



HOUSING & REDEVELOPMENT AUTHORITY AGENDA

PUBLIC MEETING ROOM

MONDAY, JULY 11, 2022

6:00 PM

1. Call to Order
2. Approval of the Minutes
3. Program Reports
 - A. Mobile Home Buy-Out Program
 - B. Mobile Home Heat Tape Program
 - C. RAD/Repositioning Process
 - D. 230 Central Avenue Apartments
4. Property Reports
 - A. Robinwood Manor - Monthly Operating and Budget Statement
 - B. Public Housing - Monthly Operating and Budget Statement
 - C. Scattered Sites - Monthly Operating and Budget Statement
5. Public Hearings
6. Items for Discussion
 - A. Habitat for Humanity - Financial Support for 2022 Build Season
 - B. 2023 Initial Budget Discussion
7. Adjournment

Faribault Housing and Redevelopment Authority
Meeting Minutes
June 13, 2022

1. Call to Order / Approval of the Agenda

Vice Chair Kennedy called the meeting to order at 6:00p.m.

Members Present: Loni Ahlers, Travis Kathy, Jonathan Wood and Vice Chair Kennedy

Members Absent: Narren Brown, Travis McColley and Chair Speckles

2. Minutes

A. Minutes of May 9, 2022.

A motion was made by Wood to approve the minutes of May 9, 2022 seconded by Ahlers as presented. Motion carried unanimously.

3. Program Reports

A. Mobile Home Buy-Out Program – no activity to report.

A motion was made by Ahlers and seconded by Wood to receive and file. Motion carried on a 4/0 vote.

B. Mobile Home Heat Tape Program

Kuennen reported that staff would like to start advertising this program with the various park managers to encourage installation of heat tape now versus in the midst of the winter.

A motion was made by Ahlers, seconded by Wood to receive and file. Motion carried on a 4/0 vote.

C. RAD/Repositioning Process

Kuennen introduced Kim Clausen to update the board on the steps and actions associated with the RAD/Repositioning process. Ms. Clausen has been working through the details of the Memorandum of Understanding with Rice County, but all aspects are moving forward.

The board members had no questions.

Since Clausen was on Zoom, Kuennen asked the Vice Chair Kennedy if we could skip over to Items 6A-B.

6. Items for Discussion

A. Memorandum of Understanding - Resolution 2022-03

Staff reviewed the requirement for a Memorandum of Understanding (MOU) and how it will work. The board members had no questions.

A motion was made by Wood, seconded by Ahlers to approve Resolution 2022-03 Approving Memorandum of Understanding with the Rice County Housing and Redevelopment Authority for the Administration of Project-Based Voucher. Motion carried on a unanimous vote.

B. Creation of LLC - Resolution 2022-04

Staff reviewed the function and purpose of the LLC, and pointed out that there is no individual liability to the HRA members. The HRA had no further questions.

A motion was made by Ahlers, seconded by Wood to approve Resolution 2022-04 Authorizing the Formation of LLC and Approving Articles of Organization. Motion carried on a 4/0 vote.

D. 230 Central Avenue Apartments

A summary was provided and no one had any further questions.

A motion was made by Ahlers and seconded by Wood to receive and file as presented. Motion carried on a 4/0 vote.

4. Property Reports

A. Robinwood Manor - Monthly Operating and Budget Statement

Kuennen gave a short report on the Fresh Air Sensors and will check to see when the lease is up.

B. Public Housing - Monthly Operating and Budget Statement

C. Scattered Sites - Monthly Operating and Budget Statement

A motion was made by Wood and seconded by Ahlers to receive and file as presented. Motion carried on a 4/0 basis.

5. Public Hearings

None.

C. Other HRA / Housing Related Updates

Kuennen stated that Habitat for Humanity will be at the next meeting in July to discuss the 2022 builds in Faribault and will request support for those local builds and discuss the down-payment assistance program

Kuennen gave a short update on the DIG requests.

Greenwood Place which is adjacent to the HRA's properties on Spring Road has reported drainage issues and was asking to collaborate on correcting the issues. This may come back before the board at future meetings for assistance.

7. Adjournment

A motion was made by Wood and seconded by Ahlers to adjourn the meeting at 6:47 p.m. Motion carried unanimously.

Respectfully Submitted,

Kari Casper, Recording Secretary



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: July 11, 2022
SUBJECT: Mobile Home Buy-Out Program

BACKGROUND:

The HRA provides funding to assist mobile home owners with disposal of substandard mobile homes, to allow for updated/upgraded replacements. An application was received in June for Knollwood for a vacant unit (#68). The unit was inspected by the Building Official and the Rental Housing Technician and determined to be substandard meeting the program guidelines. It is recommended that funding be provided to remove the unit.

REQUESTED ACTION:

Approve application for 1920 NW 2nd Street, #68 - and authorize execution of the Purchase Agreement and all other actions associated with the application.

ATTACHMENTS:

1. Buyout Guidelines and Application
2. Application - Knollwood Court #68 - 1920 2nd St NW
3. 2022-07-07 Application Review and Approval Checklist

FARIBAULT HRA MOBILE HOME BUYOUT PROGRAM PROGRAM GUIDELINES

PROGRAM: Voluntary program designed to purchase and remove substandard mobile home units from the following parks: Evergreen Estates, Sunrise Mobile Home Park, Cannon River Mobile Home Park and Knollwood Courts Mobile Home City.

PURPOSE: To remove structurally substandard housing and to provide appropriate redevelopment through the acquisition and removal of vacant, abandoned and substandard mobile homes.

PROGRAM DESIGN: Upon submission of a completed application and proof of ownership, the condition of the mobile home will be evaluated by the City of Faribault's Building and Housing Code Department.

The HUD Manufactured Home Standards and the State Building Code shall serve as the basis for the evaluation. Units with serious code and life safety violations shall be determined to be eligible for acquisition.

Rental units that result in the displacement of tenants are ineligible for participation.

Applications shall be ranked based on the seriousness of life and safety code violations present in the mobile home.

Purchase price shall be fixed at \$2,000. Unpaid lot rent and taxes will be deducted from the purchase price.

Owners must remove all belongings from the mobile home, including underneath the mobile home, by the time of closing or one-half of the purchase price will be withheld until all belongings have been removed.

Owners may take appliances provided the appliances are removed by the time of closing.

Park manager(s) and owner(s) shall be notified of the acquisition(s) and the removal of the mobile home(s) in accordance with the terms of their lease.

An independent contractor will remove acquired mobile homes from their respective parks. Every effort shall be made to coordinate the removal of the units with the park managers and to limit disruption to the park and its residents.

TIMETABLE:

Ongoing

APPLICATION:

Attached

Faribault HRA
MOBILE HOME BUYOUT PROGRAM APPLICATION

Applicant Name: _____
Mailing Address: _____
Address of Mobile Home: _____
Daytime Phone Number: _____

Do you live in your mobile home? Yes _____ No _____

If yes, how long have you lived there? _____

Do you rent your mobile home? Yes _____ No _____

If yes, is it currently occupied? Yes _____ No _____

How long have you owned the mobile home? _____

Attach a copy of your Certificate of Title to the application to verify ownership.

Do you owe any money on your mobile home? Yes _____ No _____

If yes, whom do you owe money to?

Name: _____

Address: _____

Phone #: _____

Would you describe the condition of your mobile home as:

Excellent _____ Good _____ Fair _____ Poor _____

I hereby certify, under penalty of law, that I am the rightful owner of the mobile home listed above and that I have the right and authority to sell this property as I so desire. I also certify that all of the above information is true and correct to the best of my knowledge.

Signature of Applicant

Signature of Applicant

Date

Date

Faribault HRA
MOBILE HOME BUYOUT PROGRAM APPLICATION

Applicant Name: Roger Hokanson
Mailing Address: 1029 River Road, Dresser, WI
Address of Mobile Home: 1920 2nd St NW #68, Faribault, MN 55021
Daytime Phone Number: 612-462-3106

Do you live in your mobile home? Yes _____ No x

If yes, how long have you lived there? N/A

Do you rent your mobile home? Yes _____ No x

If yes, is it currently occupied? Yes _____ No x

How long have you owned the mobile home? _____
Attach a copy of your Certificate of Title to the application to verify ownership.

Do you owe any money on your mobile home? Yes _____ No x

If yes, whom do you owe money to?

Name: _____
Address: _____
Phone #: _____

Would you describe the condition of your mobile home as:

Excellent _____ Good _____ Fair _____ Poor x

I hereby certify, under penalty of law, that I am the rightful owner of the mobile home listed above and that I have the right and authority to sell this property as I so desire. I also certify that all of the above information is true and correct to the best of my knowledge.



Signature of Applicant

6-8-2022

Date

Signature of Applicant

Date

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RICE

THIRD JUDICIAL DISTRICT

HOUSING COURT

.....

RH Properties LLC
15785 Venture Lane
Eden Prairie, Minnesota 55344

Plaintiff,

vs.

**FINDINGS OF FACT, CONCLUSIONS OF
LAW AND ORDER**

Peter Brinkman; John Doe; Jane Doe
1920 - 2nd St NW
Lot 68
Faribault, MN 55021

Court File No. 66-CV-21-2768

Defendant(s).

.....

The above matter came before the court on January 3, 2021, on an eviction action for non-payment of rent.

Plaintiff appeared through counsel, Tristram Hage.

Defendant(s) was not present.

Based upon the verified petition, testimony, evidence, and arguments presented, and all of the files, records, and proceedings, the Court makes the following:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. This matter involves property as listed in the complaint.
2. Plaintiff commenced an eviction action against Defendant seeking possession of the above property on the grounds set forth in the complaint.
3. Plaintiff commenced an eviction against the Defendant, alleging:
 - a. Non-Payment of Rent.
4. Defendant failed to appear so judgment will be granted on a default basis.

ORDER

1. JUDGMENT: The Court Administrator shall enter judgment for:

- a. Plaintiff for recovery or premises. A Writ of Recovery of Premises and Order to Vacate shall be issued immediately upon request and payment of fee.
 - b. Allowable costs and disbursement to the prevailing party.
2. SERVICE OF ORDER: The Clerk of Court shall either mail to the parties by first class mail a copy of the Order, or e-serve the order to attorneys and/or parties if they are set up for e-filing.

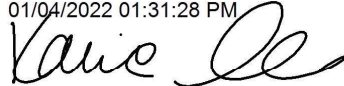
LET THE JUDGMENT BE ENTERED ACCORDINGLY

Recommended By:

Dated: _____

Referee of District Court

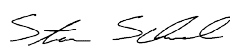
Dated: _____

01/04/2022 01:31:28 PM


Judge of District Court

Filed in District Court
State of Minnesota Jan 5 2022 9:37 AM

I Hereby Certify That the Above Order Constitutes the Entry of Judgment of This Court

BY  Jan 5 2022 9:37 AM DATED _____
Deputy

(Seal)

State of Minnesota
Rice County

District Court
Third District

Court File Number: **66-CV-21-2768**

Case Type: Eviction (UD)

FILE COPY

Notice of:

☒	Filing of Order
☒	Entry of Judgment
☐	Docketing of Judgment

RH Properties LLC vs Peter Brinkman

You are hereby notified that the following occurred regarding the above-entitled matter:

☒	An Order was filed on January 04, 2021.
☒	Judgment was entered on January 05, 2022.
☐	You are notified that judgment was docketed on at in the amount of \$. Costs and interest will accrue on this amount from the date of entry until the judgment is satisfied in full.

Dated: January 5, 2022

Lisa Kuhlman
Court Administrator
Rice County District Court
218 NW 3rd Street
Faribault MN 55021
507-497-7134

cc: Peter Brinkman
BRIAN ELLIOT HAGE

A true and correct copy of this Notice has been served pursuant to Minnesota Rules of Civil Procedure, Rule 77.04.



www.landlordresource.net
info@landlordresource.net
612-315-3660

Bill To:
Knollwood Mobile Home Court
15785 Venture Lane
Eden Prairie, Minnesota 55344

February 2, 2022
Invoice No. 9719
Due Upon Receipt

Re: RH Properties LLC vs. Peter Brinkman - Eviction
1920 - 2nd St NW, Lot 68, Faribault, Minnesota 55021

Date	Description	Qty	Amount
1/04/22	LRN Writ Processing Fee	1	\$50.00
1/04/22	Writ Fee	1	\$60.00
1/27/22	Writ Delivery and Sheriff Posting Fee	1	\$170.00

Total Due: \$280.00

Price Includes all applicable sales tax
We accept Visa, MasterCard, Discover, and American Express

Make all checks payable to:
Landlord Resource Network, LLC
P.O. Box 2230
Minneapolis, MN 55402

Thank you for your business!



Minnesota Vehicle Record

Retrieved On: Mon May 16, 2022 01:08:07 PM EDT

Registration Data	Vehicle Data	Title Data
Tag:	VIN: 172077 Year: 1965 Make: SCHNURE HO' TRAILER Color: UNKNOWN Sales Tax Paid: 0.00	Title: G0650X131 Issue Date: 03/05/2008 Odo Read: 0 Odo Status: EXEMPT First Sale Date: 03/05/2008 Title Type: ORIGINAL Title Issue Type: ORIGINAL Prev Ownership Doc: PROOF OF OWNERSHIP

Vehicle Interests

Owner 1 PETER LYNN BRINKMAN
4672 KENYON BLVD
FARIBAULT, MN 55021-8050

DOB: 09/30/1963

(DPPA 3) Verify information submitted by individual; if info not correct, to obtain correct info to prevent fraud, pursue legal remedies against or recovery of debt.

This information is provided by the Minnesota Department of Public Safety (DPS). Auto Data Direct, Inc. is an authorized provider of real-time Minnesota motor vehicle data. Auto Data Direct, Inc. is not responsible for the unauthorized use of the information provided from the DPS.

This Motor Vehicle Record is extracted directly from the State or Jurisdiction's official Motor Vehicle Records database, in real time. The authenticity of these records may be authenticated in real time using the ADD on-line authorization system.

Personal information (including, but not limited to: name, address, date of birth, DL number) appearing on driver and vehicle records is protected by the Driver Privacy Protection Act (DPPA). The use of personal information for reasons not allowed by the DPPA will result in loss of information access privileges and may result in legal action.

Any person who knowingly discloses any information in violation of the Driver Privacy Protection Act (DPPA) may be subject to criminal sanctions and civil liability specified in law for unauthorized use of the data.



June 20, 2022

Rice County Government Services Building
Attention: Assessor's Office
320 Third Street NW
Faribault, MN 55021

Hello,

I am writing to notify you that we will be demolishing a mobile home presently located at 1920 2nd Street NW Lot 68, Faribault, MN 55021.

PID#: 18.36.2.50.770

VIN#: 172077

We obtained possession of this home through Rice County District Court 1/4/2022, Writ 1/27/22.

We have applied with Faribault HRA for their assistance in destroying the home. They will be voting on this at their next meeting, July 11, 2022.

Please let me know of any questions or if I can help further.

Thank you,

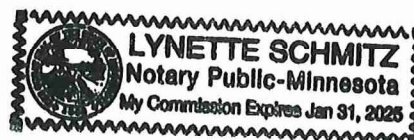
A handwritten signature in blue ink that reads "Caroline McLemore".

Caroline McLemore
Accounting Controller
Agent for: Roger Hokanson, RH Properties, LLC

Signed before me on 6/20, 2022

A handwritten signature in blue ink, likely belonging to Lynette Schmitz, written over a horizontal line.

Notary Signature



168A.05 CERTIFICATE OF TITLE.

Subdivision 1. **Filing of application; issuance of certificate.** The department shall file each application received, and when satisfied as to its genuineness and regularity and that the applicant is entitled to the issuance of a certificate of title shall issue a certificate of title for the vehicle or manufactured home.

Subd. 1a. **Manufactured home; statement of property tax payment.** In the case of a manufactured home, the department shall not issue a certificate of title unless the application under section 168A.04 is accompanied with a statement from the county auditor or county treasurer where the manufactured home is presently located, stating that all manufactured home personal property taxes levied on the unit in the name of the current owner at the time of transfer have been paid. For this purpose, manufactured home personal property taxes are treated as levied on January 1 of the payable year.

Subd. 1b. **Manufactured home; exemptions.** The provisions of subdivision 1a do not apply to:

(1) a manufactured home which is sold or otherwise disposed of pursuant to section 504B.271 by the owner of a manufactured home park, as defined in section 327.14, subdivision 3;

(2) a manufactured home which is sold pursuant to section 504B.265 by the owner of a manufactured home park; or

(3) a manufactured home for which a certificate of title is reissued under section 168A.142.

Subd. 1c. **Manufactured home; exemption for destruction.** The provisions of subdivision 1a do not apply if title is to be transferred to an owner of a manufactured home park as defined in section 327.14, subdivision 3, who provides to the county auditor or treasurer a notarized statement that the manufactured home is to be destroyed or moved to a site and destroyed.

Subd. 2. **Record of certificates issued.** (a) The department shall maintain a record of all certificates of title issued by it:

(1) under a distinctive title number assigned to the vehicle;

(2) by vehicle identifying number;

(3) alphabetically, under the name of the owner.

(b) Such record shall consist of the certificate of title, including the notations of all security interests recorded, assigned, terminated, or released and liens filed pursuant to a court order or by a public authority responsible for child support enforcement of which the department has notice, of duplicate certificates issued or applied for, and such other information as the department may deem proper.

