AGENDA

Tuesday, August 18, 2026 – 4:00pm
Grand Marais City Hall – Council Chambers
15 North Broadway Ave, Grand Marais, MN 55604
Members of the Board may participate in this meeting via electronic means

1. **Call to Order**
2. **Approval of Agenda**
3. **Public Comments**
4. **Approval of Meeting Minutes**
    a. July 21, 2026 EDA Regular Meeting (Pages 1-4)

5. **Review of Financials**
    a. Balance Sheet EDA, as of July 31, 2026 (Pages 5-8)
    b. Bill Approval Status EDA, July 2026 Payments (Page 9)
    c. Balance Sheet Superior National Golf Course, as of July 31, 2026 (Pages 10-15)
    d. 2025 Business Development Fund Grant Report, information only (Page 16)
    e. 2026 Business Development Fund Grant Report, information only (Page 17)

6. **New Business**
    a. **2026-27** RESOLUTION APPROVING FIRST AMENDMENT TO DEVELOPMENT AGREEMENT C202415 WITH THE MAYHEW LLC (Pages 18-32)
    b. **2026-28** RESOLUTION APPROVING A DEVELOPMENT AGREEMENT WITH THE HOUSING AND REDEVELOPMENT AUTHORITY OF COOK COUNTY AND ARBODA LOFTS, LLC (Pages 33-73)
    c. **2026-29** RESOLUTION ACKNOWLEDGING REPAYMENT OF LOAN AGREEMENT C202419 WITH GUNFLINT VUE LLC AND AUTHORIZING REPAYMENT OF COOK COUNTY LOAN (Pages 74-78)
    d. **2026-30** RESOLUTION AUTHORIZING ANNUAL INSURANCE RENEWAL AND APPROVING NON-WAIVER OF STATUTORY TORT LIABILITY LIMITS (Pages 79-82)

7. **SBDC Report** (Page 83)
8. **Committee/Commissioner Reports**
    a. Golf Course Committee
    b. Taconite Harbor Subcommittee
    c. Grant Review Committee
    d. HR Committee Update
    e. Finance Committee

9. **Executive Directors Report**
10. **Adjourn**

Next Meeting: Tuesday, September 15, 2026

MINUTES

Tuesday, July 21, 2026 – 4:00pm
Grand Marais City Hall – Council Chambers
15 North Broadway Ave, Grand Marais, MN 55604
Members of the Board may participate in this meeting via electronic means

Commissioners Present: Peter Clissold, Mark Shackleton, Dave Mills, Siri Anderson, Pat Eliasen via zoom, Michael Garry for Tracy Benson joined meeting at 4:30 p.m.
Commissioners Absent: Alex Beebe-Giudice, Tracy Benson
Others Present: Lucas Wakefield, Rachelle Christianson, Garry Gamble, Molly Hicken, Mike Larson, Linda Jurek, minute taker Maggie Barnard

1. **Call to Order**
   President Clissold called the July 21, 2026 regular meeting of the EDA to order at 4:00 p.m.

2. **Approval of Agenda**
   No additions or revisions to the agenda. **Motion to approve the agenda as presented.**
   (Mills/Anderson) Roll call vote: Mills, Shackleton, Anderson, Eliasen, Clissold. Vote: Passed (5-0).

3. **Public Comments**
   No comments.

4. **Approval of Meeting Minutes**
   a. June 16, 2026 EDA Regular Meeting (Pages 1-4)
      Motion to approve the June 16, 2026 EDA Regular Meeting minutes. (Shackleton/Mills)
      Roll call vote: Mills, Shackleton, Anderson, Eliasen, Clissold. Passed (5-0).

5. **Review of Financials**
   a. Balance Sheet EDA, as of June 30, 2026 (Pages 5-8)
      Shackleton said YTD thru June is appropriate to budget. He's received the first levy payment so cash position is good. The golf course revenue is slightly up and ahead of last year, they have $315,000 in cash position.
   b. Bill Approval Status EDA, June 2026 Payments (Page 9)
      Motion to approve the June 2026 EDA payments. (Mills/Anderson)
      Roll call vote: Mills, Shackleton, Anderson, Eliasen, Clissold. Passed (5-0).
   c. Balance Sheet Superior National Golf Course, as of June 30, 2026 (Pages 10-15)
   d. 2025 Business Development Fund Grant Report, information only (Page 16)
   e. 2026 Business Development Fund Grant Report, information only (Page 17)

6. **New Business**
   a. Lutsen Water District SNL Connection Update *(No action – informational)*
      Molly Hicken and Mike Larson presented the option approved by the EDA golf course committee. It is a cost efficient proposal to connect the golf course irrigation source to the Water District. Hicken, with Larson's support, gave a detailed description of the current irrigation system and the water pressure challenges of connecting to the Water District pipeline. This option allows for automation of gauges which will decrease employee manual oversight. The cost estimate is $250,000 with level gauge installation. Without the level gauge installation it is $190,000.

Larson added that although the golf course irrigation system was operating, it was at random capacities of at 40% - 80% of need due to intake pipe damage sustained from a large 2022 Lake Superior storm.

Clissold agreed this option is the best option and noted that construction will be post sale closing.

Hicken informed the EDA that a use agreement between the proposed buyer and Water District has been drafted and can be forwarded for their review.

Clissold confirmed the draft can be sent to the EDA and will be shared with the proposed buyer.

b. **2026-24** RESOLUTION RESCINDING RESOLUTION 2026-21 AND APPROVING A DEVELOPMENT AGREEMENT WITH EAST BAY HOLDINGS CO, LLC FOR THE SISU + LÖYLY INFRASTRUCTURE IMPROVEMENT PROJECT (Pages 18-29)
Clissold noted that the resolution rescinds the previously approved Resolution 2026-21 that authorized a Development Agreement with Sisu and authorizes a new agreement with the owner's property holding company so it matches property ownership and financing documents.
Motion to approve RESOLUTION 2026-24. (Anderson/Mills)
Roll Call Vote: Mills, Shackleton, Anderson, Eliasen, Garry, Clissold. Passed (6-0).

c. **2026-25** RESOLUTION AUTHORIZING FIRST AMENDMENT TO BUSINESS DEVELOPMENT FUND GRANT AGREEMENT WITH SYDNEY'S FROZEN CUSTARD L.L.C (Pages 30-45)
Commissioner Anderson recused herself and left the room during this discussion.

Director Wakefield discussed that this grant was awarded in May of last year but the contract was not executed until August 11, 2025 so in the spirit of providing the grantee with a full year to complete the award, which is consistent with other grant awards, the grantee has requested an amendment to change the completion deadline to August 11, 2026 to complete the project.
Motion to approve RESOLUTION 2026-25. (Mills/Shackleton)
Roll Call Vote: Mills, Shackleton, Eliasen, Garry. Clissold. Passed (5-0-1) Anderson recused.

d. **2026-26** RESOLUTION APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH BARR ENGINEERING CO. FOR WATER SYSTEM DESIGN AND CONSTRUCTION SUPPORT SERVICES (Pages 46-53)
Clissold informed Commissioners that page 49 of the agenda packet explains the proposed scope of work.

Wakefield confirmed he received verbal confirmation from Barr Engineering that the bid process scope of work would include both irrigation and septic so long as the consultant currently working on the septic system design provides adequate materials to do so.

Clissold clarified the amount in escrow and anticipated revenue from the current golf season.

Discussion about EDA membership in the Water District. All agreed the membership is not necessary since the EDA will no longer be the golf course owner.
Motion to approve RESOLUTION 2026-26. (Shackleton/Mills)
Roll Call Vote: Mills, Shackleton, Anderson, Eliasen, Garry, Clissold. Passed (6-0).

7. **SBDC Report** (Page 54)
Christianson said she met with two new clients in July and described how she has been able to make connections and offer resources. Reported that new business entrepreneurs are primarily looking for advice on capital financing and marketing assistance.

8. **Committee/Commissioner Reports**
   a. Golf Course Committee
   Clissold reported that there is a standing meeting each week and Thursday, August 21st, 2026, is the sale closing date.
   b. Taconite Harbor Subcommittee
   Wakefield said he wrote thank you cards to each Advisory Committee member and asked commissioners to sign them. He said it makes sense that the next action step will be getting the many stakeholders together in a meeting to review the two proposals. Indicated that it would be helpful if there was an Economic Impact Analysis of the two proposals. The EDA committee has inquired if the U of M Extension Office can do the analysis.
   c. Grant Review Committee
   Director Wakefield informed the Board that the EDA has not yet received any grant applicants for the September cycle, which are due September 2, 2026. Stated that Commissioner Beebe-Giudice requested a timeline for a series of meetings to discuss potential changes to the grant fund and how to establish an endowment fund.

   Discussion on logo status and requesting grant recipients fulfill one and five year feedback and review of the grant process to remain eligible for future grant opportunities.
   d. HR Committee Update
   No update.
   e. Finance Committee
   No update.

9. **Executive Directors Report**
Wakefield stated that he attended the Grand Marais Business Coalition meeting and spoke with Linda Jurek about the negative impact on businesses because of the current wildfire emergency. Stated that lodging is reporting an average of 30% loss in bookings that extend into the fall season and that Jurek agrees there is value in the EDA requesting State aid.

Discussion and board support for a letter from the EDA in coordination with County entities. The board supports a letter from the EDA in coordination with County entities.

Wakefield shared that he met with the City of Grand Marais to discuss submission of a Small Cities Development Program (SCDP) grant, which helps cities, townships and counties with funding for housing, public infrastructure and commercial rehabilitation projects. Stated that the City will apply for the water treatment plant upgrades and Wakefield wants to apply for financial assistance for residential rehabilitation for residents with low and moderate incomes.

10. Adjourn

Motion to adjourn meeting at 5:11 pm (Shackleton/Garry).

Next Meeting: Tuesday, August 18, 2026

Respectfully submitted by minute taker Maggie Barnard

Cook County/Grand Marais Economic Development Authority

Balance Sheet

As of Jul 31, 2026

	TOTAL		
	As of Jul 31, 2026	As of Jul 31, 2025 (PY)	% Change (PY)
Assets			
Current Assets			
Bank Accounts			
GMSB Checking Account	585,651.61	261,658.21	123.82 %
GMSB Money Market	130,159.97	97,064.85	34.1 %
NSFCU 5162030 Checking	6,355.14	6,353.81	0.02 %
NSFCU Money Market (87)	0.00	0.00	
NSFCU Patronage	37.24	37.24	0.0 %
NSFCU Savings	10.19	10.19	0.0 %
Total for Bank Accounts	**$722,214.15**	**$365,124.30**	**97.8 %**
Accounts Receivable			
Accounts Receivable	0.00	0.00	
Total for Accounts Receivable	**$0.00**	**$0.00**	
Other Current Assets			
Due from Lutsen Recreation	0.00	0.00	
Due from Lutzen Mountainside	8,437.50	8,437.50	0.0 %
Due from SNL	12,083.33		
Due from Superior National at Lutsen	190,000.00		
Note Payable | Gunflint Vue LLC	0.00	200,000.00	-100.0 %
Prepaid Rent	915.00	915.00	0.0 %
Taxes Receivable - current	35,732.65	16,054.18	122.58 %
Taxes Receivable - delinquent	18,709.00	8,396.00	122.83 %
Undeposited Funds	0.00	0.00	
Total for Other Current Assets	**$265,877.48**	**$233,802.68**	**13.72 %**
Total for Current Assets	**$988,091.63**	**$598,926.98**	**64.98 %**
Fixed Assets			
Land Held for Resale	2,800.00	114,000.00	-97.54 %
Total for Fixed Assets	**$2,800.00**	**$114,000.00**	**-97.54 %**
Other Assets			
Tac Area Bus Relief Note Rec	0.00	0.00	
Total for Other Assets	**$0.00**	**$0.00**	
Total for Assets	**$990,891.63**	**$712,926.98**	**38.99 %**

Cook County/Grand Marais Economic Development Authority

Balance Sheet

As of Jul 31, 2026

	TOTAL		
	As of Jul 31, 2026	As of Jul 31, 2025 (PY)	% Change (PY)
Liabilities and Equity			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	23,597.51	38,860.85	-39.28 %
Total for Accounts Payable	**$23,597.51**	**$38,860.85**	**-39.28 %**
Credit Cards			
Visa Credit Card	651.84	676.79	-3.69 %
Total for Credit Cards	**$651.84**	**$676.79**	**-3.69 %**
Other Current Liabilities			
Contingent Liability	0.00	0.00	
Deferred Revenue	0.00	0.00	
Due to City of Grand Marais	35,872.50	149,812.55	-76.06 %
Due to Cook County	0.00	28,103.89	-100.0 %
Due to Workforce Recruitment	0.00	0.00	
Note Payable | Cook County	200,000.00		
Salaries/Benefits	0.00	0.00	
Total for Other Current Liabilities	**$235,872.50**	**$177,916.44**	**32.57 %**
Total for Current Liabilities	**$260,121.85**	**$217,454.08**	**19.62 %**
Long-term Liabilities			
Unavailable Rev - Deferred Tax	18,709.00	8,396.00	122.83 %
Total for Long-term Liabilities	**$18,709.00**	**$8,396.00**	**122.83 %**
Total for Liabilities	**$278,830.85**	**$225,850.08**	**23.46 %**
Equity			
Opening Bal Equity	118,003.47	118,003.47	0.0 %
Retained Earnings	478,944.59	358,699.28	33.52 %
Net Income	115,112.72	10,374.15	1009.61 %
Total for Equity	**$712,060.78**	**$487,076.90**	**46.19 %**
Total for Liabilities and Equity	**$990,891.63**	**$712,926.98**	**38.99 %**

