



Housing & Redevelopment Authority

Board Meeting Agenda
5:00pm Tuesday March 8th, 2022
Crow Wing County Land Services Building, Pine/Maple Meeting Room
322 Laurel St. Brainerd, MN 56401
Commissioner Craig Nathan attending via WebEx at 8986 Sugarberry Creek,
Brainerd, MN 56401

Join from browser:

<https://brainerdhra.my.webex.com/brainerdhra.my/j.php?MTID=m04a5d960127b553fe0f0afae87f6e412>

Join by phone: 415-655-0001

Meeting number (access code): 2551 281 8979

Meeting password: UjnG6zdWd64

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

1. CALL TO ORDER

2. ROLL CALL

3. REVIEW & APPROVE AGENDA

4. PRESENTATION:

- a. 2021 Crow Wing County HRA Audit: Mary Reedy, Clifton Larson Allen

5. REVIEW & APPROVE MINUTES (Attachment 1) Pg. 5

- a. Approval of the Tuesday, February 8th Meeting Minutes as presented

6. REVIEW & ACCEPT FINANCIAL STATEMENTS (Attachment 2) Pg. 11

- a. CWC HRA Combined Balance Sheet February 2022
- b. CWC HRA Combined Operating Statement February 2022
- c. CWC HRA February 2022 Payments

7. UNFINISHED BUSINESS

8. NEW BUSINESS

- a. Purchase and Redevelopment Agreement Between CWC HRA and Level Contracting (Attachment 3) Pg. 17
- b. Review Resolution for Conveyance of Tax Forfeited Property from Crow Wing County (Attachment 4) Pg. 63

9. REPORTS/UPDATES:

- a. Executive Director (*Attachment 5*) Pg. 67
- b. Housing Trust Fund (*Attachment 6*) Pg. 69
- c. Brainerd HRA/Rehab Programs (*Attachment 7*) Pg. 71
- d. BLAEDC/CREDI (*Attachment 8*) Pg. 73
- e. CWC

10. COMMISSIONER COMMENTS

11. CLOSED SESSION:

- a. Review Letter of Intent for the purchase of Serene Pines Lot 5, Block 3 by Level Contracting LLC

12. NEXT MEETING Tuesday April 12th, 2022

13. ADJOURNMENT

CWC HRA Commissioners

Michael Aulie, Chair - District 5 (12-31-26)

Zach Tabatt, Vice Chair - District 3 (12-31-24)

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

Richard (George) Burton, Commissioner - District 1 (12-31-22)

Craig Nathan, Commissioner - District 4 (12-31-25)

PRESENTATION

2021 Crow Wing County HRA Audit:

Mary Reedy, Clifton Larson Allen



Note:

The State has not finalized the legal compliance documents for the current year, so CLA is unable to issue any audits until the documents are released. As such, Mary will present the draft audit and we will have the board take action to accept the audited financial statements at a future meeting once the State has finalized the audit compliance.

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Housing & Redevelopment Authority

Crow Wing County HRA BOARD MEETING MINUTES 02/08/2022

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 at the Crow Wing County Land Services Building, Pine/Maple Meeting Room and via Webex video/teleconference at 5:00 p.m., Tuesday, February 8th, 2022.

1. **CALL TO ORDER:** Chair Michael Aulie called the meeting to order at 5:00 p.m.

ROLL CALL: Present: Commissioners Craig Nathan (via webex), Michael Aulie, Michael Morford, Richard (George) Burton, and Zach Tabatt.

Others present: Executive Director Eric Charpentier, Finance Director Karen Young, Rehab Coordinator John Schommer, BLAEDC Executive Director Tyler Glynn, and Crow Wing County Administrative Services Director Deborah (Debby) Erickson (webex).

2. **REVIEW AND APPROVE AGENDA:**

Moved and seconded by Commissioners Burton and Tabatt to approve the agenda as presented for the February 8th, 2022, board meeting. Through a roll call vote, all commissioners were in favor, and none were opposed. The agenda was approved.

3. **REVIEW AND APPROVE MINUTES:**

Moved and seconded by Commissioners Tabatt and Nathan to approve the minutes from the January 11th, 2022, board meeting. Through a roll call vote, all commissioners were in favor, and none were opposed. The minutes were approved.

- a. **REVIEW and ACCEPT FINANCIAL STATEMENTS:**

The financial information for January 2022 was presented.

- b. **CWC HRA Tax Levy:**

We reported last month that we had received/accrued \$705,975.52 in tax levy revenue for 2021 compared to the total levy amount of \$729,500. In January we received an additional deposit of \$24,743.84, which puts us at a 100% collection rate.

