

Crow Wing County HRA

AGENDA

5:00 p.m. Tuesday, August 21st, 2018

Jinx Ferrari Meeting Room

(Located on 2nd floor of the Historic Courthouse,
326 Laurel Street, Brainerd, MN)

AGENDA ITEM

1. Call to Order
2. Roll Call
3. Review and Approve Minutes (*Attachment 1*)
4. Review and Accept Financial Statements (*Attachment 2*)
5. Old Business
 - a. Review and Discuss Crow Wing County Rehabilitation Needs Assessment (*Attachment 3*)
6. New Business
 - a. Adopt 2019 CWC HRA Budgets (*Attachment 4*)
 - b. Approve Certificate Revenue for the West Grove Townhomes (*Attachment 5*)
 - c. Approve Purchase and Redevelopment Agreement between CWC HRA and Paxmar (*Attachment 6*)
7. Reports
 - a. Executive Director (*Attachment 7*)
 - b. Brainerd HRA
 - c. BLAEDC
 - d. CWC
8. Meeting Agenda Topics for September 11, 2018
9. Adjourn

2018 Officers and Commissioners

Chair – Craig Nathan/District 4 (12-31-20)

Vice Chair – Theresa Goble/District 1 (12-31-22)

Secretary – Sharon Magnan/District 3 (12-31-19)

Commissioner – David Kennedy/District 2 (12-31-18)

Commissioner – Michael Aulie/District 5 (12-31-21)



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Minutes from Tuesday, July 10th, 2018
Crow Wing County
Housing and Redevelopment Authority
Board Meeting

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 5:00 p.m., Tuesday, July 10th, 2018.

1. **CALL TO ORDER:** Vice Chair Theresa Goble called the meeting to order at 5:00 p.m.

2. **ROLL CALL:** Present at the meeting were Chair Craig Nathan and Commissioners Theresa Goble, Sharon Magnan, and David Kennedy; Executive Director Jennifer Bergman, Finance Director Karen Young, and Executive Assistant LeAnn Goltz. Also present: Tyler Glynn and Debby Erickson. Absent: Mike Aulie.

3. **REVIEW AND APPROVE MINUTES:**

Commissioner Goble made a motion to approve the minutes from the board meeting held on June 12th, 2018. Commissioner Magnan seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.

4. **REVIEW AND APPROVE FINANCIAL STATEMENTS:** Young reported that the June General Fund Financial Statements reflect the deposit of \$40,163.20 in Property Tax Revenue (levy). This amount is approximately 70% of the first half property tax settlement. The remaining 30% of \$18,015.97 was deposited in July for total deposits of \$58,179.17. The total levy amount for 2018 is \$98,500. The second half property tax settlement will be in December.

In addition, reflected in the June financial statements are the first lots that were acquired through the Tax Forfeited Property Policy with Crow Wing County. The lots are valued at the assessed market value of \$23,300 and will be sold to Lakes Area Habitat for Humanity (LAHFH) at the discounted price of \$5,825. Also reflected is \$1,000 in the TFP Escrow Account paid by LAHFH for the required maintenance and holding cost fee. She also pointed out that the first payment to BLAEDC was reflected in the invoices.

Commissioner Goble made a motion to accept the June financial statements as presented. Commissioner Magnan seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.

5. **OLD BUSINESS:** Nothing to report.

6. **NEW BUSINESS:**

a. **Educational Topic: HRA Partners:** Bergman provided information on CWC HRA partners including BLAEDC, Region 5 Development Commission, Lakes Area Habitat for Humanity, and cities within the county. Examples of projects done with the partners were also given.

Commissioner Nathan suggested a partnership with Workforce Development.



7. **REPORTS:**

- a. **Executive Director:** Bergman provided a report that discussed the following items:

SCDP Application for Emily

CWC HRA was awarded \$229,000 for the rehab of 10 owner-occupied homes in the City of Emily funds through DEED's Small Cities Development Program (SCDP).