Budget vs. Actuals_Budget_FY26_P&L__Report
January-July, 2026

	TOTAL			
	Actual	Budget	Over budget by	Percent of budget
Income				
EDA Levy				
Levy County Cedar Grove Pass Thru	34,248.77	60,000.00	-25,751.23	57.08 %
Levy County - Operations	259,598.07	452,962.00	-193,363.93	57.31 %
Total for EDA Levy	**$293,846.84**	**$512,962.00**	**-$219,115.16**	**57.28 %**
Grant Income				
Misc Income	18,328.03		18,328.03	
Total for Grant Income	**$18,328.03**		**$18,328.03**	
Interest Income	9,651.99		9,651.99	
Northland SBDC Income	1,872.25	39,000.00	-37,127.75	4.8 %
Rent HRA	4,600.00	6,900.00	-2,300.00	66.67 %
Total for Income	**$328,299.11**	**$558,862.00**	**-$230,562.89**	**58.74 %**
Cost of Goods Sold				
Gross Profit	**$328,299.11**	**$558,862.00**	**-$230,562.89**	**58.74 %**
Expenses				
Dues/Memberships	1,626.62	3,500.00	-1,873.38	46.47 %
Operating Expenses		$0.00	$0.00	
Advertising/Marketing/Website	2,782.94	3,000.00	-217.06	92.76 %
Bank Charges	54.00	200.00	-146.00	27.0 %
Meeting Expenses & Per Diem	994.50	4,000.00	-3,005.50	24.86 %
Office Expenses	$325.87		$325.87	
Equipment/Computers/Virtual	65.01	3,000.00	-2,934.99	2.17 %
Supplies	128.83	3,000.00	-2,871.17	4.29 %
Total for Office Expenses	**$519.71**	**$6,000.00**	**-$5,480.29**	**8.66 %**
Rent Expense	8,776.25	8,400.00	376.25	104.48 %
Superior National pass-thru	5,542.79		5,542.79	
Telephone	547.49	852.00	-304.51	64.26 %
Board Member Training		2,000.00	-2,000.00	0.0 %
City Administration		1,000.00	-1,000.00	0.0 %
Insurance		3,600.00	-3,600.00	0.0 %
Total for Operating Expenses	**$19,217.68**	**$29,052.00**	**-$9,834.32**	**66.15 %**
Professional Services		$0.00	$0.00	
Accounting Support	2,450.00	8,000.00	-5,550.00	30.63 %
Legal	18,542.08	4,000.00	14,542.08	463.55 %
Misc Services	36,705.00	0.00	36,705.00	
SBDC Consultant Expense	1,738.75	5,000.00	-3,261.25	34.77 %
State Audit	25,500.00	24,000.00	1,500.00	106.25 %
Public Financing Consulting		3,000.00	-3,000.00	0.0 %
SBDC Expenses - Other		1,000.00	-1,000.00	0.0 %
Total for Professional Services	**$84,935.83**	**$45,000.00**	**$39,935.83**	**188.75 %**

Budget vs. Actuals_Budget_FY26_P&L__Report
January-July, 2026

	TOTAL			
	Actual	Budget	Over budget by	Percent of budget
PROJECTS				
Business Development Program	72,549.37	200,000.00	-127,450.63	36.27 %
Cedar Grove Business Park Pass Thru	34,248.77	60,000.00	-25,751.23	57.08 %
Cedar Grove Special Assessments		3,754.00	-3,754.00	0.0 %
Total for PROJECTS	**$106,798.14**	**$263,754.00**	**-$156,955.86**	**40.49 %**
Staff Expenses				
Director Salary (w/ benefits)	63.12	134,230.00	-134,166.88	0.05 %
Training/Travel/Mileage	545.00	5,000.00	-4,455.00	10.9 %
Administration		8,000.00	-8,000.00	0.0 %
Total for Staff Expenses	**$608.12**	**$147,230.00**	**-$146,621.88**	**0.41 %**
Contingency		24,426.00	-24,426.00	0.0 %
Total for Expenses	**$213,186.39**	**$512,962.00**	**-$299,775.61**	**41.56 %**
Net Operating Income	**$115,112.72**	**$45,900.00**	**$69,212.72**	**250.79 %**
Other Income				
Other Expenses				
Net Other Income				
Net Income	**$115,112.72**	**$45,900.00**	**$69,212.72**	**250.79 %**

Vendor	Invoice #	Invoice Date	Amount	Description	Account Code
Drosera Holdings, LLC	2040	8/1/2026	$1,300.00	August rent, July utilities, mowing, NS Waste	Operating - Rent Office Space
Maggie Barnard	2607	7/22/2026	$87.50	meeting minutes 7/21/2026	Operating - Meeting Expenses
AT&T Wireless	autopay/credit card		$76.02	Executive Director Cell phone	Operating- Phone
Hanft Fride Law Firm	197741	7/9/2026	$350.00	June legal services	Professional Services-Legal
North Shore Development Co.	4013	8/3/2026	$2,695.00	consulting services July 2026	Professional Services - Misc. Services
Sarena Crowley DBA Bean Keeper Services	366	8/1/2026	$350.00	monthly bookkeeping services July 2026	Professional Services - Bookkeeping
Rachelle Christianson	260701	8/4/2026	$130.00	SBDC July hours	Professional Services- SBDC Consultant
Sundew Technical Services, LLC	14484	7/13/2026	$65.01	Netdrive 3 team yearly subscirption	Operating - IT
TOTAL			**$5,053.53**		

Superior National at Lutsen

Balance Sheet - copy

As of Jul 31, 2026

	TOTAL	
	As of Jul 31, 2026	As of Jul 31, 2025 (PY)
Assets		
Current Assets		
Bank Accounts		
Cash on Hand	1,143.58	1,143.58
NSFCU CD	428.50	202,890.82
NSFCU Checking	0.00	0.00
NSFCU Checking 5162029	298,604.09	163,399.40
NSFCU Money Market	1,832.49	1,832.49
NSFCU Patronage Rebate	2,109.73	1,691.84
NSFCU Savings	10.00	10.00
Total for Bank Accounts	**$304,128.39**	**$370,968.13**
Accounts Receivable		
Accounts Receivable	0.00	0.00
Total for Accounts Receivable	**$0.00**	**$0.00**
Other Current Assets		
Beer Escrow Account	0.00	0.00
Inventory		
Inventory - Beverages	4,039.00	-19,942.00
Inventory - Food	4,902.00	-2,911.00
Inventory -Merchandise	113,893.38	136,674.69
Total for Inventory	**$122,834.38**	**$113,821.69**
Member Accounts Receivable	0.00	0.00
QuickBooks Tax Holding Account	13,939.02	
Undeposited Funds	0.00	0.00
Total for Other Current Assets	**$136,773.40**	**$113,821.69**
Total for Current Assets	**$440,901.79**	**$484,789.82**
Fixed Assets		
Accumulated Depreciation	-7,237,213.53	-6,879,182.51
Building - Club House	476,180.90	476,180.90
Building - Maintenance	85,707.03	85,707.03
Capital Items	0.00	0.00
Club House Equipment	64,827.73	64,827.73
Golf Course Equipment	1,143,362.40	1,044,675.03
Golf Course Land	213,685.00	213,685.00
Land Improvements - 1st 18 Hole	2,929,057.25	2,705,805.25
Land Improvements 2013 - 2017	5,973,887.00	5,973,887.00
Land Improvements - New Nine	1,966,820.63	1,966,820.63
Loss of disposal of fixed assets	0.00	0.00
Total for Fixed Assets	**$5,616,314.41**	**$5,652,406.06**

Superior National at Lutsen

Balance Sheet - copy

As of Jul 31, 2026

	TOTAL	
	As of Jul 31, 2026	As of Jul 31, 2025 (PY)
Other Assets		
Accumulated amortization	-69,715.00	-99,294.00
Deferred Outflow - Pension	176,904.00	76,178.00
Right to use leased assets	385,118.00	99,294.00
Total for Other Assets	**$492,307.00**	**$76,178.00**
Total for Assets	**$6,549,523.20**	**$6,213,373.88**
Liabilities and Equity		
Liabilities		
Current Liabilities		
Accounts Payable		
*Accounts Payable	64,248.71	89,477.58
Total for Accounts Payable	**$64,248.71**	**$89,477.58**
Credit Cards		
Capital One Spark Mastercard	0.00	0.00
Total for Credit Cards	**$0.00**	**$0.00**
Other Current Liabilities		
Capital Reserves	0.00	0.00
Direct Deposit Payable	0.00	0.00
Due to EDA	190,000.00	0.00
Gift Certificates	28,426.61	29,477.22
Minnesota Department of Revenue Payable	0.00	0.00
Payroll Liabilities	$0.00	$0.00
Child Support	0.00	0.00
Co. HSA	0.00	0.00
Credit One Garnishment	183.85	67.13
Federal Taxes (941/944)	11,648.91	-34.64
MN Income Tax	2,252.72	-2.75
MN Paid Family and Medical Leave	585.16	
MN Paid Family and Medical Leave SUI	1,415.40	
MN Unemployment Taxes	-5,198.44	-3,840.46
PERA Employee	3,599.69	-0.01
PERA Life	0.00	0.00
Rent	0.00	0.00
Total for Payroll Liabilities	**$14,487.29**	**-$3,810.73**
Sales Tax Payable	28,444.19	27,867.70
Tips Payable	2,316.73	4,433.67
Total for Other Current Liabilities	**$263,674.82**	**$57,967.86**
Total for Current Liabilities	**$327,923.53**	**$147,445.44**

Superior National at Lutsen

Balance Sheet - copy

As of Jul 31, 2026

	TOTAL	
	As of Jul 31, 2026	As of Jul 31, 2025 (PY)
Long-term Liabilities		
Deferred Inflow - Pension	136,974.00	119,899.00
Lease Liability	300,398.00	0.00
Loan Payable - Cook County	2,169,972.00	2,169,972.00
Net Pension Liability	152,686.00	94,504.00
Total for Long-term Liabilities	**$2,760,030.00**	**$2,384,375.00**
Total for Liabilities	**$3,087,953.53**	**$2,531,820.44**
Equity		
Change in Net Position	259,219.00	259,219.00
Invested in Capital Assets, net	4,490,259.83	4,490,259.83
Opening Balance Equity	-144,083.30	-144,083.30
Restricted for Debt Service	337,967.70	337,967.70
Retained Earnings	-378,803.61	-378,803.61
Unrestricted	-182,944.00	-182,944.00
Unrestricted Net Assets	-851,112.96	-577,028.89
Net Income	-68,932.99	-123,033.29
Total for Equity	**$3,461,569.67**	**$3,681,553.44**
Total for Liabilities and Equity	**$6,549,523.20**	**$6,213,373.88**

Superior National

Profit and Loss

July 2026

	TOTAL		
	JUL 2026	JUL 2025 (PY)	% CHANGE
Revenue			
Golfing Related Sales			
Cart Rentals	44,220.00	47,476.25	-6.86 %
Club Rentals/Lessons	1,850.00	1,803.00	2.61 %
Driving Range Fees	4,334.27	3,924.53	10.44 %
Greens Fees	190,297.29	208,947.59	-8.93 %
Membership Fees	4,012.00	18,780.32	-78.64 %
Total Golfing Related Sales	**244,713.56**	**280,931.69**	**-12.89 %**
Merchandise, Beverage & Food			
Beverage Sales	32,397.05	31,851.67	1.71 %
Food Sales	26,381.93	22,189.22	18.90 %
Merchandise Sales	40,172.43	52,827.24	-23.96 %
Total Merchandise, Beverage & Food	**98,951.41**	**106,868.13**	**-7.41 %**
Sales - Unallocated	-12,912.09	-6,843.45	-88.68 %
Total Revenue	**$330,752.88**	**$380,956.37**	**-13.18 %**
Cost of Goods Sold			
Beverage CoGS	19,650.98	24,126.50	-18.55 %
Food CoGS	14,508.34	13,795.64	5.17 %
Merchandise CoGS	37,129.47	22,876.85	62.30 %
Total Cost of Goods Sold	**$71,288.79**	**$60,798.99**	**17.25 %**
GROSS PROFIT	**$259,464.09**	**$320,157.38**	**-18.96 %**
Expenditures			
Administrative & General			
Credit Card Fees	7,764.17	7,219.13	7.55 %
Insurance		3,500.78	-100.00 %
Licenses/Permits/Dues	690.98		
Misc Expense	-522.34		
Office Expense	1,175.56	1,334.81	-11.93 %
Total Administrative & General	**9,108.37**	**12,054.72**	**-24.44 %**
Club House			
Cart Lease	17,041.65	23,639.63	-27.91 %
Cash Over/Short	-32.86	88.17	-137.27 %
Repairs and Maintenance	444.00	34.98	1,169.30 %
Supplies	132.02	45.00	193.38 %
Utilities		429.81	-100.00 %
Electric - Club House	933.40	674.00	38.49 %
Telephone - Club House	303.78	291.26	4.30 %
Television - Club House	192.37	177.40	8.44 %
Total Utilities	**1,429.55**	**1,572.47**	**-9.09 %**
Total Club House	**19,014.36**	**25,380.25**	**-25.08 %**

