



## ECONOMIC DEVELOPMENT AUTHORITY AGENDA

City of Brainerd, Minnesota  
City Hall, 501 Laurel Street, Council Chambers  
Thursday, September 4, 2025 @ 7:30 AM

The public is invited to attend these meetings in person

Meetings are broadcast on CTC ch 8, Charter ch 181, YouTube, AppleTV, Roku, and Amazon FireTV

1. **Call To Order**

2. **Roll Call**

\_\_\_ T. Bieser \_\_\_ J. Grecula \_\_\_ G. Johnson \_\_\_ M. Kirsch \_\_\_ M. O'Day \_\_\_ P. Sandy \_\_\_ K.  
Yeager

3. **Approval Of Agenda - Voice Vote**

4. **Consent Calendar**

NOTICE TO PUBLIC - all matters listed are considered routine by the Board and will all be enacted by one (1) motion. There will be no separate discussion of these items unless good cause is shown prior to the time the Board votes on the motion to be ADOPTED BY ROLL CALL

A. **Approval of Minutes**

B. **Financial Reports**

C. **Swanson Haskamp Report**

D. **DDBC Report**

E. **Visit Brainerd Report**

5. **Unfinished Business**

A. **Consider Extension of Kamp Realty Brokerage Agreement**

B. **Discuss Purchase and Development Agreement for Industrial Park Dermatology Clinic**

C. **Review SEO Keywords**

D. **Consider Childcare Incentive Policy**

E. **Review VCV/ Blockmetrix Purchase and Development Agreement**

6. **New Business**

A. **Discuss Consultant Contracts**

7. **Staff Reports**  
(Verbal: Any Updates since Packet)
8. **Commission Member Reports**
9. **Adjourn**

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MISSION

*"Provide high quality, cost effective public services and leadership in creating a sustainable city"*

**BRAINERD ECONOMIC DEVELOPMENT AUTHORITY**  
**Thursday, June 5<sup>th</sup>, 2025, 7:30 a.m.**  
**City Hall Council Chambers**

Pursuant to due call and notice thereof, President Yeager called the regular meeting of the Brainerd Economic Development Authority to order at 7:30 a.m.

Upon roll call Commissioners Toni Bieser (7:33 a.m.), Justin Grecula, Gabe Johnson, Marie Kirsch, Mike O'Day, and Kevin Yeager were noted as present.

Consultants Tyler Glynn, BLAEDC, Jennifer Haskamp, Swanson-Haskamp Consulting & Kamp Real Estate, and Mary Devine-Johnson, Visit Brainerd were noted as present. Staff present were Executive Director Kramvik, Finance Director Hillman, and HRA Director Charpentier.

**Approval of Agenda**

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND O'DAY, DULY CARRIED, TO APPROVE THE AGENDA.

**Consent Calendar**

**Approval of Minutes**  
**Financial Reports**  
**Swanson Haskamp Report**  
**DDBC Report**  
**Visit Brainerd Report**  
**EDA Priorities Update**

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND GRECULA TO APPROVE THE CONSENT CALENDAR.

Upon roll call, Commissioners Bieser, Grecula, Johnson, Kirsch, O'Day, and Yeager voted "aye". No commissioner voted "nay". The Chair declared the motion carried.

**Unfinished Business**

**Approve Preliminary Funds for the Washington Street Mitigation Plan**

Executive Director Kramvik gave an overview of the EDA fund balance. The Brainerd Lakes Chamber of Commerce and BLAEDC prepared a preliminary plan and proposal to help businesses navigate the Washington Street reconstruction project. The EDA discussed potential funding for the mitigation plan after reviewing the 2025 EDA budget discussed potentially contributing \$30,000 towards the mitigation plan but did not take formal action.

Commissioner Johnson asked whether the contribution by the EDA would be contributed contingent upon the program fully funding itself. Or is the EDA just giving the \$30,000 regardless of anyone else contributing.

Commissioner O'Day asked about the other sources of funding.

Tyler Glynn, BLAEDC, stated that the contribution should be contingent upon the other funding sources. Other potential sources included Sourcewell, the Initiative Foundation, and others to see what funds are available.

MOVED AND SECONDED BY COMMISSIONERS KIRSCH AND GRECULA, DULY CARRIED, TO APPROVE \$20,000 IN 2026 AND \$10,000 IN 2027 TOWARDS THE MITIGATION PLAN, CONTINGENT UPON REVIEW OF THE FINAL PLAN, ESTIMATES, AND THE MITIGATION PLAN BEING FULLY FUNDED.

### **Review Proposed Childcare Incentive Policy**

Executive Director Kramvik gave an overview of the proposed incentives for childcare centers.

Commissioner Johnson stated that he is in favor of a policy waiving building permits, inspection fees for all construction projects, and land use permit fees for commercial and home day cares. He supports a higher construction cost than \$150,000.

Chair Yeager suggested a \$450,000 construction cost.

### **Review VCV/Blockmetrix Purchase and Development Agreement**

Executive Director Kramvik stated the EDA board approved a revised purchase and development agreement with Blockmetrix. Blockmetrix requested to further amend the PDA by revising the minimum improvements. Blockmetrix proposed redesigning the building and altering the parking lot and driveway design. He stated that Blockmetrix has not commenced construction, nor has it executed the purchase agreement with VCV. Blockmetrix is requesting an extended power agreement with the Public Utilities department. Staff does not recommend sending a 30-day notice that VCV is in default of the purchase agreement. He is requesting that the EDA direct staff to reevaluate the status of the project or send a 30 day notice on August 1<sup>st</sup> if the power contract is not yet been executed.

Commissioner Johnson stated that the Public Utilities Commission is still exploring and interested in a power agreement extension. He stated that the EDA should reevaluate in September.

## **New Business**

### **Review SHC's Proposed Strategy to Market Underutilized Properties**

Jennifer Haskamp, Swanson-Haskamp Consulting, gave an overview of the draft website proposed to market underutilized properties. The website is designed so that independent owners can market their listings and are responsible for maintaining the listing. There is a nominal hosting cost, Kamp is working with ESRI to determine the true cost.

Chair Yeager asked whether the cost would be covered by the outside entity or the EDA.

Commissioner Johnson asked about the cost per listing.

Commissioner Bieser asked if there would be verification of the parcel.

Ms. Haskamp stated she is working with ESRI and will update the Commission. The website will do geographical editing, and staff can validate on the back end.

## **Review Visit Brainerd's Strategy to Market EDA Website, Industrial Properties, and Website Blog Ideas**

Mary Devine-Johnson, Visit Brainerd, gave an overview of the marketing strategy. Visit Brainerd continues to market the EDA website and available properties. There is work in progress to develop SEO and results from keyword marketing. Content marketing will be boosted by the blog and blog topics. The LinkedIn page has been launched.

Commissioner Bieser stated that the blog topics are a great start for topics.

## **Set the 2026 Preliminary EDA Tax Levy Request**

Finance Director Hillman stated that the preliminary levy needs to be set by September 30<sup>th</sup>. The EDA needs to request their levy prior to the next meeting. The EDA has historically requested the maximum allowed by state statute. For 2026, the amount is \$223,309. In 2025, the maximum was requested and set at \$186,812.

Commissioner Johnson stated that the EDA should request the maximum amount.

## **Consider LOI- River Birch Investments**

Jennifer Haskamp, Kamp Real Estate, gave an overview of the letter of intent submitted by River Birch Investments. She has fielded many conversations over the last six months concerning the industrial park lots. This group would like the EDA to consider their participation in the incentive program. The group is asking for lots one, two, and three of block 5, with lot three being developed at a later date as there could be future expansion opportunities. The development agreement could include structure for the development of lot three within ten years, purchasing the lot at market value, or returning the lot to the EDA. The general industrial zoning will need to be updated to include office use as a use in the industrial park and a development agreement would have to be developed.

Commissioner Johnson stated that he is in favor of the development. He is interested in seeing how the lot three development would be structured. He asked whether the development agreement is the only way to move forward. He is concerned about the minimum improvements.

Ms. Haskamp stated that she hasn't read the development with BlockMetrix. With the incentive program, a development agreement is required because the subsidy needs to be able to be documented as a way to measure performance.

Executive Director Kramvik stated that the electrical component to the BlockMetrix agreement is the complicating factor.

Commissioner O'Day stated that the safe guards on the third lot in the agreement will not change anything for the City regarding taxes. He is unsure about a ten year timeline.

Commissioner Bieser asked about the need for a conditional use permit.

Executive Director Kramvik stated that the zoning code does not currently allow this use in the industrial park. The table of uses is actively being updated by the Planning Commission and then the ordinance would move through Council.

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND O'DAY, DULY CARRIED, TO SUPPORT THE CHANGE OF THE LAND USE IN THE ZONING CODE.

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND BIESER, DULY CARRIED, TO AUTHORIZE KAMP REAL ESTATE TO BEGIN NEGOTIATING AN AGREEMENT WITH RIVER BIRCH INVESTMENTS.

**Staff Reports**

Executive Director Kramvik stated that Country Manor has completed all bond documents and the ground breaking is set for June 10<sup>th</sup>. The Planning Commission is reviewing the table of uses and the sign ordinance. Finally, First Impressions is the 2<sup>nd</sup> quarter business tour staff will send out the meeting options.

HRA Executive Director Charpentier stated that the HRA will be pursuing a grant for the Greater Minnesota Housing Infrastructure Program for Brainerd Oaks. It is not typical for an infrastructure grant to be available, the HRA believes the application is competitive.

Tyler Glynn, BLAEDC, stated that the BLAEDC annual meeting was held in May. Mayor Badeaux and area mayors held a panel discussion. They did a fantastic job. There were 120 people in attendance. The administrative specialist position at BLAEDC will be filled.

**Commissioner Reports**

Commissioner O'Day stated that there was a fire in an older building downtown. He is hoping that the engineering report comes back favorably, the City does not need more parking lots. There are road and sidewalk closures. There was a lot of area fire presence from surrounding communities. The businesses in the building are closed until more information is provided.

Commissioner Kirsch stated that the City should work to post on social media to support the affected businesses. The farmers market that started in mid-May has been going well. It has added a lot of value to the downtown.

**Adjourn**

MOVED AND SECONDED BY COMMISSIONERS JOHNSON AND GRECUA, DULY CARRIED, TO ADJOURN THE MEETING.

The Authority adjourned at 8:25 a.m.

Respectfully Submitted by  
Toni Gage

# Financial Report for EDA

As of July 31, 2025

	<u>Cash &amp; Investments</u>	<u>Receivable Balance</u>	<u>Deferred Loans (as of 12/31/24) **</u>	<u>Awarded Grants</u>
<b>General Funds:</b>				
EDA Fund - #295	\$ 125,113	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 125,113</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CDBG (Housing/Commerical (Slum &amp; Blight/Federal Objective)):</b>				
Downtown - #298	\$ 2,825	\$ 2,982	\$ 222,897	\$ -
SE Brainerd - #215	14,173	-	26,967	-
NE Brainerd - #218	-	-	151,271	-
2024 SE Brainerd	(51,745)	-	164,201	-
Willows Project - #209	-	-	47,286	-
Old Housing - #209	2,771	-	-	-
Local Income - #275	133,584	10,980	7,900	-
<b>Total</b>	<b>\$ 101,608</b>	<b>\$ 13,962</b>	<b>\$ 620,523</b>	<b>\$ -</b>
<b>Federal &amp; State MIF (Commerical (Jobs)):</b>				
Commerical - #210 ^^^	\$ -	\$ 646,427	\$ -	\$ -
Federal MIF - #296	19,190	-	-	-
<b>Total</b>	<b>\$ 19,190</b>	<b>\$ 646,427</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Total</b>	<b>\$ 245,911</b>	<b>\$ 660,389</b>	<b>\$ 620,523</b>	<b>\$ -</b>

\*\* Portion of the loan that is forgivable with the passage of time  
 ^^^ The Receivable Balance **DOES** include the \$646,427 borrowed to pay for the industrial park land.

Fund 295 EDA FUND

GL Number	Description	PERIOD ENDED 07/31/2024	PERIOD ENDED 07/31/2025
*** Assets ***			
295-0000-10100	CASH	106,407.40	125,112.75
295-0000-10700	DELINQUENT TAX RECEIVABLE	7,003.02	8,391.61
295-0000-11500	ACCOUNTS RECEIVABLE	1,051.00	456.00
295-0000-16160	FA-LAND HELD FOR RESALE	460,396.74	460,396.74
<b>Total Assets</b>		<b>574,858.16</b>	<b>594,357.10</b>
*** Liabilities ***			
295-0000-20600	DEPOSITS PAYABLE	763.49	4,673.29
295-0000-22200	DEFERRED REVENUE	460,396.74	460,396.74
295-0000-22210	DEFERRED TAXES RECEIVABLE	3,473.95	5,632.88
<b>Total Liabilities</b>		<b>464,634.18</b>	<b>470,702.91</b>
*** Fund Balance ***			
295-0000-28900	FUND BALANCE/EQUITY ACCT	80,283.50	106,427.00
<b>Total Fund Balance</b>		<b>80,283.50</b>	<b>106,427.00</b>
<b>Beginning Fund Balance</b>		<b>80,283.50</b>	<b>106,427.00</b>
<b>Net of Revenues VS Expenditures</b>		<b>29,940.48</b>	<b>17,227.19</b>
<b>Ending Fund Balance</b>		<b>110,223.98</b>	<b>123,654.19</b>
<b>Total Liabilities And Fund Balance</b>		<b>574,858.16</b>	<b>594,357.10</b>

PERIOD ENDING 07/31/2025

GL NUMBER	DESCRIPTION	ACTIVITY FOR			YTD BALANCE	% BGD USED
		2025 MONTH	07/31/2025	07/31/2025		
		AMENDED BUDGET	CREASE (DECREASE)	NORMAL (ABNORMAL)		
Fund 295 - EDA FUND						
Function: Unclassified						
Dept 0000						
Revenues						
TAXES & PENALTIES						
295-0000-31010	CURRENT AD VALOREM	186,812.00	38,166.02	104,600.11	55.99	
295-0000-31020	DELINQUENT AD VALOREM	0.00	511.47	1,744.84	100.00	
	TAXES & PENALTIES	<u>186,812.00</u>	<u>38,677.49</u>	<u>106,344.95</u>	<u>56.93</u>	
OTHER REVENUE						
295-0000-36210	INTEREST INCOME	550.00	0.00	860.00	156.36	
	OTHER REVENUE	<u>550.00</u>	<u>0.00</u>	<u>860.00</u>	<u>156.36</u>	
TOTAL REVENUES						
		<u>187,362.00</u>	<u>38,677.49</u>	<u>107,204.95</u>	<u>57.22</u>	
Net - Dept 0000						
		<u>187,362.00</u>	<u>38,677.49</u>	<u>107,204.95</u>		
Dept 6510 - ECONOMIC DEVELOPMENT AUTH						
Expenditures						
SERVICES						
295-6510-43300	PROFESSIONAL SERVICES	162,100.00	13,509.01	82,470.73	50.88	
295-6510-43361	INS - GENERAL LIABILITY	142.00	0.00	91.64	64.54	
295-6510-43434	ECONOMIC INITIATIVES	15,000.00	0.00	2,065.39	13.77	
295-6510-43435	BOOKS/PAMPHLETS/DUES	5,350.00	0.00	5,350.00	100.00	
	SERVICES	<u>182,592.00</u>	<u>13,509.01</u>	<u>89,977.76</u>	<u>49.28</u>	
TOTAL EXPENDITURES						
		<u>182,592.00</u>	<u>13,509.01</u>	<u>89,977.76</u>	<u>49.28</u>	
Net - Dept 6510 - ECONOMIC DEVELOPMENT AUTH						
		<u>(182,592.00)</u>	<u>(13,509.01)</u>	<u>(89,977.76)</u>		
Total - Function Unclassified						
		<u>4,770.00</u>	<u>25,168.48</u>	<u>17,227.19</u>	<u>361.16</u>	
TOTAL REVENUES						
		<u>187,362.00</u>	<u>38,677.49</u>	<u>107,204.95</u>	<u>57.22</u>	
TOTAL EXPENDITURES						
		<u>182,592.00</u>	<u>13,509.01</u>	<u>89,977.76</u>	<u>49.28</u>	
NET OF REVENUES & EXPENDITURES						
		<u>4,770.00</u>	<u>25,168.48</u>	<u>17,227.19</u>	<u>361.16</u>	

CHECK DISBURSEMENT REPORT FOR CITY OF BRAINERD  
 CHECK DATE FROM 05/01/2025 - 07/31/2025

Check Date	Bank	Check #	Invoice	Payee	Description	Account	Dept	Amount
Fund: 295 EDA FUND								
05/07/2025	BB	101236	APR 2025	BRAINERD LAKES AREA DEV C	PROFESSIONAL SERVICES	43300	6510	3,084.00
05/07/2025	BB	101250	APR 2025	DESTINATION DOWNTOWN BRAINERD	PROFESSIONAL SERVICES	43300	6510	833.34
05/07/2025	BB	101267	40001339/1ST HALF 2	LEAGUE MN CITIES C/O BERKLEY	INS - GENERAL LIABILITY	43361	6510	72.24
05/07/2025	BB	101291	APR 2025	SWANSON HASKAMP CONSULTING	PROFESSIONAL SERVICES	43300	6510	2,916.67
05/07/2025	BB	101295	APR 2025	VISIT BRAINERD	PROFESSIONAL SERVICES	43300	6510	5,258.33
06/04/2025	BB	101459	MAY 2025	BRAINERD LAKES AREA DEV C	PROFESSIONAL SERVICES	43300	6510	3,084.00
06/04/2025	BB	101469	MAY 2025	DESTINATION DOWNTOWN BRAINERD	PROFESSIONAL SERVICES	43300	6510	833.34
06/04/2025	BB	101484	3556306	KUTAK ROCK LLP	DEPOSITS PAYABLE	20600	0000	456.00
06/04/2025	BB	101515	MAY 2025	SWANSON HASKAMP CONSULTING	PROFESSIONAL SERVICES	43300	6510	2,916.67
06/04/2025	BB	101516	5/20/25	U.S. BANK USPS	DEPOSITS PAYABLE	20600	0000	32.70
06/04/2025	BB	101520	MAY 2025	VISIT BRAINERD	PROFESSIONAL SERVICES	43300	6510	5,258.33
07/09/2025	BB	101712	JUNE 2025	BRAINERD LAKES AREA DEV C	PROFESSIONAL SERVICES	43300	6510	3,084.00
07/09/2025	BB	101735	JUNE 2025	DESTINATION DOWNTOWN BRAINERD COALI	PROFESSIONAL SERVICES	43300	6510	833.34
07/09/2025	BB	101788	JUNE 2025	SWANSON HASKAMP CONSULTING	PROFESSIONAL SERVICES	43300	6510	2,916.67
07/09/2025	BB	101794	JUNE 2025	VISIT BRAINERD	PROFESSIONAL SERVICES	43300	6510	5,258.33
Total for fund 295 EDA FUND								36,837.96