Subd. 3. **Content of certificate.** (a) Each certificate of title issued by the department shall contain:

(1) the date issued;

(2) the first, middle, and last names and the dates of birth of all owners who are natural persons, and the full names of all other owners;

(3) the residence address of the owner listed first if that owner is a natural person or the address if that owner is not a natural person;

(4) the names of any secured parties, and the address of the first secured party, listed in the order of priority (i) as shown on the application, or (ii) if the application is based on a certificate of title, as shown on the certificate, or (iii) as otherwise determined by the department;

(5) any liens filed pursuant to a court order or by a public agency responsible for child support enforcement against the owner;

(6) the title number assigned to the vehicle;

(7) a description of the vehicle including, so far as the following data exists, its make, model, year, identifying number, type of body, whether new or used, and if a new vehicle, the date of the first sale of the vehicle for use;

(8) with respect to a motor vehicle subject to section 325E.15, (i) the true cumulative mileage registered on the odometer or (ii) that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage;

(9) with respect to a vehicle subject to sections 325F.6641 and 325F.6642, the appropriate term "flood damaged," "rebuilt," "prior salvage," or "reconstructed";

(10) with respect to a vehicle contaminated by methamphetamine production, if the registrar has received the certificate of title and notice described in section 152.0275, subdivision 2, paragraph (g), the term "hazardous waste contaminated vehicle";

(11) with respect to a vehicle subject to section 325F.665, the term "lemon law vehicle"; and

(12) any other data the department prescribes.

(b) For a certificate of title on a vehicle that is a restored pioneer vehicle:

(1) the identifying number must be the valid identifying number as provided under section 168A.04, subdivision 5;

(2) the year of the vehicle must be the year of original vehicle manufacture and not the year of restoration; and

(3) the title must not bear a "reconstructed vehicle" brand.

Subd. 4. Vehicle last registered out of state. Unless a bond is filed as provided in section 168A.07, subdivision 1, clause (2), a distinctive certificate of title shall be issued for a vehicle last previously registered in another state or country, the laws of which do not require that secured parties be named on a certificate of title to perfect their security interests. The certificate shall contain the legend "This vehicle may be subject to an undisclosed lien" and may contain any other information the department prescribes. If no notice of a security interest in the vehicle is received by the department within four months from the issuance of the distinctive certificate of title, it shall, upon application and surrender of the distinctive certificate, issue a certificate of title in ordinary form.

Subd. 5. Forms. (a) The certificate of title shall contain forms:

(1) for assignment and warranty of title by the owner;

(2) for assignment and warranty of title by a dealer;

(3) to apply for a certificate of title by a transferee;

(4) to name a secured party; and

(5) to make the disclosure required by section 325F.6641.

(b) The certificate of title must also include a separate detachable form entitled "Notice of Sale" that contains, but is not limited to, the vehicle's title number and vehicle identification number. The form must include sufficient space for the owner to record the purchaser's name, address, and driver's license number, if any, and the date of sale. The notice of sale must include clear instructions regarding the owner's responsibility to complete and return the form, or to transmit the required information electronically in a form acceptable to the commissioner, pursuant to section 168A.10, subdivision 1.

Subd. 5a. [Repealed, 2008 c 287 art 1 s 126]

Subd. 6. **Evidentiary effect of certificate.** A certificate of title issued by the department is prima facie evidence of the facts appearing on it.

Subd. 7. **Judicial process relating to certificate or vehicle.** A certificate of title for a vehicle is not subject to garnishment, attachment, execution, or other judicial process, but this subdivision does not prevent a lawful levy upon the vehicle or the lawful enforcement of an administrative lien or judgment debt or lien filed pursuant to a court order or by a public authority responsible for child support enforcement.

Subd. 8. **Liens filed for enforcement of child support.** This subdivision applies if the court or a public authority responsible for child support enforcement orders or directs the commissioner to enter a lien, as provided in section 518A.67. If a certificate of title is applied for by the owner, the department shall enter a lien on the title in the name of the state of Minnesota or in the name of the obligee in accordance with the notice if the value of the motor vehicle determined in accordance with either the definitions of section 297B.01, subdivision 14, or the retail value described in the N.A.D.A. Official Used Car Guide, Midwest Edition, for the current year exceeds the exemption allowed in section 550.37. The lien on the title is subordinate to any bona fide purchase money security interest under section 336.9-103 regardless of when the purchase money security interest is perfected. With respect to all other security interests, the lien is perfected as of the date entered on the title.

Subd. 9. **Neighborhood electric vehicle and medium-speed electric vehicles; certificate required.** Neighborhood electric vehicles and medium-speed electric vehicles, as defined in section 169.011, subdivisions 39 and 47, must be titled as specified in section 168A.02. The department shall not issue a title for a neighborhood electric vehicle or a medium-speed electric vehicle (1) that lacks a vehicle identification number, and (2) for which a manufacturer's certificate of origin clearly labeling the vehicle as a neighborhood electric vehicle or similar designation has not been issued. The department shall not issue a vehicle identification number to a homemade neighborhood electric or low-speed vehicle or retrofitted golf cart, and such vehicles do not qualify as neighborhood electric vehicles.

History: 1971 c 162 s 5; 1977 c 105 s 2; 1977 c 370 s 3; 1989 c 148 s 3,4; 1989 c 188 s 3,4; 1993 c 93 s 6,7; 1995 c 257 art 1 s 2-5; 1997 c 245 art 1 s 1; 1999 c 238 art 2 s 10; 2001 c 195 art 2 s 7; 2002 c 371 art 1 s 17; 2002 c 377 art 4 s 1,2; 2003 c 127 art 2 s 2; 2005 c 136 art 7 s 13; 2005 c 151 art 5 s 1; 2005 c 164 s 29; 1Sp2005 c 3 art 1 s 1; 1Sp2005 c 7 s 28; 2006 c 189 s 3; 2008 c 287 art 1 s 26,27; 2008 c 350 art 1 s 18; 2012 c 195 s 5; 2012 c 198 s 4-6

**FARIBAULT HRA
MOBILE HOME BUYOUT PROGRAM
APPLICATION APPROVAL
DIRECTOR'S CHECKLIST**

PROGRAM:

Voluntary program designed to purchase and remove substandard mobile home units from the following parks: Evergreen Estates, Sunrise Mobile Home Park, Cannon River Mobile Home Park and Knollwood Courts Mobile Home City.

PURPOSE:

To remove structurally substandard housing and to provide appropriate redevelopment through the acquisition and removal of vacant, abandoned and substandard mobile homes.

Date: July 07, 2022

NAME OF APPLICANT: Roger Hokanson

SITE ADDRESS: 1920 NW 2nd Street, #68, Faribault, Minnesota

CHECKLIST:

 X A completed application and proof of ownership has been submitted.

Comments: _____

 X The manufactured home is to be evaluated by the City of Faribault Building Division.

Note: The HUD Manufactured Home Standards and the State Building Code shall serve as the basis for the evaluation. Units with serious code and life safety violations shall be determined to be eligible for acquisition.

Comments: _____

 NO Is this unit currently an occupied rental unit?

Note: Rental units that result in the displacement of tenants are ineligible for participation.

Comments: _____

 YES Applications shall be ranked based on the seriousness of life and safety code violations present in the mobile home.

Comments: _____

 X Purchase price shall be fixed at \$2,000. Unpaid lot rent and taxes will be deducted from the purchase price.

Comments: _____

X Owners must remove all belongings from the mobile home, including underneath the mobile home, by the time of closing or one-half of the purchase price will be withheld until all belongings have been removed.

Comments: VACANT

 X Owners may take appliances provided the appliances are removed by the time of closing.

Comments: REMOVED

 X Park manager(s) and owner(s) shall be notified of the acquisition(s) and the removal of the mobile home(s) in accordance with the terms of their lease.

Comments: Owner is the mobile home community owner.

 X An independent contractor will remove acquired mobile homes from their respective parks. Every effort shall be made to coordinate the removal of the units with the park managers and to limit disruption to the park and its residents.



D. Kuennen, Community & Economic Development Director

**Faribault HRA
Mobile Home Buyout Program**

APPLICATION RANKING SHEET

Name: Roger Hokanson

Address: 1029 River Road, Dresser, WI

Phone: 612.462.3106

Date of Manufacture	1999 to Present	0 pts	_____
	1989 to 1998	5 pts	_____
	1976 to 1988	10 pts	_____
	Pre 1976	20 pts	<u>1965</u>

Condition of Home	No Code Violations	0 pts	_____
	Minor Life/Safety Violations	5 pts	_____
	Serious Life/Safety Violations	10 pts	<u>X</u>
	Hazardous Property	20 pts	_____

Occupancy	Rental Property	5 pts	_____
	Owner Occupied	10 pts	_____
	Abandoned	20 pts	<u>X</u>

TOTAL POINTS (Maximum of 60 points) 50

Date of Application To be considered following scoring 06/08/2022

Location of Unit	Cannon River	_____
	Evergreen Estates	_____
	Knollwood	<u>X</u>
	Sunrise	_____

MOBILE HOME BUYOUT PROGRAM PROJECT APPROVAL

Applicant's Name: Roger Hokanson **Address:** 1029 River Road, Dresser, WI

Mobile Home Park: 1920 NW 2nd Street #68, Faribault, Minnesota 55021

Date of Inspection: July 7, 2022 9:00am

Condition of Home: Major water damage from roof leaks

Age of Home: 1965 – 57 yrs.

Occupancy: Vacant

Ranking Points:

Comments from Inspector:

- Roof leaks – inadequate roof material / rotted roofing over entry
- Skirting (wood) deteriorating / other sections detaching
- North addition nullifies the HUD Certificate as it is attached to the structure
- Water damaged ceiling throughout / into light fixtures
- Mold
- Wall materials removed
- Interior panel windows removed
- Window covered by siding - nullifies the HUD Certificate
- Debris in kitchen & living room areas
- Daylight visible around bathtub plumbing
- **NOTE:** The neighbor (#67) claims the shed is theirs, but on the #68 lot

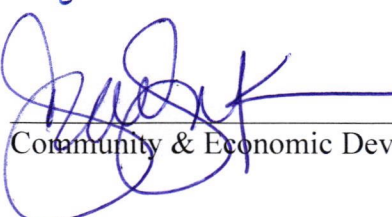
Staff Comments: Recommendation to remove due to age. Roof condition, improper addition and interior wall/ceiling damage repairs make any rehab costs economically unviable.

Date Approved: 7/7/2022

Date Denied: _____



Building Official



Community & Economic Development Director

Roger Hokanson, Owner
1920 NW 2nd Street, Faribault, Minnesota
9:00am July 07, 2022 - MS



























Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: July 11, 2022
SUBJECT: Mobile Home Heat Tape Program

BACKGROUND:

The HRA provided funding in 2021/2022 for the Heat Tape program. The manufactured home communities are some of the largest water users in the city. This is because poor insulation of water pipes, and residents running water to prevent pipes from freezing. To reduce the excessive water usage, the HRA has developed a program to offer heat tape installation.

Initially, with this round of approved funding, it was difficult to find a qualified contractor to do the work. A contractor has been identified, a contract is in place, and marketing of the program will begin with park managers to encourage installation of heat tape now versus in the midst of the winter.

Staff will be marketing the program.
No activity to report at this time.

REQUESTED ACTION:

No action required.

ATTACHMENTS:



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: July 11, 2022
SUBJECT: RAD/Repositioning Process

BACKGROUND:

Last month, the HRA approved the Memorandum of Understanding (MOU) between the HRA and Rice County. This is an integral part of the RAD Repositioning. The caveat was that Rice County may have some modifications and if those modifications were considered a substantial change, the MOU would be brought back to the HRA for review and re-approval. The HRA also approved the new LLC required as part of the repositioning process.

Updates for this month include:

1. The Rice County Attorney is reviewing the MOU on behalf of the Rice County HRA. Upon completion of their review, if the changes are considered minor, the MOU will be considered approved upon adoption by the Rice County HRA.
2. The Minnesota Housing Finance Agency is in the process of preparing Mortgage Satisfaction/Releases for the 24 units they have mortgages on. This will simplify the closing process.
3. Staff has completed the Initial Year Funding Tool for HUD and we have our next HUD Concept Call on July 12.

We are also awaiting confirmation that the LLC paperwork was submitted and approval received from the State. Once there is confirmation of approval, the HRA will be asked to adopt the resolution Adopting Operating Agreement (included in the June HRA packet).

REQUESTED ACTION:

No actions are requested at this time. Staff will continue to provide regular updates and requests for actions on all required steps to complete the repositioning.

ATTACHMENTS:



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: July 11, 2022
SUBJECT: 230 Central Avenue Apartments

BACKGROUND:

The HRA has required that Todd Nelson provide monthly updates on work performed and completed on the 230 Central Avenue apartment project. The following is a summary provided as of the end of June:

Items completed in June

All the apartment work is complete
Second round of cleaning is complete
Elevator prep work was completed and elevator main rails and control system in place
Laundry area completed washers and dryers are installed
Internet service installed in each apartment, has fiber hub and 100 m service
Had a tour for the downtown upstairs , went very well

Item to work on in July

Finish elevator and get inspected by august 1st
Complete elevator shaft walls
Finish carpet in common areas and final painting
Fire alarm inspection on building
Electrical inspection on elevator
Building inspections on elevator
Try to get these items done and get a building C.O. by august 1st

So we can begin renting in October 1st for tenants

Todd Nelson
Dynamic Electric LLC.

REQUESTED ACTION:

No action requested. The "Second Amended and Restated Loan Agreement" provided that the project would be complete by June 1, 2022. However, the developer has been providing monthly updates and the delay has been with the delivery of the required elevator.

ATTACHMENTS:

1. Recorded 2nd Amended Loan Agreement 3-11-2022
2. 20220707_113258
3. 20220707_113456

City of
Faribault
Y-4600

RL✓



749324

I hereby certify that this document was
filed in this office and duly recorded on

February 24, 2022 2:40 PM

Michael Fangman, Recorder

Pages: 72

A749324

Office of County Recorder/Registrar
RICE COUNTY, MN

REC'G PROCESS COMPL FUND: \$11.00
RECORDER TECHNOLOGY FUND: \$10.00
STATE TREASURY GEN'L FUND: \$10.50
GENERAL ABSTRACT: \$14.50

\$46.00

Return To:

FARIBAULT CITY OF
208 NW 1ST AVE
FARIBAULT, MN 55021

SECOND AMENDED AND RESTATED LOAN AGREEMENT

THIS SECOND AMENDED AND RESTATED LOAN AGREEMENT (the "Agreement") is made and entered into this 14 day of February, 2022, between the Housing and Redevelopment Authority in and for the City of Faribault, a public body corporate and politic under the laws of Minnesota (the "HRA"), and T. Nelson Properties, LLC, a Minnesota limited liability company (the "Borrower"):

RECITALS

1. The HRA's primary purpose is to:
 - A. Provide a sufficient supply of adequate, safe and sanitary dwellings in order to protect the health, safety, morals, and welfare of the city;
 - B. Clear and redevelop blighted areas;
 - C. Remedy the shortage of housing for low- and moderate-income residents; and
 - D. Redevelop blighted areas in situations in which private enterprise would not act without governmental participation or subsidies.
2. The Borrower is fee owner of certain real property located at 230 Central Avenue, Faribault, Minnesota 55021 and legally described in the attached Exhibit B (the "Property"). The Borrower plans to make improvements to the property, including the construction of eight new residential rental units on the 2nd and 3rd stories of the building, some of which will be Affordable Units (as hereinafter defined).
3. Whereas, pursuant to the repayment agreement, mortgage and promissory note referenced herein and attached hereto, (collectively, the "Loan Documents") the HRA loaned the Borrower \$240,000.00 to assist with the cost of certain improvements, including but not limited to, a new roof, elevator installation, sprinkler installation, new water and sewer services, window installation and unit buildout for the building located on the Property (as

hereinafter defined). The Borrower has indicated that such financial assistance is necessary in order to offer these units as affordable housing.

4. The HRA and the Borrower entered into a Loan Agreement dated June 17, 2020, along with a mortgage and promissory note, copies of which are attached as Exhibit A.
5. On April 12, 2021, the HRA and the Borrower agreed to terms which were not reduced to writing but which were intended to amend the terms of the Loan Documents to provide for an extension of the required completion date from March 1, 2021 until December 1, 2021.
6. Due to issues related to the COVID-19 pandemic, including delays in receiving materials and work stoppages related to COVID-19 exposures, the Borrower could not complete the project by the March 1, 2021 deadline.
7. An Amended and Restated Loan Agreement was entered into on October 27, 2021 providing for an extension of the required completion date of December 1, 2021, attached as Exhibit C.
8. Due to continued issues related to the COVID-19 pandemic, including continued delays in receiving materials, the Borrower still cannot complete the project by December 1, 2021 deadline.
9. On November 8, 2021, the HRA and the Borrower agreed to terms which were not reduced to writing but which were intended to amend the terms of the Loan Documents to provide for another extension of the required completion date from December 1, 2021 until June 1, 2022 provided that monthly progress reports are submitted by the first of every month.
10. The HRA and the Borrower have determined that it is necessary and desirable to make said modifications.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the HRA and the Borrower agree as follows:

1. The recitals set forth in the preamble to this Second Amended and Restated Agreement and the exhibits attached hereto are incorporated into this Second Amended and Restated Agreement as if fully set forth herein.
2. Notwithstanding anything to the contrary in the Loan Documents, the Borrower hereby agrees the project will be completed no later than June 1, 2022.
3. To the extent that any provision of the Loan Documents and this Second Amended and Restated Agreement conflict, the terms of the Second Amended Agreement shall supersede. Except as specifically amended herein, the Loan Documents remain in full force and effect.

[Remainder of this page intentionally left blank.]

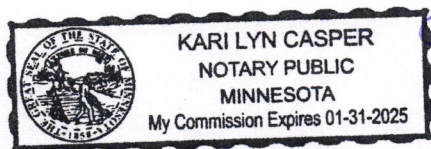
IN WITNESS WHEREOF, the Borrower, having signed this Amended and Restated Agreement, and the HRA having duly approved this Amended and Restated Agreement on the day and year first written above and pursuant to such approval and the proper HRA officials having signed this Agreement, the parties hereto agree to be bound by the provisions herein set forth.

T. NELSON PROPERTIES, LLC

By: [Signature]
Name: Todd Nelson
Its: Owner
Date: 2-4-2022

STATE OF MINNESOTA)
) ss
COUNTY OF Rice)

On this 4 day of February, 2022^{KE}, before me personally appeared Todd Nelson, the Owner of T. Nelson Properties, LLC, a Minnesota limited liability corporation, on behalf of said company.



