



Housing & Redevelopment Authority

Crow Wing County HRA Board Meeting Agenda
5:00pm Tuesday April 9th, 2024
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=m3c1be41828d3b2c9c60bed35562a7eb2>

Join by phone: 415-655-0001

Meeting number (access code): 2557 926 3124

Meeting password: d6NZ4PedHq6

"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. APPROVAL OF AGENDA

4. PRESENTATION

- a. 2023 Crow Wing County Audit: Mary Reedy, Clifton Larson Allen (Attachment 1) Pg. 3*

5. APPROVE MINUTES

- a. Approval of the Tuesday, March 12th, 2024, Meeting Minutes (Attachment 2) Pg. 5*

6. REVIEW & ACCEPT FINANCIAL STATEMENTS (Attachment 3) Pg. 9

- a. CWC HRA Combined Balance Sheet March 2024*
- b. CWC HRA Combined Operating Statement March 2024*
- c. CWC HRA March 2024 Payments*

7. UNFINISHED BUSINESS

- a. Strategic Goals Review (Attachment 4) Pg. 17*

8. NEW BUSINESS

- a. Purchase and Redevelopment Agreement Between CWC HRA and Level Contracting (Attachment 5) Pg. 23*

9. REPORTS/UPDATES:

- a. Executive Director Report (Attachment 6) Pg. 47*
- b. Housing Trust Fund (Attachment 7) Pg. 49*
- c. Brainerd HRA/Rehab Programs (Attachment 8) Pg. 51*
- d. BLAEDC/CREDI (Attachment 9) Pg. 55*
- e. CWC*

10. COMMISSIONER COMMENTS

11. NEXT MEETING Tuesday May 14th, 2024

12. ADJOURNMENT

CWC HRA Commissioners:

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

Richard (George) Burton, Vice Chair - District 1 (12-31-27)

Michael Morford, Secretary/Treasurer - District 2 (12-31-28)

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

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

Packet Placeholder

**CROW WING COUNTY HOUSING
AND REDEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF CROW WING COUNTY)
BRainerd, MINNESOTA**

**FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023



CPAs | CONSULTANTS | WEALTH ADVISORS
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Housing & Redevelopment Authority

Crow Wing County HRA BOARD MEETING MINUTES 03/12/2024

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, March 12th, 2024.

1. **CALL TO ORDER:** Chair Zachary Tabatt called the meeting to order at 5:00 p.m.
2. **ROLL CALL:** Present: Commissioners, Michael Aulie, Richard (George) Burton, Zach Tabatt, & Michael Morford. Craig Nathan (via Webex)

Others present: Executive Director Eric Charpentier, Finance Director Karen Young, Rehab Coordinator John Schommer, Rehab Administrative Specialist Kristin Miller, BLAEDC Executive Director Tyler Glynn.

Absent: Crow Wing County Administrative Services Director Deborah (Debby) Erickson

Guests: Commissioner Barrows, & Mike Duval

3. **APPROVE OF AGENDA:**

Moved and seconded by Commissioners Burton and Aulie to approve the amended agenda adjusting financials as January 2024 should be February 2024 for March 12th, 2024. Through a roll call vote, all commissioners were in favor, and none were opposed. The amended agenda was approved.

4. **APPROVE MINUTES:**

Moved and seconded by Commissioners Morford and Burton to approve the minutes amending the stated interest rate for the Crow Wing County Housing Trust fund loan to reflect the 50% interest rate not the miss noted .05% (the housing trust fund loan request to DW Jones, Inc contingent upon the successful closing of the entity's primary construction loan through Bremer Bank, with a .05% interest rate differed on a 20-year term) from the January 9th, 2024, board meeting. Through a roll call vote, all voting commissioners were in favor, and none were opposed. The minutes were approved.

5. **Review and Accept Financial Statements:**

The financial information for February 2024 was presented by Karen Young.

- a. **2023 Audit:**

The 2023 audit fieldwork with CliftonLarsonAllen (CLA) was completed and we have received a draft audit for review. Mary Reedy will attend the April meeting to present the audit to the board.

b. TIF Revolving Loan Fund (RLF):

In 2019, the board approved a \$75,000 loan (through the BLAEDC Unified Fund) to PaulSquared Properties for the Virtual retail store in Crosby. This loan had a five-year term and matured last month. Reflected in the February financials is the loan payoff which results in no outstanding TIF RLF loans at this time.

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

6. UNFINISHED BUSINESS:

a. Fund Balance Review

The Fund Balance Policy sets the recommended unassigned fund balance to be maintained at 8 to 12 months of General Fund operating expenses for the year. The following classifications are established for governmental funds and define the constraints placed on the current fund balance.

1. **Nonspendable** - fund balance not expected to be converted to cash such as inventory or prepaid expenses.
2. **Restricted** - fund balance with constraints from an external source such as the Housing Trust Fund, TIF Revolving Loan Funds and CWC Local Income (SCDP).
3. **Committed** – fund balance constrained for a specific purpose by the HRA board prior to yearend.
4. **Assigned** – fund balance that is intended for a specific purpose by the board or Executive Director/Finance Director. These funds are neither restricted nor committed.
5. **Unassigned** – General Fund balance that is available for any purpose.

The estimated unassigned fund balance at yearend should be approximately 9.75 months of operating expenses. This amount is between the recommended amount of 8 to 12 months as set by policy.

b. Review Proposed TIF Revolving Loan 805 Laurel Street

At the February 13th, 2024 meeting the board authorized funding for the project by DW Jones, Inc which will be located at 805 Laurel Street in downtown Brainerd. The board action that was taken was specifically for funding through the Housing Trust Fund. As was discussed at that meeting, the funding available in the trust fund is not sufficient to cover the funding request that was approved and thus staff spoke about utilizing our TIF revolving loan fund to complete the funding request.