IRRRB

Staff continues to work with the business that is considering the purchase of a building downtown Crosby. The IRRRB will be awarded \$800,000 in grants during their 2019 fiscal year. CWC HRA will be partnering with the business owner, BLAEDC, and the City of Crosby to request funds for the project.

Press Release for Brainerd Oaks

We sent a press release to the Brainerd Dispatch on June 26th.

Housing Study Update

The Board had a discussion about the potential of doing another housing study in 2019. With the constant changes in the housing market and the disappointment with the last study done by Maxfield, Bergman suggested budgeting for an updated study. The HRA has had several requests from Crow Wing County cities for this report as the housing market continues to thrive. Bergman would also like to add a portion specifically on workforce housing, which is a goal of the CWC HRA Board. The HRA would prepare to do a Request for Proposal (RFP) in late 2018 for a start date in early 2019. The Board was agreeable.

Community Fundraising Solutions Rehab Analysis Update

Nancy Grabko (CFS) has completed all of the surveys. She is in the process of compiling the results and drafting the report.

Bergman informed the Board that Schommer is working on creating TIF Revolving Loan Program Guidelines and an application, which will be on next month's agenda for the Board's approval. Also, next month's meeting will include the approval of the 2019 budget. Staff will then present to the CWC Board on September 7th at their budgeting meeting.

- b. **Brainerd HRA:** The Brainerd HRA received a Small Cities grant for the rehab of the Koop Building in Downtown Brainerd and an owner- and renter-occupied rehab program in Northeast Brainerd. Brainerd HRA Board Chair Marlee Larson wrote a letter to the editor commending the emergency personnel for their work at the fire at North Star Apartments. Destination 2.0 kicked off on June 28th.
- c. **BLAEDC:** Glynn informed the Board that a new business by the name of Aeropipe purchased the Parker Hannifin building in Deerwood. This new business will create 52 jobs. In addition, Glacier Icehouses, owned by Pleasureland, is looking to expand their business in either Baxter or Bemidji. They will be making a decision soon. The BLAEDC Unified Fund Board has approved three new loans in Crosslake, Nisswa, and Baxter.



d. **CWC:** Erickson reported that the night paving job on County Road 3 was just completed. Phase 1 for the updated Law Enforcement Center is complete. Phases 2 and 3 coming up in the fall. The Historical Society Museum project has been awarded and it is anticipated that they will begin by the end of September. Common Grounds will be doing a show on the renovation. Erickson also reported that they are working on the 2019 budget process and the 5-year Capital Plan.

8. **NEXT MEETING TOPICS:** Tuesday, August 14th, 2018. Commissioner Goble will be absent. The meeting will begin at 4:30 p.m. and must be adjourned by 6:00 p.m. due to primary elections that will be held that evening. Goltz will send a reminder to the Board. Meeting agenda topics will be 2019 Budgets and TIF Guidelines.

9. **ADJOURNMENT:**

Commissioner Kennedy made a motion to adjourn the meeting. Commissioner Magnan 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 5:59 p.m.



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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Karen Young, Finance Director
Date: August 14, 2018
Re: Review & Accept Financial Statements

Please find attached the financial information for July 2018.

CWC HRA Tax Levy

Reflected in the July General Fund Financial Statements is the deposit of \$18,015.97 in Property Tax Revenue for total deposits of \$58,179.17. The total levy amount for 2018 is \$98,500. The second half property tax settlement will be in December.

Action Requested: Accept the July financial statements as submitted.



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Date/Time roberta
8/15/2018 11:46:38 AM