Superior National

Profit and Loss

July 2026

	TOTAL		
	JUL 2026	JUL 2025 (PY)	% CHANGE
Grounds Maintenance			
Cart Maintenance	445.44	1,512.18	-70.54 %
Dues/Memberships	200.00	571.35	-65.00 %
Fertilizer & Chemicals	5,275.00		
Gas/Lube	2,840.55		
Seed & Soil	2,761.54	121.38	2,175.12 %
Small Tools/Parts	657.01	9,274.06	-92.92 %
Supplies		6,959.25	-100.00 %
Utilities			
Electric	4,602.99	3,457.97	33.11 %
Garbage		1,427.40	-100.00 %
Propane	7,904.37	12,182.30	-35.12 %
Septic		3,782.40	-100.00 %
Total Utilities	**12,507.36**	**20,850.07**	**-40.01 %**
Vehicle Maintenance/Gas	214.71	262.35	-18.16 %
Total Grounds Maintenance	**24,901.61**	**39,550.64**	**-37.04 %**
Payroll Expenses		325.00	-100.00 %
Payroll Burden			
MN Unemployment Insurance	3,109.41		
Payroll Taxes	13,518.94	7,598.69	77.91 %
Retirement/PERA	3,623.11	3,591.96	0.87 %
Work Comp Insurance		4,383.86	-100.00 %
Total Payroll Burden	**20,251.46**	**15,574.51**	**30.03 %**
Salaries/Wages		1,045.00	-100.00 %
Grounds	95,020.84	47,254.44	101.08 %
Proshop	28,693.92	19,117.05	50.10 %
Salaried Employees	38,237.34	30,307.68	26.16 %
Total Salaries/Wages	**161,952.10**	**97,724.17**	**65.72 %**
Uniforms	1,686.10		
Wages	0.00	0.00	
Sick Pay	69.00	213.20	-67.64 %
Total Wages	**69.00**	**213.20**	**-67.64 %**
Total Payroll Expenses	**183,958.66**	**113,836.88**	**61.60 %**
Professional Services	17,193.50		
Accounting/Audit	500.00	500.00	0.00 %
Marketing and Promotion		30,044.16	-100.00 %
Total Professional Services	**17,693.50**	**30,544.16**	**-42.07 %**
Total Expenditures	**$254,676.50**	**$221,366.65**	**15.05 %**
NET OPERATING REVENUE	**$4,787.59**	**$98,790.73**	**-95.15 %**

Superior National

Profit and Loss

July 2026

	TOTAL		
	JUL 2026	JUL 2025 (PY)	% CHANGE
Other Revenue			
Interest Income	30.07	644.90	-95.34 %
Misc Income	738.41	622.57	18.61 %
Total Other Revenue	**$768.48**	**$1,267.47**	**-39.37 %**
NET OTHER REVENUE	**$768.48**	**$1,267.47**	**-39.37 %**
NET REVENUE	**$5,556.07**	**$100,058.20**	**-94.45 %**

Business Development Fund Grant Awards Approved in 2025

Grantee	Board Approval Date	Contract Executed Date	Contract #	Award	Required Match	Total Project Cost	W9 Received	Grants Issued to Date	Actual Match to Date	Award Balance	Match Balance	Actual Project Costs to Date	Project Deadline	Final Report Received	Description/Progress Notes
Britt Malec, LLC	3/18/2025	5/30/2025	C202506	$1,000.00	$0.00	$946.97	6/6/2025	$1,000.00	$193.27	$0.00	$0.00	$1,193.27	3/18/2026	7/22/2025	Printer & Supplies. Final report received
Ruby Loon Graphics, LLC	4/15/2025	7/21/2025	C202507	$5,852.44	$585.24	$6,437.68	5/22/2025	$5,997.98	$708.22	-$145.54	-$122.98	$6,706.20	4/15/2026	3/23/2026	Screen Printing/Heat Transfer Equipment. Resolution approved $6,000 but grant contract approved $5,582.44 with grantee match of $585.24. $5,997.98 was issued to grantee. 7/22/2025 emailed grantee for documentation of 10% match of the grant amount issued to date ($599.80) and sent final report form.
Unimoose Enterprises	4/15/2025	7/23/2025	C202508	$24,254.00	$6,063.56	$30,317.56	10/1/2024	$24,254.00	$6,063.56	$0.00	$0.00	$30,317.56	4/15/2026	7/23/2025	Welding Equipment/Concrete Apron Repair. Original grant for $25,000; grantee confirmed project complete. No additional grant/match.Final report received.
Scruffy Dog Vintage Emporium, LLC	5/20/2025 & 4/21/2026	8/21/2025 & 7/7/2026	C202519 C202519-01	$25,000.00	$6,250.00	$34,069.52	3/3/2026	$25,000.00	$12,787.00	$0.00	-$6,537.00	$37,787.00	7/15/2026	pending	Building Repairs & Signage. 4/21/26 Board approved deadline extension to 7/15/26. 7/14/2026 proof of executed commercial lease provided by grantee. Materials submitted for final reimbursement - sent to treasurer 7/23/26. Final report due 8/15/26.
Sydney's Frozen Custard, L.L.C	5/20/2025 & 7/21/2026	8/11/2025 & 8/6/2026	C202526 C202526-01	$25,000.00	$6,250.00	$36,593.00	pending	$21,095.70	$6,250.00	$3,904.30	$0.00	$27,345.70	8/11/2026	pending	Building Repairs/Create Breezeway/Expand Menu. 8/11/2025 confirmed LLC registered. 6/1/2026 Executive Director authorized 30 day project completion deadline at request of Grantee. First amendment to extend deadline to 8/11/2026 approved by EDA 7/21/26 - amendment executed 8/6/2026. Reimbursement processed 8/12/26; close grant short $3,904.30 no remaining eligible costs.
Fika Coffee, LLC	5/20/2025	5/20/2025	C202505	$25,000.00	$6,250.00	$37,073.10	6/2/2025	$25,000.00	$15,033.99	$0.00	-$8,783.99	$40,033.99	5/20/2026	4/14/2026	Roastery Equipment.
Raven Moon Ridge, LLC	5/20/2025	7/17/2025	C202504	$3,200.00	$0.00	$3,196.20	9/30/2025	$1,943.45	$0.00	$0.00	$0.00	$1,943.45	12/31/2026	3/22/2026	Solar Panel System/Mobile Charging Unit; original award $3,196.20; grantee came in under budget. No additional expenses.
Beran's Handcrafted Log Cabins	6/17/2025	7/30/2025	C202520	$10,000.00	$1,000.00	$39,900.00	7/2/2025	$10,000.00	$81,360.13	$0.00	$0.00	$91,360.13	6/18/2026	2/4/2026	Excavator.
The Mayhew, LLC	6/17/2025	7/22/2025	C202509	$25,000.00	$28,440.00	$53,440.00	12/22/2025	$25,000.00	$43,158.35	$0.00	-$14,718.35	$68,158.35	6/17/2026	7/31/2026	Environmental Work. Grant to support future environmental studies; match previously incurred costs Phase I. 5/21/26 2nd and final reimbursement processed. Final report received 7/31/2026.
CedarSun Electric, LLC	7/15/2025	7/17/2025	C202503	$10,000.00	$1,000.00	$31,304.98	7/17/2025	$10,000.00	$6,758.10	$0.00	-$5,758.10	$16,758.10	1/31/2026	1/25/2026	equipment purchase electrical contracting.
Wild Wes Tire and Timber LLC	7/15/2025	7/17/2025	C202502	$10,000.00	$1,000.00	$12,181.35	7/24/2025	$10,000.00	$2,181.35	$0.00	-$1,181.35	$12,181.35	12/31/2026	4/22/2026	equipment purchase new auto repair.
Sweetwater Design Studios LLC	7/15/2025	7/18/2025	C202501	$25,000.00	$6,250.00	$78,283.03	7/17/2025	$25,000.00	$11,398.22	$0.00	-$5,148.22	$36,398.22	12/31/2026	pending	Grinder pumps for commerical spaces. 3/13/26 emd grantee for final report. 3/18/26 grantee is completing HVAC and electrical work and will send final report early April to account for additional match/work towards the project.
The Beaver House LLC	9/16/2025	7/19/2025	C202527	$10,693.00	$1,069.00	$63,409.75	7/19/2025	$0.00	$0.00	$10,693.00	$1,069.00	$0.00	12/31/2026	pending	interior rennovation, windows, doors and flooring. Request for reimbursement and project update sent 1/21/26. 1/23/26 encountered several delays and securing additional funding. Anticipate completion by grant deadline.
TOTAL				**$199,999.44**		**$427,153.14**		**$184,291.13**				**$370,183.32**			

2025 BDF Allocation	**$200,000.00**
Available Balance (less encumberd/awarded funds)	**$0.56**
Actual Balance (less expended reimbursements)	**$15,708.87**

Business Development Fund Grant Awards Approved in 2026

Grantee	Board Approval Date	Contract Executed Date	Contract #	Award	Required Match	Total Project Cost	W9 Received	Grant Funds Issued to Date	Actual Match to Date	Award Balance	Match Balance	Actual Project Costs to Date	Project Deadline	Final Report Received	Description/Progress Notes
Dream Superior LLC (dba Sisu + Loyly)	3/17/2026	3/18/2026	C202603	$25,000.00	$6,250.00	$31,250.00	3/28/2026	$25,000.00	$38,300.00	$0.00	-$32,050.00	$63,300.00	3/31/2027	pending	Construction support of new bathhouse. Reimbursement request processed 8/3/2026. Final report due within 30 days of reimbursement but may consider waiting until additional work completed - closer to project deadline so true deliverables/outcomes can be reported.
Crosby Bakery LLC	3/17/2026	3/18/2026	C202604	$21,679.35	$5,087.77	$26,767.12	4/11/2026	$18,318.45	$4,295.68	$3,360.90	$792.09	$22,614.13	3/31/2027		Purchase 4th oven for bakery. 1st reimbursement processed 4/14/26.
Violence Prevention Center	3/17/2026	4/9/2026	C202605	$20,500.00	$4,675.00	$25,175.00	4/9/2026	$12,345.34	$3,068.33	$8,154.66	$1,606.67	$15,413.67	3/31/2027		Remodel/expansion of VPC office. 8 year lease received 4/9/26. 1st Reimbursement processed 5/6/26.
Scaredy Cat LLC	3/17/2026	3/20/2026	C202607	$5,000.00	$0.00	$5,000.00	4/10/2026	$0.00		$5,000.00	$0.00	$0.00	3/31/2027		Website update and procure original artwork for website.
Common Ground Home Services LLC	3/17/2026	3/19/2026	C202609	$4,729.05	$0.00	$4,729.05	3/19/2026	$4,729.05	$494.49	$0.00	-$494.49	$5,223.54	3/31/2027	5/21/2026	Purchase tools for contracting company.1st and final reimbursement processed 3/23/26. 5/21/2026 final report received.
Refugia Designs LLC (dba Taproot Floral)	3/17/2026	3/18/2026	C202610	$4,500.00	$0.00	$4,500.00	3/18/2026	$4,500.00	$0.00	$0.00	$0.00	$4,500.00	3/31/2027	5/20/2026	Purchase used flower cooler. 1st and final reimbursement processed 3/23/26. 5/20/26 final report received.
North Road Knits LLC	3/17/2026	3/22/2026	C202611	$2,691.16	$0.00	$2,691.16	pending	$0.00	$0.00	$2,691.16	$0.00	$0.00	3/31/2027		Purchase materials/equipment for home yard dying expansion. 4/10/26 email reminder for W9.
Wandering Fern Retreats LLC	3/17/2026	3/23/2026	C202612	$1,998.90	$0.00	$1,998.90	pending	$0.00	$0.00	$1,998.90	$0.00	$0.00	3/31/2027		Purchase equipment tor new business startup. 4/10/26 email reminder for W9.
Dr Steph Vos LLC	6/16/2026	6/19/2026	C202617	$3,027.35	$0.00	$3,027.35	8/5/2026	$3,027.35	$276.42	$0.00	-$276.42	$3,303.77	6/30/2027	pending	Chiropractic equipment and patient education maters. Reimbursement request processed 8/5/26.
Berans Handcrafted Log Cabins LLC	6/16/2026	6/19/2026	C202618	$15,000.00	$2,750.00	$17,750.00	pending	$0.00	$0.00	$15,000.00	$2,750.00	$0.00	6/30/2027		Solar power system installation. Must submit proof of approved conditional use permit from Cook County prior to commencement.
Adrea Davina Beres Ceramics LLC (dba Lichen & Ember)	6/16/2026	6/19/2026	C202619	$7,098.00	$598.00	$7,696.00	7/19/2026	$4,119.63	$310.15	$2,978.37	$287.85	$4,429.78	6/30/2027		Perimenopause coaching certification and program launch. 1st reimbursement processed 7/20/2026
TOTAL				**$111,223.81**		**$130,584.58**		**$72,039.82**				**$118,784.89**			

2026 BDF Allocation	**$200,000.00**
Available Balance (less encumberd/awarded funds)	**$88,776.19**
Actual Balance (less expended reimbursements)	**$127,960.18**

COOK COUNTY & GRAND MARAIS ECONOMIC DEVELOPMENT AUTHORITY EDA

425 Highway 61, Suite B
PO Box 597
Grand Marais, MN 55604

MEMO

To: EDA Board of Commissioners
From: Lucas Wakefield, Executive Director
Date: August 11, 2026
Subject: First Amendment to Development Agreement C202415 – The Mayhew LLC (Resolution 2026-27)

Background

On April 16, 2024, the EDA Board approved Resolution 2024-21 authorizing Development Agreement C202415 between the Cook County/Grand Marais Joint Economic Development Authority (EDA) and The Mayhew LLC for the Mayhew Expansion project in downtown Grand Marais.

