



Cook County & Grand Marais Economic Development Authority

Tuesday, April 16, 2024 – 4:00 PM

Cook County Courthouse - Commissioner's Room

411 W 2nd Street

Grand Marais, MN 55604

AGENDA

1. Call to Order

2. Public to Address the Commission

3. Approval of Agenda

4. Public Hearings

2024-18 RESOLUTION AUTHORIZING THE CONVEYANCE OF REAL PROPERTY OWNED BY THE COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY TO JEREMY LARSON ([pages 11-31](#))

5. Approval of Meeting Minutes

- a. March 19, 2024 Regular Meeting ([pages 1-3](#))

6. Review of Financials

- a. EDA March Financials (accept and forward to audit) ([pages 4-9](#))
- b. EDA March Payments (motion to approve) ([page 10](#))
- c. Superior National at Lutsen Golf Course March (accept and forward to audit) ([pending](#))

7. New Business

- a. Resolutions for Approval

2024-18 RESOLUTION AUTHORIZING THE CONVEYANCE OF REAL PROPERTY OWNED BY THE COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY TO JEREMY LARSON ([pages 11-31](#))

2024-19 RESOLUTION ADOPTING COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY BUSINESS DEVELOPMENT FUND GRANT PROGRAM GUIDELINES ([page 32](#))

2024-20 RESOLUTION ADOPTING AMENDED COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT PROCUREMENT POLICY ([pages 33-47](#))

2024-21 RESOLUTION APPROVING A DEVELOPMENT AGREEMENT WITH THE MAYHEW LLC AND CORRESPONDING GRANT FINANCING FOR THE MAYHEW EXPANSION PROJECT IN GRAND MARAIS MINNESOTA ([pages 48-59](#))

2024-22 RESOLUTION APPROVING FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH LUTSEN MOUNTAINS CORPORATION AND CORRESPONDING GRANT FINANCING FOR THE PAPA CHARLIES COMMERCIAL PROJECT IN LUTSEN MINNESOTA ([pages 60-65](#))

2024-23 RESOLUTION APPROVING A DEVELOPMENT AGREEMENT WITH NORTH SHORE WASTE LLC AND CORRESPONDING GRANT FINANCING FOR THE TRANSFER STATION CONSTRUCTION PROJECT IN GRAND MARAIS MINNESOTA ([pages 66-77](#))

2024-24 RESOLUTION APPROVING A DEVELOPMENT AGREEMENT WITH SUPERIOR CYCLING ASSOCIATION AND CORRESPONDING GRANT FINANCING FOR THE PINCUSHION TRAIL REHAB AND EXPANSION PROJECT IN GRAND MARAIS MINNESOTA ([pages 78-89](#))

2024-25 RESOLUTION APPROVING A LOAN AGREEMENT WITH GUNFLINT VUE LLC AND CORRESPONDING DEFERRED LOAN OF \$200,000 TO SUPPORT CONSTRUCTION OF SWITCHBACK VILLAGE APARTMENTS IN GRAND MARAIS MINNESOTA ([pages 90-105](#))

8. Other/Old Business

- a. Offer Letter Paulina Backstrom, Lot 4, Block 4 Cedar Grove Business Park ([pages 106-107](#))
- b. SBDC Monthly Report ([page 108](#))
- c. Executive Director Updates

9. Committee Reports

10. Commissioner Items

11. Adjourn

Next Meeting: May 21, 2024 at 4:00 p.m. Cook County Courthouse – Commissioner’s Room.



Cook County & Grand Marais Economic Development Authority

Tuesday, March 19, 2024 – 4:00 PM

Cook County Courthouse - Commissioner's Room

411 W 2nd Street

Grand Marais, MN 55604

MINUTES

Present: Howard Hedstrom, Mary Somnis, Myron Bursheim, Mark Shackleton, Tracy Benson, Dave Mills

Absent: Steve Surbaugh

Others Present: Theresa Bajda, Pat Campanaro, minute taker Maggie Barnard, Stacey Hawkins, Douglas Hurth

1. Call to Order

The March 19, 2024 regular meeting of the EDA was called to order by Vice President Hedstrom at 4:01 p.m.

2. Public to Address the Commission

Hedstrom called for public comments. No comments.

3. Approval of Agenda

Hedstrom called for agenda additions. Bajda requested to move Resolutions 2024-13 and 2024-14 before Resolution 2024-11. **Motion to approve the March 19, 2024 agenda as amended** (Benson/Shackleton). Vote: Passed (5-0)

4. Public Hearings

No public hearings.

5. Approval of Meeting Minutes

February 20, 2024 Regular Meeting Minutes (**pages 1-5**) **Motion to approve the February 20, 2024 regular meeting minutes with a comment revision to be made by Bajda.** (Bursheim/Benson) Vote: Passed (5-0)

6. Review of Financials

a. EDA February Financials (accept and forward to audit) (**6-9**)

Shackleton said the accounts are in good standing, there is about \$270,000 in uncommitted funds. No questions. **Board Members and Vice President accept and forward February EDA financials to audit.**

b. EDA February Payments (motion to approve) (**page 10**)

Motion to approve EDA February payments. (Bursheim/Benson) Vote: Passed (5-0)

Commissioner Mills joined meeting.

c. Superior National at Lutsen Golf Course February (accept and forward to audit) (**pages 11-14**)

Board Members and Vice President accept and forward February Superior National financials to audit.

Shackleton said there was moderate success this winter with clubhouse open for food and beverage service.

d. Superior National at Lutsen Golf Course 2024 Budget (**pages 15-16**)

Shackleton noted a 41% increase in labor costs for maintenance and service staff. The Board of Governors has approved this budget. **Motion to approve Superior National at Lutsen Golf Course 2024 Budget.** (Shackleton/Mills) Vote: Passed (6-0)

7. New Business

a. SBDC Monthly Report and Discussion. (pages 17-18)

Campanaro said on average she meets with clients with new business ideas one to two times per week. Requested Commissioners consider budgeting \$3,000 in 2025 to cover expenses to attend the SBDC annual convention.

Commissioners agreed.

Campanaro also requested expense assistance to attend the MN Statewide SBDC Knowledge Exchange Program in the amount of \$720 to cover 12 hours of travel time and she would absorb the 16+ hours of time spent at the conference. **Motion to approve \$720.00 expense.** (Shackleton/Mills) Discussion. Commissioners agreed all expenses for travel and time should be covered for the SBDC consultant to attend the conference. **Motion by Shackleton amended by Bursheim to cover all travel and time expense for SBDC Independent Consultant to attend the MN SBDC Knowledge Exchange up to 30 hours.** (Bursheim/Mills) Vote: Passed (6-0)

b. Resolutions for Approval

2024-13 RESOLUTION AUTHORIZING A GRANT AGREEMENT WITH BYSTROM CONSTRUCTION LLC TO SUPPORT EQUIPMENT PURCHASE FOR A TOTAL AMOUNT NOT TO EXCEED \$9,729 (pages 75-85) **Motion to approve Resolution 2024-13.** (Bursheim/Shackleton) Vote: Passed (6-0)

2024-14 RESOLUTION AUTHORIZING A GRANT AGREEMENT WITH ECO DWELLING LLC TO SUPPORT EQUIPMENT PURCHASE FOR A TOTAL AMOUNT NOT TO EXCEED \$9,977 (pages 86-99) **Motion to approve Resolution 2024-14.** (Mills/Bursheim) Vote: Passed (6-0)

2024-11 RESOLUTION AUTHORIZING AN AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR CEDAR GROVE BUSINESS PARK (pages 19-54) Bajda provided recap of changes and additions. The Grand Marais City Council also needs to approve. EDA Legal counsel has reviewed and appropriate number of signatures have been obtained. **Motion to approve Resolution 2024-11.** (Shackleton/Mills) Vote: Passed (6-0)

2024-12 RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN AGREEMENT FOR PROFESSIONAL SERVICES WITH THE NORTHSPAN GROUP, INC TO FACILITATE AND DRAFT A THREE YEAR STRATEGIC FRAMEWORK IN AN AMOUNT NOT TO EXCEED \$15,000 (pages 55-74) Bajda said this is trimmed down from the original plan. The Personnel Committee will also review the strategic plan. Request made on page 62, item (4) to add Grand Portage to list of stakeholders. **Motion to approve Resolution 2024-12.** (Shackleton/Bursheim) Vote: Passed (6-0)

2024-15 RESOLUTION AUTHORIZING APPLICATION FOR AND, UPON APPROVAL, ACCEPTANCE OF A DEFERRED LOAN FROM MINNESOTA HOUSING FINANCE AGENCY IN AN AMOUNT NOT TO EXCEED \$1,400,000 TO SUPPORT WORKFORCE HOUSING PROJECT IN GRAND MARAIS (pages 100-102) Bajda stated HRA is not an eligible applicant for this State funding. **Motion to approve Resolution 2024-15.** (Shackleton/Bursheim) Vote: Passed (6-0) Commissioner Somnis requests record show she sits on the HRA board.

2024-16 RESOLUTION AUTHORIZING THE COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY TO FORGIVE TACONITE AREA BUSINESS RELIEF LOAN PROGRAM DEBT OWED BY LUTSEN RECREATION INC. (pages 103-104) Shackleton explained this will discharge \$15,426.98 TABR loan program debt, this is on par with other TABR loan recipients.

Motion to approve Resolution 2024-16. (Bursheim/Benson) Vote: Passed (6-0)

2024-17 RESOLUTION APPROVING A DEVELOPMENT AGREEMENT WITH LUTSEN MOUNTAINS CORPORATION AND CORRESPONDING GRANT FINANCING FOR THE PAPA CHARLIES COMMERCIAL PROJECT IN LUTSEN MINNESOTA (pages 105-116) Bajda noted this covers a grant from IRRR of \$75,000 to support demolition costs with the remaining Papa Charlies structure. This development agreement supports requirements by IRRR. **Motion to approve Resolution 2024-17.** (Shackleton/Mills) Vote: Passed (6-0)

8. Other/Old Business

A. Executive Director Updates

- i. First review of revised Business Development Fund Grant Program Guidelines (pages 117-125)
No action needed until May 2024 meeting after the new plan is approved. These grants make a difference to local businesses. Campanaro presented suggestions for the commissioners to consider regarding the cash flow hardship for new small businesses in their first three to five years of business. Discussion on parameters, guidelines versus enforceable requirements, how to allow any waivers. Suggestion was made to create a reporting document for grantees. Commissioners will study and vote at April 2024 meeting.
- ii. Website Redesign Proposal Selection
Three proposals were emailed to commissioners. Proposals from: Sweetwater Design, Hoagland Designs, Do North Marketing. Two use WIX which is cost effective. Lowest bid is Sweetwater Design. **Motion to accept the Sweetwater Design proposal for EDA Website Redesign.** (Shackleton/Benson) Discussion. Vote: Passed (6-0)
- iii. Empowering Small Minnesota Cities Opportunity Update
This is technical assistance and planning process for Taconite Harbor project as well as the acreage above the Business Park. Bajda will have an answer in late April 2024.
- iv. March 14, 2024 SNG Board of Governors Meeting Recap
The Board of Governors approved the 2024 budget and food & beverage price increases. They discussed the expense of the Poplar River erosion on Hole 17, a possible sublease opportunity in Lutsen workforce housing apartment and they are reviewing their strategic plan draft.
- v. Revised EDA meeting date Monday, June 17th – for consideration
Commissioners agreed to move the June meeting from Tuesday, June 18th to Monday, June 17th at 4 p.m. in the Cook County Courthouse – Commissioner’s Room.

9. Committee Reports

No reports.

10. Commissioner Items

Updates on the Heights project and GES construction.

Promise Act grant is open next week for eight weeks, the EDA and SBDC will host technical assistance office hours for applicants.

11. Adjourn

Motion to adjourn at 5:12 p.m. (Mills/Bursheim) Vote: Passed (6-0)

Next Meeting: April 16, 2024 at 4:00 p.m. Cook County Courthouse – Commissioner’s Room.

Cook County/Grand Marais Economic Development Authority

Balance Sheet

As of March 31, 2024

	TOTAL		
	AS OF MAR 31, 2024	AS OF MAR 31, 2023 (PY)	% CHANGE
ASSETS			
Current Assets			
Bank Accounts			
GMSB Checking Account	9,544.05		
GMSB Money Market	471,235.90	182,947.54	157.58 %
NSFCU 5162030 Checking	6,377.90	299,804.48	-97.87 %
NSFCU Money Market (87)	0.00	134,749.24	-100.00 %
NSFCU Patronage	32.70	1,121.93	-97.09 %
NSFCU Savings	10.19	10,027.40	-99.90 %
Total Bank Accounts	\$487,200.74	\$628,650.59	-22.50 %
Accounts Receivable			
Accounts Receivable	0.00	25,000.00	-100.00 %
Total Accounts Receivable	\$0.00	\$25,000.00	-100.00 %
Other Current Assets			
Due from Lutsen Recreation	0.00	23,420.61	-100.00 %
Due from Lutzen Mountainside	10,125.00		
Due from SNL (deleted)	0.00	150,000.00	-100.00 %
Prepaid Rent	915.00	915.00	0.00 %
Taxes Receivable - current	19,926.46	19,926.46	0.00 %
Taxes Receivable - delinquent	8,396.00	8,396.00	0.00 %
Undeposited Funds	0.00	0.00	
Total Other Current Assets	\$39,362.46	\$202,658.07	-80.58 %
Total Current Assets	\$526,563.20	\$856,308.66	-38.51 %
Fixed Assets			
Land Held for Resale	303,000.00	303,000.00	0.00 %
Total Fixed Assets	\$303,000.00	\$303,000.00	0.00 %
Other Assets			
Tac Area Bus Relief Note Rec	0.00	165,476.42	-100.00 %
Total Other Assets	\$0.00	\$165,476.42	-100.00 %
TOTAL ASSETS	\$829,563.20	\$1,324,785.08	-37.38 %

Cook County/Grand Marais Economic Development Authority

Balance Sheet

As of March 31, 2024

	TOTAL		
	AS OF MAR 31, 2024	AS OF MAR 31, 2023 (PY)	% CHANGE
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	0.00	0.00	
Total Accounts Payable	\$0.00	\$0.00	0.00%
Credit Cards			
Visa Credit Card	413.93	19.00	2,078.58 %
Total Credit Cards	\$413.93	\$19.00	2,078.58 %
Other Current Liabilities			
Contingent Liability	0.00	216,000.00	-100.00 %
Deferred Revenue	0.00	0.00	
Due to City of Grand Marais	303,695.21	362,762.02	-16.28 %
Due to Cook County	0.00	100,000.00	-100.00 %
Due to Workforce Recruitment	0.00	0.00	
Salaries/Benefits	0.00	-108.76	100.00 %
Total Other Current Liabilities	\$303,695.21	\$678,653.26	-55.25 %
Total Current Liabilities	\$304,109.14	\$678,672.26	-55.19 %
Long-Term Liabilities			
Unavailable Rev - Deferred Tax	8,396.00	8,396.00	0.00 %
Total Long-Term Liabilities	\$8,396.00	\$8,396.00	0.00 %
Total Liabilities	\$312,505.14	\$687,068.26	-54.52 %
Equity			
Opening Bal Equity	-25,325.79	131,395.58	-119.27 %
Retained Earnings	598,045.21	559,062.67	6.97 %
Net Income	-55,661.36	-52,741.43	-5.54 %
Total Equity	\$517,058.06	\$637,716.82	-18.92 %
TOTAL LIABILITIES AND EQUITY	\$829,563.20	\$1,324,785.08	-37.38 %

Cook County/Grand Marais Economic Development Authority

Budget vs. Actuals: Budget_FY24_P&L - FY24 P&L

March 2024

	MAR 2024		TOTAL	
	ACTUAL	BUDGET	ACTUAL	BUDGET
Income				
EDA Levy			\$0.00	\$0.00
Levy County - Operations		35,893.33	\$0.00	\$35,893.33
Levy County Cedar Grove Pass Thru		5,000.00	\$0.00	\$5,000.00
Total EDA Levy		40,893.33	\$0.00	\$40,893.33
Grant Income	3,000.00		\$3,000.00	\$0.00
Interest Income	839.64		\$839.64	\$0.00
Northland SBDC Income	4,140.00	4,165.00	\$4,140.00	\$4,165.00
Rent HRA		150.00	\$0.00	\$150.00
Total Income	\$7,979.64	\$45,208.33	\$7,979.64	\$45,208.33
GROSS PROFIT	\$7,979.64	\$45,208.33	\$7,979.64	\$45,208.33
Expenses				
Contingency		1,160.67	\$0.00	\$1,160.67
Dues/Memberships		583.33	\$0.00	\$583.33
Operating Expenses			\$0.00	\$0.00
Advertising/Marketing/Website		333.33	\$0.00	\$333.33
Bank Charges			\$0.00	\$0.00
Melio Service Fees	6.00	12.50	\$6.00	\$12.50
Total Bank Charges	6.00	12.50	\$6.00	\$12.50
Insurance		266.67	\$0.00	\$266.67
Meeting Expenses & Per Diem		333.33	\$0.00	\$333.33
Office Expenses			\$0.00	\$0.00
Equipment/Computers/Virtual Supplies		416.67	\$0.00	\$416.67
Supplies		266.67	\$0.00	\$266.67
Total Office Expenses		683.34	\$0.00	\$683.34
Rent Expense	1,097.97	1,200.00	\$1,097.97	\$1,200.00
Telephone	29.25	30.00	\$29.25	\$30.00
Total Operating Expenses	1,133.22	2,859.17	\$1,133.22	\$2,859.17
Professional Services			\$0.00	\$0.00
Accounting Support		333.33	\$0.00	\$333.33
Legal		625.00	\$0.00	\$625.00
State Audit		1,833.33	\$0.00	\$1,833.33
Total Professional Services		2,791.66	\$0.00	\$2,791.66
PROJECTS			\$0.00	\$0.00
Business Development Program	12,265.27	16,666.67	\$12,265.27	\$16,666.67
Cedar Grove Business Park Pass Thru		934.75	\$0.00	\$934.75
Payments to City for lots sold		5,000.00	\$0.00	\$5,000.00
Total Cedar Grove Business Park Pass Thru		5,934.75	\$0.00	\$5,934.75
Total PROJECTS	12,265.27	22,601.42	\$12,265.27	\$22,601.42
Public Financing Consulting		625.00	\$0.00	\$625.00
Staff Expenses			\$0.00	\$0.00
Director Salary (w/ benefits)		9,775.00	\$0.00	\$9,775.00

Cook County/Grand Marais Economic Development Authority

Budget vs. Actuals: Budget_FY24_P&L - FY24 P&L

March 2024

	MAR 2024		TOTAL	
	ACTUAL	BUDGET	ACTUAL	BUDGET
Training/Travel/Mileage		416.67	\$0.00	\$416.67
Total Staff Expenses		10,191.67	\$0.00	\$10,191.67
Tax			\$0.00	\$0.00
Payroll		0.00	\$0.00	\$0.00
Total Tax		0.00	\$0.00	\$0.00
Total Expenses	\$13,398.49	\$40,812.92	\$13,398.49	\$40,812.92
NET OPERATING INCOME	\$ -5,418.85	\$4,395.41	\$ -5,418.85	\$4,395.41
NET INCOME	\$ -5,418.85	\$4,395.41	\$ -5,418.85	\$4,395.41

Cook County/Grand Marais Economic Development Authority

Budget vs. Actuals: Budget_FY24_P&L - FY24 P&L

January - December 2024

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
Income				
EDA Levy				
Levy County - Operations	12,817.19	430,720.00	417,902.81	97.02 %
Levy County Cedar Grove Pass Thru	3,236.99	60,000.00	56,763.01	94.61 %
Total EDA Levy	16,054.18	490,720.00	474,665.82	96.73 %
Grant Income	3,000.00		-3,000.00	
Interest Income	2,491.08		-2,491.08	
Northland SBDC Income	12,555.00	49,980.00	37,425.00	74.88 %
Rent HRA	450.00	1,800.00	1,350.00	75.00 %
Total Income	\$34,550.26	\$542,500.00	\$507,949.74	93.63 %
GROSS PROFIT	\$34,550.26	\$542,500.00	\$507,949.74	93.63 %
Expenses				
Contingency		13,928.03	13,928.03	100.00 %
Dues/Memberships	321.66	7,000.00	6,678.34	95.40 %
Operating Expenses				
Advertising/Marketing/Website	2,800.00	4,000.00	1,200.00	30.00 %
Bank Charges				
Melio Service Fees	22.50	150.00	127.50	85.00 %
Total Bank Charges	22.50	150.00	127.50	85.00 %
Director Search Expense	27.00		-27.00	
Insurance		3,200.00	3,200.00	100.00 %
Meeting Expenses & Per Diem	325.00	4,000.00	3,675.00	91.88 %
Office Expenses				
Equipment/Computers/Virtual	962.77	5,000.00	4,037.23	80.74 %
Supplies	708.39	3,200.00	2,491.61	77.86 %
Total Office Expenses	2,373.40	8,200.00	5,826.60	71.06 %
Rent Expense	4,503.63	14,400.00	9,896.37	68.72 %
Telephone	117.00	360.00	243.00	67.50 %
Total Operating Expenses	10,168.53	34,310.00	24,141.47	70.36 %
Professional Services				
Accounting Support	1,337.50	4,000.00	2,662.50	66.56 %
Legal	2,755.50	7,500.00	4,744.50	63.26 %
SBDC Consultant Expense	16,620.00		-16,620.00	
State Audit	21,200.00	22,000.00	800.00	3.64 %
Total Professional Services	41,913.00	33,500.00	-8,413.00	-25.11 %
PROJECTS				
Business Development Program	19,298.79	200,000.00	180,701.21	90.35 %
Cedar Grove Business Park Pass Thru	3,236.99	11,216.97	7,979.98	71.14 %
Payments to City for lots sold		60,000.00	60,000.00	100.00 %
Total Cedar Grove Business Park Pass Thru	3,236.99	71,216.97	67,979.98	95.45 %
Total PROJECTS	22,535.78	271,216.97	248,681.19	91.69 %
Public Financing Consulting		7,500.00	7,500.00	100.00 %