Crow Wing County
CWC HRA Combined Balance Sheet
July, 2018

Cumulative

	Cumulative
ASSETS	
550-000-1129.210 Cash Gen Fund	219,328.61
550-001-1129.210 Cash CWC SCDP	26,325.59
551-002-1129.210 Cash RLF TIF	357,880.86
556-000-1129.210 Cash Development Fund	-875.25
570-000-1129.210 Cash Tax Forf Property	1,082.67
551-002-1143.000 Loan Rec Grand Oaks	48,000.00
551-002-1153.000 Accrued Int Grand Oaks	6,874.30
550-000-1211.000 Prepaid Insurance	745.81
556-000-1450.000 Land Held for Resale	663,089.68
570-000-1450.000 Land Held for Resale TF	23,300.00
TOTAL ASSETS	<u>1,345,752.27</u>
LIABILITIES	
570-000-2115.000 Escrow Account TFP	-1,000.00
550-000-2600.000 Def Inflow of Resources	-6,874.30
556-000-2600.000 Def Inflow of Res - Dev	-663,089.68
570-000-2600.000 Defd Inflow of Res TFP	-23,300.00
TOTAL LIABILITIES	<u>-694,263.98</u>
SURPLUS	
550-000-2700-000 Net Income	-1,880.51
550-000-2806.000 Retained Earnings	-649,607.78
TOTAL SURPLUS	<u>-651,488.29</u>
TOTAL LIABILITIES & SURPLUS	<u>-1,345,752.27</u>
Proof	0.00



Date: 8/15/2018
 Time: 11:46:45 AM
 roberta

Crow Wing County
CWC HRA Combined Operating Stmt
July, 2018

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	Current Period	Current Year	Year To Date Budget	Variance
INCOME				
550-000-3691.000 Property Tax Revenue	-18,015.97	-58,179.17	-48,250.00	-9,929.17
550-000-3692.000 Other Tax Revenue	0.00	0.00	-1,000.00	1,000.00
556-000-3696.000 Development Revenue	0.00	-107,551.69	-111,533.31	3,981.62
570-000-3696.000 TFP Revenue	0.00	-500.00	0.00	-500.00
TOTAL INCOME	-18,015.97	-166,230.86	-160,783.31	-5,447.55
EXPENSE				
550-000-4110.000 Administrative Salaries	300.00	1,875.00	2,625.00	-750.00
550-000-4130.000 Legal	0.00	496.00	2,916.69	-2,420.69
550-000-4140.000 Staff Training	0.00	0.00	875.00	-875.00
550-000-4150.000 Travel	54.50	132.44	145.81	-13.37
550-000-4171.000 Auditing Fees	0.00	6,650.00	6,500.00	150.00
550-000-4172.000 Management Fees	5,000.00	35,000.00	35,000.00	0.00
550-000-4190.000 Other Administrative	0.00	65.00	116.69	-51.69
550-000-4500.000 TIF Expense	0.00	0.00	350.00	-350.00
550-000-4510.000 Insurance	149.17	1,044.19	1,225.00	-180.81
550-000-4540.000 Employer FICA	22.96	143.45	204.19	-60.74
550-000-4590.000 Other General Expense	0.00	10,100.00	27,500.00	-17,400.00
556-000-4600.000 Development Expense	405.75	108,426.94	111,533.31	-3,106.37
570-000-4600.000 TFP Expense	240.00	417.33	0.00	417.33
TOTAL EXPENSE	6,172.38	164,350.35	188,991.69	-24,641.34
NET INCOME(-) OR LOSS	-11,843.59	-1,880.51	28,208.38	-30,088.89



**Crow Wing County HRA
July 2018 Payments**

Payment Number	Payment Date	Vendor	Description	Check Amount
527	7/05/2018	Jennifer Bergman	Mtg Breezy Point-Clerk&Council	\$ 54.50
21868	7/19/2018	Kennedy & Graven, Chartered	Paxmar Purchase & Revise Tax Forfeited Policy	\$ 645.75
Total				\$ 700.25



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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: John Schommer, Rehab Coordinator
Date: August 14, 2018
Re: Review and Discuss Crow Wing County Rehabilitation Needs Assessment

In an effort to provide rehabilitation opportunities on a fair and equal basis to the areas of Crow Wing County, we hired Community Fundraising Solutions (CFS) to provide an independent analysis of the incorporated areas in the county. The assessment is complete and Nancy Grabko from CFS will present and answer questions regarding the assessment.