The EDA received a $400,000 Development Infrastructure grant from the Department of Iron Range Resources and Rehabilitation (IRRR) to support eligible infrastructure costs associated with the project. Under the existing Development Agreement, construction of the project was to be completed by April 30, 2026.

The timeline has extended beyond the original schedule, primarily due to environmental review and testing that took longer than anticipated to complete and obtain necessary clearance from the MPCA. The Developer continues to advance the project and is completing remaining preconstruction activities.

IRRR extended its grant contract with the EDA through December 31, 2026. Based on the current project schedule, however, additional time will be necessary to complete construction and incur eligible infrastructure costs associated with the IRRR grant. The EDA anticipates requesting an additional extension from IRRR to align the grant term with the revised project schedule.

The proposed First Amendment to Development Agreement C202415 establishes December 31, 2026, as the deadline for completion of preconstruction activities and December 31, 2027, as the deadline for substantial completion of construction and eligible infrastructure work associated with the IRRR grant. All other terms and conditions of the Development Agreement remain unchanged.

Recommended Action

Approve Resolution 2026-27 authorizing the First Amendment to Development Agreement C202415 between the EDA and The Mayhew LLC and authorizing the Board President to execute the amendment.

Attachments:

- Resolution 2026-27
- First Amendment to Development Agreement C202415
- Development Agreement C202415

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

RESOLUTION NO. 2026-27

RESOLUTION APPROVING FIRST AMENDMENT TO DEVELOPMENT AGREEMENT C202415 WITH THE MAYHEW LLC

WHEREAS, on April 16, 2024, the Cook County/Grand Marais Joint Economic Development Authority ("EDA") approved Development Agreement C202415 with The Mayhew LLC ("Developer") for the Mayhew Expansion Project in downtown Grand Marais; and

WHEREAS, the EDA received a $400,000 Development Infrastructure grant from the Department of Iron Range Resources and Rehabilitation ("IRRR") to support eligible infrastructure costs associated with the Project; and

WHEREAS, the existing Development Agreement required construction of the Project to be completed by April 30, 2026; and

WHEREAS, the Project schedule has been delayed as environmental review, testing, and related regulatory clearance required more time than originally anticipated; and

WHEREAS, the Developer continues to advance the Project and the parties desire to amend the Development Agreement to establish a revised schedule for preconstruction and completion of construction and eligible infrastructure work; and

WHEREAS, the proposed First Amendment establishes December 31, 2026, as the deadline for completion of preconstruction activities and December 31, 2027, as the deadline for substantial completion of construction and eligible infrastructure work associated with the IRRR grant.

NOW, THEREFORE, BE IT RESOLVED, that the EDA Board of Commissioners hereby approves the First Amendment to Development Agreement C202415 between the EDA and The Mayhew LLC and authorizes the Board President to execute the amendment.

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 duly passed and adopted by the Cook County and Grand Marais Joint Economic Development Authority on this 18th day of August 2026.

ATTEST: ___________________________
Peter Clissold – Board President

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT C202415
COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY
THE MAYHEW LLC
MAYHEW EXPANSION PROJECT DEVELOPMENT

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT C202415 ("First Amendment") entered into this _______day of ________________, 2026, 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, the EDA and Developer entered into Development Agreement C202415 ("Development Agreement") for development of the Mayhew Expansion Project in Grand Marais, Minnesota; and

WHEREAS, the Development Agreement provides for reimbursement of up to $400,000 in eligible infrastructure costs utilizing Development Infrastructure grant funding awarded to the EDA by the Department of Iron Range Resources and Rehabilitation ("IRRR"); and

WHEREAS, Article III(A) of the Development Agreement established a construction completion deadline of April 30, 2026; and

WHEREAS, environmental review, testing, and related regulatory clearance required more time than originally anticipated, resulting in delays to the Project schedule; and

WHEREAS, the Developer continues to advance the Project and the parties desire to amend the Development Agreement to establish a revised schedule for satisfaction of the preconditions to construction and completion of the Project.

NOW, THEREFORE, the EDA and Developer agree as follows:

1. Amendment to Article III(A).

Article III(A) of Development Agreement C202415 is hereby deleted in its entirety and replaced with the following:

"A. Construction. Developer shall satisfy the applicable preconditions to Project construction set forth in Article II no later than December 31, 2026, and thereafter diligently proceed with construction of the Project. Substantial completion of construction of the Project, including eligible infrastructure work associated with the IRRR grant, shall occur no later than December 31, 2027. Reimbursement of Eligible Project Costs remains subject to the terms, conditions, and availability of funding under the EDA's grant agreement with the IRRR, including any extension thereof."

2. Continuing Effect.

Except as expressly amended by this First Amendment, all terms and conditions of Development Agreement C202415 shall remain in full force and effect.

3. Incorporation.

This First Amendment shall be incorporated into and made part of Development Agreement C202415. In the event of a conflict between this First Amendment and the Development Agreement, the terms of this First Amendment shall control.

(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:

___________________________________ Date: _____________

Peter Clissold, Its Board President

The Mayhew LLC

By:

___________________________________ Date: _____________

Joel Saint John, Its Owner

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 Saint 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 it s 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:

________________________________ Date: ____________

Steve Surbaugh, Its Board President

By:

________________________________ Date: ____________

Theresa Bajda, Its Executive Director

The Mayhew LLC

By:

________________________________ Date: ____________

Joel Saint John, Its Owner

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	IRRR 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**

425 Highway 61, Suite B
PO Box 597
Grand Marais, MN 55604

MEMO

To: EDA Board of Commissioners
From: Lucas Wakefield, Executive Director
Date: August 11, 2026
Subject: Development Agreement – Cook County HRA and ARBODA Lofts, LLC (Resolution 2026-28)

Background

In 2024, the Cook County/Grand Marais Joint Economic Development Authority (EDA) was awarded $1.3 million through the Minnesota Housing Finance Agency Workforce Housing Development Program (WHDP) to support development of a new multifamily workforce housing project in Grand Marais.

The Project is being advanced in partnership with the Housing and Redevelopment Authority of Cook County (HRA), with ARBODA Lofts, LLC now serving as the project developer. The proposed project includes construction of not less than 16 residential apartment units together with associated site improvements, utilities, landscaping, and related amenities.

A three-party Development Agreement has been prepared between the HRA, EDA, and ARBODA Lofts, LLC establishing the terms and conditions applicable to development of the project and the public financial assistance supporting it. The HRA Board previously approved the Development Agreement.

Under the Development Agreement, the HRA will continue to serve as the lead project administrator and project manager. The EDA will remain the recipient and pass-thru entity for the $1.3 million WHDP grant and will be responsible for grant administration in coordination with the HRA Executive Director and Developer, including compliance with applicable Minnesota Housing requirements.

The Development Agreement also establishes project construction requirements, eligible project assistance, reimbursement procedures, operating and affordability requirements, and other obligations of the Developer associated with receipt of public financial assistance.

Recommended Action

Approve Resolution 2026-28 authorizing the Development Agreement between the HRA, EDA, and ARBODA Lofts, LLC, and authorizing the EDA President and Vice President to execute the Agreement.

Attachments:

- Resolution 2026-28
- Development Agreement

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

RESOLUTION NO. 2026-28

RESOLUTION APPROVING A DEVELOPMENT AGREEMENT WITH THE HOUSING AND REDEVELOPMENT AUTHORITY OF COOK COUNTY AND ARBODA LOFTS, LLC

WHEREAS, the Cook County/Grand Marais Joint Economic Development Authority ("EDA") was awarded $1,300,000 through the Minnesota Housing Finance Agency Workforce Housing Development Program ("WHDP") to support development of a multifamily housing project in Grand Marais; and

WHEREAS, the Housing and Redevelopment Authority of Cook County ("HRA") and EDA have partnered to advance the Project, and ARBODA Lofts, LLC ("Developer") will develop and construct the Project in accordance with applicable WHDP requirements; and

WHEREAS, the HRA, EDA, and Developer have prepared a Development Agreement establishing the terms and conditions applicable to development of the Project and the public financial assistance supporting the Project; and

WHEREAS, pursuant to the Development Agreement, the HRA will serve as the lead administrator and project manager, and the EDA will remain the recipient and pass-through entity for the WHDP grant and coordinate grant administration with the HRA and Developer in accordance with applicable Minnesota Housing requirements.

NOW, THEREFORE, BE IT RESOLVED, that the EDA Board of Commissioners hereby approves the Development Agreement between the Housing and Redevelopment Authority of Cook County, the Cook County/Grand Marais Joint Economic Development Authority, and ARBODA Lofts, LLC, and authorizes the EDA President and Vice President to execute the Agreement .

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 duly passed and adopted by the Cook County and Grand Marais Joint Economic Development Authority on this 18th day of August 2026.

ATTEST: ___________________________
Peter Clissold – Board President

DEVELOPMENT AGREEMENT
HOUSING AND REDEVELOPMENT AUTHORITY OF COOK COUNTY
COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY
ARBODA LOFTS, LLC
MULTIFAMILY PROJECT

THIS AGREEMENT entered into this _______ day of _________________, 2026, by and between the Housing and Redevelopment Authority of Cook County, Minnesota, a public body, corporate and politic, of the State of Minnesota, hereinafter referred to as "HRA", the Cook County/Grand Marais Joint Economic Development Authority, a public body, corporate and politic, of the State of Minnesota, hereinafter referred to as "EDA", and ARBODA Lofts, LLC, a Minnesota limited liability company, hereinafter referred to as "Developer".

WHEREAS, in 2023, the Minnesota State Legislature approved a one-time allocation of $39 million to the Minnesota Housing Finance Agency ("MHFA") Workforce Housing Development Program (the "WHDP") to support workforce housing throughout Minnesota; and

WHEREAS, in 2024 the EDA applied for and was awarded a $1.3 million WHDP grant to construct an approximately 16-unit market rate rental project (the "Project") on behalf of the HRA; and

WHEREAS, in 2024 the Grand Marais City Council approved providing City-owned property for the Project, subject to a successful WHDP application; and

WHEREAS the HRA and EDA have further determined that the interests of the citizens of Cook County and the wellbeing and quality of life in Cook County would be enhanced by the completion of the development of the Project; and

WHEREAS, the Developer desires to construct the Project in accordance with MHFA WHDP requirements; and

WHEREAS, the HRA and EDA desire that the Developer construct the Project and agree that the HRA is best-suited to manage their joint interests and efforts to advance the Project; and

WHEREAS, the public purpose of the Project and the assistance to be provided pursuant to this Agreement is to stimulate the development of underutilized land, to encourage the development of residential rental housing in an area of the County that is in dire need of such housing, to achieve development on property which would not be redeveloped without assistance, and to enhance and diversify the tax base of Cook County.

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 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. Certificate of Completion means a written certification executed by the Director in recordable form certifying that the construction of the Project is in conformance with the Plans and has been totally completed, the form of which is attached as Exhibit C.

B. City means City of Grand Marais, Minnesota.

C. County means Cook County, Minnesota.

D. Developer means ARBODA Lofts, LLC, formed to own and operate the Property and develop the Project that is controlled by Vision, Inc.

E. Director means the Executive Director of HRA or such person or persons designated in writing by said Director to act on behalf of him/her with regard to this Agreement or any portion thereof.

F. EDA means the Cook County/Grand Marais Joint Economic Development Authority, Minnesota.

G. HRA means the Housing and Redevelopment Authority of Cook County, Minnesota.

H. HRA Funds means the $100,000 grant to be provided by the HRA for eligible Project Costs.

I. Plans means the plans, specifications and elevations for the Project together with detailed site grading, utility and landscaping plans, all as approved pursuant to Article III below.

J. Project means the development on the Property by Developer, including site preparation and the construction of not less than 16 residential apartment units, together with related utilities, landscaping and other amenities, and all according to the plans approved by the Director pursuant to Article III and pursuant to required City and County approvals and the terms of this Agreement.

K. Project Assistance means, collectively, the WHDP Funds, HRA Funds, and the value of Property as determined by the Cook County Assessor at the time of execution of this Agreement.

L. Project Costs means the total development costs of the Project described in Exhibit A attached hereto and made a part hereof; these costs may not be less than $4.25 million to receive the financial assistance for the Project contemplated in Article V.

M. Property means that portion of property located in Cook County, Minnesota, described on Exhibit B attached hereto and made a part hereof, that the Project will be constructed on.