Cook County/Grand Marais Economic Development Authority

Budget vs. Actuals: Budget_FY24_P&L - FY24 P&L

January - December 2024

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
Staff Expenses				
Director Salary (w/ benefits)	28,103.89	117,300.00	89,196.11	76.04 %
Training/Travel/Mileage	260.00	5,000.00	4,740.00	94.80 %
Total Staff Expenses	28,363.89	122,300.00	93,936.11	76.81 %
Tax				
Payroll		0.00	0.00	
Total Tax		0.00	0.00	
Total Expenses	\$103,302.86	\$489,755.00	\$386,452.14	78.91 %
NET OPERATING INCOME	\$ -68,752.60	\$52,745.00	\$121,497.60	230.35 %
NET INCOME	\$ -68,752.60	\$52,745.00	\$121,497.60	230.35 %

Cook County/Grand Marais Economic Development Authority

Bill Approval Status

April 2024

BILL NUMBER	VENDOR	BILL DATE	AMOUNT	PAID STATUS	APPROVAL STATUS	DUE DATE
--	Sundew Technical Services	04/01/2024	\$151.71	Paid	--	04/11/2024
--	Twin City VoIP Inc	04/01/2024	\$29.25	Paid	--	04/11/2024
--	Cook County News Herald	04/01/2024	\$27.00	Paid	--	04/11/2024
663	Do North Marketing	04/01/2024	\$300.00	Paid	--	04/11/2024
4185563	Melio	04/01/2024	\$1.50	Paid	--	04/01/2024
--	Maggie Barnard	04/06/2024	\$87.50	Paid	--	04/16/2024
240301	Campanaro, Pat	04/06/2024	\$4,065.00	Paid	--	04/16/2024
237	Sarena Crowley	04/06/2024	\$300.00	Paid	--	04/16/2024
180	Drosera Holdings	04/06/2024	\$1,095.76	Paid	--	04/16/2024

**COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY
STATE OF MINNESOTA
COOK COUNTY**

RESOLUTION 2024-18

**RESOLUTION AUTHORIZING THE CONVEYANCE OF REAL PROPERTY OWNED BY THE COOK
COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY TO JEREMY LARSON**

WHEREAS, the Cook County/Grand Marais Joint Economic Development Authority (“EDA”) is the owner of property located in Cook County, Minnesota legally described as: Lot 6, Block 5, CEDAR GROVE BUSINESS PARK; and

WHEREAS, the EDA unanimously approved an offer of \$10,000 from Jeremy Larson (“buyer”) at their regular meeting on January 16, 2024; and

WHEREAS, the EDA held a public hearing regarding conveyance of property on April 16, 2024.

NOW THEREFORE, BE IT RESOLVED, that the proper EDA officials are hereby authorized to execute a Development Agreement, substantially in the form attached hereto as Exhibit A, with buyer and close on said property conveyance.

Upon vote taken the following voted:

For:

Against:

Abstain:

Whereupon said resolution was declared duly passed and adopted this 16th day of April, 2024.

Steve Surbaugh
Board President

STATE OF MINNESOTA)

) SS

COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 16th day of April, 2024, by Steve Surbaugh, the President of the Cook County/Grand Marais Joint Economic Development Authority, an economic development authority under Minnesota Statutes Chapter 469, on behalf of the authority.

Notary Public

This instrument drafted by:
Cook County/Grand Marais Joint Economic Development Authority
425 Highway 61, Suite B
PO Box 597
Grand Marais, MN 55604
(218) 387-3112

**DEVELOPMENT AGREEMENT
COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY
JEREMY LARSON
CEDAR GROVE BUSINESS PARK DEVELOPMENT LOT 6, BLOCK 5**

THIS AGREEMENT (“Agreement”) entered into this _____ day of _____, 2024 (the “Effective Date”), by and between the COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and political subdivision organized and existing under the laws of the State of Minnesota, (“EDA”), and JEREMY LARSON, an Individual (“Developer”).

WHEREAS, the EDA owns certain real property as described in Exhibit A attached hereto and incorporated herein by reference, located in the City of Grand Marais Minnesota (the “Property”);

WHEREAS, the EDA has determined development of the Property pursuant to the Agreement is in the best interest of the County and City and facilitates the EDA’s economic development mission and that the Property is a suitable site for business expansion;

WHEREAS, Developer is desirous of acquiring the Property for expansion of current business operations (the “Project”);

NOW, THEREFORE, in consideration of mutual covenants and conditions hereinafter contained, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE I
Definitions

For the purposes of this Agreement, the following terms shall have the meanings hereinafter ascribed to them unless a different meaning clearly appears from the context:

- A. Act: means Minnesota Statutes, Sections 469.090-469.108, as amended.
- B. Agreement: means this Agreement, as the same may be from time to time modified, amended, or supplemented.
- C. City: means the City of Grand Marais, Minnesota.
- D. Construction Plans: means the site plan, utility plan, grading and drainage plan, landscape plan, elevation drawings and related documents on the construction work to be performed by Developer on the Property, attached hereto as Exhibit B, which are to be approved by the EDA and City in accordance with Article VII hereof.
- E. County: means Cook County, Minnesota.
- F. Declaration: means the Declaration of Covenants, Conditions, Easements and Restrictions dated June 5, 2006 and recorded in the Office of the Cook County Recorder on June 7, 2006 as document number 104734, said Declaration amended by a First Amendment dated March 23, 2010 and recorded in the Office of the Cook County Recorder on March 23, 2010, as Document No. 112719, as may amended from time to time, a copy of which is attached hereto as Exhibit C.
- G. Deed: means the warranty deed to be given to Developer to convey Property, a copy of which is

attached hereto as Exhibit D.

- H. Event of Default: means an action by Developer listed in Article XI of this Agreement.
- I. Holder: means the owner of a Mortgage.
- J. Improvements: means the improvements to be constructed by Developer on the Property including construction of buildings to support expansion of Developers business JL Construction, all in accordance with the approved Construction Plans.
- K. Mortgage: means any mortgage made by Developer which is secured, in whole or in part, with the Property and which is a Permitted Encumbrance pursuant to the provisions of this Agreement.
- L. Net Proceeds: means any proceeds paid by an insurer to Developer or the EDA under a policy or policies of insurance required to be provided and maintained by Developer pursuant to Article VIII of this Agreement and remaining after deducting all expenses (including fees and disbursements of counsel) incurred in the collection of such proceeds.
- M. Plat: means the plat of Cedar Grove Business Park, as recorded in the Office of the Cook County Recorder on June 7, 2006 as Document No. 104734, a copy of which is attached as Exhibit E.
- N. Project: means the Cedar Grove Business Park as depicted on the Plat, including, but not limited to, the construction of roads and utilities to serve the Property.
- O. Property: means the real property described as Lot 6, Block 5, Cedar Grove Business Park, City of Grand Marais, Cook County, Minnesota.
- P. State: means the State of Minnesota.
- Q. Title Company: means a qualified title company designated by the EDA.
- R. Unavoidable Delays: means delays which are the direct results of acts of God, unforeseen adverse weather conditions, strikes, other labor troubles, unavailability of materials through no fault of the Developer or the EDA, fire or other casualty to the Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of federal, state or local government unit (other than the EDA in enforcing its rights under this Agreement) which result in delays.

ARTICLE II

Representations and Warranties

The EDA makes the following representations as the basis for the understanding on its parts herein contained:

- A. It is a lawfully constituted economic development authority under the laws of the State of Minnesota, it is not in material violation of any provisions of the State law and it has full power and authority to enter into this Agreement and perform its obligations hereunder.
- B. There are not actions, suites or proceedings pending, or to the knowledge of the EDA threatened against the EDA or any property of the EDA in any court or before any federal, state, municipal, or governmental agency which, if decided adversely to the EDA, would have a material adverse effect upon the EDA or any business or property of the EDA and the EDA is not in default with respect to any order of any court or government agency.
- C. The EDA will perform all of its obligations under this Agreement.
- D. Based on reasonable knowledge and belief, the EDA believes that the Project contemplated by this Agreement is in conformance with development objectives of the Cedar Grove Business Park and conditions of Minnesota Statutes Section 469.090-469.108.
- E. The EDA holds marketable title to the Property, free and clear of all encumbrances except the Permitted Encumbrances, as hereafter defined.

- F. The EDA has received no notices from any governmental entity regarding assessments or planned improvements that may result in assessments to the Property.
- G. There are no unrecorded leases, contracts, easements, or any other documents creating rights in parties other than the EDA which cannot be terminated by the EDA prior to the First Closing, and which will continue to affect the Property after the Closing.
- H. Developer acknowledges that the EDA makes no representation or warranties as to the condition of the soils on the Property or its fitness for construction of the Improvements. Developer shall have the right to enter upon the Property to undertake such environmental and soil tests as Developer deems necessary to determine the conditions of the Property. The EDA shall furnish Developer with all test results and environmental assessments that it has in its possession relating to the Property. If Developer determines that the condition of the soils on the Property is unacceptable to Developer it shall notify the EDA of such determination in writing at or before the date 45 days prior to the Date of Closing and if the EDA and Developer are unable to reach agreement on how to cure the defective condition within twenty (20) days of such notification either party hereto shall have the right to terminate this Agreement by giving ten (10) days notice of termination to the other party. At the end of such ten (10) day period this Agreement shall terminate and be of no further force or effect and the parties shall execute a certificate in recordable form evidencing the termination of this Agreement.

ARTICLE II
Representations and Warranties

Developer represents and warrants that:

- A. Developer is an Individual authorized to transact business in the State, it is fully competent to acquire the Property and to construct the Project thereon, it is not in violation of any laws of the State, it has the power to enter into this Agreement, and has duly authorized the execution, delivery and performance of this Agreement by proper action.
- B. Developer will perform all of its obligations under this Agreement. Neither the execution or delivery of this Agreement, the consummation of the transaction contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of the terms, conditions, or provisions of any agreement or instrument of whatever instrument of whatever nature to which the Developer is now a party or by which Developer is bound, or constitutes a default under the foregoing.
- C. In the event the Property is conveyed to Developer, then Developer will construct, operate and maintain the Improvements in accordance with the terms of this Agreement, the Declaration, and all local, state and federal laws and regulations, including, but not limited to, environmental, zoning, stormwater management, building code and public health laws and regulations.
- D. The Improvements constitute a permitted use under the zoning code of the City.
- E. Developer will obtain all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Improvements may be lawfully constructed.
- F. Developer has received no notice or communication from any local, state or federal official that the activities of Developer or the EDA on the Property may be or will be in violation of any environmental law or regulation. Developer is aware of no facts the existence of which would cause Developer to be in violation of any local, state or federal environmental law, regulation or review procedure or which would give any person a valid claim under any of the foregoing.

- G. Developer shall do such things as are necessary to cause any information, document, certificate, statement in writing, or report required under this Agreement delivered to the EDA or any third party under this Agreement to be true, correct, and complete in all material respects.
- H. The EDA has provided Developer with a wetland delineation and mitigation plan for the land within the Plat and Developer understands Developer must comply with requirements of the delineation and mitigation plan applicable to the Property, if any.

ARTICLE III

Purchase Price and Manner of Payment

The proper EDA officials hereby agree to sell the Property by Warranty deed to Developer for the sum of Ten Thousand Dollars (\$10,000) (the "Purchase Price"), which shall be payable as follows:

- A. The sum of One Thousand Dollars (\$1,000.00), cash, as Earnest Money (the "Earnest Money") to be deposited in escrow by Developer on the date of this Agreement with the Title Company, which the Title Company is instructed to hold and disburse in accordance with the terms of this Agreement.
- B. The balance of the purchase price shall be payable in cash or certified funds on the Closing Date, as hereafter defined.

ARTICLE IV

Contingencies

The Developer acknowledges that this Agreement is non-contingent as to the Developer, except for contingencies as to financing and other matters, if any, as provided in Article IX. The obligations of EDA under this Agreement are subject to and contingent upon the following:

- A. The Board of Directors of EDA approving the terms and conditions of this Agreement.
- B. The EDA obtaining any other governmental approvals as it pertains to the Property.
- C. If the above contingencies have not been satisfied or waived on or before **May 3, 2024** by all parties (the "Contingency Period"), then this Agreement may be terminated by either party, by written notice from one party to the other party. Upon such termination, the parties to this Agreement shall execute a certificate in recordable form evidencing the termination of this Agreement. Upon termination in accordance with this Section the Earnest Money shall be refunded to Developer and upon such return, this Agreement shall become null and void and neither party will have any further rights or obligations regarding this Agreement and Developer shall have no further rights in the Property.
- D. If EDA is diligently pursuing approval and completion of the Project, and additional time is required to finalize and/or obtain all required approvals, Developer shall have the option to extend the Contingency Period for one additional thirty (30) day period by giving written notice to the EDA prior to the expiration of the Contingency Period.
- E. The EDA's obligations to convey the Property to Developer shall be subject to satisfaction of all of the following conditions precedent:
 - i. Developer shall not be in default under any term of this Agreement; and
 - ii. The Construction Plans for the Improvements shall have been approved by the City, the EDA and any other governmental agency other than the City and the EDA whose approval is required in order for Developer to construct and operate the Improvements; and

- iii. Developer shall have approved title to the Property or waived any objections to title in accordance with Article VI.

ARTICLE V

Closing

The closing of the purchase and sale contemplated by this Agreement shall occur on May 3, 2024, or within thirty (30) days after all contingencies have been waived or satisfied, whichever shall first occur (the “Closing Date”). The closing shall occur at the office of the Title Company or the main business office of the EDA, in the EDA’s sole and absolute discretion. On the Closing Date, EDA shall execute and/or deliver to Developer the following (collectively, “Closing Documents”):

- A. **Warranty Deed:** The Warranty Deed conveying the Property to Developer, free and clear of all encumbrances, except the permitted encumbrances hereafter defined. The conveyance of the Property and Developer’s use of the Property shall be subject to all of the conditions, covenants, restrictions and limitations imposed by this Agreement, the Declaration, and the Deed. The conveyance of title to the Property and Developer’s use of the Property shall also be subject to the City’s building and zoning laws and ordinances and all other applicable local, state and federal laws and regulations whether now existing or hereafter created. The Warranty Deed shall be promptly recorded. Developer shall pay all costs for recording the Warranty Deed and the EDA shall pay any applicable deed tax.
- B. **EDA’s Affidavit:** An Affidavit of Title by EDA (Uniform Conveyancing Blanks Form No. 118-M) indicating that on the Closing Date there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving EDA or the Property; that there has been no skill, labor or material furnished to the Property by EDA for which payment has not been made or for which mechanics’ liens could be filed (unless sufficient retainage has been escrowed to satisfy any outstanding payables); and that there are no other unrecorded interests in the Property, together with whatever standard owner’s affidavit and/or indemnity (ALTA Form) which may be required by the Title Company to issue an Owner’s Policy of Title Insurance with the standard exceptions waived.
- C. **FIRPTA Affidavit:** A non-foreign affidavit, properly executed and in recordable form, containing such information as is required by IRC Section 1445(b) (2) and its regulations.
- D. **Title Insurance Commitment:** A marked up title commitment for an owner’s policy of title insurance insuring that there are no liens or encumbrances against the Property other than the Permitted Encumbrances.
- E. **Date-Down Certificate:** A certificate confirming the accuracy, as of the Closing Date, of the representations and warranties set forth in Article II.
- F. **Other Documents:** All other documents reasonably required to transfer the Property to Developer in accordance with the terms of this Agreement.

On the Closing Date, Developer will execute and/or deliver to EDA the following (collectively, “Developer’s Closing Documents”):

- G. **Purchase Price.** The balance of the Purchase Price by cashier’s check or wire transfer.
- H. **Title Documents:** Such affidavits of Developer, Certificates of Value or other documents as may be reasonably required by the Title Company in order to record the Developer’s Closing Documents and issue the Title Insurance Policy required by this Agreement.

- I. **Date-Down Certificate:** A certificate confirming the accuracy, as of the Closing Date, of the representations and warranties set forth in Section.
- J. **Certificate of Insurance:** The certificate of insurance required by Article VIII hereof.

The EDA and Developer agree to the following prorations and allocation of costs regarding this Agreement:

- K. **Title Insurance and Closing Fee.** EDA will pay all costs of providing a commitment for owner's title insurance, certified to date, Developer will pay the premium required for the issuance of any Lender's or Owner's Title Insurance Policy issued in connection with Developer's purchase of the Property. EDA and Developer will each pay one-half of any reasonable and customary closing fee or charge imposed by the Title Company.
- L. **Real Estate Taxes.** On or before the Closing, EDA shall pay all real estate taxes, and any penalties and interest thereon due and payable with respect to the Property in the year of Closing and all years prior to the year of Closing, including all deferred taxes (including any so-called "Green Acres" taxes) attributable to the year of Closing or years prior to the year of Closing. Developer shall pay all real estate taxes due and payable in years following the year of Closing. The EDA makes no representation whatsoever with respect to the amount of real estate taxes payable by Developer from and after the date of execution of this Agreement or with respect to the classification of the Property and Improvements for real estate tax purposes.
- M. **Special Assessments.** EDA shall apply all of the net proceeds of this sale to the special assessments levied, pending or otherwise of record against the Property as of the date of this Agreement. Any remaining unpaid assessment shall be assumed by the Developer.
- N. **Recording Costs.** EDA will pay the cost of recording all documents necessary to place record title in the condition warranted by EDA in this Agreement. Developer will pay the cost of recording all other documents.

ARTICLE VI

Title

Title Examination will be conducted as follows:

- A. **Title Evidence.** Within fifteen (15) days after written request by Developer to EDA, but no later than sixty (60) days after execution of this Agreement by all parties hereto, EDA shall deliver to Developer, a title commitment issued by Title Company for an ALTA Owner's Policy of Title Insurance committing to insure title to the, in the amount of the Purchase Price, issued by the Title Company. The Title Commitment will commit the Title Company to insure title to the Property subject only to the Permitted Encumbrances (as defined in Article VI.B of this Agreement) and shall include a Special Assessment Search and be accompanied by copies of each document evidencing liens and encumbrances affecting the Property (Any such evidence of title so provided by EDA shall hereafter be referred to as the "Title Evidence").
- B. **Developer's Objections.** Within twenty (20) days after receiving the Title Evidence, Developer will make written objections ("Objections") to the condition of the title to the Property. Developer's failure to make Objections within such time period will constitute a waiver of Objections. Any matter shown on such Title Evidence and not objected to by Developer shall be a "Permitted Encumbrance" hereunder. EDA will have sixty (60) days after receipt of the Objections to cure the Objections or elect to cancel this Agreement, during which period the

First Closing will be postponed as necessary. EDA shall use its best efforts to correct any Objections to title. If the Objections are not cured within such sixty (60) day period, Developer will have the option to do any of the following:

- i) Terminate this Agreement and receive a refund of the Earnest Money.
- ii) Waive the Objections and proceed to close.

ARTICLE VII

Construction of the Improvements

Developer agrees to construct the Improvements in accordance with the Construction Plans, and at all times operate and maintain, preserve and keep the Improvements or cause the Improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition. Developer agrees to following terms of construction Improvements:

- A. Construction Plans. Developer will submit preliminary Construction Plans for the Improvements to the EDA for approval prior to Closing Date. The Construction Plans shall be deemed approved by the EDA unless rejected in whole or in part by written notice by the EDA to Developer setting forth in detail the reasons thereon. Such rejection must be made within ten (10) days after receipt of the Construction Plans. The Construction Plans will provide for the construction of the Improvements. No approval by the EDA shall relieve Developer of the obligation to comply with the terms of this Agreement, applicable federal, state and local laws, ordinances, rules and regulations, or to construct the Improvements. No approval by the EDA shall constitute a waiver of an Event of Default.
- B. If Developer desires to make any change in the Construction Plans after their approval by the EDA, Developer shall submit the proposed change to the EDA for approval. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section with respect to such previously approved Construction Plans, the EDA shall approve the proposed change and notify Developer in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by the EDA unless rejected, in whole or in part, by written notice by the EDA to Developer, setting forth in detail the reasons therefore. Such rejection shall be made within ten (10) days after receipt of the notice of such change.
- C. Subject to Unavoidable Delays, Developer shall complete construction of the Improvements by December 31, 2025. Further, the conveyance to Developer shall be subject to the terms and conditions of Minnesota Statutes Section 469.090 -469.108; and in particular, Developer agrees that it shall begin work on the Improvements to the Property to devote it to the Project no later than one (1) year from the date of conveyance of the Property to Developer as required by Minnesota Statutes Section 469.105.
- D. All work with respect to the Improvements shall be in conformity with the Construction Plans as submitted by Developer and approved by the EDA. Developer agrees for itself, its successors and assigns, and every successor in interest to the Property, or any party thereof, that Developer, and such successors and assigns, shall diligently prosecute to completion the construction of the Improvements thereon, and that such construction shall, in any event, be completed within the period specified in this Section. It is intended and agreed that such agreements and covenants shall be covenants running with the Property 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 the Agreement itself, be, to the fullest extent permitted by law and equity,

binding for the benefit of the EDA and enforceable by the EDA against Developer and successors and assigns.