User: chillman  
 DB: Brainerd

Date	JNL	Type	Description	Reference #	Debits	Credits	Balance
Fund 295 EDA FUND							
05/01/2025			<b>295-0000-10100 CASH</b>		BEG. BALANCE		62,276.88
05/31/2025	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	2610		1,416.67	60,860.21
06/18/2025	GJ	JE	TO RECEIPT IN TAX SETTLEMENT-70%	2638	64,908.73		125,768.94
06/30/2025	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	2653		1,416.67	124,352.27
06/30/2025	GJ	JE	TO ALLOCATE 2ND QTR INTEREST	2656	337.62		124,689.89
07/03/2025	GJ	JE	TO RECEIPT IN TAX SETTLEMENT	2668	38,677.49		163,367.38
07/31/2025	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	2683		1,416.67	161,950.71
07/31/2025			295-0000-10100	END BALANCE	103,923.84	4,250.01	161,950.71
05/01/2025			<b>295-0000-10700 DELINQUENT TAX RECEIVABLE</b>		BEG. BALANCE		8,391.61
07/31/2025			295-0000-10700	END BALANCE	0.00	0.00	8,391.61
05/01/2025			<b>295-0000-16160 FA-LAND HELD FOR RESALE</b>		BEG. BALANCE		460,396.74
07/31/2025			295-0000-16160	END BALANCE	0.00	0.00	460,396.74
05/01/2025			<b>295-0000-20600 DEPOSITS PAYABLE</b>		BEG. BALANCE		(4,705.99)
07/31/2025			295-0000-20600	END BALANCE	0.00	0.00	(4,705.99)
05/01/2025			<b>295-0000-22200 DEFERRED REVENUE</b>		BEG. BALANCE		(460,396.74)
07/31/2025			295-0000-22200	END BALANCE	0.00	0.00	(460,396.74)
05/01/2025			<b>295-0000-22210 DEFERRED TAXES RECEIVABLE</b>		BEG. BALANCE		(5,632.88)
07/31/2025			295-0000-22210	END BALANCE	0.00	0.00	(5,632.88)
05/01/2025			<b>295-0000-31010 CURRENT AD VALOREM</b>		BEG. BALANCE		(2,708.05)
06/18/2025	GJ	JE	TO RECEIPT IN TAX SETTLEMENT-70%	2638		63,726.04	(66,434.09)
07/03/2025	GJ	JE	TO RECEIPT IN TAX SETTLEMENT	2668		38,165.19	(104,599.28)
07/03/2025	GJ	JE	TO RECEIPT IN TAX SETTLEMENT	2668		0.83	(104,600.11)
07/31/2025			295-0000-31010	END BALANCE	0.00	101,892.06	(104,600.11)
05/01/2025			<b>295-0000-31020 DELINQUENT AD VALOREM</b>		BEG. BALANCE		(50.68)
06/18/2025	GJ	JE	TO RECEIPT IN TAX SETTLEMENT-70%	2638		1,141.36	(1,192.04)
06/18/2025	GJ	JE	TO RECEIPT IN TAX SETTLEMENT-70%	2638		41.33	(1,233.37)
07/03/2025	GJ	JE	TO RECEIPT IN TAX SETTLEMENT	2668		493.62	(1,726.99)
07/03/2025	GJ	JE	TO RECEIPT IN TAX SETTLEMENT	2668		17.85	(1,744.84)
07/31/2025			295-0000-31020	END BALANCE	0.00	1,694.16	(1,744.84)
05/01/2025			<b>295-0000-36210 INTEREST INCOME</b>		BEG. BALANCE		(522.38)
06/30/2025	GJ	JE	TO ALLOCATE 2ND QTR INTEREST	2656		337.62	(860.00)
07/31/2025			295-0000-36210	END BALANCE	0.00	337.62	(860.00)
05/01/2025			<b>295-6510-43300 PROFESSIONAL SERVICES</b>		BEG. BALANCE		41,943.70
05/31/2025	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	2610	1,416.67		43,360.37
06/30/2025	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	2653	1,416.67		44,777.04
07/31/2025	GJ	JE	TO RECORD SERVICES TO EDA PER BUDGET	2683	1,416.67		46,193.71
07/31/2025			295-6510-43300	END BALANCE	4,250.01	0.00	46,193.71
05/01/2025			<b>295-6510-43361 INS - GENERAL LIABILITY</b>		BEG. BALANCE		19.40
07/31/2025			295-6510-43361	END BALANCE	0.00	0.00	19.40
05/01/2025			<b>295-6510-43435 BOOKS/PAMPHLETS/DUES</b>		BEG. BALANCE		5,350.00
07/31/2025			295-6510-43435	END BALANCE	0.00	0.00	5,350.00
TOTAL FOR FUND 295 EDA FUND					108,173.85	108,173.85	104,361.61
GRAND TOTALS:					108,173.85	108,173.85	104,361.61

**City of Brainerd**  
**Economic Development Authority**  
**Scope of Services Report**

Date: August 29, 2025  
 From: Jennifer Haskamp, SHC  
 RE: Activities June - August 2025

**Overview of Monthly Activities:**

We have continued to work on several items as defined within our scope of services and brokerage agreement. A separate memo is provided regarding SEO strategies for the real estate listings and overview of Purchase and Development Agreement with River Birch Investments is provided for discussion. The following summary by scope is provided for your reference.

**Activities by Scope Task:**

SCOPE	TASK
a.	Maintain an inventory of under-utilized and/or undeveloped property, update bi-annually.
	SHC Activities: <ul style="list-style-type: none"> <li>• Listing portal is developed and will be read for testing and pushing out to the public by the end of 2025.</li> <li>• Working with City Staff and Visit Brainerd to determine appropriate hosting location, maintenance responsibilities and updates.</li> </ul>
b.	Identify up to three priority properties or study areas for 2025.
	SHC Activities: <ul style="list-style-type: none"> <li>• Researching case studies, other EDA processes, etc., for property listings.</li> <li>• Based on other portals and online competition developing an online marketing strategy including SEO strategy is important and has been utilized by other EDAs. An overview of SEO and initial terms is provided in the memo provided for discussion.</li> </ul>
c.	Establish relationship with developers on behalf of the EDA.
	SHC Activities: <ul style="list-style-type: none"> <li>• Round table discussion with local, small developers is being planned for October. Event will be co-hosted with BLAEDC and the City.</li> <li>• Objective is to promote properties and opportunities for development, introduce the EDA website and listing portal availability.</li> </ul>

d.	Participate in quarterly roundtable discussions with the City of Brainerd Staff and all other consultants.
	SHC Activities: <ul style="list-style-type: none"> <li>• Q3 meeting date TBD.</li> </ul>
e.	Lead/Participate in one (1) business roundtable. Topic to address Washington Street Corridor.
	SHC Activities: <ul style="list-style-type: none"> <li>• Timing to align with reconstruction communication effort/plans</li> <li>• Planning developer round table with BLAEDC in October.</li> </ul>
f.	Attend regular meetings of the EDA (minimum of four meetings.)
	SHC Activities: <ul style="list-style-type: none"> <li>• SHC will be attending the September meeting virtually.</li> </ul>

**City of Brainerd**  
**Economic Development Authority**  
**Scope of Services Report**  
**Destination Downtown Brainerd Coalition (DDBC)**

**Report Date:** August 28, 2025

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**1. Maintain Main Street America Associate Membership status.**

Status: In Progress

DDBC continues to track metrics required for reporting to maintain membership status, and monitors communications and information provided by Main Street America and Rethos.

Minnesota Main Streets (MMS) has forwarded DDBC updated program requirements that will take effect starting in 2026. DDBC will review these terms at the next consultants' meeting to get guidance on next steps and will schedule a follow-up with MMS program staff as needed to address any questions raised.

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**2. Coordinate networking opportunities for downtown district businesses and other stakeholders**

Status: In Progress

DDBC hosted Business Owner Socials on the following dates/locations:

- June 25: Olde Open Window (food by Slice on Oak) (14 attendees)
- July 30: Blue Oyster (15 attendees)
- August 27: Brainerd American Legion (8 attendees)

The next Business Owner Social is scheduled for Wednesday, September 24 (location TBD) from 5pm-6:30pm (these events are hosted monthly on the last Wednesday of the month).

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**3. Support Main Street events and promotions.**

Status: In Progress

DDBC continues to help coordinate and support programming for the Downtown Brainerd Main Street Market, held at the City Hall parking lot on Fridays from 9-2. This included holding a market on July 4<sup>th</sup> with live music to coincide with other holiday festivities planned by the City and Brainerd Community Action. The market typically has between 15-20 vendors and food trucks, and has been well-attended throughout the summer. The market will continue to run through mid-October, with plans to host the event again in 2026.

In mid-August, DDBC helped coordinate a summer “Crazy Days” shopping event and promoted the sales and specials being offered by downtown businesses through social media. The event was held August 13-17, with 9 businesses participating.

DDBC helped promote the first annual “Roper Romp” organized by the Brainerd Lions Breakfast Club, held on August 14. Ten downtown businesses participated in the event, which had over 60 participants stopping into individual businesses to receive stamps to redeem for prizes.

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**4. Participate in quarterly consultant meetings.**

Status: Ongoing.

A DDBC representative plans to attend all upcoming consultant meetings.

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**City of Brainerd**  
**Economic Development Authority**  
**Scope of Services Monthly Report**  
**Visit Brainerd**

**Report Date: 08/28/2025**

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**a. Update content on EDA website.**

Update: Ongoing

Action: Create a content management handbook for staff.

Update: CMS handbook has been started by the website consultant but isn't quite finished.

Action: Blog writing

Update: Some of the blogs have been written; the webpage is in development.

Action: Start the SEO advertising strategy of keyword search campaigns.

Update: In progress; revising the key words is an ongoing process.

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**b. Create a marketing strategy and campaign for EDA website and available Brainerd properties.**

Update: In progress; see 05-30-2025 Memo.

Action: Need to work with consultants on marketing strategies to promote Brainerd Properties.

- Confirm target audiences.
  - Identify publications, websites, and associations and research potential marketing and advertising opportunities.
- 

**c. Develop and implement an advertising campaign focused on recruiting entrepreneurs, developers, investors, and the like to start a business within the corporate limits of the City of Brainerd.**

Update: In progress. Launched LinkedIn Page for Brainerd EDA on 05-29-25.

Action: Finalize billboard contract, get artwork created, go live. The Billboard agreement will be Sept. 1, 2025, through Dec. 31, 2026. Messages will rotate based on the seasons.

Action: Start populating LinkedIn with website content; start ad campaigns on LinkedIn. No action on this yet.

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- d. **Develop and implement a summer advertising campaign designed to draw locals, seasonal/second homeowners, and visitors to shop at businesses located within the corporate limits of the City of Brainerd.**

Update: Completed. We ran radio ads on the Hubbard Radio stations with 30 :30 ads on each station in June, July and August.

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Visit Brainerd						
EDA						
1	2	3	4	5	6	7
8	9	10	11	12	13	14
	3 :30 ads on each WJYY/KLIZ/KBLB KUAL/KLIZ-AM		3 :30 ads on each WJYY/KLIZ/KBLB KUAL/KLIZ-AM		3 :30 ads on each WJYY/KLIZ/KBLB KUAL/KLIZ-AM	
15	16	17	18	19	20	21
	3 :30 ads on each WJYY/KLIZ/KBLB KUAL/KLIZ-AM	3 :30 ads on each WJYY/KLIZ/KBLB KUAL/KLIZ-AM		3 :30 ads on each WJYY/KLIZ/KBLB KUAL/KLIZ-AM		
22	23	24	25	26	27	28
	3 :30 ads on each WJYY/KLIZ/KBLB KUAL/KLIZ-AM		3 :30 ads on each WJYY/KLIZ/KBLB KUAL/KLIZ-AM		3 :30 ads on each WJYY/KLIZ/KBLB KUAL/KLIZ-AM	
29	30					
	3 :30 ads on each WJYY/KLIZ/KBLB KUAL/KLIZ-AM			30 :30 ads on each WJYY/KLIZ/KBLB KUAL/KLIZ-AM	<b>Total:</b> \$1500.00	

- e. **Develop and implement a winter advertising campaign designed to draw locals, seasonal/second homeowners, and visitors to shop at businesses located within the corporate limits of the City of Brainerd.**

Update: Q4 ad plan expected to be comparable to previous years. Proposed budget and local vendors listed below.

<b>e. Winter Shopping Ad Campaign</b>	<b>\$ 10,000.00</b>
Visit Brainerd fee	\$ (1,000.00)
Radio - Hubbard	\$ (2,000.00)
Radio - MPR (Brainerd News & Classical)	\$ (1,000.00)
Spectrum Reach - OTT Streaming	\$ (3,000.00)
Print - Brainerd Dispatch	\$ (1,000.00)
Digital - Brainerd Dispatch	\$ (2,000.00)

- f. **Participate in quarterly roundtable discussions with City of Brainerd staff and all other consultants providing services to the EDA**

Update: Ongoing

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**g. Attend the regular meeting of the EDA at least 4 times during this contract.**

Update: Ongoing

Subject	Due Date	Companies	Notes	Date Completed	% Complete	Status
Tour childcare facilities	4/3/2025	CITY STAFF	City Staff and two EDA board members toured the YMCA, Stepping Stones, and TCC in the first quarter of 2025	6/2/2025	100%	Complete
Conduct quarterly EDA business tours	12/31/2025	BLAEDC/ CITY STAFF	City Staff asked BLAEDC to set up a potential tour at CTC City Staff reached out to a business in May 2025 for a tour of the property – tour availability did not work out EDA toured First Impressions – 7/22 BLAEDC is currently setting up a tour of CTC		5%	In Progress
Conduct GIS assessment of under-utilized properties and update annually		SHC/ CITY STAFF	City Staff reviewed all rental properties and sent development opportunity letters for underutilized properties – May 2025		25%	In Progress
Create a program & contract for private property owners to list under-utilized properties on the EDA website		SHC	SHC presented and held a preliminary discussion for a private property listing portal – 6/5 SHC to provide update at 9/4 meeting		25%	In Progress
Prepare inventory for privately held and city-owned properties to market for infill		SHC/ CITY STAFF	SHC has created list of city and private vacant properties City Staff conducting thorough review of all vacant properties in Brainerd – Fall 2025		25%	In Progress
Work with ISD 181 to develop parcel North of Buffalo Hills park		CITY STAFF	City Staff met with school district and presented ideas at their long-range planning committee Staff worked with a developer in 2024 to potentially develop the site – developer is no longer interested in affordable housing project for this year School District listed property for sale in 2025 Staff has made developers aware of the property and potential uses Property purchased by developer – August 2025 Staff met with developer to discuss process and upcoming meetings – 8/11		50%	In Progress

Explore relocation of James St mobile home park		CITY STAFF	Staff spoke with property owners in 2024 regarding potentially listing the property on the EDA website for developers – property owners were interested SHC is currently working on a app for private property owners to list properties	10%	In Progress
Host round table developer event	12/31/2025	BLAEDC/ SHC	Staff has discussed a roundtable event for developers to be held in the Fall of 2025 Discussion topics: EDA website, available City of Brainerd property, property owner listed lots for sale on new EDA app. Discussed plans for round table event at the June consultants meeting.	5%	In Progress
Create a marketing strategy and campaign for the EDA website		VISIT BRAINERD		0%	Not Started
Create a marketing strategy and campaign for available Brainerd properties		VISIT BRAINERD		0%	Not Started
Create an advertising campaign focused on recruiting entrepreneurs, developers, investors to start businesses		VISIT BRAINERD		0%	Not Started
Update website quarterly and optimize website		VISIT BRAINERD		0%	Not Started
Optimize website		VISIT BRAINERD		0%	Not Started
Sale of industrial park properties		KAMP/ CITY STAFF	Brokerage signs installed October 2024 LOI reviewed by EDA Board for dermatology clinic for lots 1,2, and 3, block 5 Thiesse Industrial Park – 6/5/2025 City Council approved Ordinance 1588 allowing clinics in the General Industrial District – 7/22/2025	0%	In Progress

VCV/ Blockmetrix Purchase  
and Development Agreement

City Staff EDA approved revised plans and PDA with Blockmetrix  
- 2/14  
Blockmetrix requested extension of purchase power  
agreement at the BPU Commission - 4/29  
Held special meeting with BPU Commission, EDA, and  
City Council for parameters of PPA agreement - 5/8  
BPU sent revised PPA agreement to Blockmetrix for  
review - 7/2  
Virtual meeting with Blockmetrix canceled by  
Blockmetrix - 7/29  
Virtual meeting held with Blockmetrix - 8/15

25%

In  
Progress



MEMO

To: Members of Brainerd EDA

CC: James Kramvik, Community Development Director

From: Jennifer Haskamp, AICP, Kamp

Date: August 29, 2025

RE: Addendum No. 2 to Listing Agreement, et. Al

**Addendum No. 2 – Summary and Background**

Addendum No. 2 to the Listing Agreement is provided for your review and execution. The purpose of the Addendum is to:

- Terminate Addendum No. 1 which was executed for the potential Sale or Lease of the Annex Building. Kamp has been directed to remove the property from public listing and to terminate the listing.
- Extend the Termination Date of the Agreement through December 31, 2026. This will allow Kamp to continue to market and list the properties and well as work with interested buyers and developers.



**ADDENDUM NO. 2 TO EXCLUSIVE RIGHT TO SELL AGREEMENT**

This Addendum No. 2 is made to the Exclusive Right to Sell Agreement (Agreement) entered into between the Brainerd Economic Development Authority and Kamp Real Estate and Development LLC on February 8, 2024. All terms and conditions as established in the Agreement remain in effect unless explicitly identified within this Addendum.

- 1. Addendum No. 1 to the Agreement listed the property located at 213 S 5<sup>th</sup> Street for sale or for lease. The Addendum shall be terminated and no longer listed by Kamp.
- 2. The Term of the Agreement identified in Number 2 of the Agreement shall be extended through December 31, 2026.

