

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

RESOLUTION FORGIVING CERTAIN LOANS AND APPROVING THE PURCHASE BY THE EDA OF CERTAIN PROPERTY LOCATED IN THE CITY OF GRAND RAPIDS AND A CORRESPONDING PURCHASE AGREEMENT

BE IT RESOLVED by the Board of Commissioners (“Board”) of the Grand Rapids Economic Development Authority (“Authority”) as follows:

Section 1. Background and EDA Loans.

1.01. The Authority has established its Development District No. 1 (the “Development District”) within the City of Grand Rapids (the “City”).

1.02. On December 2, 2016, the Authority issued a \$35,000 Commercial Buildings Improvement Loan (the “Improvements Loan”) to Itasca County Farm Service Association, a Minnesota cooperative (the “Farm Co-Op”), for commercial building improvements, which was evidenced by a promissory note and secured by a subordinate mortgage from the Farm Co-Op to the Authority (the “Authority Mortgage”) on the Farm Co-Op’s property located at 900 NW 4th Street in the City of Grand Rapids, Minnesota (the “City”) and legally described in Exhibit A attached hereto (the “Co-Op Property”).

1.03. As of this date, the Improvements Loan is outstanding in the amount of \$24,591.

1.04. On April 27, 2020, the Authority issued an \$15,000 loan (the “Emergency Loan”) to the Farm Co-op to assist the business when they faced financial hardships related to the COVID-19 pandemic, which is unsecured and evidenced by a promissory note.

1.05. As of this date, the Emergency Loan is outstanding in the amount of \$15,000.

1.06. On August 13, 2021, the Farm Co-Op filed for bankruptcy and through the bankruptcy proceedings, Deerwood Bank, a Minnesota banking corporation and the holder of a senior mortgage on the Co-Op Property (“Deerwood Bank”), acquired the Co-Op Property.

Section 2. Co-Op Property Sale.

2.01. Deerwood Bank seeks to sell the Co-Op Property. The Authority wishes to purchase the Co-Op Property to curb and reverse growing conditions of blight on and around the Co-Op Property. Deerwood Bank has presented the Authority with a Purchase Agreement (“Agreement”) pursuant to which Deerwood Bank will convey to the Co-Op Property to the Authority for a purchase price of \$1.00.

2.02. The Board has determined that the purchase of the Co-Op Property as described in this resolution is in the best interest of the City and its residents for the purpose of furthering the Authority’s economic development and redevelopment objectives.

Section 3. Purchase of Co-Op Property Approved; Loans Forgiven; Further Proceedings.

3.01. The Board approves the Purchase Agreement in substantially the form presented to the Board, together with any related documents necessary in connection therewith, including without limitation all documents, exhibits, certifications, or consents referenced in or attached to the Agreement including without limitation any documents required by the title company relating to the purchase of the Co-Op Property (the

“Conveyance Documents”). The Board hereby approves the purchase of the Co-Op Property from Deerwood Bank in accordance with the terms of the Purchase Agreement.

3.02 The Board hereby authorizes the President and Executive Director, in their discretion and at such time, if any, as they may deem appropriate, to execute the Purchase Agreement and the Conveyance Documents on behalf of the Authority, and to carry out, on behalf of the Authority, the Authority’s obligations thereunder when all conditions precedent thereto have been satisfied. The Purchase Agreement shall be in substantially the form on file with the Authority and the approval hereby given to the Purchase Agreement includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the Authority and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the Authority. The execution of any instrument by the appropriate officers of the Authority herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. This resolution shall not constitute an offer and the Purchase Agreement shall not be effective until the date of execution thereof as provided herein.

3.03. Authority staff and officials are authorized to take all actions necessary to perform the Authority’s obligations under the Purchase Agreement as a whole, including without limitation execution of the Conveyance Documents.

3.04. In connection with the acquisition of the Co-Op Property pursuant to the Conveyance Documents, the Authority agrees to forgive the Improvements Loan and the Emergency Loan and the related promissory notes and release the Authority Mortgage from the Co-Op Property. The Executive Director and President are authorized execute and deliver a release of the Authority Mortgage and any other documents necessary to effectuate the forgiveness of the Improvements Loan and the Emergency Loan.

3.05. The Executive Director, Authority staff, and Authority consultants are hereby authorized and directed to take any and all additional steps and actions necessary or convenient in order to accomplish the intent of this resolution.

Approved by the Board of Commissioners of the Grand Rapids Economic Development Authority this 25th day of April, 2024.

President

ATTEST:

Secretary

EXHIBIT A

Legal Description of Co-Op Property

Parcel 1: Lots 1-12, inclusive, Block 26, together with that part of vacated Tenth Avenue West Appertaining thereto, and that portion of the vacated Ninth Avenue West lying East of Block 26, all in Grand Rapids Second Division, Itasca County, Minnesota

Except: The East 25 feet of Lots 1-6, Block 26, Grand Rapids Second Division, Itasca County, Minnesota.

Parcel 2: All of the Eastern 100 feet of Lots 1, 2,3, 4, 5 and 6, Block 25 AND all that portion of the West Half (W1/2) of vacated 10th Avenue West lying between and Easterly extensions of the North and South lines of said Block 25, excepting therefrom all those portions of Lots 5 and 6 of said Block 25 West of a line drawn parallel to and distant 60 feet Westerly of the East line of Block 25 AND except the East 4.72 feet of the West ½ (W1/2) of vacated tenth avenue West lying between the Easterly extension of the North and South lines of said Block 25, Second Division of Grand Rapids