- E. All work with respect to the Improvements shall be in conformity with necessary City zoning and building code requirements. Developers agrees to submit necessary construction plans to City and obtain any necessary construction permits prior to commencement of construction.

ARTICLE VIII

Insurance

The Developer will provide and maintain or cause to be provided and maintained at all times during the process of constructing the Improvements and, from time to time at the request of the EDA, furnish the EDA with proof of payment of premiums on:

- A. Builder's risk or hazard insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Improvements at the date of completion, and with coverage available in nonreporting form on the so called "all risk" form of policy.
- B. Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations, Broadening Endorsement including contractual liability insurance) together with an Owner's Contractor's Policy with aggregate limits against bodily injury and property damage of not less than \$1,000,000, which may include or utilize an umbrella policy for compliance.
- C. Worker's compensation insurance, with statutory coverage and employer's liability protection. In lieu of such worker's compensation insurance, a certificate of self insurance, reasonably satisfactory to EDA, shall be deemed compliance herewith.
- D. Upon completion of construction of each unit of the Improvements and prior to the Developer's sale of the Property to a purchaser or the expiration of the EDA's Right of First Refusal contained in the Deed, whichever comes first, the Developer shall maintain, at its cost and expense, and from time to time at the request of the EDA shall furnish proof of the payment of premiums on, insurance as follows relative to such Improvements.
- E. Insurance against loss and/or damage to the unit under a policy or policies covering such risk as are ordinarily insured against by similar businesses, including (without limiting the generality of the foregoing) fire, extended coverage, all risk vandalism and malicious mischief, boiler explosion, water damage, demolition cost, debris removal, and collapse in an amount not less than the full insurable replacement value of the Improvements, but any such policy may have a deductible amount of not more than \$5,000. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without the prior consent thereto in writing by the EDA. The term "full insurable replacement value" shall mean the actual replacement cost of the Improvements (excluding foundation and excavating costs and costs of underground flues, pipes, drains and other uninsurable items) and equipment, and shall be determined from time to time at the request of the EDA, but not more frequently than once every three (3) years, by an insurance consultant or insurer, selected and paid for by the Developer and approved by the EDA.
- F. Comprehensive general liability insurance, including personal injury liability (with employee exclusion deleted), and automobile insurance, including owned, non-owned and hired automobiles, against liability for injuries to persons and/or property, in the minimum amount for each year of \$2,000,000, for public liability and shall be endorsed to show the EDA as

- additional insured. Other insurance, including comprehensive general liability insurance and worker's compensation insurance, consistent with the requirements of (A) above.
- G. Such other insurance, including worker's compensation insurance respecting all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of its liability for worker's compensation.
 - H. All insurance required in this Article VIII of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of the State to assume the risk covered thereby. The Developer will deposit annually with the EDA binders evidencing all such insurance, or a certificate or certificates of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article VIII of this Agreement each policy shall contain a provision that the insurer shall not cancel or modify it without giving written notice to the Developer and the EDA at least thirty (30) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, the Developer shall furnish the EDA evidence satisfactory to the EDA that the policy has been renewed or replaced by another policy conforming to the provisions of this Article VIII of this Agreement, or that there is no necessity therefore under the terms hereof. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policy, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the EDA a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Improvements.
 - I. The Developer agrees to notify the EDA immediately in the case of damage to or destruction of, the Improvements or any portion thereof resulting from fire or other casualty. In the event of any such damage or destruction, the Developer will forthwith repair, reconstruct and restore the Improvements to substantially the same or an improved condition or value as existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction and restoration, the Developer will apply the Net Proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof.
 - J. The Developer shall complete the repair, reconstruction, and restoration of the Improvements, whether or not the Net Proceeds of insurance received by the Developer for such purposes are sufficient to pay for the same. Any Net Proceeds remaining after completion of such repairs, construction and restoration shall be remitted to the Developer.

ARTICLE IX

Developer's Financing and Other Contingencies

In the event Developer has obtained a preliminary commitment for financing for the purchase of the Property and construction of the Improvements, Developer agrees that on or before the Contingency Date, Developer shall provide to the EDA evidence that Developer has secured financing sufficient to construct the Improvements.

- A. In order to facilitate Developer obtaining financing for development of the Improvements, the EDA agrees that it will subordinate its right to cancel this Agreement and retake title to the Property as set forth in the Deed to the lien of an approved Mortgage. In addition, any Mortgage shall provide the Holder thereof, upon the giving of a notice of a default by Developer under the

Mortgage, provide notice of such default to the EDA at the same time as it provides notice of default to Developer.

- B. If the above contingencies have not been satisfied or waived on or before May 3, 2024 by all parties (the “Contingency Period”), then this Agreement may be terminated by either party, by written notice from one party to the other party. Upon such termination, the parties to this Agreement shall execute a certificate in recordable form evidencing the termination of this Agreement. Upon termination in accordance with this Section the Earnest Money shall be refunded to Developer and upon such return, this Agreement shall become null and void and neither party will have any further rights or obligations regarding this Agreement and Developer shall have no further rights in the Property.

ARTICLE X

Assignment and Transfer

Developer represents and agrees that Developer’s purchase of the Property, and Developer’s other undertakings pursuant to the Agreement, are, and will be, for the purpose of development of the Property and not for speculation in land holding. Developer further recognizes the importance of the development of the Property to the general welfare of the community and that any act or transaction involving or resulting in a change in the identity of Developer is of particular concern to the community and the EDA. Developer further recognizes that the EDA is entering into the Agreement with Developer, and, in so doing, is willing to accept and rely on the obligations of Developer for the faithful performance of all undertakings and covenants hereby by Developer to be performed. For the foregoing reasons, Developer represents and agrees, prior to the first anniversary date of the Deed:

- A. Except only by way of security for, and only for, the purpose of obtaining financing necessary to enable Developer or any successor in interest to the Property or any part thereof, to perform their obligations with respect to making the Improvements under the Agreement, any other purpose authorized by the Agreement, Developer (except as so authorized) has not made or created, and that they 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, the Agreement or the Property or any part thereof or any interest therein, or any contract or agreement to do any of the same without the prior written approval of the EDA.
- B. The EDA shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such approval that:
- i. Any proposed transferee shall have the qualifications and financial responsibility, as determined by the EDA, necessary and adequate to fulfill the obligations undertaken in the Agreement by Developer (or, in the event the transfer is of or relates to part of the Property, such obligations to the extent that they relate to such part).
 - ii. Any proposed transferee, by instrument in writing satisfactory to the EDA and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the EDA, has expressly assumed all of the obligations of Developer under this Agreement and agreed to be subject to all the conditions and restrictions to which Developer is subject (or, in the event the transfer is of or relates to part of the Property, such obligations, conditions and restrictions to the extent that they relate to such part).
 - iii. Developer remains obligated to perform the obligations hereunder.
- C. The EDA may, in its sole discretion, waive the requirements of Article X, Section B hereof with respect to a specified transfer, assignment or lease, if it determines, in its sole discretion, that the

specified transfer, assignment or lease does not, as a practical matter, result in or involve a significant change in the identity of the parties in control of Developer or the parties responsible for the performance of the obligations of Developer under this Agreement.

ARTICLE XI Events of Default

The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement (unless the context otherwise provides), any one or more of the following events:

- A. Failure by Developer to complete construction of the Improvements within the time limits and pursuant to the terms, conditions and limitations of this Agreement.
- B. Failure by Developer to substantially observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed hereunder.
- C. There occurs any of the following:
 - i. Developer files any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under United States Bankruptcy Laws or any similar Federal or State Laws; or
 - ii. Developer makes an assignment for the benefit of its creditors; or
 - iii. Developer admits, in writing, its inability to pay its debts generally as they become due; or
 - iv. Developer is adjudicated, bankrupt or insolvent.
- D. There occurs a default by Developer under a mortgage or other instrument securing Developer's financing permitted under this Agreement, the Holder of such Mortgage exercises its remedies as a result of such default, such exercise of remedies adversely affects Developer's interest in the Property, and Developer does not cure the basis for the default within the applicable notice and cure period.
- E. Whenever any Event of Default referred to in Article XI of this Agreement occurs, the EDA may take any one or more of the following actions after providing fifteen (15) days written notice to Developer of the Event of Default, but only if the Event of Default has not been cured within said fifteen (15) days or, if the Event of Default cannot be cured within fifteen (15) days, Developer does not provide assurances to the EDA reasonably satisfactory to the EDA that the Event of Default will be cured and will be cured as soon as reasonably possible:
 - i. Suspend its performances under the Agreement until it receives assurances from Developer, deemed adequate by the EDA, that Developer will cure its default and continue its performance under the Agreement; or
 - ii. Cancel and rescind the Agreement; or
 - iii. Take whatever action, including legal or administrative action, which may appear necessary or desirable to the EDA to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement or covenant of Developer under this Agreement.
- F. Whenever any Event of Default occurs and the EDA shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of Developer under this Agreement, Developer agrees that it shall, within thirty (30) days of written demand by the EDA, pay to the EDA the reasonable fees of such attorneys and such other expenses so incurred by the EDA.

G. In the event that subsequent to conveyance of the Property or any part thereof to Developer (or its successor in interest) shall either:

- (i) fail to begin construction of the Improvements in conformity with this Agreement, and such failure to begin construction shall not be cured within thirty (30) days after written notice to do so; or
- (ii) after commencement of the construction of the Improvements, default in or violate its obligations with respect to the construction of the Improvements (including the nature and the date for the completion thereof), or shall abandon or substantially suspend construction work, and any such default, violation, abandonment or suspension shall not be cured, ended or remedied within thirty (30) days after written demand by the EDA so to do; then the EDA shall have the option to re-enter and take possession of the Property and to terminate (and re-vest in the EDA) the estate conveyed by the Deed to Developer. The Developer acknowledges and agrees that it is the intent of this Agreement that the conveyance of the Property to Developer is being made conditionally upon Developer's assurances and promises to the EDA that Developer shall satisfy all of the obligations imposed upon Developer under the terms of this Agreement without the occurrence of an Event of Default which is not cured within the time and in the manner prescribed by Article XI hereof. In the event that Developer shall fail to perform the obligations imposed upon Developer under the terms of this Section or fails to cure an Event of Default within the time and in the manner prescribed by Article XI hereof, then the EDA at its option, may declare a termination in favor of the EDA of the title, and of all the rights and interests in and to the Property conveyed to Developer, and that such title and all rights and interests of Developer, and any assigns or successors in interest to and in the Property, shall revert to the EDA. In the event the title to the Property reverts to the EDA the Developer agrees to promptly execute and deliver to the EDA all documents reasonably requested of Developer by the EDA to evidence that title to the Property has reverted to the EDA. This provision may be enforced by an action in law or in equity or both with reasonable attorneys fees awarded to the EDA.

H. The option to revert title reserved to the EDA under Article XI of this Agreement shall be subordinate to any first mortgage upon the Property granted by the Developer.

I. Upon the EDA becoming re-vested, pursuant to Article XI hereof, with good and marketable title to the Property free and clear of all liens and encumbrances arising from any actions of Developer, Developer shall be relieved of any further obligations to the EDA under this Agreement. Provided, however, that Developer shall be entitled to recover or be repaid any monies paid by it to the EDA under this Agreement prior to the title to the Property becoming re-vested in the EDA less:

- (i) the amount of any liens or encumbrances on the Property;
- (ii) any costs or expenses incurred by the EDA in recovering the Property;
- (iii) any diminution in value of the Property since the time of the original conveyance from the EDA to Developer; and
- (iv) any costs incurred by the EDA from the original closing including any recording fees, closing fees, title insurance premiums and deed taxes. For purposes of this, the determination that the EDA has become re-vested with good and marketable title to the Property free and clear of all liens and encumbrances arising from any actions of Developer shall be made by the EDA in its reasonable discretion.

ARTICLE XII
Miscellaneous Provisions

The EDA shall execute and deliver to Developer an appropriate certificate in recordable form upon the completion of the construction of the Improvements by Developer in accordance with this Agreement. Such certificate shall be in form of the one attached hereto as Exhibit F.

- A. No remedy herein conferred upon or reserved to the EDA 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. In order to entitle the EDA to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article XII.
- B. In the event any term or provision contained in this Agreement should be breached by Developer and thereafter waived by the EDA, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.
- C. All of the terms of this Agreement will survive and be enforceable after the Closing.
- D. Any notice or communication required or permitted to be given by any party to the other shall be in writing and shall be deemed to have been given in accordance with this Agreement if it is delivered personally to EDA or Developer or an authorized representative of a party hereto; or if mailed to either EDA or Developer by United States registered or certified mail, return receipt requested, postage prepaid; or if transmitted by facsimile copy followed by mailed notice; or if transmitted by electronic mail followed by mail notice; or if deposited cost paid with a nationally recognized overnight courier, properly addressed as follows:

In case of the EDA:

Cook County/Grand Marais Joint Economic Development Authority
Attn: Executive Director
P.O. Box 597, 425 W Highway 61, Suite B
Grand Marais, MN 55604

In the Case of Developer:

Attn: Jeremy Larson
PO Box 533
Grand Marais, MN 55604

- E. Personal or facsimile mail deliveries shall be deemed effective the date sent. Overnight courier deliveries shall be deemed effective one (1) business day after the date sent. Mailed notices shall be deemed effective two (2) business days after the date of mailing. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified, ten (10) days prior to the effective date of such change.
- F. No member, official, or employee of the EDA shall be personally liable to Developer, or any successor in interest, in the event of any default or breach or for any amount which may become due to Developer or any successor interest on any obligations under the terms of the Agreement.
- G. Developer agrees for itself, and its successors and assigns, and every successor in interest to the Property, or any part thereof, that Developer, and such successors and assigns, shall devote one hundred (100%) percent of the Improvements on the Property to commercial uses, and only to and

- in accordance with, the terms and uses specified in the Agreement and shall use such property solely for the uses specified in the Agreement until five (5) years from the Time of Conveyance.
- H. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring an interest in the Property. No deed shall be deemed to affect or impair the provisions and covenants of this Agreement. The provisions of this Agreement shall run with the land and be binding upon and inure to the benefit of the parties hereto and their successors and assigns until five (5) years from the date of the Second Closing.
 - I. Release and Indemnification Covenants shall state Developer release to the City, the EDA, and it's members, officers, agents, servants, and employees (the "Released Parties") from liability and covenants and agrees that the Released Parties shall not be liable for, and agrees to indemnify and hold harmless the Released Parties against any loss or damage to property or injury to or death of any person occurring at or about or resulting from any defect in the Improvements.
 - J. Developer agrees to protect and defend the Released Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever, other than Developer, arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Improvements.
 - K. The Released Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the Property or Improvements due to any act of negligence of any person other than the Released Parties.
 - L. All covenants, stipulations, promises, agreements and obligations of the EDA contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the EDA and not of any governing body member, officer, agent, servant or employee of the EDA in the individual capacity thereof. Notwithstanding the foregoing, the protections granted to the Released Parties under subparagraphs (a) through (d) above shall not extend to any Released Party who has made any willful misrepresentation, or whose willful or wanton conduct or gross negligence has resulted in damage to Developer or any other person.
 - M. Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the following named parties or any misstatement of fact or representation contained herein, the EDA agrees to protect and defend Developer, its officers, agents, servants and employees thereof, now or forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever, other than the EDA, arising or purportedly arising from the EDA's activities with respect to or ownership of the Property prior to the date that the Property is conveyed to Developer.
 - N. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.
 - O. This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver or modification of any of its terms will be effective unless in a writing executed by the parties.

- P. This Agreement binds and benefits the parties and their successors and assigns.
- Q. This Agreement has been made under the laws of the State of Minnesota, and such laws will control its interpretation.
- R. EDA and Developer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint venturers or partners.
- S. If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, expires on a Saturday, Sunday or legal or bank holiday, then such time period will be automatically extended through the close of business on the next regularly scheduled business day.

ARTICLE XIII
Termination Date

This Agreement may be terminated by Developer in Developer’s sole discretion and be of no further force and effect if the EDA has not executed and delivered the Deed to Developer hereunder by May 3, 2024. Developer may exercise this right to termination at any time after said date by written notice thereof to the EDA.

ARTICLE XIV
Business Subsidies Law

Developer and the EDA have discussed the Minnesota Business Subsidies Law, Minnesota Statutes §116J.993, through §116J.995 and its application to this transaction. Developer has advised the EDA and the EDA hereby agrees that the sales price of the Property is a fair market sales price, and that the EDA has made no business subsidy within the meaning of Minn. Statutes Section 116J.993, Subdiv. 3 to Developer.

Accordingly, Developer and the EDA have determined that the Minnesota Business Subsidies Law is not applicable to this transaction.

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EXHIBIT A

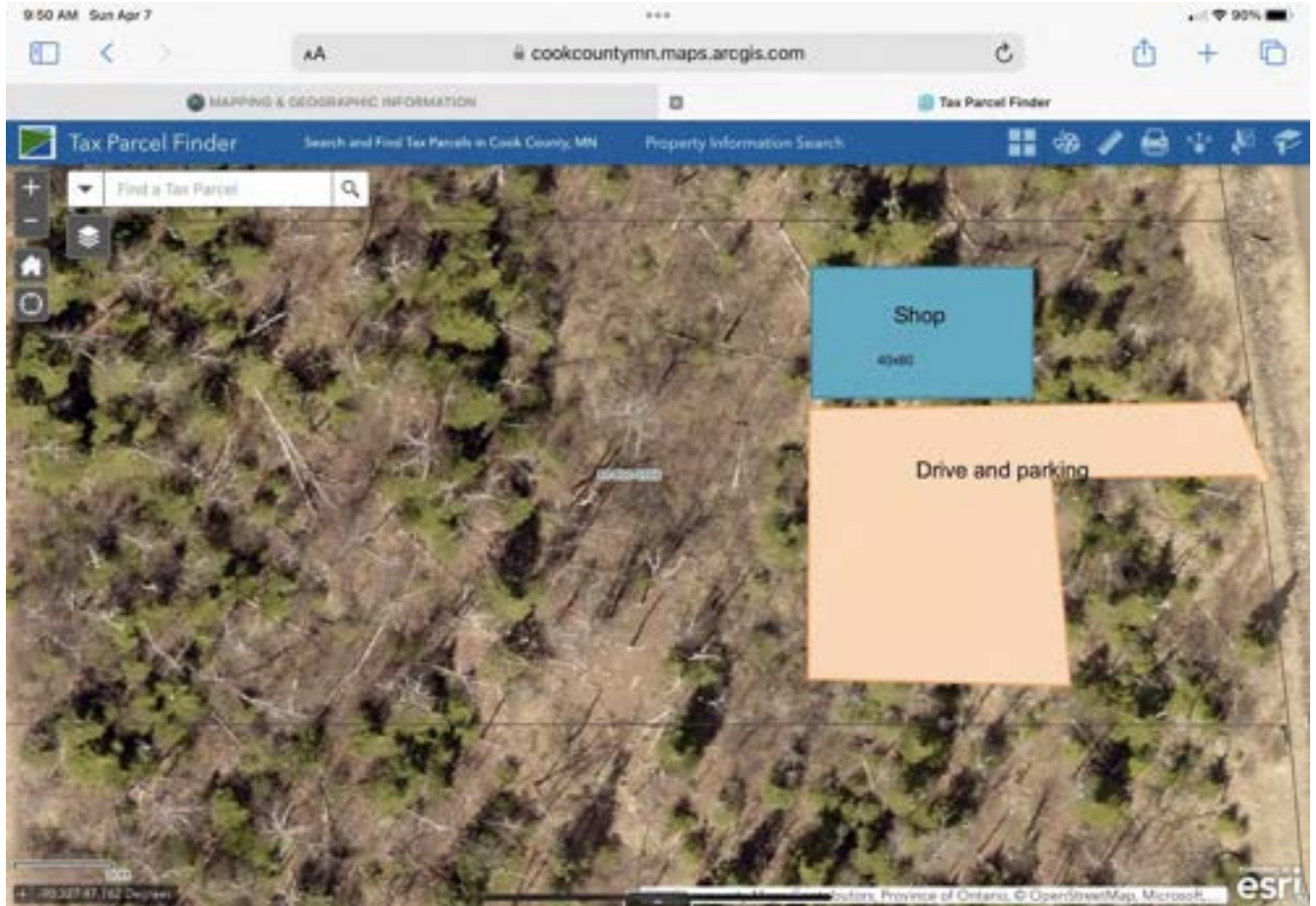
Legal Property Description

The real property legally described as follows:

Lot 6, Block 5, CEDAR GROVE BUSINESS PARK, Cook County, Minnesota

80-800-0506

Exhibit B
Construction Plans



**COOK COUNTY AND GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY
STATE OF MINNESOTA
COOK COUNTY**

RESOLUTION NO. 2024-19

**RESOLUTION ADOPTING COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT
AUTHORITY BUSINESS DEVELOPMENT FUND GRANT PROGRAM GUIDELINES**

WHEREAS, the Cook County/Grand Marais Joint Economic Development Authority (“EDA”) operates is Business Development Fund Grant Program (“Program”) utilizing a portion of its annual levy; and

WHEREAS, the Program was created to support small businesses and entrepreneurs and encourage private/public investment and partnerships that will contribute to positive economic development in Cook County.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners hereby adopt the Program Guidelines and administer the program according to said criteria.