This Addendum is entered into on the Effective Date, which shall be September 4, 2025.

**Owner: Brainerd EDA on Behalf of City of Brainerd**

**Kamp Real Estate and Development, LLC**

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**Name:**  
**Its:**  
**Date:**  
**Address:**  
**Address 2:**  
**City, State, ZIP:**

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**Name: Jennifer Haskamp**  
**Its: Managing Broker and CEO**  
**Date: April 4, 2024**  
**Address: 550 Vandalia Street**  
**Address 2: Suite 205**  
**City, State, ZIP: Saint Paul, MN 55114**

## EXCLUSIVE RIGHT TO SELL AGREEMENT

This **EXCLUSIVE RIGHT TO SELL AGREEMENT** (the “**Agreement**”) is entered into on **February \_\_, 2024** (the “**Effective Date**”), by and between Kamp Real Estate and Development, LLC (“**Kamp**”) and the **City of Brainerd Economic Development Authority** (“**Brainerd EDA**”). Whereas, the Brainerd EDA is the owner of the Properties (as hereinafter defined), and Brainerd EDA wishes to hire Kamp as its sole and exclusive agent with the exclusive right to procure the sale of all or any portion of the Property, and Kamp wishes to accept such engagement. Now therefore, in consideration of the mutual promises herein set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Kamp as Exclusive Selling Agent.** Brainerd EDA hereby appoints Kamp as the **sole and exclusive agent** with the exclusive right to procure the sale of the real properties legally described on Exhibit A, attached hereto and made a part hereof, with all improvements now or hereafter made on or to the real properties (collectively, the “**Property**”). Brainerd EDA agrees to promptly disclose to Kamp any personal property to be included in the sale or lease. Brainerd EDA hereby authorizes Kamp to insert or correct the legal description over Brainerd EDA’s signature.
2. **Term of the Agreement.** The term of this Agreement shall commence as of the Effective Date and shall continue until the date on which either party terminates this Agreement upon thirty (30) days’ prior written notice to the other party; provided, however, that in the event that neither party terminates this Agreement, this Agreement will expire automatically on the date which is twelve (12) months after the Effective Date. The date that this Agreement shall either expire or earlier terminate shall hereinafter be referred to as the “**Termination Date.**”
3. **Terms of Sale.** The offering price of the Property shall be **Negotiable**, or any such other offering price as approved by Brainerd EDA, in Brainerd EDA’s sole and absolute discretion, which shall be payable, at the option of the purchaser, either in cash or in a combination of cash and the assumption of any existing assumable loan. Brainerd EDA and Kamp acknowledge and agree that Brainerd EDA may agree to accept any other price in Brainerd EDA’s sole and absolute discretion. Any offer to purchase the Property may contain normal and customary contingencies such as the purchaser’s approval of a preliminary title report, survey, soils test, feasibility study and existing leases.
4. **Negotiations and Cooperation.** All inquiries and offers which Brainerd EDA receives shall be promptly referred to Kamp and all negotiations shall be conducted solely by Kamp or under its direction. Brainerd EDA shall cooperate fully with Kamp and shall provide Kamp access to the Property at all reasonable times. The terms of all contracts of sale shall be subject to Brainerd EDA’s sole and absolute approval.
5. **Advertising.** Kamp is authorized to publish this listing or otherwise advertise on the Property and promote the sales of such property by signs, circulars and mailings, and by engaging in other appropriate forms of advertising, all of which shall be subject to the mutual agreement of Brainerd EDA and Agent as to its extent, form and content, and as to the sharing of the cost of such advertising. Brainerd EDA understands and agrees that the information contained in this Agreement or otherwise published for marketing purposes is not confidential, and will be available to third parties, including prospective purchasers, other members of Kamp who do not represent Brainerd EDA and who may represent prospective purchasers, and other parties granted access to Brainerd EDA’s listing information. Kamp may advertise that it sold the Property after the closing of a sale of the Property, as applicable, in which Kamp was involved.
6. **Cooperation With Other Brokers.** Brainerd EDA understands and agrees that Kamp may, when appropriate, cooperate with other licensed real estate brokers representing any potential purchaser (each, an “**Outside Broker**”). For the purposes of this Agreement, and in particular Section 7 hereof, the term “**Outside Broker**” shall also include other brokers or salespersons employed by or associated with Kamp who are not the Listing Agent(s) (as hereinafter defined).

## 7. Commissions.

### **NOTICE: THE COMPENSATION FOR THE SALE OR MANAGEMENT OF REAL PROPERTY SHALL BE DETERMINED BETWEEN EACH INDIVIDUAL BROKER AND THE BROKER'S CLIENT.**

- a. With respect to a sale, Brainerd EDA shall cause the Purchaser to pay and Kamp shall earn and hereby agrees to accept a commission or commissions calculated in accordance with the rates and terms set forth on Exhibit B, attached hereto and made a part hereof, and payable pursuant to the provisions set forth in Section 8 of this Agreement.
- b. With regard to a sale, Brainerd EDA shall cause the Purchaser to pay a commission to Kamp upon the occurrence of one of the following events:
  - i. During the Term (A) Kamp, Brainerd EDA, or any other person or entity, including, but not limited to an Outside Broker, procures a purchaser who is ready, willing and able to purchase all or any portion of the Property on the terms set forth in Section 3 hereof, or on other terms acceptable to Brainerd EDA; or (B) Brainerd EDA, through any person or entity other than Kamp, enters into any other contract to transfer or exchange the all or any portion of the Property or any interest therein or grants an option to purchase all or any portion of the Property to any person or entity;
  - ii. Within one hundred eighty (180) days after Termination Date (the "**Protected Period**"), Brainerd EDA sells or contracts to sell or exchange, or grants an option to purchase the Property to any potential purchaser who made an offer on, was introduced to, visited, received information on, inquired about, or otherwise learned of the Property prior to the Termination Date (each, a "**Prospective Purchaser**"). For purposes of this Agreement, the term "Prospective Purchaser" includes the person or entity listed on the Protected List (as hereinafter defined) as well as any assignee, designee, successor, affiliate, subsidiary or related entity, including, but not limited to all members of the potential purchaser's immediate family, any legal entity in which potential purchaser or any member of potential purchaser's immediate family owns or controls, directly or indirectly, more than ten percent (10%) of the shares or interests therein, and any third party who is acting under the direction or control of any of the foregoing. Kamp shall submit a list of such Prospective Purchasers (collectively, the "**Protected List**") within seventy-two (72) hours after the Termination Date; or
  - iii. During the term of this Agreement, Brainerd EDA receives notice that an entity having the power of condemnation has condemned or intends to condemn all or a substantial portion of the Property; provided, all or a substantial portion of the Property is thereafter conveyed to or condemned by such entity either during or after the term of this Agreement.

8. **Agency/Dual Agency.** Brainerd EDA hereby authorizes Kamp (a) to appoint **Jennifer Haskamp** to act as Brainerd EDA's Listing Agent(s) (the "**Listing Agent(s)**"), and (b) at Kamp's discretion, to appoint other salespersons affiliated with Kamp as subagents to act on Brainerd EDA's behalf as and when needed (each, a "**Subagent**"). It is understood and agreed that this Agreement only creates an agency relationship between Brainerd EDA, Kamp, the Listing Agent(s) and any Subagent(s), and not with any other salespersons of Kamp. Any broker or salesperson other than Listing Agent(s) and any Subagent(s) will not be representing Brainerd EDA and may represent a potential purchaser.

Brainerd EDA agrees that if all or any portion of the Property is sold to a purchaser represented by one of Kamp' salespersons other than Listing Agent or Subagents appointed by Kamp, then Brainerd EDA consents to Kamp acting as a dual agent. Brainerd EDA understands and agrees that different salespersons affiliated with Kamp may represent different sellers/landlords in competing transactions involving the same purchaser/tenant. Brainerd EDA hereby consents to such representation and agrees that it shall not be considered action by Kamp that is adverse or detrimental to the interests of either seller, nor shall it be considered a conflict of interest on the part of Kamp. If Kamp acts as a dual agent, then Kamp shall be entitled to the entire commission payable under this Agreement plus any additional compensation Kamp may have negotiated with the purchaser. Acceptance of referral fees between salespersons affiliated with Kamp will not be considered action that is adverse or detrimental on the

part of the salespersons or Kamp, nor shall it be considered a conflict of interest by the salespersons or Kamp.

9. **Responsibility for Maintenance.** Kamp shall not be responsible for maintenance of the Property or for damages of any kind to the Property or its contents, including, but not limited to, vandalism and theft, unless Kamp caused such damage by its gross negligence. Brainerd EDA hereby releases and waives all rights, claims and causes of action against Kamp, except claims based on its negligence, for damages to the Property or its contents.
10. **Limitation of Liability.** Kamp is not responsible or liable in any manner for personal injury to any person or for loss or damage to any person's real or personal property resulting from any act or omission not caused by Kamp, including but not limited to injuries or losses caused by (a) other brokers, inspectors, appraisers, lenders, contractors, surveyors, engineers, and other persons who are authorized to access the Property, (b) acts of third parties, such as vandalism or theft, (c) freezing or broken water pipes, (d) a dangerous condition on the Property, and (e) the Property's non-compliance with any law or ordinance. Neither party shall be liable to the other party for any consequential, special, indirect, punitive, incidental, or exemplary damages in connection with this Agreement, even if a party has knowledge of the possibility of such damages.
11. **Indemnification.** To the extent allowed by law, Brainerd EDA shall indemnify, defend and hold harmless Kamp, its shareholders, affiliates, subsidiaries, officers, directors, employees, agents and licensors from any claims, lawsuits, damages, costs, losses, attorneys' fees, costs and related expenses (collectively, "Liabilities") arising from or incurred as a result of (a) Brainerd EDA's failure to disclose material information about the Property; (b) Brainerd EDA providing incorrect information to Kamp, Outside Brokers or potential purchasers; (c) the use of, or access to, the Property by any person pursuant to this Agreement, (d) any breach of, or failure to perform, any provision of this Agreement by Brainerd EDA, and/or (e) other conduct by Brainerd EDA, its employees and agents, or Brainerd EDA's fraud, negligence or willful misconduct. Brainerd EDA shall not be responsible for indemnification for Liabilities to the extent caused by Kamp' fraud, negligence or willful misconduct in performing its obligations under this Agreement.
12. **Disclosure; Hazardous Substances.** Brainerd EDA agrees to promptly disclose to Kamp and any prospective purchaser all known material defects, if any, affecting the Property, including any structures on the Property, and any knowledge Brainerd EDA has or may hereafter acquire regarding the production, disposal, storage or release of any hazardous wastes or other toxic or hazardous substances in or on the Property. Kamp is authorized to disclose all pertinent information regarding the Property to prospective purchasers, and Brainerd EDA shall, to the extent allowed by law, indemnify and hold Kamp and any cooperating brokers harmless to the same extent as set forth in Section 11 of this Agreement in the event that Brainerd EDA fails to make any required disclosure or makes any misrepresentation about the Property or its condition.
13. **No Discrimination.** Brainerd EDA hereby acknowledges that it is illegal to refuse to display, sell or lease the Property to any person because of race, color, religion, national origin, sex, marital status or physical disability.
14. **Representations & Warranties.** Brainerd EDA represents and warrants that (a) Brainerd EDA has full authority to execute this Agreement and to sell, or exchange the Property, (b) Brainerd EDA is not bound by a listing agreement with another broker for the sale, lease, or exchange of the Property that is or will be in effect during the term of this Agreement, (c) no person or entity has any right to purchase or acquire the Property by an option, right of refusal, or other agreement, (d) there is no pending foreclosure of the Property that has not been disclosed in writing to Kamp, (e) Brainerd EDA owns sufficient intellectual property rights in any materials which Brainerd EDA provides to Kamp related to the Property (such as brochures, photographs, drawings or articles) to permit Broker to reproduce and distribute such materials for the purpose of marketing the Property or other purposes consistent with this Agreement, and (f) that all information concerning the Property provided to Kamp by Brainerd EDA is accurate. The person(s) executing this Agreement on behalf of Brainerd EDA represent(s) that such person(s) have full authority to do so and in so doing are binding Brainerd EDA.

Brainerd EDA confirms that following closing of the Property, the amount of the purchase price and any other terms of the sale of the Property shall not be deemed confidential information and Brainerd EDA authorizes disclosure of the same.

15. **Attorneys' Fees; Waiver of Jury Trial.** In the event of a dispute between the parties to enforce a right or rights provided by or arising out of this Agreement, the non-prevailing party shall pay to the prevailing party reasonable attorneys' fees and other costs and expenses of enforcement proceedings. The "prevailing party" shall be the party receiving a net affirmative award or judgment. TO THE EXTENT ALLOWED BY LAW, THE PARTIES HEREBY WAIVE ANY TRIAL BY JURY. Delinquent amounts payable to Kamp under this Agreement shall earn interest in the amount of one percent (1%) per month from the date due until paid.
16. **Construction and Authority; Successors.** This Agreement and each of the terms and provisions hereof have been negotiated between the parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either party. The person(s) executing this Agreement on behalf of Brainerd EDA warrant that such person(s) have full authority to do so and in so doing to bind Brainerd EDA. This Agreement shall inure to the benefit of and be binding upon the respective heirs, personal representatives, successors and assigns of the parties.
17. **Professional Advice.** Kamp recommends that Brainerd EDA obtain legal, regulatory, architectural, engineering, environmental, tax and other professional and technical advice relating to this Agreement and the Property as well as the condition of the Property, including without limitation, the Property's improvements, equipment, soil, tenancies, environmental aspects and compliance with the Americans with Disabilities Act. Kamp will have no obligation to investigate any such matters and Kamp shall have no responsibility or liability for any work that is or should be done by such experts or professionals.
18. **Governing Law.** This Agreement is entered into and shall be governed and construed in accordance with the laws of the State of Minnesota.
19. **Entire Agreement; Counterparts.** This Agreement sets forth the entirety of the agreement between the parties regarding the Property, and supersedes all previous communications, representations, and understandings regarding the same. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and together shall constitute one and the same instrument, and counterparts which are executed and delivered in electronic format (e.g. email, PDF, TIF, etc.) shall be deemed valid original signatures for the purposes of this Agreement.
20. **Copy of Agreement.** Brainerd EDA hereby acknowledges receipt of a fully executed copy of this Agreement.



This Agreement is entered into on the Effective Date.

**Owner: Brainerd EDA on Behalf of City of Brainerd**

**Kamp Real Estate and Development, LLC**

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**Name:**  
**Its: President**  
**Date: February 8, 2024**  
**Address: 501 Laurel St**  
**Address 2:**  
**City, State, ZIP: Brainerd, MN 56401**

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**Name: Jennifer Haskamp**  
**Its: Managing Broker and CEO**  
**Date: February 8, 2024**  
**Address: 246 S. Albert Street**  
**Address 2: Suite 2A**  
**City, State, ZIP: Saint Paul, MN 55105**

DRAFT

**EXHIBIT A**

**Brainerd Industrial Park First Addition**

City	Address (Legal Description)	Property Identification Number
Brainerd	1427 Thiesse Drive (Lot 1 Block 1)	41060513
Brainerd	1729 Thiesse Drive (Lot 7 Block 1)	41060511
Brainerd	1817 Thiesse Drive (Lot 8 Block 1)	41060510
Brainerd	XXXX Thiesse Drive (Lot 1 Block 4)	41060507
Brainerd	1624 Thiesse Drive (Lot 2 Block 4)	41060506
Brainerd	1724 Thiesse Drive (Lot 3 Block 4)	41060505
Brainerd	1812 Thiesse Drive (Lot 4 Block 4)	41060504
Brainerd	1410 Thiesse Drive (Lot 1 Block 5)	41060503
Brainerd	1424 Thiesse Drive (Lot 2 Block 5)	41060502
Brainerd	1516 Thiesse Drive (Lot 3 Block 5)	41060501
Brainerd	XXXX Thiesse Drive (Lot 4 Block 5)	41060500

**Property Generally Referred to as: Wright Street Extension**

City	Legal Description	Property Identification Number
Brainerd	SE1/4 OF NW1/4 EXC N 1160 FT OF W 560 FT THEREOF. & ALSO INCL S 159.6 FT OF N 1160 FT OF E 330 FT OF W 560 FT OF SENW. & ALSO EXC	41310501
Brainerd	N1/2 OF NE1/4 OF SW1/4 EXC PT OF NE1/4 OF SW1/4 WHICH LIES W'LY OF S'LY EXT OF E LINE OF W 230 FT OF SENW SD SEC 31 & WHICH LIES	41310500

**Property Generally Referred to as: Parking Lot Infill Redevelopment**

City	Address (Legal Description)	Property Identification Number
Brainerd	XXX Laurel Street (Lots 2 thru 6 Inclusive Block 45, First Addition to Brainerd)	41241434

**EXHIBIT B**

**SCHEDULE OF SALE COMMISSIONS**

**SALES**

**Rate:** Broker will be compensated for a successful sale transaction per the following schedule:

**DIRECT TRANSACTION (NO THIRD PARTY INVOLVED):**

Should a member of the Listing Team (Jennifer Haskamp) secure a buyer without the assistance of a cooperating broker, for sale of the Properties; Broker will be paid a commission of six point five percent (6.5%) of the total purchase price at the time of closing.

If the purchase price of the property is \$1/acre or similar, the commission due shall be calculated based on the appraised current value. Under such transaction, the Buyer shall be responsible for paying the Broker Commission.

**CO-BROKER TRANSACTION:**

In the event a cooperating broker (including other brokers affiliated with Broker but not a member of the Listing Team) is involved in securing a buyer to purchase a Property, commissions payable for the transaction will be eight percent (8%) of the total purchase price. The total commission shall be split between Co-Broker and Broker at the discretion of the Listing Team. The commission shall be paid at the time of closing.

If the purchase price of the property is \$1/acre or similar, the commission due shall be calculated based on the appraised current value of the Property. Under such transaction, the Buyer shall be responsible for paying the Broker Commission.

DRAFT



## MEMO

**TO:** Members of Brainerd EDA **Date:** August 28, 2025

**CC:** James Kramvik, Community Development Director **RE:** DRAFT Purchase & Development Agreement with River Birch Investments, LLC

**FROM:** Jennifer Haskamp, AICP  
Kamp Real Estate & Development

## OVERVIEW & SUMMARY

At the regular June EDA meeting Kamp presented a Letter of Intent (LOI) submitted by River Birch Investments, LLC for the purchase of Lots 1, 2 and 3 of Block 5, Brainerd Industrial Park 1<sup>st</sup> Addition. The Developer’s LOI proposed to utilize the \$1/Acre incentive program to build a new medical building in the industrial park and to relocate their existing dermatology business to the site once the development is complete. As part of the discussion it was noted that a zoning amendment would be necessary to allow for medical uses in the Industrial zoning district and the EDA expressed their support for the required amendments.

