

**SPECIAL MEETING  
COMP PLAN REVIEW  
MONDAY, NOVEMBER 13, 2017  
6:00 P.M. – CITY HALL**

**AGENDA  
REGULAR COUNCIL MEETING  
CITY OF CROSSLAKE  
MONDAY, NOVEMBER 13, 2017  
7:00 P.M. – CITY HALL**

**A. CALL TO ORDER**

1. Pledge of Allegiance
2. Approval of Additions to the Agenda (**Council Action-Motion**)

**B. PUBLIC HEARING – PROPOSAL FOR ISSUANCE OF EDUCATIONAL FACILITIES REVENUE NOTES FOR THE CROSSLAKE COMMUNITY SCHOOL PROJECT**

1. Public Comments
2. Council Comments
3. Pledge and Security Agreement (Information)
4. Pledge Agreement
5. Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement (Information)
6. Loan Agreement (Information)
7. Resolution Approving the Issuance and Sale of an Educational Facilities Revenue Note, Series 2017 and Authorizing the Execution of Documents Relating Thereto (Crosslake Community School Project) (**Council Action-Motion**)

**C. CONSENT CALENDAR – NOTICE TO THE PUBLIC** – All items here listed are considered to be routine by the City Council and will be acted on by one **motion**. There will be no separate discussion on these items unless a Citizen or Councilmember so requests:

1. Public Hearing Minutes of October 4, 2017
2. Regular Council Meeting Minutes of October 9, 2017
3. Budget Workshop Minutes of October 23, 2017
4. City – Month End Revenue Report dated October 2017
5. City – Month End Expenditures Report dated October 2017
6. October 2017 Budget to Actual Analysis
7. Pledged Collateral Report dated October 31, 2017
8. Police Report for Crosslake – October 2017
9. Police Report for Mission Township – October 2017
10. Fire Department Report – October 2017
11. North Memorial Ambulance Report – October 2017
12. Planning and Zoning Monthly Statistics
13. Planning and Zoning Commission Meeting Minutes of September 22, 2017
14. Letter dated October 31, 2017 from MPCA Re: WWTF Plans and Specification Approval
15. Pay Request from Blue Water Wells, Inc. for New Well
16. Pay Request No. 1 and 2 from Eagle Construction Co., Inc. for WWTF Improvements
17. Pay Request No. 4 from DeChantel Excavating for 2017 Road Improvements
18. Letter dated October 31, 2017 from County Highway Department Re: 2018 Bituminous Seal Coat Schedule
19. Crosslake Roll Off Recycling Report for October 2017
20. Waste Partners Recycling Report for September 2017

21. Resolution Accepting Donations
22. Paul Bunyan Scenic Byway Association Newsletter Fall 2017
23. Pay Request No. 2 from Redstone Construction for Dream Island Bridge
24. Letter dated October 19, 2017 from Crow Wing Power Re: Municipal Meter Relief Program
25. Bills for Approval

#### **D. CRITICAL ISSUES**

1. "If I Were Mayor for a Day" Essay Readers from Crosslake Community School
  - a. Noah Paulsen
  - b. Brooke Givens
  - c. Izabella Hansen
  - d. Wyatt Brown

#### **E. MAYOR'S REPORT**

1. Memo dated 11/13/17 from Mayor Re: EDA Appointment (**Council Action-Motion**)

#### **F. PUBLIC FORUM - No action will be taken on any of the issues raised. If appropriate, the issues will be placed on the agenda of a future council meeting. Speaker must state their name and address. Each speaker is given a three minute time limit.**

#### **G. CITY ADMINISTRATOR'S REPORT**

1. David Drown – Issuance of Bonds for Sewer Improvement Project (*to be handed out Monday night*) (**Council Action-Motion**)
2. Memo dated November 6, 2017 from City Clerk Re: Ordinance Re: Off Sale Liquor Sales on Sunday (**Council Action-Motion**)
3. Memo dated November 13, 2017 from City Administrator RE: Salary Adjustment Recommendations (**Council Action-Motion**)
4. Proposed 2018 Tax Rates from Crow Wing County (Council Information)

#### **H. COMMISSION REPORTS**

##### **1. PARK & RECREATION/LIBRARY**

- a. Staff Report dated November 5, 2017 from Jon Henke Re: Community Center Updates (**Council Action-Motion**)
- b. Appraisal Report for Parcels 120311100B00009 and Part of 120311100A00009 on Perkins Road (**Council Direction**)

#### **I. PUBLIC FORUM – No action will be taken on any of the issues raised. If appropriate, the issues will be placed on the agenda of a future council meeting. Speaker must state their name and address. Each speaker is given a three minute time limit.**

