

# Crow Wing County HRA

## AGENDA

**5:00 p.m. Tuesday, June 11<sup>th</sup>, 2019**

**Crow Wing County Jinx Ferrari Room**

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

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

### AGENDA ITEMS

1. **CALL to ORDER**
2. **ROLL CALL**
3. **PUBLIC HEARING:**
  - a. Sale of Tract No. 41-17, Crosby, MN, and Approval of Resolution No. 2019-03 (*Attachment 1*)
4. **REVIEW and APPROVE MINUTES** (*Attachment 2*)
5. **REVIEW and ACCEPT FINANCIAL STATEMENTS** (*Attachment 3*)
6. **UNFINISHED BUSINESS**
7. **NEW BUSINESS**
  - a. Approval of Grand Oaks Amended Loan Documents (*Attachment 4*)
8. **REPORTS**
  - a. Executive Director (*Attachment 5*)
  - b. Brainerd HRA/Rehab (*Attachment 6*)
  - c. BLAEDC
  - d. CWC
9. **MEETING AGENDA TOPICS for**
10. **ADJOURNMENT**

### 2019 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 – Michael Morford /District 2 (12-31-23)

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



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## Housing &amp; Redevelopment Authority

To: CWC HRA Board Members  
From: John Schommer, Rehab Coordinator  
Date: June 5, 2019  
Re: Public Hearing: Sale of Tract No. 41-17, Crosby, MN, and Approval of Resolution No. 2019-03

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The board previously approved a proposal from LAHFH (Lakes Area Habitat for Humanity), a local non-profit organization, to acquire a tax forfeited tract through our tax forfeited property policy. In order to sell the property, we are required to hold a public hearing to allow comments from the public. A Notice of Public Hearing was published in the Brainerd Dispatch on May 24<sup>th</sup> (see Attachment 1a).

Attachment 1b is the Purchase and Redevelopment Agreement between the CWC HRA and LAHFH and corresponding resolution for the Board's review and approval.

**Action Requested: Hold a public hearing regarding the sale of a tax forfeited parcel to Lakes Area Habitat For Humanity and approve Resolution No. 2019-03 allowing staff to execute a purchase and redevelopment agreement with Lakes Area Habitat For Humanity for the sale of this parcel.**

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(Published in the Brainerd Dispatch, May 24, 2019, 11.)

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

NOTICE IS HEREBY GIVEN that the Board of Commissioners (the "Board") of the Housing and Redevelopment Authority in and for the County of Crow Wing (the "HRA"), will hold a public hearing on Tuesday, June 11, 2019, at or after 5:00 P.M. at the Historic Courthouse in the County Administrators Conference Room, 326 Laurel Street, Brainerd, Minnesota, to consider a proposal for the conveyance of land located in the City of Crosby in Crow Wing County, Minnesota and legally described as follows: Lots 4, 5, 6, and 7, except the West 10 feet of Lot 7, Block 5, West Park Addition to Crosby, according to the recorded plat thereof on file in the office of the County Recorder in and for Crow Wing County, Minnesota.

The proposed terms of the conveyance are available for review by the public at the office of the Executive Director of the HRA on and after the date of this notice.

At the time and place fixed for the public hearing, the Board will give all persons who appear at the hearing an opportunity to express their views with respect to the proposal. In addition, interested persons may direct any questions or file written comments respecting the proposal with the Executive Director of the HRA, at or prior to said public hearing.

Dated: 5/24/19

BY ORDER OF THE BOARD OF COMMISSIONERS OF THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE COUNTY OF CROW WING  
/s/ Jennifer Bergman  
Executive Director

**AFFIDAVIT OF PUBLICATION**

STATE OF MINNESOTA )

) ss.

COUNTY OF Crow Wing )

Ann Windorski, being first duly sworn, on oath states as follows:

1. I am the publisher of the Brainerd Dispatch, or the publisher's designated agent. I have personal knowledge of the facts stated in this Affidavit, which is made pursuant to Minnesota Statutes §331A.07.

2. The newspaper has complied with all of the requirements to constitute a qualified newspaper under Minnesota law, including those requirements found in Minnesota Statutes §331A.02.

3. The dates of the month and the year and day of the week upon which the public notice attached/copied below was published in the newspaper are as follows:

Friday, May 24, 2019

4. The publisher's lowest classified rate paid by commercial users for comparable space, as determined pursuant to § 331A.06, is as follows:  
\$14.60

5. Mortgage Foreclosure Notices Pursuant to Minnesota Statutes §580.033 relating to the publication of mortgage foreclosure notices: The newspaper's known office of issue is located in Crow Wing County. The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

Ann Windorski  
[Signature]

Subscribed and sworn to before me on this 24th day of May, 2019.

Kari Lake

Notary Public



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**PURCHASE AND REDEVELOPMENT AGREEMENT**  
**City of Crosby, Crow Wing County, Minnesota**

1. **Parties.** This Purchase and Redevelopment Agreement (the “Agreement”) is made as of June 11, 2019 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 LAKES AREA HABITAT FOR HUMANITY, a Minnesota nonprofit corporation, having its principal office at 1110 Wright Street, Brainerd, MN 56401 (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 4, 5, 6, and 7, except the West 10 feet of Lot 7, Block 5, West Park Addition to Crosby, according to the recorded plat thereof on file in the office of the County Recorder in and for 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 June 12, 2019. *(1 day from date of this Agreement)*
  
4. **Price and Terms.** The price for the Property is \$2,000.00 (“Purchase Price”), which Buyer shall pay in full by certified check or wire transfer on the Date of Closing. The “Date of Closing” shall be no later than August 10, 2019. *(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 A, subject to the conditions subsequent required by Sections 15, 16, and 17 of this Agreement (the “Deed”).
  