Since this is a separate loan fund staff would like the board to take formal action approving the funding for a portion of this project with the TIF revolving fund. The board has previously adopted a separate set of loan guidelines for this loan program which have been attached for your review. These guidelines do differ from our housing trust fund guidelines and staff are requesting that the board approve this request with the same loan terms that were approved at the February board meeting for the housing trust fund portion.

Staff continue to work with Kennedy and Graven to ensure that this redevelopment project meets the criteria for use of these TIF revenues under Minnesota Statutes 469.174 through 469.1794 (The TIF Act). That review was still being completed by our counsel at the time of packet publication. Staff will have the results of that review at the board meeting and provide an update at that time.

Commissioner Aulie moved to approve staff recommendation to approve loan funding through the TIF Revolving Loan Fund in the amount of \$430,000 with a loan rate of ½% for a term of 20 years to match the approval of funding for this project through the Housing Trust Fund, followed by a second from Commissioner Morford. Upon roll call, all commissioners voted in favor of the motion, and none were opposed. The motion carried.

7. NEW BUSINESS:

8. REPORTS:

a. Executive Director Report

Request to BLAEDC and BUF for Return of non-TIF Funds

In February the board authorized staff to draft a letter formally requesting the return of the non-TIF funds that were given to BLAEDC to be utilized in the Brainerd Unified Fund revolving loan fund. We have requested that the funding be returned so that it can be placed into our local housing trust fund which will supplement and increase the amount of permanent funding we have available to use for projects within Crow Wing County.

b. Housing Trust Fund:

Our regional directors group received an update on Minnesota Housing's local housing trust fund grants program from the Director of Local Government Housing Programs, which happens to be Jennifer Bergman. She has stated that her team is planning to release the RFP for this program sometime this summer and that their team is working to finalize the funding request guidelines. We do believe that we are well positioned to apply for up to \$450,000 in a matching grant but that total will be dependent on how many other applicants there are as there is a maximum amount of \$5.8 million available. We will continue to monitor program updates so that we can apply for the funding when it is available.

Staff continue to discuss loan servicing with our current provider as well as with 2 additional potential providers. I do have follow up conversations scheduled with another bank prior to our board meeting to discuss our needs and we are reengaging with the initiative foundation to determine if they have any interest in servicing our portfolio.

c. Brainerd HRA/Rehab Programs:

Outlot F

At last month's meeting the board took action to accept conveyance of Outlot F from Brainerd HRA so it could be added to the Purchase and Development Agreement (PDA) with the developer, Level Contracting, at no cost to them. Staff reached out to Kennedy and Graven to start the process which is outlined below:

1. Brainerd HRA must approve conveyance of the lot to the County HRA. (Board approved on 1/24/24)
2. CWC HRA must adopt a resolution accepting the property.
3. Brainerd HRA must convey the lot to CWC HRA by quit claim deed.
4. CWC HRA and Level Contracting must negotiate a Fourth Amendment to Master PDA.
5. CWC HRA must adopt a resolution amending the Master PDA (fourth amendment) and the Redevelopment Plan to add the property.
6. CWC HRA must hold a public hearing on the sale of the property to Level Contracting.
7. CWC HRA must approve the negotiated Fourth Amendment to the Master PDA by resolution following public hearing.
8. Closing, where CWC HRA conveys the lot to developer by quit claim deed.

Staff have been in contact with the city and developer and will continue to work through the process and present the resolution for the board's consideration when all parties are ready for the transfer to occur.

d. BLAEDC/CREDI:

February 2024 staff time billing reports were presented along with an overview of office happenings by Tyler Glynn.

- e. CWC:** Commissioner Barrows gave an update on what the Crow Wing County Board is focusing on in the County.
Eric will be attendance for the March Comp plan meeting (10-year plan).

9. HRA Commissioner Comments: None at this time.

10. NEXT MEETING: Tuesday, April 9th, 2024

11. ADJOURNMENT:

Commissioner Aulie made a motion to adjourn the meeting. Commissioner Morford seconded the motion. All commissioners voted in favor of the motion, and none were opposed. The motion was approved, and the meeting was adjourned at 5:47 p.m.

To: CWC HRA Board Members
From: Karen Young, Finance Director
Date: April 3, 2024
Re: Review and Accept Financial Statements

2023 Audit

The 2023 audit has been finalized. Mary Reedy will attend the April meeting to present the audit to the board.

Action Requested: Accept the 2023 audited financial statements.

Action Requested: Accept the March financial statements as submitted.