_____ Ex. Dir.

April 16, 2024

STATEMENT OF PURPOSE:

The purpose of this resolution is to authorize the EDA Board of Commissioners to adopt Program Guidelines for the Business Development Fund Grant Program, establishing program objectives, eligibility, procedure and application process.

Board member _____ moved the adoption of the foregoing resolution, and said motion was duly seconded by Board member _____, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared adopted by the Cook County and Grand Marais Joint Economic Development Authority this 16th day of April 2024.

ATTEST:

Steve Surbaugh – Board President

**COOK COUNTY AND GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY
STATE OF MINNESOTA
COOK COUNTY**

RESOLUTION NO. 2024-20

**RESOLUTION ADOPTING AMENDED COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT
PROCUREMENT POLICY**

WHEREAS, the Cook County/Grand Marais Joint Economic Development Authority (“EDA”) adopted a procurement policy on October 17, 2013 via resolution 2023-14; and

WHEREAS, to incorporate additional procedures and establish best practices for both the EDA and Superior National at Lutsen Golf Course, the EDA desires to amend said policy.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners hereby adopt the amended procurement policy, substantially in the form attached hereto as Exhibit A, and administer the policy according to said criteria.

_____ Ex. Dir.

April 16, 2024

STATEMENT OF PURPOSE:

The purpose of this resolution is to authorize the EDA Board of Commissioners to adopt an amended procurement policy for the EDA and Superior National at Lutsen Golf Course, consistent with the attached Exhibit A, establishing purchasing requirements, guidelines and procedures.

Board member _____ moved the adoption of the foregoing resolution, and said motion was duly seconded by Board member _____, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared adopted by the Cook County and Grand Marais Joint Economic Development Authority this 16th day of April 2024.

ATTEST:

Steve Surbaugh – Board President



Cook County/Grand Marais Joint Economic Development Authority

Procurement Policy

Adopted on: October 17, 2023

Amended on: April 16, 2024

I. Purpose

In order to have consistency and uniformity in the purchasing practices of the Cook County/Grand Marais Joint Economic Development Authority (“EDA”), it is essential for those authorized to purchase goods or services to have a clear understanding of the purchasing policy and its requirements. The following information is intended to serve as a guide for purchasing practices of the EDA and Superior National at Lutsen Golf Course (“SNL”), which is owned and operated by the EDA. This policy was created to:

- Clarify requirements of state purchasing law, most importantly the Uniform Municipal Contracting Law (Minn. Stat. § 471.345).
- Clarify various departmental procedures and staff processes
- Provide a resource manual for staff
- Assure the EDA Board of Commissioners that controls regarding purchasing are well established and adhered to

II. Definitions

Automated Clearing House (AHC): means a computer-based electronic network secure for processing transactions between participating financial institutions which may support both credit transfers and direct debits.

Award: means a written acceptance of a bid or proposal to provide goods, services, construction or utilities, which shall be binding upon contract execution.

Contract: means any written instrument or electronic document containing the elements of offer, acceptance, and consideration to which the EDA or SNL is a party, including an amendment to or extension of a contract for purchase of supplies, materials, equipment, or the construction, alteration, repair or maintenance of real or personal property.

Department Head: means the Executive Director of the EDA and Business Manager of SNL or their assigned.

Direct Negotiation: means a direct solicitation with a specific vendor or individual without requesting or obtaining additional quotes.

Director: means the Executive Director of the EDA.

EDA: means the Cook County/Grand Marais Joint Economic Development Authority.

Formal Solicitation: means a solicitation which requires a sealed response. This includes Requests for Bids and Requests for Proposals.

Informal Solicitation: means a solicitation which does not require a sealed response. This includes request for quotes.

Open Market: means obtaining two or more quotations for a purchase or sale when possible, and without advertising for bids but otherwise complying with the requirements of competitive bidding.

Professional Services Agreement (PSA): means any contract or agreement entered into by the EDA for services that do not fall under the definition of Contract.

Request for Information (RFI): means non-binding input from interested parties for a forthcoming solicitation. RFI is used to obtain comments, feedback or reactions from potential suppliers or vendors prior to the issuing of a solicitation. Contracts are not awarded based on an RFI. Solicitations are produced based on results of an RFI.

Request for Proposal (RFP): means a formal solicitation that may be a single or multi-step process. It is used when it is not advantageous to set forth all the actual, detailed requirements at the time of a solicitation. Responses may be negotiated to achieve best value for the EDA in which the price is not always the primary evaluation factor. RFP provides for the negotiation of terms, including price, prior to contract award.

Request for Quotes (RFQ): means an informal solicitation for goods or services in which responses are received by letter, email or other manner. RFQs are not subject to formal bidding requirements.

Sealed: means a method of the solicitation process to prevent the contents from being revealed or known before the deadline for submission of responses.

Solicitation: means the process used to communicate procurement requirements and to request responses from interested vendors.

Superior National at Lutsen Golf Course (SNL): means the 27-hole public golf course in Lutsen, Minnesota which is owned and operated by the EDA.

III. Bidding and Purchasing Requirements for Cook County/Grand Marais Joint EDA

Value of Purchase	Required Method of Procurement	Payment Options	Approvals Required
Less than \$2,000	Pursue best price through direct negotiation or open market	Credit Card Check Request AHC	Department Head EDA Board Treasurer EDA Board X
\$2,000 - \$5,000	Pursue best price through direct negotiation or open market	Credit Card Check Request AHC	Department Head EDA Board Treasurer EDA Board X X
\$5,001 - \$9,999	Pursue best price through direct negotiation or open market	Check Request	Department Head EDA Board Treasurer EDA Board X X X
\$10,000 - \$24,999	Two written quotes or RFPs, when possible, otherwise pursue open market	Check Request	Department Head EDA Board Treasurer EDA Board X X X
\$25,000 - \$174,999	Sealed bid or direct negotiation, by obtaining two or more quotations and without advertising for bids *Construction contracts in excess of \$50,000 require responsible contractor verification. See Section XI.	Check Request	Department Head EDA Board Treasurer EDA Board X X X
Greater than \$175,000	Sealed bids with public notice process; "best value" alternative an option per §471.345 Subd. 3a.	Check Request	Department Head EDA Board Treasurer EDA Board X X X

Notes:

- Department Heads are responsible for collection and retention of all materials, bids, quotes, purchasing agreements, and professional service agreements used in the purchasing process.
- For purchases that have subsequent increases in cost (i.e. change orders), the increases are to be approved in accordance with the Reference Guide above for the total contract price (original plus subsequent increases). This may result in additional required approvals or quotations needed. For contracts that were originally less than \$10,000 but then later increased above \$10,000 but below \$25,000 the EDA must solicit at least two quotes for remaining work, when possible.
- Purchases and contracts totaling more than \$5,000 must be authorized by the EDA Board of Commissioners.

IV. Bidding and Purchasing Requirements for Superior National at Lutsen Golf Course

Value of Purchase	Required Method of Procurement	Payment Options	Approvals Required	
Up to \$9,999	Pursue best price through direct negotiation or open market	Credit Card Check Request AHC	Department Head EDA Board Treasurer EDA Board	X
\$10,000 - \$24,999	Two written quotes or RFPs, when possible, otherwise pursue open market	Check Request	Department Head EDA Board Treasurer EDA Board	X X
\$25,000 - \$174,999	Sealed bid or direct negotiation, by obtaining two or more quotations and without advertising for bids *Construction contracts in excess of \$50,000 require responsible contractor verification. See Section XI.	Check Request	Department Head EDA Board Treasurer EDA Board	X X
Greater than \$175,000	Sealed bids with public notice process; "best value" alternative an option per §471.345 Subd. 3a.	Check Request	Department Head EDA Board Treasurer EDA Board	X X X

Notes:

- Department Heads are responsible for collection and retention of all materials, bids, quotes, purchasing agreements, and professional service agreements used in the purchasing process.
- For purchases that have subsequent increases in cost (i.e. change orders), the increases are to be approved in accordance with the Reference Guide above for the total contract price (original plus subsequent increases). This may result in additional required approvals or quotations needed.
- Purchases and contracts totaling more than \$175,000 must be approved by the EDA Board of Commissioners.
- All expenditures for Superior National (operations and capital expenses), must be included in yearly budget approved by the EDA Board of Commissioners. Expenses that have not been approved as part of the yearly budget, require pre-approval from EDA Board Treasurer and may be subject to approval by the EDA Board of Commissioners.

V. Public Purpose Expenditure

EDA and SNL funds must be used for expenditures that have been authorized in the adopted budget. All expenditures made by EDA and SNL employees must be for a public purpose. An expenditure is made for a public purpose if it meets the following criteria:

- It will benefit the community as a body
- It is directly related to functions of the local unit of government
- It does not have its primary objective being the benefit of a private interest
- It is required to ensure operations of SNL golf course and pro shop

VI. Guidelines Regarding Certain Employee Expenditures

To ensure EDA and SNL funds are only used for public purpose in regard to certain employee expenditures, EDA and SNL employees must follow the following guidelines.

- Expenses Related to Work Assignments
 - The EDA may pay reasonable expenses directly related to the performance of a business activity including expenses for travel, lodging, and meals that are directly related to the performance of an employee's official job duties. All business activity expenses that require travel, lodging or meals must be pre-approved by the EDA President and Treasurer.
 - Employees must submit an expense cover sheet, as referenced in Exhibit A, for all work-related expenses during travel. Itemized receipts and documentation must be submitted with all expense forms to the EDA's bookkeeper and Treasurer.
- Employee Safety Programs
 - The EDA may pay reasonable expenses directly related to the operation of an employee safety program or training when it is required by law or the benefit of the program is clearly demonstrated and a written outline of the program is provided to the EDA President and Treasurer. All safety program expenses must be pre-approved by the EDA President and Treasurer.
- Employee Training and Development Programs
 - The EDA may pay reasonable registration, tuition, and travel expenses for a conference, seminar, workshop, or similar employee training or development opportunity when it is directly related to the performance of the employee's official job duties for the EDA or SNL.
 - All training and travel, budget or unbudgeted, must be pre-approved by the EDA President and Treasurer.
 - Employees must submit an expense cover sheet, as referenced in Exhibit A, for all work-related expenses during travel. Itemized receipts and documentation must be submitted with all expense forms to the EDA's bookkeeper and Treasurer.
- Meals and Refreshments
 - The EDA or SNL may pay reasonable meal and refreshment expenses when the meals or refreshments are provided as part of one of the following:
 - A structured agenda of a conference, workshop, seminar, or a meeting the employee is authorized by the EDA to attend.
 - An EDA or SNL sponsored meeting, conference or workshop where employee is required to attend and the majority of the participants are not EDA or SNL employees.
 - An official meeting of the EDA Board or SNL Board of Governors, or any official subcommittee or task forces, work groups or advisory committees, provided the provision of meals or refreshments is necessary to sustain the flow of the meetings and assist the participation of the attendees.
 - An EDA or SNL staff meeting when the meals or refreshments are an integral part of the formal meeting or training and are necessary to sustain the flow of the meeting, to retain the captain audience, and to assist the participation of those employees and attendees.
- Notes
 - Employees are reimbursed for the actual cost of a meal. Cost of a meal includes tax and a reasonable gratuity and does not include alcoholic beverages. An employee may claim reimbursement for lunch or dinner while on travel for a work assignment (defined as performing required work more than thirty-five (35) miles from permanent work station).

VII. Prohibited Expenditures

Following is a list of specifically prohibited expenditures.

-Alcoholic Beverages*

-Dues to Social Clubs

-Personal Purchases

- Artwork, Décor
- Entertainment
- Flowers (not for public purpose)
- Meals or refreshments to host consultants, contractors, or service providers to SNL or the EDA
- Employee Parties
- Lobbying
- Contributions or Donations
- Gifts of any kind
- Refreshments for routine meetings
- Decorations

**This item is not prohibited when purchased for SNL clubhouse operations to service guests in compliance with applicable licensing.*

VIII. Preapproved Purchases

The EDA Board may pre-approve payment for items such as utility accounts and payroll transfers that occur in the normal course of business even though they may exceed \$25,000. These are contractual accounts for services that are approved as part of the budget process. The exceptions that fall under this situation include:

- Utility Bills (fuel, natural gas, electricity, telephone, water, rent, broadband, TV)
- Environmental Services
- Fridge benefits and other payroll related items
- Insurance premiums
- Refuse hauling or collection
- Automotive gasoline and diesel fuel
- Professional services under contract approved by the EDA Board (i.e. bookkeeping, legal, SBDC)
- Mandated licenses, permits, and fees to the State and Federal Government

IX. Ethics/Relations with Vendors

Purchases shall be conducted so they foster public confidence in the EDA and SNL’s procurement system and encourage open and free competition amongst prospective suppliers. In keeping with these values, employees must avoid the following practices when making purchases:

- Circumventing competitive bidding requirements. Examples include but are not limited to:
 - Splitting purchases so they can be made through several small purchases
 - Using “sole source” exemption when competition is available
- Denying one or more vendors the opportunity to bid on a contract. Examples include but are not limited to:
 - Overly-restrictive specifications
 - Pre-qualifying bidders on a discriminatory basis
 - Removing companies from bid list without just cause
 - Requiring unnecessarily high bonding
- Giving vendors an unfair advantage. Examples include but are not limited to:
 - Provide vendors with information regarding their competitors offers in advance of a bid opening
 - Making information available to favored vendors and not to others
 - Giving un-favored vendors inaccurate or misleading information
- Accepting gifts from vendors
 - Minnesota Statutes §471.895 prohibits government employees from receiving gifts except where they are included as part of the cost of a product, good, or service provided
- Receiving any kickback, bribe, or rebate directly or indirectly

X. Company Issued Credit or Debit Cards

The EDA and SNL have the authority to make purchases using credit and/or debit cards (“cards”). The use of cards by employees for EDA/SNL business is not a method of creating debt, therefore all card balances shall be paid off on a

monthly basis without delinquency fees. Failure by authorized employee to submit necessary documentation to bookkeeper in a timely manner will require the discontinued use of the card. These guidelines are intended to protect the EDA and SNL and the employee. All employees entrusted with a card shall be responsible for complying with these guidelines.

Authorized Employees

The EDA Board Treasurer has the authority to assign, remove, or modify users and account balances for the EDA and SNL card program. The Treasurer will assign daily and monthly purchase limits for authorized employees. Employees authorized to use cards must sign a Card User Agreement, Attachment B, noting card policy, procedure for use, and card holder responsibility. Cards must be kept in a secure location when not in use. Only EDA and SNL employees are authorized to use EDA issued purchasing cards.

Authorized Purchases

Cards must be used for expenditures authorized in the adopted budget and as defined in Sections IV, V and VI of this policy. Since the use of the card is restricted to purchases for the EDA and SNL, all purchases must be for the public purpose. Employees that make purchases that are not authorized by the EDA may become personally liable for the amount of the purchase.

Detailed Receipts

Detailed receipts must be submitted to the EDA bookkeeper and Treasurer by the 5th of every month covering the previous months purchases. Employees shall include an Expense Cover Sheet, Attachment A, with all receipts noting the proper expense code and purchase information. Failure to comply with the requirements of these guidelines will result in immediate revocation of card privileges.

XI. Responsible Contractor Minimum Requirements

A contractor must meet the minimum criteria as defined in Minnesota Statutes § 16C.285, subd. 3 to be eligible to be awarded a construction contract as the lowest responsible vendor or contractor. This applies to publicly owned or financed projects where the contracted work is estimated to exceed \$50,000 and is awarded pursuant to a lowest responsible bidder selection method or a best value selection method. A subcontractor must meet the minimum criteria established in Minnesota Statutes § 16C.285, subd. 3 to be eligible to be awarded a subcontract on the project regardless of the value of the subcontract.

A contractor responding to the EDA or SNL solicitation must submit a signed statement under oath of compliance with the minimum criteria identified in Minnesota Statutes § 16C.285, subd. 3. If that contractor is awarded the contract, then a supplemental verification under oath must be presented to the EDA and/or SNL that the contractor has received from all subcontractors' statements under oath that they also meet the minimum requirements of Minnesota Statutes § 16C.285, subd. 3. A copy of these required forms are attached as Exhibits C, C-1, and C-2.

Before making final settlement with any contractor under a contract requiring the employment of employees for wages by said contractor and by subcontractors, the EDA must obtain a certificate from the Commissioner of Revenue that the contractor or subcontractor has complied with the withholding information requirements of Minnesota Statutes §290.02 by submitting either Form IC134 or a Contractor's Withholding Affidavit Confirmation.

(<https://www.revenue.state.mn.us/sites/default/files/2019-01/ic134.pdf>)

EXHIBIT B



Credit/Debit Card User Agreement

I agree to the following regarding use of an EDA issued credit and/or debit Card:

1. I understand that I am making financial commitments on behalf of the Cook County/Grand Marais Joint Economic Development Authority (EDA) and will strive to obtain the best value for the EDA.
2. I understand that under no circumstances will I use the card to make non-EDA business purchases, whether for myself or for others.
3. I understand the use of the card to obtain cash is prohibited.
4. I have been given a copy of the Purchasing Policy, which I have read and understand the requirements for credit and/or debit card use.
5. I understand that the card must only be used for expenditures that have been authorized in the adopted budget of the EDA or Superior National at Lutsen Golf Course (SNL).
6. I will follow the established procedures for use of the card. Failure to do so may result in either loss of privileges or other disciplinary actions, including termination of my employment.
7. I agree that should I willfully violate the terms of this agreement; I will reimburse the EDA for all incurred charges and fees related to the collection of those charges.
8. I understand that any fees or interest charged by the card company because of late payments due to untimely submission of receipts and records to the EDA bookkeeper will be my responsibility and will not be paid from EDA funds.

Employee Name (Print)

Employee Signature

Date

ATTACHMENT C

RESPONSIBLE CONTRACTOR VERIFICATION AND CERTIFICATION OF COMPLIANCE

PROJECT TITLE: _____

This form includes changes by statutory references from the Laws of Minnesota 2015, chapter 64, sections 1-9.

This form **must** be submitted with the response to this solicitation. **A response received without this form, will be rejected.**

Minn. Stat. § 16C.285, Subd. 7. IMPLEMENTATION. ... any prime contractor or subcontractor or motor carrier that does not meet the minimum criteria in subdivision 3 or fails to verify that it meets those criteria is not a responsible contractor and is not eligible to be awarded a construction contract for the project or to perform work on the project...

Minn. Stat. § 16C.285, Subd. 3. RESPONSIBLE CONTRACTOR, MINIMUM CRITERIA. "Responsible contractor" means a contractor that conforms to the responsibility requirements in the solicitation document for its portion of the work on the project and verifies that it meets the following minimum criteria:

1. The Contractor:

- (i) is in compliance with workers' compensation and unemployment insurance requirements;
- (ii) is in compliance with Department of Revenue and Department of Employment and Economic Development registration requirements if it has employees;
- (iii) has a valid federal tax identification number or a valid Social Security number if an individual; and
- (iv) has filed a certificate of authority to transact business in Minnesota with the Secretary of State if a foreign corporation or cooperative.