No Action Requested; Discussion Item

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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: Karen Young, Finance Director
 Date: August 14, 2018
 Re: Adopt 2019 CWC HRA Budgets

2019 GENERAL FUND BUDGET

Operating Revenue

- » A Tax Levy of \$98,500 is budgeted for 2019. The maximum Tax Levy for the CWC HRA in 2019 would be \$1,751,299.
- » \$20,000 is anticipated in Tax Forfeit Property revenue generated from the sale of tax forfeited parcels to developers.
- » \$27,000 in CWC Local Income is anticipated that will be used for eligible program costs. Program costs will offset the revenue.

Non-Operating Revenue

- » Development Revenue is budgeted for \$191,200. This is pass-through revenue from the sale of lots to Paxmar and the net affect will be \$0 to the operating budget. It was estimated that 13 Brainerd Oaks lots and seven Serene Pines/Dal Mar lots will be sold.

Operating Expenses

- » Administrative Salaries of \$4,500 includes the Board stipend for regular and special meetings.
- » Employer FICA is the payroll taxes on the stipends paid to the Board.
- » \$10,000 in legal fees is budgeted for potential costs related to CWC HRA programs/initiatives. This line item is increased from the prior year due to legal costs anticipated for the Tax Forfeit Property Policy.
- » Travel costs consist of staff mileage reimbursement and board mileage reimbursement for approved non-board meeting events.
- » Training Expense of \$1,500 was budgeted for three board members to attend the NAHRO conference for redevelopment sessions.
- » Total audit costs of \$6,650 are included in this budget.
- » Management Fees are for the Shared Services Agreement with the Brainerd HRA.
- » Housing Rehab is to fund approximately 30% of a full-time housing rehab position at the Brainerd HRA. The expectation of this position is to apply for Small Cities Development Program (SCDP) funds every other year for cities other than Brainerd within CWC.
- » The TIF Expense of \$600 is for TIF reporting for the RLF – TIF.
- » Tax Forfeit Property Expense is for closing costs on the sale of properties.
- » CWC Local Income Expense for eligible program costs.
- » The BLAEDC funding of \$21,000 is based on the funding request to support economic development.



Non-Operating Expenses

- » Development Expense of \$191,200 is estimated for the sale of 20 lots to Paxmar. The net effect of these costs will be to reduce the development revenue to \$0 and have no effect on the operating budget. The costs will include any expenses related to the sale of the land such as closing, legal and in lieu of assessments.
- » The Housing and Redevelopment Initiatives are for projects as determined by the board. The board indicated that they would like to procure a housing study in 2019.
- » There is a \$33,650 deficit to the General Fund Budget. To fund the initiatives listed above, the Board can assign fund balance for budget stabilization.

2019 Revolving Loan Fund – TIF Budget

- » There is no RLF – TIF budget as there is no income or expense anticipated for 2019.

July 2018 General Fund Balance \$219,329

Action Requested: Adopt the 2019 General Fund budget.



Crow Wing County HRA 2019 General Fund Budget

	2019 Budget	2018 Budget	Difference
Operating Revenue			
Property Tax Levy	(98,500)	(98,500)	0
Tax Forfeit Property	(20,000)	0	(20,000)
CWC Local Income	(27,000)	0	(27,000)
Non-Operating Revenue			
Development	(191,200)	(191,200)	0
Total Revenue	(336,700)	(289,700)	(47,000)
Operating Expenses			
Administrative Salaries	4,500	4,500	0
Employer FICA	350	350	0
Legal	10,000	5,000	5,000
Travel	250	250	0
Training	1,500	1,500	0
Sundry-Admin	200	200	0
Auditing Fees	6,650	6,500	150
Management Fee	30,000	30,000	0
Housing Rehab	30,000	30,000	0
TIF Expense	600	600	0
Insurance	2,100	2,100	0
Tax Forfeit Property Expense	5,000	0	5,000
CWC Local Income Expense	27,000	0	27,000
BLAEDC Funding	21,000	20,000	1,000
Total Operating Expenses	139,150	101,000	38,150
Non-Operating Expenses			
Development Expense	191,200	191,200	0
Housing and Redevelopment Initiatives	40,000	30,000	10,000
Total Non-Operating Expenses	231,200	221,200	10,000
Total Expenses	370,350	322,200	48,150
Budgeted Stabilization from PY Assigned Fund Balance	(33,650)	(32,500)	(1,150)
Net Operating (Income)/Loss	0	0	1,150



JUN 06 2018

Brainerd Lakes Area
ECONOMIC DEVELOPMENT
Corporation

We're ready. Let's grow!