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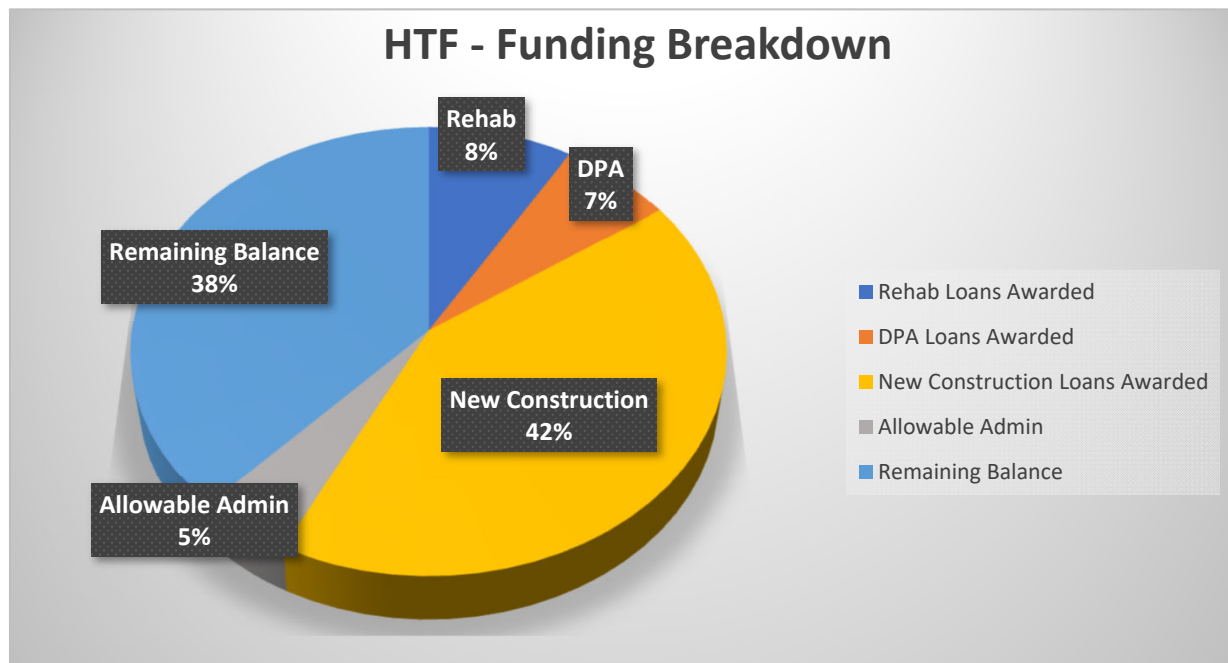
Housing Trust Fund Projection

| HTF - Funding Breakdown | |
|-------------------------|-----------------|
| Revenue Sources: | |
| Levy Approved Total | \$ 2,200,000.00 |
| CWC Local Housing Aid | \$ 157,496.00 |
| Interest Earned To Date | \$ 18,771.00 |
| Total | \$ 2,376,267.00 |
| Loans Awarded: | |
| Rehabilitation | \$ 204,591.00 |
| Down Payment Assistance | \$ 160,000.00 |
| New Construction | \$ 1,000,000.00 |
| Total | \$ 1,364,591.00 |
| 5% Allowable Admin | \$ 110,000.00 |
| Remaining Balance | \$ 901,676.00 |

| | |
|-------------------------------|-----------------|
| Approved Applications: | |
| DPA | \$ - |
| Rehab | \$ 25,000.00 |
| New Construction | \$ 1,300,000.00 |
| Total | \$ 1,325,000.00 |
| Balance | \$ (423,324.00) |

| | |
|-------------------------------|---------------|
| Other Funding Sources: | |
| TIF - RLF | \$ 432,750.00 |
| Non-TIF RLF | \$ 119,245.00 |
| CWC Funding | \$ - |
| MH Funding | \$ - |
| Total | \$ 551,995.00 |
| Balance | \$ 128,671.00 |

| | |
|----------------------|-----------------|
| Applications: | |
| Pueringer | \$ 425,000.00 |
| Total | \$ 425,000.00 |
| Balance | \$ (296,329.00) |



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Date/Time joe
4/3/2024 11:37:23 AM

**Crow Wing County
CWC HRA Combined Balance Sheet
March, 2024**

| | Cumulative |
|--|-----------------------------|
| ASSETS | |
| 556-000-1120.000 A/R Other Dev | 36.37 |
| 550-000-1129.210 Cash Gen Fund | 174,452.69 |
| 550-001-1129.210 Cash CWC SCDP | 96,684.91 |
| 551-002-1129.210 Cash RLF TIF | 432,752.31 |
| 556-000-1129.210 Cash Development Fund | -45.75 |
| 557-000-1129.210 Cash Tax Forf Property | -2,109.67 |
| 558-000-1129.210 Cash HTF | 619,088.60 |
| 558-000-1141.000 Loan Rec HTF | 1,340,207.00 |
| 556-000-1450.000 Land Held for Resale | 145,516.68 |
| TOTAL ASSETS | <u>2,806,583.14</u> |
| LIABILITIES | |
| 558-000-2115.000 HTF Escrow | -7,979.87 |
| 556-000-2600.000 Def Inflow of Res - Dev | -145,516.68 |
| TOTAL LIABILITIES | <u>-153,496.55</u> |
| SURPLUS | |
| 550-000-2700-000 Net Income | -619,838.11 |
| 550-000-2806.000 Retained Earnings | -2,033,248.48 |
| TOTAL SURPLUS | <u>-2,653,086.59</u> |
| TOTAL LIABILITIES & SURPLUS | <u>-2,806,583.14</u> |
| Proof | 0.00 |