7. **Real Estate Taxes and Special Assessments.**

582256v3CR195-15



- A. Seller shall pay, at or before closing, all real estate taxes due and payable in 2019 and prior years. Real estate taxes for taxes payable year 2019 are exempt.
  - B. The Seller and Buyer acknowledge that Buyer has paid all special assessments levied as of the date of this Agreement, in the amount of \$11,450.02. 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) 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 and (e) fees and charges related to the filing of any instrument required to make title marketable, including any proceeding required to obtain marketable title. Seller will pay Well Disclosure fees required to enable Buyer to record its deed from Seller under this Agreement. Each party shall pay its own attorneys' fees.
- 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 15 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.**
- A. Buyer acknowledges that the Property was tax forfeited and that Seller does not have an abstract of title and or copy of any owner's title insurance policy. Seller has obtained a Commitment for Title Insurance from First American Title



Insurance Company Order Number 1495035, dated June 8, 2018 and has provided a copy to Buyer; and

B. Buyer agrees to take title as disclosed by the Title Commitment.

**12. INTENTIONALLY DELETED.**

**13. Well Disclosure/Sealing.**

The Seller certifies that the Seller does not know of any wells on the described real property. Buyer agrees to have a licensed well contractor examine the Property for purposes of locating a well. Buyer agrees to have all wells located on the Property, which are not in use, sealed by a licensed well contractor at Buyer's expense.

**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 the Property intended for sale to a person or persons for residential occupancy (an "Owner Occupant"). This covenant shall survive the delivery of the Deed.

A. The 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, provided that approval of the building plans for such Minimum Improvements shall be evidenced by the issuance by the City of Crosby of a building permit for the Minimum Improvements.

C. Construction of the Minimum Improvements must be substantially completed by one year from the Date of Closing. Construction of the Minimum Improvements will be considered substantially complete when the final certificate of occupancy has been issued by the City of Crosby building official.

D. Promptly after substantial completion of the Minimum Improvements 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 B. 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 this Agreement and in the Deed with respect to the obligations of the Buyer and its successors and assigns, to construct the Minimum Improvements and the date 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:

(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 the Property to a third-party builder for the purpose of construction of the Minimum Improvements 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.

(2) If the Buyer seeks to effect a Transfer of the Property with respect to this Agreement prior to issuance of the Certificate of Completion, 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; 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 and agreed to be subject to all the conditions and restrictions to which the Buyer is subject; provided, however, that the fact that any transferee of, or any other successor

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

Notwithstanding anything to the contrary contained in this Section, the Seller shall have no right to reenter or retake title to and possession of 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 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, 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 on the Property; 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.

[The remainder of this page is intentionally left blank.]

**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 \_\_\_\_\_ 2019, by Craig B. Nathan and Jennifer Bergman, 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**

**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 Lakes Area Habitat for Humanity, a Minnesota nonprofit corporation (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 entered into between the Grantor and Grantee on the 11<sup>th</sup> day of June, 2019, recorded contemporaneously with this Deed, 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 \_\_\_\_\_, 2019.

- 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 \_\_\_\_\_, 2019, before me, a notary public within and for \_\_\_\_\_ County, personally appeared Craig B. Nathan and Jennifer Bergman 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 Craig B. Nathan and Jennifer Bergman 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:

Lakes Area Habitat for Humanity  
1110 Wright Street  
Brainerd, MN 56401

**EXHIBIT B**  
**CERTIFICATE OF COMPLETION**

## 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 Lakes Area Habitat for Humanity, a Minnesota nonprofit corporation (the "Grantee"), by a Deed recorded in the Office of the County Recorder [or Registrar of Titles] 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, as to the following described property, 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 on the Property, 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 as to the Property) have been performed by the Grantee therein, and the County Recorder [or Registrar of Titles] in and for the County of Crow Wing and State of Minnesota is hereby authorized to accept for recording and to record, the filing of this instrument, against the Property, to be a conclusive determination of the satisfactory termination of the covenants and conditions of Sections 15, 16, and 17 of the Agreement and the covenants and restrictions set forth in Section 2 of said Deed as to the Property. **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.**

Said covenants and restrictions set forth in Sections 1 and 2 of said Deed shall remain in full force and effect as to the other properties described in said Deed.

Dated: \_\_\_\_\_, 2017.

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 August, 2017, by Craig B. Nathan and Jennifer Bergman, the Chair and Executive Director, respectively, of the Housing and Redevelopment Authority in and for the County of Crow Wing, on behalf of the authority.

\_\_\_\_\_  
Notary Public

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





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

RESOLUTION NO. 2019-03

RESOLUTION APPROVING A PURCHASE AND REDEVELOPMENT  
AGREEMENT BETWEEN THE HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE COUNTY OF CROW WING AND LAKES  
AREA HABITAT FOR HUMANITY.

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 determined to carry out a housing development project in order to alleviate a shortage of decent, safe, and sanitary housing for persons of low or moderate income and their families within the City of Crosby (the "City").

1.02. The Authority and Lakes Area Habitat for Humanity (the "Buyer") have proposed to enter into a Purchase and Redevelopment Agreement (the "Agreement"), setting forth the terms and conditions of sale and redevelopment of certain tax-forfeited property within the City, currently owned by the County, legally described in Exhibit A attached to this Resolution (the "Property"), subject to approval by the County of the conveyance of the Property to the Authority, consistent with its Tax-Forfeited Land Policies and Procedures, Non-Conservation Land – Sale for Less than Market Value (the "County Policy").