#### **J. OLD BUSINESS**

#### **K. NEW BUSINESS**

#### **L. CITY ATTORNEY REPORT**

- a. Closed Session pursuant to M.S. 13D, Subd. 3b subject to attorney client privilege to discuss pending litigation/settlement information

#### **M. ADJOURN**

B. 3.

**PLEDGE AND SECURITY AGREEMENT**

**THIS PLEDGE AND SECURITY AGREEMENT** (as hereafter amended, modified or supplemented, this "Agreement"), dated as of December \_\_, 2017, by **LAKES AREA KIDS ENRICHMENT FOUNDATION**, a Minnesota nonprofit corporation (together with its permitted successors and assigns, the "Borrower") to **NORTH AMERICAN BANKING COMPANY**, a Minnesota corporation (together with its permitted successors and assigns, the "Lender").

**WITNESSETH:**

WHEREAS, the City of Crosslake, Minnesota (the "City") has issued its \$6,175,000 Educational Facilities Revenue Note, Series 2017 (Crosslake Community School Project) (the "Note") pursuant to a Loan Agreement, dated as of December \_\_, 2017 (as amended, modified or supplemented from time to time, the "Loan Agreement"), between the Borrower and the City, to finance the acquisition, construction and equipping of a grades Kindergarten through 12 public (charter) school facility that will be leased to the Crosslake Community School, a Minnesota nonprofit corporation (the "School"), by the Borrower, located at 35808 County Road 66, in the City of Crosslake, Minnesota (the "Project"); and

WHEREAS, the City has pledged and granted a security interest in all of its rights, title and interest in the Loan Agreement to the Lender; and

WHEREAS, the Borrower has embarked on a fundraising capital campaign with respect to the Project and has been and will be receiving capital campaign pledges and donations (the "Capital Campaign Pledges") with respect to the Project and the Borrower has agreed to deposit all cash received with respect to such Capital Campaign Pledges into an account held by Lender (the "Capital Campaign Account") as security for the Note; and

NOW, THEREFORE, in consideration of the foregoing and the undertakings set forth herein and in the Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower hereby agrees as follows:

1. Pledge and Assignments.

(a) As continuing security for the strict performance and observance by the Borrower of all its agreements, warranties, covenants, conditions and other obligations under the Loan Agreement and the Note, the Borrower hereby transfers, pledges and assigns to Lender all of the Borrower's rights, now existing or hereafter arising, to receive the Capital Campaign Pledges and the Capital Campaign Account.

(b) The Lender and the Borrower both acknowledge that the Borrower's payment obligations under this Agreement are limited to funds and donations received pursuant to the Capital Campaign Pledges. No other revenues of the Borrower are pledged or assigned under this Agreement.

(c) Neither this Agreement nor any action or actions on the part of the Lender shall constitute an assumption by the Lender of any of the Borrower's obligations with respect to any Capital Campaign Pledges.

(d) The Lender, at any time after the occurrence of a Default (as hereinafter defined), may in the place and stead of the Borrower in its own name, exercise all rights and powers of the Borrower regarding receipt of the Capital Campaign Pledges to the same extent as the Borrower may exercise such rights and powers with respect thereto.

2. Capital Campaign Account. Pursuant to the Loan Agreement, the Borrower has agreed to deposit the cash received with respect to the Capital Campaign Pledges made while this Agreement remains in effect directly to the Lender on behalf of the Borrower, to be retained in an account of the Lender (the "Capital Campaign Account") pursuant to the terms of the Loan Agreement. The Borrower hereby grants to the Lender a security interest in the Capital Campaign Account as security for all obligations of the Borrower under the Note and the Loan Agreement.

3. Representations and Warranties. The Borrower hereby represents and warrants that it has all requisite power and authority and the legal right to enter into this Agreement, and that its execution, delivery and performance of this Agreement is within its powers, have been duly authorized by all necessary Borrower action, and do not contravene any agreement applicable to it or restrictions binding on or affecting it or its assets.

4. Covenants. The Borrower covenants and agrees:

(a) At any time and from time to time, upon the request of the Lender, promptly and duly to execute and deliver such further instruments and documents as the Lender may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and the rights and powers granted herein (including without limitation, financing or continuation statements); and

(b) Not to assign or grant any other interests in the Borrower's rights with respect to the Capital Campaign Pledges; provided, however, the Borrower may assign or grant any interests or rights with respect to the Capital Campaign Pledges in excess of the outstanding principal amount of the Note.

5. Default.

(a) For purposes of this Agreement, the failure of the Borrower to deposit the cash with respect to Capital Campaign Pledges with the Lender as and when required under the Loan Agreement, subject to any applicable cure periods, in accordance with the terms thereof shall constitute a "Default."