Date: 4/3/2024
Time: 11:37:28 AM
joe

Crow Wing County
CWC HRA Combined Operating Stmt
March, 2024

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

| | Current Period | Current Year | Year To Date Budget | Variance |
|--|------------------|--------------------|---------------------|-------------------|
| INCOME | | | | |
| 550-000-3610.000 Investment Earnings | -2,823.55 | -6,308.03 | -500.01 | -5,808.02 |
| 550-000-3690.000 Other Revenue | 0.00 | -29,650.00 | -12,412.50 | -17,237.50 |
| 550-000-3691.000 Property Tax Revenue | 0.00 | 0.00 | -187,080.00 | 187,080.00 |
| 551-002-3610.000 RLF TIF Interest Rev | -1,350.12 | -3,286.15 | -692.49 | -2,593.66 |
| 556-000-3696.000 Development Revenue | 0.00 | 0.00 | -21,680.01 | 21,680.01 |
| 557-000-3696.000 TFP Revenue | 0.00 | 0.00 | -2,499.99 | 2,499.99 |
| 558-000-3696.000 HTF Revenue | 0.00 | -157,496.00 | 0.00 | -157,496.00 |
| TOTAL INCOME | -4,173.67 | -196,740.18 | -224,865.00 | 28,124.82 |
| EXPENSE | | | | |
| 550-000-4110.000 Administrative Salaries | 300.00 | 825.00 | 1,125.00 | -300.00 |
| 550-000-4130.000 Legal | 726.00 | 726.00 | 2,499.99 | -1,773.99 |
| 550-000-4140.000 Staff Training | 0.00 | 0.00 | 375.00 | -375.00 |
| 550-000-4150.000 Travel | 3.35 | 4.02 | 99.99 | -95.97 |
| 550-000-4171.000 Auditing Fees | 0.00 | 2,940.00 | 5,000.00 | -2,060.00 |
| 550-000-4172.000 Management Fees | 15,430.00 | 46,290.00 | 46,290.00 | 0.00 |
| 550-000-4190.000 Other Administrative | 0.00 | 0.00 | 50.01 | -50.01 |
| 550-000-4500.000 TIF Expense | 0.00 | 30.00 | 150.00 | -120.00 |
| 550-000-4510.000 Insurance | 0.00 | 2,763.00 | 2,900.00 | -137.00 |
| 550-000-4540.000 Employer FICA | 22.94 | 63.11 | 87.51 | -24.40 |
| 550-000-4590.000 Other General Expense | 0.00 | 0.00 | 36,202.50 | -36,202.50 |
| 550-001-4600.000 CWC SCDP Expense | 0.00 | 0.00 | 5,000.01 | -5,000.01 |
| 551-002-4600.000 RLF TIF Expense | 0.00 | 6.67 | 20.00 | -13.33 |
| 556-000-4600.000 Development Expense | 0.00 | 9.38 | 21,680.01 | -21,670.63 |
| 557-000-4600.000 TFP Expense | 0.00 | 0.00 | 2,499.99 | -2,499.99 |
| 558-000-4600.000 HTF Expense | 480.00 | 480.00 | 5,000.01 | -4,520.01 |
| TOTAL EXPENSE | 16,962.29 | 54,137.18 | 128,980.02 | -74,842.84 |
| NET INCOME(-) OR LOSS | 12,788.62 | -142,603.00 | -95,884.98 | -46,718.02 |

**Crow Wing County HRA
Payment Summary Report
March 2024**

| Payment Number | Payment Date | Vendor | Description | Check Amount |
|----------------|--------------|---------------------------------|-----------------|--------------|
| 1057 | 3/8/2024 | John Schommer | Mileage | \$ 3.35 |
| 26140 | 3/7/2024 | Kennedy & Graven, Chartered | Legal-Outlot F | \$ 726.00 |
| 26178 | 3/21/2024 | Miller Testing & Consulting LLC | HTF-OOR Testing | \$ 480.00 |
| | | | | |
| | | | | |
| Total | | | | \$ 1,209.35 |

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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Eric Charpentier, Executive Director
Date: April 9th, 2024
Re: Strategic Goals Review

As has been discussed previously, the strategic goals worksheet is attached for the board to review. We have updated the status of the goals that we have been working on in the past few months. We will continue to provide these updates for the board on a regular basis so that as we work through these goals the board can continue to give staff feedback and/or guidance on what goals they would like staff to focus on. Some of these goals will be ongoing throughout the two-year cycle.

Action Requested: No action requested, for informational purposes only

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| 2022-2024 CWC HRA Goals and Action Steps Status Report | | |
|--|---|---|
| Goal | Action Steps | Status |
| Goal 1: SMART goals for funding and programs/projects | Define goals for funding and programs/projects | <i>State of MN HTF Matching Dollars (Coming Summer of 2024), County Affordable Housing Aid (CWC Appropriated 2023 SAHA to CWC HTF), Infrastructure Grants for Cities/Municipalities (Coming Summer of 2024)</i> |
| | Establish timeline for each program/project | <i>Q1 2024 for SAHA, Q2-Q3 2024 for Matching HTF Grants and Infrastructure Grants</i> |
| | Define measurable success for each program/project | <i>Ongoing, Production of Housing Units, Housing Units Rehabilitated</i> |
| | Create written format for each goal | |
| Goal 2: Communications with counties, cities, and other partners | Identify strategies/expectations with BLAEDC, per the MOU, for more focused results on CWC HRA initiatives such as HTF | <i>TBD</i> |
| | Use technology to make CWC HRA programs and opportunities known and easier to access | <i>HTF Info updated on Brainerd HRA website, Rehab department Social Media page (facebook)</i> |
| | Utilize professional presentations to highlight successes and increase networking | <i>Updating our presentation slide decks for CWC and the HTF – Presented in August '23 and January '24</i> |
| | Explore administrative structure and synergy of HRAs within CWC | <i>BHRA board declined to continue discussions with PLHRA</i> |
| Goal 3: Improve housing quality and availability in Crow Wing County | Explore and support partners on housing and redevelopment initiatives with Housing Trust Fund (HTF) and possible pooling of funds | <i>Ongoing, Statewide affordable housing aid has been appropriated from the County to the HTF, potential for ongoing appropriation of these funds. State matching funds for HTF are also available in 2024</i> |