2. The contractor or related entity is in compliance with and, during the three-year period before submitting the verification, has not violated section 177.24, 177.25, 177.41 to 177.44, 181.13, 181.14, or 181.722, and has not violated United States Code, title 29, sections 201 to 219, or United States Code, title 40, sections 3141 to 3148. For purposes of this clause, a violation occurs when a contractor or related entity:

- (i) repeatedly fails to pay statutorily required wages or penalties on one or more separate projects for a total underpayment of \$25,000 or more within the three-year period, provided that a failure to pay is "repeated" only if it involves two or more separate and distinct occurrences of underpayment during the three-year period;
- (ii) has been issued an order to comply by the commissioner of Labor and Industry that has become final;
- (iii) has been issued at least two determination letters within the three-year period by the Department of Transportation finding an underpayment by the contractor or related entity to its own employees;
- (iv) has been found by the commissioner of Labor and Industry to have repeatedly or willfully violated any of the sections referenced in this clause pursuant to section 177.27;
- (v) has been issued a ruling or findings of underpayment by the administrator of the Wage and Hour Division of the United States Department of Labor that have become final or have been upheld by an administrative law judge or the Administrative Review Board; or
- (vi) has been found liable for underpayment of wages or penalties or misrepresenting a construction worker as an independent contractor in an action brought in a court having jurisdiction. Provided that, if the contractor or related

entity contests a determination of underpayment by the Department of Transportation in a contested case proceeding, a violation does not occur until the contested case proceeding has concluded with a determination that the contractor or related entity underpaid wages or penalties;*

3. The contractor or related entity is in compliance with and, during the three-year period before submitting the verification, has not violated section 181.723 or chapter 326B. For purposes of this clause, a violation occurs when a contractor or related entity has been issued a final administrative or licensing order;*
4. The contractor or related entity has not, more than twice during the three-year period before submitting the verification, had a certificate of compliance under section 363A.36 revoked or suspended based on the provisions of section 363A.36, with the revocation or suspension becoming final because it was upheld by the Office of Administrative Hearings or was not appealed to the office;*
5. The contractor or related entity has not received a final determination assessing a monetary sanction from the Department of Administration or Transportation for failure to meet targeted group business, disadvantaged business enterprise, or veteran-owned business goals, due to a lack of good faith effort, more than once during the three-year period before submitting the verification; * Any violations, suspensions, revocations, or sanctions, as defined in clauses (2) to (5), occurring prior to July 1, 2014, shall not be considered in determining whether a contractor or related entity meets the minimum criteria.
6. The contractor or related entity is not currently suspended or debarred by the federal government or the state of Minnesota or any of its departments, commissions, agencies, or political subdivisions that have authority to debar a contractor; and
7. All subcontractors and motor carriers that the contractor intends to use to perform project work have verified to the contractor through a signed statement under oath by an owner or officer that they meet the minimum criteria listed in clauses (1) to (6).

Minn. Stat. § 16C.285, Subd. 5. SUBCONTRACTOR VERIFICATION.

A prime contractor or subcontractor shall include in its verification of compliance under subdivision 4 a list of all of its first-tier subcontractors that it intends to retain for work on the project. Prior to execution of a construction contract, and as a condition precedent to the execution of a construction contract, the apparent successful prime contractor shall submit to the contracting authority a supplemental verification under oath confirming compliance with subdivision 3, clause (7). Each contractor or subcontractor shall obtain from all subcontractors with which it will have a direct contractual relationship a signed statement under oath by an owner or officer verifying that they meet all of the minimum criteria in subdivision 3 prior to execution of a construction contract with each subcontractor.

If a prime contractor or any subcontractor retains additional subcontractors on the project after submitting its verification of compliance, the prime contractor or subcontractor shall obtain verifications of compliance from each additional subcontractor with which it has a direct contractual relationship and shall submit a supplemental verification confirming compliance with subdivision 3, clause (7), within 14 days of retaining the additional subcontractors.

A prime contractor shall submit to the contracting authority upon request copies of the signed verifications of compliance from all subcontractors of any tier pursuant to subdivision 3, clause (7). A prime contractor and subcontractors shall not be responsible for the false statements of any subcontractor with which they do not have a direct contractual relationship. A prime contractor and subcontractors shall be responsible for false statements by their first-tier subcontractors with which they have a direct contractual relationship only if they accept the verification of compliance with actual knowledge that it contains a false statement.

Subd. 5a. Motor carrier verification. A prime contractor or subcontractor shall obtain annually from all motor carriers with which it will have a direct contractual relationship a signed statement under oath by an owner or officer verifying that they meet all of the minimum criteria in subdivision 3 prior to execution of a construction contract with each motor carrier. A prime contractor or subcontractor shall require each such motor carrier to provide it with immediate written notification in the event that the motor carrier no longer meets one or more of the minimum

criteria in subdivision 3 after submitting its annual verification. A motor carrier shall be ineligible to perform work on a project covered by this section if it does not meet all the minimum criteria in subdivision 3. Upon request, a prime contractor or subcontractor shall submit to the contracting authority the signed verifications of compliance from all motor carriers providing for-hire transportation of materials, equipment, or supplies for a project.

Minn. Stat. § 16C.285, Subd. 4. VERIFICATION OF COMPLIANCE.

A contractor responding to a solicitation document of a contracting authority shall submit to the contracting authority a signed statement under oath by an owner or officer verifying compliance with each of the minimum criteria in subdivision 3, with the exception of clause (7), at the time that it responds to the solicitation document.

A contracting authority may accept a signed statement under oath as sufficient to demonstrate that a contractor is a responsible contractor and shall not be held liable for awarding a contract in reasonable reliance on that statement. A prime contractor, subcontractor, or motor carrier that fails to verify compliance with any one of the required minimum criteria or makes a false statement under oath in a verification of compliance shall be ineligible to be awarded a construction contract on the project for which the verification was submitted.

A false statement under oath verifying compliance with any of the minimum criteria may result in termination of a construction contract that has already been awarded to a prime contractor or subcontractor or motor carrier that submits a false statement. A contracting authority shall not be liable for declining to award a contract or terminating a contract based on a reasonable determination that the contractor failed to verify compliance with the minimum criteria or falsely stated that it meets the minimum criteria. A verification of compliance need not be notarized. An electronic verification of compliance made and submitted as part of an electronic bid shall be an acceptable verification of compliance under this section provided that it contains an electronic signature as defined in section 325L.02, paragraph (h).

CERTIFICATION	
By signing this document, I certify that I am an owner or officer of the company, and I swear under oath that: 1) My company meets each of the Minimum Criteria to be a responsible contractor as defined herein and is in compliance with Minn. Stat. § 16C.285, 2)If my company is awarded a contract, I will submit Attachment C-1 prior to contract execution, and 3) If my company is awarded a contract, I will also submit Attachment C-2 as required.	
Authorized Signature of Owner or Officer:	Printed Name:
Title:	Date:
Company Name:	

NOTE: Minn. Stat. § 16C.285, Subd. 2, (c) If only one prime contractor responds to a solicitation document, a contracting authority may award a construction contract to the responding prime contractor even if the minimum criteria in subdivision 3 are not met.

ATTACHMENT C-1

FIRST-TIER SUBCONTRACTOR LIST

SUBMIT PRIOR TO EXECUTION OF A CONSTRUCTION CONTRACT

PROJECT TITLE: _____

Minn. Stat. § 16C.285, Subd. 5. A prime contractor or subcontractor shall include in its verification of compliance under subdivision 4 a list of all of its first-tier subcontractors that it intends to retain for work on the project. Prior to execution of a construction contract, and as a condition precedent to the execution of a construction contract, the apparent successful prime contractor shall submit to the contracting authority a supplemental verification under oath confirming compliance with subdivision 3, clause (7). Each contractor or subcontractor shall obtain from all subcontractors with which it will have a direct contractual relationship a signed statement under oath by an owner or officer verifying that they meet all of the minimum criteria in subdivision 3 prior to execution of a construction contract with each subcontractor.

FIRST TIER SUBCONTRACTORS NAMES (Legal name of company as registered with the Secretary of State)	Name of City where company home office is located

*Attach additional sheets as needed for submission of all first-tier subcontractors.

By signing this document I certify that I am an owner or officer of the company, and I swear under oath that:

All first-tier subcontractors listed on attachment A-1 have verified through a signed statement under oath by an owner or officer that they meet the minimum criteria to be a responsible contractor as defined in Minn. Stat. § 16C.285.

Authorized Signature of Owner or Officer:	Printed Name:
Title:	Date:
Company Name:	

ATTACHMENT C-2

ADDITIONAL SUBCONTRACTOR LIST

PRIME SUBCONTRACTOR TO SUBMIT AS SUBCONTRACTORS ARE ADDED TO THE PROJECT

PROJECT TITLE: _____

This form must be submitted to the Project Manager or individual as identified in the solicitation document.

Minn. Stat. § 16C.285, Subd. 5. ... If a prime contractor or any subcontractor retains additional subcontractors on the project after submitting its verification of compliance, the prime contractor or subcontractor shall obtain verifications of compliance from each additional subcontractor with which it has a direct contractual relationship and shall submit a supplemental verification confirming compliance with subdivision 3, clause (7), within 14 days of retaining the additional subcontractors.

ADDITIONAL SUBCONTRACTORS NAMES (Legal name of company as registered with the Secretary of State)	Name of City where company home office is located

*Attach additional sheets as needed for submission of all additional subcontractors.

By signing this document, I certify that I am an owner or officer of the company, and I swear under oath that:

All additional subcontractors listed on Attachment A-2 have verified through a signed statement under oath by an owner or officer that they meet the minimum criteria to be a responsible contractor as defined in Minn. Stat. § 16C.285.

Authorized Signature of Owner or Officer:	Printed Name:
Title:	Date:
Company Name:	

**COOK COUNTY AND GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY
STATE OF MINNESOTA
COOK COUNTY**

RESOLUTION NO. 2024-21

**RESOLUTION APPROVING A DEVELOPMENT AGREEMENT WITH THE MAYHEW LLC AND
CORRESPONDING GRANT FINANCING FOR THE MAYHEW EXPANSION PROJECT IN GRAND MARAIS
MINNESOTA**

WHEREAS, The Mayhew LLC (“Developer”), is the owner of property located on the corner of Wisconsin Street and 1st Avenue West in Grand Marais, Minnesota (the “Property”); and

WHEREAS, in March 2020, three businesses in downtown Grand Marais were lost to a devastating fire on the Property; and

WHEREAS, the Developer has acquired the vacant lots to support construction of a mixed-use commercial building that will operate adjacent to their existing Mayhew Inn and include a restaurant, event center, three retail spaces and ten lodging units (the “Project”); and

WHEREAS, the Developer has requested financial assistance from the Cook County/Grand Marais Joint Economic Development Authority (“EDA”) to support infrastructure costs that are eligible for public financing related to construction on said Property and development of said Project; and

WHEREAS, the EDA has secured a \$400,000 Development Infrastructure grant from the Department of Iron Range Resources and Rehabilitation (“IRRR”) to support the Project.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the EDA hereby authorize approval of a Development Agreement with the Developer, substantially in the form attached hereto as Exhibit A, defining the terms and conditions of financial support.

_____ Ex. Dir.

April 16, 2024

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize the Board of Commissioners of the Cook County/Grand Marais Joint Economic Development Authority (“EDA”) to approve a Development Agreement with The Mayhew LLC (“Developer”) defining terms and conditions associated with the \$400,000 Development Infrastructure grant award the EDA secured to support construction of the Mayhew Expansion project in downtown Grand Marais.

Board member _____ moved the adoption of the foregoing resolution, and said motion was duly seconded by Board member _____, and upon vote being taken thereon, the following voted in favor thereof:

Abstention:

and the following voted against the same:

Whereupon said resolution was declared adopted by the Cook County and Grand Marais Joint Economic Development Authority this 16th day of April 2024.

ATTEST:

Steve Surbaugh – Board President

**DEVELOPMENT AGREEMENT
COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT
AUTHORITY
THE MAYHEW LLC
MAYHEW EXPANSION PROJECT DEVELOPMENT**

THIS DEVELOPMENT AGREEMENT (“Agreement”) entered into this _____ day of _____, 2024 (the “Effective Date”), by and between the COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and political subdivision existing under the laws of the State of Minnesota, (“EDA”) and THE MAYHEW LLC, a domestic limited liability company created and existing under the laws of the State of Minnesota (“Developer”)

WHEREAS, Developer is the owner of property located in Grand Marais, Minnesota, which property is located on the corner of Wisconsin Street and 1st Avenue West, legally described on the attached Exhibit A (the “Property”); and

WHEREAS, in March 2020, three businesses in downtown Grand Marais were lost to a fire on the Property, resulting in a total loss; and

WHEREAS, Developer has acquired the vacant parcels and proposed to construct a mixed-use commercial building with restaurant, event center, lodging units and retail spaces (the “Project”); and

WHEREAS, the Developer has requested financial assistance from the EDA to support site infrastructure costs that are eligible for public financing related to the development on said Property and the development of the Project; and

WHEREAS, the EDA received a \$400,000 Development Infrastructure grant award from the Department of Iron Range Resources and Rehabilitation (“IRRR”) to support the Project; and

WHEREAS, Developer agrees and understands that certain terms and conditions will apply to the Project in exchange for public assistance for construction of the Mayhew Expansion Project in Grand Marais, Minnesota

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
Definitions

For the purpose of this Agreement, the following terms shall have the meanings hereinafter ascribed to them unless a different meaning clearly appears from the context:

- A. Developer means The Mayhew LLC, a domestic limited liability company created and existing under the laws of the State of Minnesota.
- B. Eligible Project Costs means costs associated with eligible infrastructure expenses incurred by the Developer in construction of the Project which may be legally funded with IRRR grant funding, including required new construction costs pledged as project match as described in attached Exhibit B. The eligible reimbursable amount is \$400,000.
- C. Executive Director means the Executive Director of the EDA or such person or persons designated in writing by said Executive Director to act on behalf of him/her with regard to this Agreement or any portion thereof.
- D. Grant Award means the \$400,000 Development Infrastructure grant, award number _____, awarded to the EDA from the Department of Iron Range Resources and Rehabilitation on _____, 2024.
- E. IRRR means the Department of Iron Range Resources and Rehabilitation.
- F. Project means news construction of an approximately 10,000 square foot mixed-use commercial building that includes a restaurant, event center, rooftop deck, three retail spaces, 10 lodging units and a lobby/bar/lounge space, including all required site preparation and utility infrastructure necessary to support new construction as well as construction of a visitor parking lot adjacent to the project property.
- G. Property means that Property located in Cook County, Minnesota, described on Exhibit A

ARTICLE II
Preconditions to Project Construction

- A. Uniform Municipal Contracting Law and Prevailing Wage. Per Minn. Stat. Sec. 471.345, Developer understands that for projects that include construction work, prevailing wage rates must be paid pursuant to Minn. Stat. Sec. 177.41-177.44 and per the IRRR Board Resolution No. FY96-005. Consequently, the bid request must state the Project is subject to the payment of prevailing wages. These rules require that the wage of laborers and workers should be comparable to wages paid for similar work in the community as a whole. A prevailing wage form should accompany these bid submittals. The Developer must not contract with vendors who are suspended or debarred in the state of MN: <https://mn.gov/admin/osp/government/suspended-debarred/>. Developer understands that all work for this Project must comply with Uniform Municipal Contracting Law, per

Minn. Stat. Sec. 471.345: (i) for contract or cost of service \$25,000-\$175,000 at least two quotes or cost estimates must be secured; (ii) for contracts over \$175,000 sealed bids shall be solicited by public notice in the manner and subject to the requirements of the law governing contracts by Economic Development Authorities and local units of government in the State of Minnesota. Developer shall submit to Executive Director all necessary documentation demonstrating compliance with contracting law and prevailing wage.

- B. Construction Contract. Developer will provide Executive Director with a copy of the executed contract between Developer and general contractor necessary to complete construction of the Project.
- C. Building Permits. Developer will provide Executive Director copy of any required building permits from Cook County and the City of Grand Marais for construction of the Project, demonstrating conformance to required state and local zoning, land use and building code(s).
- D. IRRR Acknowledgement. Developer agrees to acknowledgement of the grant award from IRRR by displaying signage that is clearly visible to the public on the Project site. Signage will be provided by the IRRR through coordination with the Executive Director. Developer will provide Executive Director with a photograph of the acknowledgement sign once installed.

ARTICLE III

Construction

- A. Construction. Upon the fulfillment of the preconditions to construction provided for in Article II above, but in no event later than September 30, 2024, Developer shall commence with construction of the Project. Construction of the Project shall be completed no later than April 30, 2026.
- B. Developer to Bear All Costs. Except for payments by EDA provided for in Article IV, Developer specifically agrees to bear all costs related to the construction of the Project.
- C. Progress Reports. Until construction of the entire Project has been completed, Developer shall work with Executive Director to submit required progress report to IRRR annually. Developer shall work with Executive Director to submit required final report to IRRR at Project completion and prior to final disbursement of grant funds.
- D. Publicity. Developer agrees that any publicity regarding the Project must identify the Department of Iron Range Resources and Rehabilitation (IRRR) as sponsoring agency and must not be released without prior written approval from the Executive Director. The Executive Director will coordinate required written approval from IRRR staff. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the

Developer individually or jointly with others, or any subcontractors, with respect to the Project or services provided resulting from the IRRR grant award.

ARTICLE IV
Payment Obligations

The total obligation of the EDA for all compensation and reimbursement to Developer under this Development Agreement will not exceed \$400,000 (four hundred thousand dollars). The IRRR will promptly pay the EDA after the EDA presents itemized invoices for the services actually performed. Developer understands that IRRR requires a 1:1 match for all agency funded work. Developer agrees to submit to Executive Director all invoices and prevailing wage reports timely upon completion of stages of work on the project and/or completion of the entire project done in accordance with this Agreement. Project costs eligible for reimbursement under IRRR grant award are identified in attached Exhibit B.

ARTICLE V
Representations by the EDA

The EDA makes the following representations as the basis for the undertaking on its part herein contained:

- A. It is a lawfully constituted economic development authority under the laws of the State of Minnesota, it is not in material violation of any provisions of State law, all actions of EDA have been taken to secure IRRR grant funding, and it has full power and authority to enter into this Agreement and perform all of its obligations hereunder.
- B. There are not actions, suits or proceedings pending, or to the knowledge of EDA, threatened against EDA or any property of EDA in any court or before any federal, state, municipal or governmental agency which, if decided adversely to EDA, would have a material adverse effect upon EDA or any business or property of EDA and EDA is not in default with respect to any order of any court or government agency.
- C. EDA will perform all of its obligations under this Agreement

ARTICLE VI
Developer's Representations and Warranties

Developer represents and warrants that:

- A. The Developer is a domestic limited liability company duly organized and authorized to transact business in the State of Minnesota, it is the owner of the Property and is fully competent to construct the Project thereon, it is not in violation of any provisions of its articles of organization, member control agreement, or the laws of the State of Minnesota, it has the power to enter into this Agreement, and it has duly authorized the execution, delivery and performance of this Agreement by proper action of its members.

- B. Developer will perform all of its obligations under this Agreement. Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of the terms, conditions, or provisions of any agreement or instrument of whatever nature to which the Developer is now a party or by which Developer is bound, or constitutes a default under the foregoing.
- C. No actions, suits, or proceedings are pending or, to the knowledge of Developer, threatened against Developer or any property of Developer in any court or before any federal, state, or municipal or other governmental agency that, if decided adversely to Developer, would have a material adverse effect upon Developer, the Property, or the Project, and Developer is not in default of any order of any court or governmental agency which, if decided adversely to Developer, would have a material adverse effect upon the Property or the Project.
- D. The Developer shall be responsible for constructing the Project in accordance with the terms of this Agreement and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations, and living and prevailing wages). The Developer will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Project may be lawfully constructed.
- E. Developer is not in default on the payment of principal of or interest on any indebtedness for borrowed money or in default under any instrument or agreement pursuant to which the indebtedness has been incurred.
- F. Developer shall do such things as are necessary to cause any information, document, certificate, statement in writing, or report required under this Agreement delivered to EDA or any third party under this Agreement to be true, correct, and complete in all material respects.

ARTICLE VII

Notices

Any notice, demand or other communication under this Agreement by either party to the other shall be deemed to be sufficiently delivered if it is dispatched by registered or certified mail, postage prepaid to:

In the case of the EDA:

Cook County/Grand Marais Joint Economic Development Authority
Attn: Executive Director
PO Box 597

Grand Marais, MN 55604

In the case of Developer:

The Mayhew LLC

Attn: Joel St. John

300 Locust Street NE

Stillwater, MN 55082

ARTICLE VIII

Government Data Practices and State Audits

- A. Under Minn. Stat. Sec. 16B.98, Subd. 8, the Developer's books, records, documents, and accounting procedures and practices of the Developer or other party relevant to this Agreement or transaction are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this Agreement, receipt and approval of all final reports, or the required period of time to satisfy all EDA, State, and IRRR program retention requirements, whichever is later.
- B. The Developer and EDA must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13 as it applies to all data provided to the State under the IRRR grant contract and this Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Developer and EDA as it relates to this Project and the IRRR grant award. The civil remedies of Minn. Stat. Ch.13.08 apply to the release of the data referred to in this clause by either the Developer, EDA or the State. If the Developer receives a request to release the data referred to in this Clause, the Developer must immediately notify the EDA who will notify the State. The State will give the EDA instructions concerning the release of the data to the requesting party before the data is released. The Developer's response to the request shall comply with applicable law.

ARTICLE IX

Unavoidable Delays and Amendments

- A. Neither party shall be held responsible for, and neither party shall be in default of this Agreement as a result of, delay or default caused by fire, riot, acts of God, war, government actions, judicial actions by third parties, labor disputes, or adverse weather conditions, except for delays caused by government and judicial actions which could have been avoided by compliance with laws, rules and regulations of which either party had knowledge or should have reasonably had knowledge.

- B. Any amendments to this Agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Agreement, or their successors in office.

ARTICLE X

Liability and Applicable Law

The Developer must indemnify, save, and hold the EDA, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the EDA, arising from the performance of this Agreement by the Developer or the Developers agents or employees. This clause will not be construed to bar any legal remedies the Developer may have for the EDA's failure to fulfill its obligations under this grant contract. This Agreement together with all of its Articles, paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota. All proceedings related to this Agreement shall be venued in Cook County, Minnesota.

(Signature page to follow)

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the date of attestation show below.