(b) Upon the occurrence and during the continuation of a Default, the Lender may exercise any and all rights that the Borrower has to collect the Capital Campaign Pledges. So long as no Default has occurred and is continuing, the Borrower shall have the right to enforce all rights and benefits granted to them under said instruments; provided, however, that the cash received with respect to the Capital Campaign Pledges shall nevertheless be deposited with the Lender as provided herein and in the Loan Agreement. Under no circumstances will the Lender assert a claim against the Project.

6. Appointment of Lender as Attorney in Fact. The Borrower hereby irrevocably constitutes and appoints the Lender with full power of substitution, as its true and lawful attorney-in-

fact, with full irrevocable power and authority in the place and stead of the Borrower, and in the name of the Borrower, to exercise after a Default all rights and powers of the Borrower with respect to the Capital Campaign Pledges, including, without limitation, the right and power to do any of the following:

(a) to commence and prosecute any suits, actions, or proceedings at law or in equity in any court of competent jurisdiction, to collect monies on behalf of the Borrower due at any time with respect to the Capital Campaign Pledges;

(b) to commence and prosecute any suits, actions, or proceedings, at law or in equity, in any court of competent jurisdiction, at the times and in the circumstances in which such execution is permitted; and

(c) to settle, compromise or adjust any such suit, action or proceeding.

The Borrower hereby ratifies all that said attorneys shall properly do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

7. Release and Indemnity. Borrower hereby releases the Lender from and agrees to indemnify the Lender from and against any and all claims, losses and liabilities growing out of or resulting from the exercise of any rights granted under this Agreement or any actions taken in accordance with the terms of this Agreement.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, without giving effect to its conflict of laws principles.

9. Duties of Lender. The rights and powers conferred on the Lender hereunder are solely to protect its interest in the rights to the Capital Campaign Pledges assigned herein and shall not impose any duty upon the Lender to exercise any such rights or powers.

10. Submission to Jurisdiction; Waivers.

(a) The Borrower hereby irrevocably and unconditionally:

(i) Submits itself and its property in any legal action or proceeding relating to this Agreement or any other document executed in connection with the transactions contemplated hereby or for recognition and enforcement of any judgment in respect hereof, to the nonexclusive jurisdiction of the courts of the State of Minnesota, the courts of the United States of America for the State of Minnesota, and the appellate courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court, and agree to not to plead or claim the same;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially

similar form of mail), postage prepaid to the party at the address given beneath its signature on this Agreement; and

(iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law nor limit the right of the Lender to sue in any other jurisdiction.

(b) The Borrower hereby irrevocably and unconditionally waives trial by jury in any legal action or proceeding relating to or arising out of this Agreement.

11. Termination. Upon the payment in full by the Borrower of all amounts due and owing under the Loan Agreement and with respect to the Note, the Lender shall terminate this Agreement and release the security interests granted hereunder. Notwithstanding the foregoing, the indemnities contained herein, including the indemnity set forth in Section 7 hereof, shall survive such termination.

12. No Amendments. This Agreement shall not be amended except by a writing executed by the Borrower and the Lender.

IN WITNESS WHEREFORE, the Borrower has executed and delivered this Pledge and Security Agreement as of the day and year first above written.

**LAKES AREA KIDS ENRICHMENT  
FOUNDATION**

a Minnesota nonprofit corporation, as Borrower

By: \_\_\_\_\_

Its: \_\_\_\_\_

Address:

\_\_\_\_\_  
\_\_\_\_\_

**NORTH AMERICAN BANKING COMPANY**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Address:  
2230 Albert Street  
Roseville, MN 55113



B.4.

## PLEDGE AGREEMENT

This Pledge Agreement is made as of December \_\_, 2017 between the City of Crosslake, Minnesota, a municipal corporation and political subdivision of the State of Minnesota (the "Issuer") and North American Banking Company, a Minnesota corporation (the "Lender").

### Recitals

WHEREAS, Lakes Area Kids Enrichment Foundation, a Minnesota nonprofit corporation (the "Borrower"), and the Issuer have entered into a Loan Agreement (the "Loan Agreement") of even date herewith, pursuant to which the Issuer will lend to the Borrower the proceeds of the Educational Facilities Revenue Note, Series 2017 (the "Note") in an amount not to exceed \$6,175,000; and

WHEREAS, the Note is to be payable from and secured by the loan repayments to be made by the Borrower under the Loan Agreement; and the Lender, as a condition to the purchase of the Note, has required the execution of this Pledge Agreement.

NOW THEREFORE, as an inducement to the Lender to purchase the Note, and in consideration of the promises and other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the parties hereby agree as follows:

1. In order to secure the due and punctual payment of the Note and all other sums due the Lender under the Loan Agreement, the Issuer does hereby pledge, assign, and grant a security interest to the Lender all of the Issuer's right, title and interest in and to the Loan Agreement, subject to the Issuer's rights under the provisions of Section 7.9 thereof.