1.03. Pursuant to the Agreement, the Buyer will acquire the Property from the Authority, and will construct a single-family home intended for owner occupancy, subject to the City's zoning and building codes and policies.

1.04. On the date hereof, 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.

1.05. The Board has reviewed the Agreement 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.

Section 2. Authority Approval; Further Proceedings.

2.01. The Authority hereby formally requests that the County convey the Property to the Authority pursuant to the County Policy for the purpose of conveying said Property to the Buyer, in order for the Buyer to construct affordable housing pursuant to the Authority's housing

585044v1CR195-15



development project goals. The Authority is authorized to acquire the Property from the County under Section 469.012, subd. 1g of the HRA Act.

2.02. The Agreement as presented to the Board, including the sale of the Property described therein, is hereby in all respects approved, subject to approval by the County of conveyance of the Property to the Authority pursuant to the County Policy, and further 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.

2.03. The Chair and Executive Director are hereby authorized to execute on behalf of the Authority the 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.

2.04. Authority and City staff are authorized and directed to take all actions to implement the Agreement.

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the County of Crow Wing this 11th day of June, 2019.

---

Chair

ATTEST:

---

Secretary

**EXHIBIT A**

**PROPERTY**

Lots 4, 5, 6, and 7, except the West 10 feet of Lot 7, Block 5, West Park Addition to Crosby, according to the recorded plat thereof on file in the office of the County Recorder in and for Crow Wing County, Minnesota.

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**Minutes from Tuesday, May 14<sup>th</sup>, 2019**  
**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, May 14<sup>th</sup>, 2019.

1. **CALL TO ORDER:** Chair Craig Nathan called the meeting to order at 4:56 p.m.
2. **ROLL CALL:** Those present at the meeting include Chair Craig Nathan and Commissioners Sharon Magnan, Theresa Goble, Michael Morford, and Michael Aulie. Also present were Executive Director Jennifer Bergman, Finance Director Karen Young, Rehab Coordinator John Schommer, Executive Assistant LeAnn Goltz, Tyler Glynn from BLAEDC, and Mary Reedy with CLA.

**PRESENTATION OF THE 2018 CWC HRA AUDIT:** Mary Reedy with CliftonLarsonAllen presented the 2018 CWC HRA Audit. She reported that it was an unmodified, clean audit with no compliance issues or findings. In addition, the CWC HRA was in compliance with state statutes.

**Commissioner Goble made a motion to accept the audit as presented, seconded by Commissioner Magnan. All commissioners voted in favor of the motion and none were opposed. The motion passed.**

3. **REVIEW AND APPROVE MINUTES:**

**Commissioner Aulie made a motion to approve the minutes from the April 9, 2019, board meeting. Commissioner Morford 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:**

**Grand Oaks - TIF Revolving Loan**

The \$48,000 Grand Oaks TIF Revolving Loan matures on 7/22/19. The General Partner (Central MN Housing Partnership) has requested an extension to the loan until June 2020 as the investor is exiting and they would like to refinance at that time to pay off the mortgage.

Kennedy & Graven has estimated \$1,000 in legal fees to draft the documents and CMHP has agreed to pay the fees. We anticipate this to be on the June agenda for approval of the documents extending the loan.

**TIF Revolving Loan Fund – Victual**

In April, we received the first repayment for the TIF RLF to Victual that was processed through the BLAEDC Unified Fund. This was reflected on the April financial statements.

**Commissioner Goble made a motion to accept the April 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. **UNFINISHED BUSINESS:** Nothing to report.

6. **NEW BUSINESS:**

- a. **Approve Purchase and Redevelopment Agreement between CWC HRA and Paxmar:** Paxmar-Brainerd, LLC, would like to purchase seven additional lots from Brainerd Oaks and Serene Pines (four in Brainerd Oaks and three in Serene Pines) for a total price of \$62,746.51. The Purchase and Redevelopment Agreement and corresponding resolution was provided for the Board's review and approval.

**Commissioner Goble made a motion to approve Resolution No. 2019-02, Approving the Purchase and Redevelopment Agreement between the Housing and Redevelopment Authority in and for the County of Crow Wing and Paxmar-Brainerd, LLC. Commissioner Morford seconded the motion. Via roll call vote, all commissioners were in favor of the motion and none were opposed. The motion was approved.**

- b. **Authorize the Selection of a Consultant for the Workforce Housing Study:** Five responses to the Request for Proposals (RFP) for the Workforce Housing Study and Needs Analysis were submitted. Staff evaluated and scored each proposal based on the RFP's stated criteria for evaluation and those scores were provided to the Board.

Based on the scores and their discussion regarding the proposals, staff recommended hiring Redevelopment Resources. While several of the consultant firms had experience with both housing studies and workforce, they felt Redevelopment Resources had a unique approach with experience in several different areas of expertise. In addition, their proposal included several community engagement strategies and a well-rounded approach. They conducted a study for Langlade County in Wisconsin specifically on workforce, which resulted in a recommendation specific to the housing stock.

Bergman explained that she would check references prior to executing a contract. If the references are positive, the HRA will enter into a contract with Redevelopment Resources. Next steps would consist of creating a working group that would include HRA staff, a board member, a representative from BLAEDC, and a few city representatives.