Updated 10/5/22

| | | |
|---|--|--|
| | Utilize HTF to purchase land that is not tax-forfeited | <i>HTF funding has been exhausted for 2024</i> |
| | Increase marketing for HTF and rehab programs available to all Crow Wing County residents | <i>Continuing to talk with lenders, real estate professionals and other partners to market the HTF programs. Presented to a group of realtors in January at a program hosted by Riverwood Bank, presented to the area landlord group in December of '23.</i> |
| | Increase affordable housing inventory through active engagement with partners/developers | <i>Working with several developers on projects throughout the County to promote the use of the HTF for affordable housing creation. Downtown Brainerd redevelopment project continues to move forward with anticipated demolition occurring in late '24. Developer interest in a senior housing and LIHTC project in South Brainerd.</i> |
| | Explore additional grant opportunities to further this initiative | <i>Currently waiting on final guidance on a program through MN Housing on matching state funds with our levied dollars into the housing trust fund, mid 2024. The program guidelines are being drafted in Q2 of 2024.</i> |
| Goal 4: Transfer land control for tax-forfeited properties to CWC HRA and market to developers through an RFP | Identify parcels in CWC for HRA to market to developers | <i>Created a document of available properties in Brainerd with the assistance of the City and BLAEDC to aid developers. Working with the Brainerd EDA on their new website for municipal properties owned, info on the HTF has been included on the site.</i> |
| | Work with CWC TFPP to hold/convey land to CWC HRA for site control | <i>Ongoing and as requested. Developer recently inquired about some TF parcels in Baxter for a potential multi-family project.</i> |
| | Work with municipalities to make parcels marketable through TFPP – ie. address existing assessments on TFP parcels | <i>We continue to work with the City of Brainerd and City of Baxter on this. Another area of focus will be Breezy Point</i> |

Updated 10/5/22

| | | |
|--|---|--|
| | Execute RFP and enter into development agreements with developers | <i>Currently working on a TIF project through the Brainerd HRA on a redevelopment project in downtown Brainerd. Working with another developer on Outlot F in Brainerd Oaks to include in the PDA.</i> |
| | Continue to market TFP lots to developers throughout CWC | <i>Developer recently identified 3 parcels of interest in Baxter for potential multi-family development.</i> |

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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: John Schommer, Rehab & Maintenance Director
Date: April 5th, 2023
Re: Purchase and Redevelopment Agreement Between CWC HRA and Level Contracting

On Tuesday, March 5th, 2024 Level Contracting LLC requested to purchase three lots, two located in Dalmar Estates and one located in Serene Pines with a total purchase price of \$59,866.29, they would like to close on April 10th, 2024. Kennedy & Graven has drafted the Purchase and Redevelopment Agreement and corresponding resolution (see attached).

Action Requested: Discuss Approving Resolution No. 2024-03, Approving the Purchase and Redevelopment Agreement between the Housing and Redevelopment Authority in and for the County of Crow Wing and Level Contracting LLC.

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PURCHASE AND REDEVELOPMENT AGREEMENT

Lot 4, Block 1, DALMAR ESTATES, Crow Wing County, Minnesota
 Lot 6, Block 1, DALMAR ESTATES, Crow Wing County, Minnesota
 Lot 1, Block 4, SERENE PINES, Crow Wing County, Minnesota

1. **Parties.** This Purchase and Redevelopment Agreement (the “Agreement”) is made as of April 9th, 2024, 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 3062 Ni Gig Trail NW, Cass Lake, MN 56633 (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”):

Lot 4, Block 1, DALMAR ESTATES, Crow Wing County, Minnesota
 Lot 6, Block 1, DALMAR ESTATES, Crow Wing County, Minnesota
 Lot 1, 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 April 10th, 2024. *(1 day from date of this Agreement)*

4. **Price and Terms.** The price for the Property is \$59,866.29 (“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 April 19, 2024.

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 recorded in the office of the Crow Wing County Recorder on March 17, 2017 as Document No. A-886216, as further amended by a Second Amendment thereto, dated as

of March 14, 2017, and recorded in the office of the Crow Wing County Recorder on March 17, 2017 as Document No. A-886217, as further amended by a Third Amendment thereto dated as of April 12, 2022, and as assigned and assumed by the Buyer pursuant to an Assignment and Assumption of Master Purchase and Redevelopment Contract, dated as of October 8, 2019, and recorded in the office of the Crow Wing County Recorder on October 17, 2019 as Document No. A-924227 (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 2023 and prior years. Real estate taxes for taxes payable year 2024 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 revert 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 reverting 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 9th day of April 2024, by Zachary Tabatt and Eric Charpentier, the Chair and Executive Director, respectively, of the 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: Montgomery L. Jensen

Its: Chief Manager

STATE OF MINNESOTA

} SS.

COUNTY OF _____

The foregoing was acknowledged before me this 10th day of April 2024, by Montgomery L. Jensen, the Chief Manager 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 4, Block 1, DALMAR ESTATES | 41280529 | \$20,775.00 |
| Lot 6, Block 1, DALMAR ESTATES | 41280527 | \$23,083.33 |
| Lot 1, Block 4, SERENE PINES | 41280502 | \$16,007.96 |
| Total | | \$59,866.29 |

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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 \$59,866.29 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: (A) 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 Contract,” as amended by a First Amendment thereto dated November 8, 2016, and recorded in the office of the Crow Wing County Recorder on March 17, 2017 as Document No. A-886216, as further amended by a Second Amendment thereto dated as of March 14, 2017, and recorded in the office of the Crow Wing County Recorder on March 17, 2017 as Document No. A-886217, as further amended by a Third Amendment thereto dated as of April 12, 2022, and as assigned by an Assignment and Assumption of Master Purchase and Redevelopment Contract, dated October 8, 2019, and recorded in the office of the Crow Wing County Recorder on October 17, 2019 as Document No. A-924227 (hereafter collectively referred to as the “Master Agreement”), and (B) an agreement entered into between the Grantor and Grantee on the ____ of April, 2024, 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 revert 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 _____, 2024.