After discussion, the EDA expressed support of the proposal and directed Kamp and City Staff to continue to work with the Developer through the next steps in the process.

## ACTIVITIES SINCE JUNE

Since the June EDA meeting we have been working on the following:

- **Zoning Amendment:** The Planning Commission and City Council approved the zoning amendment to permit medical uses within the Industrial districts as a permitted use. The proposed medical use is now consistent with the existing zoning.
- **Negotiating the Development Terms:** Since the Developer is proposing to use the \$1/Acre incentive program the purchase and development agreement requires specific terms to be identified to ensure compliance with the program. Over the past several months we have been working with the Developer on some of the specific and/or required terms that must be addressed in the agreement. Some of the most important terms that we needed to work through were:
  - The Developer’s intended financing for the project; and
  - How to address the potential phased approach to development of the parcels (i.e. Lots 1 and 2 are intended for the initial development, which Lot 3 is a potential future phase).
- **Draft Purchase and Development Agreement (PDA):** A draft agreement was prepared and sent to the Developer on August 1. They are working through the contract with their attorney, and we anticipate hearing back shortly after Labor Day.



## SUMMARY OF KEY TERMS IN DRAFT PURCHASE & DEVELOPMENT AGREEMENT

The following is a summary of key terms drafted within the PDA for your reference:

- The agreement identifies Lots 1 and 2 as the Development property subject to the specific performance standards established within the PDA to comply with the incentive program.
- Lot 3, which is intended to be a future phase, is identified as “Option Property” which the Developer will have the right to exercise within 5 years of completion of the Development Property (Lots 1 and 2).
  - The Option Property will not be transferred to the Developer as part of the initial contract. Instead, the City will retain fee title until such time as the Developer exercises the option.
  - If the Developer decides not to exercise the Option, the property can be re-listed for sale. Since the deed will not transfer there will be no need for a ‘take back’ provision, since the City will retain ownership.
  - The Developer may request an extension of the Option period and will be up to the City/EDA to determine at the time of the request whether they wish to grant the extension.
- The Phase I Development Property must be improved and constructed within a certain time-period that is established within the agreement. The time period will be further refined as the agreement progress through the process. However, generally the intent is that the building is constructed within 12-18 months of the time that the agreement is executed (must consider weather, time of year, etc.)
- Anticipated financing and subordination is addressed to allow for different types of loans including SBA, conventional, etc. The contract allows for the Developer to leverage the property, but conversely allows for (but does not require) the City to purchase the property in the event of a default.
- Participation in the \$1/acre incentive program requires the Developer to agree to the following:
  - That the construction value, size and type will be sufficient to demonstrate a public benefit. This is demonstrated through taxable value, number of employees, keeping a business in town, etc.
  - That a certain level of employment and/or growth is maintained for a specific period of time.

## OUTSTANDING QUESTIONS & ISSUES FOR EDA DISCUSSION:

In an effort to finalize the draft PDA, a few issues/questions were identified that the EDA should consider. Unfortunately, the Developer is unable to attend the September meeting, so if questions arise that I cannot answer we have identified a back-up work session date later this month where discussion with Developer could occur. (The work session will only be held if needed to move the process forward.) Questions include:

- Are you comfortable with an Option agreement associated with Lot 3? Note that if the option were to be exercised an addendum to the contract would be required.



- The current term to construct the improvements and receive a Certificate of Occupancy is 24-months. Is this acceptable or should the term be shortened or extended?
- The Construction Plans are required to be appended to the PDA. Should this be required? Or are more conceptual plans with estimated budget acceptable?
- Employment Requirements: Because the \$1/acre incentive program has specific state requirements we must address jobs/employment within the agreement. We need to address the following:
  - Are they required to maintain a certain number of jobs?
  - Are they required to commit to job/employment growth?
  - Are they required to maintain a certain wage?
  - For how long?
  - If not required, then we need to document and explain that as part of the PDA. Likewise, if we do require certain standards we need to specifically identify what those standards are and the time for performance.



## MEMO

**TO:** Members of Brainerd EDA **Date:** August 28, 2025

**CC:** James Kramvik, Community Development Director **RE:** SEO Keywords

**FROM:** Jennifer Haskamp, AICP, SHC  
Jenna Shoosmith, SHC

## SEARCH ENGINE OPTIMIZATION OVERVIEW

SEO (Search Engine Optimization) helps improve a website’s visibility online and we understand that the EDA is interested in developing a strategy to improve its position in search results, especially with respect to available properties. Search engines like Google utilize key terms and phrases to identify a website’s content which can be optimized for impact either organically or through pay-per-click services. Integrating relevant language, and keeping the language fresh, on a website can make it easier for users to find based on their search engine queries.

Visit Brainerd is spearheading the website efforts and SHC is working collaboratively with them to help develop a strategy specific to available properties and development opportunities. To assist with that effort, SHC has researched and prepared a list of terms and keywords that can be used to make the EDA website more accessible and visible online which can be incorporated organically, and/or could be eventually incorporated into a pay-per-click strategy. To be effective, SEO terms should be integrated throughout a website (as headings, in body text, as image alt text, etc.) and with text that is refreshed frequently (think blogs, news, etc.) It is important to avoid overusing keywords, also known as SEO stuffing. This technique can flag a website as ‘spammy’ and ultimately harm its visibility online – so essentially, it’s a balancing act.

The following SEO terms are relevant to real estate and property listings. Incorporating both broad and specific terms can make a website visible to a wide audience – and many of the terms are already populated on both the EDA and our website, which will help to drive activity to our listings.

### General SEO Key Words:

- Real estate listings
- Real estate market
- Real estate near me
- Properties for sale
- Properties for sale near me



**Industrial/Commercial Specific Key Words:**

- Industrial/commercial real estate
- Industrial/commercial real estate for sale
- Industrial/commercial real estate near me
- Industrial/commercial land for sale
- Industrial/commercial land near me
- Industrial/commercial property
- Industrial/commercial building for sale
- Buy industrial/commercial property

**Location-Specific Key Words:**

- Real estate in Brainerd
- Brainerd property listings
- Affordable properties in Brainerd
- Real estate opportunities in Brainerd
- Brainerd commercial/industrial properties
- Commercial/industrial real estate Brainerd
- Commercial/industrial properties Brainerd
- Brainerd Business/Industrial park

**Buyer-Specific Key Words:**

- Buy commercial/industrial property
- Lease commercial/industrial
- Invest in commercial/industrial
- Commercial/industrial investment opportunities
- Triple net lease properties

We will continue to work with Visit Brainerd on a strategy for marketing and how SEO can play a critical role in driving additional ‘clicks’ and visits to our site. Organically, one of the best things we can do is to keep the pages fresh with relevant information to drive interest. Things like a property blog or news could be effective in driving organic traffic, which we could consider for incorporating into our scope of services in 2026.

Likewise, once the property search app is built for the EDA properties the content will be refreshed frequently to reflect the most current listings available. If the app is hosted on the EDA website it will contain relevant SEO terms as well as fresh content that will organically encourage more hits on our properties and listings.

# MEMO

**TO:** EDA Board of Commissioners

**FROM:** James Kramvik, Community Development Director

**DATE:** September 4<sup>th</sup>, 2025

**RE:** Review Proposed Childcare Incentive Policy

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## INTRODUCTION

City staff and two EDA board members toured Brainerd childcare centers in the first quarter of 2025 to hear what is going well and what issues childcare providers are currently facing, specifically issues with expansion. Common issues include:

- 1) Staffing, especially entry level positions (turnover, burnout, and wages)
- 2) Losing staff to federally funded or state-funded childcare centers
- 3) State permitting and licensing requirements
- 4) Capital for additions and new facilities
- 5) Cashflow challenges and balancing wage increases and affordable tuition
- 6) There is no major return on investment for childcare centers
  - a. Childcare centers are breaking even at best each month
- 7) Difficulty finding space for rent that meets licensing requirements

The EDA held a workshop on April 4<sup>th</sup> and discussed potential economic incentive programs for childcare centers in the City of Brainerd. The EDA discussed waiving a percentage of the building permit fees and land use permit fees. The EDA board was generally not in favor of waiving SAC and WAC fees.

At the June EDA meeting, the Board considered and was in general agreement of waiving up to \$450,000 in construction costs for building permits for both commercial childcare centers and home day cares.

## PROPOSED INCENTIVES

Proposed Incentives Include:

- 1) Waive City building permit and inspection fees for all construction projects less than \$450,000 in total construction costs.
- 2) Waive all Zoning Permit Fees and Zoning Application Fees
- 3) Waive all Engineering Permit Fees

## STAFF RECOMMENDATION

Recommend City Council Approve the proposed Childcare Incentive Policy for a period of ten years.

# **City of Brainerd, Minnesota Childcare Incentives Policy**

## **1. Policy Introduction**

The Childcare Incentive Policy focuses on expanding childcare in Brainerd by reducing City fees associated with development and construction of new or existing facilities. Minnesota continues to face a shortage of childcare workers and available slots for children. Ideas to overcome these challenges have been presented and enacted at the State level, but many communities continue to fall short of childcare openings which can directly affect the economic vitality of a region. City staff and the Brainerd EDA, while conducting interviews and tours of local childcare facilities, were informed that childcare expansion continues to be a challenge due to the following reasons:

- Staffing, especially entry level positions (turnover, burnout, and wages)
- Losing staff to federally funded or state-funded childcare centers
- State permitting and licensing requirements
- Capital for additions and new facilities
- Cashflow challenges and balancing wage increases and affordable tuition
- No major return on investment for childcare centers
- Difficulty finding space for rent that meets licensing requirements

## **2. Policy Purpose and Need**

Generally, the City of Brainerd City Council finds it necessary and advantageous to promote the expansion and new construction of commercial childcare facilities and home daycares in the city. Childcare availability affects the wider economy of the region as many working adults need access to affordable childcare in order to work and contribute to the economy.

The incentives in this policy provide baseline guidance to staff and childcare providers in Brainerd. This policy is not intended to provide a list of all the City of Brainerd is willing to make available for potential childcare facilities.

## **3. Policy Statement**

The following incentives, based upon City Council action, are available for use by licensed commercial childcare facilities and licensed home daycares as outlined further in this policy:

- Waiving of City Building Permit Fees (not including State of Minnesota surcharge). This does not waive the requirement to obtain a permit, but rather just the fee.
- Waiving of all Zoning Permit Fees and Zoning Application Fees

- Waiving of all Engineering Permit Fees

### **Waiving of City Building Permit Fees**

Generally, the Brainerd City Council has elected to waive City building permit and inspection fees for all construction projects less than \$450,000 in total construction costs. This does not waive the requirement to obtain a permit or the ability of a provider that exceeds this threshold the ability to see a reduction or waiver of fees during the development or re-development negotiation process. This does not include a waiver of the State of Minnesota surcharge, which is a requirement of all building permits within the City. Permits requiring a state delegation inspection are not eligible for the waiving of Building Permit Fees.

## **4. Policy Conclusion**

It is the intent of this policy to assist childcare providers to make small or large investments in the City of Brainerd. This list is to provide for opportunities for incentives and is not intended to close the door on any development request or proposal.

### **Term**

This policy shall be reviewed before its expiration on September 15<sup>th</sup>, 2035 to evaluate its effectiveness. It shall be reviewed, amended, renewed, or revoked after that review.

# MEMO

**TO:** EDA Board of Commissioners

**FROM:** James Kramvik, Community Development Director

**DATE:** September 4<sup>th</sup>, 2025

**RE:** Review VCV/ Blockmetrix Purchase and Development Agreement

---

## **JOINT MEETING UPDATE**

The City Council, EDA Board, and Public Utilities Commission held a joint meeting on May 8<sup>th</sup> to discuss a request by Blockmetrix to extend the purchased power agreement. Staff were directed to draft a power agreement with certain provisions discussed at the meeting.

The City completed a revised power agreement and sent it to Blockmetrix on 7/2. Staff did not receive comments from Blockmetrix and asked for a virtual meeting. Staff met virtually with Blockmetrix on 8/15 and listened to their concerns about moving forward with the project. Staff indicated that we would like Blockmetrix to either propose revisions to the power agreement for BPU Commission review or acknowledge that they are no longer moving forward with the project. The BPU Commission was updated at the August 26<sup>th</sup> meeting and decided to take no action at the time. At the meeting, staff recommended that we should consult with our City Attorney before taking any official action.

## **REVISED PURCHASE AND DEVELOPMENT AGREEMENT**

At the Special EDA meeting on February 14<sup>th</sup>, the EDA board approved a revised purchase and development agreement with Blockmetrix. Blockmetrix requested to further amend the PDA by revising the minimum improvements. Blockmetrix proposed redesigning the building and altering the parking lot and driveway design. The proposed redesign is part of the final design package by Hy-Tec and changes were made to reduce the amount of impervious surface and provide better access for large trucks. The building footprint/ floor plan was flipped east to west with the entrance now located on the west side of the property.

The approved purchase and development agreement amendment has not yet been signed by Blockmetrix as they have not yet executed the purchase of the property. Blockmetrix has been working to finalize all agreements and building permits prior to final purchase of the property.

The amended purchase and development agreement requires Blockmetrix to start the project by April 1<sup>st</sup>, 2025, which did not happen.

## **RECOMMENDATION**

The EDA board should consider the following options:

- 1) Reevaluate the status of the project at the December 4<sup>th</sup> meeting; or
- 2) Direct staff to send a 30-day notice on October 27<sup>th</sup> if the power contract has not yet been executed so the next steps/ remedies could be considered at the December 4<sup>th</sup> EDA meeting.

**ASSIGNMENT, ASSUMPTION AND AMENDMENT  
TO PURCHASE AND DEVELOPMENT CONTRACT**

**THIS ASSIGNMENT, ASSUMPTION AND AMENDMENT TO PURCHASE AND DEVELOPMENT CONTRACT** (this “Assignment, Assumption and Amendment”), made as of this \_\_\_\_ day of \_\_\_\_\_, 2025, by and between **VCV DIGITAL INFRASTRUCTURE MINNESOTA LLC**, a Delaware limited liability company (the “Assignor”), **BLOCKMETRIX, LLC**, a limited liability company established under the laws of the State of Texas (the “Assignee”), and **BRAINERD ECONOMIC DEVELOPMENT AUTHORITY**, a public body corporate and politic under the laws of the State of Minnesota (the “Authority”).

**RECITALS:**

A. The Assignor and the Authority entered into that certain Purchase and Development contract, dated March 3, 2022, recorded on January 10, 2024 in the Office of the County Recorder of Crow Wing County as document number 992685 (the “Contract” or “Agreement”), for the purchase, sale and development of certain real property located at 1911 Thiesse Drive and 1918 Thiesse Drive in the City of Brainerd, Crow Wing County, State of Minnesota, as legally described in the Contract (collectively, the “Development Property” or “Property”), on which the Assignor agreed to construct a cryptocurrency mining facility, as more fully described in Schedule D attached to the Contract (the “Minimum Improvements”).

B. The Assignor and the Assignee have represented to the Authority that the Assignee proposes to purchase all of the membership interests in the Assignor in an arm’s-length transaction, and following such purchase the Assignee shall become the successor of the Assignor. In connection such transfer, the Assignor desires to assign all of its rights, interests, and obligations in the Contract to Assignee, and the Assignee has agreed to be bound by all of the terms and provisions of the Contract.

C. Pursuant to the Contract, the Authority (hereinafter, also the “Grantor”) conveyed the Development Property to the Assignor (hereinafter, also the “Grantee”) by Quit Claim Deed, dated October 6, 2022, recorded in the office of the Crow Wing County Recorder on January 1, 2024, as document number 992687 (the “Deed”). Section 2 of the Deed provides that “[t]he Grantee’s rights and interest in the Property are subject to the terms and conditions of the

Agreement relating to the Grantor's right to re-enter and re-vest in Grantor title to the Property under conditions specified therein, including but not limited to termination of such right upon issuance of a Certificate of Completion as defined in the Agreement.”

D. The Assignee proposes to further revise the Construction Plans for the Minimum Improvements and acknowledges that before commencement of construction of the Minimum Improvements, the Assignee shall submit to the Authority revised Construction Plans for approval.

E. Pursuant to Section 4.2(b) of the Contract, any proposed change to the Construction Plans shall be deemed approved by the Authority unless rejected, in whole or in part, by written notice by the Authority to the Developer within ten (10) days after receipt of the notice of such change. The Authority proposes to extend the period in which to provide written notice of rejection to any change to the Construction Plans from ten (10) days to thirty (30) days.

F. Pursuant to Section 4.3 of the Contract, construction of the Minimum Improvements must be commenced within the “Construction Commencement Deadline,” as defined therein. The Assignee proposes to extend the Construction Commencement Deadline to April 1, 2025.

G. The Assignee proposes to add a provision to the Contract, as amended hereby, that no former employee or owner of VCV Digital Infrastructure Minnesota LLC, VCV Digital or any affiliate thereof, shall own an interest in the Assignee or Assignor the after execution of this Assignment, Assumption and Amendment.

**NOW, THEREFORE, IN CONSIDERATION OF One Dollar (\$1.00)** and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Any capitalized term used herein and not otherwise defined herein shall have the meaning ascribed to such term in the Contract.

2. The Assignor does hereby grant, transfer and assign to the Assignee, all of its rights, interests, and obligations under the Contract, and the Authority hereby consents to such grant, transfer, and assignment to the Assignee.

3. The Assignee hereby accepts this Assignment, Assumption and Amendment and assumes and agrees to faithfully abide by, perform and discharge each and every term, covenant, condition and obligation of the Assignor under the Contract, as amended hereby (the “Assumed Obligations”), and to defend and hold the Assignor harmless from any lawsuits, claims, damages, costs and expenses, including actual attorney fees and disbursements arising in connection with the Contract, except those arising from events occurring or arising prior to the date hereof.

4. Section 4.2(b) of the Contract is hereby amended to provide that any proposed change to the Construction Plans shall be deemed approved by the Authority unless rejected, in whole or in part, by written notice by the Authority to the Developer within thirty (30) days after receipt of the notice of such change.