[Signature]
Notary Public



**HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
FARIBAULT**

By: [Signature]
Its: Chair Person

By: [Signature]
Its: Vice Chair - Secretary

STATE OF MINNESOTA)
) ss
COUNTY OF RICE)

On this 14 day of February, 2021, before me personally appeared Norren Brown and Hani Ahlers, the Chair and the Vice Chair / Secretary, respectively, of the Housing and Redevelopment Authority in and for the City of Faribault, a public body corporate and politic under the laws of Minnesota, on behalf of said authority.



[Signature]
Notary Public

This document draft by:
CITY OF FARIBAULT
Department of Community and Economic Development
208 NW 1st Avenue
Faribault, MN 55021
(507) 334-0100

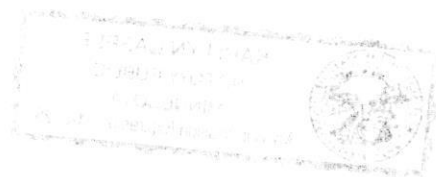


Exhibit A

Loan Agreement, June 17, 2020

15
City
of
Y-246

RL



728185

I hereby certify that this document was
filed in this office and duly recorded on

July 14, 2020 3:35 PM

Judy Van Erp, Recorder

Pages: 30

A728185

Office of County Recorder/Registrar
RICE COUNTY, MN

REC'G PROCESS COMPL FUND: \$11.00
RECORDER TECHNOLOGY FUND: \$10.00
STATE TREASURY GEN'L FUND: \$10.50
GENERAL ABSTRACT: \$14.50

\$46.00

Return To:

FARIBAULT CITY OF
208 NW 1ST AVE
FARIBAULT, MN 55021

LOAN AGREEMENT

THIS AGREEMENT (the "Agreement") is made and entered into this 17 day of June, 2020, between the Housing and Redevelopment Authority in and for the City of Faribault, a public body corporate and politic under the laws of Minnesota (the "HRA"), and T. Nelson Properties, LLC, a Minnesota limited liability company (the "Borrower"):

RECITALS

1. The HRA's primary purpose is to:
 - A. Provide a sufficient supply of adequate, safe and sanitary dwellings in order to protect the health, safety, morals, and welfare of the city;
 - B. Clear and redevelop blighted areas;
 - C. Remedy the shortage of housing for low- and moderate-income residents; and
 - D. Redevelop blighted areas in situations in which private enterprise would not act without governmental participation or subsidies.
2. Based on a vacancy study commissioned by the HRA, it has been determined that the rental vacancy rate is less than 1% in Faribault. Industry standards identify a healthy vacancy rate as 5%.
3. Based on the 2018 Rice County Housing Study, there is a need for additional market-rate and affordable two- and three-bedroom rental units in Faribault.
4. The Borrower is fee owner of certain real property located at 230 Central Avenue, Faribault, Minnesota 55021 and legally described in the attached Exhibit B (the "Property"). The Borrower plans to make improvements to the property, including the construction of eight new residential rental units on the 2nd and 3rd stories of the building, some of which will be Affordable Units (as hereinafter defined).
5. The Borrower has requested financial assistance from the HRA in the amount of \$240,000.00 to assist with the cost of certain improvements, including but not limited to, a new roof, elevator installation, sprinkler installation, new water and sewer services, window installation and unit buildout for the building located on the Property (as

hereinafter defined). The Borrower has indicated that such financial assistance is necessary in order to offer these units as affordable housing.

6. The HRA has identified a significant lack of available affordable housing within the City.
7. The HRA has agreed to lend to the Borrower, upon execution of this Agreement, project financing for a total of up to \$240,000.00 in funds for the improvements of the Property, subject to additional approvals by the HRA and compliance with all stated requirements.
8. The financing being offered by the HRA includes both a forgivable loan as well as an installment-loan, as further evidenced herein and in the Note (as hereinafter defined).
9. The HRA has reviewed this Agreement and finds that execution of this Agreement by the HRA and performance of the HRA's obligations hereunder are in the best interests of the HRA, the City, and its residents.
10. The parties are authorized and empowered to enter into this Agreement under the laws of the State of Minnesota.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the HRA and the Borrower agree as follows:

1. The recitals set forth in the preamble to this Agreement and the exhibits attached to this Agreement are incorporated into this Agreement as if fully set forth herein.
2. **Improvements; Compliance with Laws.**

The Borrower intends to make certain eligible improvements to the Property in accordance with Borrower's proposal, a copy of which is attached as Exhibit A (the "Improvements"). The Improvements shall include, but are not limited to installation of the following items:

- i. New roof;
- ii. Elevator;
- iii. Sprinkler system;
- iv. New water and sanitary sewer service;
- v. Installation of new windows; and
- vi. Buildout of eight residential units.

The Borrower expressly acknowledges that, in order to become eligible for disbursement of any Funds (as hereinafter defined) pursuant to this Agreement, Borrower shall ensure that all work related to the Improvements, and all work related to the rehabilitation or reconstruction of the Property shall be completed in strict accordance with all applicable laws, rules, and regulations, including but not limited to:

- i. Minnesota state law;
- ii. Minnesota Building Code;

- iii. Minnesota Fire Code;
- iv. Faribault City Code;
- v. Faribault Zoning and Land Use Regulations;
- vi. Faribault Heritage Preservation Commission design review rules and regulations;
- vii. Applicable environmental rules and regulations; and
- viii. Any other rule or regulation which may apply.

3. **Funding.**

Upon final inspection and approval of the Improvements to the satisfaction of the HRA, the HRA agrees to provide funds in an amount not to exceed \$240,000.00 (the "Funds") to the Borrower as reimbursement for no more than 27.5% of the total eligible cost of the Improvements, as determined by the HRA. In order to be eligible for disbursement of the Funds, the Borrower must provide the HRA with itemized invoices outlining the actual costs incurred in completing the Improvements. The final disbursement amount shall be equal to \$240,000 or 27.5% of the total eligible costs for the Improvements, whichever is lower.

Such Funds shall be provided in the following forms: (i) \$180,000 shall be structured as a forgivable loan subject to the terms of this Agreement; and (ii) \$60,000 shall be structured as a five-year installment loan issued at 3% interest per annum, and the repayment terms of such installment loan shall be governed by this Agreement, a Promissory Note (the "Note"), the form of which is attached as Exhibit C, and any other applicable agreements which may be entered into by the HRA and Borrower. Borrower's obligation to repay the installment loan shall be further secured by the execution of a mortgage, the form of which is attached as Exhibit D (the "Mortgage").

If Borrower fails to secure all necessary land use approvals (the "Land Use Approvals") prior to May 31, 2020, this Agreement shall be terminated without further notice or action, and the HRA shall have no obligation to disburse any Funds to Borrower. Such Land Use Approvals include, but are not limited to, building permits, a variance to the permitted density pursuant to the City's zoning code, and any other approvals which may be required.

In order to be eligible for disbursement of the Funds, the Borrower shall complete all construction of the Improvements no later than 3/1/2021.

4. **Affordability Rules.**

The HRA has undertaken to provide the Funds to Borrower for the sole purpose of curing blight within the City and to ensure the provision of adequate affordable housing located within the City. In order to be eligible for disbursement of the Funds, the Borrower must designate two of the two-bedroom units and two of the three-bedroom units as income-restricted units (the "Affordable Units") and ensure that all new occupants meet the affordability guidelines outlined herein. The obligation to ensure that all occupants of the

Affordable Units meet the affordability guidelines outlined herein shall remain in effect for ten years from the date of the issuance of the Certificate(s) of Occupancy for the units.

During the ten-year affordability period required herein, the Affordable Units must be occupied by families that are "Very Low Income", meaning that their gross income does not exceed 50% of the Rice County Area Median Income ("AMI") as determined the U.S. Department of Housing and Urban Development ("HUD"). In addition, for each respective Affordable Unit type, the rent charged for each Affordable Unit may not exceed the Rice County Fair Market Rent as determined by HUD. For ten years from the date the Certificate of Occupancy is issued, as families move out of these Affordable Units, all subsequent occupants must meet the affordability requirements outlined in this section at the time of lease execution. For each family that occupies any Affordable Unit, Borrower will provide the HRA with the following information to ensure compliance with this Section:

- A. The Number of people in the household;
- B. A list including all sources of household income;
- C. A List of the amount of income from each income source;
- D. The total aggregate household income; and
- E. A copy of the lease with the rent amount

5. **Conditions Precedent to Funding.**

The following criteria shall be conditions precedent to the HRA's obligation to disburse the Funds to Borrower:

- i. Completion of the Improvements to the HRA's satisfaction;
- ii. Borrower's ongoing compliance with all applicable laws, rules, and regulations regarding the construction of the Improvements;
- iii. Borrower having provided the HRA with satisfactory evidence related to the compliance with the income guidelines provided herein related to each Affordable Unit;
- iv. Borrower's submittal of itemized invoices outlining the project costs attributable to the Improvements, and the HRA's determination of the amount of the Funds eligible for disbursement; and
- v. Borrower's execution of this Agreement, the Note, Mortgage, and any other documents that the HRA may require.

6. **Miscellaneous Provisions.**

7. The Borrower agrees to execute the Note and Mortgage, as well as any other documents the HRA may require to secure its interest under this Agreement. All documents executed shall, as deemed necessary by the HRA, be filed with the County Recorder and/or Registrar of Titles. The HRA shall maintain a lien on the Property pursuant to the security instruments required herein.

8. Failure to comply with any term, covenant, condition, or requirement contained in this Agreement, or contained in the Note, Mortgage, or other instrument executed in connection with this Agreement, following thirty (30) days after the HRA gives written notice specifying the form of said non-compliance, shall constitute a breach of this Agreement and a default by the Borrower.

If any default shall occur, the HRA may declare the Funds provided to Borrower to be due and payable in accordance with the terms of the Note. The HRA may also pursue remedies available under the terms of the Mortgage or other instrument executed to secure its interests in the Funds or the Property, and other such remedies as may be available under local, state, or federal laws.

9. The Borrower, for itself and for its successors and/or its assigns, further agrees and consents to the filing of such security instruments and this Agreement with the government officials or entities appropriate to protect the interest of the HRA in the Property.
10. Without limitation of any provision set forth herein, the Borrower agrees to pay to the HRA any costs or expenses, including without limitation attorney fees, incurred by the HRA in enforcing any provision of this Agreement, whether or not any legal action is commenced.
11. Nothing in this Agreement shall constitute a limitation or waiver of the HRA's or the City's right to enforce any ordinance, law, rule, or regulation.
12. The Borrower shall and does hereby agree to protect, defend, indemnify and hold the HRA, including its officers, agents, and employees, harmless of and from any and all liability, loss, or damage that it may incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever that may be asserted against the HRA by reason of any alleged obligations or undertakings on the part of the HRA to perform or discharge any of the terms, covenants, or agreements contained in this Agreement. This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the payment or repayment of any Funds. Nothing in this Agreement shall constitute a waiver or limitation of the HRA's immunities or limitations on liability as set forth in Minnesota Statutes, Chapter 466 or any other law or rule which may apply.
13. A notice, demand, or other communication sent pursuant to this Agreement by either party to the other 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 the Borrower is addressed to or delivered personally to the Borrower at, 3940 Wells Lake Way, Faribault, MN 55021 Attn: Todd Nelson; or
 - B. in the case of the HRA, is addressed to or delivered personally to the HRA at 208 First Avenue NW, Faribault, Minnesota 55021, Attn: Community Development Coordinator.

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this section 13.

14. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.
15. The HRA and the Borrower acknowledge that nothing contained in this Agreement nor any act by the HRA and the Borrower shall be deemed or construed by the parties or by any third person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture between the HRA, the City, and the Borrower.
16. 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.
17. The performance or observance of any promise or condition set forth in this Agreement may be waived, amended, or modified only by a writing signed by both parties. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.
18. This Agreement may be modified solely through written amendments hereto executed by both the Borrower and the HRA.
19. The Borrower shall not assign, subcontract, transfer, or pledge this Agreement whether in whole or in part, without the prior written consent of the HRA.
20. Wherever possible, each provision of this Agreement and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Agreement or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdiction, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or any other related document.
21. This Agreement, together with the Exhibits hereto, which are expressly incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, pertaining to the subject matter of this Agreement or concerning the Funds.
22. This Agreement shall be recorded among the land records of Rice County, Minnesota. The provisions of this Agreement shall run with the Property and be binding upon the Borrower and its assigns or successors in interest.

23. The Borrower warrants that all work performed pursuant to this Agreement shall be in compliance with existing laws, codes, ordinances, pertinent regulations, standards, and specifications. The Borrower further warrants that it understands that this Agreement does not act as a substitute for any permits or approvals that are otherwise required by the Borrower in order to complete any of the Improvements.
24. Each of the undersigned parties warrants that it has the full authority to execute this Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Borrower, having signed this Agreement, and the HRA having duly approved this Agreement on the day and year first written above and pursuant to such approval and the proper HRA officials having signed this Agreement, the parties hereto agree to be bound by the provisions herein set forth.

T. NELSON PROPERTIES, LLC

By: [Signature]
Name: Todd Nelson
Its: Owner
Date: 6-17-2020

STATE OF MINNESOTA)
) ss
COUNTY OF Rice)

On this 17 day of June, 2020, before me personally appeared Todd Nelson, the Owner of T. Nelson Properties, LLC, a Minnesota limited liability corporation, on behalf of said company.

[Signature]
Notary Public



HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
FARIBAULT

By: [Signature]
Its: Chairperson

By: [Signature]
Its: HRA Executive Director

STATE OF MINNESOTA)
) ss
COUNTY OF RICE)

On this 6 day of July, 2020, before me personally appeared
Narren Brown and Deanna Kuennen, the
Chairperson and the Executive Director, respectively, of
the Housing and Redevelopment Authority in and for the City of Faribault, a public body corporate
and politic under the laws of Minnesota, on behalf of said authority.

Kim M. Clausen
Notary Public

This document drafted by:
Kennedy & Graven, Chartered (AMB)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

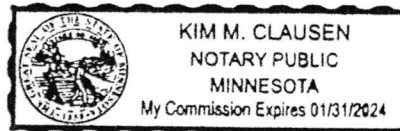


EXHIBIT A

Approved Improvement Plans

To be added



WALL LEGEND	
	EXISTING CONSTRUCTION TO REMAIN
	NEW CONSTRUCTION

SHEET NOTES	
1.	ALL INTERIOR PARTITION WALLS SHALL BE FULL TYPE UNLESS OTHERWISE NOTED.

KEYNOTE LEGEND	

THIS DOCUMENT IS THE PROPERTY OF ISG GROUP, INC. IT IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREIN. IT IS NOT TO BE REPRODUCED OR COPIED WITHOUT PRIOR WRITTEN CONSENT.

PROJECT

MASONIC TEMPLE APARTMENTS

PARABOL

REVISIONS

DATE

DESCRIPTION

BY

PROJECT NO.

FILE NAME

DESIGNED BY

CHECKED BY

DATE

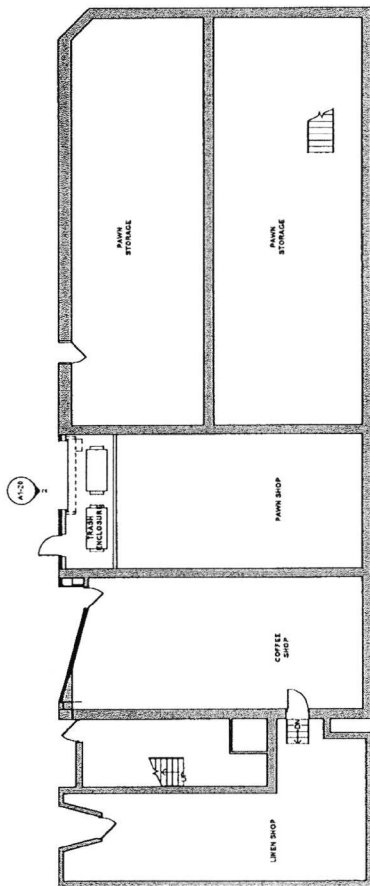
ORIGINAL ISSUE DATE

CLIENT PROJECT NO.