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

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

By _____
Its Chair

By _____
Its Executive Director

STATE OF MINNESOTA)
) ss
COUNTY OF CROW WING)

On this ____ day of _____, 2024, before me, a notary public within and for Crow Wing County, personally appeared Zach Tabatt 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 Zach Tabatt and Eric 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
3062 Ni Gig Trail NW
Cross Lake, MN 56633

EXHIBIT C

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

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

RESOLUTION NO. **2024-03**

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, 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 recorded in the office of the Crow Wing County Recorder on March 17, 2017 as Document No. A-886216, as further amended by a Second Amendment thereto, dated as of March 14, 2017, and recorded in the office of the Crow Wing County Recorder on March 17, 2017 as Document No. A-886217, as further amended by a Third Amendment thereto dated as of April 12, 2022 (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, July 12, 2016, and May 8, 2022, 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 Redevelopment Contract, dated October 8, 2019, and recorded in the office of the Crow Wing County Recorder on October 17, 2019 as Document No. A-924227, 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. On May 10, 2022, the Board conducted a duly noticed public hearing regarding the sale of an additional parcel, Lot 5, Block 3, Serene Pines (now included as part 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 "2024A Agreement") related to specific lots to be conveyed to the Buyer in 2024 and described on Exhibit A to this resolution (the "2024A Lots") and finds that conveyance of the 2024A Lots conforms to the provisions of the Master Contract and the 2024A 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 2024A Agreement as presented to the Board, including the sale of the 2024A 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 2024A 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 2024A Agreement.

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the County of Crow Wing this 9th day of April 2024.

Crow Wing County HRA Chair – Zachary Tabatt

ATTEST:

Crow Wing County HRA Executive Director – Eric Charpentier

EXHIBIT A

2024A LOTS

Lot 4, Block 1, DALMAR ESTATES, Crow Wing County, Minnesota
Lot 6, Block 1, DALMAR ESTATES, Crow Wing County, Minnesota
Lot 1, Block 4, SERENE PINES, Crow Wing County, Minnesota



Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: Eric Charpentier, Executive Director
 Date: April 9th, 2024
 Re: Executive Director Report

Developer Interest in Tax Forfeited Properties

I recently received a call from a developer who is interested in tax forfeited parcels in Baxter for the purpose of building a multi-family development with up to 20 units. Due to the current zoning and potential low-lying areas of the parcels I have asked that the developer speak with the community development department with the City of Baxter to discuss the zoning and anticipate talking with the developer after that, to discuss potential next steps.

Developer Interest in Pequot Lakes

There continues to be interest in the development of an apartment complex in Pequot Lakes in the Heart of the Good Life development. Per Tyler Glynn, the developer was in front of the City Council at the end of March to discuss zoning for the proposed development. I will be speaking with this group in late April to discuss their plans as well as plans for a phase two development in Baxter.

Action Requested: No action requested, for informational purposes only

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To: CWC HRA Board Members
 From: Eric Charpentier, Executive Director
 Date: April 9th, 2024
 Re: Housing Trust Fund Report

The Lofts of Novotny project in Baxter continues to get closer to completion and they are anticipating opening in May of this year. The development group will be in the area in late April, and I will be touring the facility at that time. We are excited to see this project completed and these units opened for residents soon.

We are continuing to support the 805 Laurel St redevelopment project as the deadline for the RFP for the workforce housing development program approaches at the end of April. The City of Brainerd will be the applicant for those funds in support of DW Jones, Inc and I am working with the City to get the approvals needed for application prior to that deadline. The project will be in front of the planning and zoning committee for the City on April 17th with a special City Council meeting to follow up April 22nd to hopefully approve the zoning conditional uses as well as authorization for the City to apply on behalf of the developer, for the grant funding. We did provide an award letter signifying that this board has approved of the funding request as that letter will be used to leverage a portion of the funds for the workforce development loan.



Action Requested: No action needed, for informational purposes only.

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Housing & Redevelopment Authority

To: Crow Wing County HRA Board Members
 From: John Schommer, Rehab & Maintenance Director
 Date: April 3, 2024
 Re: Programs Report

Outlot F

The developer has received the design concept back from Widseth (attached) and sent it to the city for consideration with their initial blush being favorable. He has begun the application process for the infrastructure funding and will keep us updated as to the progress.

Brainerd Oaks/Serene Pines/Dalmar Estates

| Development | Total | # Sold to Developer | # Sold to End Buyer | For Sale | In Construction |
|----------------|-------|---------------------|---------------------|----------|-----------------|
| Brainerd Oaks | 81* | 72 | 66 | 0 | 4 |
| Serene Pines | 24** | 21 | 19 | 0 | 2 |
| Dalmar Estates | 7 | 4 | 3 | 0 | 1 |