- c. **2021 Audit:**

The 2021 audit fieldwork was conducted with CliftonLarsonAllen (CLA) during the first week of February.

- d. **2021 BLAEDC/CREDI Funding:**

The second half funding payments to BLAEDC/CREDI were processed in January. Per the agreements with both entities, payment will be due and payable pursuant to the submission of the 2nd six months of reporting which was received in January.

Commissioner Burton moved to approve the January financial statements as submitted, followed by a second from Commissioner Tabatt. Upon roll call, all commissioners voted in favor of the motion, and none were opposed. The motion carried.

4. UNFINISHED BUSINESS: None at this time

5. NEW BUSINESS:

a. Tax Forfeited Property:

Monty Jensen with Level Contracting LLC has requested to purchase a tax forfeited lot in Serene Pines that was not available at the time of the original Purchase and Development Agreement. We consulted with our attorney, and they recommended amending the master Purchase and Development Agreement to include this lot rather than utilizing the Tax Forfeited Property Policy. We reached out to Crow Wing County to request the lot and was informed that the board needs to adopt a resolution accepting conveyance of the tax forfeited lot and provide that to county staff before we can proceed any further in the process. We will also work with the City of Brainerd to have them adopt a resolution to permanently waive their right to recertify the special assessments on the property for any of the improvements previously completed and assessed.

Moved by Commissioner Burton and seconded by Commissioner Tabatt to approve resolution No. 2022-01, and approve the Purchase and Redevelopment Agreement between the Housing and Redevelopment Authority in and for the County of Crow Wing and Level Contracting LLC. Through a roll call vote, all commissioners were in favor and non were opposed. The motion passed.

6. REPORTS:

a. Executive Director:

Downtown Brainerd Redevelopment Project

I sat in on a meeting with the proposed developer for the former Thrifty White building, on February 7th to discuss options for this housing project going forward. There is still interest in the property and the HRA and the City of Brainerd are helping the developer explore any funding options that may be available for the site.

Tax Forfeit Lots in Baxter

On February 2nd John and I met with a developer that was interested in purchasing tax forfeited lots in Baxter through the CWC HRA. We discussed with them that if this was going to be multiple lots that it might make sense to identify the lots and then start to draw up a purchase and development agreement as we have previously

done with the Brainerd Oaks project. The developer is willing to purchase the lots and will now be looking at what the pricing would need to be to make purchasing them and building on them a viable option. We will be discussing some options with the City of Baxter as well as getting input from the County. There are approximately 60 lots that the City and developer have identified that would be of interest for single family development.

Following discussion, the board directed staff to pursue determining if a purchase and development agreement is a viable option for the developer and the City of Baxter.

b. Housing Trust Fund:

We did receive a bid for our first project through the rehab program. We unfortunately have hit a speed bump. The borrower is past due on their primary mortgage and is currently trying to work with their bank to get the mortgage back on track. Per our procedures, we will not process a loan if a borrower is delinquent on their property whether that is the mortgage or their real estate taxes. We are hoping that the borrower can get this cleared up with their primary mortgage holder, but we are on a pause until that gets resolved.

John and I attended a Crosby EDA meeting on January 20th to discuss the trust fund loan programs as well as have a conversation regarding the need for housing throughout the County. This was well received by the members of the EDA and there was good conversation within the group. The City of Crosby is going to include our Housing Trust Fund marketing piece in their utility bill in March, to help us get the word out about our programs, to their community.

Per the Housing Trust Fund ordinance, we are required to submit an annual report to the County on the activities undertaken throughout the year, within 30 days of the close of the fiscal year. This annual report was submitted to County Administrator Houle on January 31st. A copy of the report is attached.

c. Brainerd HRA/Rehab Programs:

Emily SCDD

8 Owner occupied projects complete
2 Project is construction
4 Applications have been sent out

Garrison SCDD

We are waiting for DEED to finish their review of the environmental review so we can move on to the next step.

Jenkins SCDD

We are waiting for DEED to finish their review of the environmental review so we can move on to the next step.

MHFA

5 Projects are in construction
3 Applications are in process
5 Applications have been sent out

We have one application from Outing that is about seven miles from the Crow Wing County line in Cass County. Previously the board did approve staff to administer MHFA loans in the northern part of Morrison and Western part of Cass County. Provided the board does not have any issues with staff administering the loan in this area, we will move forward with processing the application.

Following discussion, the board authorized staff to administer MHFA loans in this part of Cass County.