5. The “Construction Commencement Deadline,” as defined in Section 4.3 of the Contract, is hereby amended and extended to April 1, 2025, and upon approval by the Authority of further revised Construction Plans for the Minimum Improvements to be proposed by the Assignee, the Assignee shall commence construction of the Minimum Improvements within such date.

6. The Contract is hereby further amended to add a new Section 10.15, as follows:

Section 10.15. Restriction on Sale or Transfer of Ownership Interest in Blockmetrix, LLC and VCV Digital Infrastructure Minnesota LLC. No former employee or owner of VCV Digital Infrastructure Minnesota LLC, VCV Digital or any affiliate thereof, shall own an interest in Blockmetrix, LLC or VCV Digital Infrastructure Minnesota LLC after execution of this Agreement, as assigned, assumed and amended pursuant to an Assignment, Assumption and Amendment to Purchase and Development Contract, by and between VCV Digital Infrastructure Minnesota LLC, as assignor, Blockmetrix, LLC, as assignee, and the Authority.

7. The Assignee expressly represents, for the benefit of the Authority, that it is a limited liability company duly organized and in good standing under the laws of the State of Texas, is duly authorized to transact business within the State of Minnesota, is not in violation of any provisions of its organizational documents or the applicable laws of any state, has power to enter into this Assignment, Assumption and Amendment and the capability to perform the obligations of the Assignor under the Contract and has duly authorized the execution, delivery and performance of this Assignment, Assumption and Amendment by proper action of its governing body.

8. If the Authority delivers any notice, demand or other communication to the Developer under the Contract that relates to or may affect the rights and interest of the Assignee under the Contract or the Assumed Obligations, the Authority will deliver a copy of such notice, demand or communication to the Assignee in the manner set forth in the Contract addressed or delivered personally to the Assignee as follows:

Blockmetrix, LLC  
2651 North Harwood Street  
Suite 400  
Dallas, TX 75201

or at such other address as the Assignee may, from time to time, designate by written notice to the Authority given or delivered in the manner set forth in the Contract.

9. Notwithstanding anything to the contrary herein, VCV Digital Infrastructure Minnesota LLC, as Grantee under the Deed and Assignor hereunder, and Blockmetrix, LLC as Assignee hereunder, shall remain obligated to fulfill all obligations of the Developer under the Contract, as amended by this Assignment, Assumption and Amendment.

10. This Assignment, Assumption and Amendment shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto and shall further be for the benefit and reliance of the Authority.

11. Except as hereby amended, all other terms and conditions of the Contract shall remain in full force and effect.

12. This Assignment, Assumption and Amendment shall be governed by and construed in accordance with the laws of the State of Minnesota.

13. This Assignment, Assumption and Amendment may be executed in counterparts, which counterparts when considered together shall constitute a single, binding, valid and enforceable agreement.





**BRAINERD ECONOMIC DEVELOPMENT  
AUTHORITY**

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Executive Director

STATE OF MINNESOTA                    )  
  ) ss.  
COUNTY OF CROW WING COUNTY    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2025,  
by Kevin Yeager, the President of the Brainerd Economic Development Authority, a public body  
politic and corporate, on behalf of the Authority.

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

STATE OF MINNESOTA                    )  
  ) ss.  
COUNTY OF CROW WING COUNTY    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2025,  
by \_\_\_\_\_, the Executive Director of the Brainerd Economic Development Authority,  
a public body politic and corporate, on behalf of the Authority.

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

THIS INSTRUMENT WAS DRAFTED BY:  
Kutak Rock LLP (SEL)  
60 South Sixth Street, Suite 3400  
Minneapolis, MN 55402-4018  
(612) 334-5000

EXECUTION COPY

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**PURCHASE AND DEVELOPMENT CONTRACT**

**By and Between**

**BRAINERD ECONOMIC DEVELOPMENT AUTHORITY**

**and**

**VCV DIGITAL INFRASTRUCTURE MINNESOTA LLC**

**Dated as of: March 3, 2022**

---

This document was drafted by:  
KENNEDY & GRAVEN, Chartered  
150 South Fifth Street, Suite 700  
Minneapolis, Minnesota 55402  
Telephone: 612-337-9300

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## PURCHASE AND DEVELOPMENT CONTRACT

THIS AGREEMENT, made on or as of the 3rd day of March, 2022, by and between BRAINERD ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of Minnesota (the “Authority”), and VCV DIGITAL INFRASTRUCTURE MINNESOTA LLC, a Delaware limited liability company (“Developer”).

WITNESSETH:

WHEREAS, the Authority was created pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 (the “Act”) and was authorized to transact business and exercise its powers by a resolution of the City Council of the City of Brainerd, Minnesota (the “City”); and

WHEREAS, the City has undertaken a program to promote economic development and job opportunities and to promote the development of land which is underutilized within the City, and in this connection created a development project known as the Development District No. 2 (“Development District”) for the development of its industrial park pursuant to Minnesota Statutes, Sections 469.124 to 469.134 (the “Development District Act”); and

WHEREAS, by resolution dated December 6, 2021, the City Council transferred control, authority and operation of the Development District to the Authority, which currently administers the Development District; and

WHEREAS, pursuant to the Act and the Development District Act, the Authority is authorized to acquire real property, or interests therein, and to undertake certain activities to facilitate the Development of real property by private enterprise; and

WHEREAS, the Authority has expanded the geographic boundaries of the Development District to include certain property described in Schedule A (the “Development Property”), and intends to convey that property to Developer, in connection with Developer’s proposal to develop a cryptocurrency mining facility on the Development Property, as more fully described herein (the “Minimum Improvements”); and

WHEREAS, the Authority believes that the development of the Development Property pursuant to this Agreement, and fulfillment generally of this Agreement, are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the Project has been undertaken.

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

## ARTICLE I

### Definitions

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

“Act” means Minnesota Statutes, Sections 469.090 to 469.1081, as amended.

“Agreement” means this Agreement, as the same may be from time to time modified, amended, or supplemented.

“Authority” means the Brainerd Economic Development Authority, or any successor or assign.

“Authority Representative” means the Executive Director of the Authority, or any person designated by the Executive Director to act as the Authority Representative for the purposes of this Agreement.

“Certificate of Completion” means the certification provided to Developer, or the purchaser of any part, parcel or unit of the Development Property, pursuant to Section 4.4 of this Agreement.

“City” means the City of Brainerd, Minnesota.

“Closing” has the meaning provided in Section 3.3(b) hereof.

“Construction Plans” means the plans, specifications, drawings and related documents on the construction work to be performed by Developer on the Development Property which (a) shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the appropriate building officials of the City, and (b) shall include at least the following for each building: (1) site plan; (2) foundation plan; (3) cross sections of floor plan (length and width); (4) elevations (all sides); (5) landscape plan; and (6) such other plans or supplements to the foregoing plans as the Authority may reasonably request to allow it to ascertain the nature and quality of the proposed construction work.

“County” means the County of Crow Wing, Minnesota.

“Developer” means VCV Digital Infrastructure Minnesota LLC or its permitted successors and assigns.

“Development District” means the Authority’s Development District No. 2.

“Development Program” means the Authority’s Development Program for the Development District, as amended.

“Development Property” means the real property so described in Schedule A attached hereto.

“Event of Default” means an action by Developer listed in Article IX of this Agreement.

“Holder” means the owner of a Mortgage.

“Minimum Improvements” means the construction on the Development Property of the improvements generally described on Schedule D, attached hereto and incorporated herein.

“Mortgage” means any mortgage made by Developer which is secured, in whole or in part, with the Development Property, and any modification, supplement, extension, renewal or amendment thereof.

“State” means the State of Minnesota.

“Tax Official” means any County assessor; County auditor; County or State board of equalization, the commissioner of revenue of the State, or any State or federal district court, the tax court of the State, or the State Supreme Court.

“Title Company” means a title company selected by Developer and reasonably acceptable to the Authority.

"Unavoidable Delays" means unexpected delays which are the direct result of: (i) adverse weather conditions, (ii) shortages of materials, (iii) strikes, other labor troubles, (iv) fire or other casualty to the Minimum Improvements, (v) litigation commenced by third parties which, by injunction or other judicial action, directly results in delays, (vi) acts of any federal or state governmental unit, including legislative and administrative acts, (vii) approved changes to the Construction Plans that result in delays (viii) delays caused by the discovery of any adverse environmental condition on or within the Development Property to the extent reasonably necessary to comply with federal and state environmental laws, regulations, orders or agreements, (ix) delay in the issuance of any license or permit by any governmental entity, provided application therefor is timely made and diligently pursued by Developer and (x) any other cause or force majeure beyond the control of Developer which directly results in delays.

“Utility Agreement” means that certain agreement for the purchase of electric power to be entered into by the Developer and the City, acting through its Brainerd Public Utility, which Utility Agreement is fully incorporated into this Agreement.

## ARTICLE II

### Representations and Warranties

Section 2.1. Representations by the Authority. The Authority makes the following representations as the basis for the undertaking on their part herein contained:

(a) The Authority is an economic development authority duly organized and existing under the laws of the State. Under the provisions of the Act, the Authority has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The activities of the Authority are undertaken to foster the development of certain real property which for a variety of reasons is presently underutilized, to create increased tax base and employment in the City, and to stimulate further development of the Development District as a whole.

(c) The Authority will cooperate with the Developer in facilitating any Developer requests for land use approvals, including conditional use permits and rezoning, necessary for the construction of the Minimum Improvements.

Section 2.2. Representations and Warranties by Developer. Developer represents and warrants that:

(a) Developer is a limited liability company duly organized and in good standing under the laws of the State of Delaware, is not in violation of any provisions of its articles of organization or, to the best of its knowledge, the laws of the State, is duly authorized to transact business within the State, has 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) If the Developer acquires the Development Property in accordance with this Agreement, the Developer will construct, operate and maintain the Minimum Improvements in accordance with the terms of this Agreement, the Development Plan and all applicable local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations).

(c) Developer has received no written notice or communication from any local, state or federal official that the activities of Developer or the Authority in the Development District would be in violation of any environmental law or regulation (other than those notices or communications of which the Authority is aware). Developer is aware of no facts the existence of which would cause the Development Property to be in violation of or give any person a valid claim under any local, state or federal environmental law, regulation or review procedure.

(d) After Closing, Developer will construct, or cause to be constructed, the Minimum Improvements in accordance with all applicable local, state or federal energy-conservation laws or regulations.

(e) Developer will timely apply for and diligently pursue 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 Minimum Improvements may be lawfully constructed, subject to the terms of this Agreement.

(f) To the best of Developer's knowledge and belief, as of the date hereof, 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 partnership or company restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

### ARTICLE III

#### Conveyance of Development Property

##### Section 3.1. Status of the Development Property.

(a) As of the date of this Agreement, the City owns the real property described in Schedule A to this Agreement (the "Development Property"). The City has approved the conveyance of the Development Property to the Authority concurrently with the conveyance of the Development Property by the Authority to the Developer, and the Authority will convey title to and possession of the Development Property to Developer, subject to all the terms and conditions of this Agreement.

(b) On or before Closing, subject to all the terms and conditions of this Agreement, the Developer shall prepare and use its commercially reasonable efforts to obtain all necessary land use approvals for construction of the Minimum Improvements on the Development Property, at the Developer's cost and subject to all City ordinances and procedures and otherwise reasonably acceptable to the Developer.

Section 3.2. Purchase Price. The purchase price to be paid to the Authority by Developer in exchange for the conveyance of the Development Property shall be \$227,815 (the "Purchase Price"). The Purchase Price represents a fair market value of the Development Property, with \$49,761 of the Purchase Price allocated to the land and \$178,054 to the costs of infrastructure previously constructed by the Authority. The Purchase Price shall be due and payable by the Developer at Closing.

##### Section 3.3. Conditions of Conveyance.

(a) The Authority shall convey title to and possession of the Development Property to the Developer at Closing by quit claim deed substantially in the form set forth on Schedule B to this Agreement (the "Deed"). The Authority's obligation to convey the Development Property to the Developer, and Developer's obligation to purchase the Development Property, is subject to satisfaction of the following terms and conditions:

(1) The Authority having approved Construction Plans for the Minimum Improvements in accordance with Section 4.2.

(2) The Developer having secured financing for the acquisition of the Development Property and the construction of the Minimum Improvements and Authority having approved such financing in accordance with Article VII hereof, and the Developer having closed on such financing at Closing.

(3) There is no uncured Event of Default by Developer under this Agreement.

(4) The Developer having reviewed and approved (or waived objections to) title to the Development Property as set forth in Section 3.5 hereof.

(5) The Developer having reviewed and approved (or waived objections to) soil and environmental conditions as set forth in Section 3.6.

(6) The Developer having negotiated and executed the Utility Agreement with the City acting through its Brainerd Public Utility (“BPU”) regarding the purchase of electrical power sufficient for the Developer’s operations on the Development Property.

Conditions (1) and (3) are solely for the benefit of the Authority, and may be waived by the Authority. Conditions (4) and (5) are solely for the benefit of the Developer, and may be waived by the Developer. Conditions (2) and (6) are for the benefit of both the Authority and the Developer and may only be waived by both parties. Developer shall have a period of one hundred eighty (180) days from the date of this Agreement (the “Due Diligence Period”) to perform due diligence on the Development Property, including physical and title inspections, and to satisfy itself with the condition thereof, including satisfaction of the conditions set forth in Section 3.3(a), in Developer’s sole and absolute discretion. Developer may terminate this Agreement at any time prior to expiration of the Due Diligence Period upon written notice to the Authority. Upon satisfaction of the conditions set forth in Section 3.3(a) and Developer having satisfied itself with the condition of the Development Property in its sole discretion, Developer shall issue a written notice to the Authority that Developer wishes to proceed with Closing (the “Notice to Proceed”) upon the terms and conditions of this Agreement. If the Authority has not received the Notice to Proceed on or before expiration of the Due Diligence Period or the conditions in Section 3.3(a) have not been satisfied or affirmatively waived in writing accordingly, then this Agreement shall terminate and the parties shall have no further liability or obligation to the other, except for the Developer’s obligations under Section 3.9 hereof.

(b) The closing on conveyance of the Development Property from the Authority to the Developer (“Closing”) shall occur on the date that is ten (10) days after Authority’s receipt of the Notice to Proceed from Developer.

#### Section 3.4. Place of Document Execution, Delivery and Recording.

(a) Unless otherwise mutually agreed by the Authority and Developer, the execution and delivery of all deeds, documents and the payment of any purchase price shall be made at the offices of the Title Company or such other location to which the parties may agree.

(b) The deed shall be in recordable form and shall be promptly recorded in the proper office for the recordation of deeds and other instruments pertaining to the Development Property at Closing. At Closing, Developer shall pay: all recording costs, including state deed tax, in connection with the conveyance of the Development Property; costs of recording any instruments used to clear title encumbrances; title insurance commitment fees and premiums, if any; and title company closing fees, if any. The parties agree and understand that the Development Property is exempt from property taxes for taxes payable in 2022.

### Section 3.5. Title.

(a) As soon as reasonably practical after the date of this Agreement, the Developer shall obtain a commitment for the issuance of a policy of title insurance (“Title Commitment”) for the Development Property. At least sixty (60) days prior to expiration of the Due Diligence Period, Developer shall review the state of title to the Development Property and obtain a survey of the Development Property and may provide the Authority with a list of written objections to such title and survey. Upon receipt of the Developer’s list of written objections, the Authority shall proceed in good faith and with all due diligence to attempt to cure the objections made by the Developer. In the event that the Authority has failed to cure objections within sixty (60) days after its receipt of the Developer’s list of such objections, the Developer may (i) by the giving of written notice to the Authority terminate this Agreement, upon the receipt of which this Agreement shall be null and void and neither party shall have any liability hereunder, other than the Developer’s obligations under Section 3.9 hereof; or (ii) waive any title objections and proceed to closing. The Authority shall have no obligation to take any action to clear defects in the title to the Development Property, other than the good faith efforts described above.

(b) The Authority shall take no actions to encumber title to the Development Property between the date of this Agreement and the time the deed is delivered to the Developer. The Authority expressly agrees that it will not cause or permit the attachment of any mechanics, attorneys, or other liens to the Development Property prior to Closing. Upon Closing, the Authority is obligated to pay all costs to discharge any encumbrances to the Development Property attributable to actions of the Authority, its employees, officers, agents or consultants, including without limitation any architect, contractor and or engineer.

(c) The Developer shall take no actions to encumber title to the Development Property between the date of this Agreement and the time the deed is delivered to the Developer. The Developer expressly agrees that it will not cause or permit the attachment of any mechanics, attorneys, or other liens to the Development Property prior to Closing. Notwithstanding termination of this Agreement prior to Closing, Developer is obligated to pay all costs to discharge any encumbrances to the Development Property attributable to actions of Developer, its employees, officers, agents or consultants, including without limitation any architect, contractor and or engineer of Developer.

### Section 3.6. Soils, Environmental Conditions.

(a) Before closing on conveyance of the Development Property from the Authority to the Developer, Developer may enter the Development Property and conduct any environmental or soils

studies deemed necessary by the Developer. If Developer determines that hazardous waste or other pollutants as defined under federal and state law exist on the property, or that the soils are otherwise unsuitable for construction of the Minimum Improvements, Developer may at its option terminate this Agreement by giving written notice to the Authority on or prior to the expiration of the Due Diligence Period, upon receipt of which this Agreement shall be null and void and neither party shall have any liability hereunder, except for the Developer's obligations under Section 3.9 hereof.

(b) The Developer acknowledges that the Authority makes no representations or warranties as to the condition of the soils on the Development Property or its fitness for construction of the Minimum Improvements or any other purpose for which the Developer may make use of such property.

Section 3.7. Representations and Warranties Regarding Development Property.

(a) The Authority has not received any notice of any violation of any law, municipal ordinance or other governmental requirement affecting the Development Property.

(b) To the best of the Authority's knowledge, no hazardous substances are located on or have been stored, generated, used, processed or disposed of on or released or discharged from (including ground water contamination) the Development Property and no above or underground storage tanks exist on, or have been removed from, the Development Property.

(c) No litigation or proceedings are pending or, to the best of Authority's knowledge, contemplated, threatened or anticipated, relating to the Development Property, or any portion thereof.

(d) Authority has no knowledge of any unrecorded agreements, undertakings or restrictions which affect the Development Property. There are no tenants, persons or entities occupying any portion of the Development Property and no claim exists against any portion of the Development Property by reason of adverse possession or prescription.