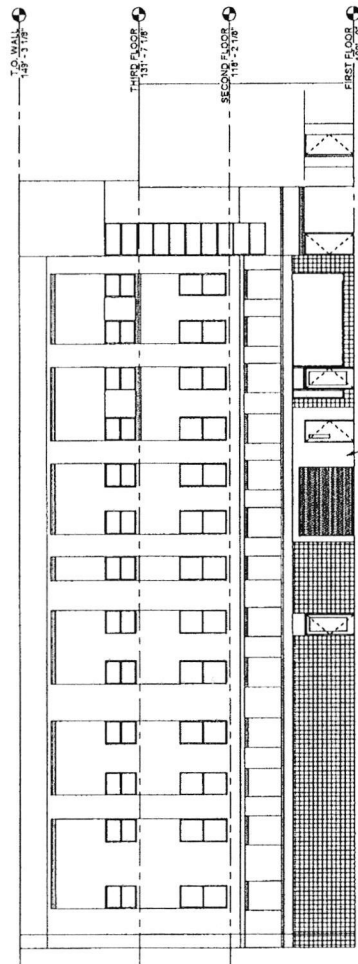
TITLE

FIRST FLOOR PLAN, TRASH ENLCOSURE

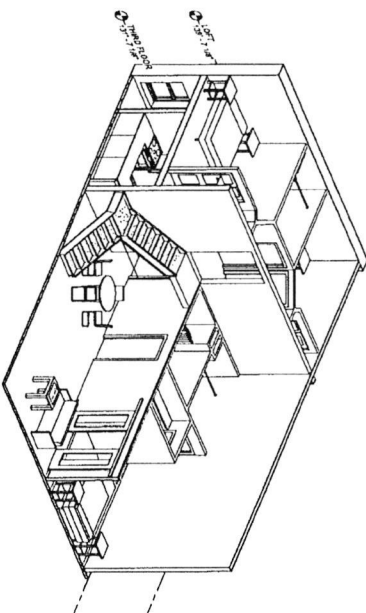
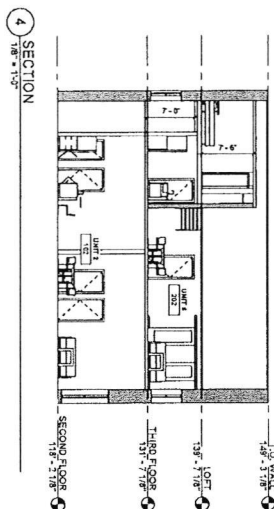
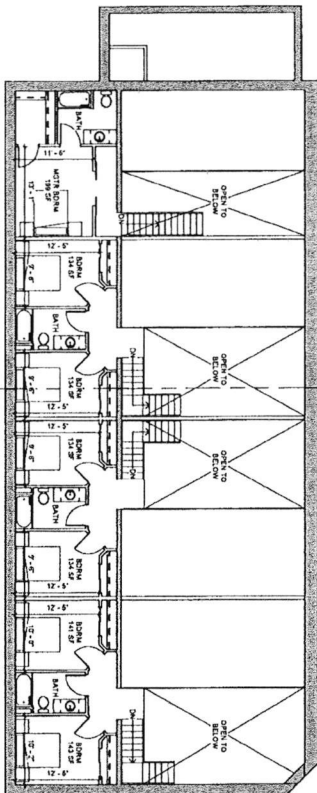
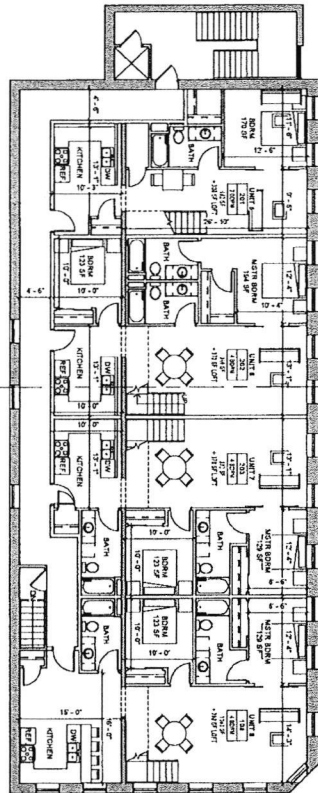
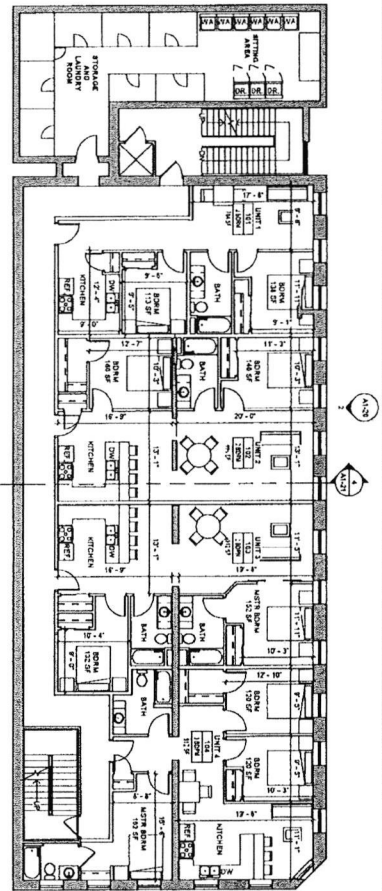
SHEET
A1-20



1 FIRST FLOOR PLAN
1/8" = 1'-0"



2 NORTH ELEVATION
1/8" = 1'-0"



WALL LEGEND ===== EXTERIOR CONSTRUCTION TO FINISH ----- NEW CONSTRUCTION	SHEET NOTES 1. ALL INTERIOR PARTITION WALLS SHALL BE MASONRY UNLESS OTHERWISE NOTED.
KEYNOTE LEGEND	

WALL LEGEND ===== EXTERIOR CONSTRUCTION TO FINISH ----- NEW CONSTRUCTION	SHEET NOTES 1. ALL INTERIOR PARTITION WALLS SHALL BE MASONRY UNLESS OTHERWISE NOTED.
KEYNOTE LEGEND	

WALL LEGEND ===== EXTERIOR CONSTRUCTION TO FINISH ----- NEW CONSTRUCTION	SHEET NOTES 1. ALL INTERIOR PARTITION WALLS SHALL BE MASONRY UNLESS OTHERWISE NOTED.
KEYNOTE LEGEND	



**MASONIC TEMPLE
APARTMENTS**

**FLOOR PLANS,
SECTION, 3D
AXON**

A1-21

EXHIBIT B

Legal Description

The east 127 feet of the north two thirds (N 2/3) of Lot 5 in Block 57 in the Original Town (now City) of Faribault, Rice County, Minnesota.

EXHIBIT C

Promissory Note

To be added

PROMISSORY NOTE

\$240,000.00

Date: June 17, 2020

T. Nelson Properties, LLC, a Minnesota limited liability company ("Maker"), for value received, hereby promises to pay to the Housing and Redevelopment Authority in and for the City of Faribault, a public body corporate and politic under the laws of Minnesota, or its assigns (collectively referred to herein as "Holder"), at its designated principal office or such other place as the Holder may designate in writing, the principal sum of Two Hundred forty Thousand and No/100 Dollars (\$240,000.00) or so much thereof as may be advanced under this Note, subject to the interest rates identified herein, in any coin or currency that at the time or times of payment is legal tender for the payment of private debts in the United States of America. The principal of and interest on this Note is payable in installments due as follows:

1. The entire aggregate unpaid balance of principal shall be due and payable upon the earlier of the following: (i) thirty (30) days after written notification by Holder to Maker of the occurrence of any default or non-compliance with any provision or requirement of the Loan Agreement, dated June 17, 2020, by and between the Maker and Holder (the "Agreement"); or (ii) ten (10) days after the Maker makes or allows to be made any total or partial transfer, sale, assignment, conveyance or transfer in any other mode, of the Property (as such term is defined in the Agreement), if such transfer occurs within ten (10) years after the date of this Note or the date of issuance of the Certificate of Occupancy for the Property, whichever comes later. If the Maker does not sell the Property within ten years of the Loan Closing Date and does not default under the Agreement, the Maker shall repay the principal amount and interest as provided herein.

2. \$180,000 of the principal shall be issued as a forgivable loan, and such amount shall be forgiven upon Maker's satisfaction of the obligation to maintain certain units on the Property as Affordable Units, as defined and required by the Agreement, for a period of ten years from the issuance of a Certificate of Occupancy for the Property. Should Maker fail, at any time during this term, to maintain the designated Affordable Units pursuant to the terms of the Agreement, or to provide the information required by the Agreement evidencing the affordability of each Affordable Unit, it shall be obligated to repay to Holder \$180,000 in principal within 15 days of Holder providing Maker with written notice that it is in default of the Agreement and notifying Maker of Holder's decision to require repayment. Such repayment shall bear no interest.

3. \$60,000 of the principal shall be issued as an installment loan, payable in annual installments bearing an interest rate of 3% of a term of 5 years. Each installment shall be paid on or before January 1 of the year in which it is due, and each payment amount shall first be applied to accrued but unpaid interest, with any remainder being applied to the outstanding principal balance. Installment payments required under this paragraph shall begin on January 1 the year following disbursement of the Funds, as defined in the Agreement. The entire remaining unpaid principal and interest balance shall become due on January 1, 2026.

This Note is secured by a mortgage of even date herewith (the "Mortgage"), by Maker, in favor of Holder related to certain real and personal property situated in Rice County, Minnesota, and

any and all other documents now or later executed by Maker securing repayment of the loan by Holder to Maker, which is evidenced by this Note. Said Mortgage is subject to acceleration as provided therein.

If any Event of Default, as defined herein and in the Mortgage and Agreement, shall occur, then, Holder shall be subject to the provisions of the Mortgage and to the notice and cure provisions set forth therein, in addition to any and all other rights, remedies, and recourses available to it, the right and option to declare the principal on this Note immediately due and payable without notice, demand or presentment for payment to Maker or others, and proceed to foreclose all liens and security interests securing the payment of same and to invoke all rights, remedies and recourses relating thereto. The remedies of Holder, as provided herein and in the Loan Documents, shall be cumulative and concurrent, may be pursued singly, successively or together, at the sole discretion of Holder and may be exercised as often as occasion therefor shall arise. No act of omission or commission of Holder, including, specifically, any failure to exercise any right, remedy or recourse, shall be deemed a waiver or release of same, and such waiver or release shall be effective only as set forth in a written document executed by Holder and then only to the extent specifically recited therein. A waiver or release with reference to one event shall not be construed as continuing as a bar to or as a waiver or release of any subsequent right, remedy or recourse as to any subsequent event.

Except as otherwise provided in this Note or in the other loan documents, Maker hereby: (a) waives demand, presentment for payment, protest, notice of protest, filing suit and diligence in collecting this Note, in enforcing any of the security rights set forth in the loan documents; (b) agrees to any substitution, exchange, addition or release of any party or person primarily or secondarily liable hereon; (c) agrees that Holder shall not be required first to institute any suit or to exhaust its remedies against Maker or any other person or party in order to enforce payment of this Note; and (d) consents to any extension, rearrangement, renewal or postponement of time or payment of this Note and to any other indulgence with respect hereto without notice, consent or consideration to any of them.

Each of the following events shall constitute an event of default hereunder ("Event of Default"):

- A. Material failure by Maker to comply with or perform any of the terms, covenants, warranties or conditions in the Agreement, Note or any other loan document for a period of ninety (90) days after Holder gives written notice specifying the breach;
- B. Maker's application for or consent to the appointment of a receiver, trustee or liquidator of itself or of its property; Maker's inability to admit in writing its ability to pay its debts as they become due; a general assignment by Maker for the benefit of its creditors; a final adjudication that Maker is bankrupt or insolvent; filing by Maker of a voluntary petition in bankruptcy or seeking reorganization, dissolution, liquidation, an arrangement with creditors, or similar relief under any present or future bankruptcy or insolvency statute, law or regulation; filing by Maker of an answer admitting to or not contesting the material allegations of a petition filed against it in any bankruptcy, insolvency or reorganization proceedings; or entry of an order, judgment or decree, without the application, approval or consent of Maker, by any court or governmental agency of competent jurisdiction, approving

the petition seeking reorganization of Maker or appointing a receiver, trustee, liquidator, intervenor or the like of Maker, which order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days;

- C. Maker vacates or abandons the Premises;
- D. Maker's failure to comply with any applicable law, rule, or regulation;
- E. Failure by Maker to comply with the affordability requirements provided in the Agreement;
- F. Material untruth when made of any representation of Maker contained in the Note or any other Loan Document; or
- G. Acceleration of maturity of any bond, debenture, note or other evidence of indebtedness for which Maker is liable relating to the Premises as principal obligor, guarantor, or otherwise, by reason of default or Maker's failure to promptly pay or extend such evidence of indebtedness.

All of the agreements, conditions, covenants, provisions, and stipulations contained in the Agreement are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If an Event of Default occurs under the Agreement, this Note, or any other instrument securing this Note, then the Holder of this Note may at its right and option, without notice, declare immediately due and payable the principal balance of this Note and interest accrued thereon, if any, together with reasonable attorneys' fees and expenses incurred by the Holder of this Note in collecting or enforcing payment hereof, whether by lawsuit or otherwise, and all other sums due hereunder or any instrument securing this Note. The Maker of this Note agrees that the Holder of this Note may, without notice to and without affecting the liability of the Maker, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

If any term of this Note, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term to persons or circumstances other than those to which it is invalid or unenforceable shall not be affected thereby, and each term of this Note shall be valid and enforceable to the fullest extent permitted by law.

If any Event of Default occurs, and if Holder engages legal counsel or others in connection with advice to Holder or Holder's rights and remedies under the Agreement or this Note, Maker shall pay all reasonable expenses incurred by Holder for such persons, irrespective of whether any suit or other proceeding has been or is filed or commenced. Any such expenses, costs and charges shall constitute additional principal, payable upon demand, and subject to this Note. Any such costs or charges which become additional principal shall not be forgivable under the terms of this Note.

It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and is governed by the laws thereof. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

The performance or observance of any promise or condition set forth in this Note may be waived, amended, or modified only by a writing signed by the Maker and the Holder. No delay in

the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed as of the 17
day of June, 2020.

T. Nelson Properties, LLC

By: 
Todd Nelson
Its: owner

By: _____
Its: _____

EXHIBIT D

Mortgage

To be added

MORTGAGE

THIS MORTGAGE, made this 17 day of June, 2020 by T. Nelson Properties, LLC, a Minnesota limited liability corporation, with its principal place of business located at 3940 Wells Lake Way, Faribault, Minnesota 55021 ("Mortgagor"), to the Housing and Redéveloppement Authority in and for the City of Faribault, a public body corporate and politic under the laws of Minnesota, located at 208 First Avenue Northwest, Faribault, Minnesota 55021 ("Mortgagee").

WITNESSETH: That said Mortgagor hereby mortgages and conveys to said Mortgagee the following described premises located at 230 Central Avenue, Faribault, Minnesota 55021, Rice County, Minnesota (the "Property"), and legally described as:

The east 127 feet of the north two thirds (N 2/3) of Lot 5 in Block 57 in the Original Town (now City) of Faribault, Rice County, Minnesota

This Mortgage is given in consideration of and as security for the payment of Two Hundred Forty Thousand Dollars and No/100 (\$240,000.00) (the "Loan"), receipt of which is hereby acknowledged and which is made to enable the Mortgagor to make improvements to the Property. The Loan is evidenced by a promissory note (the "Note"), attached as Exhibit A, a loan agreement (the "Loan Agreement") attached as Exhibit B, and repayment of the Loan shall be in accordance with the terms of the Note and the Agreement.

Mortgagor makes and includes in this Mortgage the statutory covenants and other provisions set forth in Minnesota Statutes Section 507.15, including the following:

- A. To warrant title to the Property;
- B. To pay all other mortgages, liens, charges or encumbrances against the Property as and when they become due;
- C. To pay the indebtedness of the Note as herein provided and as further outlined in the Loan Agreement;
- D. To pay all real estate taxes on the Property;
- E. To keep the Property in repair and not commit waste; and
- F. To keep the Property insured against loss by fire and other hazards for at least the sum of the full insurable value of the Property for the protection for the Mortgagee.

If the Mortgagor herein shall pay the Mortgagee herein, its successors or assigns, the sum of Two Hundred Forty Thousand Dollars and No/100 (\$240,000.00) when it becomes due according to the terms of the above-mentioned Note and Loan Agreement, then this Mortgage shall be null and void, otherwise to remain in full force and effect. But if default shall be made in payment of said sum when due or in any of the covenants or agreements contained herein, then the Mortgagee may declare immediately due and payable the entire unpaid principal balance together with interest thereon, if any, and the Mortgagee, its successors or assigns, are hereby authorized and empowered to foreclose this Mortgage by action or advertisement, pursuant to the statutes of the State of Minnesota in such case made and provided, power being expressly granted to sell the Property at public auction and convey the same to the purchaser in fee simple and, out of the proceeds arising from such sale, to pay the principal of the Note with interest, if any, together with all legal costs and charges of such foreclosure and the maximum attorneys' fees permitted by law.

Mortgagee prior to acceleration shall mail notice to Mortgagor specifying: (1) the event of default; (2) the action required to cure such event; (3) the date, not less than 30 days from the date the notice is mailed to Mortgagor, by which date such default must be cured; and (4) that failure to cure such default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Mortgagor to acceleration and sale. If the default is not cured on or before the date specified in the notice, Mortgagee at Mortgagee's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the power of sale hereby granted and any other remedy permitted by applicable law.

Notwithstanding Mortgagee's acceleration of the sums secured by this Mortgage, Mortgagor shall have the right to have any proceedings begun by Mortgagee to enforce this Mortgage discontinued at any time prior to the earlier of (i) sale of the Property pursuant to the power of sale contained in this Mortgage or (ii) a judgment enforcing this Mortgage, if: (a) Mortgagor pays Mortgagee all sums constituting the default actually existing under this Mortgage and the Note at the commencement of foreclosure proceedings under this Mortgage; (b) Mortgagor cures all breaches of any other covenants or agreements of Mortgagor contained in this Mortgage; (c) Mortgagor pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor contained in this Mortgage and in enforcing Mortgagee's remedies as provided herein, including, but not limited to, reasonable attorneys' fees, and (d) Mortgagor takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee's interest in the Property and Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Mortgagor, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

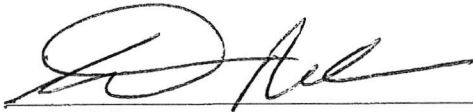
MORTGAGOR HEREBY: EXPRESSLY CONSENTS TO THE FORECLOSURE AND SALE OF THE MORTGAGED PROPERTY BY ACTION PURSUANT TO MINNESOTA STATUTES CHAPTER 581 OR, AT OPTION OF MORTGAGEE, BY ADVERTISEMENT PURSUANT TO MINNESOTA STATUTES CHAPTER 580, WHICH PROVIDES FOR SALE

AFTER SERVICE OF NOTICE THEREOF UPON THE OCCUPANT OF THE MORTGAGED PROPERTY AND PUBLICATION OF SAID NOTICE FOR SIX WEEKS IN THE COUNTY IN MINNESOTA WHERE THE MORTGAGED PROPERTY IS SITUATED AND ACKNOWLEDGES THAT SERVICE NEED NOT BE MADE UPON MORTGAGOR PERSONALLY UNLESS MORTGAGOR IS AN OCCUPANT AND THAT NO HEARING OF ANY TYPE IS REQUIRED IN CONNECTION WITH THE SALE AND EXCEPT AS MAY BE PROVIDED IN SAID STATUTES, EXPRESSLY WAIVES ANY AND ALL RIGHT TO PRIOR NOTICE OF SALE OF THE MORTGAGED PROPERTY.