N. Public Parties means, collectively, the HRA and the EDA.

O. Short-term rental means any residential unit that is rented on a nightly basis for less than 30 days.

P. WHDP Funds means the $1,300,000 grant awarded to the EDA from the State of Minnesota, acting through the Minnesota Housing Workforce Housing Development Program, for eligible Project Costs.

ARTICLE II

Preconditions to Project Construction

As a precondition to the commencement of the construction of the Project, the Developer shall provide to the Director the following items:

A. Construction Costs. Developer's certified estimate of the total cost of construction of the Project.

B. Construction Contract. A copy of the executed contract or contracts between Developer and one or more contractors necessary to complete the construction of the Project in accordance with the Plans approved pursuant to Article III. Such contract(s) shall provide that payments for the work thereunder are the sole obligation of the Developer. Said contracts shall require such contractor to comply with all applicable federal, state and local laws, ordinances and regulation including but not limited to the federal Hazardous Waste Operations and Emergency Response Standards (29 CFR 1910.120 and 29 CFR 1926.65).

C. Construction Financing. Copies of loan commitments and other financing commitments obtained by Developer for the Project, the total of said commitments and any equity contribution commitment by Developer totaling an amount not less than the total contract prices between Developer and the contractor(s) as described in Paragraph B above.

ARTICLE III

Project Plans

A. Plans, Specifications and Elevations. No less than thirty (30) days prior to the commencement of construction of the Project, or such lesser time as approved by the Director, Developer shall submit the Plans for the Project to the Director for approval. Developer shall be solely responsible for the cost of developing and producing all plans and specifications for the Project and for any modifications thereto. All such Plans shall be in conformance with this Agreement, with the schematic design previously submitted to the Director which shall consist of drawings and other documents illustrating scale and relationship of various Project components, and with all applicable laws, ordinances, rules, regulations and requirements of HRA (including complying with the Five Lighting Principles for Responsible Outdoor Lighting promulgated by DarkSky attached as Exhibit G), the County, the State of Minnesota and the United States of America. The Director shall review the Plans within fifteen (15) days of submission of the Plans by Developer. The Director's approval or rejection shall be provided to the Developer in writing. If the Director rejects the Plans in whole or in part as not being in compliance with the foregoing requirements, and upon notification to Developer of said rejection together with the reason or reasons therefor, Developer shall submit new or corrected Plans meeting said objections within thirty (30) days of said notice. The provisions of this Paragraph relating to approval, rejection and resubmission of corrected Plans herein provided for with respect to the originally submitted Plans shall continue to apply until said Plans have been approved in writing by the Director. The Director's approval of Developer's Plans shall not constitute a guaranty that the Plans conform to the requirements of applicable building, zoning or other codes or ordinances or constitute a waiver of building code or zoning ordinance or other applicable codes or ordinances imposed in the future upon Developer by law. Developer expressly agrees to be solely responsible for all costs, including architectural fees connected with the Plans and any revisions thereto.

B. Changes after Initial Approval. Any material or substantial changes made to Plans by Developer after initial review of the Director shall be submitted to the Director for approval in the same manner provided for in Paragraph A above.

ARTICLE IV

Construction

A. Construction. Upon the fulfillment of the preconditions to construction provided for in Article II, but in no event later than December 31, 2026 (but subject to unavoidable delays as detailed in Article XXIII below), Developer shall commence construction of the Project in conformance with the plans approved pursuant to Article III. Said construction work shall be completed not later than January 1, 2028 (subject to unavoidable delays as detailed in Article XXIII below). Notwithstanding the above, the construction period may be extended for up to one hundred eighty (180) days in addition to delays permitted pursuant to Article XXIII below upon the prior written approval of the Director.

B. Developer to Bear All Costs. Developer specifically agrees to bear all costs related to the construction of the Project and any modifications thereto.

C. Progress Reports. Until completion of the entire Project, Developer shall make reports in such detail and at such times as may reasonably be requested by the Director as to the actual progress of Developer with respect to the Project. Additionally, upon reasonable notice, the Developer also agrees that it will permit HRA access to the Property and will allow representatives of the Director to inspect the progress of the work.

ARTICLE V

Project Assistance

A. Administration of Public Assistance. The Public Parties acknowledge and agree that the EDA is the recipient of the WHDP Funds and that the HRA shall serve as the lead administrator of the Project and Project Assistance on behalf of the Public Parties. Unless otherwise expressly provided herein, actions to be taken by the Public Parties with respect to review of Project Costs, reimbursement requests, compliance monitoring, reporting, recordkeeping, coordination with MHFA, and day-to-day Project administration may be taken by the HRA acting through the Director.

The EDA consents to the HRA's administration of the WHDP Funds for the Project and agrees to cooperate with the HRA in connection with such administration, including by executing documents, providing information, and taking such actions as may be reasonably necessary to allow the HRA to administer, track, and disburse or direct disbursement of the WHDP Funds in accordance with this Agreement and applicable MHFA requirements.

No WHDP Funds shall be disbursed except in accordance with this Agreement, the WHDP grant agreement, and applicable MHFA requirements. To the extent any provision of this Agreement conflicts with the WHDP grant agreement or applicable

MHFA requirements, the WHDP grant agreement and applicable MHFA requirements shall control with respect to the WHDP Funds.

B. Financing for Project Costs. In order to make development of the Project economically feasible, the Public Parties will provide or cause to be provided Project Assistance to reimburse the Developer for eligible Project Costs in an aggregate principal amount not to exceed $1,400,000, consisting of the WHDP Funds and the HRA Funds, all in accordance with and subject to the terms and conditions of this Agreement, the WHDP grant agreement, and any agreement or agreements associated with the WHDP Funds and HRA Funds, and subject to the following terms and conditions:

1. No payments shall be made until Developer provides a summary of costs as evidence of Project Costs in accordance with the requirements of this Article and a completed reimbursement request in the form attached as Exhibit E (the "Reimbursement Request").

2. Upon the Developer providing to the Director a signed Reimbursement Request and evidence of the Project Costs for which the Developer seeks reimbursement in accordance with the requirements of this Article, the HRA, acting through the Director on behalf of the Public Parties, may approve the Reimbursement Request and authorize or direct payment to the Developer from the WHDP Funds and/or HRA Funds, as applicable, subject to this Agreement, the WHDP grant agreement, and applicable MHFA requirements.

3. The Public Parties shall not be obligated to make any payment or any further payment or payments as provided in this Article if:

    a. There is an event of default by the Developer under this Agreement that has not been cured as of the date of the Reimbursement Request; or

    b. The Developer elects not to reconstruct the Project after its destruction.

4. No units in the Project will be operated as Short-term rentals for at least 30 years, which shall be included in the instrument conveying the Property as a restrictive covenant.

ARTICLE VI

Operating Covenants

Developer agrees that in its operations and use of the Property and the Project during the term of this Agreement, in accordance with industry standards, Developer shall:

A. Maintenance. At all times cause the Project and the Property to be operated and maintained in a neat, orderly condition, to maintain and preserve and keep in good repair, working order and condition said Property and Project and to perform all needed and proper repairs, renewals and replacements necessary to be made thereto. The maintenance of the Project and the Property shall include but not be limited to maintenance of all foundations, external walls, doors, windows, utility openings and all roofing systems as well as outside maintenance including snow removal, grass cutting and landscape maintenance, parking lot cleaning, repair and striping and all other exterior maintenance to said Property and the Project.

B. Rental Restriction: Developer agrees and commits that, during the term of this Agreement as set forth in Article XIII below, at least five of the apartment units in the Project will be made available with designated affordable rents, as determined by the Minnesota Housing Finance Agency at sixty percent (60%) of area median income, and at least six of the apartment units in the Project will be made available with designated affordable rents, as determined by the Minnesota Housing Finance Agency at eighty percent (80%) Maximum Rents by Bedroom Size for Cook County. Annually, by March 1 during the term of this Agreement, Developer will provide a certificate of compliance substantially in the form attached as Exhibit D, including tenant affidavits attesting that the applicable tenants conform with income requirements. In the event Developer, after documented good-faith marketing efforts to qualified applicants for a period of not less than sixty (60) days, is unable to secure a qualified applicant for a designated affordable unit at the required income level, Developer may lease such unit to the next available qualified applicant at market rate, provided the Developer leases the next available unit of equivalent size to a qualified applicant. Notwithstanding the foregoing, an applicant whose household income exceeds the applicable 60% or 80% AMI maximum by not more than ten percent (10%) shall be deemed a qualified applicant for purposes of satisfying this Article, provided all other program eligibility requirements are met.

C. Changed Market Conditions: If either party reasonably determines that material and unanticipated changes in market or economic conditions are likely to materially impair the Project's continued financial viability, that party may provide written notice describing the relevant circumstances, together with reasonably available supporting financial information and any proposed modifications to this Agreement. The parties shall thereafter meet and confer in good faith regarding reasonable amendments intended to preserve the Project's financial viability while maintaining the material public purposes and benefits of this Agreement. Nothing in this Section requires either party to agree to any particular amendment or requires the HRA to provide additional financial assistance. Any amendment shall be subject to applicable law, funding-source requirements, and all required approvals of the parties, and shall become effective only when set forth in a written instrument executed by both parties. Unless and until an amendment becomes effective.

D. Utilities. Unless currently and validly disputed, pay or cause to be paid any and all charges for utilities furnished to the Project and the Property including but not limited to hook-up charges and assessments related to all utilities, including but not limited to steam, water, sewer, gas, telephone, cable or internet, and electrical power. Notwithstanding the foregoing, Developer is not responsible for monthly utility service payments if those services are metered separately for each housing unit and the lease identifies each respective tenant as responsible for those specific utility costs.

E. Licenses and Permits. Preserve the existence of all of its licenses, permits and consents to the extent necessary and desirable to the operation of its business and affairs relating to the Project and the Property and remain to be qualified to do business in the State of Minnesota.

F. Obey All Laws. Conduct its affairs and carry on its business and operations with respect to the Project and the Property in such a manner as to comply with any and all applicable laws of the United States and the State of Minnesota including all laws related to unlawful discrimination and duly observe and conform to all valid orders, regulations and requirements of any governmental authority related to the conduct of its business and the ownership of the Project and the Property; provided that nothing herein contained shall require it to comply with, observe and conform to any such law or regulation or requirement so long as the validity thereof shall be contested in good faith through proper legal action provided that such protest shall in no way affect Developer's title to the Project and the Property.

G. Payment of Taxes. Promptly pay or cause to be paid all lawful taxes and governmental charges, including real estate taxes and assessments at any time levied upon or against it or the Project or the Property, subject to the right to contest in good faith in accordance with Minnesota law.

H. Assessment Fees and Charges. Pay or cause to be paid when due or payable all special assessments levied upon or with respect to the Project and the Property, or any part thereof, and to pay all fees, charges and rentals for utilities, service or extensions for the Project and the Property and all other charges lawfully made by any governmental body for public improvements.

I. Obligations and Claims. Promptly to pay or otherwise satisfy and discharge all of the obligations and indebtedness and all demands and claims against the Project and the Property as and when the same become due and payable other than any thereof whose validity, amount or collectability is being contested in good faith by appropriate proceedings.

ARTICLE VII

Provision against Liens, Assignments and Transfers

A. Provision against Liens. Except for encumbrances permitted pursuant to this Article, the Developer shall not create or permit any mortgage or encumbrance or allow any mechanic's or materialmen's liens to be filed or established or to remain against the Project and the Property or any part thereof which would materially or adversely affect HRA's interest in this Agreement during the term of this Agreement, provided that if Developer shall first notify HRA of its intention to do so and post such security as HRA reasonably deems necessary, Developer may, in good faith, contest any such mechanic's or other liens filed or established as long as HRA does not deem its interest or rights in this Agreement to be subject to foreclosure by reason of such contest. Notwithstanding the above, encumbrances in the nature of easements, licenses or the like, but not to include mechanic's or materialmen's liens, may be created or permitted after the issuance of a Certificate of Completion without the approval of HRA.

B. Transfers prior to Issuance of a Certificate of Completion. The parties hereto acknowledge that HRA is relying upon the qualifications and identity of Developer to construct, operate and maintain the Project and the Property. Therefore, except for the purposes of obtaining financing as hereinafter described or as otherwise approved by this Agreement, prior to the issuance of a Certificate of Completion, Developer represents and agrees that it has not made or created, and will not make or create or suffer to be made or created, any total or partial sale, assignment, conveyance, trust, lien or power of attorney, nor has it nor will it allow any change in the identity of the principals or their respective percentages of ownership or voting rights, if such change would result in a change of control of the Project, and has not or will not otherwise transfer in any other way all or any portion of the Property, the Project, Developer, this Agreement or any other contract or agreement entered into in connection with carrying out its obligations hereunder; and Developer will not make or create or suffer to be made any such transfer of Developer's rights hereunder without the prior approval of HRA.

C. Permitted Encumbrances. Notwithstanding anything in this Article to the contrary, Developer is authorized, without the approval of HRA, to obtain construction and permanent financing for the Project and to mortgage the Project and Property to provide security for the construction and permanent financing. In addition, Developer is authorized to lease the apartment units to tenants at all times without the approval of HRA.