2. The Issuer hereby represents and warrants to the Lender that the Issuer's right, title and interest in the Loan Agreement are free and clear of any lien, security interest or other encumbrance other than that arising under this Pledge Agreement.

3. The Issuer hereby authorizes the Lender to exercise, whether or not a default exists under the Note or an Event of Default has occurred under the Loan Agreement, either in the Issuer's name or the Lender's name, any and all rights or remedies available to the Issuer under the Loan Agreement. The Issuer agrees, on request of the Lender, to execute and deliver to the Lender such other documents or instruments as shall be deemed necessary or appropriate by the Lender at any time to confirm or perfect the security interest hereby granted. The Issuer hereby appoints the Lender its attorney-in-fact to execute on behalf of the Issuer, and in its name, any and all such assignments, financing statements or other documents or instruments which the Lender may deem necessary or appropriate to perfect, protect or enforce the security interest hereby granted.

4. The Issuer will not:

(a) exercise or attempt to exercise any remedies under the Loan Agreement, except as permitted by Sections 6.2 and 7.9 of the Loan Agreement, or terminate, modify or accept a surrender of the same, or by affirmative act, consent to the creation or existence of any

security interest or other lien in the Loan Agreement to secure payment of any other indebtedness; or

(b) receive or collect or permit the receipt or collection of any payments, receipts, rentals, profits or other moneys under the Loan Agreement (except as allowed under Section 7.9 thereof) or assign, transfer or hypothecate (other than to the Lender hereunder) any of the same then due or to accrue in the future.

5. The Issuer expressly covenants and agrees that the Lender shall be entitled to receive all payments under the Loan Agreement (except any payments due the Issuer under Section 7.9 thereof), and hereby authorizes and directs the Borrower to make such payments directly to the Lender. The Lender covenants and agrees that all payments received by the Lender pursuant to the Loan Agreement shall be applied as provided in the Loan Agreement.

6. The Lender agrees to advance the purchase price of the Note directly to the Borrower as provided in the Note and the Loan Agreement. In accordance with Section 7.9 of the Loan Agreement the Lender hereby assumes the Issuer's and Lender's obligations to the Borrower thereunder except for the Issuer's obligations in connection with its representations in Section 2.1 of the Loan Agreement which are not being assumed.

7. If an Event of Default (as defined in the Loan Agreement) shall occur and be continuing, the Lender may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, in addition to any other remedy at law or in equity or specified in the Loan Agreement, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

(a) The Lender may, without prior notice of any kind declare the principal of and interest accrued and any premium (as defined in the Loan Agreement) on the Note immediately due and payable.

(b) The Lender may exercise any rights and remedies and options of a secured party under the Uniform Commercial Code as adopted in the State of Minnesota and any and all rights available to it under the Loan Agreement, Mortgage, and Security Agreement (as defined in the Loan Agreement) securing payment of the Note.

8. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Pledge Agreement contained by or on behalf of the Issuer or the Lender shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

9. The unenforceability or invalidity of any provision or provisions of this Pledge Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

10. This Pledge Agreement shall in all respects be construed in accordance with and governed by the laws of the State of Minnesota. This Pledge Agreement may not be amended or modified except in writing signed by the Issuer and the Lender.

11. This Pledge Agreement may be executed, acknowledged and delivered in any number of counterparts and each of such counterparts shall constitute an original but all of which together shall constitute one agreement.

12. The terms used in this Pledge Agreement which are defined in the Loan Agreement shall have the meanings specified therein, unless the context of this Pledge Agreement otherwise requires, or unless such terms are otherwise defined herein.

13. No obligation of the Issuer hereunder shall constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers, but shall be payable solely out of the proceeds and the revenues derived under the Loan Agreement.

[Remainder of page intentionally blank; signature page follows.]

IN WITNESS WHEREOF, the Issuer and the Lender have caused this Pledge Agreement to be duly executed as of the day and year first above written.

City of Crosslake, Minnesota

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its City Administrator

Signature page to Pledge Agreement

North American Banking Company

By \_\_\_\_\_  
Its Chief Executive Officer

Signature page to Pledge Agreement

B.5.

**MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND  
FIXTURE FINANCING STATEMENT**

**made by**

**LAKES AREA KIDS ENRICHMENT FOUNDATION,  
Mortgagor**

**in favor of**

**NORTH AMERICAN BANKING COMPANY,  
Mortgagee**

**Dated as of December \_\_, 2017**

**(THIS MORTGAGE IS ALSO A FIXTURE FINANCING STATEMENT AND CONTAINS  
AFTER-ACQUIRED PROPERTY PROVISIONS.)**

---

This instrument was drafted by:  
Briggs and Morgan, Professional Association (CJC)  
2200 IDS Center  
80 South 8<sup>th</sup> Street  
Minneapolis, MN 55402  
(612) 977-8400

THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FINANCING STATEMENT (this "Mortgage") is made as of December \_\_, 2017 by Lake Area Kids Enrichment Foundation, a Minnesota nonprofit corporation (the "Borrower"), having its principal offices at 35808 County Road 66, Crosslake, Minnesota 56442, in favor of North American Banking Company, a Minnesota corporation ("Lender"), having an office at 2230 Albert Street, Roseville, Minnesota 55113. The Borrower is also herein referred to as the "Mortgagor".