June 4, 2018

Crow Wing County HRA
324 East River Road
Brainerd, MN 56401

RE: BLAEDC 2019 Funding Support

Dear Crow Wing County HRA Commissioners,

The Brainerd Lakes Area Economic Development Corporation is a private, non-profit economic development organization that has been working in the community since the mid-eighties with a mission to expand business, build community, and grow jobs in Crow Wing County. Our traditional work was expanded this past year to include the BLAEDC Unified Fund. This program, along with BLAEDC's Workforce Development and KEY Recruitment Program have brought a heightened awareness of economic development to our communities that will help us to grow our area economy.

Attached is BLAEDC's 2017 Annual Report with more information.

Recognizing that you are at the stage of considering your 2019 budget, we respectfully request that you continue your support to BLAEDC. We ask that you make a contribution of **\$21,000** which represents a \$1,000 increase for the upcoming year. We have incurred increased costs and need your support to keep our programs relevant and successful. Your funding support helps us to continue to be proactive in our approach and minimize the missed opportunities for our area.

Please advise if you would like BLAEDC representatives to meet with you to discuss our funding request. Your on-going support and participation is greatly appreciated and also critical for the growth and prosperity of the Brainerd Lakes Area.

Sincerely,

Sheila Haverkamp, Exec. Director
Brainerd Lakes Area Economic Development Corp.



Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Jennifer Bergman, Executive Director
Date: August 15, 2018
Re: Approve Certificate Revenue for the West Grove Townhomes

In 2003, the Crow Wing County HRA issued \$1,280,000 in General Obligation Housing Revenue Bonds which were used to construct three buildings consisting of eight townhomes in Pequot Lakes. The townhomes provide housing to the elderly who would not be served by the private housing market or to non-elderly persons with incomes at or below 80% of the area median income. These bonds were refunded in 2012 for \$1,290,000 for a lower interest rate.

One of the requirements in the Joint Powers Agreement is that the Pequot Lakes HRA provides to the CWC HRA a cash flow projection for the following year on or before August 1st of each year. The CWC HRA must sign the Revenue Certificate indicating there will or will not be sufficient cash flow to pay 105% of the principal and interest on the bonds. If the cash flow is not sufficient enough to pay 105% of the principal and interest on the bonds, the City of Pequot Lakes must approve the HRA's levy to cover the difference.

Action Requested: Authorize the Executive Director to sign the Revenue Certificate indicating there will not be cash flow sufficient to pay 105% of the principal and interest on the Bonds.



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2019 West Grove Budget Report