Housing Trust Fund

1 Project is in the contract phase
4 Application have been sent out

FHLB

Unfortunately, our application to the Federal Home Loan Bank for 6 units of county wide owner-occupied housing rehabilitation was not approved. There were 122 applications requesting \$67,250,694 submitted with 67 of those being approved for \$40,048,983.

Brainerd Oaks/Serene Pines/Dalmar Estates

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	59	51	0	7
Serene Pines	23	16	15	1	0
Dalmar Estates	7	3	1	0	2

**Originally 83 lots, 2 have been merged/combined into a single parcel*

d. BLAEDC/CREDI:

Glynn presented the staff time billing reports for January 2022.

Through the Minnesota Department of Employment and Economic Development's (DEED) Main Street Revitalization program there was funding of \$39 million available in the first round, which primarily went to the communities of Rochester and Duluth in outstate Minnesota. DEED has a second round of funding available in the amount of \$41 million which the Initiative Foundation (IF) is going to apply for roughly \$8.4 million for communities in their 14-County footprint. DEED has stated that funding for this 2nd round will focus on communities that have identified a specific corridor of focus such as the already defined River to Rail area in Brainerd. Glynn is hopeful that the IF gets funded for their entire request and there are multiple projects that the Brainerd community has identified and could potentially utilize these funds. There is a 2 to 1 grant match that is required to utilize these dollars. The Initiative Foundation should know if their funding request was approved by the end of March, 2022.

e. CWC:

Erickson gave an overview of the continued grant process for the ARPA funding that they have until 2024 to spend. She mentioned that sewer infrastructure is an

eligible use. They would like to make resources available to educate new homeowners who have moved to the area and are not familiar with how to care for septic/sewer systems.

Erickson gave an update on the new permitting process for land services that will be rolled out in early March. All county permitting will be eventually changed to this process.

Erickson informed the board that following the census delineations, CWC districts could be affected. This could affect the CWC HRA districts as well, but they are not sure how this will look exactly.

7. HRA Commissioner Comments: (No Comments)

Michael Aulie, Chair –

Zach Tabatt, Vice Chair –

Michael Morford, Secretary/Treasurer –

Richard (George) Burton, Commissioner –

Craig Nathan, Commissioner –

8. NEXT MEETING: Tuesday, March 8th, 2022

9. ADJOURNMENT:

Commissioner Nathan made a motion to adjourn the meeting. Commissioner Tabatt seconded the motion. All commissioners voted in favor of the motion, and none were opposed. The motion was approved, and meeting was adjourned at 6:00 p.m.

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Housing & Redevelopment Authority

To: CWC HRA Board Members

From: Karen Young, Finance Director

Date: March 3, 2022

Re: Review and Accept Financial Statements

Please find attached the financial information for February 2022.

Action Requested: Accept the February financial statements as submitted.

2021 Audit

Auditors from CliftonLarsonAllen (CLA) have completed the 2021 draft audit (electronic copy sent separately). Mary Reedy will attend the March meeting to present the draft audit to the Board. There is a slight change this year with the presentation of the audit. The State has not finalized the legal compliance documents for the current year, so CLA is unable to issue any audits until the documents are released. As such, Mary will present the draft audit and we will have the board take action to accept the audited financial statements at a future meeting once the State has finalized the audit compliance.

No Action Requested: Acceptance of the 2021 audited financial statements will occur at a future meeting.

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Date/Time joe
3/2/2022

9:01:34 AM

**Crow Wing County
CWC HRA Combined Balance Sheet
February, 2022**

	Cumulative
ASSETS	
556-000-1120.000 A/R Other - Dev	20.40
550-000-1129.210 Cash Gen Fund	57,660.08
550-001-1129.210 Cash CWC SCDP	83,884.51
551-002-1129.210 Cash RLF TIF	386,885.20
556-000-1129.210 Cash Development Fund	-20.40
557-000-1129.210 Cash Tax Forf Property	-4,946.27
558-000-1129.210 Cash HTF	993,563.02
551-002-1141.000 Loans Rec RLF TIF	34,291.25
556-000-1450.000 Land Held for Resale	322,072.05
TOTAL ASSETS	<u>1,873,409.84</u>
LIABILITIES	
550-000-2112.000 A/P Other	-975.00
556-000-2600.000 Def Inflow of Res - Dev	-322,072.05
TOTAL LIABILITIES	<u>-323,047.05</u>
SURPLUS	
550-000-2700-000 Net Income	-438,808.41
550-000-2806.000 Retained Earnings	-1,111,554.38
TOTAL SURPLUS	<u>-1,550,362.79</u>
TOTAL LIABILITIES & SURPLUS	<u>-1,873,409.84</u>
Proof	0.00

