

CITY OF GRAND RAPIDS, MINNESOTA

RESOLUTION NO. _____

RESOLUTION FORGIVING A CERTAIN LOAN TO ITASCA COUNTY FARM SERVICE ASSOCIATION

BE IT RESOLVED by the City Council (the “City Council”) of the City of Grand Rapids, Minnesota (the “City”) as follows:

Section 1. City Loan.

1.01. On June 24, 2015, the City issued a \$32,000 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 “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”).

1.02. As of this date, the Improvements Loan is outstanding in the amount of \$45,514 (including accrued interest costs).

1.03. 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.

1.01. Deerwood Bank seeks to sell the Co-Op Property. The Grand Rapids Economic Development Authority (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 via quit claim deed for a purchase price of \$1.00.

1.02. On April 25, 2024, the Board of the Authority (the “Board”) will consider whether 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. Loan Forgiven; Property Acquisition.

3.01. Following approval of the Agreement by the Board and in connection with the conveyance of the Co-Op Property to the Authority, the City agrees to forgive the Improvements Loan and the related promissory note and release the Mortgage from the Co-Op Property. The City Administrator and Mayor are authorized execute and deliver a release of the Mortgage and any other documents necessary to effectuate the forgiveness of the Improvements Loan.

3.02. The City Administrator, City staff, and City 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.

3.03. Pursuant to Minnesota Statutes, Section 462.356, subd. 2, the City Council, by at least a two-thirds vote of all of its members, finds that the acquisition of the Co-Property by the Authority do not

impact and do not have a relationship to the City's comprehensive plan; the improvements are consistent with the City's comprehensive plan; therefore, the City Council dispenses with the requirements of Minnesota Statutes, Section 462.356, subd. 2 relating to planning commission review of the acquisition of the Property by the Authority.

Adopted on April 22, 2024 by the City Council of the City of Grand Rapids, Minnesota.

Mayor

City Clerk

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