This Mortgage and the Note shall be construed according to the laws of the State of Minnesota. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision.

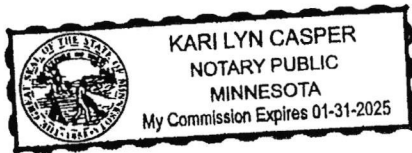
IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be duly executed as of the day and year first above written.

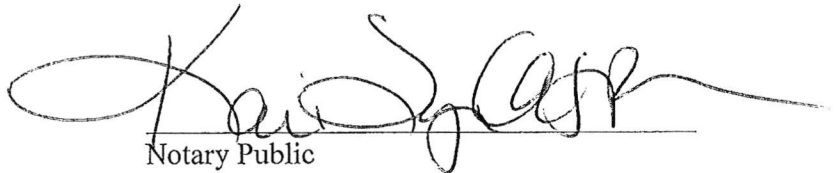
MORTGAGOR:

By: 
Todd Nelson
Its: Owner

STATE OF MINNESOTA)
COUNTY OF Rice)ss.

On this 17 day of June, 2020, before me personally appeared Todd Nelson, the Owner of T. Nelson Properties, LLC, and _____, the _____ of T. Nelson Properties, LLC, a Minnesota limited liability corporation., on behalf of said corporation.




Notary Public

This document drafted by:
Kennedy & Graven, Chartered (AMB)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

EXHIBIT A

Executed Promissory Note

[TO BE INSERTED]

PROMISSORY NOTE

\$240,000.00

Date: June 17, 2020

T. Nelson Properties, LLC, a Minnesota limited liability company ("Maker"), for value received, hereby promises to pay to the Housing and Redevelopment Authority in and for the City of Faribault, a public body corporate and politic under the laws of Minnesota, or its assigns (collectively referred to herein as "Holder"), at its designated principal office or such other place as the Holder may designate in writing, the principal sum of Two Hundred forty Thousand and No/100 Dollars (\$240,000.00) or so much thereof as may be advanced under this Note, subject to the interest rates identified herein, in any coin or currency that at the time or times of payment is legal tender for the payment of private debts in the United States of America. The principal of and interest on this Note is payable in installments due as follows:

1. The entire aggregate unpaid balance of principal shall be due and payable upon the earlier of the following: (i) thirty (30) days after written notification by Holder to Maker of the occurrence of any default or non-compliance with any provision or requirement of the Loan Agreement, dated June 17, 2020, by and between the Maker and Holder (the "Agreement"); or (ii) ten (10) days after the Maker makes or allows to be made any total or partial transfer, sale, assignment, conveyance or transfer in any other mode, of the Property (as such term is defined in the Agreement), if such transfer occurs within ten (10) years after the date of this Note or the date of issuance of the Certificate of Occupancy for the Property, whichever comes later. If the Maker does not sell the Property within ten years of the Loan Closing Date and does not default under the Agreement, the Maker shall repay the principal amount and interest as provided herein.

2. \$180,000 of the principal shall be issued as a forgivable loan, and such amount shall be forgiven upon Maker's satisfaction of the obligation to maintain certain units on the Property as Affordable Units, as defined and required by the Agreement, for a period of ten years from the issuance of a Certificate of Occupancy for the Property. Should Maker fail, at any time during this term, to maintain the designated Affordable Units pursuant to the terms of the Agreement, or to provide the information required by the Agreement evidencing the affordability of each Affordable Unit, it shall be obligated to repay to Holder \$180,000 in principal within 15 days of Holder providing Maker with written notice that it is in default of the Agreement and notifying Maker of Holder's decision to require repayment. Such repayment shall bear no interest.

3. \$60,000 of the principal shall be issued as an installment loan, payable in annual installments bearing an interest rate of 3% of a term of 5 years. Each installment shall be paid on or before January 1 of the year in which it is due, and each payment amount shall first be applied to accrued but unpaid interest, with any remainder being applied to the outstanding principal balance. Installment payments required under this paragraph shall begin on January 1 the year following disbursement of the Funds, as defined in the Agreement. The entire remaining unpaid principal and interest balance shall become due on January 1, 2026.

This Note is secured by a mortgage of even date herewith (the "Mortgage"), by Maker, in favor of Holder related to certain real and personal property situated in Rice County, Minnesota, and

any and all other documents now or later executed by Maker securing repayment of the loan by Holder to Maker, which is evidenced by this Note. Said Mortgage is subject to acceleration as provided therein.

If any Event of Default, as defined herein and in the Mortgage and Agreement, shall occur, then, Holder shall be subject to the provisions of the Mortgage and to the notice and cure provisions set forth therein, in addition to any and all other rights, remedies, and recourses available to it, the right and option to declare the principal on this Note immediately due and payable without notice, demand or presentment for payment to Maker or others, and proceed to foreclose all liens and security interests securing the payment of same and to invoke all rights, remedies and recourses relating thereto. The remedies of Holder, as provided herein and in the Loan Documents, shall be cumulative and concurrent, may be pursued singly, successively or together, at the sole discretion of Holder and may be exercised as often as occasion therefor shall arise. No act of omission or commission of Holder, including, specifically, any failure to exercise any right, remedy or recourse, shall be deemed a waiver or release of same, and such waiver or release shall be effective only as set forth in a written document executed by Holder and then only to the extent specifically recited therein. A waiver or release with reference to one event shall not be construed as continuing as a bar to or as a waiver or release of any subsequent right, remedy or recourse as to any subsequent event.

Except as otherwise provided in this Note or in the other loan documents, Maker hereby: (a) waives demand, presentment for payment, protest, notice of protest, filing suit and diligence in collecting this Note, in enforcing any of the security rights set forth in the loan documents; (b) agrees to any substitution, exchange, addition or release of any party or person primarily or secondarily liable hereon; (c) agrees that Holder shall not be required first to institute any suit or to exhaust its remedies against Maker or any other person or party in order to enforce payment of this Note; and (d) consents to any extension, rearrangement, renewal or postponement of time or payment of this Note and to any other indulgence with respect hereto without notice, consent or consideration to any of them.

Each of the following events shall constitute an event of default hereunder ("Event of Default"):

- A. Material failure by Maker to comply with or perform any of the terms, covenants, warranties or conditions in the Agreement, Note or any other loan document for a period of ninety (90) days after Holder gives written notice specifying the breach;
- B. Maker's application for or consent to the appointment of a receiver, trustee or liquidator of itself or of its property; Maker's inability to admit in writing its ability to pay its debts as they become due; a general assignment by Maker for the benefit of its creditors; a final adjudication that Maker is bankrupt or insolvent; filing by Maker of a voluntary petition in bankruptcy or seeking reorganization, dissolution, liquidation, an arrangement with creditors, or similar relief under any present or future bankruptcy or insolvency statute, law or regulation; filing by Maker of an answer admitting to or not contesting the material allegations of a petition filed against it in any bankruptcy, insolvency or reorganization proceedings; or entry of an order, judgment or decree, without the application, approval or consent of Maker, by any court or governmental agency of competent jurisdiction, approving

the petition seeking reorganization of Maker or appointing a receiver, trustee, liquidator, intervenor or the like of Maker, which order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days;

- C. Maker vacates or abandons the Premises;
- D. Maker's failure to comply with any applicable law, rule, or regulation;
- E. Failure by Maker to comply with the affordability requirements provided in the Agreement;
- F. Material untruth when made of any representation of Maker contained in the Note or any other Loan Document; or
- G. Acceleration of maturity of any bond, debenture, note or other evidence of indebtedness for which Maker is liable relating to the Premises as principal obligor, guarantor, or otherwise, by reason of default or Maker's failure to promptly pay or extend such evidence of indebtedness.

All of the agreements, conditions, covenants, provisions, and stipulations contained in the Agreement are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If an Event of Default occurs under the Agreement, this Note, or any other instrument securing this Note, then the Holder of this Note may at its right and option, without notice, declare immediately due and payable the principal balance of this Note and interest accrued thereon, if any, together with reasonable attorneys' fees and expenses incurred by the Holder of this Note in collecting or enforcing payment hereof, whether by lawsuit or otherwise, and all other sums due hereunder or any instrument securing this Note. The Maker of this Note agrees that the Holder of this Note may, without notice to and without affecting the liability of the Maker, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

If any term of this Note, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term to persons or circumstances other than those to which it is invalid or unenforceable shall not be affected thereby, and each term of this Note shall be valid and enforceable to the fullest extent permitted by law.

If any Event of Default occurs, and if Holder engages legal counsel or others in connection with advice to Holder or Holder's rights and remedies under the Agreement or this Note, Maker shall pay all reasonable expenses incurred by Holder for such persons, irrespective of whether any suit or other proceeding has been or is filed or commenced. Any such expenses, costs and charges shall constitute additional principal, payable upon demand, and subject to this Note. Any such costs or charges which become additional principal shall not be forgivable under the terms of this Note.

It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and is governed by the laws thereof. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

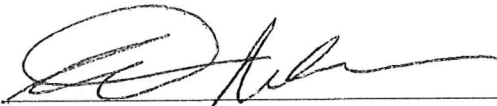
The performance or observance of any promise or condition set forth in this Note may be waived, amended, or modified only by a writing signed by the Maker and the Holder. No delay in

the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed as of the 17
day of June, 2020.

T. Nelson Properties, LLC

By: 
Todd Nelson
Its: owner

By: _____

Its: _____

Exhibit B

Legal Description

The east 127 feet of the north two thirds (N 2/3) of Lot 5 in Block 57 in the Original Town (now City) of Faribault, Rice County, Minnesota.

Exhibit C

Amended and Restated Loan Agreement – October 27, 2021

CITY OF
FARIBAULT
Y-46
(ECONOMIC
DEVELOP.)

Exhibit C



748723

I hereby certify that this document was
filed in this office and duly recorded on

February 03, 2022 11:15 AM

Michael Fangman, Recorder

Pages: 40

A748723

Office of County Recorder/Registrar
RICE COUNTY, MN

REC'G PROCESS COMPL FUND: \$11.00
RECORDER TECHNOLOGY FUND: \$10.00
STATE TREASURY GEN'L FUND: \$10.50
GENERAL ABSTRACT: \$14.50

\$46.00

Return To:

FARIBAULT CITY OF
208 NW 1ST AVE
FARIBAULT, MN 55021

AMENDED AND RESTATED LOAN AGREEMENT

THIS AMENDED AND RESTATED LOAN AGREEMENT (the "Agreement") is made and entered into this 27th day of October, 2021, between the Housing and Redevelopment Authority in and for the City of Faribault, a public body corporate and politic under the laws of Minnesota (the "HRA"), and T. Nelson Properties, LLC, a Minnesota limited liability company (the "Borrower"):

RECITALS

1. The HRA's primary purpose is to:
 - A. Provide a sufficient supply of adequate, safe and sanitary dwellings in order to protect the health, safety, morals, and welfare of the city;
 - B. Clear and redevelop blighted areas;
 - C. Remedy the shortage of housing for low- and moderate-income residents; and
 - D. Redevelop blighted areas in situations in which private enterprise would not act without governmental participation or subsidies.
2. The Borrower is fee owner of certain real property located at 230 Central Avenue, Faribault, Minnesota 55021 and legally described in the attached Exhibit B (the "Property"). The Borrower plans to make improvements to the property, including the construction of eight new residential rental units on the 2nd and 3rd stories of the building, some of which will be Affordable Units (as hereinafter defined).
3. Whereas, pursuant to the repayment agreement, mortgage and promissory note referenced herein and attached hereto, (collectively, the "Loan Documents") the HRA loaned the Borrower \$240,000.00 to assist with the cost of certain improvements, including but not limited to, a new roof, elevator installation, sprinkler installation, new water and sewer services, window installation and unit buildout for the building located on the Property (as

hereinafter defined). The Borrower has indicated that such financial assistance is necessary in order to offer these units as affordable housing.

4. The HRA and the Borrower entered into a Loan Agreement dated June 17, 2020, along with a mortgage and promissory note, copies of which are attached as Exhibit A.
5. On April 12, 2021, the HRA and the Borrower agreed to terms which were not reduced to writing but which were intended to amend the terms of the Loan Documents to provide for an extension of the required completion date from March 1, 2021 until December 1, 2021.
6. Due to issues related to the COVID-19 pandemic, including delays in receiving materials and work stoppages related to COVID-19 exposures, the Borrower could not complete the project by the March 1, 2021 deadline.
7. The HRA and the Borrower have determined that it is necessary and desirable to make said modifications.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the HRA and the Borrower agree as follows:

1. The recitals set forth in the preamble to this Amended and Restated Agreement and the exhibits attached hereto are incorporated into this Amended and Restated Agreement as if fully set forth herein.
2. Notwithstanding anything to the contrary in the Loan Documents, the Borrower hereby agrees the project will be completed no later than December 1, 2021.
3. To the extent that any provision of the Loan Documents and this Amended and Restated Agreement conflict, the terms of the Amended Agreement shall supersede. Except as specifically amended herein, the Loan Documents remain in full force and effect.

[Remainder of this page intentionally left blank.]

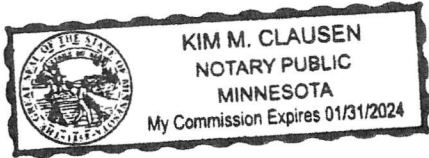
**HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
FARIBAULT**

By: [Signature]
Its: Chairperson

By: [Signature]
Its: Executive Director

STATE OF MINNESOTA)
) ss
COUNTY OF RICE)

On this 14 day of June, 2021, before my personally appeared
Narren Brown and Deanna Kuennen, the
Chairperson and the Executive Director, respectively, of
the Housing and Redevelopment Authority in and for the City of Faribault, a public body corporate
and politic under the laws of Minnesota, on behalf of said authority.



Kim Clausen
Notary Public

15
City
of
Y-446

EXHIBIT A

RL



728185

I hereby certify that this document was
filed in this office and duly recorded on

July 14, 2020 3:35 PM

Judy Van Erp, Recorder

Pages: 30

A728185

Office of County Recorder/Registrar
RICE COUNTY, MN

REC'G PROCESS COMPL FUND: \$11.00
RECORDER TECHNOLOGY FUND: \$10.00
STATE TREASURY GEN'L FUND: \$10.50
GENERAL ABSTRACT: \$14.50

\$46.00

Return To:

FARIBAULT CITY OF
208 NW 1ST AVE
FARIBAULT, MN 55021

LOAN AGREEMENT

THIS AGREEMENT (the "Agreement") is made and entered into this 17 day of June, 2020, between the Housing and Redevelopment Authority in and for the City of Faribault, a public body corporate and politic under the laws of Minnesota (the "HRA"), and T. Nelson Properties, LLC, a Minnesota limited liability company (the "Borrower"):

RECITALS

1. The HRA's primary purpose is to:
 - A. Provide a sufficient supply of adequate, safe and sanitary dwellings in order to protect the health, safety, morals, and welfare of the city;
 - B. Clear and redevelop blighted areas;
 - C. Remedy the shortage of housing for low- and moderate-income residents; and
 - D. Redevelop blighted areas in situations in which private enterprise would not act without governmental participation or subsidies.
2. Based on a vacancy study commissioned by the HRA, it has been determined that the rental vacancy rate is less than 1% in Faribault. Industry standards identify a healthy vacancy rate as 5%.
3. Based on the 2018 Rice County Housing Study, there is a need for additional market-rate and affordable two- and three-bedroom rental units in Faribault.
4. The Borrower is fee owner of certain real property located at 230 Central Avenue, Faribault, Minnesota 55021 and legally described in the attached Exhibit B (the "Property"). The Borrower plans to make improvements to the property, including the construction of eight new residential rental units on the 2nd and 3rd stories of the building, some of which will be Affordable Units (as hereinafter defined).
5. The Borrower has requested financial assistance from the HRA in the amount of \$240,000.00 to assist with the cost of certain improvements, including but not limited to, a new roof, elevator installation, sprinkler installation, new water and sewer services, window installation and unit buildout for the building located on the Property (as

hereinafter defined). The Borrower has indicated that such financial assistance is necessary in order to offer these units as affordable housing.

6. The HRA has identified a significant lack of available affordable housing within the City.
7. The HRA has agreed to lend to the Borrower, upon execution of this Agreement, project financing for a total of up to \$240,000.00 in funds for the improvements of the Property, subject to additional approvals by the HRA and compliance with all stated requirements.
8. The financing being offered by the HRA includes both a forgivable loan as well as an installment-loan, as further evidenced herein and in the Note (as hereinafter defined).
9. The HRA has reviewed this Agreement and finds that execution of this Agreement by the HRA and performance of the HRA's obligations hereunder are in the best interests of the HRA, the City, and its residents.
10. The parties are authorized and empowered to enter into this Agreement under the laws of the State of Minnesota.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the HRA and the Borrower agree as follows:

1. The recitals set forth in the preamble to this Agreement and the exhibits attached to this Agreement are incorporated into this Agreement as if fully set forth herein.
2. **Improvements; Compliance with Laws.**

The Borrower intends to make certain eligible improvements to the Property in accordance with Borrower's proposal, a copy of which is attached as Exhibit A (the "Improvements"). The Improvements shall include, but are not limited to installation of the following items:

- i. New roof;
- ii. Elevator;
- iii. Sprinkler system;
- iv. New water and sanitary sewer service;
- v. Installation of new windows; and
- vi. Buildout of eight residential units.

The Borrower expressly acknowledges that, in order to become eligible for disbursement of any Funds (as hereinafter defined) pursuant to this Agreement, Borrower shall ensure that all work related to the Improvements, and all work related to the rehabilitation or reconstruction of the Property shall be completed in strict accordance with all applicable laws, rules, and regulations, including but not limited to:

- i. Minnesota state law;
- ii. Minnesota Building Code;

- iii. Minnesota Fire Code;
- iv. Faribault City Code;
- v. Faribault Zoning and Land Use Regulations;
- vi. Faribault Heritage Preservation Commission design review rules and regulations;
- vii. Applicable environmental rules and regulations; and
- viii. Any other rule or regulation which may apply.