Date: 3/2/2022
 Time: 9:01:53 AM
 joe

Crow Wing County
CWC HRA Combined Operating Stmt
February, 2022

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

	Current Period	Current Year	Year To Date Budget	Variance
INCOME				
550-000-3610.000 Investment Earnings	-5.35	-11.64	0.00	-11.64
550-000-3690.000 Other Revenue	-85.50	-85.50	0.00	-85.50
551-002-3610.000 RLF TIF Interest Rev	-183.15	-372.73	-296.68	-76.05
556-000-3696.000 Development Revenue	0.00	0.00	-31,866.66	31,866.66
557-000-3696.000 TFP Revenue	0.00	0.00	-1,666.66	1,666.66
TOTAL INCOME	-274.00	-469.87	-33,830.00	33,360.13
EXPENSE				
550-000-4110.000 Administrative Salaries	300.00	525.00	750.00	-225.00
550-000-4130.000 Legal	90.00	90.00	1,666.66	-1,576.66
550-000-4140.000 Staff Training	0.00	0.00	250.00	-250.00
550-000-4150.000 Travel	37.21	37.21	41.66	-4.45
550-000-4172.000 Management Fees	12,500.00	25,000.00	25,000.00	0.00
550-000-4190.000 Other Administrative	0.00	0.00	33.34	-33.34
550-000-4500.000 TIF Expense	0.00	0.00	100.00	-100.00
550-000-4510.000 Insurance	0.00	2,703.00	2,600.00	103.00
550-000-4540.000 Employer FICA	22.97	40.20	58.34	-18.14
550-000-4590.000 Other General Expense	0.00	0.00	4,334.00	-4,334.00
550-001-4600.000 CWC SCDP Expense	0.00	0.00	4,500.00	-4,500.00
556-000-4600.000 Development Expense	0.00	0.00	31,866.66	-31,866.66
557-000-4600.000 TFP Expense	0.00	0.00	1,666.66	-1,666.66
TOTAL EXPENSE	12,950.18	28,395.41	72,867.32	-44,471.91
NET INCOME(-) OR LOSS	12,676.18	27,925.54	39,037.32	-11,111.78

**Crow Wing County HRA
February 2022 Payments**

Attachment 2c

Payment Number	Payment Date	Vendor	Description	Check Amount
872	2/11/2022	Eric Charpentier	Mileage	\$18.49
874	2/11/2022	John Schommer	Mileage	\$18.72
24444	2/10/2022	Atlas Abstract & Title	O&E Report Housing Trust Fund Loan	\$90.00
24453	2/10/2022	Kennedy & Graven, Chartered	Legal Costs Serene Pines Tax Forfeit Lot	\$687.10
Total				\$814.31

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Housing & Redevelopment Authority

To: CWC HRA Board Members

From: John Schommer, Rehabilitation Coordinator

Date: March 2, 2022

Re: Approve Purchase and Redevelopment Agreements Between CWC HRA and Level Contracting

On Monday, February 21st, 2022, Level Contracting LLC requested to purchase a total of ten lots in two different sales. The first sale is five lots in Brainerd Oaks with a total purchase price of \$26,273.43 that he would like to close on in March. The second sale is two lots in Brainerd Oaks and three lots in Serene Pines with a total purchase price of \$59,286.93 that he would like to close on in May. Kennedy & Graven drafted the Purchase and Redevelopment Agreements and corresponding resolutions (see attached).

Action Requested: Approve Resolutions No. 2022-02 and No. 2022-03, and the Purchase and Redevelopment Agreements 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 1, 2, 3, 4 and 31, Block 5, BRAINERD OAKS, Crow Wing County, Minnesota

1. **Parties.** This Purchase and Redevelopment Agreement (the “Agreement”) is made as of March 8, 2022, between 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 1, 2, 3, 4 and 31, Block 5, BRAINERD OAKS, 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 March 9, 2022. *(1 day from date of this Agreement)*
4. **Price and Terms.** The price for the Property is \$26,273.43 (“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 March 31, 2022.
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 2021 and prior years. Real estate taxes for taxes payable year 2022 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 on 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 transfers.

(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 re-vest 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 re-vesting 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 revesting 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: _____
Its Chair

By: _____
Its Executive Director

STATE OF MINNESOTA

} ss.