D. Transfers after Issuance of a Certificate of Completion.

Following the issuance of a Certificate of Completion, Developer may sell, convey or otherwise transfer the Property or any tract or parcel thereof without the prior written consent of HRA, provided the following has been satisfied:

1. Sixty days' (60) prior written notice of the transfer is provided to the Director.
2. The transferee shall agree by affidavit to comply with all the terms and conditions of this Agreement not otherwise extinguished by the Certificate of Completion. The affidavit shall be provided to the Director.

E. Modification; Subordination. In the event any portion of the Developer's funds is provided through mortgage financing, subject to the following, HRA agrees to subordinate its rights under this Agreement to the holder of any mortgage securing construction or permanent financing, in accordance with the terms of a subordination agreement in a form reasonably acceptable to HRA and such holder. Provided, however, that the form of any such subordination shall specifically require that in the event that the holder of any such mortgage and/or any successor in interest thereto becomes the owner of the Property, such holder or successor in interest shall continue to operate the Project in a manner required by Paragraph B of Article VI above.

ARTICLE VIII

Indemnification

A. Generally. During the term of this Agreement, Developer shall, to the fullest extent permitted by law, protect, indemnify and save HRA and the EDA and the County and their officers, agents, servants, and employees, harmless from and against all liabilities, losses, damages, costs, expenses, including reasonable attorneys' fees and expenses, causes of action, suits, claims, demands and judgments of any nature arising from:

1. Any injury to or death of any person or damage to property in or upon the Project or the Property, or growing out of or in connection with the Developer's

use or non-use, condition or occupancy of the Project or the Property or any part thereof and also, without limitation, the construction or installation of the Project or any portion of the Project.

2. Any violation by Developer of any provision of this Agreement.

3. Any Developer violation of any contract, agreement or restriction related to the Project or the Property which shall have existed at the commencement of the term of this Agreement or shall have been approved by Developer.

4. Any violation by Developer of any law, ordinance, court order or regulation affecting the Project or the Property, or the ownership, occupancy or use thereof.

5. Developer's obligations to indemnify the HRA and EDA for claims arising from the construction of the Project shall terminate upon receipt of the Certificate of Completion from the HRA.

B. Environmental Indemnification. In addition to the generality of the above, Developer hereby agrees that for itself, its successors and assigns that it will indemnify and hold HRA, the EDA and the County and their officers, agents, servants and employees and any person who controls HRA, the EDA or the County within the meaning of the Securities Act of 1933 harmless from and against all liabilities, losses, damages, costs, expenses, including reasonable attorneys' fees and expenses, causes of action, suits, claims, demands and judgments arising out of any condition existing in the Project or on the Property, whether pre-existing or after-created, which constitutes a violation of any environmental law or laws with regard to pollutants or hazardous or dangerous substances promulgated by the government of the United States or of the State of Minnesota or of any such duly promulgated rules and regulations of the United States Environmental Protection Agency or the Minnesota Pollution Control Agency or the presence in the Project or on the Property, or the release or threatened release of any element, compound, pollutant, contaminant, or toxic or hazardous substance, material or waste, or any mixture thereof, which otherwise causes injury or death to persons or damage to property, and that indemnification granted hereby shall include all costs of clean-up and remediation and response costs, together with the costs incurred in proceedings before a court of law or administrative agency including attorneys' fees, expenses, the fees and expenses of persons providing technical expertise addressing such problems including expert witnesses, the costs of preparing and securing approval of Response Action Plans as may be necessary to meet the requirements of the aforesaid agencies and any other costs and expenses of any kind whatsoever arising out of such conditions existing in the Project or on the Property.

C. Indemnification Procedures. Promptly after receipt by HRA of notice of the commencement of any action with respect to which Developer is required to indemnify HRA, the EDA or the County under this Article, HRA shall notify Developer in writing of the commencement thereof, and, subject to the provisions as hereinafter stated, Developer shall assume the defense of such action, including the employment of legal counsel satisfactory to HRA, the EDA or the County and the payment of expenses. In so far as such action shall relate to any alleged liability of HRA, the EDA or the County with respect to which indemnity may be sought against Developer, HRA shall have the right to employ separate counsel in any such action and to participate in the defense thereof, and the fees and expenses of such separate counsel shall be at the expense of Developer.

D. Exceptions to Indemnification. In no event shall Developer be required to indemnify HRA, the EDA or the County under this Article for liabilities, losses, damages, costs, expenses, including attorneys' fees and expenses, causes of action, suits, claims, demands and judgments of any nature arising solely from the negligent or intentional misconduct of HRA, EDA, the County or their officers, agents, servants, employees. Developer shall not be obligated to indemnify HRA, EDA or the County under the terms of this Article for any settlement made by HRA, EDA or the County without the prior written consent of Developer.

ARTICLE IX

Insurance

Developer shall provide for purchase and maintenance of such insurance as will protect Developer and the Public Parties against risk of loss or damage to the Project and the Property and any other property permanently located or exclusively used at the Project site and against claims which may arise or result from the maintenance and use of the Project, including operations conducted in connection with construction of improvements thereupon. Such coverages shall include but shall not necessarily be limited to the following:

A. Insurance during Construction. Developer, prior to entering on the Property for construction work, shall procure or cause to be procured and maintain or require all contractors to procure and maintain the following insurance at not less than the limits of coverage or liability indicated during the period of construction as follows:

1. Property Insurance. Developer shall provide "All Risk" builder's risk insurance under a completed value form on all work on the Project, including foundations, permanent fixtures and attachments, machinery and equipment included in or installed under the construction contract, debris removal, architects' and engineers' fees, temporary structures, materials, equipment and supplies of all kinds located on the Project and the Property, to the full replacement value thereof, except that such policy may provide for a deductible amount not to exceed Fifty Thousand and No/100 Dollars ($50,000.00) per occurrence. Said insurance shall be endorsed to provide consent for occupancy of the Project and shall be maintained in effect until permanent property coverage as provided for hereinafter is in force.

2. Public Liability Insurance. Public Liability Insurance written on an "occurrence" basis under a Comprehensive General Liability Insurance and Automobile Liability Insurance 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. If per person limits are specified, they shall be for not less than $2,000,000 per person and be for the same coverages. HRA and EDA shall be named as additional insureds on the Commercial General Liability

Insurance and Automobile Liability Insurance policies. Contractor shall also require such liability coverage of its subcontractors unless they be insured under contractor's policies. Contractor's and subcontractors' liability coverages shall include:

a. Contractors public liability--premises and operations;

b. Independent contractors' protective contingent liability;

c. Personal injury;

d. Owned, non-owned, and hired vehicles;

e. Contractual liability covering customary construction contract and subcontract indemnify provisions;

f. Workers' Compensation coverage in required statutory limits. Policy shall carry an "all states" endorsement. In addition, employers' liability coverage shall be maintained in limits of $100,000 per employee.

B. <u>Permanent Insurance</u>. Developer shall procure and continuously maintain, except as otherwise provided below, insurance covering all risks of injury to or death of persons or damage to property arising in any way out of or as a result of Developer's ownership, occupancy, or use of the Project and the Property, carried in the name of Developer as follows:

1. <u>Property Insurance</u>. Prior to expiration of the builder's risk coverage specified above, the Project and the Property, including all fixtures, equipment and machinery, shall be insured to the full replacement value thereof against all risk of Direct Physical Loss, except that such insurance may provide for a deductible amount not to exceed $50,000 per occurrence. For the purposes hereof, "all risk" means insurance equivalent in scope to protect against all risks of direct physical loss ordinarily insured against in the region. Developer and HRA hereby mutually waive any and all claims or causes of action against the other party for damages caused by an insured peril hereunder, except such rights hereinafter set forth to an interest in the insurance proceeds payable in the event of such loss.

2. Liability Insurance. During the construction period (unless covered under the policies required previously) and permanently thereafter for the balance of the term of this Agreement, Developer shall procure and maintain continuously in force Public Liability Insurance written on an "occurrence" basis under a Commercial General Liability Insurance and Automobile Liability Insurance Form in limits of not less than $2,000,000 per occurrence for personal bodily injury and death, and limits of $2,000,000 for property damage liability. If per person limits are specified, they shall be for not less than $2,000,000 per person and be for the same coverages. HRA, EDA, the City and the County shall be named as additional insureds therein. Insurance shall cover:

a. Public liability, including premises and operations coverage;

b. Independent contractors--protective contingent liability;

c. Personal injury;

d. Owned, non-owned and hired vehicles;

e. Contractual liability covering the indemnity obligations set forth herein;

f. Products--completed operations.

3. Workers' Compensation. Workers' Compensation Coverage in statutory amounts with "all states" endorsement unless qualified as a self-insurer under Minnesota Law, and evidence of such qualification is furnished to HRA. Employees' liability insurance shall be carried in limits of $100,000 per employee.

C. Modification of Insurance Requirements. It is agreed between the parties that HRA shall have the right to modify the forms of the insurance provided for in Paragraphs A and B above and the limits set forth with regard thereto provided that any such modification and policy forms or limits shall be of such a character and in such amounts as are reasonably necessary to provide HRA with the types and amounts of protection provided for in this Agreement at the time of its execution. In the event that HRA shall desire to so modify said insurance requirements, HRA shall notify Developer of the proposed modifications not less than sixty (60) days prior to the date set by HRA for said modifications to go into effect.

D. Requirements for All Insurance. All insurance required in this Article shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in Minnesota.

E. Certifications. Developer shall be required to supply to HRA written certifications of insurance requiring the insurer to give HRA thirty (30) days' written notice prior to cancellation or modification of said insurance for any reason other than non-payment of premium and ten (10) days' written notice prior to cancellation for non-payment of premium of said insurance.

F. Reconstruction Obligation and Uninsured Loss. In the event the Project or any portion thereof is destroyed by fire or other casualty, Developer shall forthwith repair, reconstruct, and restore the improvements to substantially the same scale and condition, quality, and value as existed prior to the event causing such damage or destruction, or construct improvements in a manner which is approved by HRA, such approval which shall not be unreasonably withheld, and to the extent necessary to accomplish such repair, reconstruction, restoration, or construction, Developer shall apply the proceeds of any insurance received by Developer to the payment or reimbursement of the costs thereof. Developer shall, however, complete the repair, reconstruction and restoration of the improvements whether or not the proceeds of any insurance received by Developer are sufficient to pay for such repair, restoration, and reconstruction. Provided, however, notwithstanding the foregoing, if Developer reimburses the Public Parties for Project Assistance provided by the Public Parties, as contemplated in Article V, to Developer from the effective date of this Agreement to the most recent such payment so paid by the Public Parties, Developer shall be released from reconstruction obligations of this Paragraph.

G. Reconstruction Obligation Contingency. Nothing to the contrary in Paragraph F above, in the event that the Project is substantially or totally destroyed and the parties agree in good faith that under present economic or social conditions the Project is no longer economically viable or does not constitute the highest and best use of the Property, the parties hereby commit to meet and confer in good faith to determine the use of the Property which will be of greatest economic, social and practical use to the Developer, to the City, and to HRA and use their best efforts to negotiate an amendment of this Agreement to implement that use and to apply the proceeds of any insurance to implementation of that use.

ARTICLE X

Defaults and Remedies Therefor

A. Developer's Default. The following shall be deemed to be events of default by Developer under the terms and conditions of this Agreement to which the remedies set forth in Section B below shall be applicable:

1. Developer shall fail to pay real estate taxes as and when due and payable.
2. Developer shall fail to observe or perform any of the terms, conditions, covenants or agreements required to be observed or performed by it pursuant to this Agreement and such failure shall continue for a period of 30 calendar days after HRA has, pursuant to the provisions of this Agreement, given written notice to Developer of such default or, in the event that such default shall be incapable of cure with reasonable diligence during said 30 day period, shall have failed to commence to cure said default within 30 days of the date of said notice and to diligently pursue the same to completion.
3. Developer shall permit valid liens, not cured or contested within thirty (30) days, to be placed on the Project or the Property or Developer loses title to the Project or the Property or both.
4. Developer makes an assignment for the benefit of its creditors or admits in writing its inability to pay its debts as they become due; or an adjudication of bankruptcy or insolvency is made as to Developer or its business; or Developer files a petition of bankruptcy or files a petition seeking any reorganization, dissolution, liquidation, or rearrangement, composition, readjustment or similar

action under any present or future bankruptcy or insolvency, statute, law or regulation; or Developer files an answer admitting to or not contesting to the material allegations of a petition filed against it in such proceeding or fails to have dismissed or vacated within one hundred eighty (180) days after its filing such a petition or seeks or consents or acquiesces in the appointment of any trustee, receiver or liquidator of a material part of Developer's properties or fails to have dismissed or vacated within one hundred eighty (180) days after the appointment without the consent or acquiescence of Developer of any trustee, receiver or liquidator of any material part of Developer's properties.

B. Public Parties' Remedies for Developer's Defaults. The Public Parties shall have the following remedies in the event of a default:

1. Terminate this Agreement.
2. Withhold the performance of any obligation owed by the Public Parties under this Agreement.
3. Seek and be entitled to monetary damages for any damages incurred by the Public Parties as a result of a default.
4. Seek reimbursement of the Project Assistance.
5. Seek and be entitled to injunctive or declaratory relief as is necessary to prevent violation of the terms and conditions of this Agreement or to compel Developer's performance of its obligations hereunder.
6. Seek such other legal or equitable relief as a court of competent jurisdiction may determine is available to the Public Parties.