RECITALS:

WHEREAS, the City of Crosslake, Minnesota, (the "Issuer") has issued its Educational Facilities Revenue Note, Series 2017 (Crosslake Community School Project) (the "Note"), with a final maturity date of \_\_\_\_\_, 20\_\_ and bearing interest and maturing as provided therein and the Lender has purchased the Note from the Issuer; and

WHEREAS, the Issuer will loan the proceeds of the Note to the Mortgagor pursuant to a Loan Agreement dated as of the date hereof, between the City and the Mortgagor (the "Loan Agreement") for the acquisition, construction, and equipping of a charter school facility to include an approximately 36,160 square-foot, grades Kindergarten through 12 public (charter) school facility that will leased to the School by the Borrower, to be located on approximately 10 acres at 35808 County Road 66, in the City of Crosslake, Minnesota on the property legally described on Exhibit A attached hereto (the "Project") and the Issuer's interest in the Loan Agreement, except for certain reserved rights, has been assigned to the Lender; and

WHEREAS, pursuant to the Loan Agreement, the Borrower has covenanted, among other things, to make loan repayments sufficient to pay amortized installments of principal and interest on the Note when due; and

WHEREAS, the Issuer and the Lender have required, as a condition for the issuance of the Note by the Issuer and for the purchase and acceptance of the Note by the Lender, that the Mortgagor secure the Note by this Mortgage.

A. LAND AND IMPROVEMENTS

The land described in Exhibit A attached hereto and all mineral rights, hereditaments, easements and appurtenances thereto (the "Land"), and all improvements and structures now or hereafter located thereon (the "Improvements"); and

B. FIXTURES AND PERSONAL PROPERTY

All fixtures (the "Fixtures"), and all machinery, equipment and personal property (collectively, the "Personal Property") now or hereafter located on, in or under the Land and the Improvements, or usable in connection with the Land or the Improvements, and which are owned by Borrower or in which Borrower has an interest, including any construction and building materials stored on and to be included in the Improvements, plus any repairs, replacements and betterments to any of the foregoing and the proceeds and products thereof; and

C. LEASES AND RENTS

All rights of Mortgagor with respect to Tenants or occupants now or hereafter occupying all or any part of the Land or the Improvements, if any, including without limitation the Lease of even date herewith, as it may be amended from time to time, between the Borrower, as lessor, and Crosslake Community School, a Minnesota nonprofit corporation, as lessee, and all leases, rental agreements,

occupancy agreements and licenses and rights in connection therewith, whether oral or written, and all guaranties and other supporting obligations relating thereto (each a "Lease", collectively, the "Leases"), and all rents, profits, issues and income, both from services and occupation, royalties, revenues and payments, including prepayments and security deposits (collectively, the "Rents"), which are now or hereafter due or to be paid in connection with the Land, the Improvements, the Fixtures or the Personal Property; and

#### D. GENERAL INTANGIBLES

All general intangibles of Mortgagor which relate to any of the Land, the Improvements, the Fixtures, the Personal Property, the Leases or the Rents, including proceeds of insurance and condemnation or conveyance of the Land and the Improvements, accounts, trade names, contract rights, accounts and bank accounts; and

#### E. OTHER PROPERTY

All feasibility studies, plans and specifications, soil tests, environmental reports, engineering reports, architect's, engineer's and construction contracts, licenses, permits, certificates and documents relating to the Land, the Improvements, the Fixtures and the Personal Property; and

#### F. AFTER ACQUIRED PROPERTY AND PROCEEDS

All property similar to the property herein described and conveyed which may be subsequently acquired by Mortgagor and used in connection with the Land, the Improvements, the Fixtures, the Personal Property and other property; and all cash and non-cash proceeds and products of all of the foregoing property.

TO HAVE AND TO HOLD the same, and all estate therein, together with all the rights, privileges and appurtenances thereunto belonging, to the use and benefit of Lender, its successors and assigns, forever.

PROVIDED NEVERTHELESS, should Mortgagor pay and perform all the Obligations, then these presents will be of no further force and effect, and this Mortgage shall be satisfied by Lender, at the expense of Borrower.