<u>REVENUES</u>		<u>EXPLANATION</u>
<u>RENT REVENUES</u>		
	71,040	
Rental Revenue		
Rental Vacancies	7,104	Calculated 10% potential vacancy rate
Net Rent Revenues	<u>63,936</u>	
<u>TOTAL PROJECTED ANNUAL REVENUES</u>	<u>\$63,936</u>	
<u>OPERATING EXPENSES</u>		
<u>ADMINISTRATIVE EXPENSES</u>		
	5,000	Office Staff time , health insurance
Administrative Expenses		
Accounting Fees	2,000	Includes Monthly fee accountant and annual audit costs
Credit Reports	150	\$35/report.
Office Supplies	200	
Total Administrative Expenses	<u>7,350</u>	
<u>UTILITIES</u>		
Electric	200	Estimate for Vacant Units Utilities
Gas	400	Estimate for Vacant Units Utilities
Sewer & Water	200	Estimate for Vacant Units Utilities
Refuse Removal	425	
Total Utilities	<u>1,225</u>	
<u>MAINTENANCE & REPAIRS</u>		
Maintenance Labor	4,000	PLHRA Maintenance Personnel cost (repairs, lawn care, snow removal)
Maintenance Supplies	2,000	Self Explanatory
Contracts	2,000	Exterminating, Fertilizer, and Weed Control (in contracts)
General Repairs	1,500	As needed outside contractor labor repairs.
Total Repairs & Maintenance	<u>9,500</u>	
<u>TAXES & INSURANCE</u>		
Real Estate Taxes (PILOT)	3,500	Estimate for 2019
Property Insurance	4,000	Estimate for 2019
Total Taxes & Insurance	<u>7,500</u>	
<u>TOTAL OPERATING EXPENSES BEFORE DEBT</u>	<u>\$25,575</u>	
<u>TOTAL PROJECTED REVENUES</u>	<u>63,936</u>	
<u>TOTAL EXPENSES BEFORE DEBT</u>	<u>(25,575)</u>	
NET OPERATING INCOME	38,361	
<u>REPLACEMENT RESERVE - DEPOSITS</u>	-	
<u>ANNUAL DEBT SERVICE</u>		
	\$50,000	
	\$27,095	P& I payable in Feb.2019 and Aug.2019
Annual Mortgage	(\$77,095)	
ESTIMATED CASH FLOW	<u>(\$38,734)</u>	TO BE FUNDED BY CITY OF PEQUOT LAKES SPECIAL LEVY

-0.502419093



REVENUE CERTIFICATE
CASH FLOW PROJECTIONS
2019

The Crow Wing County HRA does hereby certify that the cash flow projections for the West Grove Townhomes, Pequot Lakes, MN Bond Series 2012A, Account #161346000, will not (will/will not) be sufficient to pay 105% of the principal and interest on the Bonds.

Jennifer Bergman
CWCHRA Executive Director



Housing & Redevelopment Authority

To: CWC HRA Board Members
From: John Schommer, Rehab Coordinator
Date: August 15, 2018
Re: Approve Purchase and Redevelopment Agreement between CWC HRA and Paxmar

Paxmar-Brainerd, LLC, would like to purchase 3 additional lots from Brainerd Oaks. Attorney Martha Ingram from Kennedy & Graven drafted the Purchase and Redevelopment Agreement and corresponding resolution (see attached).

Action Requested: Approve Resolution No. 2018-03, Approving the Purchase and Redevelopment Agreement between the Housing and Redevelopment Authority in and for the County of Crow Wing and Paxmar-Brainerd, LLC.



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PURCHASE AND REDEVELOPMENT AGREEMENT**Lots 1, 2, and 3, Block 4, BRAINERD OAKS, Crow Wing County, Minnesota**

1. **Parties.** This Purchase and Redevelopment Agreement (the “Agreement”) is made as of August 21, 2018 between the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE COUNTY OF CROW WING, a public body corporate and politic under the laws of Minnesota having its office located at 324 East River Road, Brainerd MN (the “Seller”), and PAXMAR-BRAINERD, LLC, a Minnesota limited liability company, having its principal office at 3495 Northdale Boulevard NW, Suite 210, Coon Rapids, MN (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, and 3, Block 4, 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 August 22, 2018. (*1 day from date of this Agreement*)
4. **Price and Terms.** The price for the Property is \$14,246.35 (“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 October 20, 2018. (*60 days from date of this Agreement*)
5. **Personal Property Included in Sale.** There are no items of personal property or fixtures owned by Seller and currently located on the Property for purposes of this sale.
6. **Deed.** Upon performance by Buyer, Seller shall deliver a quit claim deed conveying title to the Property to Buyer, in substantially the form attached as Exhibit B, subject to the conditions subsequent required by Sections 15, 16, and 17 of this Agreement (the “Deed”), and further subject to the terms and conditions of the Master Purchase and Redevelopment Contract between the Seller and Buyer 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 (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 2017 and prior years. Real estate taxes for taxes payable year 2018 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 they have inspected or have had the opportunity to inspect the Property and agree 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 Complete Title Company, 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 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 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 _____ 2018, by _____ and _____, the Chair and Executive Director of Housing and Redevelopment Authority in and for the County of Crow Wing, a public body corporate and politic under the laws of Minnesota, on behalf of the public body corporate and politic.