**Cook County/Grand Marais Joint Economic
Development Authority**

By:

Steve Surbaugh, Its Board President

Date: _____

By:

Theresa Bajda, Its Executive Director

Date: _____

The Mayhew LLC

By:

Joel St. John, Its Owner

Date: _____

EXHIBIT A
Property Description

S 90 FT LOT 20 BLK 46 AND S 90 FT LOT 2 BLK 19 HA, VILLAGE PLAT Section 21, Township 61, Range 1E, Parcel ID: 80-146-0200

S 120 FT OF LOT 19 BLK 46, VILLAGE PLAT, Section 21, Township 61, Range 1E, Parcel ID: 80-146-0190

S 120 FT OF LOT 18 BLK 46, VILLAGE PLAT, Section 21, Township 61, Range 1E, Parcel ID: 80-146-0180

40 FT OF LOT 17; 40 FT OF LOT 18 BLK 46, VILLAGE PLAT, Section 21, Township 61, Range 1E, Parcel ID: 80-146-0185

LOTS 10-11 BLK 46, VILLAGE PLAT, Section 21, Township 61, Range 1E, Parcel ID: 80-146-0100

S 120 FT LOT 17 BLK 46, VILLAGE PLAT, Section 21, Township 61, Range 1E, Parcel ID: 80-146-0170

Grand Marais, Cook County, Minnesota

EXHIBIT B
Eligible Project Expenses

Use of Funds	IRR Development Infrastructure	Private Financing/Developer Equity	Total Category Amount
Infrastructure	\$400,000	\$313,068	\$713,068
Building Construction	\$0.00	\$12,630,282	\$12,630,282
Design, Architectural, Engineering Fees	\$0.00	\$1,064,650	\$1,064,650
Furniture, Fixtures, Equipment	\$0.00	\$800,000	\$800,000
Debt Refinance (existing Mayhew Inn)	\$0.00	\$1,764,000	\$1,764,000
Contingency	\$0.00	\$1,200,000	\$1,200,000
Total	\$400,000	\$17,772,000	\$18,172,000

**COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY
STATE OF MINNESOTA
COOK COUNTY**

RESOLUTION NO. 2024-22

RESOLUTION APPROVING FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH LUTSEN MOUNTAINS CORPORATION AND CORRESPONDING GRANT FINANCING FOR THE PAPA CHARLIES COMMERCIAL PROJECT IN LUTSEN MINNESOTA

WHEREAS, Lutsen Mountains Corporation (“Developer”), is the owner of property located on Lutsen Mountain Ski and Recreation Resort, which property is located at 467 Ski Hill Road, in Lutsen, Minnesota (the “Property”); and

WHEREAS, the Developer has proposed to redevelop Papa Charlie’s into a mixed-use commercial building with restaurant, event space, and lodging units (the “Project”); and

WHEREAS, the Developer has requested financial assistance from the Cook County/Grand Marais Joint Economic Development Authority (“EDA”) to support demolition of the former structure, site preparation and infrastructure costs that are eligible for public financing related to the redevelopment of said Property and the development of said Project; and

WHEREAS, the EDA approved a Development Agreement on March 19, 2024 via resolution 2024-17 upon securing a \$75,000 Commercial Redevelopment grant from the Department of Iron Range Resources and Rehabilitation (“IRRR”) to support the Project; and

WHEREAS, the EDA secured a \$400,000 Development Infrastructure grant from IRRR to further support the Project.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the EDA hereby authorize approval of a First Amendment to the Development Agreement, substantially in the form attached hereto as Exhibit A, providing modifications to eligible project costs for the Project.

_____ Ex. Dir.

April 16, 2024

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize a First Amendment to the Development Agreement with Lutsen Mountains Corporation. At their March 19, 2024 meeting, the EDA Board of Commissioners approved the agreement and corresponding grant funding from IRRR in an amount not to exceed \$75,000. Since approval, the EDA secured an additional \$400,000 from IRRR to support the project. This amendment modifies eligible project costs, terms and conditions consistent with the grant agreements with IRRR for a total amount not to exceed \$475,000.

Board member _____ moved the adoption of the foregoing resolution, and said motion was duly seconded by Board member _____, and upon vote being taken thereon, the following voted in favor thereof:

Abstention:

and the following voted against the same:

Whereupon said resolution was declared adopted by the Cook County/Grand Marais Joint Economic Development Authority this 16th day of April 2024.

ATTEST:

Steve Surbaugh – Board President

**DEVELOPMENT AGREEMENT
COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT
AUTHORITY
LUTSEN MOUNTAINS CORPORATION
PAPA CHARLIES AT LUTSEN MOUNTAINS DEVELOPMENT
FIRST AMENDMENT**

THIS FIRST AMENDMENT (“First Amendment”) entered into this _____ day of _____, 2024 (the “Effective Date”), by and between the COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and political subdivision existing under the laws of the State of Minnesota, (“EDA”) and LUTSEN MOUNTAINS CORPORATION, a domestic business corporation created and existing under the laws of the State of Minnesota (“Developer”)

WHEREAS, Developer is the owner of property located on Lutsen Mountain Ski and Recreation Resort, which property is located at 467 Ski Hill Road, in Lutsen, Minnesota, legally described on the attached Exhibit A (the “Property”); and

WHEREAS, Developer has proposed to rebuild Papa Charlies into a mixed-use commercial building with restaurant, event space, and lodging units (the “Project”); and

WHEREAS, the Developer has requested financial assistance from the EDA to support site preparation and infrastructure costs that are eligible for public financing related to the development on said Property and the development of the Project; and

WHEREAS, the EDA approved a Development Agreement on March 19, 2024 upon award of a \$75,000 Commercial Redevelopment grant from the Department of Iron Range Resources and Rehabilitation (“IRRR”); and

WHEREAS, the EDA received a \$400,000 Development Infrastructure grant award from IRRR to further support the Project; and

WHEREAS, Developer agrees and understands that certain terms and conditions will apply to the Project in exchange for public assistance for construction of Papa Charlies in Lutsen, Minnesota

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Article I Definitions is hereby amended as follows: Eligible Project Costs: means costs associated with demolition of remaining Papa Charlies building structure which may be legally funded with IRRR Commercial Redevelopment grant, including required Developer match, total reimbursement amount not to exceed \$75,000; and costs associated with infrastructure which may be legally funded with IRRR Development Infrastructure grant, including required new construction costs pledged as project match, eligible for reimbursement in an amount not to exceed \$400,000. All eligible project costs are described in attached Exhibit B-1.
2. Article I Definitions is hereby amended as follows: Grant Award: means the \$75,000 Commercial Redevelopment grant, award number 300010086, awarded to the EDA from the Department of Iron Range Resources and Rehabilitation on March 8, 2024 and \$400,000 Development Infrastructure grant, award number _____, awarded to the EDA from the Department of Iron Range Resources and Rehabilitation on _____, 2024.
3. Article IV Payment Obligations is hereby amended as follows: The total obligation of the EDA for all compensation and reimbursement to Developer under this Development Agreement will not exceed \$475,000 (four hundred seventy five thousand dollars). The IRRR will promptly pay the EDA after the EDA presents itemized invoices for the services actually performed. Developer understands that IRRR requires a 1:1 match for all agency funded work. Developer agrees to submit to Executive Director all invoices and prevailing wage reports timely upon completion of stages of work on the project and/or completion of the entire project done in accordance with this Agreement. Project costs eligible for reimbursement under IRRR grant award are identified in attached Exhibit B-1.
4. Exhibit B is hereby amended with attached Exhibit B-1.
5. Except set forth in this First Amendment to Development Agreement, the terms and conditions of the Development Agreement, approved March 16, 2024 via resolution 2024-17, and bearing EDA contract number C202412 remain in full force and effect.

(Signature page to follow)

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the date of attestation show below.

**Cook County/Grand Marais Joint Economic
Development Authority**

By:

Steve Surbaugh, Its Board President

Date: _____

By:

Theresa Bajda, Its Executive Director

Date: _____

Lutsen Mountains Corporation

By:

Jim Vick, Its General Manager

Date: _____

EXHIBIT B-1
Eligible Project Expenses

Use of Funds	IRR Commercial Redevelopment	IRR Development Infrastructure	Fire Escrow/Developer Equity
Demolition, Clean Fill	\$75,000.00	\$0.00	\$13,537.00
Infrastructure	\$0.00	\$377,250	0.00
Design, Architectural and Engineering Fees	\$0.00	\$22,750	\$204,750
F,F&E	\$0.00	\$0.00	\$400,000.00
Kitchen Equipment	\$0.00	\$0.00	\$562,000.00
Exterior Site work	\$0.00	\$0.00	\$150,000.00
Building Construction	\$0.00	\$0.00	\$3,615,000.00
Contingency 5%	\$0.00	\$0.00	\$188,250.00
Total	\$75,000.00	\$400,000	\$5,133,537

**COOK COUNTY AND GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY
STATE OF MINNESOTA
COOK COUNTY**

RESOLUTION NO. 2024-23

**RESOLUTION APPROVING A DEVELOPMENT AGREEMENT WITH NORTH SHORE WASTE LLC AND
CORRESPONDING GRANT FINANCING FOR THE TRANSFER STATION CONSTRUCTION PROJECT IN
GRAND MARAIS MINNESOTA**

WHEREAS, North Shore Waste LLC (“Developer”), is the owner of property located on Eliasen Mill Road in Grand Marais, Minnesota (the “Property”); and

WHEREAS, Developer has provided Northern Minnesota with commercial and residential trash service since 2012 and remains the sole provider in Cook County; and

WHEREAS, the Developer in partnership with Cook County, desires to build a new transfer station that will allow for indoor solid waste processing and reduction of hauling time to facilities outside of Cook County (the “Project”); and

WHEREAS, the Developer has requested financial assistance from the Cook County/Grand Marais Joint Economic Development Authority (“EDA”) to support infrastructure costs that are eligible for public financing related to construction on said Property and development of said Project; and

WHEREAS, the EDA has secured a \$450,000 Development Infrastructure grant from the Department of Iron Range Resources and Rehabilitation (“IRRR”) to support the Project.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the EDA hereby authorize approval of a Development Agreement with the Developer, substantially in the form attached hereto as Exhibit A, defining the terms and conditions of financial support.

_____ Ex. Dir.

April 16, 2024

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize the Board of Commissioners of the Cook County/Grand Marais Joint Economic Development Authority (“EDA”) to approve a Development Agreement with North Shore Waste LLC (“Developer”) defining terms and conditions associated with the \$450,000 Development Infrastructure grant award the EDA secured to support construction of the transfer station project in Grand Marais.

Board member _____ moved the adoption of the foregoing resolution, and said motion was duly seconded by Board member _____, and upon vote being taken thereon, the following voted in favor thereof:

Abstention:

and the following voted against the same:

Whereupon said resolution was declared adopted by the Cook County and Grand Marais Joint Economic Development Authority this 16th day of April 2024.

ATTEST:

Steve Surbaugh – Board President

**DEVELOPMENT AGREEMENT
COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT
AUTHORITY
NORTH SHORE WASTE LLC
TRANSFER STATION PROJECT DEVELOPMENT**

THIS DEVELOPMENT AGREEMENT (“Agreement”) entered into this _____ day of _____, 2024 (the “Effective Date”), by and between the COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and political subdivision existing under the laws of the State of Minnesota, (“EDA”) and NORTH SHORE WASTE LLC., a domestic limited liability company created and existing under the laws of the State of Minnesota (“Developer”)

WHEREAS, Developer is the owner of property located in Grand Marais, Minnesota, which property is located on Eliassen Mill Road, legally described on the attached Exhibit A (the “Property”); and

WHEREAS, Developer has provided Northern Minnesota with commercial and residential trash service since 2012 and remains the sole provider in Cook County; and

WHEREAS, Developer in partnership with Cook County desires to build a new transfer station that will allow for solid waste processing and reduction of hauling time to facilities outside of Cook County (the “Project”); and

WHEREAS, the Developer has requested financial assistance from the EDA to support site infrastructure costs that are eligible for public financing related to the development on said Property and the development of the Project; and

WHEREAS, the EDA received a \$450,000 Development Infrastructure grant award from the Department of Iron Range Resources and Rehabilitation (“IRRR”) to support the Project; and

WHEREAS, Developer agrees and understands that certain terms and conditions will apply to the Project in exchange for public assistance for construction of the transfer station facility Project in Grand Marais, Minnesota

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
Definitions

For the purpose of this Agreement, the following terms shall have the meanings hereinafter ascribed to them unless a different meaning clearly appears from the context:

- A. Developer means North Shore Waste LLC, a domestic limited liability company created and existing under the laws of the State of Minnesota.
- B. Eligible Project Costs means costs associated with eligible infrastructure expenses incurred by the Developer in construction of the Project which may be legally funded with IRRR grant funding, including costs pledged as project match as described in attached Exhibit B. The eligible reimbursable amount is \$450,000.
- C. Executive Director means the Executive Director of the EDA or such person or persons designated in writing by said Executive Director to act on behalf of him/her with regard to this Agreement or any portion thereof.
- D. Grant Award means the \$450,000 Development Infrastructure grant, award number 3000009325, awarded to the EDA from the Department of Iron Range Resources and Rehabilitation on December 22, 2022.
- E. IRRR means the Department of Iron Range Resources and Rehabilitation.
- F. Project means news construction of an approximately 22,000 square foot transfer station on the approximately 11-acre parcel adjacent to Developers current operations to accommodate garbage truck unloading and indoor storage of solid waste.
- G. Property means that Property located in Cook County, Minnesota, described on Exhibit A

ARTICLE II
Preconditions to Project Construction

- A. Uniform Municipal Contracting Law and Prevailing Wage. Per Minn. Stat. Sec. 471.345, Developer understands that for projects that include construction work, prevailing wage rates must be paid pursuant to Minn. Stat. Sec. 177.41-177.44 and per the IRRR Board Resolution No. FY96-005. Consequently, the bid request must state the Project is subject to the payment of prevailing wages. These rules require that the wage of laborers and workers should be comparable to wages paid for similar work in the community as a whole. A prevailing wage form should accompany these bid submittals. The Developer must not contract with vendors who are suspended or debarred in the state of MN: <https://mn.gov/admin/osp/government/suspended-debarred/>. Developer understands that all work for this Project must comply with Uniform Municipal Contracting Law, per Minn. Stat. Sec. 471.345: (i) for contract or cost of service \$25,000-\$175,000 at least two quotes or cost estimates must be secured; (ii) for contracts over \$175,000 sealed bids

shall be solicited by public notice in the manner and subject to the requirements of the law governing contracts by Economic Development Authorities and local units of government in the State of Minnesota. Developer shall submit to Executive Director all necessary documentation demonstrating compliance with contracting law and prevailing wage.

- B. Construction Contract. Developer will provide Executive Director with a copy of the executed contract between Developer and general contractor necessary to complete construction of the Project.
- C. Building Permits. Developer will provide Executive Director copy of any required building permits from Cook County and the City of Grand Marais for construction of the Project, demonstrating conformance to required state and local zoning, land use and building code(s).
- D. IRRR Acknowledgement. Developer agrees to acknowledgement of the grant award from IRRR by displaying signage that is clearly visible to the public on the Project site. Signage will be provided by the IRRR through coordination with the Executive Director. Developer will provide Executive Director with a photograph of the acknowledgement sign once installed.

ARTICLE III

Construction

- A. Construction. Upon the fulfillment of the preconditions to construction provided for in Article II above, but in no event later than September 30, 2024, Developer shall commence with construction of the Project. Construction of the Project shall be completed no later than December 31, 2025.
- B. Developer to Bear All Costs. Except for payments by EDA provided for in Article IV, Developer specifically agrees to bear all costs related to the construction of the Project.
- C. Progress Reports. Until construction of the entire Project has been completed, Developer shall work with Executive Director to submit required progress report to IRRR annually. Developer shall work with Executive Director to submit required final report to IRRR at Project completion and prior to final disbursement of grant funds.
- D. Publicity. Developer agrees that any publicity regarding the Project must identify the Department of Iron Range Resources and Rehabilitation (IRRR) as sponsoring agency and must not be released without prior written approval from the Executive Director. The Executive Director will coordinate required written approval from IRRR staff. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Developer individually or jointly with others, or any subcontractors, with respect to the Project or services provided resulting from the IRRR grant award.

ARTICLE IV
Payment Obligations

The total obligation of the EDA for all compensation and reimbursement to Developer under this Development Agreement will not exceed \$450,000 (four hundred fifty thousand dollars). The IRRR will promptly pay the EDA after the EDA presents itemized invoices for the services actually performed. Developer understands that IRRR requires a 1:1 match for all agency funded work. Developer agrees to submit to Executive Director all invoices and prevailing wage reports timely upon completion of stages of work on the project and/or completion of the entire project done in accordance with this Agreement. Project costs eligible for reimbursement under IRRR grant award are identified in attached Exhibit B.

ARTICLE V
Representations by the EDA

The EDA makes the following representations as the basis for the undertaking on its part herein contained:

- A. It is a lawfully constituted economic development authority under the laws of the State of Minnesota, it is not in material violation of any provisions of State law, all actions of EDA have been taken to secure IRRR grant funding, and it has full power and authority to enter into this Agreement and perform all of its obligations hereunder.
- B. There are not actions, suits or proceedings pending, or to the knowledge of EDA, threatened against EDA or any property of EDA in any court or before any federal, state, municipal or governmental agency which, if decided adversely to EDA, would have a material adverse effect upon EDA or any business or property of EDA and EDA is not in default with respect to any order of any court or government agency.
- C. EDA will perform all of its obligations under this Agreement

ARTICLE VI
Developer's Representations and Warranties

Developer represents and warrants that:

- A. The Developer is a domestic limited liability company duly organized and authorized to transact business in the State of Minnesota, it has a lease for the Property and is fully competent to construct the Project thereon, it is not in violation of any provisions of its articles of organization, member control agreement, or the laws of the State of Minnesota, it has the power to enter into this Agreement, and it has duly authorized the execution, delivery and performance of this Agreement by proper action of its members.
- B. Developer will perform all of its obligations under this Agreement. Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this

Agreement is prevented, limited by or conflicts with or results in a breach of the terms, conditions, or provisions of any agreement or instrument of whatever nature to which the Developer is now a party or by which Developer is bound, or constitutes a default under the foregoing.

- C. No actions, suits, or proceedings are pending or, to the knowledge of Developer, threatened against Developer or any property of Developer in any court or before any federal, state, or municipal or other governmental agency that, if decided adversely to Developer, would have a material adverse effect upon Developer, the Property, or the Project, and Developer is not in default of any order of any court or governmental agency which, if decided adversely to Developer, would have a material adverse effect upon the Property or the Project.
- D. The Developer shall be responsible for constructing the Project in accordance with the terms of this Agreement and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations, and living and prevailing wages). The Developer will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Project may be lawfully constructed.
- E. Developer is not in default on the payment of principal of or interest on any indebtedness for borrowed money or in default under any instrument or agreement pursuant to which the indebtedness has been incurred.
- F. Developer shall do such things as are necessary to cause any information, document, certificate, statement in writing, or report required under this Agreement delivered to EDA or any third party under this Agreement to be true, correct, and complete in all material respects.

ARTICLE VII

Notices

Any notice, demand or other communication under this Agreement by either party to the other shall be deemed to be sufficiently delivered if it is dispatched by registered or certified mail, postage prepaid to:

In the case of the EDA:

Cook County/Grand Marais Joint Economic Development Authority
Attn: Executive Director
PO Box 597
Grand Marais, MN 55604

In the case of Developer:

North Shore Waste LLC

Attn: Dustin Hanson

PO Box 1239

Grand Marais, MN 55604

ARTICLE VIII

Government Data Practices and State Audits

- A. Under Minn. Stat. Sec. 16B.98, Subd. 8, the Developer's books, records, documents, and accounting procedures and practices of the Developer or other party relevant to this Agreement or transaction are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this Agreement, receipt and approval of all final reports, or the required period of time to satisfy all EDA, State, and IRRR program retention requirements, whichever is later.
- B. The Developer and EDA must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13 as it applies to all data provided to the State under the IRRR grant contract and this Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Developer and EDA as it relates to this Project and the IRRR grant award. The civil remedies of Minn. Stat. Ch.13.08 apply to the release of the data referred to in this clause by either the Developer, EDA or the State. If the Developer receives a request to release the data referred to in this Clause, the Developer must immediately notify the EDA who will notify the State. The State will give the EDA instructions concerning the release of the data to the requesting party before the data is released. The Developer's response to the request shall comply with applicable law.

ARTICLE IX

Unavoidable Delays and Amendments

- A. Neither party shall be held responsible for, and neither party shall be in default of this Agreement as a result of, delay or default caused by fire, riot, acts of God, war, government actions, judicial actions by third parties, labor disputes, or adverse weather conditions, except for delays caused by government and judicial actions which could have been avoided by compliance with laws, rules and regulations of which either party had knowledge or should have reasonably had knowledge.

- B. Any amendments to this Agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Agreement, or their successors in office.

ARTICLE X

Liability and Applicable Law

The Developer must indemnify, save, and hold the EDA, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the EDA, arising from the performance of this Agreement by the Developer or the Developers agents or employees. This clause will not be construed to bar any legal remedies the Developer may have for the EDA's failure to fulfill its obligations under this grant contract. This Agreement together with all of its Articles, paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota. All proceedings related to this Agreement shall be venued in Cook County, Minnesota.