MORTGAGOR FURTHER agrees as follows:

#### ARTICLE 1.

#### AGREEMENTS

Section 1.1 Performance of Obligations; Incorporation by Reference. Borrower shall pay and perform the Obligations. Time is of the essence hereof. All of the covenants, obligations, agreements, warranties and representations of Borrower contained in the Loan Agreement and the other Loan Documents and all of the terms and provisions thereof, are hereby incorporated herein and made a part hereof by reference as if fully set forth herein.

Section 1.2 Further Assurances. If Lender requests, Mortgagor shall sign and deliver and cause to be recorded and hereby authorizes Lender to record to the full extent permitted by applicable law, any further mortgages, instruments of further assurance, certificates and other documents as Lender reasonably may consider necessary or desirable in order to perfect, continue and preserve the Obligations and Lender's rights, title, estate, liens and interests under the Loan Documents. Borrower further agrees



to pay to Lender, upon demand, all reasonable costs and expenses incurred by Lender in connection with the preparation, execution, recording, filing and refiling of any such documents, including reasonable attorneys' fees and title insurance costs.

Section 1.3 Sale, Transfer, Encumbrance. If Mortgagor sells, conveys, transfers or otherwise disposes of, or encumbers, any part of its interest in the Mortgaged Property, legal or equitable, whether voluntarily, involuntarily or by operation of law, other than to a trustee or receiver, without the prior written consent of Lender, which consent may be given or withheld by Lender in its sole and absolute discretion, Lender shall have the option to declare the Obligations immediately due and payable without notice to Mortgagor (which notice Mortgagor hereby expressly waives). Included within the foregoing actions requiring prior written consent of Lender are: (a) sale by deed, land sale contract or contract for deed; (b) mortgaging or granting a Lien (as hereinafter defined) on the Mortgaged Property; and (c) the occurrence of any event which constitutes a change in control that is not in accordance with Section 4.2 of the Loan Agreement) with respect to Mortgagor. Mortgagor shall give notice of any proposed action to Lender at least thirty (30) days prior to taking such action. Borrower shall pay all costs and expenses incurred by Lender in evaluating any such action. Lender may condition such consent upon modification of the Loan Documents or payment of fees. The consent by Lender to any action shall not constitute a waiver of the necessity of such consent to any subsequent action. No transfer, conveyance, lease, sale or other disposition shall relieve Borrower from personal liability for the Obligations, whether or not the transferee assumes this Mortgage. Lender may, without notice to Mortgagor, deal with any successor owner of all or any portion of the Mortgaged Property in the same manner as with Mortgagor, without in any way discharging the liability of Mortgagor under the Obligations.

Section 1.4 Insurance. Borrower shall obtain, maintain and keep in full force and effect (and upon request of Lender shall furnish to Lender copies of or certificates evidencing policies of insurance as described in, and meeting the requirements of, the Loan Agreement.

Section 1.5 Taxes. The Borrower, at least five (5) days before any penalty attaches thereto, shall pay and discharge, or cause to be paid and discharged, all taxes, assessments and governmental charges and levies (collectively "Impositions") imposed upon or against the Mortgaged Property or the Rents, or upon or against the Obligations, or upon or against the interest of Lender in the Mortgaged Property or the Obligations, except Impositions measured by the income of Lender. The Borrower shall provide evidence of such payment at Lender's request.

Section 1.6 Liens. The Borrower shall keep the Mortgaged Property free and clear of all liens, encumbrances, easements, covenants, conditions, restrictions and reservations (collectively "Liens") except those listed on Exhibit B attached hereto (the "Permitted Encumbrances").

Section 1.7 Utilities. Borrower shall pay or cause to be paid when due all charges or fees for utilities and services supplied to the Mortgaged Property.

Section 1.8 Contests. Notwithstanding anything to the contrary contained in this Mortgage, Mortgagor shall not be required to pay or discharge any Imposition or Lien so long as Mortgagor shall in good faith, and after giving notice to Lender, contest the same by appropriate legal proceedings. If Mortgagor contests any Imposition or Lien against the Mortgaged Property, Borrower shall provide such security to Lender as Lender shall reasonably require against loss or impairment of Mortgagor's ownership of or Lender's lien on the Mortgaged Property, but in no event shall the security be in an amount greater than 150% of the amount contested, and shall in any event pay such Imposition or Lien before loss or impairment occurs. In the event Lender determines that loss or impairment may occur, Borrower shall, within five (5) days after notice from Lender, pay such Imposition or Lien in full. In the event Borrower fails to pay such Imposition or Lien in full within such five (5) day period or upon

completion of such contest, Lender may apply the security provided to Lender by Mortgagor under this Section to pay such Imposition or Lien.

