWC HRA staff to promote the CWC Housing Study and work with the county to implement plans to encourage development of property for all income levels

Additional duties performed during June 2020 by BLAEDC staff:

- Assisted Brainerd EDA and the City of Brainerd with creating a Small Business Relief Grant to address the financial impact of COVID-19, for businesses located inside the City of Brainerd
- Continue to review projects that meet the criteria for funding through the BLAEDC Unified Fund that assists in providing jobs for individuals of low and moderate income, based on Federal Guidelines

224 West Washington St. Brainerd, MN 56401 – www.growbrainerdlakes.org – Phone: 218.828.0096
Serving Crow Wing County and all its communities.





CREDI Monthly Reporting

Clear and Redevelop blighted areas:

- Working with a private investor, City of Crosby and the MN DNR to purchase the Croft Mine property for redevelopment
- A developer is working with BLAEDC/CREDI staff to move forward with property development in the city of Crosby, which would involve clearing blighted buildings to build new
- Met with and provided contact information to the owner of a blighted commercial property in Crosby to the Crow Wing County HRA. BLAEDC staff have been working with the new owner for 3 months regarding redevelopment of an existing downtown building
- # of projects assisted in this area in the month of June was 4.

Perform Duties according to comprehensive plans:

- Provided guidance and assistance to city of Emily as they created and provided a Grant Relief Program for all businesses inside the city limits of Emily to assist with COVID related business shut down. Providing economic assistance to the business community is part of the comprehensive plan adopted in the city of Emily in 2018.
- Currently working with the City of Crosby as they have hired a new city administrator, CREDI has provided Economic Development assistance with regards to property listings and redevelopment opportunities as listed in their comprehensive plan that was adopted by the city in 2019.
- # of projects assisted in the area was 7

Housing for persons of all incomes in Crow Wing County

- BLAEDC staff will continue to work with the CWC HRA staff to promote the CWC Housing Study and work with the county to implement plans to encourage development of property for all income levels