Notary Public

EXHIBIT A

ALLOCATION OF PURCHASE PRICE BY LOT

Lot 1, Block 4, Brainerd Oaks	5,011.28
Lot 2, Block 4, Brainerd Oaks	5,154.46
Lot 3, Block 4, Brainerd Oaks	4,080.61
	\$14,246.35

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 Paxmar-Brainerd, LLC, a Minnesota limited liability company (the “Grantee”).

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

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

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

SECTION 1.

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement recorded with the Crow Wing County Recorder on March 17, 2017 as Document No. A-886215, entered into between the Grantor and Grantee 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, (hereafter collectively referred to as the “Master Agreement”) and of an agreement entered into between the Grantor and Grantee on the ____ of _____, 2018, recorded _____, 2018 as document number _____, 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 _____, 20____.

- 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 _____, 20____, before me, a notary public within and for _____ County, personally appeared _____ and _____ to me personally known who by me duly sworn, did say that they are the Chair and Executive Director of the Housing and Redevelopment Authority in and for the County of Crow Wing (the “Authority”) named in the foregoing instrument; that said instrument was signed on behalf of said Authority pursuant to a resolution of its governing body; and said _____ and _____ acknowledged said instrument to be the free act and deed of said Authority.

Notary Public

This instrument was drafted by:

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

Tax Statements should be sent to:

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

RESOLUTION NO. 2018-03

RESOLUTION APPROVING A PURCHASE AND REDEVELOPMENT
CONTRACT BETWEEN THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE COUNTY OF CROW WING AND PAXMAR-
BRAINERD, 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 (the "Buyer") have 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 has approved the conveyance of the Property to the Authority, and the Authority has
accepted acquisition of the Property from the County.

1.03. Pursuant to the Master Contract, the Buyer will acquire the Property in phases,
pursuant to annual 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.

1.04. 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.

1.05. 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.

1.06. 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.

1.07. The Board has reviewed a new proposed Purchase and Redevelopment Agreement (the "2018B Agreement") related to a second set of specific lots to be conveyed to the Buyer in of 2018 and described on Exhibit A to this resolution (the "2018B Lots"), and finds that conveyance of the 2018B Lots conforms to the provisions of the Master Contract and 2018B 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 2018B Agreement as presented to the Board, including the sale of the 2018B 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 2018B 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 2018 Agreement.

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the County of Crow Wing this 21st day of August, 2018.

Chair

ATTEST:

Secretary

EXHIBIT A

2018B LOTS

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

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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: Jennifer Bergman, Executive Director
 Date: August 14, 2018
 Re: Executive Director Report

Development in Nisswa

I will be meeting with a developer to discuss a potential multi-family development in Nisswa. They are interested in constructing a 24-unit apartment building and will be looking for some funding to assist with the development. They have inquired about Tax Increment Financing. I will provide an update to the Board at our meeting.

Downtown Crosby

The City of Crosby and CREDI are considering developing a program for Crosby similar to the Destination Downtown program. We will be meeting with representatives in late September or early October to discuss this potential program.

NAHRO Award

I am pleased to report that the CWC HRA was awarded the Award of Excellence from the National Association of Housing and Redevelopment Officials (NAHRO). We will be presented this award at their conference in Atlanta in October (see Attachment 7a).

Destination Downtown

We received 73 applications for the Destination Downtown 2.0 competition. The judges met last Friday and reviewed the applications and have narrowed the field to 11. The deadline for Phase II is September 16th, so the 11 businesses are working on their business plans with the Small Business Development Center (SBDC) and searching for a potential location. The judges will then narrow the list down to three finalists and the winner will be announced at the Chamber Annual Event. More details to follow.