Section 1.9 Escrow Payments. Upon the occurrence of an Event of Default and if requested by Lender, Borrower shall deposit with Lender monthly on the same date as payments are due under the Note the amount reasonably estimated by Lender to be necessary to enable Lender to pay, at least five (5) days before they become due, all Impositions against the Mortgaged Property and the premiums upon all insurance required hereby to be maintained with respect to the Mortgaged Property. All funds so deposited shall secure the Obligations. Such deposits shall be held by Lender, or its nominee, in a non-interest bearing account and may be commingled with other funds. Such funds shall not be, nor be deemed to be, trust funds. Such deposits shall be used to pay such Impositions and insurance premiums when due. If at any time the funds are less than the amount deemed necessary by Lender to pay such Impositions and insurance premiums when due, Borrower shall pay to Lender any amount necessary to make up the deficiency within five (5) days after written notice from Lender requesting payment thereof. Any excess sums so deposited shall be retained by Lender and shall be applied to pay said items in the future, unless the Obligations have been paid and performed in full, in which case all excess sums so paid shall be refunded to Borrower. Upon the occurrence of an Event of Default, Lender may apply any funds in said account against the Obligations in such order as Lender may determine.

Section 1.10 Maintenance and Repair; Compliance with Laws. The Borrower (a) shall cause the Mortgaged Property to be operated, maintained and repaired in safe and good repair, working order and condition, reasonable wear and tear excepted; (b) shall complete or cause to be completed forthwith any Improvements which are now or may hereafter be under construction upon the Land; and (c) shall obtain and maintain in full force and effect all consents, permits and licenses necessary for the use and operation of the Mortgaged Property. The Borrower (a) shall not commit or permit waste thereof; (b) except as provided in any Loan Document, shall not commence construction of any Improvements or change the use of the Improvements from that contemplated by Section 2.2 hereof; (c) shall not remove, demolish or substantially alter the design or structural character of any Improvements without the prior written consent of Lender; and (d) shall comply or cause compliance with all laws, statutes, ordinances and codes, and governmental rules, regulations and requirements, applicable to the Mortgaged Property or the manner of using or operating the same, and with any covenants, conditions, restrictions and reservations affecting the title to the Mortgaged Property, and with the terms of all insurance policies relating to the Mortgaged Property.

Section 1.11 Leases.

(a) For purposes of this Section, the following terms shall have the following meanings:

(i) "Lease": Shall have the meaning provided for in Clause C of the definition of Mortgaged Property set forth above.

(ii) "Tenant": Any person or party using or occupying any part of the Mortgaged Property pursuant to a Lease, including the Borrower.

(b) Mortgagor's entry into a Lease or the termination, assignment, sublease, renewal, amendment, or material waiver of Mortgagor's rights as landlord in connection (each of the foregoing, a "Leasing Action") with a Lease shall require Lender's prior written consent. Every Lease or instrument memorializing a Leasing Action shall be submitted to Lender in final form, with all exhibits attached.

(c) Mortgagor shall provide Lender with a copy of each proposed Lease or amendment to Lease requiring the consent of Lender and with any information requested by Lender regarding the proposed or existing Tenant thereunder. If Lender does not either expressly grant or withhold its consent to any such proposed Lease or amendment to Lease within ten (10) business days after receiving a copy thereof and of such information, it shall be deemed to have withheld its consent thereto. Lender may declare each new Lease to be prior or subordinate to this Mortgage, at Lender's option.

(d) All Leases and amendments to Leases entered into from and after the date of this Instrument must satisfy all of the following terms and conditions unless otherwise agreed in advance by Lender:

(i) The Lease must be an arm's-length transaction to a party not affiliated with or related to Mortgagor or any of its principals, and the Lease may not contain any option, right of first refusal, or any other right to purchase any portion of the fee interest in and to the Mortgaged Property.

(ii) The Lease must contain provisions that (A) obligate Tenant under the Lease to attorn to any purchaser of the Mortgaged Property at a foreclosure sale or by deed or other proceeding in lieu of foreclosure and (B) provide that neither Lender nor any purchaser at a foreclosure sale or by deed or any proceeding in lieu of foreclosure shall be responsible for any act, omission, or default by any prior landlord (including Mortgagor), the return of any security deposit, or the payment of any tenant allowance or other concession, be bound by any rent paid more than one (1) month in advance, or be subject to any offset, defense, or counterclaim against any prior landlord (including Mortgagor).

(iii) The rent payable under the Lease shall not be less than the greater of: (i) fair market rent for similar space in projects similar to the Mortgaged Property in the county in which the Mortgaged Property is located, or (ii) such other minimal amount as is agreed to by Mortgagor and Lender, and the Lease must prohibit the tenant from prepaying rent more than one (1) month in advance of its due date.

(iv) The Lease may not permit the Tenant to self-insure in connection with any of Tenant's insurance obligations under the related Lease.

(v) All leasing commissions due with respect to the Lease must be paid by Mortgagor full within sixty (60) days after the commencement of occupancy by Tenant.