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

**Originally 23 lots, 1 was added

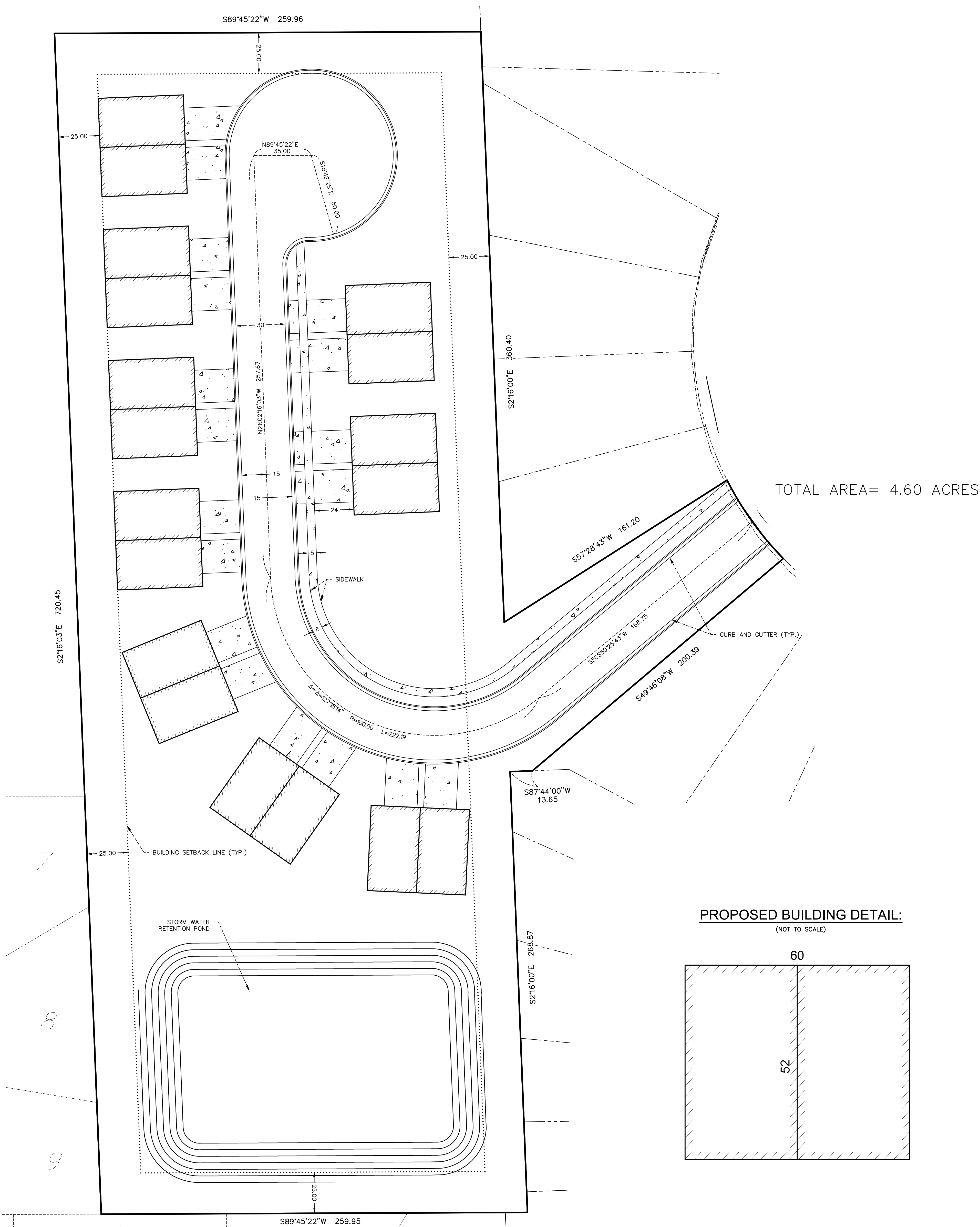
Action Requested: None, discussion items.

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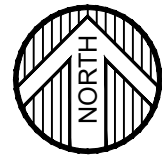
SKETCH PLAN

BRainerd OAKS WEST
SECTION 29, TOWNSHIP 45, RANGE 30,
CROW WING COUNTY, MINNESOTA

Attachment 8a



THE WILLOWS
11 12 13 14



0 30 60
SCALE (IN FEET)

ORIENTATION OF THIS BEARING SYSTEM IS
BASED ON AN ASSUMED DATUM

© 2024 WIDSETH

| | | | | |
|---------------------|------|------------|----|---|
| DATE: 8-16-2021 | DATE | AMENDMENTS | BY | PREPARED FOR: LEVEL CONTRACTING |
| SCALE: AS SHOWN | | | | I HEREBY CERTIFY THAT THIS SURVEY, PLAN, OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA |
| DRAWN BY: ABS | | | | |
| CHECKED BY: CMC | | | | |
| FILE NUMBER: ZZZZZZ | | | | CHAD M. CONNER DATE: LIC. NO. 41643 |

WIDSETH
ARCHITECTS ■ ENGINEERS ■ SCIENTISTS ■ SURVEYORS

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2024 CWC HRA BLAEDC/CREDI

STAFF TIME- March

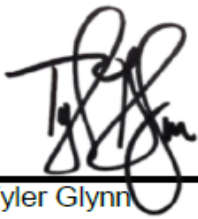
Date Range: 3/1/2024 - 3/31/2024

| Project | Task | Date | Comment | Hours | Amount |
|----------------------|------------------------|-------------|--|-------|------------|
| Crow Wing County HRA | | | | | |
| CWC HRA-Redev | Redevelopment Projects | | | | |
| | Dev | Development | | 54.50 | \$8,175.00 |
| | | | | 54.50 | \$8,175.00 |
| | | 3/1/2024 | Meeting w/new business owner regarding redevelopment of property of new business creation which would be a new business in Brainerd. Toured property that would be a redevelopment project. | 2.00 | \$300.00 |
| | | 3/4/2024 | BLAEDC staff meeting with prospective business owner who is touring properties for redevelopment. Toured property in Brainerd and Crosby for new business opportunity. | 2.00 | \$300.00 |
| | | 3/5/2024 | BLAEDC staff attending housing meeting with staff at central lakes college as they determine housing needs moving to the future. Staff are involved to determine sources of funds to assist a possible new build to help the community and student needs. | 2.50 | \$375.00 |
| | | 3/6/2024 | Crosslake EDA meeting attended by BLAEDC staff. Time to prepare reports and present at the meeting. Staff discussed housing options that are currently moving forward in Crosslake. Housing will not be deemed affordable, but it will improve the housing stock in the community. | 3.50 | \$525.00 |
| | | 3/7/2024 | BLAEDC staff tour of downtown Brainerd building for redevelopment with current owners. Reviewed plans from new owner to determine funding assistance. Building has been looked at for redevelopment from other business owners. Project would look to utilize main floor as it is and redevelop upper 2 floors for possible housing. | 3.00 | \$450.00 |
| | | 3/8/2024 | Meeting with Baxter multi-family development group. Project is almost complete and will be filling up soon, property is already over 50% occupied prior to opening events. Further commercial development will occur around property, additional housing could be part of the expansion of property. | 3.00 | \$450.00 |
| | | 3/11/2024 | BLAEDC staff attending and participating in Crosslake meeting as well as city council meeting. Detailed discussions with city staff regarding housing projects as well as potential redevelopment of 2 local buildings. | 3.00 | \$450.00 |
| | | 3/12/2024 | BLAEDC staff meetings with Pequot Lakes city staff and engineer regarding housing programs and incentives related to projects that have been presented to city staff. Staff provided reports, and provided verbal report during Crow Wing county HRA board meeting. | 5.00 | \$750.00 |