C. Non-Waiver. The waiver by HRA of any default on the part of Developer or the failure of HRA to declare default on the part of Developer of any of its obligations pursuant to this Agreement shall not be deemed to be a waiver of any subsequent event of default on the part of Developer of the same or of any other obligation of Developer under this Agreement. To be effective, any waiver of any default by Developer hereunder must be in writing by the Director.

D. Default by Public Parties. The failure of either Public Party to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement, and the continuation of such failure for a period of thirty (30) days after written notice of such failure from any party hereto shall be an event of default by the applicable Public Party. Whenever an event of default occurs by a Public Party, Developer shall be entitled to all remedies available at law or equity, and Developer may take whatever action, including legal, equitable, or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

E. Remedies Cumulative. The remedies provided under this Agreement shall be deemed to be cumulative and non-exclusive and the election of one remedy shall not be deemed to be the waiver of any other remedy with regard to any occasion of default hereunder.

F. Attorneys' Fees. In the event that any party is in default of any of the terms and conditions of this Agreement and the non-defaulting party shall successfully take legal action to enforce said rights herein, in addition to the foregoing, the successful non-defaulting party shall be entitled to reimbursement for its reasonable attorneys' fees and costs and disbursements occasioned in enforcing its rights hereunder.

ARTICLE XI

Representations by Public Parties

A. HRA makes the following representations as the basis for the undertaking on its part herein contained:

a. It is a lawfully constituted housing redevelopment authority under the laws of the State of Minnesota, it is not in material violation of any provisions of State law and it has full power and authority to enter into this Agreement and perform its obligations hereunder.

b. There are not actions, suits or proceedings pending, or to the knowledge of HRA, threatened against HRA or any property of HRA in any court or before any federal, state, municipal or governmental agency which, if decided adversely to HRA, would have a material adverse effect upon HRA or any business or property of HRA and HRA is not in default with respect to any order of any court or government agency.

c. HRA will perform all of its obligations under this Agreement, subject to the terms and conditions herein.

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

a. The EDA is a lawfully constituted joint economic development authority under the laws of the State of Minnesota, is not in material violation of any provisions of State law, and has full power and authority to enter into this Agreement and perform its obligations hereunder.

b. The EDA has been awarded the WHDP Funds for the Project and has authority, subject to the terms and conditions of the WHDP grant agreement and applicable MHFA requirements, to make the WHDP Funds available for eligible Project Costs in accordance with this Agreement.

c. The EDA consents to the HRA serving as the lead administrator of the Project and Project Assistance on behalf of the Public Parties, including administration of the WHDP Funds, review of reimbursement requests, compliance tracking, coordination with MHFA, and disbursement or direction of disbursement of WHDP Funds in accordance with this Agreement and applicable MHFA requirements.

d. The EDA will cooperate with the HRA, Developer, and MHFA as reasonably necessary to carry out the purposes of this Agreement and to allow the WHDP Funds to be applied to eligible Project Costs in accordance with this Agreement, the WHDP grant agreement, and applicable MHFA requirements.

e. There are no actions, suits, 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's ability to perform its obligations under this Agreement, and the EDA is not in default with respect to any order of any court or governmental agency that would have a material adverse effect upon the EDA's ability to perform its obligations under this Agreement.

f. The EDA will perform all of its obligations under this Agreement, subject to the terms and conditions herein and subject to the WHDP grant agreement and applicable MHFA requirements.

ARTICLE XII

Developer's Representations and Warranties

Developer represents and warrants that:

A. The Developer is a Minnesota limited liability company duly organized and 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 provisions of its articles of organization, member control agreement, or the 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 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 for which Developer has been served process 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). 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 of 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 the Public Parties or any third party under this Agreement to be true, correct, and complete in all material respects.

G. That without the Project Assistance to be provided by the Public Parties hereunder, Developer's cost of constructing the Project would be more than can be supported by the amounts that are reasonable to be charged for the rental and the available resources would be inadequate and not economically feasible to construct the Project and that, therefore, but for the Project Assistance to be provided for hereunder, the Project would not be economically feasible for Developer; and Developer would not have developed the Project and operated the same in the reasonably foreseeable future.

ARTICLE XIII

<u>Term</u>

The term of this Agreement shall commence on the date first shown above and shall continue for a period of 10 years from the date the Certificate of Completion is issued, unless this Agreement is otherwise terminated as provided for herein. Termination shall not terminate any indemnification provisions or any other provisions which by their nature survive termination and shall not terminate any other rights or remedies arising under this Agreement due to any event of default which occurred prior to such termination.

ARTICLE XIV

Agreement Personal to Parties

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties to the extent assignment is permitted hereunder. This Agreement shall run with the land during the term of this Agreement as set forth in Article XIII above. Following the end of the term of this Agreement, the HRA shall, at Developer's request and expense, execute such documents reasonably requested by Developer to evidence the termination of this Agreement as an agreement running with the land.

ARTICLE XV

Notices

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

In the case of HRA:

Cook County HRA
Suite B
425 West Highway 61
Grand Marais, MN 55604
Attn: Executive Director

In the case of EDA:

Cook County/Grand Marais EDA
Suite B
425 West Highway 61
Grand Marais, MN 55604
Attn: Executive Director

In the case of Developer: ARBODA Lofts, LLC
PO Box 23
Superior, WI 54880
Attn: Ryan Nelson

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other as provided in this section.

ARTICLE XVI

Recordation

Immediately upon their execution, Developer agrees to record this Agreement in the office of the Cook County Recorder and to pay all costs associated therewith. Upon recordation, Developer shall immediately submit to HRA executed original copies of the Agreement showing the date and document numbers of record, or certified copies of the filed original documents.

ARTICLE XVII

Disclaimer of Relationships

Developer acknowledges that nothing contained in this Agreement nor any act by the Public Parties or the Developer shall be deemed or construed by Developer or by any third person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture among HRA, EDA, Developer and/or any third party.

ARTICLE XVIII

Applicable Law

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.

ARTICLE XIX

Judicial Interpretation

Should any provision of this Agreement require judicial interpretation, the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent or attorney prepared the same, it being agreed that the agents and attorneys of all parties have participated in the preparation hereof.

ARTICLE XX

Authorization to Execute Agreement

Developer represents to the Public Parties that the execution of this Agreement has been duly and fully authorized by its members, governing body or board, that the officers of Developer who executed this Agreement on its behalf are fully authorized to do so, and that this Agreement when thus executed by said officers on its behalf will constitute and be the binding obligation and agreement of Developer in accordance with the terms and conditions thereof.

ARTICLE XXI

Title of Articles

Any title, Articles and Sections in this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

ARTICLE XXII

Severability

In the event any provision herein shall be deemed invalid or unenforceable, the remaining provisions shall continue in full force and effect and shall be binding upon the parties to this Agreement.

ARTICLE XXIII

Unavoidable Delays

No party shall be held responsible for, and no 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, pandemics or adverse weather conditions, except for delays caused by government and judicial actions which could have been avoided by compliance with publicly available laws, rules and regulations of which any party had knowledge or should have reasonably had knowledge.

ARTICLE XXIV

Entire Agreement

It is understood and agreed that the entire agreement of the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. Any amendment to this Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.

ARTICLE XXV

Counterparts

This Agreement may be executed, acknowledged and delivered in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Counterparts executed or transmitted by electronic means, such as DocuSign counterparts or e-mailed PDFs, shall constitute original counterparts.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and date first above shown.

HOUSING AND REDEVELOPMENT AUTHORITY
OF COOK COUNTY

By: ______________________________

Its Chair

By: ______________________________

Its Vice Chair

STATE OF MINNESOTA)
) SS
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this _____ day of ______________, 2026, by Bill Gabler and Chris O'Brien, the Chair and Vice Chair respectively, of the Cook County HRA, a housing and redevelopment authority created and existing under Minnesota Statutes, on behalf of the Authority.

____

Notary Public

COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY

By: ____________________________

Its President

By: ____________________________

Its Vice President

STATE OF MINNESOTA)
) SS
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this _____ day of _____________, 2026, by Peter Clissold and Alex Beebe-Giudice, the President and Vice President respectively, of the Cook County/Grand Marais EDA, an economic development authority created and existing under Minnesota Statutes, on behalf of the Authority.

____

Notary Public

ARBODA Lofts, LLC
A Minnesota limited liability company

By: ______________________
Name: ______________________
Its: ______________________

STATE OF MINNESOTA)
) SS
COUNTY OF___________)

The foregoing instrument was acknowledged before me this _____ day of ________, 2026, by_________________, the _____________________of _____________LLC, a Minnesota limited liability company, for and on behalf of the company.

____
Notary Public

Exhibit A

Project Costs

Exhibit B

Legal Description

Exhibit C
Form of Certificate of Completion

WHEREAS, the HOUSING AND REDEVELOPMENT AUTHORITY OF COOK COUNTY, MINNESOTA, a public body, corporate and politic, acting in its capacity as lead administrator under the Development Agreement dated as of __________, with ___________, a Minnesota _________ (the “Developer”), recorded in the office of the County Recorder in and for Cook County, Minnesota, as Document Number _________(the “Development Agreement”), regarding the following described land in the County of Cook and the State of Minnesota to wit:

(the “Property”).

WHEREAS, said Development Agreement incorporated and contained certain covenants and restrictions with regard to the completion of the Project, as defined therein; and

WHEREAS, the Developer has, to the present date, performed such covenants and conditions insofar as it is able in a manner deemed sufficient by the Authority to permit the execution and recording of this Certification.

NOW, THEREFORE, this is to certify that all building construction and other physical improvements specified to be done and made by the Developer on the Property have been completed and the covenants and conditions in the Development Agreement have been performed by the Developer, or otherwise waived by the Authority, and that the provisions for completion of the Project contained therein are hereby released absolutely and forever insofar as they apply to the Property, and the County Recorder or the Registrar of Titles in and for the County of Cook and State of Minnesota is hereby authorized to accept for recording and to record the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions of the Development Agreement relating to the completion of the Project.

HOUSING AND REDEVELOPMENT AUTHORITY OF COOK COUNTY, MINNESOTA

By ____

Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this __ day of ______________, 20___, by ______________________ the Executive Director of the Housing and Redevelopment Authority of Cook County, Minnesota, a public body, corporate and politic, on behalf of the Authority.

____

Notary Public

Exhibit D
Form of Income Certification
Compliance Certificate

The undersigned ____________________ of __________LLC, a Minnesota limited liability company, does hereby certify that as of the date of this Certificate not less than five* of the residential units at _______________ in Grand Marais, Minnesota (the "Project") are occupied with designated affordable rents, as determined by the Minnesota Housing Finance Agency at sixty percent (60%) of the area median income and not less than six* of the residential units at the Project are occupied with designated affordable rents, as determined by the Minnesota Housing Finance Agency at eighty percent (80%) Maximum Rents by Bedroom Size for Cook County as attested in tenant affidavits. [Notwithstanding the foregoing, an applicant whose household income exceeds the applicable 60% or 80% AMI maximum by not more than ten percent (10%) shall be deemed a qualified applicant for purposes of satisfying this Article, provided all other program eligibility requirements are met.]

Dated this ____ day of _________________, 20__.

____________________________LLC

By _________________________________

Its__________________________________

*In the event Developer, after documented good-faith marketing efforts to qualified applicants for a period of not less than sixty (60) days, is unable to secure a qualified applicant for a designated affordable unit at the required income level, Developer may lease such unit to the next available qualified applicant at market rate, provided the Developer leases the next available unit of equivalent size to a qualified applicant.

Exhibit E
Reimbursement Request

To: Executive Director
Housing and Redevelopment Authority of Cook County, Minnesota (the "Authority")

The undersigned being an authorized representative of __________ (the "Developer"), certifies pursuant to the Development Agreement, dated as of __________ (the "Agreement"), among the Developer, the HRA and the EDA, as follows:

(1) The amount and nature and the name and address of the payee of each item of Project Costs paid by and requested to be reimbursed to the Developer under Article V of the Agreement is attached hereto as Schedule A, together with a statement from the payee and a canceled check, receipt or other evidence for such payment.

(2) Each item of cost for which payment or reimbursement is requested is or was necessary in connection with the Project, as defined in the Agreement, qualifies as an item of Project Costs under the Agreement and, if for construction or equipment of the Project, was made or incurred in accordance with the Agreement.

(3) There has not been filed with or served upon the Developer any notice of any lien, right to a lien or attachment upon or claim affecting the right of any such person to receive payment of the amount stated in this Reimbursement Request that has not been released or will not be released simultaneously with the payment of such obligation, except for liens arising from indebtedness then being diligently contested in good faith by the Developer.

(4) No default by the Developer under the Agreement has occurred that has not been cured.

(5) All representations and warranties made by the Developer in the Agreement are true and correct on and as of the date of this Reimbursement Request with the same effect as if made on this date.