**Commissioner Goble made a motion to authorize the Executive Director to enter into a contract with Redevelopment Resources for \$41,035 to conduct the workforce housing and needs analysis, contingent upon a successful reference check. Commissioner Magnan seconded the motion. All commissioners were in favor and none were opposed. The motion passed.**

7. **REPORTS:**

- a. **Executive Director:**

**Veterans/Service Member Housing Update**

The McQuinn family continues to work on the veterans/service member housing project. They have identified a potential developer for the platted subdivision in Nisswa and meet with them this week.



### MCPP Program

Senate File 2226 proposes to eliminate the set aside for the single-family mortgage program. Minnesota NAHRO will be sending a letter to the Appropriations Conference Committee Members encouraging them to keep the MCPP program. In addition, individual HRAs are sending letters. This program has been well utilized in Crow Wing County for the past two years and Bergman would like to send a letter on our behalf.

### Legislative Conference

Bergman attended the NAHRO Legislative Conference in Washington DC in April. She had the opportunity to have sessions with the HUD leadership on both the Public Housing and Housing Choice Voucher programs. In addition, she spent a day on the Hill meeting with our delegation. She had the opportunity to meet Representative Stauber along with the executive director of the Itasca County HRA and Duluth HRA to discuss the importance of our programs.

### Opportunity Zone Training

Bergman and Tyler Glynn from BLAEDC attended an Opportunity Zone training on April 17<sup>th</sup>. Although the training was more focused on the investor, she had the opportunity to connect with a couple of developers to discuss opportunities in Brainerd.

- b. **Brainerd HRA/Rehab:** Schommer provided the Board with an update on rehab activities including Brainerd Oaks/Serene Pines, the Small Cities Development Program, and MHFA loans.

Bergman informed the Board that she received an email from the City of Pequot Lakes asking for help with a SCDP application. Also, she reported that the Brainerd HRA Board is contributing a total of \$20,000 to the third Destination Downtown contest (a lease subsidy up to \$8,000 for the first place winner, plus up to \$6,000 for each of the second and third place winners). Bergman will be giving a presentation to the Brainerd City Council on Monday.

- c. **BLAEDC:** Glynn provided a copy of the BUF Loan Portfolio for the Board's review. He reported that he and Sheila Haverkamp were guests on the WJYY program, Community Focus. Also, as previously offered, Glynn informed the Board he would provide them with an informational session at next month's board meeting (June).
- d. **Crow Wing County:** Nothing to report.

- 8. **NEXT MEETING:** Tuesday, June 11, 2019. Anticipated agenda items to include BLAEDC informational session and the Grand Oaks loan extension. Commissioner Morford will be absent and Commissioner Magnan will be late.
- 9. **ADJOURNMENT:**

**Commissioner Aulie moved to adjourn the meeting, seconded by Commissioner Morford. All commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned at 6:00 p.m.**



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## Housing &amp; Redevelopment Authority

To: CWC HRA Board Members  
From: Karen Young, Finance Director  
Date: May 30, 2019  
Re: Review & Accept Financial Statements

---

Please find attached the financial information for May 2019.

**Paxmar Closing**

Reflected in the May financial statements is the closing that took place on May 30<sup>th</sup> for the purchase of four lots at Brainerd Oaks and three lots at Serene Pines for a total of \$62,746.51. Of this \$16,100 went to the City for SAC/WAC/Park Fees and \$44,476.44 went to the City in lieu of assessments. We were reimbursed for direct costs of \$1,945.07.

**Action Requested: Accept the May financial statements as submitted.**

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Date/Time roberta  
6/5/2019 7:54:35 AM

**Crow Wing County**  
**CWC HRA Combined Balance Sheet**  
**May, 2019**

Cumulative

	Cumulative
<b>ASSETS</b>	
550-000-1129.210 Cash Gen Fund	176,595.79
550-001-1129.210 Cash CWC SCDP	53,802.24
551-002-1129.210 Cash RLF TIF	284,129.46
556-000-1129.210 Cash Development Fund	1,914.50
557-000-1129.210 Cash Tax Forf Property	416.99
551-002-1141.000 Loans Rec RLF TIF	74,154.17
551-002-1143.000 Loan Rec Grand Oaks	48,000.00
551-002-1153.000 Accrued Int Grand Oaks	7,200.00
550-000-1211.000 Prepaid Insurance	806.15
556-000-1450.000 Land Held for Resale	586,096.82
557-000-1450.000 Land Held for Resale TF	8,000.00
<b>TOTAL ASSETS</b>	<b><u>1,241,116.12</u></b>
<b>LIABILITIES</b>	
557-000-2115.000 Escrow Account TFP	-1,000.00
550-000-2600.000 Def Inflow of Resources	-7,200.00
556-000-2600.000 Def Inflow of Res - Dev	-586,096.82
557-000-2600.000 Defd Inflow of Res TFP	-8,000.00
<b>TOTAL LIABILITIES</b>	<b><u>-602,296.82</u></b>
<b>SURPLUS</b>	
550-000-2700-000 Net Income	32,084.37
550-000-2806.000 Retained Earnings	-670,903.67
<b>TOTAL SURPLUS</b>	<b><u>-638,819.30</u></b>
<b>TOTAL LIABILITIES &amp; SURPLUS</b>	<b><u>-1,241,116.12</u></b>
Proof	0.00