No Action Requested; Discussion Item

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National Association of Housing and Redevelopment Officials

630 Eye Street NW, Washington DC 20001-3736
 (202) 289-3500 Toll Free: (877) 866-2476 Fax: (202) 289-8181

August 7, 2018

AUG 13 2018

Ms. Jennifer Bergman
 Executive Director
 Brainerd HRA/Crow Wing County HRA
 324 East River Road
 Brainerd, MN 56401

Dear Ms. Jennifer Bergman:

I am glad to inform you that your agency's Merit Award entry **Revival of Tax Forfeited Residential Subdivisions** has won a **National Award of Excellence**. Congratulations!

The Awards of Excellence highlight the ways in which members like you make a difference in your communities and in the lives of the people you serve. With them, we both acknowledge your creativity and dedication, and hold up your best work as an inspiration to others.

We are looking forward to honoring you and all the other Awards of Excellence winners at NAHRO's National Conference & Exhibition in Atlanta, GA, October 25-27. We hope you can attend. Lori Myers-Carpenter, our Director of Customer Service and Member Relations, will be in touch within the next few weeks to provide you with details. Registration is now open at <http://www.nahro.org/nationalconference>. If you have any questions about the awards or the conference, please feel free to contact Lori at lcarpenter@nahro.org or 202-580-7221.

Once again, congratulations. I look forward to seeing you in Atlanta, GA.

Sincerely,

Adrienne Todman
 Chief Executive Officer

Carl S. Richie, Jr., NCC, NAHRO Fellow, President; **Sunny Shaw**, PHM, CME, Senior Vice President; **Saeed Hajarizadeh**, Vice President-International Research and Global Exchange; **John T. Mahon**, PHM, Vice President-Housing; **Marsha J. Parham**, CME, Vice President-Professional Development; **Andy Rodriguez**, Vice President-Member Services; **Henrietta Snipes**, NCC, Vice President-Commissioners; **Mark Thiele**, CS-PHM, CME, CMVO, NCC, Vice President-Community Revitalization and Development; **Adrienne Todman**, Chief Executive Officer

e-mail: nahro@nahro.org

website: www.nahro.org



Subject: FW: NAHRO Award of Merit Photo

From: Lori Myers-Carpenter [mailto:lcarpenter@nahro.org]
Sent: Tuesday, August 14, 2018 10:22 AM
To: Jennifer Bergman <jennifer@brainerdhra.org>; LeAnn Goltz <leann@brainerdhra.org>
Subject: RE: NAHRO Award of Merit Photo

The jury was really impressed with what you accomplished so the kudos go all to you guys. I'll have more information about the date/time of the awards ceremony once we get closer to the conference.

Take care and I'm looking forward to seeing you in Atlanta!

Lori

From: Jennifer Bergman [mailto:jennifer@brainerdhra.org]
Sent: Tuesday, August 14, 2018 11:03 AM
To: Lori Myers-Carpenter <lcarpenter@nahro.org>; LeAnn Goltz <leann@brainerdhra.org>
Subject: RE: NAHRO Award of Merit Photo

Thanks Lori. And, also, we were super excited to have also received the Award of Excellence. ☺ Thank you (and the jury members) so much!

Jennifer

Jennifer Bergman
Executive Director
Brainerd HRA
324 East River Road
Brainerd, MN 56401
(218) 824-3425

Email correspondence to and from the Brainerd HRA is subject to the Minnesota Government Data Practices Act and may be disclosed to third parties.

From: Lori Myers-Carpenter [mailto:lcarpenter@nahro.org]
Sent: Monday, August 13, 2018 4:17 PM
To: leann@brainerdhra.org; jennifer@brainerdhra.org
Subject: NAHRO Award of Merit Photo

Good afternoon,

Attached please find a copy of the photo from the 2018 NAHRO Awards of Merit presentation held last month in San Francisco. Please feel free to share this with the appropriate people in your organization.

Congratulations on your agency's achievement.

Lori Myers-Carpenter
Director, Customer Service and Member Relations
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