COUNTY OF CROW WING

The foregoing was acknowledged before me this _____ day of March 2022, by Michael Aulie and Eric Charpentier, the Chair and Executive Director, respectively, 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 March 2022, by Mary Traufler, the _____ of Level Contracting, LLC, a Minnesota limited liability company, on behalf of the company.

Notary Public

This document drafted by:

Kennedy & Graven, Chartered
150 South 5th Street, Suite 700
Minneapolis, MN 55402

EXHIBIT A

ALLOCATION OF PURCHASE PRICE BY LOT

Legal Description	PID	Price
Lot 1, Block 5, BRAINERD OAKS	41290560	\$4,868.10
Lot 2, Block 5, BRAINERD OAKS	41290559	\$4,868.10
Lot 3, Block 5, BRAINERD OAKS	41290558	\$5,297.64
Lot 4, Block 5, BRAINERD OAKS	41290557	\$5,584.00
Lot 31, Block 5, BRAINERD OAKS	41290530	\$5,655.59
Total		\$26,273.43

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 \$26,273.43 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 8th of March, 2022, 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 re-vest 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 _____, 2022.

- ☒ 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

[illegible]

On this ____ day of _____, 2022, before me, a notary public within and for Crow Wing County, personally appeared Michael Aulie and Eric Charpentier 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 Michael Aulie and Erick Charpentier acknowledged said instrument to be the free act and deed of said Authority.

Notary Public

This instrument was drafted by:

Kennedy & Graven, Chartered
150 South 5th Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300

Tax Statements should be sent to:

Level Contracting, LLC
3495 Northdale Blvd. NW, Suite 200
Coon Rapids, MN 55448

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
150 South 5th Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300

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

RESOLUTION NO. 2022-02

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 "2022A Agreement") related to specific lots to be conveyed to the Buyer in 2022 and described on Exhibit A to this resolution (the "2022A Lots") and finds that conveyance of the 2022A Lots conforms to the provisions of the Master Contract and 2022A 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 2022A Agreement as presented to the Board, including the sale of the 2022A 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, provided that execution of the documents by such officials shall be conclusive evidence of approval.

2.02. The Chair and Executive Director are hereby authorized to execute on behalf of the Authority the 2022A 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 2022A Agreement.

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the County of Crow Wing this 8th day of March 2022.

Chair

ATTEST:

Executive Director

EXHIBIT A

2022A LOTS

Lots 1, 2, 3, 4 and 31, Block 5, BRAINERD OAKS, Crow Wing County, Minnesota

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PURCHASE AND REDEVELOPMENT AGREEMENT

Lots 6 and 7, Block 2, BRAINERD OAKS, Crow Wing County, Minnesota
 Lots 1 and 2, Block 1, SERENE PINES, Crow Wing County, Minnesota
 Lot 3, Block 4, SERENE PINES, Crow Wing County, Minnesota

1. **Parties.** This Purchase and Redevelopment Agreement (the “Agreement”) is made as of March 8, 2022, between 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 6 and 7, Block 2, BRAINERD OAKS, Crow Wing County, Minnesota
 Lots 1 and 2, Block 1, SERENE PINES, Crow Wing County, Minnesota
 Lot 3, Block 4, 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 March 9, 2022. (*1 day from date of this Agreement*)

4. **Price and Terms.** The price for the Property is \$59,286.93 (“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 May 20, 2022.

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 2021 and prior years. Real estate taxes for taxes payable year 2022 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 on 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 revesting 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: _____
Its Chair

By: _____
Its Executive Director

STATE OF MINNESOTA

} ss.

COUNTY OF CROW WING

The foregoing was acknowledged before me this _____ day of March 2022, by Michael Aulie and Eric Charpentier, the Chair and Executive Director, respectively, 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 March 2022, by Mary Traufler, the _____ of Level Contracting, LLC, a Minnesota limited liability company, on behalf of the company.

Notary Public

This document drafted by:

Kennedy & Graven, Chartered
150 South 5th Street, Suite 700
Minneapolis, MN 55402

EXHIBIT A

ALLOCATION OF PURCHASE PRICE BY LOT

Legal Description	PID	Price
Lot 6, Block 2, BRAINERD OAKS	41290589	\$5,011.28
Lot 7, Block 2, BRAINERD OAKS	41290588	\$4,796.51
Lot 1, Block 1, SERENE PINES	41280524	\$15,448.24
Lot 2, Block 1, SERENE PINES	41280523	\$16,231.84
Lot 3, Block 4, SERENE PINES	41290530	\$17,799.06
Total		\$59,286.93

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 \$59,286.93 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 8th of March, 2022, 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 re-vest 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 _____, 2022.