**Crow Wing County**  
**CWC HRA Combined Operating Stmt**  
**May, 2019**

	Current Period	Current Year	Year To Date Budget	Variance
<b>INCOME</b>				
550-000-3690.000 Other Revenue	0.00	0.00	-11,250.00	11,250.00
551-002-3610.000 RLF TIF Interest Rev	0.00	-402.77	0.00	-402.77
556-000-3696.000 Development Revenue	-62,746.51	-62,746.51	-79,666.65	16,920.14
557-000-3696.000 TFP Revenue	0.00	-500.00	-8,333.35	7,833.35
<b>TOTAL INCOME</b>	<b>-62,746.51</b>	<b>-63,649.28</b>	<b>-99,250.00</b>	<b>35,600.72</b>
<b>EXPENSE</b>				
550-000-4110.000 Administrative Salaries	375.00	1,575.00	1,875.00	-300.00
550-000-4130.000 Legal	0.00	0.00	2,083.35	-2,083.35
550-000-4140.000 Staff Training	0.00	0.00	625.00	-625.00
550-000-4150.000 Travel	2.90	27.26	83.35	-56.09
550-000-4171.000 Auditing Fees	0.00	6,150.00	6,650.00	-500.00
550-000-4172.000 Management Fees	5,000.00	25,000.00	25,000.00	0.00
550-000-4190.000 Other Administrative	0.00	0.00	83.35	-83.35
550-000-4500.000 TIF Expense	0.00	30.00	250.00	-220.00
550-000-4510.000 Insurance	115.17	575.85	875.00	-299.15
550-000-4540.000 Employer FICA	28.68	120.49	145.85	-25.36
550-000-4590.000 Other General Expense	0.00	0.00	25,416.65	-25,416.65
550-001-4600.000 CWC SCDP Expense	0.00	0.00	11,250.00	-11,250.00
556-000-4600.000 Development Expense	60,801.44	60,813.62	79,666.65	-18,853.03
557-000-4600.000 TFP Expense	905.25	1,441.43	4,187.50	-2,746.07
<b>TOTAL EXPENSE</b>	<b>67,228.44</b>	<b>95,733.65</b>	<b>158,191.70</b>	<b>-62,458.05</b>
<b>NET INCOME(-) OR LOSS</b>	<b>4,481.93</b>	<b>32,084.37</b>	<b>58,941.70</b>	<b>-26,857.33</b>



**Crow Wing County HRA  
May 2019 Payments**

Payment Number	Payment Date	Vendor	Description	Check Amount
622	5/10/19	John Schommer	FHLB-Mileage	\$ 2.90
22459	5/9/19	Kennedy & Graven, Chartered	Tx Forfeit Policy & Crosby Lots	\$ 885.25
22479	5/23/19	Crow Wing County Land Services Dept	Addl Purchase Fees-Crosby Lots	\$ 20.00
<b>Total</b>				<b>\$ 908.15</b>



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## Housing &amp; Redevelopment Authority

To: CWC HRA Board Members  
From: Karen Young, Finance Director  
Date: May 30, 2019  
Re: Approval of Grand Oaks Amended Loan Documents

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The \$48,000 Grand Oaks TIF Revolving Loan matures on 7/22/19. The General Partner (Central MN Housing Partnership) has requested an extension to the loan until June 2020 as the investor is exiting and they would like to refinance at that time to pay off the mortgage.

Kennedy & Graven has drafted several documents for Board approval:

- » First Amendment to Mortgage (Attachment 4a)
- » First Amendment to Loan Agreement (Attachment 4b)
- » Amended Promissory Note (Attachment 4c)
- » Resolution No. 2019-04, Approving First Amendment to Loan Agreement with Grand Oaks Townhomes of Baxter, Limited Partnership (Attachment 4d)

Upon approval of these documents, the loan will be extended to June 1<sup>st</sup>, 2020.

**Action Requested: Approve Resolution No. 2019-04, Approving First Amendment to Loan Agreement with Grand Oaks Townhomes of Baxter, Limited Partnership.**

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## FIRST AMENDMENT TO MORTGAGE

THIS INDENTURE made as of this \_\_\_ day of June, 2019, between Grand Oaks Townhomes of Baxter Limited Partnership (“Mortgagor”) and the Housing and Redevelopment Authority in and for the County of Crow Wing, AKA Crow Wing County HRA (the “Mortgagee”).

### RECITALS

WHEREAS, the Mortgagor gave to the Mortgagee a Mortgage dated as of July 23, 2004, filed in the Office of the Crow Wing County Recorder on August 11, 2004 as Document No. 0670326 (the “Mortgage”) against certain property located in Crow Wing County and described in the attached Exhibit A; and

WHEREAS, the Mortgage secures a Promissory Note, dated July 23, 2004, made by Mortgagor in favor of Mortgagee (the “Note”), pursuant to a Loan Agreement between the Mortgagor and Mortgagee dated as of July 23, 2004 (the “Loan Agreement”); and

WHEREAS, the Mortgagor and Mortgagee have entered into a First Amendment to Loan Agreement of even date herewith in substantially the form attached as Exhibit B (the “Amendment”), which Amendment includes certain modifications to the Note; and

WHEREAS, the Mortgagor and Mortgagee have agreed to amend the Mortgage as provided herein.