(e) To the best of Authority's knowledge: (i) there is no assessment payable in annual installments, or any part thereof, which has become a lien on the Development Property; and (ii) there is no obligation with respect to the Development Property for any assessment, annexation fee, payment, donation or the like, other than general real estate taxes, for schools, parks, fire departments or any other public facilities which are required to be made by the owner of the Development Property.

(f) To the best of Authority's knowledge, there are no wells on the Development Property within the meaning of Minnesota Statutes, Section 103I.235 and there is no sewage generated at the Development Property to be managed, and there is no individual sewage treatment system located on or serving the Development Property.

All representations and warranties made herein shall be deemed remade as of Closing and shall be true and correct as of Closing and shall be deemed to be material and to have been relied upon by the parties, notwithstanding any investigation or other act of Developer heretofore or

hereafter made, and shall survive Closing and execution and delivery of the deed.

Section 3.8. No Business Subsidy. The parties agree and understand that the purchase price payable by Developer for the Development Property is at least equal to the market value of such property, and that the conveyance described in this agreement does not constitute a “business subsidy” within the meaning of Minnesota Statutes, Sections 116J.993 to 116J.995. The Developer releases and waives any claim against the Authority and its governing body members, officers, agents, servants and employees thereof arising from application of the Business Subsidy Act to this Agreement, including without limitation any claim that the Authority failed to comply with the Business Subsidy Act with respect to this Agreement.

Notwithstanding the foregoing, the parties agree and acknowledge that the Authority is conveying the Development Property to the Developer for economic development purposes pursuant to the Act, and that job creation is a priority of such economic development. Therefore, the Developer agrees that within two (2) years after the date of this Agreement, the Developer agrees to (i) create or cause to be created five (5) full-time equivalent jobs on the Development Property, and (ii) cause the hourly wage of such jobs to be at least Fifteen Dollars (\$15.00), exclusive of benefits.

Section 3.9. Payment of Authority Costs. The Developer agrees that it will pay, within thirty (30) days after written notice from the Authority, the actual reasonable costs incurred and paid to third-party consultants and attorneys retained by the Authority in connection with the negotiation in preparation of this Agreement and other incidental agreements and documents related to the development contemplated hereunder, through the date of Closing or earlier termination of this Agreement as described hereinafter. The Authority will provide written reports and reasonable evidence of payment describing the costs accrued under this Section to Developer, but no more often than intervals of forty-five (45) days. The Authority acknowledges receipt of \$10,000 deposited by the Developer upon filing its letter of intent with the Authority, which will be credited to the Developer’s obligation under this Section. Upon termination of this Agreement by Developer, the Developer remains obligated under this section for such reasonable and actual third-party costs incurred by the Authority through the effective date of such termination.

## ARTICLE IV

### **Construction of Minimum Improvements**

Section 4.1. Construction of Minimum Improvements. The Developer agrees that it will construct the Minimum Improvements on the Development Property in accordance with the approved Construction Plans and will operate and maintain, preserve and keep the Minimum Improvements or cause the Minimum Improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition, subject to the terms of this Agreement.

Section 4.2. Construction Plans.

(a) Before commencement of construction of the Minimum Improvements, Developer shall submit to the Authority Construction Plans. The Authority will approve such Construction Plans in writing if: (i) such Construction Plans conform to the terms and conditions of this Agreement; (ii) such Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations; (iii) such Construction Plans are adequate to provide for construction of the Minimum Improvements; (iv) the Construction Plans do not provide for expenditures in excess of the funds available to Developer for construction of the Minimum Improvements; and (v) no Event of Default has occurred. No approval by the Authority shall relieve Developer of the obligation to comply with the terms of this Agreement or of the Development Plan, applicable federal, state and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements in accordance therewith. No approval by the Authority shall constitute a waiver of an Event of Default. If approval of the Construction Plans is requested by Developer in writing at the time of submission, such Construction Plans shall be deemed approved unless rejected in writing by the Authority, in whole or in part. Such rejections shall set forth in detail the reasons therefore, and shall be made within 30 days after the date of their receipt by the Authority. If the Authority rejects any Construction Plans in whole or in part, Developer shall submit new or corrected Construction Plans after written notification to Developer of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the Authority. The Authority's approval shall not be unreasonably withheld, conditioned or delayed. Said approval shall constitute a conclusive determination that the Construction Plans (and the Minimum Improvements, constructed in accordance with said plans) comply to the Authority's satisfaction with the provisions of this Agreement relating thereto.

The Developer hereby waives any and all claims and causes of action whatsoever resulting from the review of the Construction Plans by the Authority and/or any changes in the Construction Plans requested by the Authority, provided the Authority complies with its obligation to not unreasonably withhold, condition or delay such approval. Neither the Authority nor any employee or official of the Authority shall be responsible in any manner whatsoever for any defect in the Construction Plans or in any work done pursuant to the Construction Plans, including changes requested by the Authority.

(b) If Developer desires to make any material change in the Construction Plans after their approval by the Authority, Developer shall submit the proposed change to the Authority for its approval. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section 4.2 of this Agreement with respect to such previously approved Construction Plans, the Authority shall approve the proposed change and notify Developer in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by the Authority unless rejected, in whole or in part, by written notice by the Authority to Developer, setting forth in detail the reasons therefor. Such rejection shall be made within ten (10) days after receipt of the notice of such change. The Authority's approval of any such change in the Construction Plans will not be unreasonably withheld, conditioned or delayed.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer shall commence construction of the Minimum Improvements within one

hundred twenty (120) days after Closing (the “Construction Commencement Deadline”), and use commercially reasonable and diligent efforts to substantially complete construction of the Minimum Improvements within 180 days following the Construction Commencement Deadline. All work with respect to the Minimum Improvements to be constructed on the Development Property shall substantially conform to the Construction Plans as submitted by Developer and approved by the Authority.

Developer agrees for itself, its successors and assigns, and every successor in interest to the Development Property, or any part thereof, that Developer, and such successors and assigns, shall promptly begin and diligently prosecute to completion the Development of the Development Property through the construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced within the period specified in this Section 4.3 of this Agreement. Subsequent to conveyance of the Development Property, or any part thereof, to Developer, and until construction of the Minimum Improvements has been completed, Developer shall make reports, in such detail and at such times as may reasonably be requested by the Authority, as to the actual progress of Developer with respect to such construction.

#### Section 4.4. Certificate of Completion.

(a) Promptly after substantial completion of the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Developer to construct the Minimum Improvements (including the dates for beginning and completion thereof), the Authority will furnish the Developer with a Certificate of Completion in substantially the form provided in Schedule C. Such certification by the Authority shall be (and it shall be so provided in the deed and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement and in the deed with respect to the obligations of the Developer, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion thereof. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any Holder of a Mortgage, or any insurer of a Mortgage, securing money loaned to finance the Minimum Improvements, or any part thereof.

(b) The certificate provided for in this Section 4.4 of this Agreement shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Development Property. If the Authority shall refuse or fail to provide any certification in accordance with the provisions of this Section 4.4 of this Agreement, the Authority shall, within thirty (30) days after written request by Developer, provide Developer with a written statement, indicating in adequate detail in what respects Developer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Authority, for Developer to take or perform in order to obtain such certification.

(c) The construction of the Minimum Improvements shall be deemed to be commenced when the grading on the Development Property is substantially complete (as reasonably determined by the Authority Representative), and shall be deemed to be substantially

completed when Developer has received a certificate of occupancy issued by the City for the Minimum Improvements.

## ARTICLE V

### Insurance

#### Section 5.1. Developer Insurance.

(a) Developer will provide and maintain at all times during the process of constructing the Minimum Improvements an All Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the Authority, furnish the Authority with proof of payment of premiums on policies covering the following:

(i) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in nonreporting form on the so-called "all risk" form of policy.

(ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and property damage of not less than \$1,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

(iii) Workers' compensation insurance, with statutory coverage.

(b) The Developer and the Authority agree that all of the insurance provisions set forth in this Section shall terminate upon the Termination Date.

Section 5.2. Subordination. Notwithstanding anything to the contrary contained in this Article V, the rights of the Authority with respect to the receipt and application of any proceeds of insurance shall, in all respects, be subject and subordinate to the rights of any lender under a Mortgage approved pursuant to Article VII of this Agreement.

## ARTICLE VI

### Delinquent Taxes and Review of Taxes

Section 6.1. [Intentionally Omitted.]

Section 6.2. Review of Taxes. Developer agrees that, prior to the Termination Date, it will not apply for a deferral of property tax on the Development Property pursuant to any law, or

transfer or permit transfer of the Development Property to any entity whose ownership or operation of the property would result in the Development Property being exempt from real estate taxes under State law (other than any portion thereof dedicated or conveyed to the Authority in accordance with this Agreement).

## ARTICLE VII

### Financing

#### Section 7.1. Financing.

(a) Before conveyance of the Development Property, the Developer shall submit to the Authority evidence of one or more commitments for mortgage financing which, together with committed equity for such construction, is sufficient for the construction of the Minimum Improvements. Such commitments may be submitted as short term financing, long term mortgage financing, a bridge loan with a long-term take-out financing commitment, or any combination of the foregoing. Such commitment or commitments for short term or long term mortgage financing shall be subject only to such conditions as are normal and customary in the mortgage banking industry.

(b) If the Authority finds that the mortgage financing is sufficiently committed and adequate in amount to provide for the construction of the Minimum Improvements, then the Authority shall notify the Developer in writing of its approval. Such approval shall not be unreasonably withheld, conditioned or delayed and either approval or rejection shall be given within thirty (30) days from the date when the Authority is provided the evidence of financing. A failure by the Authority to respond to such evidence of financing shall be deemed to constitute an approval hereunder. If the Authority rejects the evidence of financing as inadequate, it shall do so in writing specifying the basis for the rejection. Approval of any subordination agreement under Section 7.3 hereof will constitute approval of financing for the purposes of this Section.

Section 7.2. Authority's Option to Cure Default on Mortgage. In the event that there occurs a default under any Mortgage on or prior to the Termination Date, Developer shall cause the Authority to receive copies of any notice of default received by Developer from the holder of such Mortgage. Developer will use its reasonable efforts to include in any Mortgage a provision that the Authority shall have the right, but not the obligation, to cure any such default on behalf of Developer within such cure periods as are available to Developer under the Mortgage documents. In the event there is an Event of Default under this Agreement, the Authority will transmit to the Holder of any Mortgage a copy of any notice of default given by the Authority pursuant to Article IX of this Agreement.

Section 7.3. Subordination and Modification for the Benefit of Mortgagee. In order to facilitate the Developer obtaining financing for construction of the Minimum Improvements according to the Construction Plans, the Authority agrees to subordinate its rights under this Agreement, including without limitation its rights of reversion under Sections 9.3 and 9.4 hereof, provided that (a) such subordination shall be subject to such reasonable terms and conditions as

the Authority and Holder mutually agree in writing, and (b) the Authority's obligation to subordinate is contingent on the Authority's approval of the financing in accordance with Section 7.1 hereof.

## ARTICLE VIII

### **Prohibitions Against Assignment and Transfer; Indemnification**

Section 8.1. Representation as to Development. Developer represents and agrees that its purchase of the Development Property or portions thereof, and its other undertakings pursuant to the Agreement, are, and will be used, for the purpose of Development of the Development Property and not for speculation in land holding.

Section 8.2. Prohibition Against Transfer of Property and Assignment of Agreement. Developer represents and agrees that until issuance of the Certificate of Completion for the Minimum Improvements:

(a) Developer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity (collectively, a "Transfer"), without the prior written approval of the Authority's board of commissioners unless Developer remains liable and bound by this Agreement, in which event, notwithstanding anything in this Agreement to the contrary, the Authority's approval is not required. The term "Transfer" does not include (i) encumbrances made or granted by way of security for, and only for, the purpose of obtaining construction, interim or permanent financing necessary to enable Developer or any successor in interest to the Development Property, or any part thereof, to construct the Minimum Improvements, or (ii) any lease, license, easement or similar arrangement entered into in the ordinary course of business related to operation of the Minimum Improvements. Prior approval by the Authority is not required for any Transfer: (1) to an Affiliate or the transfer of a member's interest in Developer to an Affiliate of the member so long as the proposed transferee expressly assumes the obligations of Developer or the original member; (2) that is involuntary resulting from the death or disability or parties in control of the members of Developer.

(b) If Developer seeks to effect a Transfer which requires the approval of the Authority prior to issuance of the Certificate of Completion for the Minimum Improvements, the Authority shall be entitled to require as conditions to such Transfer that:

(i) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the Authority, necessary and adequate to fulfill the obligations undertaken in this Agreement by Developer as to the portion of the Development Property to be transferred.

(ii) Any proposed transferee, by instrument in writing satisfactory to the Authority and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the Authority, have expressly assumed all of the obligations of Developer under this Agreement as to the portion of the Development Property to be transferred and agreed to be subject to all the conditions and restrictions to which Developer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Development Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the Authority) deprive the Authority of any rights or remedies or controls with respect to the Development Property or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Development Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the Authority of or with respect to any rights or remedies on controls provided in or resulting from this Agreement with respect to the Minimum Improvements that the Authority would have had, had there been no such transfer or change. In the absence of specific written agreement by the Authority to the contrary, no such transfer or approval by the Authority thereof shall be deemed to relieve Developer, or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Minimum Improvements, from any of its obligations with respect thereto.

(iii) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Development Property governed by this Article VIII, shall be in a form reasonably satisfactory to the Authority.

(c) If the conditions described in paragraph (b) are satisfied with regard to any Transfer requiring the approval of the Authority then the Transfer will be approved and Developer shall be released from its obligations under this Agreement, as to the portion of the Development Property that is transferred, assigned, or otherwise conveyed. The provisions of this paragraph (c) apply to all subsequent transferors, assuming compliance with the terms of this Article.

(d) Upon issuance of the Certificate of Completion for the Minimum Improvements, Developer may transfer or assign the Minimum Improvements and/or Developer's rights and obligations under this Agreement with respect to such property without the prior written consent of the Authority; provided that:

(i) until the Termination Date the transferee or assignee is bound by all Developer's obligations hereunder with respect to the property and rights transferred. Developer shall submit to the Authority written evidence of any such transfer or assignment, including the transferee or assignee's express assumption of Developer's

obligations under this Agreement. If Developer fails to provide such evidence of transfer and assumption, Developer shall remain bound by all obligations with respect to the subject property under this Agreement; and

(ii) upon compliance with clause (d)(i) above (whether the transfer occurred before or after issuance of the Certificate of Completion), Developer shall be released from its obligations under this Agreement with respect to the property transferred assigned or otherwise conveyed.

The provisions of this paragraph (d) apply to all subsequent transferors, assuming compliance with the terms of this Article.

Section 8.3. Release and Indemnification Covenants. (a) Developer releases from and covenants and agrees that the Authority and the governing body members, officers, agents, servants and employees thereof (the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the operation of the Minimum Improvements.

(b) Except for any negligence of the following named parties and any claim as to the legal authority of the Authority to perform as required by this Agreement, Developer agrees (if timely tendered by the Authority to Developer) to protect and defend the Indemnified Parties, now or forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever to the extent caused by the construction, installation, and operation of the Minimum Improvements.

(c) The Indemnified Parties shall not be liable for any damage or injury to the persons or property of Developer or its officers, agents, servants or employees or any other person who may be about the Development Property or Minimum Improvements due to any act of negligence of any person.

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

## ARTICLE IX

### Events of Default

Section 9.1. Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement (unless the context otherwise provides), any failure by any party, following notice and cure periods described in Section 9.2 hereof, to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement or under

any other agreement entered into between Developer and the Authority in connection with development of the Development Property.

Section 9.2. Remedies on Default. Whenever any Event of Default referred to in Section 9.1 of this Agreement occurs, the non-defaulting party may exercise its rights under this Section 9.2 after providing thirty days written notice to the defaulting party of the Event of Default, but only if the Event of Default has not been cured within said thirty days or, if the Event of Default is by its nature incurable within thirty days, the defaulting party does not provide assurances reasonably satisfactory to the non-defaulting party that the Event of Default will be cured and will be cured as soon as reasonably possible:

- (a) Suspend its performance under the Agreement until it receives assurances that the defaulting party will cure its default and continue its performance under the Agreement.
- (b) Cancel and rescind or terminate the Agreement.
- (c) 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.

Section 9.3. Revesting Title in Authority Upon Happening of Event Subsequent to Conveyance to Developer. In the event that subsequent to conveyance of the Development Property to Developer and prior to completion of construction of the Minimum Improvements (evidenced by a Certificate of Completion described in Section 4.4):

- (a) Developer, subject to Unavoidable Delays, shall fail to begin construction of the Minimum Improvements by the Construction Commencement Deadline and such failure to begin construction is not cured within 90 days after written notice from the Authority to Developer to do so; or
- (b) Developer fails to pay real estate taxes or assessments on the parcel or any part thereof when due, or creates, suffers, assumes, or agrees to any encumbrance or lien on the parcel (except to the extent permitted by this Agreement), or shall suffer any levy or attachment to be made, or any materialmen's or mechanics' lien, or any other unauthorized encumbrance or lien to attach, and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the Authority made for such payment, removal, or discharge, within thirty (30) days after receipt of written demand by the Authority to do so; provided, that if Developer first notifies the Authority of its intention to do so, it may in good faith contest any mechanics' or other lien filed or established and in such event the Authority shall permit such mechanics' or other lien to remain undischarged and unsatisfied during the period of such contest and any appeal and during the course of such contest Developer shall keep the Authority informed respecting the status of such defense; or
- (c) there is, in violation of the Agreement, any Transfer of the parcel in violation of the terms of Section 8.2, and such violation is not cured within sixty (60) days after written demand by

the Authority to Developer, or if the event is by its nature incurable within 60 days, Developer does not, within such 60-day period, provide assurances reasonably satisfactory to the Authority that the event will be cured as soon as reasonably possible; or

(d) Developer fails to comply with any of its other covenants under this Agreement related to the Minimum Improvements and fails to cure any such noncompliance or breach within thirty (30) days after written demand from the Authority to Developer to do so, or if the event is by its nature incurable within 30 days, Developer does not, within such 30-day period, provide assurances reasonably satisfactory to the Authority that the event will be cured as soon as reasonably possible; or

(e) the Holder of any Mortgage secured by the subject property exercises any remedy provided by the Mortgage documents or exercises any remedy provided by law or equity in the event of a default in any of the terms or conditions of the Mortgage, in either case which would materially adversely affect the rights and obligations of the Authority hereunder,

Then the Authority shall have the right to re-enter and take possession of the parcel to which the default relates and to terminate (and revert in the Authority) the estate conveyed by the deed to Developer as to that parcel, subject to all intervening matters, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the parcel to Developer shall be made upon, and that the deed shall contain a condition subsequent to the effect that in the event of any default on the part of Developer and failure on the part of Developer to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, the Authority at its option may declare a termination in favor of the Authority of the title, and of all the rights and interests in and to the parcel conveyed to Developer, and that such title and all rights and interests of Developer, and any assigns or successors in interest to and in the parcel, shall revert to the Authority, but only if the events stated in Section 9.4(a)-(e) have not been cured within the time periods provided above. Notwithstanding anything to the contrary herein, in the event the Development Property have been replatted as part of other parcels as of the date of the Authority's exercise of its rights under this Section, Developer will cooperate with the Authority in obtaining any subdivision necessary to revert in the Authority title to the applicable Authority Parcel.