3. **Funding.**

Upon final inspection and approval of the Improvements to the satisfaction of the HRA, the HRA agrees to provide funds in an amount not to exceed \$240,000.00 (the "Funds") to the Borrower as reimbursement for no more than 27.5% of the total eligible cost of the Improvements, as determined by the HRA. In order to be eligible for disbursement of the Funds, the Borrower must provide the HRA with itemized invoices outlining the actual costs incurred in completing the Improvements. The final disbursement amount shall be equal to \$240,000 or 27.5% of the total eligible costs for the Improvements, whichever is lower.

Such Funds shall be provided in the following forms: (i) \$180,000 shall be structured as a forgivable loan subject to the terms of this Agreement; and (ii) \$60,000 shall be structured as a five-year installment loan issued at 3% interest per annum, and the repayment terms of such installment loan shall be governed by this Agreement, a Promissory Note (the "Note"), the form of which is attached as Exhibit C, and any other applicable agreements which may be entered into by the HRA and Borrower. Borrower's obligation to repay the installment loan shall be further secured by the execution of a mortgage, the form of which is attached as Exhibit D (the "Mortgage").

If Borrower fails to secure all necessary land use approvals (the "Land Use Approvals") prior to May 31, 2020, this Agreement shall be terminated without further notice or action, and the HRA shall have no obligation to disburse any Funds to Borrower. Such Land Use Approvals include, but are not limited to, building permits, a variance to the permitted density pursuant to the City's zoning code, and any other approvals which may be required.

In order to be eligible for disbursement of the Funds, the Borrower shall complete all construction of the Improvements no later than 3/1/2021.

4. **Affordability Rules.**

The HRA has undertaken to provide the Funds to Borrower for the sole purpose of curing blight within the City and to ensure the provision of adequate affordable housing located within the City. In order to be eligible for disbursement of the Funds, the Borrower must designate two of the two-bedroom units and two of the three-bedroom units as income-restricted units (the "Affordable Units") and ensure that all new occupants meet the affordability guidelines outlined herein. The obligation to ensure that all occupants of the

Affordable Units meet the affordability guidelines outlined herein shall remain in effect for ten years from the date of the issuance of the Certificate(s) of Occupancy for the units.

During the ten-year affordability period required herein, the Affordable Units must be occupied by families that are “Very Low Income”, meaning that their gross income does not exceed 50% of the Rice County Area Median Income (“AMI”) as determined the U.S. Department of Housing and Urban Development (“HUD”). In addition, for each respective Affordable Unit type, the rent charged for each Affordable Unit may not exceed the Rice County Fair Market Rent as determined by HUD. For ten years from the date the Certificate of Occupancy is issued, as families move out of these Affordable Units, all subsequent occupants must meet the affordability requirements outlined in this section at the time of lease execution. For each family that occupies any Affordable Unit, Borrower will provide the HRA with the following information to ensure compliance with this Section:

- A. The Number of people in the household;
- B. A list including all sources of household income;
- C. A List of the amount of income from each income source;
- D. The total aggregate household income; and
- E. A copy of the lease with the rent amount

5. **Conditions Precedent to Funding.**

The following criteria shall be conditions precedent to the HRA’s obligation to disburse the Funds to Borrower:

- i. Completion of the Improvements to the HRA’s satisfaction;
- ii. Borrower’s ongoing compliance with all applicable laws, rules, and regulations regarding the construction of the Improvements;
- iii. Borrower having provided the HRA with satisfactory evidence related to the compliance with the income guidelines provided herein related to each Affordable Unit;
- iv. Borrower’s submittal of itemized invoices outlining the project costs attributable to the Improvements, and the HRA’s determination of the amount of the Funds eligible for disbursement; and
- v. Borrower’s execution of this Agreement, the Note, Mortgage, and any other documents that the HRA may require.

6. **Miscellaneous Provisions.**

- 7. The Borrower agrees to execute the Note and Mortgage, as well as any other documents the HRA may require to secure its interest under this Agreement. All documents executed shall, as deemed necessary by the HRA, be filed with the County Recorder and/or Registrar of Titles. The HRA shall maintain a lien on the Property pursuant to the security instruments required herein.

8. Failure to comply with any term, covenant, condition, or requirement contained in this Agreement, or contained in the Note, Mortgage, or other instrument executed in connection with this Agreement, following thirty (30) days after the HRA gives written notice specifying the form of said non-compliance, shall constitute a breach of this Agreement and a default by the Borrower.

If any default shall occur, the HRA may declare the Funds provided to Borrower to be due and payable in accordance with the terms of the Note. The HRA may also pursue remedies available under the terms of the Mortgage or other instrument executed to secure its interests in the Funds or the Property, and other such remedies as may be available under local, state, or federal laws.

9. The Borrower, for itself and for its successors and/or its assigns, further agrees and consents to the filing of such security instruments and this Agreement with the government officials or entities appropriate to protect the interest of the HRA in the Property.
10. Without limitation of any provision set forth herein, the Borrower agrees to pay to the HRA any costs or expenses, including without limitation attorney fees, incurred by the HRA in enforcing any provision of this Agreement, whether or not any legal action is commenced.
11. Nothing in this Agreement shall constitute a limitation or waiver of the HRA's or the City's right to enforce any ordinance, law, rule, or regulation.
12. The Borrower shall and does hereby agree to protect, defend, indemnify and hold the HRA, including its officers, agents, and employees, harmless of and from any and all liability, loss, or damage that it may incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever that may be asserted against the HRA by reason of any alleged obligations or undertakings on the part of the HRA to perform or discharge any of the terms, covenants, or agreements contained in this Agreement. This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the payment or repayment of any Funds. Nothing in this Agreement shall constitute a waiver or limitation of the HRA's immunities or limitations on liability as set forth in Minnesota Statutes, Chapter 466 or any other law or rule which may apply.
13. A notice, demand, or other communication sent pursuant to this Agreement by either party to the other 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 the Borrower is addressed to or delivered personally to the Borrower at, 3940 Wells Lake Way, Faribault, MN 55021 Attn: Todd Nelson; or
 - B. in the case of the HRA, is addressed to or delivered personally to the HRA at 208 First Avenue NW, Faribault, Minnesota 55021, Attn: Community Development Coordinator.

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this section 13.

14. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.
15. The HRA and the Borrower acknowledge that nothing contained in this Agreement nor any act by the HRA and the Borrower shall be deemed or construed by the parties or by any third person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture between the HRA, the City, and the Borrower.
16. 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.
17. The performance or observance of any promise or condition set forth in this Agreement may be waived, amended, or modified only by a writing signed by both parties. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.
18. This Agreement may be modified solely through written amendments hereto executed by both the Borrower and the HRA.
19. The Borrower shall not assign, subcontract, transfer, or pledge this Agreement whether in whole or in part, without the prior written consent of the HRA.
20. Wherever possible, each provision of this Agreement and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Agreement or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdiction, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or any other related document.
21. This Agreement, together with the Exhibits hereto, which are expressly incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, pertaining to the subject matter of this Agreement or concerning the Funds.
22. This Agreement shall be recorded among the land records of Rice County, Minnesota. The provisions of this Agreement shall run with the Property and be binding upon the Borrower and its assigns or successors in interest.

23. The Borrower warrants that all work performed pursuant to this Agreement shall be in compliance with existing laws, codes, ordinances, pertinent regulations, standards, and specifications. The Borrower further warrants that it understands that this Agreement does not act as a substitute for any permits or approvals that are otherwise required by the Borrower in order to complete any of the Improvements.
24. Each of the undersigned parties warrants that it has the full authority to execute this Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Borrower, having signed this Agreement, and the HRA having duly approved this Agreement on the day and year first written above and pursuant to such approval and the proper HRA officials having signed this Agreement, the parties hereto agree to be bound by the provisions herein set forth.

T. NELSON PROPERTIES, LLC

By: _____

Name: Todd Nelson

Its: Owner

Date: 6-17-2020

STATE OF MINNESOTA)

COUNTY OF Rice) ss

On this 17 day of June, 2020, before me personally appeared Todd Nelson, the Owner of T. Nelson Properties, LLC, a Minnesota limited liability corporation, on behalf of said company.

Notary Public



HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
FARIBAULT

By: [Signature]
Its: Chairperson

By: [Signature]
Its: Executive Director

STATE OF MINNESOTA)
) ss
COUNTY OF RICE)

On this 6 day of July, 2020, before my personally appeared
Narren Brown and Deanna Kuennen, the
Chairperson and the Executive Director, respectively, of
the Housing and Redevelopment Authority in and for the City of Faribault, a public body corporate
and politic under the laws of Minnesota, on behalf of said authority.

Kim M. Clausen
Notary Public

This document drafted by:
Kennedy & Graven, Chartered (AMB)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

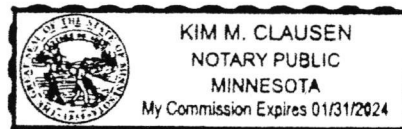
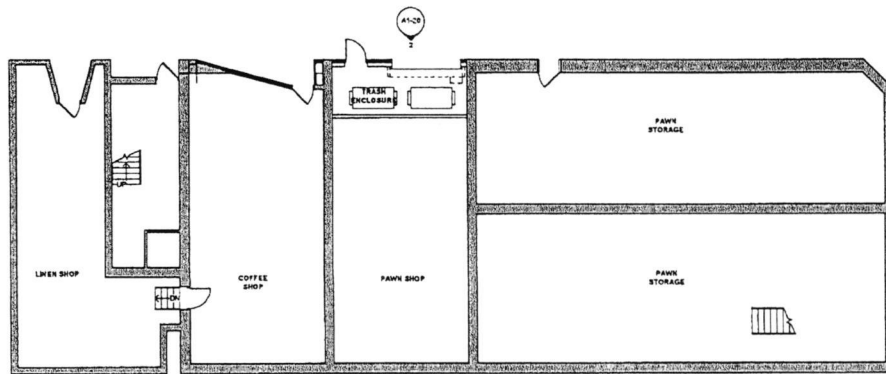


EXHIBIT A

Approved Improvement Plans

To be added



1 FIRST FLOOR PLAN
1/8" = 1'-0"



2 NORTH ELEVATION
1/8" = 1'-0"

WALL LEGEND

EXISTING CONSTRUCTION TO REMAIN
NEW CONSTRUCTION

SHEET NOTES

1. ALL INTERIOR PARTITION WALLS SHALL BE WALL TYPE _____ UNLESS OTHERWISE NOTED.

KEYNOTE LEGEND

ISG

THIS DOCUMENT IS THE PROPERTY OF I & S GROUP, INC. AND MAY NOT BE LOANED, COPIED OR DUPLICATED WITHOUT PRIOR WRITTEN CONSENT.

PROJECT

MASONIC TEMPLE APARTMENTS

FARIBAULT, MN

REVISION SCHEDULE

DATE DESCRIPTION BY

PROJECT NO. 20-XXXX

FILE NAME Author

DESIGNED BY Designer

REVIEWED BY Checker

ORIGINAL ISSUE DATE MM/DD/YYYY

CLIENT PROJECT NO.

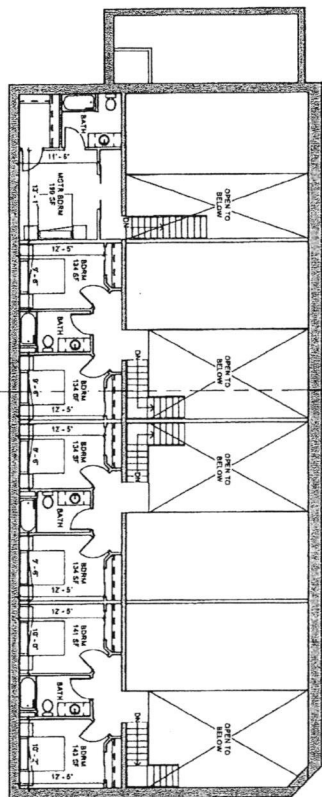
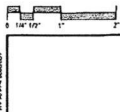
TITLE

FIRST FLOOR PLAN, TRASH ENCLOSURE

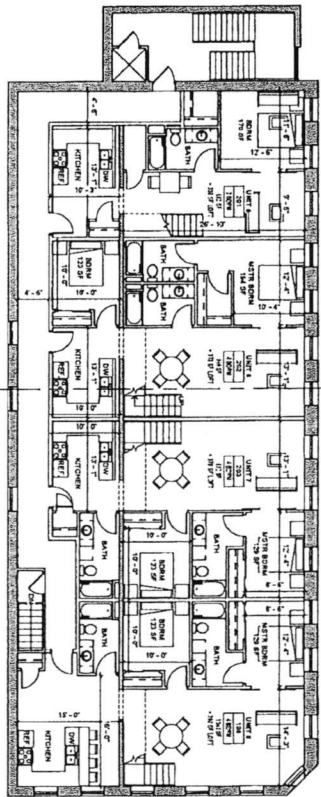
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A1-20

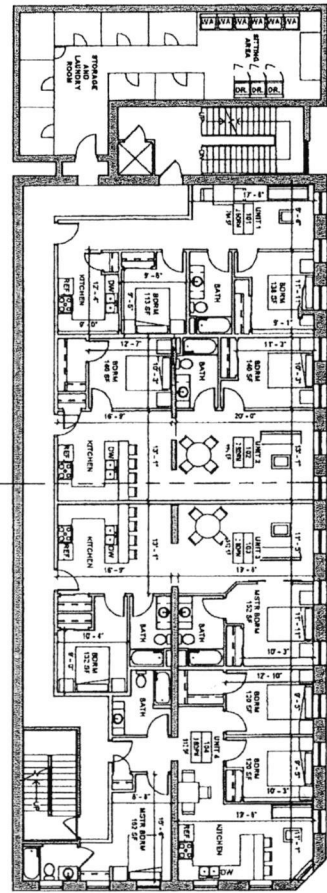
PRELIMINARY NOT FOR CONSTRUCTION



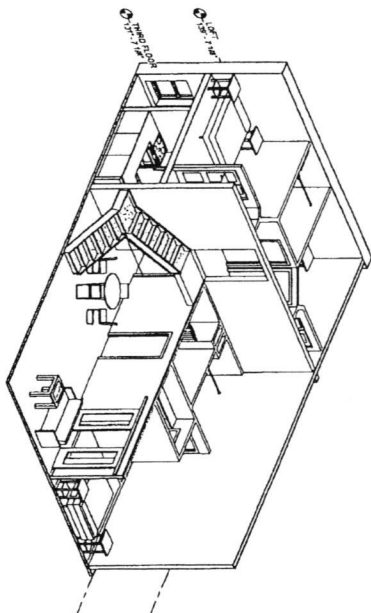
1 1ST FLOOR PLAN
18' x 13'



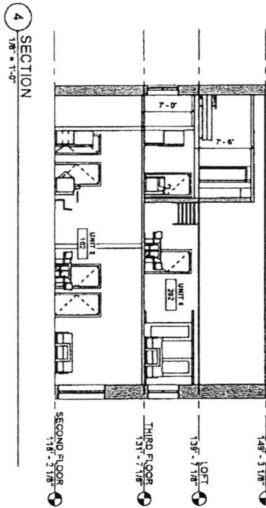
2 2ND FLOOR PLAN
18' x 13'



3 3RD FLOOR PLAN
18' x 13'



4 4TH FLOOR PLAN
18' x 13'



5 5TH FLOOR PLAN
18' x 13'

WALL LEGEND
EXISTING CONSTRUCTION TO REMAIN
NEW CONSTRUCTION
SHEET NOTES
1. ALL DIMENSIONS ARE IN FEET AND INCHES.
2. ALL DIMENSIONS SHALL BE TO FACE UNLESS NOTED OTHERWISE.
KEYNOTE LEGEND



MASONIC TEMPLE APARTMENTS	
FLOOR PLANS, SECTION, 3D AXON	
PROJECT NO. 20-000000	
DATE	02/20/2020
DESIGNED BY	ARCHITECT
DRAWN BY	ARCHITECT
CHECKED BY	ARCHITECT
CLIENT PROJECT NO.	

EXHIBIT B

Legal Description

The east 127 feet of the north two thirds (N 2/3) of Lot 5 in Block 57 in the Original Town (now City) of Faribault, Rice County, Minnesota.

B-1

635869v1FA155-81

EXHIBIT C

Promissory Note

To be added

PROMISSORY NOTE

\$240,000.00

Date: June 17, 2020

T. Nelson Properties, LLC, a Minnesota limited liability company ("Maker"), for value received, hereby promises to pay to the Housing and Redevelopment Authority in and for the City of Faribault, a public body corporate and politic under the laws of Minnesota, or its assigns (collectively referred to herein as "Holder"), at its designated principal office or such other place as the Holder may designate in writing, the principal sum of Two Hundred forty Thousand and No/100 Dollars (\$240,000.00) or so much thereof as may be advanced under this Note, subject to the interest rates identified herein, in any coin or currency that at the time or times of payment is legal tender for the payment of private debts in the United States of America. The principal of and interest on this Note is payable in installments due as follows:

1. The entire aggregate unpaid balance of principal shall be due and payable upon the earlier of the following: (i) thirty (30) days after written notification by Holder to Maker of the occurrence of any default or non-compliance with any provision or requirement of the Loan Agreement, dated June 17, 2020, by and between the Maker and Holder (the "Agreement"); or (ii) ten (10) days after the Maker makes or allows to be made any total or partial transfer, sale, assignment, conveyance or transfer in any other mode, of the Property (as such term is defined in the Agreement), if such transfer occurs within ten (10) years after the date of this Note or the date of issuance of the Certificate of Occupancy for the Property, whichever comes later. If the Maker does not sell the Property within ten years of the Loan Closing Date and does not default under the Agreement, the Maker shall repay the principal amount and interest as provided herein.