NOW, THEREFORE, the Mortgagor agrees as follows:

1. The Mortgage remains in full force and effect as is not amended except as otherwise specified herein.
2. The Mortgage shall terminate upon payment in full of all principal and accrued interest on the Note as provided in the Amendment.
3. The Mortgage is subject to the terms of that certain Master Subordination Agreement and Estoppel Certificate between the Mortgagor, the Mortgagee, Minnesota



Housing Finance Agency, Bremer Bank, National Association, and Greater Minnesota Housing Fund, filed as Document No. \_\_\_\_\_ in the office of the Crow Wing County Recorder on \_\_\_\_\_, 2004 (the “Subordination Agreement”), and the Mortgagee agrees to subordinate the Mortgage pursuant to any future amendment to such Subordination Agreement in a form reasonably acceptable to Mortgagee.

4. This is a mortgage amendment, as defined in Minnesota Statutes, Section 287.01, subd. 2, as amended, and as such it does not secure a new or an increased amount of debt.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Mortgagor has hereunto set its hand as of the date first above written.

MORTGAGOR: GRAND OAKS TOWNHOMES OF  
BAXTER LIMITED PARTNERSHIP  
A Minnesota limited partnership

By: Grand Oaks Townhomes, LLC  
A Minnesota limited liability company  
General Partner

By \_\_\_\_\_  
Deanna Hemmesch  
Its: Chief Manager

STATE OF MINNESOTA     )  
  ) SS.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2019 by Deanna Hemmesch, the Chief Manager of Grand Oaks Townhomes, LLC, a Minnesota limited liability company, as general partner of Grand Oaks Townhomes of Baxter Limited Partnership, a Minnesota limited partnership, on behalf of the limited liability company and the limited partnership.

\_\_\_\_\_  
Notary Public

Drafted by:

Kennedy & Graven, Chartered (MNI)  
470 U.S. Bank Plaza  
200 South 6<sup>th</sup> Street  
Minneapolis, MN 55402  
(612) 337-9300



**EXHIBIT A**

**Property**

Lot One (1), Block One (1), Grand Oaks Townhomes, according to the plat and survey thereof on file and of record in the office of the County Recorder in and for Crow Wing County, Minnesota.

## EXHIBIT B

### FIRST AMENDMENT TO LOAN AGREEMENT

This First Amendment to Loan Agreement (the “Amendment”) is made this \_\_\_ day of \_\_\_\_\_, 2019, by Grand Oaks Townhomes of Baxter, Limited Partnership, a Minnesota limited partnership (the “Borrower”) and the Housing and Redevelopment Authority in and for the County of Crow Wing, a public body corporate and politic, AKA the Crow Wing County Housing and Redevelopment Authority (the “Authority”).

#### RECITALS

A. The Borrower and the Authority entered into a loan agreement (the “Loan Agreement”) dated as of July 23, 2004, to finance a 24-unit affordable housing project (the “Project”) on certain real property located in the City of Baxter (the “City”) and described on Exhibit A attached hereto (the “Property”).

B. Pursuant to the Loan Agreement, the Authority loaned to the Borrower the sum of \$48,000 (the “Loan”), evidenced by a promissory note (the “Note”) and a mortgage (the “Mortgage”), both dated as of July 23, 2004 (the “Loan Closing Date”), and executed and delivered to the Authority by the Borrower. The Mortgage was recorded on August 11, 2004 in the office of the Crow Wing County Recorder as document no. 0670326.

C. The Loan Agreement provides for a sixty-month term of the Loan, with the principal and all interest accrued from the Loan Closing Date to be due and payable on July 22, 2019.

D. The Borrower has used the proceeds of the Loan solely to pay costs of construction of the Project, as provided in the Loan Agreement.

E. The parties desire to extend the term of the Loan beyond the term provided in the Loan Agreement, and have agreed to modify certain terms and conditions of the Loan Agreement as set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

1. Amendment of paragraph 2 of the Loan Agreement. Paragraph 2 of the Loan Agreement is amended to read as follows:

Repayment of Loan. The Loan shall be repaid with interest as follows:

(a) Interest at the rate of one percent (1.0%) per annum shall accrue from the Loan Closing Date until the Loan is repaid in full.

(b) The principal and all accrued interest shall be due and payable in full not later than June 1, 2020.

2. Miscellaneous; Amendment of Loan Documents. Except as amended by this Amendment, the Loan Agreement shall remain in full force and effect. Contemporaneously with this Amendment, the Borrower shall execute and deliver to the Authority an amended Mortgage and Note consistent with the terms of this Amendment. Upon execution, Borrower shall reimburse the Authority for all out-of-pocket-costs incurred by the Authority in connection with negotiating, drafting and approval of this Amendment and related loan documents.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered by the proper officers thereunto duly authorized on the day and year first written above.

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

By: \_\_\_\_\_  
Chair

By: \_\_\_\_\_  
Executive Director

[Signature page to First Amendment to Loan Agreement - Authority]



**BORROWER:**  
GRAND OAKS TOWNHOMES OF BAXTER LIMITED  
PARTNERSHIP  
A Minnesota limited partnership

By: Grand Oaks Townhomes, LLC  
A Minnesota limited liability company  
General Partner

By \_\_\_\_\_  
Deanna Hemmesch  
Its: Chief Manager

[Signature page to First Amendment to Loan Agreement-Borrower]





**EXHIBIT A**

**Description of Property**

Lot One (1), Block One (1), Grand Oaks Townhomes, according to the plat and survey thereof on file and of record in the office of the County Recorder in and for Crow Wing County, Minnesota.

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## FIRST AMENDMENT TO LOAN AGREEMENT

This First Amendment to Loan Agreement (the “Amendment”) is made this \_\_\_ day of \_\_\_\_\_, 2019, by Grand Oaks Townhomes of Baxter, Limited Partnership, a Minnesota limited partnership (the “Borrower”) and the Housing and Redevelopment Authority in and for the County of Crow Wing, a public body corporate and politic, AKA the Crow Wing County Housing and Redevelopment Authority (the “Authority”).