Dated: ________________

____

By: ____________________________

Its ___________________

Exhibit F
Grant Agreements

Exhibit G

Five Lighting Principles for Responsible Outdoor Lighting

DarkSky | IES Illuminating Engineering Society

Responsible outdoor lighting is

1 Useful	**Use light only if it is needed**	All light should have a clear purpose. Consider how the use of light will impact the area, including wildlife and their habitats.
2 Targeted	**Direct light so it falls only where it is needed**	Use shielding and careful aiming to target the direction of the light beam so that it points downward and does not spill beyond where it is needed.
3 Low Level	**Light should be no brighter than necessary**	Use the lowest light level required. Be mindful of surface conditions, as some surfaces may reflect more light into the night sky than intended.
4 Controlled	**Use light only when it is needed**	Use controls such as timers or motion detectors to ensure that light is available when it is needed, dimmed when possible, and turned off when not needed.
5 Warm-colored	**Use warmer color lights where possible**	Limit the amount of shorter wavelength (blue-violet) light to the least amount needed.

425 Highway 61, Suite B
PO Box 597
Grand Marais, MN 55604

MEMO

To: EDA Board of Commissioners
From: Lucas Wakefield, Executive Director
Date: August 11, 2026
Subject: Gunflint Vue Lian Repayment and Cook County Loan Repayment (Resolution 2026-29)

Background

On April 16, 2024, the EDA Board approved Resolution 2024-25 authorizing a $200,000 deferred loan to Gunflint Vue LLC to support construction of the Gunflint Vue multifamily housing project in Grand Marais. The terms of the loan were subsequently documented through Loan Agreement C202419 between the EDA and Gunflint Vue LLC.

The loan carried an interest rate of two percent (2%), with repayment deferred until expiration of the loan term or closing on permanent financing for the project, whichever occurred first.

Gunflint Vue LLC has now repaid the EDA a total of $208,226.22, representing repayment of the outstanding loan principle and accrued interest. Because Loan Agreement C202419 was recorded against the project property, authorizing execution and recording of a Satisfaction and Release of Loan Agreement acknowledging payment in full and releasing the property from the recorded agreement and associated obligations is recommended.

Separately, Cook County previously provided the EDA with a $200,000 loan to support infrastructure improvements at Superior National at Lutsen Golf Course necessary in advance of the pending sale of the golf course. With receipt of the Gunflint Vue loan repayment, the EDA is positioned to repay the County loan.

Resolution 2026-29 acknowledges receipt and satisfaction of the Gunflint Vue loan, authorizes execution and recording of the related Satisfaction and Release, and authorizes repayment to Cook County of the $200,000 loan principal together with any accrued interest due under the County loan terms.

Recommended Action

Approve Resolution 2026-29 acknowledging repayment in full of Loan Agreement C202419 with Gunflint Vue LLC; authorizing execution and recording of a Satisfaction and Release of Loan Agreement; and authorizing repayment to Cook County of the $200,000 loan plus accrued interest.

Attachments:

- Resolution 2026-29
- Satisfaction and Release of Loan Agreement C202419

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

RESOLUTION NO. 2026-29

RESOLUTION ACKNOWLEDGING REPAYMENT OF LOAN AGREEMENT C202419 WITH GUNFLINT VUE LLC AND AUTHORIZING REPAYMENT OF COOK COUNTY LOAN

WHEREAS, on April 16, 2024, the Cook County/Grand Marais Joint Economic Development Authority ("EDA") approved Resolution 2024-25 authorizing a $200,000 deferred loan to Gunflint Vue LLC to support construction of the Gunflint Vue multifamily housing project in Grand Marais; and

WHEREAS, the terms and conditions of the loan were subsequently documented through Loan Agreement C202419 between the EDA and Gunflint Vue LLC, which was recorded against the project property; and

WHEREAS, Gunflint Vue LLC has repaid the EDA $208,226.22, representing full payment of the outstanding loan principal and accrued interest; and

WHEREAS, the EDA desires to formally acknowledge satisfaction of the loan and authorize execution and recording of a Satisfaction and Release of Loan Agreement C202419; and

WHEREAS, Cook County previously provided the EDA with a $200,000 loan to support infrastructure improvements at Superior National at Lutsen Golf Course necessary in advance of the pending sale of the property; and

WHEREAS, the EDA desires to repay Cook County the outstanding $200,000 loan principal together with any accrued interest due pursuant to the terms of the County loan.

NOW, THEREFORE, BE IT RESOLVED, that the EDA Board of Commissioners hereby:

1. Acknowledges receipt of the $208,226.22 from Gunflint Vue LLC as payment in full of the amount due under Loan Agreement C202419;
2. Authorizes the Board President to execute and cause to be recorded a Satisfaction and Release of Loan Agreement C202419; and
3. Authorizes repayment to Cook County of the $200,000 loan principal together with any accrued interest due pursuant to the terms of the County loan.

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 duly passed and adopted by the Cook County and Grand Marais Joint Economic Development Authority on this 18th day of August 2026.

ATTEST: ___________________________
Peter Clissold – Board President

SATISFACTION AND RELEASE OF LOAN AGREEMENT

THIS SATISFACTION AND RELEASE OF LOAN AGREEMENT is made by 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").

WHEREAS, the EDA and Gunflint Vue LLC, a Minnesota limited liability company ("Developer"), entered into Loan Agreement C202419 relating to the Gunflint Vue residential development in Grand Marais, Minnesota ("Loan Agreement"); and

WHEREAS, the Loan Agreement provided for the loan from the EDA to the Developer in the original principal amount of $200,000, together with interest as provided therein; and

WHEREAS, the Loan Agreement was recorded in the Office of the Cook County Recorder/Registrar of Titles on July 2, 2024, as Document No. A000139278, against the real property legally described on Exhibit A attached hereto ("Property"); and

WHEREAS, the EDA has received $208,226.22 from Developer, constituting payment in full of all principal and accrued interest due under the Loan Agreement; and

WHEREAS, by Resolution 2026-29, the EDA Board acknowledged payment in full and authorized execution and recording of this Satisfaction and Release.

NOW, THEREFORE, the EDA hereby acknowledges that all amounts under Loan Agreement C202419 have been paid and satisfied in full and hereby releases and discharges the Property from the Loan Agreement and the covenants, conditions, and obligations imposed thereby.

(Signature page to follow)

IN WITNESS WHEREOF, the Cook County/Grand Marais Joint Economic Development Authority has caused this Satisfaction and Release of Loan Agreement to be executed this _____ day of August, 2026.

COOK COUNTY/GRAND MARAIS JOINT
ECONOMIC DEVELOPMENT AUTHORITY

By: ___________________________________
Peter Clissold, Its Board President

STATE OF MINNESOTA)
) ss.
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this ___ day of August, 2026, by Peter Clissold Board President of the Cook County/Grand Marais Joint Economic Development Authority, a public body, corporate and politic and political subdivision under the laws of the State of Minnesota, on behalf of the Authority.

Notary Public ________________________________

THIS INSTRUMENT DRAFTED BY:
Cook County/Grand Marais Joint
Economic Development Authority
425 West Highway 61, Suite B
Grand Marais, MN 55604

EXHIBIT A
LEGAL DESCRIPTION OF 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 ¼ of the SE ¼) 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 ¼ of the SE ¼) 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)

COOK COUNTY & GRAND MARAIS ECONOMIC DEVELOPMENT AUTHORITY
EDA

425 Highway 61, Suite B
PO Box 597
Grand Marais, MN 55604

MEMO

To: EDA Board of Commissioners
From: Lucas Wakefield, Executive Director
Date: August 12, 2026
Subject: Annual Insurance Renewal and Statutory Tort Liability Limits (Resolution 2026-30)

Background

The Cook County/Grand Marais Joint Economic Development Authority (EDA) is a member of the League of Minnesota Cities Insurance Trust (LMCIT), which provides liability and other insurance coverage to the EDA. As part of the annual insurance renewal process, LMCIT requires members that obtain liability coverage to determine each year whether to waive the statutory municipal tort liability limits established under Minnesota Statutes, Section 466.04.

The Board has two options:

1. Do not waive the statutory limits.
For claims to which the statutory tort limits apply, an individual claimant may recover no more than $500,000, and the total recovery by all claimants arising from a single occurrence is limited to $1,500,000. These statutory limits apply regardless of the amount of liability coverage purchased by the EDA.

2. Waive the statutory limits.
The EDA agrees to waive statutory liability protections up to the amount of liability insurance coverage purchased. This potentially allows a claimant or claimants to recover more than the statutory limits, up to the applicable limits of the EDA's insurance coverage.

The decision does not change whether the EDA has liability insurance coverage; rather, it determines whether the statutory limits continue to cap the amount that may be recovered for claims to which those limits apply.

On August 26, 2025, the EDA Board approved Resolution 2025-35 electing **not to waive** the statutory tort liability limits. Continuing the non-waiver maintains the statutory liability protections available to the EDA while retaining its LMCIT liability coverage. It is recommended the EDA continue the same election for the upcoming coverage year.

Resolution 2026-36 also authorizes the Executive Director to coordinate and complete the EDA's annual insurance renewal with LMCIT and authorizes the Board President to execute the required Liability Coverage Waiver Form reflecting the Board's election.

Recommended Action

Approve Resolution 2026-30 authorizing the annual LMCIT insurance renewal and electing not to waive the statutory tort liability limits established by Minnesota Statutes, Section 466.04.

425 Highway 61, Suite B
PO Box 597
Grand Marais, MN 55604

Attachments:

- Resolution 2026-30
- LMCIT Liability Coverage Waiver Form

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

RESOLUTION NO. 2026-30

RESOLUTION AUTHORIZING ANNUAL INSURANCE RENEWAL AND APPROVING NON-WAIVER OF STATUTORY TORT LIABILITY LIMITS

WHEREAS, the Cook County/Grand Marais Joint Economic Development Authority ("EDA") is a member of the League of Minnesota Cities Insurance Trust ("LMCIT") and obtains insurance coverage through LMCIT; and

WHEREAS, as part of its annual insurance renewal process, LMCIT requires the EDA Board to determine whether to waive the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04; and

WHEREAS, on August 26, 2025, the EDA Board approved Resolution 2025-35 electing not to waive the statutory tort liability limits, and the Board desires to continue that election for the upcoming year.

NOW, THEREFORE, BE IT RESOLVED, that the EDA Board of Commissioners hereby:

1. Elects **not to waive** the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04;
2. Authorizes the Board President to execute the required LMCIT Liability Coverage Waiver Form reflecting the EDA's election; and
3. Authorizes the Executive Director to coordinate and complete the EDA's annual insurance renewal with LMCIT and execute or submit routine documents necessary to complete the renewal consistent with this Resolution.

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 duly passed and adopted by the Cook County and Grand Marais Joint Economic Development Authority on this 18th day of August 2026.

ATTEST: ____________________________
Peter Clissold – Board President

LMC LEAGUE of MINNESOTA CITIES

LIABILITY COVERAGE WAIVER FORM

Members who obtain liability coverage through the League of Minnesota Cities Insurance Trust (LMCIT) must complete and return this form to LMCIT before their effective date of coverage. Email completed form to your city's underwriter, to pstech@lmc.org, or fax to 651.281.1298.

The decision to waive or not waive the statutory tort limits must be made annually by the member's governing body, in consultation with its attorney if necessary.

Members who obtain liability coverage from LMCIT must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased. The decision has the following effects:

- *If the member does not waive the statutory tort limits*, an individual claimant could recover no more than $500,000 on any claim to which the statutory tort limits apply. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would be limited to $1,500,000. These statutory tort limits would apply regardless of whether the member purchases the optional LMCIT excess liability coverage.

- *If the member waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could recover up to $2,000,000 for a single occurrence (under the waive option, the tort cap liability limits are only waived to the extent of the member's liability coverage limits, and the LMCIT per occurrence limit is $2,000,000). The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to $2,000,000, regardless of the number of claimants.

- *If the member waives the statutory tort limits and purchases excess liability coverage*, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

LMCIT Member Name: Cook County/GM EDA

Check one:

☑ The member **DOES NOT WAIVE** the monetary limits on municipal tort liability established by Minn. Stat. § 466.04.

☐ The member **WAIVES** the monetary limits on municipal tort liability established by Minn. Stat. § 466.04, to the extent of the limits of the liability coverage obtained from LMCIT.

Date of member's governing body meeting:

Signature:___________________________ Position: Board President

Name: Cook Co. 2026 Northland SBDC Reporting Scorecard
Layout: *External Partners Northland SBDC Reporting Scorecard
Cumulative Period Start: 1/1/2026
Current Period Start: 1/1/2026
Scorecard End: 12/31/2026
Funding Source(s): All
Sub-Funding Source(s): ALL
Center(s): 7

Line No	Data Elements	7/1/2026 to 7/31/2026
1.	**DEED Report Categories**	0
2.	# Unique Individual Entrepreneurs and/or Businesses Served	3
4.	# of New Clients - Based on Initial Session	0
5.	# Hours of Business Assistance Services Provided	5
6.	Total Capital Accessed by Clients Served	$0.00
7.	Number of Jobs Created (Full Time and Part-Time)	0
8.	Number of Jobs Retained	31
9.	Total Jobs Supported (Created and Retained)	31
10.	Average Wages of Jobs Reported	$0.00
11.	# of New Businesses Starts/Bought Businesses	0
14.	# Veteran-Owned Businesses/Entrepreneurs Served	0