(Signature page to follow)

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the date of attestation show below.

Cook County/Grand Marais Joint Economic Development Authority

By:

Steve Surbaugh, Its Board President

Date: _____

By:

Theresa Bajda, Its Executive Director

Date: _____

North Shore Waste LLC

By:

Dustin Hanson, Its Owner

Date: _____

EXHIBIT A
Property Description

PART E ½ OF SE/SW, 44 CHIPPEWA CEMETERY TRL, Section 15, Township 61, Range 1E,
Parcel ID: 53-115-3160

Grand Marais, Cook County, Minnesota

EXHIBIT B
Eligible Project Expenses

Use of Funds	IRR Development Infrastructure	Private Financing/Developer Equity	Total Category Amount
Infrastructure and Site Work	\$450,000	\$801,351	\$1,251,351
Building Construction	\$0.00	\$3,800,000	\$3,800,000
Design, Architectural, Engineering Fees	\$0.00	\$287,000	\$287,000
Contingency	\$0.00	\$475,000	\$475,000
Total	\$450,000	\$5,363,351	\$5,813,351

**COOK COUNTY AND GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY
STATE OF MINNESOTA
COOK COUNTY**

RESOLUTION NO. 2024-24

**RESOLUTION APPROVING A DEVELOPMENT AGREEMENT WITH SUPERIOR CYCLING ASSOCIATION AND
CORRESPONDING GRANT FINANCING FOR THE PINCUSHION TRAIL REHAB AND EXPANSION PROJECT
IN GRAND MARAIS MINNESOTA**

WHEREAS, Superior Cycling Association (“Developer”), has a construction easement and/or use agreement for property located within Superior National Forest’s Pincushion Trail System in Grand Marais, Minnesota (the “Property”); and

WHEREAS, Developer is a nonprofit corporation founded in 2010 to grow mountain and road biking opportunities in Cook County; and

WHEREAS, the Developer desires to rehabilitate a portion of existing singletrack mountain bike trails and construct an additional 0.25 miles of trail in the Pincushion Trail System (the “Project”); and

WHEREAS, the Developer has requested financial assistance from the Cook County/Grand Marais Joint Economic Development Authority (“EDA”) to support trail planning, design and construction costs that are eligible for public financing related to development on said Property and development of said Project; and

WHEREAS, the EDA has secured a \$25,000 Regional Trails grant from the Department of Iron Range Resources and Rehabilitation (“IRRR”) to support the Project.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the EDA hereby authorize approval of a Development Agreement with the Developer, substantially in the form attached hereto as Exhibit A, defining the terms and conditions of financial support.

_____ Ex. Dir.

April 16, 2024

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize the Board of Commissioners of the Cook County/Grand Marais Joint Economic Development Authority (“EDA”) to approve a Development Agreement with Superior Cycling Association (“Developer”) defining terms and conditions associated with the \$25,000 Regional Trails grant award the EDA secured to support rehabilitation and construction of trails located within the Pincushion Trail System in Grand Marais.

Board member _____ moved the adoption of the foregoing resolution, and said motion was duly seconded by Board member _____, and upon vote being taken thereon, the following voted in favor thereof:

Abstention:

and the following voted against the same:

Whereupon said resolution was declared adopted by the Cook County and Grand Marais Joint Economic Development Authority this 16th day of April 2024.

ATTEST:

Steve Surbaugh – Board President

**DEVELOPMENT AGREEMENT
COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT
AUTHORITY
SUPERIOR CYCLING ASSOCIATION
PINCUSHION TRAIL REHAB AND EXPANSION PROJECT**

THIS DEVELOPMENT AGREEMENT (“Agreement”) entered into this _____ day of _____, 2024 (the “Effective Date”), by and between the COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and political subdivision existing under the laws of the State of Minnesota, (“EDA”) and SUPERIOR CYCLING ASSOCIATION, a domestic nonprofit corporation created and existing under the laws of the State of Minnesota (“Developer”)

WHEREAS, Developer holds a construction easement on public property located within Superior National Forest in Grand Marais, Minnesota, which property is located off Pincushion Drive, legally described on the attached Exhibit A (the “Property”); and

WHEREAS, Developer is a nonprofit corporation founded in 2010 to grow mountain and road biking opportunities in Cook County; and

WHEREAS, Developer desires to rehabilitate a portion of existing singletrack mountain bike trails and construct an additional 0.25 miles of trail in the Pincushion Trail System; and

WHEREAS, the Developer has requested financial assistance from the EDA to support trail construction planning, design and construction costs that are eligible for public financing related to the development on said Property and the development of the Project; and

WHEREAS, the EDA received a \$25,000 Regional Trails grant award from the Department of Iron Range Resources and Rehabilitation (“IRRR”) to support the Project; and

WHEREAS, Developer agrees and understands that certain terms and conditions will apply to the Project in exchange for public assistance for rehabilitation and construction of the Pincushion Trail System Project in Grand Marais, Minnesota

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
Definitions

For the purpose of this Agreement, the following terms shall have the meanings hereinafter ascribed to them unless a different meaning clearly appears from the context:

- A. Developer means Superior Cycling Association, a domestic nonprofit corporation created and existing under the laws of the State of Minnesota.
- B. Eligible Project Costs means costs associated with eligible planning, design and trail rehabilitation and construction expenses incurred by the Developer in construction of the Project which may be legally funded with IRRR grant funding, including costs pledged as project match as described in attached Exhibit B. The eligible reimbursable amount is \$25,000.
- C. Executive Director means the Executive Director of the EDA or such person or persons designated in writing by said Executive Director to act on behalf of him/her with regard to this Agreement or any portion thereof.
- D. Grant Award means the \$25,000 Regional Trails grant, award number 3000008971, awarded to the EDA from the Department of Iron Range Resources and Rehabilitation on June 14, 2022.
- E. IRRR means the Department of Iron Range Resources and Rehabilitation.
- F. Project means rehabilitation of existing 3.75 miles of singletrack mountain bike trails and construction of 0.25 miles of new, purpose-build singletrack bike trail at Pincushion Trail System in Grand Marais, Minnesota.
- G. Property means that Property located in Cook County, Minnesota, described on Exhibit A

ARTICLE II
Preconditions to Project Construction

- A. Uniform Municipal Contracting Law and Prevailing Wage. Per Minn. Stat. Sec. 471.345, Developer understands that for projects that include construction work, prevailing wage rates must be paid pursuant to Minn. Stat. Sec. 177.41-177.44 and per the IRRR Board Resolution No. FY96-005. Consequently, the bid request must state the Project is subject to the payment of prevailing wages. These rules require that the wage of laborers and workers should be comparable to wages paid for similar work in the community as a whole. A prevailing wage form should accompany these bid submittals. The Developer must not contract with vendors who are suspended or debarred in the state of MN: <https://mn.gov/admin/osp/government/suspended-debarred/>. Developer understands that all work for this Project must comply with Uniform Municipal Contracting Law, per Minn. Stat. Sec. 471.345: (i) for contract or cost of service \$25,000-\$175,000 at least two quotes or cost estimates must be secured; (ii) for contracts over \$175,000 sealed bids

shall be solicited by public notice in the manner and subject to the requirements of the law governing contracts by Economic Development Authorities and local units of government in the State of Minnesota. Developer shall submit to Executive Director all necessary documentation demonstrating compliance with contracting law and prevailing wage.

- B. Construction Contract. Developer will provide Executive Director with a copy of the executed contract between Developer and general contractor necessary to complete construction of the Project.
- C. Building Permits. Developer will provide Executive Director copy of any required building permits from Cook County and the City of Grand Marais for construction of the Project, demonstrating conformance to required state and local zoning, land use and building code(s).
- D. IRRR Acknowledgement. Developer agrees to acknowledgement of the grant award from IRRR by displaying signage that is clearly visible to the public on the Project site. Signage will be provided by the IRRR through coordination with the Executive Director. Developer will provide Executive Director with a photograph of the acknowledgement sign once installed.

ARTICLE III

Construction

- A. Construction. Upon the fulfillment of the preconditions to construction provided for in Article II above, but in no event later than May 31, 2024, Developer shall commence with construction of the Project. Construction of the Project shall be completed no later than December 31, 2024.
- B. Developer to Bear All Costs. Except for payments by EDA provided for in Article IV, Developer specifically agrees to bear all costs related to the construction of the Project.
- C. Progress Reports. Until construction of the entire Project has been completed, Developer shall work with Executive Director to submit required progress report to IRRR annually. Developer shall work with Executive Director to submit required final report to IRRR at Project completion and prior to final disbursement of grant funds.
- D. Publicity. Developer agrees that any publicity regarding the Project must identify the Department of Iron Range Resources and Rehabilitation (IRRR) as sponsoring agency and must not be released without prior written approval from the Executive Director. The Executive Director will coordinate required written approval from IRRR staff. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Developer individually or jointly with others, or any subcontractors, with respect to the Project or services provided resulting from the IRRR grant award.

ARTICLE IV
Payment Obligations

The total obligation of the EDA for all compensation and reimbursement to Developer under this Development Agreement will not exceed \$25,000 (twenty five thousand dollars). The IRRR will promptly pay the EDA after the EDA presents itemized invoices for the services actually performed. Developer understands that IRRR requires a 1:1 match for all agency funded work. Developer agrees to submit to Executive Director all invoices and prevailing wage reports timely upon completion of stages of work on the project and/or completion of the entire project done in accordance with this Agreement. Project costs eligible for reimbursement under IRRR grant award are identified in attached Exhibit B.

ARTICLE V
Representations by the EDA

The EDA makes the following representations as the basis for the undertaking on its part herein contained:

- A. It is a lawfully constituted economic development authority under the laws of the State of Minnesota, it is not in material violation of any provisions of State law, all actions of EDA have been taken to secure IRRR grant funding, and it has full power and authority to enter into this Agreement and perform all of its obligations hereunder.
- B. There are not actions, suits or proceedings pending, or to the knowledge of EDA, threatened against EDA or any property of EDA in any court or before any federal, state, municipal or governmental agency which, if decided adversely to EDA, would have a material adverse effect upon EDA or any business or property of EDA and EDA is not in default with respect to any order of any court or government agency.
- C. EDA will perform all of its obligations under this Agreement

ARTICLE VI
Developer's Representations and Warranties

Developer represents and warrants that:

- A. The Developer is a domestic nonprofit corporation duly organized and authorized to transact business in the State of Minnesota, it has a construction easement and/or user agreement for the Property and is fully competent to construct the Project thereon, it is not in violation of any provisions of its articles of organization, member control agreement, or the laws of the State of Minnesota, it has the power to enter into this Agreement, and it has duly authorized the execution, delivery and performance of this Agreement by proper action of its members.
- B. Developer will perform all of its obligations under this Agreement. Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated

hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of the terms, conditions, or provisions of any agreement or instrument of whatever nature to which the Developer is now a party or by which Developer is bound, or constitutes a default under the foregoing.

- C. No actions, suits, or proceedings are pending or, to the knowledge of Developer, threatened against Developer or any property of Developer in any court or before any federal, state, or municipal or other governmental agency that, if decided adversely to Developer, would have a material adverse effect upon Developer, the Property, or the Project, and Developer is not in default of any order of any court or governmental agency which, if decided adversely to Developer, would have a material adverse effect upon the Property or the Project.
- D. The Developer shall be responsible for constructing the Project in accordance with the terms of this Agreement and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations, and living and prevailing wages). The Developer will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Project may be lawfully constructed.
- E. Developer is not in default on the payment of principal of or interest on any indebtedness for borrowed money or in default under any instrument or agreement pursuant to which the indebtedness has been incurred.
- F. Developer shall do such things as are necessary to cause any information, document, certificate, statement in writing, or report required under this Agreement delivered to EDA or any third party under this Agreement to be true, correct, and complete in all material respects.

ARTICLE VII

Notices

Any notice, demand or other communication under this Agreement by either party to the other shall be deemed to be sufficiently delivered if it is dispatched by registered or certified mail, postage prepaid to:

In the case of the EDA:

Cook County/Grand Marais Joint Economic Development Authority

Attn: Executive Director

PO Box 597

Grand Marais, MN 55604

In the case of Developer:

North Shore Waste LLC
Attn: Paul Nordlund
PO Box 1032
Grand Marais, MN 55604

ARTICLE VIII

Government Data Practices and State Audits

- A. Under Minn. Stat. Sec. 16B.98, Subd. 8, the Developer's books, records, documents, and accounting procedures and practices of the Developer or other party relevant to this Agreement or transaction are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this Agreement, receipt and approval of all final reports, or the required period of time to satisfy all EDA, State, and IRRR program retention requirements, whichever is later.
- B. The Developer and EDA must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13 as it applies to all data provided to the State under the IRRR grant contract and this Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Developer and EDA as it relates to this Project and the IRRR grant award. The civil remedies of Minn. Stat. Ch.13.08 apply to the release of the data referred to in this clause by either the Developer, EDA or the State. If the Developer receives a request to release the data referred to in this Clause, the Developer must immediately notify the EDA who will notify the State. The State will give the EDA instructions concerning the release of the data to the requesting party before the data is released. The Developer's response to the request shall comply with applicable law.

ARTICLE IX

Unavoidable Delays and Amendments

- A. Neither party shall be held responsible for, and neither party shall be in default of this Agreement as a result of, delay or default caused by fire, riot, acts of God, war, government actions, judicial actions by third parties, labor disputes, or adverse weather conditions, except for delays caused by government and judicial actions which could have been avoided by compliance with laws, rules and regulations of which either party had knowledge or should have reasonably had knowledge.

- B. Any amendments to this Agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Agreement, or their successors in office.

ARTICLE X

Liability and Applicable Law

The Developer must indemnify, save, and hold the EDA, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the EDA, arising from the performance of this Agreement by the Developer or the Developers agents or employees. This clause will not be construed to bar any legal remedies the Developer may have for the EDA's failure to fulfill its obligations under this grant contract. This Agreement together with all of its Articles, paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota. All proceedings related to this Agreement shall be venued in Cook County, Minnesota.

(Signature page to follow)

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the date of attestation show below.

Cook County/Grand Marais Joint Economic Development Authority

By:

Steve Surbaugh, Its Board President

Date: _____

By:

Theresa Bajda, Its Executive Director

Date: _____

Superior Cycling Association

By:

Paul Nordlund, Its Board President

Date: _____

EXHIBIT A
Property Description

NE/NE; NW/NE; SE/NE; NW ¼; NE/SW; NW/SW, USFS PINCUSHION, Section 15,
Township 61, Range 1E, Parcel ID: 53-115-1100

Grand Marais, Cook County, Minnesota

EXHIBIT B
Eligible Project Expenses

Use of Funds	IRRR Regional Trails Grant	DNR FRTP Grant	Total Category Amount
Trail planning, design, construction	\$25,000	\$75,000	\$100,000
Total	\$25,000	\$75,000	\$100,000

**COOK COUNTY AND GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY
STATE OF MINNESOTA
COOK COUNTY**

RESOLUTION NO. 2024-25

RESOLUTION APPROVING A LOAN AGREEMENT WITH GUNFLINT VUE LLC AND CORRESPONDING DEFERRED LOAN OF \$200,000 TO SUPPORT CONSTRUCTION OF SWITCHBACK VILLAGE APARTMENTS IN GRAND MARAIS MINNESOTA

WHEREAS, Gunflint Vue LLC (the “Developer”) is the owner of property located on the corner of 5th Avenue West and the Gunflint Trail in Grand Marais, Minnesota (the “Property”); and

WHEREAS, the Developer proposes to construct Switchback Village, a 51-unit mixed-income residential apartment building (the “Project”); and

WHEREAS, the Housing and Redevelopment Authority of Cook County (“HRA”) is providing assistance for the Project as stipulated in a Development Agreement with the Developer, dated August 3, 2023; and

WHEREAS, despite the HRA’s assistance the Developer faces a funding gap in excess of \$500,000 and has requested financial assistance from the Cook County/Grand Marais Joint Economic Development Authority (“EDA”); and

WHEREAS, the EDA recognizes the importance of additional housing in the community, has resources available, and desires to assist with construction of the Project.

NOW, THEREFORE, BE IT RESOLVED, the EDA Board of Commissioners hereby approve a deferred loan up to \$200,000 to Developer to support construction of the Project, subject to the terms and conditions stipulated in the attached Loan Agreement (Exhibit A) and the following conditions:

1. No funds will be provided until and unless Developer secures sufficient funding to construct the Project in its entirety.
2. Developer must adhere to the terms of the Development Agreement between the Developer and the HRA during the term of the loan.
3. Loan repayment will be deferred until the end of the three-year term or when Developer closes on permanent financing, at which point the total loan balance plus accrued interest will be due.

_____ Ex. Dir.

April 16, 2024

STATEMENT OF PURPOSE: The purpose of this resolution is to approve providing Gunflint Vue LLC construction financing to assist with the construction of Switchback Village Apartments, a 51-unit, mixed-income multifamily residential property (the “Project”) in Grand Marais. The Cook County HRA is providing over \$1 million of assistance to support the Project and has an executed Development Agreement with the Developer. Construction was set to commence in late summer of 2023 but was

stalled due to some unforeseen technical and site-related issues. Since the execution of the Development Agreement with the HRA, project costs have increased by over \$500,000, creating a funding gap. The Developer has requested a construction loan from the EDA to assist with construction costs; they have raised additional equity and the HRA is providing additional funding to close to remaining funding gap. The attached Loan Agreement states that the terms of the loan include a \$200,000 at 2% APR for a term of up to three years. Loan payments will be deferred until the term expires or the Developer closes on permanent financing, whichever occurs soonest, at which point the principal balance and all accrued interest will be due.

Board member _____ moved the adoption of the foregoing resolution, and said motion was duly seconded by Board member _____, and upon vote being taken thereon, the following voted in favor thereof:

Abstention:

and the following voted against the same:

Whereupon said resolution was declared adopted by the Cook County and Grand Marais Joint Economic Development Authority this 16th day of April 2024.

ATTEST:

Steve Surbaugh – Board President

**LOAN AGREEMENT
COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT
AUTHORITY
GUNFLINT VUE LLC
SWITCHBACK VILLAGE RESIDENTIAL DEVELOPMENT**

THIS LOAN AGREEMENT (“Agreement”) entered into this _____ day of _____, 2024, by and between the COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469 (“EDA”) and GUNFLINT VUE LLC, a limited liability company created and existing under the laws of the State of Minnesota (“Developer”).

RECITALS

A. Insufficient housing has had a significant impact on economic development throughout Cook County. Prior to the establishment and activities of the Housing and Redevelopment Authority of Cook County, Minnesota (the “HRA”), the EDA was supporting and advancing the creation of new housing in Cook County. Now, the EDA continues to serve as a partner and collaborator with the Cook County HRA to help address county-wide housing issues.

B. Switchback Village, a proposed 51-unit multifamily housing development (the “Project”), faces a funding gap in excess of \$500,000. The Developer has requested a construction loan from the EDA to help address this gap. The EDA Board approved Resolution 2024-25 on April 16th, 2024, to provide a deferred loan of in the amount of \$200,000 at an annual percent rate of two percent (2%) for a term not to exceed three years to Gunflint Vue LLC to enable remaining project financing to close and construction to commence during the summer of 2024.

C. EDA approval was subject to the following conditions:

- No funds will be provided until and unless Developer secures sufficient funding to construct the Project in its entirety.
- Developer must adhere to the terms of the Development Agreement between the Developer and the HRA during the term of the loan.
- Loan repayment will be deferred until the end of the three-year term or when Developer closes on permanent financing, at which point the total loan balance plus accrued interest will be due.

D. The EDA believes that the development of the Project pursuant to the fulfillment

generally of the terms and conditions of this Agreement, is in the best interests of the EDA and the health, safety, and welfare of the County’s residents, and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the Project has been undertaken and is being assisted.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I - DEFINITIONS; EXHIBITS

Section 1.1 Definitions. For the purpose of this Agreement, the following terms shall have the meanings hereinafter ascribed to them unless a different meaning clearly appears from the context:

“Act” means Minnesota Statutes, Sections 469.001 through 469.047, as amended or supplemented from time to time.

“Agreement” means this Loan Agreement, as originally executed or as it may from time to time be modified, amended or supplemented pursuant to the provisions hereof.

“EDA” means the Cook County/Grand Marais Joint Economic Development Authority, an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469.

“City” means the City of Grand Marais, Cook County, Minnesota, a municipal corporation and political subdivision of the State, or its successors and assigns.

“Closing” means the date at which the Developer closes on permanent financing provided after completion of the Project.

“Costs” means development costs that are incurred during the course of construction.

“County” means Cook County, Minnesota, a body politic and corporate and a political subdivision of the State, or its successors and assigns.

“Developer” means Gunflint Vue LLC or its permitted successors or assigns under this Agreement.

“Hazardous Substance” means hazardous waste, toxic substances, polychlorinated biphenyls, asbestos or related materials. The term includes petroleum, including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, synthetic gas usable for fuel or mixtures thereof, and includes substances released from underground storage tanks. The

term includes any element, compound, mixture, solution or substance regulated by federal, State or local law, rule or regulation because of its toxicity, corrosiveness, reactivity or ignitability or carcinogenic effect.