### RECITALS

A. The Borrower and the Authority entered into a loan agreement (the “Loan Agreement”) dated as of July 23, 2004, to finance a 24-unit affordable housing project (the “Project”) on certain real property located in the City of Baxter (the “City”) and described on Exhibit A attached hereto (the “Property”).

B. Pursuant to the Loan Agreement, the Authority loaned to the Borrower the sum of \$48,000 (the “Loan”), evidenced by a promissory note (the “Note”) and a mortgage (the “Mortgage”), both dated as of July 23, 2004 (the “Loan Closing Date”), and executed and delivered to the Authority by the Borrower. The Mortgage was recorded on August 11, 2004 in the office of the Crow Wing County Recorder as document no. 0670326.

C. The Loan Agreement provides for a sixty-month term of the Loan, with the principal and all interest accrued from the Loan Closing Date to be due and payable on July 22, 2019.

D. The Borrower has used the proceeds of the Loan solely to pay costs of construction of the Project, as provided in the Loan Agreement.

E. The parties desire to extend the term of the Loan beyond the term provided in the Loan Agreement, and have agreed to modify certain terms and conditions of the Loan Agreement as set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

1. Amendment of paragraph 2 of the Loan Agreement. Paragraph 2 of the Loan Agreement is amended to read as follows:

Repayment of Loan. The Loan shall be repaid with interest as follows:

(a) Interest at the rate of one percent (1.0%) per annum shall accrue from the Loan Closing Date until the Loan is repaid in full.

(b) The principal and all accrued interest shall be due and payable in full not later than June 1, 2020.

2. Miscellaneous; Amendment of Loan Documents. Except as amended by this Amendment, the Loan Agreement shall remain in full force and effect. Contemporaneously with this Amendment, the Borrower shall execute and deliver to the Authority an amended Mortgage and Note consistent with the terms of this Amendment. Upon execution, Borrower shall reimburse the Authority for all out-of-pocket-costs incurred by the Authority in connection with negotiating, drafting and approval of this Amendment and related loan documents.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered by the proper officers thereunto duly authorized on the day and year first written above.

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

By: \_\_\_\_\_  
Chair

By: \_\_\_\_\_  
Executive Director

[Signature page to First Amendment to Loan Agreement - Authority]

S-1



**BORROWER:**  
GRAND OAKS TOWNHOMES OF  
BAXTER LIMITED PARTNERSHIP  
A Minnesota limited partnership

By: Grand Oaks Townhomes, LLC  
A Minnesota limited liability company  
General Partner

By \_\_\_\_\_  
Deanna Hemmesch  
Its: Chief Manager

[Signature page to First Amendment to Loan Agreement-Borrower]

## **EXHIBIT A**

### **Description of Property**

Lot One (1), Block One (1), Grand Oaks Townhomes, according to the plat and survey thereof on file and of record in the office of the County Recorder in and for Crow Wing County, Minnesota.

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**AMENDED PROMISSORY NOTE**

\$48,000.00 \_\_\_\_\_, 2019

FOR VALUE RECEIVED, the undersigned Borrower promises to pay to the order of the **Housing and Redevelopment Authority in and for the County of Crow Wing, AKA Crow Wing County HRA**, a public body corporate and politic and political subdivision of the State of Minnesota (“Holder”), at the address of 324 East River Road, Brainerd, MN 56401, or at such other address as the Holder may from time to time designate in writing, the principal sum of Forty-eight Thousand and no/100 Dollars (\$48,000.00), payable with simple interest at one percent (1.0%) per annum in one lump sum on June 1, 2020, when the outstanding principal balance and accrued but unpaid interest thereon is due and payable.

This Amended Note amends and supersedes that certain Promissory Note dated July 23, 2004, made by the Borrower to the Holder pursuant to a Loan Agreement between the Holder and Borrower, dated July 23, 2004, as amended by a First Amendment thereto dated as of the date hereof (as so amended, the “Loan Agreement”).

If any payment required to be made hereunder is not made in full when due, or upon breach of or failure to perform any of the covenants and conditions contained in the Loan Agreement or in the Mortgage securing this Note, the whole of the principal sum shall, at the option of the Holder, become immediately due and payable in the event such default continues for ten (10) days after written notice of such default is given by the Holder to the Maker.

Failure of the Holder hereof to exercise this option with respect to any such default shall not constitute a waiver of the right to exercise the same with respect to such default or any prior or subsequent default.

All persons now or hereafter liable for the payment of the principal and interest due on this Note, or any part thereof, do hereby expressly waive presentment for payment, notice of dishonor, protest and notice of protest, and agree that the time for the payment or payments of any part of this Note may be extended without releasing or otherwise affecting their liability on this Note or the lien of any security securing this Note.

The Borrower hereby agrees to pay all costs of collection, including reasonable attorneys' fees and legal expenses in the event this Note is not paid when due.

**NONRECOURSE PROVISION:** Notwithstanding anything to the contrary hereinabove set forth, and except as provided hereinafter, Borrower shall have no further personal liability for payment of the principal of or the interest on the indebtedness evidenced hereby, and Holder, by acceptance hereof, agrees not to assert or claim a deficiency or other personal judgment against Borrower for such principal or interest, but rather to look solely to the property covered by the Mortgage for payment of any such principal and interest.