| | | | |
|-----------|---|------|----------|
| 3/13/2024 | Meeting with Crow Wing Power representatives regarding funding opportunities for multi-family housing projects in their territory. Developer is seeking additional funding sources to afford project that would bring over 60 units to Crow Wing County. | 2.00 | \$300.00 |
| 3/14/2024 | Meeting and tour of Crosslake building that new owner has received approval and funding to redevelop building to suit new business. BLAED staff toured building and also provided some funding assistance through our Unified Fund. | 3.00 | \$450.00 |
| 3/18/2024 | Meeting with business owner to review plans and discuss financing opportunities for redevelopment of downtown Brainerd building. Property will have commercial on the main floor and has redevelopment options for the other floors. Continued review of property and options will move forward. | 4.00 | \$600.00 |
| 3/19/2024 | Pequot Lakes EDC meeting attended by staff to present reports regarding housing projects and development projects in the city. 2 separate housing projects are currently under development with another prepping for development this summer. Staff provided verbal reports regarding development projects that are under way at this time. | 4.00 | \$600.00 |
| 3/20/2024 | Meetings w/design team as well as architects to provide site plan for city building that would be redeveloped for new purpose including possible daycare location and office space. BLAEDC staff attended meeting and driving redevelopment. | 3.00 | \$450.00 |
| 3/21/2024 | BLAEDC staff meeting w/developer, city staff and city engineer to discuss redevelopment project in the city of Pequot Lakes. Project will remove blighted property for development and new economic development projects in this area. | 2.50 | \$375.00 |
| 3/22/2024 | Meeting and review of financing options for redevelopment project in Crosby. Building has been redeveloped and needs additional funding to bring project to completion. BLAEDC staff have been involved in project and will review options for Unified Funding. | 2.00 | \$300.00 |
| 3/25/2024 | BLAEDC staff tour of local childcare facility that has been a large significant redevelopment project. Facility is waiting on license to open building. This newly developed property will include almost 75 slots of new childcare for our area. BLAEDC assisted with grant writing for funding assistance. | 2.00 | \$300.00 |
| 3/26/2024 | BLAEDC staff attending Crosslake development meeting with local staff and developer. Meeting was held online due to the weather concerns. Developer is looking at property connected to county tax forfeited land for single family homes. | 2.50 | \$375.00 |
| 3/27/2024 | BLAEDC staff meeting with prospective business owner to review properties in Crosby for redevelopment. Owner is looking for retail space and would need assistance from IRRRB for demo if the building they are touring needs that type of work. Second tour of property once plans are completed. | 2.50 | \$375.00 |

| | | | |
|---------------|--|--------------|-------------------|
| 3/28/2024 | Meeting with city of Pequot Lakes staff and developer regarding blighted property discussion for development and infrastructure needs to the property. Developer needs financial assistance to bring services to property. | 3.00 | \$450.00 |
| <i>E-mail</i> | <i>E-mail Correspondence</i> | 10.50 | \$1,575.00 |
| | | 10.50 | \$1,575.00 |
| 3/5/2024 | email correspondence with national developer regarding multi-family housing project in Pequot Lakes. Assisting developer with city process as well as looking for funding assistance. | 1.50 | \$225.00 |
| 3/7/2024 | email communication providing incentives that are available for redevelopment projects in downtown Brainerd. | 1.00 | \$150.00 |
| 3/11/2024 | email correspondence with Pequot Lakes developer concerning state level grant opportunities. Developer has removed blighted property from land that will be developed but needs infrastructure to property. | 1.00 | \$150.00 |
| 3/13/2024 | email and phone communication with state office regarding infrastructure funds that are available for greater minnesota for projects that will bring housing and development to our communities and assist the city with financial assistance. | 1.50 | \$225.00 |
| 3/14/2024 | email correspondence with city staff regarding development projects for Crosby. Potential IRRRB funding is being considered. | 1.00 | \$150.00 |
| 3/19/2024 | email plans that include redevelopment of city property and review over the phone with designers. | 1.50 | \$225.00 |
| 3/21/2024 | email and phone conversation with city of Pequot Lakes engineer to discuss state programs regarding infrastructure grants that the city is able to apply for to assist developer and city. Reviewed state programs with engineer. | 1.50 | \$225.00 |
| 3/26/2024 | zoom meeting with out of state developer regarding city incentives for a multi-family project in Crosby. | 1.50 | \$225.00 |
| | | 65.00 | \$9,750.00 |
| | | 65.00 | \$9,750.00 |
| | | 65.00 | \$9,750.00 |

Staff time and notes listed above have been reviewed and approved by BLAEDC Executive Director, Tyler Glynn, upon submittal of this report.



Tyler Glynn
BLAEDC Executive Director

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