“Indemnified Parties” has the meaning provided in Section 4.3 hereof.

“Loan Terms” means the terms of the loan, as described in Exhibit A.

“Mortgage” means any mortgage made by the Developer which is secured, in whole or in part, by the Developer's interest in the Property, any improvements thereon or any portion thereof.

“Net Proceeds” means the net proceeds of any insurance award to the Developer with respect to damage of the Project.

“Project” means the construction of not less than 50 long-term apartment units at the northwest corner of Gunflint Trail and 5th Avenue West, and the commitment to operate the Property as agreed to in the Development Agreement dated August 3, 2023 between the Developer and the Housing and Redevelopment Authority of Cook County, Minnesota, as amended.

“Project Administrator” means the Executive Director of the EDA or such other person or persons designated by the Executive Director to administer the Developer's compliance with the terms and conditions of this Agreement.

“Property” means property described in Exhibit B of this Agreement.

“State” means the State of Minnesota.

“Transfer” means any conveyance, assignment or transfer of any interest in the Project, or of Developer's interest in the Project, voluntary or involuntary, by sale, assignment, pledge, gift, encumbrance, by operation of law or otherwise.

“Unavoidable Delays” means delays, outside the control of the party claiming its occurrence, which are the direct result of strikes, other labor troubles, material shortages, unusually severe or prolonged bad weather, acts of nature, fire or other casualty to the Project, 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 government unit (other than the EDA) which directly result in delays, and any delays resulting from other causes which are beyond the reasonable control of the party to be excused.

ARTICLE II - REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations, Warranties and Covenants by the EDA. The EDA represents, warrants and covenants that:

(a) The EDA has all the powers of an economic development authority under the laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

(b) No part of this Agreement shall be construed as a representation or warranty of the EDA as to the condition (including soil condition) of the Property or as to its suitability for the Developer's purposes and needs.

Section 2.2 Representations, Warranties and Covenants by the Developer. The Developer represents, warrants and covenants that:

(a) The Developer is a duly organized and existing limited liability corporation in good standing under the laws of the State, is qualified to do business in the State and is not in violation of any provisions of law or regulations of the State and has full power and EDA to enter into this Agreement and to perform its obligations hereunder.

(b) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented or limited by, or in conflict with or will result in a breach of, the terms, conditions or provisions of any evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or will constitute a default under any of the foregoing.

(c) The Developer will promptly advise the EDA in writing of and cooperate with the EDA with respect to any litigation commenced with respect to the Property or the Project, except for litigation in which the EDA and the Developer are adverse parties.

(d) The Developer reasonably believes that the financing commitments which the Developer has obtained to finance the Project, together with the Developer's committed resources, will be sufficient to enable the Developer to successfully complete in accordance with the schedule contemplated in this Agreement. The information provided by the Developer to lenders in order to secure financing for the Project, if necessary, is identical to the project and financial information provided to the EDA.

(e) The Developer has not received any notice or communication from local, State or federal officials or any private party that the Developer's activities respecting the Property or the Project may or will be in violation of any law or regulation (including environmental laws and regulations).

(f) If any investigation, site monitoring, containment, clean-up, removal, restoration, or other remedial work (the "Remedial Work") of any kind is necessary under any applicable local, State or federal laws or regulations, or is required by any governmental entity or other third person because of or in connection with the presence or suspected presence of hazardous substance(s) on or under the Property, Developer shall assume responsibility for all such Remedial Work resulting from Developer's activities on the Property and all costs and expenses of such Remedial Work shall be paid by Developer. Without limiting the foregoing, nothing

contained in this paragraph shall be construed or interpreted in such a way to adversely affect the ability of Developer to seek reimbursement of the cost of any Remedial Work undertaken by Developer from the federal government, State or other third party.

(g) The Developer agrees that there shall be no discrimination in the use of the Project because of race, sex, age, sexual orientation or religious, political or other similar affiliation.

ARTICLE III - UNDERTAKINGS OF DEVELOPER AND EDA

Section 3.1 Proof of Financing. Developer will provide EDA with proof of sufficient funds to construct the Project at least 15 days prior to the date of the closing on the primary construction financing, as well as a projected construction timeline for the Project.

Section 3.2 Costs incurred for the Project. Developer agrees to provide receipts and/or invoices itemizing Costs to the EDA along with all reimbursement request, up to the loan amount. Additionally, Developer agrees that at all times while Developer owns the Property, Developer will operate and maintain, preserve and keep the Property or cause such improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof in habitable and sound condition.

Additionally, Developer shall take and/or cause others to take reasonable precautions for the safety of, and shall provide reasonable protection to prevent damage, injury or loss to, employees and other persons on and off-site where maintenance and construction activities are underway. The Developer shall take reasonable precautions for the safety and protection of the improvements, materials and equipment to be incorporated therein, whether in storage on or off-site, under case, custody or control of the Developer or one of the Developer's contractors or any subordinate contractor. The Developer shall further take precautions to protect the property of the EDA or others, whether or not forming part of the Project, located at the Property or adjacent thereto in areas to which the Developer has access.

Section 3.4 Insurance. Until Closing, Developer shall provide for purchase and maintenance of such insurance as will protect Developer and the Indemnified Parties (as defined below in Section 4.3) against risk of loss or damage to the Project. Such coverages shall include but shall not necessarily be limited to Public Liability Insurance written on an "occurrence" basis under a Comprehensive General Liability Form with "Broad Form" property damage liability coverage, with XCU exclusion removed, in limits of not less than \$2,000,000 aggregate per occurrence for personal injury, bodily injury and death, and limits of \$2,000,000 for property damage liability.

ARTICLE IV - PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER; INDEMNIFICATION

Section 4.1 Representation as to Development. The Developer represents and agrees that its undertakings with respect to the Property pursuant to this Agreement are and will be used

for the purpose of construction of the Project and not for speculation or to develop the Property into any use other than multifamily housing.

Section 4.2 Prohibitions Against Transfer of Property and Assignment of Agreement. The Developer hereby represents and agrees that prior to completion of the Project:

(a) Except only by way of security for the purposes of obtaining financing necessary to enable the Developer or any successor in interest to the Property, or any part thereof, to perform its obligations with respect to completing the Project under this Agreement, the Developer (except as so authorized) has not made or created and will not make or create or suffer to be made or created any Transfer of this Agreement or the Property without the prior written approval of the EDA, which approval shall not be unreasonably withheld. In the event the EDA approves a Transfer, the EDA will complete a written statement indicating whether the Developer, before or at the time of the Transfer, has been or is in default as to any of the obligations of this Agreement, and stating that this Agreement is in full force and effect between the transferee and the EDA.

(b) In the event the Developer, upon a Transfer, seeks to be released from and seeks to assign its rights and obligations under this Agreement, the EDA shall be entitled to require, except as otherwise provided in this Agreement, as conditions to any such approval that: (i) any proposed transferee shall have the qualifications and financial responsibility, as determined by the EDA, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer; (ii) any proposed transferee, by instrument in writing satisfactory to the EDA and in form recordable among the land records, shall for itself and its successors and assigns, and expressly for the benefit of the EDA, have expressly assumed all the obligations of the Developer under this Agreement; and (iii) there shall be submitted to the EDA for review all instruments and other legal documents involved in effectuating transfers described herein; and if approved by the EDA its approval shall be indicated to the Developer in writing. In the absence of a specific written agreement by the EDA to the contrary, no such Transfer approval by the EDA hereof shall be deemed to relieve the Developer, or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Project, from any of its obligations with respect thereto. Nor shall the Developer or any other party bound by this Agreement be released from any obligations hereunder without the written release of the EDA.

(c) After completion of the Project, the Developer may transfer or assign any portion of the Property without the consent of the EDA, provided that the transferee or assignee is bound by all the Developer's obligations remaining hereunder. The Developer shall submit to the EDA written evidence of any such transfer or assignment, including the transferee or assignee's express assumption of the Developer's obligations under this Agreement. If the Developer fails to provide such evidence of transfer and assumption, the Developer shall remain bound by all its obligations under this Agreement.

Section 4.3 Release and Indemnification Covenants.

(a) The Developer releases from and covenants and agrees that the EDA and its governing body members, officers, agents, including its independent contractors, consultants and

legal counsel, servants and employees (hereinafter, for purposes of this Section, collectively the “Indemnified Parties”) shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person resulting from any defect in the Project, except for loss or damage to property or any injury to or death of any person resulting from any defect in the Project resulting from the negligence, any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties.

(b) Except for the negligence, any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties now and forever and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the construction, installation, ownership, and operation of the Project, provided that this indemnification shall not apply to the warranties made or obligations undertaken by the EDA in this Agreement.

(c) The Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or officers, agents, servants, or employees or any other person who may be about the Property or the Project due to any act of negligence of any person, provided, that nothing contained herein shall be interpreted to alter the liability of the Indemnified Parties for any damage or injury to the persons or property of the Developer or officers, agents, servants, or employees or any other person who may be about the Property or Project caused by any act of negligence of the Indemnified Parties.

(d) All covenants, stipulations, promises, agreements and obligations of the EDA contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the EDA, and not of any governing body member, officer, agent, servant or employee of the EDA.

ARTICLE V-EVENTS OF DEFAULT

Section 6.1 Events of Default Defined. The following are Events of Default under this Agreement:

(a) failure by the Developer to reach Closing if said failure was due to neglect or mismanagement from the Developer;

(b) a petition in bankruptcy is filed naming the Developer as debtor, and such petition is not dismissed within 90 days of the date of filing thereof;

(c) a material default by Developer occurs under any other written agreement or document to which the Developer and the EDA are parties which default is not cured within any applicable cure period provided therein, or if no cure period is provided, within 30 days of receiving notice of default; or

(d) failure by the Developer to substantially observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement within 30 days of receiving written notice of default from the EDA.

Section 6.2 Remedies on Default. Whenever any Event of Default occurs, the EDA may take any one or more of the following actions after giving 30 days written notice to the Developer from the EDA, but only if the Event of Default has not been cured within said 30 days:

(a) The EDA may suspend its performance under this Agreement and until it receives assurances from the Developer, deemed adequate by the EDA, that the Developer will cure its default and continue its performance under this Agreement.

(b) The EDA may cancel and rescind this Agreement.

(c) The EDA may take whatever action, including legal or administrative action, which may appear necessary or desirable to the EDA to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement or any other written agreement or document to which the Developer and EDA are parties.

Section 6.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the EDA is intended to be exclusive of any other available remedy or remedies, but each and every 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.

Section 6.4 No Additional Waiver Implied by One Waiver. In the event any covenant contained in this Agreement should be breached by any party and thereafter waived by any other party hereto, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 6.5 Agreement to Pay Attorneys' Fees and Expenses. Whenever any Event of Default occurs and the EDA shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of the Developer herein contained, the Developer agrees that it shall, on demand therefor, pay to the EDA the reasonable fees of such attorneys and such other expenses so incurred by the EDA.

ARTICLE VI - ADDITIONAL PROVISIONS

Section 7.1 Binding Effect. The covenants and conditions of this Agreement will run with and burden the Property and will be binding upon the Developer and its successors and assigns and every successor in interest to the Property, or any part thereof.

Section 7.2 Provisions Not Merged with Deed. None of the provisions of this Agreement shall be merged by reason of any deed transferring any interest in the Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 7.3 Restrictions on Use. The Developer agrees for itself, its successors and assigns and every successor in interest to the Project, or any part thereof, that the Developer and such successor and assigns shall devote the Project to, and only to, and in accordance with, the uses described herein.

Section 7.4 Titles of Articles and Sections. The titles of the several parts, Articles and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions hereof.

Section 7.5 Notices and Demands. A notice, demand or other communication under this Agreement by any party to the other shall be sufficiently given or delivered if dispatched by United States Registered or Certified Mail, or by nationally recognized overnight courier service, postage or charges prepaid and return receipt requested, or delivered personally (and receipt acknowledged) to the parties at their respective addresses set forth herein, or at such other address or addresses with respect to the parties or their counsels as any party may, from time to time, designate in writing and forward to the others as provided in this Section 7.5.

If to the EDA:

Cook County/Grand Marias Joint EDA
Attn: Executive Director
411 West 2nd Street, Suite B
PO Box 597
Grand Marais, MN 55604

Copies to:

Fryberger, Buchanan, Smith & Frederick, P.A.
302 West Superior Street, Suite 700
Duluth, MN 55802 Attn: Christopher Virta

If to the Developer:

P&R DEVELOPMENT LLC
Attn: Ryan Nelson
2306 W Superior St
PO Box 16958
Duluth, MN 55816

Section 7.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 7.7 Law Governing. This Agreement will be governed by and construed in accordance with the laws of the State of Minnesota.

Section 7.8 Amendments. This Agreement may be amended in writing upon mutual agreement of the EDA and the Developer.

Section 7.9 Recording. The Developer or the EDA on behalf of the Developer may record this Agreement and any amendments thereto with the County Recorder or Registrar of Titles, as the case may be. The Developer shall pay all costs for recording.

Section 7.10 Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the provisions in the Agreement and supersedes all prior agreements and understandings between the parties with respect to such matters.

Section 7.11 Survival. All of the terms, representations, warranties and covenants in this Agreement shall survive and remain in force for the benefit of the parties after completion of construction of the Project by the Developer.

Section 7.12 Conflict of Interest; EDA Representatives Not Individually Liable. The EDA and the Developer to the best of their respective knowledge represent and agree that no member, official or employee of the EDA shall have any illegal personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his/her personal interest or the interest of any corporation, partnership or association which he/she is directly or indirectly interested, no member, official or employee of the EDA shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the EDA, or for any amount which would become due to the Developer or successor or on any obligations under the terms of the Agreement.

(remainder of page intentionally left blank)

IN WITNESS WHEREOF, the EDA and the Developer have caused this Agreement to be duly executed as of the date first above written.

COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY

By _____

Steve Surbaugh, Its Board President

STATE OF MINNESOTA)
) ss.
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this _____ of _____, 2024, by Steve Surbaugh, the President of the Cook County/Grand Marais Joint Economic Development Authority an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469 (“EDA), on behalf of said EDA.

Notary Public

GUNFLINT VUE LLC

By _____

Ryan Nelson, Its Owner

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2024, Ryan Nelson, Owner of Gunflint Vue LLC, a limited liability company created and existing under the laws of the State of Minnesota, on behalf of said LLC.

This instrument drafted by:

Fryberger, Buchanan, Smith & Frederick, P.A.
700 Lonsdale Building
302 West Superior Street
Duluth, Minnesota 55802

**EXHIBIT A
LOAN TERMS**

Loan Terms

Project: The purpose of this loan is to provide funds to assist Gunflint Vue LLC (the Developer) with construction costs associated with the development of Switchback Village Apartments (the Project). The objective of the EDA's support is to advance the creation of 51 units of mixed income housing in Grand Marias.

Loan Amount: \$200,000

Interest Rate: 2%

Term: 36 months, commencing on date of first disbursement with option to extend an additional 6 months upon mutual agreement of both parties to this agreement.

Disbursement: The EDA will provide loan proceeds on a reimbursement basis upon receipt of invoices from the Developer of Project construction costs incurred.

Repayment: Payments are deferred until the term expires or until Developer closes on permanent financing for the Project, whichever is soonest, at which point all loan disbursements plus all accrued interest will be repaid in full to the EDA.

Estimated Permanent Financing Closing: September, 2026

Date of EDA approval of Resolution for this loan: April 16, 2024

EXHIBIT B
LEGAL DESCRIPTION OF THE PROPERTY

The following real estate situated in the City of Grand Marais, Cook County, Minnesota, according to Cook County for parcel bearing PID 80-017-4465:

(TORRENS)

The Southerly 520.00 feet of the Southeast Quarter of the Southeast Quarter (SE $\frac{1}{4}$ of the SE $\frac{1}{4}$) of Section Seventeen (17), Township Sixty-one (61) North of Range One (1) East of the Fourth P. M. which lies westerly of a line drawn parallel to and Two Hundred (200.0) feet westerly of the west right-of-way of the "old" Gunflint Trail as established by grant of easement recorded in Book 93 of Deeds, page 360 in the office of the County Recorder, Cook County, Minnesota, and also lying northeasterly, easterly and southeasterly of the "new" Gunflint Trail centerline described as follows:

Beginning at the northeast corner of the Northeast Quarter of the Northeast Quarter of Section 20, Township 61 North, Range 1 East of the Fourth P. M.; thence North 89 degrees 46 minutes 45 seconds West on an assumed bearing along the westerly projection of the north line of the Northwest Quarter of the Northwest Quarter of the adjoining Section 21, for a distance of 104.80 feet; thence westerly, northwesterly, northerly, and northeasterly a distance of 1761.44 feet along a tangential curve, concave to the east, radius of 674.07 feet, a central angle of 149 degrees 43 minutes 20 seconds; thence North 59 degrees 56 minutes 35 seconds East, on tangent, a distance of 1336.71 feet and there terminating. ("new" Gunflint Trail as described in Tdoc. #15431 and Adoc. #94846)

AND

(ABSTRACT)

The Southerly 520.00 feet of the Southeast Quarter of the Southeast Quarter (SE $\frac{1}{4}$ of the SE $\frac{1}{4}$) of Section Seventeen (17), Township Sixty-one (61) North of Range One (1) East of the Fourth P. M., lying westerly of the center line of State Aid Road #1 of Cook County ("old" Gunflint Trail), which also lies easterly of a line drawn parallel to and Two Hundred (200.0) feet westerly of the west right-of-way of the "old" Gunflint Trail as established by grant of easement recorded in Book 93 of Deeds, page 360 in the office of the County Recorder, Cook County, Minnesota, and also lying northeasterly, easterly and southeasterly of the "new" Gunflint Trail centerline described as follows:

Beginning at the northeast corner of the Northeast Quarter of the Northeast Quarter of Section 20, Township 61 North, Range 1 East of the Fourth P. M.; thence North 89 degrees 46 minutes 45 seconds West on an assumed bearing along the westerly projection of the north line of the Northwest Quarter of the Northwest Quarter of the adjoining Section 21, for a distance of 104.80 feet; thence westerly, northwesterly, northerly, and northeasterly a distance of 1761.44 feet along a tangential curve, concave to the east, radius of 674.07 feet, a central angle of 149 degrees 43 minutes 20 seconds; thence North 59 degrees 56 minutes 35 seconds East, on tangent, a distance of 1336.71 feet and there terminating. ("new" Gunflint Trail as described in Tdoc. #15431 and Adoc. #94846)

TO: Cook County/Grand Marais Joint Economic Development Authority
FROM: Paulina Backstrom
DATE: 3/18/24

RE: Letter of Intent to Purchase Lot(s) at Cedar Grove Business Park

INTENT: The purpose of this letter is to set forth some of the basic terms and conditions of the proposed purchase by the undersigned (the “Buyer”) of certain real estate owned by the Cook County/Grand Marais Joint Economic Development Authority (the “Seller”). The terms set forth in this Letter will not become binding until a more detailed “Development Agreement” is negotiated and signed by the parties.

SELLER: COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT
AUTHORITY
425 W Highway 61, Suite B
Grand Marais, MN 55604

BUYER: Paulina Backstrom
BUYER EMAIL: Ecobluer recycling@outlook.com

PROPERTY. The property proposed to be purchased is owned by the Cook County/Grand Marais Joint Economic Development Authority located at Lot 4 Block 4 in Cedar Grove Business Park, Grand Marais, Minnesota. The proposed purchase price is \$12,000; and the Buyer wishes to use the property for the purpose of developing it and operating EcoBlue Recycling business from location.

NON-BINDING. This letter of Intent does not and is not intended to contractually bind the parties and is only an expression of the basic conditions to be incorporated into a binding Development Agreement. This Letter does not require either party to negotiate in good faith or to proceed to the completion of a binding Development Agreement. The parties shall not be contractually bound unless and until they enter into a formal, written Development Agreement, which must be in form and content satisfactory to each party and to each party’s legal counsel, in their sole discretion. Neither party may rely on this Letter as creating any legal obligation of any kind.

EXPIRATION OF OFFER. This Letter of Intent shall constitute an open offer until such time that a quorum of the Cook County/Grand Marais Joint Economic Development Authority Board of Commissioners has had the opportunity to respond to the offer.
If you would like to discuss a sale of Real Estate with the undersigned on these general terms, please sign and return a copy of this Letter of Intent to the undersigned at your earliest convenience.

Paulina Backstrom

Insert Name, Title

Cedar Grove Business Park





April 1, 2024

Friends,

In March I logged 68.75 hours with 36 clients in 69 meetings. Meeting topics included:

- Announced and working with clients on the EIDL and Promise Grant applications
- Consulting and arranging financial sources with 2 clients buying or selling businesses
- Worked with the Cook County Revolving loan board to revise RLF guidelines
- Staffed open office hours for Promise Grant
- Continue working with Aging Coalition and Early Childhood Coalition
- SBDC Team meeting (1 Hr.)

April Heads UP:

- Out of County 4/4 thru 4/11 chasing the Eclipse
- Left knee replacement 4/18

Thanks again for your support on my attending the MN Statewide SBDC Knowledge Exchange Program annual conference in Fergus Falls on May 15th an 16th.

Questions? Let me know.

Pat

pcampanaro@gmail.com

651-336-2964