Section 9.4. Resale of Reacquired Property; Disposition of Proceeds. Upon the revesting in the Authority of title to and/or possession of the parcel or any part thereof as provided in Section 9.3, the Authority shall, pursuant to its responsibilities under law, use its best efforts to sell the parcel or part thereof as soon and in such manner as the Authority shall find feasible and consistent with the objectives of such law and of the Development Plan to a qualified and responsible party or parties (as determined by the Authority) who will assume the obligation of making or completing the Minimum Improvements as shall be satisfactory to the Authority in accordance with the uses specified for such parcel or part thereof in the Development Plan. During any time while the Authority has title to and/or possession of a parcel obtained by reverter, the Authority will not disturb the rights of any tenants under any leases encumbering such parcel. Upon resale of the parcel, the proceeds thereof shall be applied:

(a) First, to reimburse the Authority for all costs and expenses reasonably incurred by them, including but not limited to salaries of personnel, in connection with the recapture,

management, and resale of the parcel (but less any income derived by the Authority from the property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the parcel or part thereof (or, in the event the parcel is exempt from taxation or assessment or such charge during the period of ownership thereof by the Authority, an amount, if paid, equal to such taxes, assessments, or charges (as determined by the Authority assessing official) as would have been payable if the parcel were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the parcel or part thereof at the time of revesting of title thereto in the Authority or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the subject improvements or any part thereof on the parcel or part thereof; and any amounts otherwise owing the Authority by Developer and its successor or transferee; and

(b) Second, to reimburse Developer, its successor or transferee, up to the amount equal to (1) the purchase price paid by Developer under Section 3.2 with respect to the parcel revested; plus (2) the amount actually invested by it in making any of the subject improvements on the parcel or part thereof.

Any balance remaining after such reimbursements shall be retained by the Authority as its property.

Section 9.5. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority or Developer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article IX.

Section 9.6. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

## ARTICLE X

### Additional Provisions

Section 10.1. Conflict of Interests: Authority Representatives Not Individually Liable. The Authority and Developer, to the best of their respective knowledge, represent and agree that no member, official, or employee of the Authority shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects their personal interests or the interests of any

corporation, partnership, or association in which they are, directly or indirectly, interested. No member, official, or employee of the Authority shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the Authority for any amount which may become due to Developer or successor or on any obligations under the terms of the Agreement.

Section 10.2. Equal Employment Opportunity. Developer, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in the Agreement it will comply with all applicable federal, state and local equal employment and non-discrimination laws and regulations.

Section 10.3. Restrictions on Use. Developer agrees that until the Termination Date, Developer, and such successors and assigns, shall devote the Development Property to the operation of the Minimum Improvements for uses described in the definition of such term in this Agreement, and shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Development Property or any improvements erected or to be erected thereon, or any part thereof.

Section 10.4. Provisions Not Merged With Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Development Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 10.5. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 10.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by any party to the others shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) in the case of Developer, is addressed to or delivered personally to Developer at VCV Digital Infrastructure Minnesota LLC, 1540 Broadway, 10th Floor, New York, NY 10036; and

(b) in the case of the Authority, is addressed to or delivered personally to the Authority at the Brainerd Economic Development Authority, 501 Laurel Street, Brainerd, Minnesota 56401, Attn: Executive Director, 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 others as provided in this Section.

Section 10.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 10.8. Recording. The Authority may record this Agreement and any amendments thereto with the Crow Wing County recorder. Developer shall pay all costs for recording.

Section 10.9. Amendment. This Agreement may be amended only by written agreement approved by the Authority and Developer.

Section 10.10. Authority Approvals. Unless otherwise specified, any approval required by the Authority under this Agreement may be given by the Authority Representative.

Section 10.11. Termination. This Agreement terminates on the earliest of (i) cancelation as provided in Article III hereof; (ii) termination following an uncured Event of Default following written notice thereof; or (iii) expiration of the initial 2-year term of the Utility Agreement, without regard to any extension or renewal thereof (the "Termination Date").

Section 10.12. Choice of Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

Section 10.13. Good Faith. Each party shall act in good faith and in a commercially reasonable manner with respect to any matter contemplated by this Agreement, including, without limitation, approving or disapproving any request, including any request for approval of plans.

Section 10.14. Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby. Once this Agreement is terminated, Developer and the Authority shall enter into a recordable "Memorandum of Termination" which shall confirm that Developer has satisfied its obligations under this Agreement, shall state the date this Agreement was terminated, and confirm this Agreement no longer affects the Development Property. If the Authority fails to execute and return the Memorandum of Termination within thirty (30) days of the date Developer sent notice of such request, then without limitation to any rights or remedies of Developer, Developer shall have the right to execute and record the Memorandum of Termination evidencing the same.

(The remainder of this page is intentionally blank; signature pages follow.)





**SCHEDULE A**

**DEVELOPMENT PROPERTY**

Lot 1, Blocks 2 and 3; Brainerd Industrial Park 1st Addition, Crow Wing County, Minnesota

## SCHEDULE B

### FORM OF QUIT CLAIM DEED

THIS INDENTURE, between Brainerd Economic Development Authority, a public body corporate and politic (the “Grantor”), and VCV Digital Infrastructure Minnesota LLC, a Delaware limited liability company (the “Grantee”).

WITNESSETH, that Grantor, in consideration of the sum of \$\_\_\_\_\_ and other good and valuable consideration the receipt whereof is hereby acknowledged, does hereby grant, bargain, quitclaim and convey to the Grantee, its successors and assigns forever, all the tract or parcel of land lying and being in the County of Crow Wing and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the “Property”):

Lot 1, Blocks 2 and 3; Brainerd Industrial Park 1st Addition, Crow Wing County, Minnesota

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging.

#### SECTION 1.

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement recorded herewith entered into between the Grantor and Grantee on the 3rd day of March, 2022, identified as “Purchase and Development Contract” (hereafter referred to as the “Agreement”) and that the Grantee shall not convey this Property, or any part thereof, except as permitted by the Agreement until a certificate of completion releasing the Grantee from certain obligations of said Agreement as to this Property or such part thereof then to be conveyed, has been placed of record. This provision, however, shall in no way prevent the Grantee from mortgaging this Property in order to obtain funds for the purchase of the Property hereby conveyed or for erecting the Minimum Improvements thereon (as defined in the Agreement) in conformity with the Agreement, any applicable development program and applicable provisions of the zoning ordinance of the City of Brainerd, Minnesota, or for the refinancing of the same.

It is specifically agreed that the Grantee shall promptly begin and diligently prosecute to completion the Development of the Property through the construction of the Minimum Improvements thereon, as provided in the Agreement.

Promptly after completion of the Minimum Improvements in accordance with the provisions of the Agreement, the Grantor will furnish the Grantee with an appropriate instrument so certifying. Such certification by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantee, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion thereof. Such certifications and such determination shall not constitute evidence of compliance with

or satisfaction of any obligation of the Grantee to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the Minimum Improvements, or any part thereof.

All certifications provided for herein shall be in such form as will enable them to be recorded with the County Recorder, or Registrar of Titles, Crow Wing County, Minnesota. If the Grantor shall refuse or fail to provide any such certification in accordance with the provisions of the Agreement and this Deed, the Grantor shall, within thirty (30) days after written request by the Grantee, provide the Grantee with a written statement indicating in adequate detail in what respects the Grantee has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

## SECTION 2.

The Grantee's rights and interest in the Property are subject to the terms and conditions of Section 9.3 of the Agreement relating to the Grantor's right to re-enter and revest in Grantor title to the Property under conditions specified therein, including but not limited to termination of such right upon issuance of a Certificate of Completion as defined in the Agreement.

## SECTION 3.

The Grantee agrees for itself and its successors and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantee and such successors and assigns shall comply with all provisions of the Agreement that relate to the Property or use thereof for the periods specified in the Agreement, including without limitation the covenant set forth in Section 10.3 thereof.

It is intended and agreed that the above and foregoing agreements and covenants shall be covenants running with the land for the respective terms herein provided, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Deed, be binding, to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor against the Grantee, its successors and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof.

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed a beneficiary of the agreements and covenants provided herein, both for and in its own right, and also for the purposes of protecting the interest of the community and the other parties, public or private, in whose favor or for whose benefit these agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right, in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled; provided that Grantor shall

not have any right to re-enter the Property or re-vest in the Grantor the estate conveyed by this Deed on grounds of Grantee's failure to comply with its obligations under this Section 3.

SECTION 4.

This Deed is also given subject to:

(a) Provision of the ordinances, building and zoning laws of the City of Brainerd, and state and federal laws and regulations in so far as they affect this real estate.

(b) [Other encumbrances if applicable]

Grantor certifies that it does not know of any wells on the Property.

IN WITNESS WHEREOF, the Grantor has caused this Deed to be duly executed in its behalf by its President and Executive Director and has caused its corporate seal to be hereunto affixed this \_\_\_\_ day of \_\_\_\_\_, 2022.

BRAINERD ECONOMIC  
DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Executive Director

STATE OF MINNESOTA    )  
  ) ss  
COUNTY OF CROW WING )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me, a notary public within and for Crow Wing County, personally appeared \_\_\_\_\_ and \_\_\_\_\_ to me personally known who by me duly sworn, did say that they are the President and Executive Director of Brainerd Economic Development Authority (the "Authority") named in the foregoing instrument; that the seal affixed to said instrument is the seal of said Authority; that said instrument was signed and sealed on behalf of said Authority pursuant to a resolution of its governing body; and said and \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said Authority.

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

This instrument was drafted by:

Kennedy & Graven, Chartered  
150 South Fifth Street, Suite 700  
Minneapolis, Minnesota 55402  
(612) 337-9300

**SCHEDULE C**

**CERTIFICATE OF COMPLETION**

WHEREAS, the Brainerd Economic Development Authority, a public body corporate and politic (the “Grantor”), by a Deed recorded in the Office of the County Recorder for the County of Crow Wing and State of Minnesota, as Deed Document Number \_\_\_\_\_, has conveyed to VCV Digital Infrastructure Minnesota LLC (the “Grantee”), the following described land in County of Crow Wing and State of Minnesota, to-wit:

Lot 1, Blocks 2 and 3; Brainerd Industrial Park 1st Addition, Crow Wing County, Minnesota

and

WHEREAS, said Deed contained certain covenants and restrictions set forth in Sections 1 and 2 of said Deed; and

WHEREAS, said Grantee has performed said covenants and conditions insofar as it is able in a manner deemed sufficient by the Grantor to permit the execution and recording of this certification;

NOW, THEREFORE, this is to certify that all building construction and other physical improvements specified to be done and made by the Grantee have been completed and the above covenants and conditions in said Deed and the agreements and covenants in Article IV of the Agreement (as described in said Deed) have been performed by the Grantee therein, and the County Recorder for the County of Crow Wing and State of Minnesota is hereby authorized to accept for recording and to record, the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions of Article IV of the Agreement, but the covenants created by Sections 3 and 4 of said Deed shall remain in full force and effect.

Dated: \_\_\_\_\_, 20\_\_.

BRAINERD ECONOMIC DEVELOPMENT  
AUTHORITY

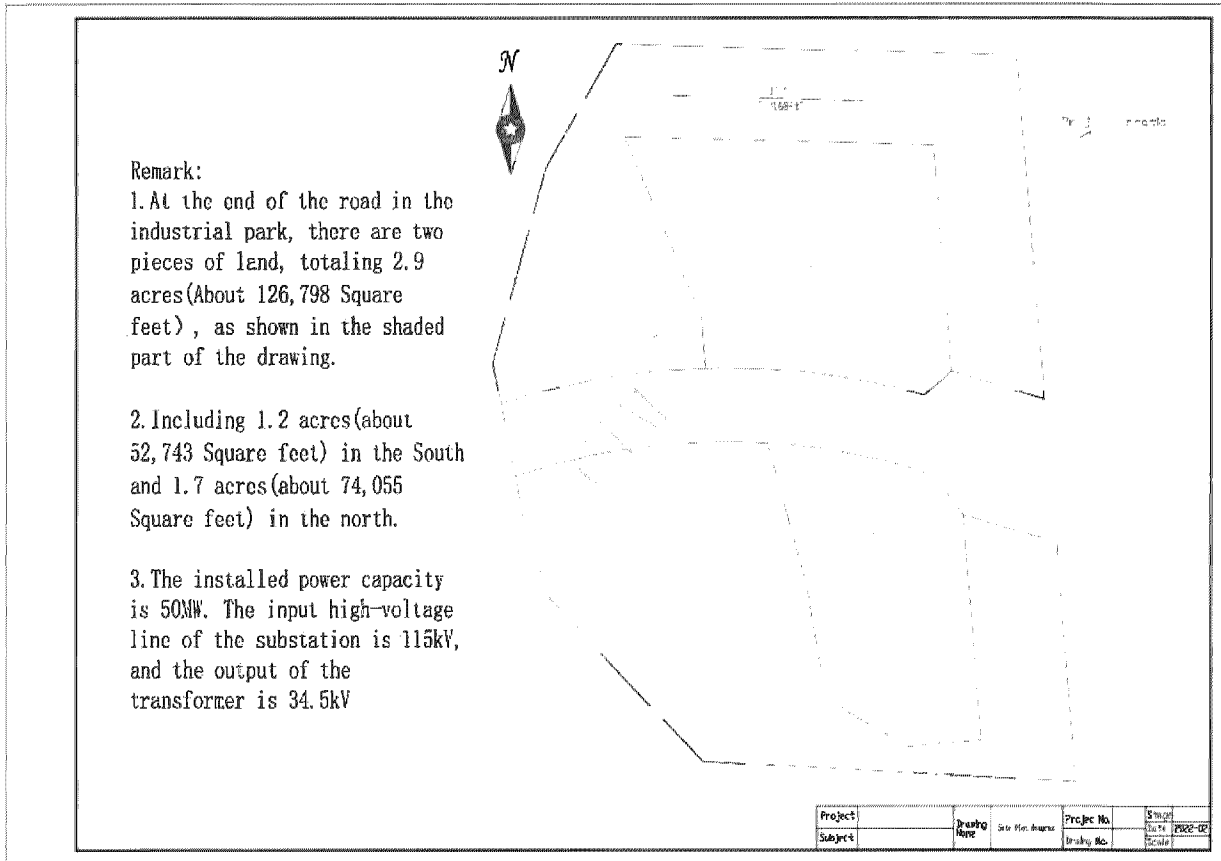
By \_\_\_\_\_  
Authority Representative