2. \$180,000 of the principal shall be issued as a forgivable loan, and such amount shall be forgiven upon Maker's satisfaction of the obligation to maintain certain units on the Property as Affordable Units, as defined and required by the Agreement, for a period of ten years from the issuance of a Certificate of Occupancy for the Property. Should Maker fail, at any time during this term, to maintain the designated Affordable Units pursuant to the terms of the Agreement, or to provide the information required by the Agreement evidencing the affordability of each Affordable Unit, it shall be obligated to repay to Holder \$180,000 in principal within 15 days of Holder providing Maker with written notice that it is in default of the Agreement and notifying Maker of Holder's decision to require repayment. Such repayment shall bear no interest.

3. \$60,000 of the principal shall be issued as an installment loan, payable in annual installments bearing an interest rate of 3% of a term of 5 years. Each installment shall be paid on or before January 1 of the year in which it is due, and each payment amount shall first be applied to accrued but unpaid interest, with any remainder being applied to the outstanding principal balance. Installment payments required under this paragraph shall begin on January 1 the year following disbursement of the Funds, as defined in the Agreement. The entire remaining unpaid principal and interest balance shall become due on January 1, 2026.

This Note is secured by a mortgage of even date herewith (the "Mortgage"), by Maker, in favor of Holder related to certain real and personal property situated in Rice County, Minnesota, and

any and all other documents now or later executed by Maker securing repayment of the loan by Holder to Maker, which is evidenced by this Note. Said Mortgage is subject to acceleration as provided therein.

If any Event of Default, as defined herein and in the Mortgage and Agreement, shall occur, then, Holder shall be subject to the provisions of the Mortgage and to the notice and cure provisions set forth therein, in addition to any and all other rights, remedies, and recourses available to it, the right and option to declare the principal on this Note immediately due and payable without notice, demand or presentment for payment to Maker or others, and proceed to foreclose all liens and security interests securing the payment of same and to invoke all rights, remedies and recourses relating thereto. The remedies of Holder, as provided herein and in the Loan Documents, shall be cumulative and concurrent, may be pursued singly, successively or together, at the sole discretion of Holder and may be exercised as often as occasion therefor shall arise. No act of omission or commission of Holder, including, specifically, any failure to exercise any right, remedy or recourse, shall be deemed a waiver or release of same, and such waiver or release shall be effective only as set forth in a written document executed by Holder and then only to the extent specifically recited therein. A waiver or release with reference to one event shall not be construed as continuing as a bar to or as a waiver or release of any subsequent right, remedy or recourse as to any subsequent event.

Except as otherwise provided in this Note or in the other loan documents, Maker hereby: (a) waives demand, presentment for payment, protest, notice of protest, filing suit and diligence in collecting this Note, in enforcing any of the security rights set forth in the loan documents; (b) agrees to any substitution, exchange, addition or release of any party or person primarily or secondarily liable hereon; (c) agrees that Holder shall not be required first to institute any suit or to exhaust its remedies against Maker or any other person or party in order to enforce payment of this Note; and (d) consents to any extension, rearrangement, renewal or postponement of time or payment of this Note and to any other indulgence with respect hereto without notice, consent or consideration to any of them.

Each of the following events shall constitute an event of default hereunder ("Event of Default"):

- A. Material failure by Maker to comply with or perform any of the terms, covenants, warranties or conditions in the Agreement, Note or any other loan document for a period of ninety (90) days after Holder gives written notice specifying the breach;
- B. Maker's application for or consent to the appointment of a receiver, trustee or liquidator of itself or of its property; Maker's inability to admit in writing its ability to pay its debts as they become due; a general assignment by Maker for the benefit of its creditors; a final adjudication that Maker is bankrupt or insolvent; filing by Maker of a voluntary petition in bankruptcy or seeking reorganization, dissolution, liquidation, an arrangement with creditors, or similar relief under any present or future bankruptcy or insolvency statute, law or regulation; filing by Maker of an answer admitting to or not contesting the material allegations of a petition filed against it in any bankruptcy, insolvency or reorganization proceedings; or entry of an order, judgment or decree, without the application, approval or consent of Maker, by any court or governmental agency of competent jurisdiction, approving

the petition seeking reorganization of Maker or appointing a receiver, trustee, liquidator, intervenor or the like of Maker, which order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days;

- C. Maker vacates or abandons the Premises;
- D. Maker's failure to comply with any applicable law, rule, or regulation;
- E. Failure by Maker to comply with the affordability requirements provided in the Agreement;
- F. Material untruth when made of any representation of Maker contained in the Note or any other Loan Document; or
- G. Acceleration of maturity of any bond, debenture, note or other evidence of indebtedness for which Maker is liable relating to the Premises as principal obligor, guarantor, or otherwise, by reason of default or Maker's failure to promptly pay or extend such evidence of indebtedness.

All of the agreements, conditions, covenants, provisions, and stipulations contained in the Agreement are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If an Event of Default occurs under the Agreement, this Note, or any other instrument securing this Note, then the Holder of this Note may at its right and option, without notice, declare immediately due and payable the principal balance of this Note and interest accrued thereon, if any, together with reasonable attorneys' fees and expenses incurred by the Holder of this Note in collecting or enforcing payment hereof, whether by lawsuit or otherwise, and all other sums due hereunder or any instrument securing this Note. The Maker of this Note agrees that the Holder of this Note may, without notice to and without affecting the liability of the Maker, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

If any term of this Note, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term to persons or circumstances other than those to which it is invalid or unenforceable shall not be affected thereby, and each term of this Note shall be valid and enforceable to the fullest extent permitted by law.

If any Event of Default occurs, and if Holder engages legal counsel or others in connection with advice to Holder or Holder's rights and remedies under the Agreement or this Note, Maker shall pay all reasonable expenses incurred by Holder for such persons, irrespective of whether any suit or other proceeding has been or is filed or commenced. Any such expenses, costs and charges shall constitute additional principal, payable upon demand, and subject to this Note. Any such costs or charges which become additional principal shall not be forgivable under the terms of this Note.

It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and is governed by the laws thereof. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

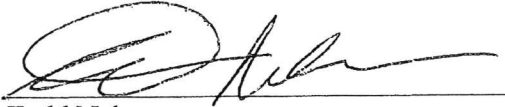
The performance or observance of any promise or condition set forth in this Note may be waived, amended, or modified only by a writing signed by the Maker and the Holder. No delay in

the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed as of the 17
day of June, 2020.

T. Nelson Properties, LLC

By: 
Todd Nelson
Its: owner

By: _____
Its: _____

EXHIBIT D

Mortgage

To be added

MORTGAGE

THIS MORTGAGE, made this 17 day of June, 2020 by T. Nelson Properties, LLC, a Minnesota limited liability corporation. with its principal place of business located at 3940 Wells Lake Way, Faribault, Minnesota 55021 ("Mortgagor"), to the Housing and Redevelopment Authority in and for the City of Faribault, a public body corporate and politic under the laws of Minnesota, located at 208 First Avenue Northwest, Faribault, Minnesota 55021 ("Mortgagee").

WITNESSETH: That said Mortgagor hereby mortgages and conveys to said Mortgagee the following described premises located at 230 Central Avenue, Faribault, Minnesota 55021, Rice County, Minnesota (the "Property"), and legally described as:

The east 127 feet of the north two thirds (N 2/3) of Lot 5 in Block 57 in the Original Town (now City) of Faribault, Rice County, Minnesota

This Mortgage is given in consideration of and as security for the payment of Two Hundred Forty Thousand Dollars and No/100 (\$240,000.00) (the "Loan"), receipt of which is hereby acknowledged and which is made to enable the Mortgagor to make improvements to the Property. The Loan is evidenced by a promissory note (the "Note"), attached as Exhibit A, a loan agreement (the "Loan Agreement") attached as Exhibit B, and repayment of the Loan shall be in accordance with the terms of the Note and the Agreement.

Mortgagor makes and includes in this Mortgage the statutory covenants and other provisions set forth in Minnesota Statutes Section 507.15, including the following:

- A. To warrant title to the Property;
- B. To pay all other mortgages, liens, charges or encumbrances against the Property as and when they become due;
- C. To pay the indebtedness of the Note as herein provided and as further outlined in the Loan Agreement;
- D. To pay all real estate taxes on the Property;
- E. To keep the Property in repair and not commit waste; and
- F. To keep the Property insured against loss by fire and other hazards for at least the sum of the full insurable value of the Property for the protection for the Mortgagee.

If the Mortgagor herein shall pay the Mortgagee herein, its successors or assigns, the sum of Two Hundred Forty Thousand Dollars and No/100 (\$240,000.00) when it becomes due according to the terms of the above-mentioned Note and Loan Agreement, then this Mortgage shall be null and void, otherwise to remain in full force and effect. But if default shall be made in payment of said sum when due or in any of the covenants or agreements contained herein, then the Mortgagee may declare immediately due and payable the entire unpaid principal balance together with interest thereon, if any, and the Mortgagee, its successors or assigns, are hereby authorized and empowered to foreclose this Mortgage by action or advertisement, pursuant to the statutes of the State of Minnesota in such case made and provided, power being expressly granted to sell the Property at public auction and convey the same to the purchaser in fee simple and, out of the proceeds arising from such sale, to pay the principal of the Note with interest, if any, together with all legal costs and charges of such foreclosure and the maximum attorneys' fees permitted by law.

Mortgagee prior to acceleration shall mail notice to Mortgagor specifying: (1) the event of default; (2) the action required to cure such event; (3) the date, not less than 30 days from the date the notice is mailed to Mortgagor, by which date such default must be cured; and (4) that failure to cure such default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Mortgagor to acceleration and sale. If the default is not cured on or before the date specified in the notice, Mortgagee at Mortgagee's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the power of sale hereby granted and any other remedy permitted by applicable law.

Notwithstanding Mortgagee's acceleration of the sums secured by this Mortgage, Mortgagor shall have the right to have any proceedings begun by Mortgagee to enforce this Mortgage discontinued at any time prior to the earlier of (i) sale of the Property pursuant to the power of sale contained in this Mortgage or (ii) a judgment enforcing this Mortgage, if: (a) Mortgagor pays Mortgagee all sums constituting the default actually existing under this Mortgage and the Note at the commencement of foreclosure proceedings under this Mortgage; (b) Mortgagor cures all breaches of any other covenants or agreements of Mortgagor contained in this Mortgage; (c) Mortgagor pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor contained in this Mortgage and in enforcing Mortgagee's remedies as provided herein, including, but not limited to, reasonable attorneys' fees, and (d) Mortgagor takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee's interest in the Property and Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Mortgagor, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

MORTGAGOR HEREBY: EXPRESSLY CONSENTS TO THE FORECLOSURE AND SALE OF THE MORTGAGED PROPERTY BY ACTION PURSUANT TO MINNESOTA STATUTES CHAPTER 581 OR, AT OPTION OF MORTGAGEE, BY ADVERTISEMENT PURSUANT TO MINNESOTA STATUTES CHAPTER 580, WHICH PROVIDES FOR SALE

AFTER SERVICE OF NOTICE THEREOF UPON THE OCCUPANT OF THE MORTGAGED PROPERTY AND PUBLICATION OF SAID NOTICE FOR SIX WEEKS IN THE COUNTY IN MINNESOTA WHERE THE MORTGAGED PROPERTY IS SITUATED AND ACKNOWLEDGES THAT SERVICE NEED NOT BE MADE UPON MORTGAGOR PERSONALLY UNLESS MORTGAGOR IS AN OCCUPANT AND THAT NO HEARING OF ANY TYPE IS REQUIRED IN CONNECTION WITH THE SALE AND EXCEPT AS MAY BE PROVIDED IN SAID STATUTES, EXPRESSLY WAIVES ANY AND ALL RIGHT TO PRIOR NOTICE OF SALE OF THE MORTGAGED PROPERTY.

This Mortgage and the Note shall be construed according to the laws of the State of Minnesota. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision.

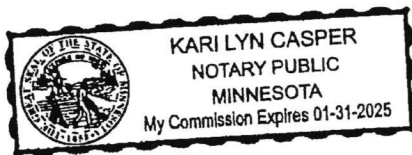
IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be duly executed as of the day and year first above written.

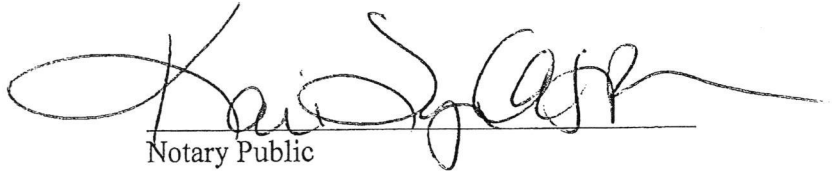
MORTGAGOR:

By: 
Todd Nelson
Its: Owner

STATE OF MINNESOTA)
COUNTY OF Rice)ss.

On this 17 day of June, 2020, before me personally appeared Todd Nelson, the Owner of T. Nelson Properties, LLC, and _____, the _____ of T. Nelson Properties, LLC, a Minnesota limited liability corporation., on behalf of said corporation.




Notary Public

This document drafted by:
Kennedy & Graven, Chartered (AMB)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

EXHIBIT A

Executed Promissory Note

[TO BE INSERTED]

PROMISSORY NOTE

\$240,000.00

Date: June 17, 2020

T. Nelson Properties, LLC, a Minnesota limited liability company ("Maker"), for value received, hereby promises to pay to the Housing and Redevelopment Authority in and for the City of Faribault, a public body corporate and politic under the laws of Minnesota, or its assigns (collectively referred to herein as "Holder"), at its designated principal office or such other place as the Holder may designate in writing, the principal sum of Two Hundred forty Thousand and No/100 Dollars (\$240,000.00) or so much thereof as may be advanced under this Note, subject to the interest rates identified herein, in any coin or currency that at the time or times of payment is legal tender for the payment of private debts in the United States of America. The principal of and interest on this Note is payable in installments due as follows:

1. The entire aggregate unpaid balance of principal shall be due and payable upon the earlier of the following: (i) thirty (30) days after written notification by Holder to Maker of the occurrence of any default or non-compliance with any provision or requirement of the Loan Agreement, dated June 17, 2020, by and between the Maker and Holder (the "Agreement"); or (ii) ten (10) days after the Maker makes or allows to be made any total or partial transfer, sale, assignment, conveyance or transfer in any other mode, of the Property (as such term is defined in the Agreement), if such transfer occurs within ten (10) years after the date of this Note or the date of issuance of the Certificate of Occupancy for the Property, whichever comes later. If the Maker does not sell the Property within ten years of the Loan Closing Date and does not default under the Agreement, the Maker shall repay the principal amount and interest as provided herein.

2. \$180,000 of the principal shall be issued as a forgivable loan, and such amount shall be forgiven upon Maker's satisfaction of the obligation to maintain certain units on the Property as Affordable Units, as defined and required by the Agreement, for a period of ten years from the issuance of a Certificate of Occupancy for the Property. Should Maker fail, at any time during this term, to maintain the designated Affordable Units pursuant to the terms of the Agreement, or to provide the information required by the Agreement evidencing the affordability of each Affordable Unit, it shall be obligated to repay to Holder \$180,000 in principal within 15 days of Holder providing Maker with written notice that it is in default of the Agreement and notifying Maker of Holder's decision to require repayment. Such repayment shall bear no interest.

3. \$60,000 of the principal shall be issued as an installment loan, payable in annual installments bearing an interest rate of 3% of a term of 5 years. Each installment shall be paid on or before January 1 of the year in which it is due, and each payment amount shall first be applied to accrued but unpaid interest, with any remainder being applied to the outstanding principal balance. Installment payments required under this paragraph shall begin on January 1 the year following disbursement of the Funds, as defined in the Agreement. The entire remaining unpaid principal and interest balance shall become due on January 1, 2026.

This Note is secured by a mortgage of even date herewith (the "Mortgage"), by Maker, in favor of Holder related to certain real and personal property situated in Rice County, Minnesota, and

any and all other documents now or later executed by Maker securing repayment of the loan by Holder to Maker, which is evidenced by this Note. Said Mortgage is subject to acceleration as provided therein.

If any Event of Default, as defined herein and in the Mortgage and Agreement, shall occur, then, Holder shall be subject to the provisions of the Mortgage and to the notice and cure provisions set forth therein, in addition to any and all other rights, remedies, and recourses available to it, the right and option to declare the principal on this Note immediately due and payable without notice, demand or presentment for payment to Maker or others, and proceed to foreclose all liens and security interests securing the payment of same and to invoke all rights, remedies and recourses relating thereto. The remedies of Holder, as provided herein and in the Loan Documents, shall be cumulative and concurrent, may be pursued singly, successively or together, at the sole discretion of Holder and may be exercised as often as occasion therefor shall arise. No act of omission or commission of Holder, including, specifically, any failure to exercise any right, remedy or recourse, shall be deemed a waiver or release of same, and such waiver or release shall be effective only as set forth in a written document executed by Holder and then only to the extent specifically recited therein. A waiver or release with reference to one event shall not be construed as continuing as a bar to or as a waiver or release of any subsequent right, remedy or recourse as to any subsequent event.

Except as otherwise provided in this Note or in the other loan documents, Maker hereby: (a) waives demand, presentment for payment, protest, notice of protest, filing suit and diligence in collecting this Note, in enforcing any of the security rights set forth in the loan documents; (b) agrees to any substitution, exchange, addition or release of any party or person primarily or secondarily liable hereon; (c) agrees that Holder shall not be required first to institute any suit or to exhaust its remedies against Maker or any other person or party in order to enforce payment of this Note; and (d) consents to any extension, rearrangement, renewal or postponement of time or payment of this Note and to any other indulgence with respect hereto without notice, consent or consideration to any of them.