- ☒ 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

[illegible]

On this ____ day of _____, 2022, before me, a notary public within and for Crow Wing County, personally appeared Michael Aulie and Eric Charpentier 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 Michael Aulie and Erick Charpentier acknowledged said instrument to be the free act and deed of said Authority.

Notary Public

This instrument was drafted by:

Kennedy & Graven, Chartered
150 South 5th Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300

Tax Statements should be sent to:

Level Contracting, LLC
3495 Northdale Blvd. NW, Suite 200
Coon Rapids, MN 55448

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
150 South 5th Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300

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

RESOLUTION NO. 2022-03

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 "2022B Agreement") related to specific lots to be conveyed to the Buyer in 2022 and described on Exhibit A to this resolution (the "2022B Lots") and finds that conveyance of the 2022B Lots conforms to the provisions of the Master Contract and 2022B 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 2022B Agreement as presented to the Board, including the sale of the 2022B 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, provided that execution of the documents by such officials shall be conclusive evidence of approval.

2.02. The Chair and Executive Director are hereby authorized to execute on behalf of the Authority the 2022B 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 2022B Agreement.

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the County of Crow Wing this 8th day of March 2022.

Chair

ATTEST:

Executive Director

EXHIBIT A

2022B LOTS

Lots 6 and 7, Block 2, BRAINERD OAKS, Crow Wing County, Minnesota

Lots 1 and 2, Block 1, SERENE PINES, Crow Wing County, Minnesota

Lot 3, Block 4, SERENE PINES, Crow Wing County, Minnesota

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Housing & Redevelopment Authority

To: CWC HRA Board Members

From: John Schommer, Rehabilitation Coordinator

Date: March 3, 2022

Re: Approve Resolution 2022-04 Accepting the Conveyance of Tax Forfeited Property by Crow Wing County to the Housing and Redevelopment Authority in and for the County of Crow Wing

Kevin Pelkey, Executive Director with LAHFH (Lakes Area Habitat for Humanity), has submitted an application to purchase a tax forfeited lot through the Tax Forfeited Property Policy. The lot is located in Baxter and would have a 4 bedroom, 1 ½ bath home constructed for a LMI family. We have requested the lot from Crow Wing County and Kennedy and Graven, our legal counsel, has drafted a resolution allowing conveyance of the lot to the CWC HRA.

Action Requested: Approve Resolution No. 2022-04, accepting conveyance of a tax forfeited lot from Crow Wing County to the Crow Wing County Housing and Redevelopment Authority.

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

Resolution No. 2022-04

**Resolution Accepting the Conveyance of Tax Forfeited Property by Crow Wing County to
the Housing and Redevelopment Authority in and for the County of Crow Wing**

WHEREAS, Crow Wing County (the “County”) has completed the tax forfeiture process as required by law for certain property in the City of Baxter (the “City”) for certain property described as Lot 2, Block 2, Jasperwood East (the “Property”) in the City; and

WHEREAS, the Housing and Redevelopment Authority in and for the County of Crow Wing (“County HRA”) has previously established its Redevelopment Project No. 1 pursuant to Minnesota Statutes, Sections 469.001 to 469.047 (“HRA Act”), the area of which includes all property in the County; and

WHEREAS, the County HRA has developed a plan to acquire the Property from the County pursuant to Minnesota Statutes, Section 469.012, subd. 1g. of the HRA Act, in order to manage and dispose of the Property for the purpose of preventing and eliminating blight; and

WHEREAS, the County HRA proposes to enter into negotiations with Lakes Area Habitat for Humanity (the “Developer”) to enter into a Purchase and Redevelopment Agreement providing for the conveyance of the Property by the County HRA to the Developer, and for the construction by the Developer of an owner-occupied single-family home on such Property.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing and Redevelopment Authority in and for the County of Crow Wing will accept title to the Property from the County upon transfer of title to such Property from the State of Minnesota.

Chair

ATTEST:

Executive Director

Dated at Brainerd, Minnesota this 8th day of March, 2022.

CR195-026 (SEL)
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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: Eric Charpentier, Executive Director
 Date: March 8th, 2022
 Re: Executive Director Report

Tax Forfeit Lots in Baxter

We received an application for the purchase of one tax forfeited lot in the City of Baxter on 2/28/22 from a local builder. We have started the process of conveying the lot to the County HRA. The interested builder is willing to pay the outstanding assessments on the lot, to the City of Baxter. Per our tax forfeited property policy, we would sell this lot to the builder at the reduced price of \$0 plus the expenses the agency incurs to sell the lot with clear title. We have started this process and we anticipate bringing this back to the board in April to take formal action on the sale of the lot.