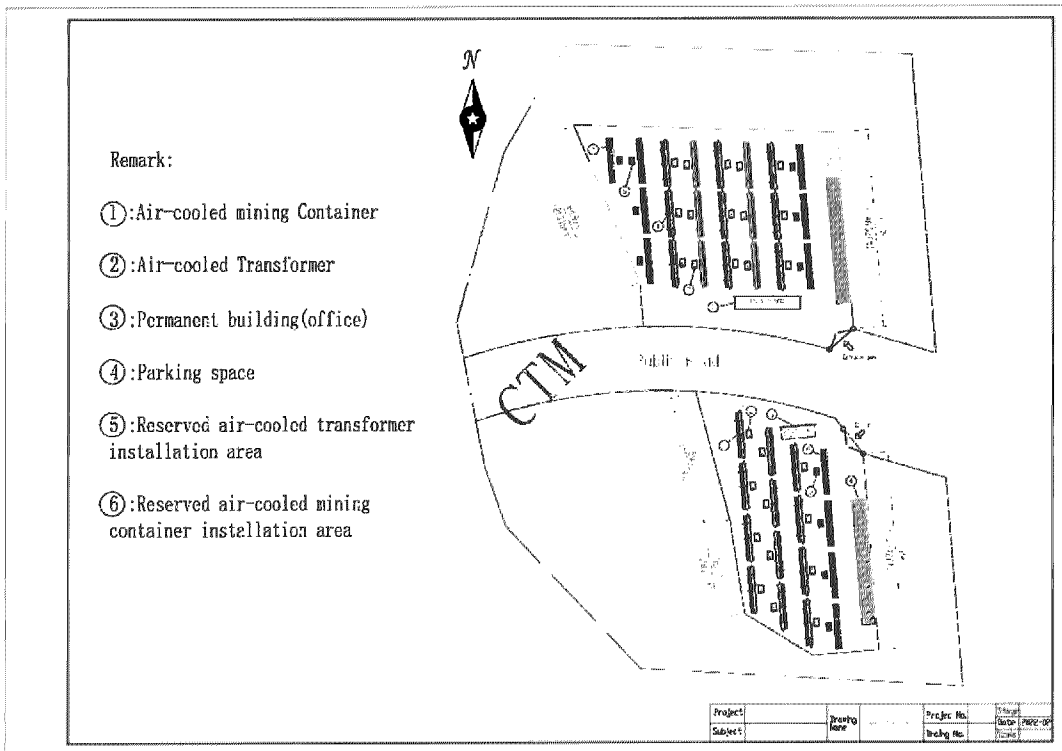
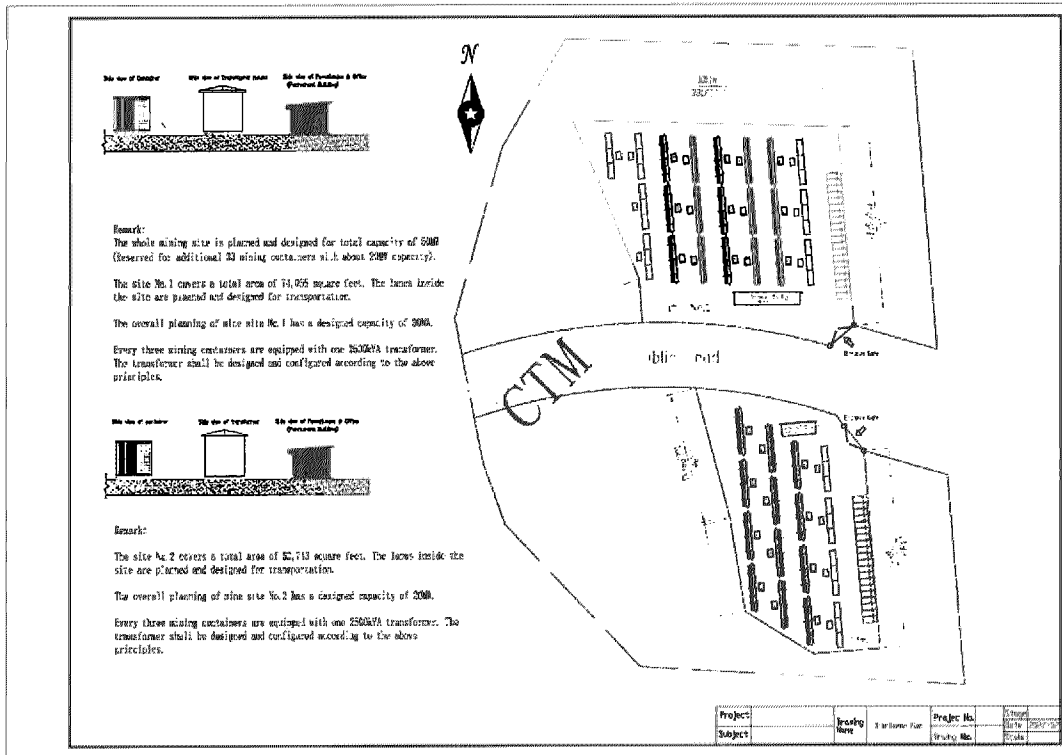
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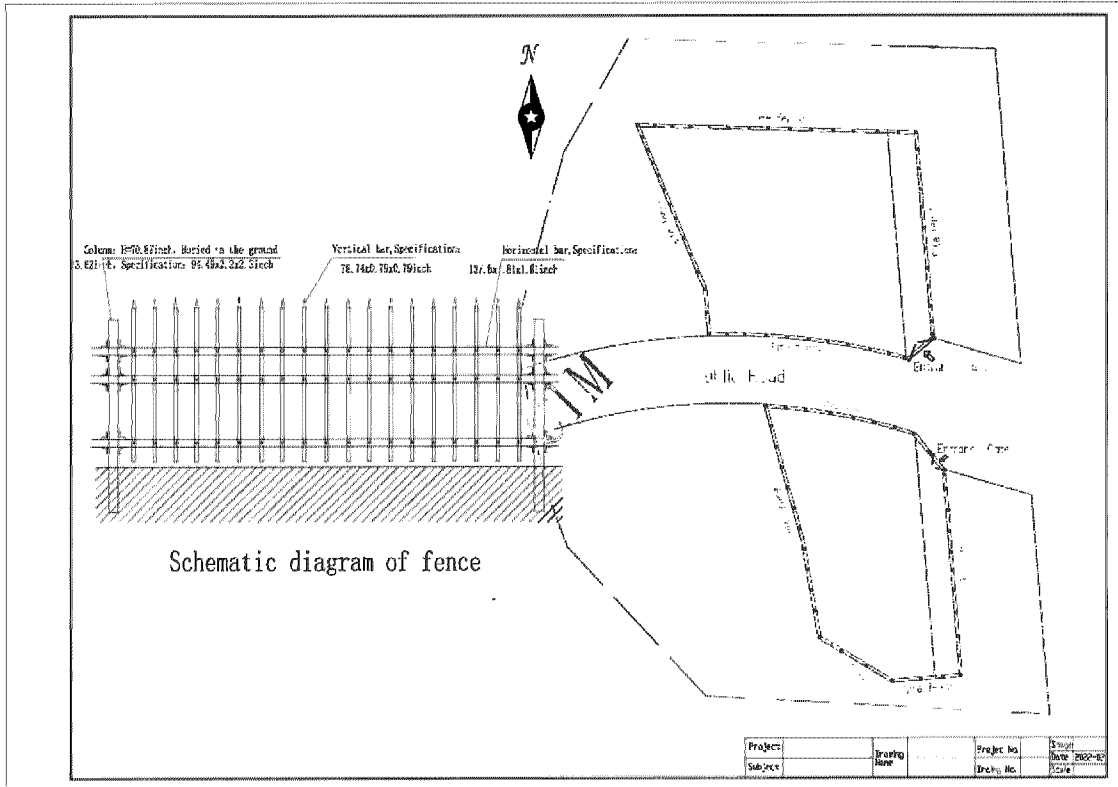
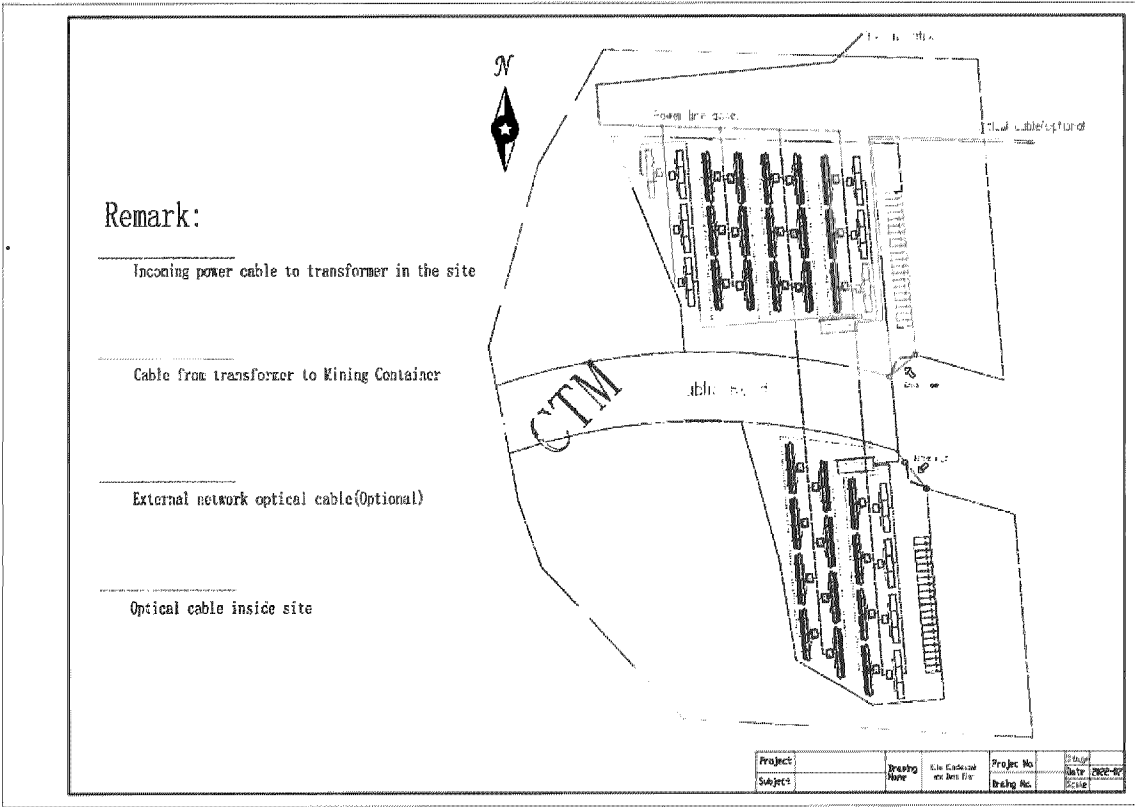
KENNEDY & GRAVEN, Chartered  
150 South 5<sup>th</sup> Street, Suite 700  
Minneapolis, Minnesota 55402  
(612) 337-9300

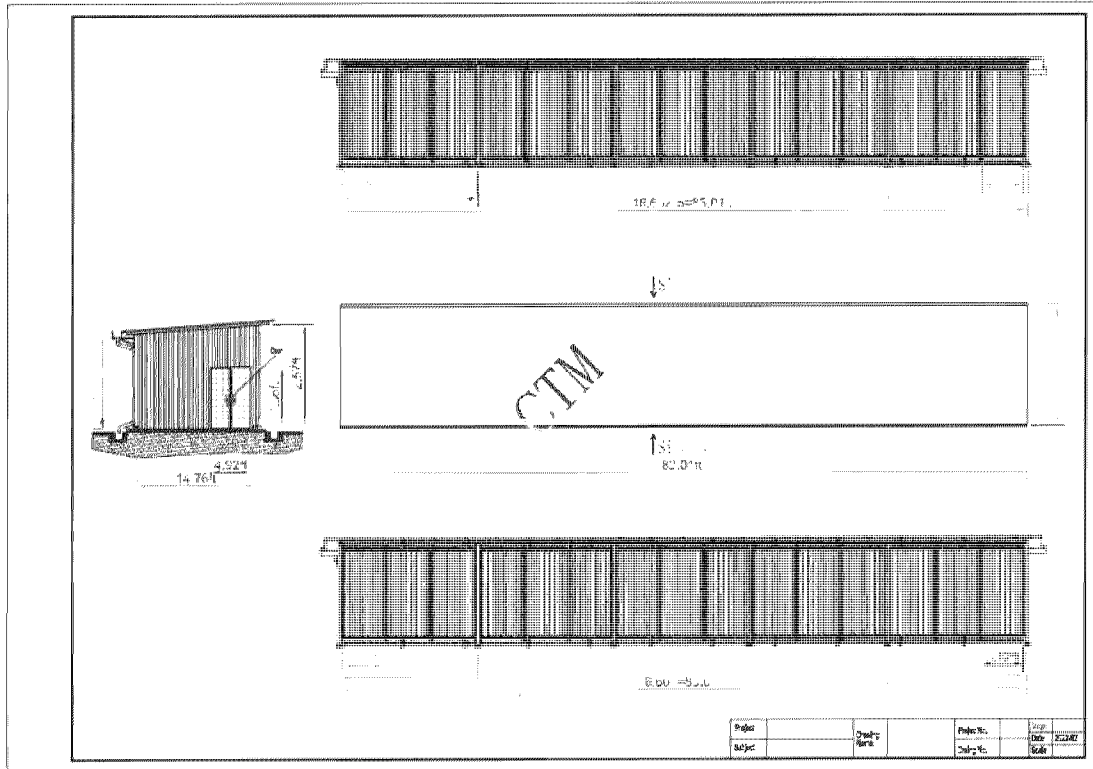
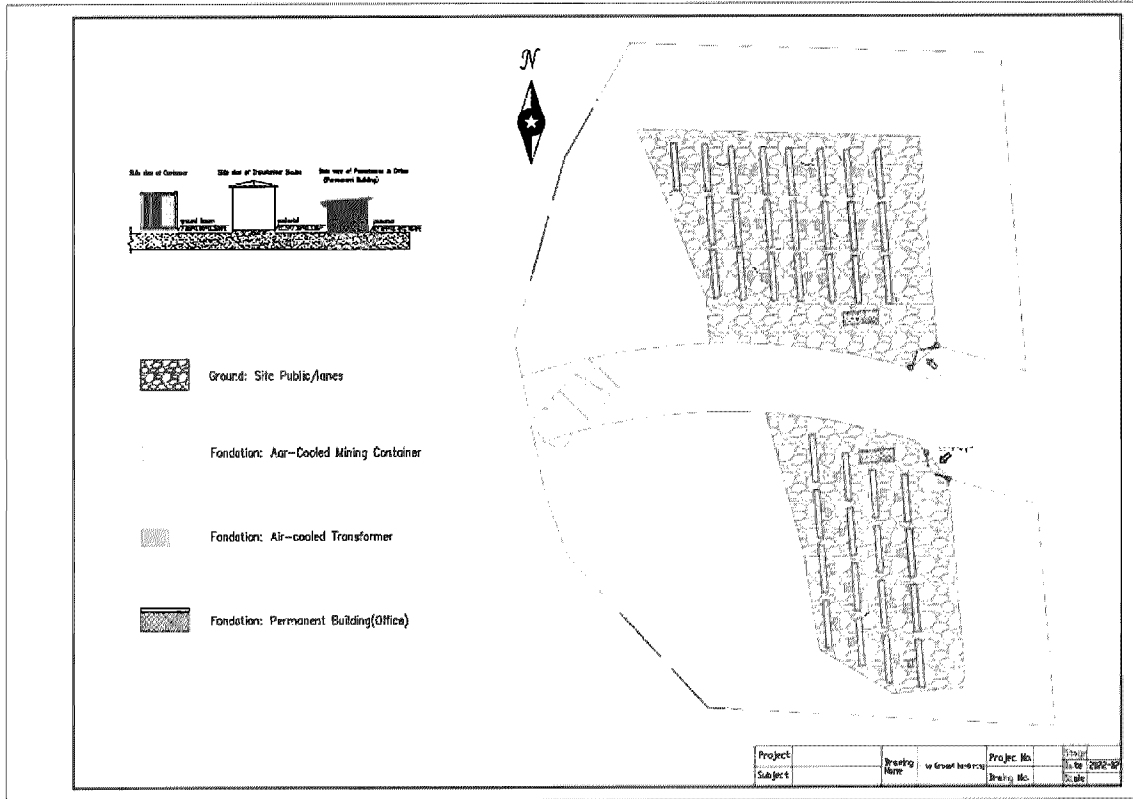
## SCHEDULE D

### MINIMUM IMPROVEMENTS









# M E M O

**TO:** EDA Board of Commissioners

**FROM:** James Kramvik, Community Development Director

**DATE:** September 4<sup>th</sup>, 2025

**RE:** Discuss Consultant Contracts

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**INTRODUCTION**

At the June 5<sup>th</sup> EDA Board Meeting, the Board approved a preliminary tax levy request of \$223,309, which is the estimated maximum EDA fund allowed by state statute (469.107 s.1). The request was forwarded to the City Council for consideration. The final tax levy has not been set by the City Council. However, preliminary levy discussions for 2026 have the levy for the EDA being the same as 2025 at \$186,812

In December of 2024, the EDA adopted the 2025-2026 goals and action steps. The EDA identified five goals with multiple action steps to guide board decisions and create the consultant’s scope of services contracts. The following are established goals by the EDA:

- 1) Create programs to seek funding to address identified needs
- 2) Create an inventory of under-used and under-developed properties and work with property owners to market them for redevelopment
- 3) Evaluate the City's vacant industrial property for compatible non-industrial uses that would address current and future needs of the community
- 4) Interview existing businesses to identify each business’s individual needs to take the next step in their business development
- 5) Work with community partners to develop a cohesive marketing strategy for the community


The EDA agreed to continue working with the 4 consultants (BLAEDC, DDBC, Swanson Haskamp Consulting and Visit Brainerd) to help the EDA accomplish the goals and actions steps.

	<b>2024</b>	<b>2025</b>
<b>BLAEDC</b>	\$36,000	\$37,000
<b>Swanson Haskamp</b>	\$35,000	\$35,000
<b>Visit Brainerd</b>	\$40,000	\$63,100
<b>DDBC</b>	\$10,000	\$10,000
<b>City of Brainerd</b>	\$17,000	\$17,000
<b>IF Request</b>	\$5,350	\$5,350
<b>Total</b>	<b>\$137,000</b>	<b>\$167,450</b>

**RECCOMENDATION**

Staff recommend working with the consultants on 2026 scope of services agreements for review by the EDA board at the December meeting.

If the EDA wishes to explore other options, the EDA board should consider holding a special meeting.

<p><b>Brainerd EDA 2025-2026 Goals and Action Steps</b></p> 
<b>GOAL 1: Create programs to seek funding to address identified needs</b>
<b>Action Steps:</b>
1. Develop and propose programs to address the needs identified from BLAEDC's BRE interviews.
2. Use EDA funds to create programs in other locations similar to Destination Downtown.
3. Developing/defining/branding our different neighborhood districts with the goal of being able to be more strategic about how we roll out initiatives and deciding which neighborhoods to target.
4. Implement a grant program to improve business signage in the downtown district with new adopted design standards.
5. Seek funding to support proposed programs.
<b>GOAL 2: Create an inventory of under-used and under-developed properties and work with property owners to market them for redevelopment</b>
<b>Action Steps:</b>
1. Conduct GIS assessment of under-utilized properties and update annually.
2. Identify possible uses for under-utilized properties
3. Engage property owners to assess interest in participating in redevelopment program.
4. Create a program and contract for private property owners to list underutilized properties on the EDA website.
5. Prepare an inventory for all privately held and city-owned properties to market for infill.
6. Continue to work with the School District in developing the parcel North of Buffalo Hills Park.
7. Create a comprehensive plan for Brainerd's Downtown.
8. Create a development strategy, specifically for infrastructure, for potential developers.
<b>GOAL 3: Evaluate the City's vacant industrial property for compatible non-industrial uses that would address current and future needs of the community</b>
<b>Action Steps:</b>
1. Expand residential properties (i.e. Wright Street extension)
2. Explore relocation of the James Street Mobile Home Park.
<b>GOAL 4: Interview existing businesses to identify each businesses' individual needs to take the next step in their business development</b>

<b>Action Steps:</b>
1. Develop a Key Performance Indicators/Metrics report that the EDA can both use internally to track the progress we are making as well as demonstrate to outside developers that we are a good place to invest in.
2. Complete Business Retention and Expansion (BRE) visits that involve interviews and information gathering.
3. Conduct quarterly EDA business tours.
4. Tour childcare facilities to understand difficulties in operation and potential for expansion.
5. Summarize and evaluate the results of BLAEDC's BRC interviews to assess needs and categorize them
6. Host roundtable business owner breakfasts.
<b>GOAL 5: Work with community partners to develop a cohesive marketing strategy for the community</b>
<b>Action Steps:</b>
1. Identify and engage strategic community partners.
2. Create a marketing strategy and campaign for the EDA website and available Brainerd properties.
3. Develop and implement an advertising campaign focused on recruiting entrepreneurs, developers, investors and the like to start a business within the corporate limits of the City of Brainerd.
4. Update the EDA website quarterly.
5. Optimize the website with additional links, contact information, and land prices to make it easier for developers and interested businesses.
6. Explore marketing opportunities for vacant store fronts.
7. Explore education campaigns which include public signage.
8. Explore a partnership between DDBC and the City for a main street coordinator.