Each of the following events shall constitute an event of default hereunder ("Event of Default"):

- A. Material failure by Maker to comply with or perform any of the terms, covenants, warranties or conditions in the Agreement, Note or any other loan document for a period of ninety (90) days after Holder gives written notice specifying the breach;
- B. Maker's application for or consent to the appointment of a receiver, trustee or liquidator of itself or of its property; Maker's inability to admit in writing its ability to pay its debts as they become due; a general assignment by Maker for the benefit of its creditors; a final adjudication that Maker is bankrupt or insolvent; filing by Maker of a voluntary petition in bankruptcy or seeking reorganization, dissolution, liquidation, an arrangement with creditors, or similar relief under any present or future bankruptcy or insolvency statute, law or regulation; filing by Maker of an answer admitting to or not contesting the material allegations of a petition filed against it in any bankruptcy, insolvency or reorganization proceedings; or entry of an order, judgment or decree, without the application, approval or consent of Maker, by any court or governmental agency of competent jurisdiction, approving

- the petition seeking reorganization of Maker or appointing a receiver, trustee, liquidator, intervenor or the like of Maker, which order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days;
- C. Maker vacates or abandons the Premises;
 - D. Maker's failure to comply with any applicable law, rule, or regulation;
 - E. Failure by Maker to comply with the affordability requirements provided in the Agreement;
 - F. Material untruth when made of any representation of Maker contained in the Note or any other Loan Document; or
 - G. Acceleration of maturity of any bond, debenture, note or other evidence of indebtedness for which Maker is liable relating to the Premises as principal obligor, guarantor, or otherwise, by reason of default or Maker's failure to promptly pay or extend such evidence of indebtedness.

All of the agreements, conditions, covenants, provisions, and stipulations contained in the Agreement are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If an Event of Default occurs under the Agreement, this Note, or any other instrument securing this Note, then the Holder of this Note may at its right and option, without notice, declare immediately due and payable the principal balance of this Note and interest accrued thereon, if any, together with reasonable attorneys' fees and expenses incurred by the Holder of this Note in collecting or enforcing payment hereof, whether by lawsuit or otherwise, and all other sums due hereunder or any instrument securing this Note. The Maker of this Note agrees that the Holder of this Note may, without notice to and without affecting the liability of the Maker, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

If any term of this Note, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term to persons or circumstances other than those to which it is invalid or unenforceable shall not be affected thereby, and each term of this Note shall be valid and enforceable to the fullest extent permitted by law.

If any Event of Default occurs, and if Holder engages legal counsel or others in connection with advice to Holder or Holder's rights and remedies under the Agreement or this Note, Maker shall pay all reasonable expenses incurred by Holder for such persons, irrespective of whether any suit or other proceeding has been or is filed or commenced. Any such expenses, costs and charges shall constitute additional principal, payable upon demand, and subject to this Note. Any such costs or charges which become additional principal shall not be forgivable under the terms of this Note.

It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and is governed by the laws thereof. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

The performance or observance of any promise or condition set forth in this Note may be waived, amended, or modified only by a writing signed by the Maker and the Holder. No delay in

the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed as of the 17
day of June, 2020.

T. Nelson Properties, LLC

By: 
Todd Nelson
Its: owner

By: _____
Its: _____

Exhibit B

Legal Description

The east 127 feet of the north two thirds (N 2/3) of Lot 5 in Block 57 in the Original Town (now City) of Faribault, Rice County, Minnesota.







Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: July 11, 2022
SUBJECT: Robinwood Manor - Monthly Operating and Budget Statement

BACKGROUND:

The purpose of this memorandum is to provide the HRA with an update on the activity at Robinwood Manor for the month of MAY2022.

- Occupancy: 98% Leased
- Turnovers: 0 (one unit leased 5/24/22)
- Vacancy: 1 Wheelchair Accessible unit
- Extraordinary Expenses:
 - Carpet/Vinyl/Base - unit #205
 - Range replacement - unit #103

The FreshAir contract expires on 8/31/2022 (24/7 Wi-Fi enabled monitoring subscription). Staff is recommending that the subscription not be renewed.

REQUESTED ACTION:

Review and approve operating/monthly (to be distributed at the meeting).
Provide direction on the continuation/cancellation of the FreshAir Sensor subscription.

ATTACHMENTS:



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: July 11, 2022
SUBJECT: Public Housing - Monthly Operating and Budget Statement

BACKGROUND:

The purpose of this memorandum is to provide the HRA with an update on the activity of the Public Housing Program for the month of MAY 2022.

- Occupancy: 100% leased
- Turnovers: 0
- Vacancy: 0
- Extraordinary Expenses:
 - Range replacement
 - RAD Declaration of Trust recording fees

REQUESTED ACTION:

Review and approve operating statement for the month of MAY 2022 (to be distributed at the meeting).

ATTACHMENTS:



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: July 11, 2022
SUBJECT: Scattered Sites - Monthly Operating and Budget Statement

BACKGROUND:

The purpose of this memorandum is to provide the HRA with an update on the activity in the Scattered Sites program for the month of MAY 2022.

- Property Address: 16 SE 1st Street
- Occupancy: 100% leased
- Turnovers: 0
- Vacancy: 0
- Extraordinary Expenses:
 - None

REQUESTED ACTION:

Review and approve the operating/month budget (to be distributed at the meeting).

ATTACHMENTS:



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: July 11, 2022
SUBJECT: Habitat for Humanity - Financial Support for 2022 Build Season

BACKGROUND:

Traditionally, the HRA has supported Habitat for Humanity by providing funding for building permit fees for builds within the City. Habitat for Humanity has reached out again, seeking financial support for the 2022 build season. In 2022, Rice County Habitat for Humanity is building five (5) homes. They are requesting \$5,000 per home, for a total of \$25,000 to offset the building permit costs.

Attached is a letter from Rice County Habitat for Humanity Executive Director Dayna Norvold. Ms. Norvold will also be in attendance at the meeting to discuss their build plans, financial request, and other ways to support home ownership opportunities in the community.

REQUESTED ACTION:

Consider 2022 financial support for the Rice County Habitat for Humanity builds within the City of Faribault.

ATTACHMENTS:

1. 2022.5 Request to Faribault HRA

To: City of Faribault, Housing and Redevelopment Authority
From: Rice County Habitat for Humanity, Dayna Norvold, Executive Director
Date: For June 13, 2022 HRA meeting
Re: Reimbursement for Build Permits for 2022 Builds

Rice County Habitat for Humanity is asking that the Faribault HRA assist us with five houses we're doing in 2022. We have very much appreciated the support you've shown of our past efforts to provide HOMEOWNERSHIP in Faribault and we look forward to your partnership in 2022.

In the past, you've reimbursed us the cost of the building permits for the homes we are building in Faribault. Below is some information about the five homes we're building in Faribault in 2022.

As an example, the price for a build permit in 2020 in Faribault (the last time we built in Faribault) was \$5,910.07 and the HRA reimbursed Habitat \$5,000 for each of three houses, totaling \$15,000.

We request support at that same level = 5K per home = 25K total.

Why Support Habitat Homes?

We are the only builder in the county who provides an opportunity for affordable homeownership. We are seeing more and more development of affordable rentals (great) but there's no one else doing affordable homeownership. Habitat for Humanity believes that homeownership is the lever we can pull to positively impact so many other things in our communities: health, education, racial disparities and reliance on government support.

- Study after study shows that affordable homeownership of safe and decent homes positively impacts health (mental and physical). There are less respiratory issues and stress declines with a predictable affordable payment.
- Homeownership leads to better math and reading scores in children and higher graduation rates from high school and college.
- Children of homeowners (vs children of renters) have fewer delinquency and truancy issues. That's good for ALL of us when our classrooms and schools have less chaos.
- Homeownership for all people can reduce the wealth gap that we see all over our state.
- Homeownership reduces the need for families to rely on government support. Food support, utility assistance and welfare all decline when people have an affordable home mortgage.

Partner Families

We have selected five Partner Families for 2022. There are 8 adults and 21 kids in these five households. They are all getting their first mortgages with USDA's Rural Development program. They do not qualify for the full amount of what it will take to build these homes and that's why we look to the HRA for partnership. Habitat for Humanity subsidizes the gap between what they can afford and what it costs to build.

Costs

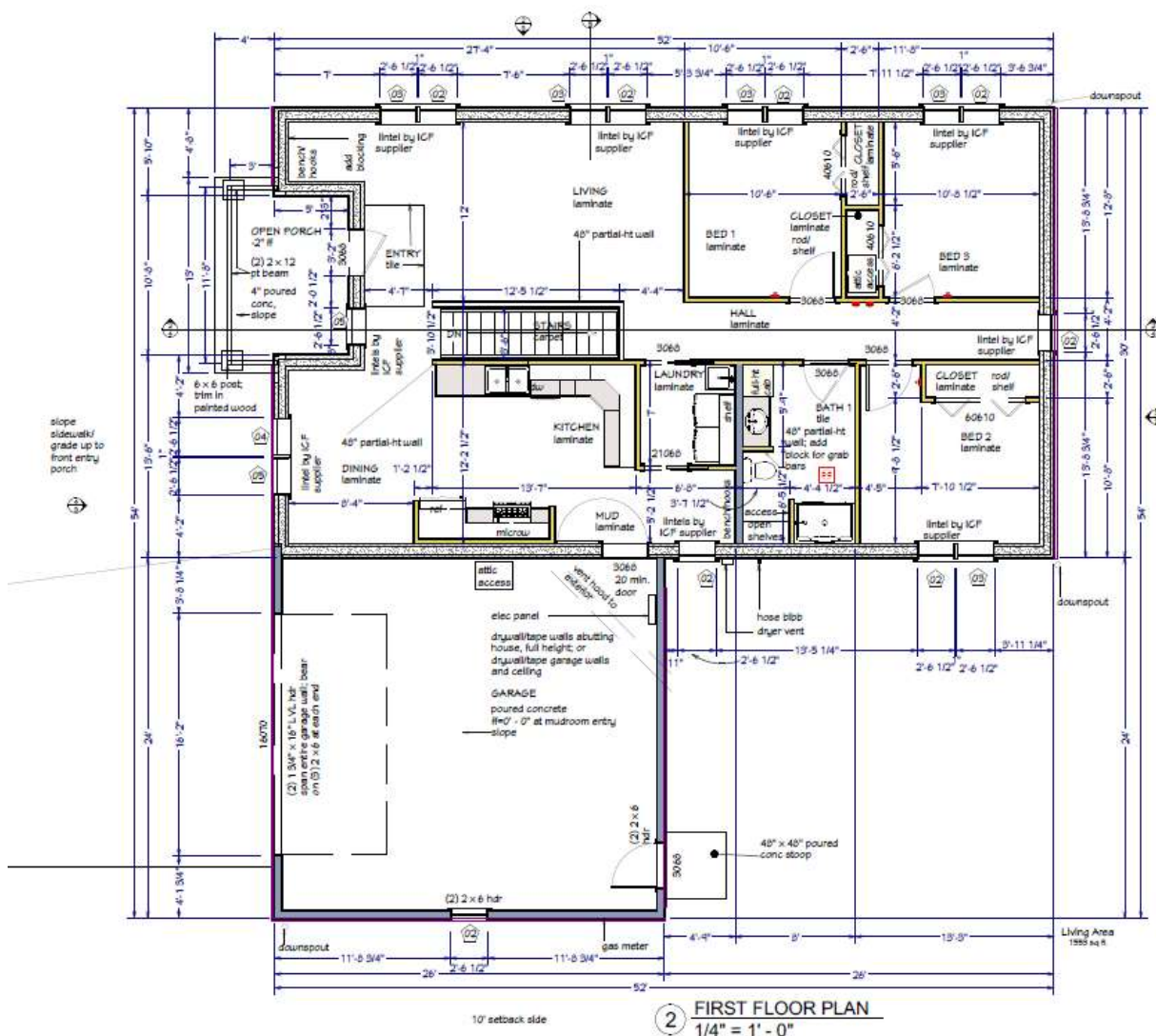
Perhaps you've heard... building costs are sky high right now. Even with donated labor and discounted prices from sub-contractors (electrical, plumbing and HVAC) our last single-family home in 2021 was 240K. That does not include any staff costs, insurance, tools, etc. We are collecting bids for the 2022 season but all signs point to that number increasing.

3012 Acorn Trail
3016 Acorn Trail
3024 Acorn Trail
3009 Twin Lakes Court
3010 Twin Lakes Court



All five homes will have five completed bedrooms and two completed bathrooms. The picture above is the exterior of one of the homes. All five homes will have the same interior layout but different exteriors. I've provided the layout for the first floor of the interior of the home. I've also provided some pictures of the different exteriors that we're considering.

We have changed our standard design to include accessibility features which include laundry on the main level and a walk in shower on the main level. A bathroom that includes a tub is in the basement. As we consider how people are aging in place, we know that one of the main issues for people as they get older is laundry and bathroom accessibility. That's why we've included those things on the main level.



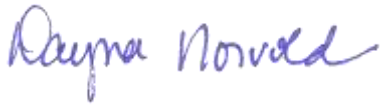
THANK YOU for your
consideration of our request.

I'm happy to talk with you
further about Habitat.... You
know I could talk about it all
day!

If you'd like a tour of a
completed Habitat home,
please let me know and we
can arrange that.

Thanks for your work in our
community.

Sincerely,



Dayna Norvold
Executive Director





Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: July 11, 2022
SUBJECT: 2023 Initial Budget Discussion

BACKGROUND:

The City's Finance Department is asking the HRA to consider approving a preliminary budget in August, when the HRA is required to approve the preliminary levy. There will still be time to refine the 2023 budget after the preliminary approval.

To move towards adhering to this schedule request, the approved 2022 budget is attached. The HRA is asked to review and come to the meeting prepared to provide input on program/initiatives for future years. Please note - due to a staffing shortage, no progress was made on the implementation of new programs in 2022.

It is also important to note that there will be significant changes to the future HRA fund and the Public Housing fund (not attached) due to the repositioning that will be finalized in 2022.

REQUESTED ACTION:

Be prepared to discuss 2023 budget priorities.

ATTACHMENTS:

1. Final 2022 HRA for HRA
2. Levy Calculations for HRA FY 2023

Entry Name	Acct 1	Acct 2	Acct 3	Acct 4	Account Description	Detail Description	Detail Amount
HRA	280	00000	461	31010	Current Ad Valorem Taxes		\$309,820.00
HRA	280	00000	461	34108	Administrative Fees	Public Housing Administration	\$80,484.00
						Robinwood Administration - rent increase results in mgmt fee increase	
HRA	280	00000	461	34108	Administrative Fees		\$45,250.00
HRA	280	00000	461	34700	Application Fees		\$0.00
HRA	280	00000	461	36200	Other Miscellaneous Revenue		\$1,000.00
HRA	280	00000	461	36210	Interest on Investments		\$10,000.00
HRA	280	00000	461	36215	Loan Interest		\$360.00
HRA	280	00000	461	36400	Loan Principal		\$12,000.00
						Revenue	\$458,914.00
HRA	280	46310	461	43040	Legal Fees - Civil Process		\$5,000.00
HRA	280	46310	461	43070	Management Services		\$0.00
HRA	280	46310	461	43080	Indirect Cost Allocation		\$216,620.00
HRA	280	46310	461	43090	Expert & Professional Services		\$20,000.00
HRA	280	46310	461	43095	Software Maintenance & Support	Direct charge for HDS software	\$3,200.00
HRA	280	46310	461	43130	Special Programs	Fix Up Program	\$50,000.00
HRA	280	46310	461	43130	Special Programs	Mobile Home Buyout - activity decreasing for program	\$20,000.00
HRA	280	46310	461	43130	Special Programs	Mobile Home Heat Tape	\$10,000.00
						Downpayment Assistance	\$100,000.00
HRA	280	46310	461	43130	Special Programs	Downtown Rehab (2nd floor apartments)	\$100,000.00
HRA	280	46310	461	43140	Training & Education		\$0.00
HRA	280	46310	461	43310	Travel Expense		\$0.00
HRA	280	46310	461	43430	Advertising - Other		\$1,500.00
HRA	280	46310	461	43510	Legal Notices Publishing		\$1,500.00
HRA	280	46310	461	43520	Recording Fees		\$0.00
						Includes Heritage Bluff Park \$3,596 - HRA will go through process in 2020 to transfer land to the City	
HRA	280	46310	461	43610	Insurance & Bonds		\$9,116.00
HRA	280	46310	461	44330	Dues & Subscriptions		\$500.00
						Expenses	\$537,436.00
						Use of Fund Balance	-\$78,522.00

**FARIBAULT HOUSING AND REDEVELOPMENT AUTHORITY
GENERAL FUND
PRELIMINARY 2023 HRA LEVY CALCULATIONS**

Authority

Minnesota Statutes 469.033, Subdivision 6

"The amount of the levy shall be an amount approved by the governing body of the city, but shall not exceed 0.0185 percent of the taxable market value."

Maximum Levy Calculation

PY Estimated Market Value	\$ 1,777,564,900
Percentage Allowed	0.0185
Maximum Levy	\$ 328,850

HRA Levy History

<u>Year</u>	<u>Gross Levy*</u>	<u>Net Levy</u>	<u>% of Gross Levy</u>
1998	\$ 74,703	\$ 67,000	
1999	56,325	48,622	
2000	71,356	63,611	89%
2001	75,568	67,864	90%
2002	100,267	100,267	100%
2003	105,280	105,280	100%
2004	124,330	124,330	100%
2005	139,552	139,552	100%
2006	156,357	156,357	100%
2007	177,288	177,288	100%
2008	188,107	188,107	100%
2009	270,690 **	211,834	78%
2010	273,620	234,468	86%
2011	266,485	234,468	88%
2012	251,068	239,157	95%
2013	219,726	219,726	100%
2014	197,300	197,300	100%
2015	197,300	197,300	100%
2016	201,682	201,682	100%
2017	206,937	206,937	100%
2018	217,365	217,365	100%
2019	229,713	229,713	100%
2020	251,907	251,907	100%
2021	295,900	295,900	100%
2022	309,820	309,820	100%
2023	328,850	328,850	100%

*Assumes \$7,704 HACA for years 1990-2001

**The percentage allowed was increased by the 2008 Legislature from .0144 to .0185.