There is still interest in purchasing multiple forfeited lots in Baxter from the developer that the agency met with in January. That developer had stated that they were working on a formal letter of intent, but as of the publication of this packet, no such letter had been received. We will continue to follow up with this developer and assist them when we have something formalized.

Strategic Planning Session Update:

I spoke with Bruce Miles with Big River Group LLC who has worked with several local organizations in goal setting and strategic planning. He helped put together a plan for the Brainerd HRA in 2011 that we have utilized and updated throughout the years. Bruce has proposed a planning session for the CWC HRA in which he would utilize a survey and phone calls with commissioners prior to the planning session, draft an agenda for the in-person session and then hold a 3 hour meeting with selected staff and our board to go through planning and goal setting for the agency. We are looking at a session sometime in May to allow time for Bruce to do some pre-session learning from the board and staff. We are still awaiting some pricing numbers, but staff does feel comfortable with Mr. Miles'

process and our recommendation would be that we utilize his expertise for our goal setting session. More information to follow in April.

Action Requested: No action requested, for informational purposes only



Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: Eric Charpentier, Executive Director
 Date: March 8th, 2022
 Re: Housing Trust Fund Report

John and I recently met with Crow Wing County Commissioner Brekken along and a developer to discuss the Housing Trust Fund and how a new development for multi family housing could utilize the HTF for gap financing. We provided our procedural document to the developer as well as information on how the process could move forward. The developer is interested in multi family development in the Northern portion of the County. We will be following up with this entity as they get their concept and plan together and we will provide them with support as we are able. We are excited at the possibility of utilizing these funds, but we are still a ways out on this project. We will provide updates to the board as they occur.

John and I attended a meeting with the Greater Lakes Association of Realtors on March 3rd with the focus on how our realtors can help us get the word out about the HTF in general and specifically the down payment assistance program. We are excited that the organization invited us in to speak to provide more depth and explanation of our programs to the realtor group. Dolly Matten with GLAR has been a strong supporter of the HTF and we thank her for being an advocate for her organization and for the community.

Action Requested: No action requested, for information only.

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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: John Schommer, Rehab Coordinator
 Date: February 1, 2022
 Re: Rehab Programs Report

Emily SCDP

8 Owner occupied projects are complete
 2 Projects are in construction

Garrison SCDP

We are still working with DEED to complete the environmental review so we can move on to the next step.

Jenkins SCDP

We are still working with DEED to complete the environmental review so we can move on to the next step.

MHFA

5 Projects are in construction
 4 Applications are in process

Housing Trust Fund

4 Applications have been sent out

Brainerd Oaks/Serene Pines/Dalmar Estates

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	59	57	0	5
Serene Pines	23	16	16	0	0
Dalmar Estates	7	3	1	0	2

**Originally 83 lots, 2 have been merged/combined into a single parcel*

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BLAEDC Traditional Work Report for Crow Wing County



Date Range: 2/1/2022 - 2/28/2022

Project G Project	Task	Employee	Date	Comment	Hours	Amount
Crow Wing County HRA						
CWC HRA-Blight Blighted Projects						
	<i>E-mail</i>	<i>E-mail Correspondence</i>			6.00	\$900.00
		Tyler Glynn			6.00	\$900.00
			2/7/2022	email and phone correspondence with Brainerd business owner regarding a blighted building for purchase.	2.00	\$300.00
			2/15/2022	email correspondence with Crosby staff regarding local building that is available for childcare opportunity. Building is owned by the city but would need significant redevelopment to house daycare. blaedc staff will work with city staff to determine what needs to be completed to assist	2.00	\$300.00
			2/22/2022	email correspondence and zoom call with childcare assistance grant award recipients to discuss redevelopment options for properties that need assistance and funding timing and alternative options.	2.00	\$300.00
<i>Blighted Projects Subtotal</i>					6.00	\$900.00
CWC HRA-Redev Redevelopment Projects						
	<i>E-mail</i>	<i>E-mail Correspondence</i>			8.00	\$1,200.00
		Tyler Glynn			8.00	\$1,200.00
			2/2/2022	phone conference call with IRR staff and Emily city staff regarding assistance for demolition and redevelopment of Emily building owner.	1.00	\$150.00
			2/3/2022	email correspondence with city staff in Brainerd regarding building permits and issues remaining for property to be redeveloped in downtown Brainerd for childcare facility or other use.	2.00	\$300.00
			2/4/2022	email correspondence with county staff regarding grant opportunities and timing of funding. blaedc staff assisted in creating documentation for grant recipients and working through county system to build platform to communicate and deliver information	2.50	\$375.00
			2/8/2022	email communication with CREDI board members regarding potential building opportunities in community for childcare options. 2 locations were identified as possible sites, 1 building is owned by the city, another is owned by an individual, blaedc staff will work with both the city and property owner	2.50	\$375.00
	<i>Mtgs</i>	<i>Meetings</i>			46.50	\$6,975.00
		Tyler Glynn			46.50	\$6,975.00
			2/2/2022	River to Rail Meeting, BLAEDC staff attending and ran the meeting, produced minutes and presented at the meeting. BLAEDC staff also held meeting w/prospective buyer of building in Brainerd for redevelopment.	4.00	\$600.00
			2/3/2022		3.00	\$450.00