**GRAND OAKS TOWNHOMES OF BAXTER  
LIMITED PARTNERSHIP**

By: Grand Oaks Townhomes, LLC, Its General  
Partner

By \_\_\_\_\_  
Deanna Hemmesch  
Its Chief Manager



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

**RESOLUTION NO. 2019-04**

**RESOLUTION APPROVING FIRST AMENDMENT TO LOAN AGREEMENT WITH  
GRAND OAKS TOWNHOMES OF BAXTER, LIMITED PARTNERSHIP**

BE IT RESOLVED by the Board of Commissioners (the “Board”) of the Housing and Redevelopment Authority in and for the County of Crow Wing (the “Authority”), as follows:

Section 1. Recitals.

1.01. The Authority and Grand Oaks Townhomes of Baxter, Limited Partnership (the “Borrower”) entered into that certain Loan Agreement dated as of July 23, 2004 (the “Agreement”), providing, among other things, for the construction by the Borrower of a 24-unit affordable housing facility on the property legally described within the Agreement, and the disbursement of a loan in the principal amount of \$48,000 by the Authority to the Borrower (the “Loan”) to finance a portion of the improvements performed by the Borrower.

1.02. The principal and all accrued interest on the Loan was to be paid in full on July 22, 2019, but due to a restructuring of the Borrower’s overall financing, the Borrower has requested an extension of the term of the Loan.

1.03. The parties have negotiated and propose to execute a First Amendment to the Agreement (the “First Amendment”) to designate an extended term for payment of the Loan, in the form presented to the Board.

Section 2. First Amendment Approved.

2.01. The First Amendment as presented to the Board 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 of the Authority, provided that execution of the First Amendment 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 First Amendment and any documents referenced therein requiring execution by the Authority, and to carry out, on behalf of the Authority, its obligations thereunder.

2.03. Authority staff and consultants are authorized to take any actions necessary to carry out the intent of this resolution.

583958v1CR195-16



Adopted by the Board of Commissioners of the Housing and Redevelopment Authority in  
and for the County of Crow Wing this 11th day of June, 2019.

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary



## Housing &amp; Redevelopment Authority

To: CWC HRA Board Members  
 From: Jennifer Bergman, Executive Director  
 Date: June 5, 2019  
 Re: Executive Director Report

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**Workforce Housing Study**

The references for Redevelopment Resources checked out and we have hired Redevelopment Resources to conduct the workforce housing study and needs analysis. We have assembled the task force, which includes:

- » Craig Nathan, CWC HRA Board Chair and also works for Rural MN CEP
- » Cassandra Torstenson, City Administrator, City of Brainerd
- » Patrick Wussow, City Administrator, City of Breezy Point and Brainerd HRA Board
- » Dolly Matten, Executive Director of the Greater Lakes Realtors Association (GLAR)
- » Mike Bjerkness, Workforce Director, Brainerd Lakes Area Economic Development Corporation (BLAEDC)
- » Brad Chapulis, City Administrator, City of Baxter
- » Nancy Malecha, City Administrator, City of Pequot Lakes
- » Mark Ronnei, General Manager for Grand View Resort in Nisswa

Redevelopment Resources has already started gathering the data for the study and they have scheduled their first visit for June 13<sup>th</sup> and 14<sup>th</sup>. They will be touring the area and having their first meeting with the task force. We will continue to keep the Board updated through this process.

**NP Center**

I have had a couple of meetings with the owners of the NP Center to discuss their potential redevelopment plans. I have let them know that both the Brainerd HRA and CWC HRA would be willing to assist them in their plans where it's appropriate.

**No Action Requested; Discussion Item**

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## Housing &amp; Redevelopment Authority

To: CWC HRA Board Members  
 From: John Schommer, Rehab Coordinator  
 Date: June 4, 2019  
 Re: Brainerd HRA/Rehab Programs Report

**BRAINERD OAKS/SERENE PINES**

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	28	23	3	3
Serene Pines	23	8	8	0	0
Dalmar Estates	7	0	0	0	0

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

**MHFA**

- » 2 projects are in construction
- » 2 applications are being processed

**Emily SCDP**

- » 2 Owner-occupied projects are in work write-up

**NE Brainerd SCDP**

- » 1 Commercial project is in work write-up
- » 9 Mixed-use units are in work write-up
- » 1 Owner occupied project is in work write-up
- » 1 Application is being processed

**FHLB AHP Application**

Application for six units of rehab was submitted on May 31<sup>st</sup>. We will find out in December if we were funded.

**Brainerd Revolving Loan Program**

We are waiting on one interested property owner.

*(Continues on opposite side)*



**DOWNTOWN BRAINERD SCDP**

<b>Address</b>	<b>Business</b>	<b>Commercial</b>	<b>Rental Units</b>	<b>Status</b>
214 & 216 S. 8th St.	Last Turn	1	11	Complete
216 S. 7th St.	Bridge of Harmony	1		Complete
217 S. 7th St.	Downtown Mall	1	14	Complete
602 Laurel St.	Olde Open Window	1	6	Complete
605 Laurel St.	Northwind Grill	1	11	Complete
606 Laurel St.	Sage on Laurel	1	2	Complete
711-717 Laurel St.	LAMF, Cross Arts Alliance, Vaenn Har	1		Complete
719 Laurel St.	Purple Fern	1		Complete
704 Front St.	Iron Hill's Gun, Pawn & Antiques	1		Bidding
724 Laurel St.	Bob & Fran's Factory Direct	1		Bidding
<b>Total</b>		<b>10</b>	<b>44</b>	