BLAEDC Traditional Work Report for Crow Wing County



Date Range: 2/1/2022 - 2/28/2022

Project G Project	Task	Employee	Date	Comment	Hours	Amount
Crow Wing County HRA						
				Pequot Lakes EDC meeting focusing on housing and development of Heart of the Good Life development for mixed use commercial development plus housing for both single family and apartment complex. City staff, blaedc staff and mayor were involved in meetings.		
			2/8/2022	Crow Wing County HRA meeting, blaedc staff attended meeting and presented to board regarding activities during the month of January, also staff time to prepare reports for board.	3.00	\$450.00
			2/9/2022	Meeting with local lender to discuss property a client was looking to purchase and redevelop in Brainerd. Financing options discussed and use of Unified Fund. BLAEDC staff meeting w/city officials of Crosslake to discuss housing options for local developer	3.50	\$525.00
			2/10/2022	Meetings w/owners of downtown Brainerd business that is in need of redevelopment for potential childcare facility, blaedc staff and owners met to discuss options. blaedc staff attending redevelopment plans and grant options available to Brainerd YMCA to build out old building for childcare and expanded services	4.50	\$675.00
			2/11/2022	Meeting w/Pequot Lakes developer regarding housing and commercial development opportunities in Pequot lakes and Crosslake as this developer is looking at single housing plus apartment complex designs for each city. BLAEDC staff attending and providing reports for Brainerd YMCA regarding purchase and redevelopment of downtown Brainerd building for childcare expansion. Blaedc staff providing expertise in grant writing that is essential for funding of property and redevelopment	2.50	\$375.00
			2/14/2022	Pequot Lakes EDC monthly meeting. BLAEDC staff provides reports and present to the full board during this meeting. Monthly work details are provided to board which involve housing and development meetings and opportunities. Staff will continue to work with local staff to develop future plans for the community	2.50	\$375.00
			2/15/2022	CREDI monthly board meeting. BLAEDC staff provide reporting, minutes and run meeting with presentation provided to the full board. Updated board on redevelopment projects that are occurring in the area.	3.00	\$450.00
			2/16/2022	Multiple blaedc staff attending Crosslake development meeting with Crosslake EDA board members and developer to discuss property options and city involvement with options for local, state and possibly federal grant options and use of city ARPA dollars to assist projects	3.50	\$525.00
			2/17/2022		4.00	\$600.00
			2/18/2022		4.50	\$675.00

BLAEDC Traditional Work Report for Crow Wing County



Date Range: 2/1/2022 - 2/28/2022

Project G Project	Task	Employee	Date	Comment	Hours	Amount
Crow Wing County HRA						
				BLAEDC board meeting, full blaedc staff time to present reports, provide updates to board members of all staff time spent on projects throughout the month. Board members also update staff on growth and expansion of business community		
			2/23/2022	Development meeting in Crosby with current business owner looking to redevelop a portion of his existing building and seeking resources in the form of grant or low interest loans for assistance. BLAEDC staff worked to identify resources.	3.00	\$450.00
			2/24/2022	YMCA planning meeting for expansion of existing sports facilities which would require additional funding and redevelopment of existing facilities or acquisition of additional property for redevelopment, blaedc staff are involved with projects	2.50	\$375.00
			2/28/2022	2 meetings w/potential buyers to a Brainerd property that is currently on the market. BLAEDC staff met with buyers to discuss plans for redevelopment, both potential buyers are looking to redevelop property for different businesses	3.00	\$450.00
Redevelopment Projects Subtotal					54.50	\$8,175.00
Crow Wing County HRA Subtotal					60.50	\$9,075.00
Grand Total					60.50	\$9,075.00

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