(vi) The Lease may not contain any provisions that would materially impair the value of the Mortgaged Property or Lender's security therein.

(vii) The proposed use of the premises covered by such new Lease or amended Lease may not involve the storage, generation, treatment, handling, use or disposal of Hazardous Substances (as defined in Section 5.14), except for minor quantities thereof used in the ordinary course of business in compliance with Environmental Regulations (as defined in Section 5.14), and is not offensive or illegal, or reasonably likely to constitute or cause a nuisance or result in a decrease in the value or reputation of the Mortgaged Property.

(e) Mortgagor shall, at its cost and expense, perform each obligation to be performed by the landlord under each Lease; not borrow against, pledge or further assign any Rents or other

payments due thereunder; not subordinate any Lease to any other lien; and not permit any Tenant to assign its Lease or sublet the premises covered by its Lease, unless required to do so by the terms thereof and then only if such assignment does not work to relieve the Tenant of any liability for performance of its obligations thereunder.

(f) If any Tenant shall default under its Lease, Mortgagor shall, in the ordinary course of business, exercise sound business judgment with respect to such default, but may not discount, compromise, forgive or waive claims or discharge a Tenant from its obligations under the Lease or terminate or accept a surrender of the Lease without the prior written consent of Lender.

(g) If Mortgagor fails to perform any obligations of Mortgagor under any Lease or if Lender becomes aware of or is notified by any Tenant of a failure on the part of Mortgagor to so perform, Lender, after providing written notice thereof to Mortgagor and allowing Mortgagor a reasonable opportunity to remedy such failure, may, but shall not be obligated to, without waiving or releasing Mortgagor from any obligation in this Agreement or any of the other Loan Documents, remedy such failure, and Mortgagor agrees to repay upon demand all sums incurred by Lender in remedying any such failure, together with interest thereon from the date incurred at the Default Rate (as defined in the Loan Agreement).

(h) Mortgagor shall deliver to Lender (i) promptly after receipt of a written request therefor from Lender, a duly executed estoppel certificate from any Tenant, in a form satisfactory to Lender (provided that such request shall be made no more frequently than once in any twelve (12) month period), and (ii) following the occurrence of an Event of Default and receipt of a written request therefor from Lender, all security deposits or other security held by Mortgagor under any Lease, which Lender shall then hold and disburse in accordance with the terms of the relevant Leases.

#### Section 1.12 Assignment of Leases and Rents.

(a) Mortgagor hereby assigns and transfers to Lender all of Mortgagor's right, title and interest in and to all Leases, Rents, issues, income and profits from the Mortgaged Property and each and every part thereof, including all present and future Leases and rental agreements, for the purpose of securing the Obligations. Mortgagor agrees not to default in performing its obligations under any Lease or rental agreement with respect to the Mortgaged Property or any part thereof. This assignment may be enforced by Lender at any time during the existence of an Event of Default hereunder, without regard to the adequacy of the security hereof or the solvency of Mortgagor, by any one or more of the following methods: (i) the appointment of a receiver; (ii) Lender's taking possession of the Mortgaged Property; (iii) the collection by Lender of any moneys payable under Leases, purchase agreements or rental agreements directly from the parties obligated to make such payment; (iv) the obtaining of an injunction and (v) any other method permitted by law. This assignment shall constitute a perfected, absolute and present, irrevocable, currently effective assignment of Rents and profits within the meaning of Minnesota Statutes, §§559.17 and 576.01, and is intended to comply fully with the provisions thereof, and to afford Lender, to the fullest extent allowed by law, the rights and remedies of a mortgage lender or secured lender pursuant thereto; provided, however, that, prior to the occurrence of an Event of Default (as hereafter defined in Article 4), Mortgagor shall have a conditional license and opportunity to collect (but not more than one (1) month in advance) all such rents and profits, and to use the same for payment of all sums which Mortgagor is required to pay by the terms hereof and the Obligations, before using the same for any other purpose.

(b) Receipt by Lender of Rents, issues, profits and deposits shall not constitute a waiver of any right that Lender may enjoy under this Mortgage or under the laws of the State of Minnesota, nor shall the receipt and application thereof cure any Event of Default hereunder nor affect any foreclosure proceeding or any sale authorized by this Mortgage and the laws of the State of Minnesota. There shall be no merger of the leasehold estates, created by the Leases, with the fee estate of the Mortgaged Property without the prior written consent of Lender.

(c) This assignment shall extend to and cover any and all extensions and renewals of existing and future Leases and to any and all present and future rights against guarantors of any such obligations and to any and all Rents, issues and profits collected under Leases or other rentals. This assignment is given to facilitate payment and performance of the Obligations. Lender shall not be obligated to perform or discharge any obligation, duty or liability under any Lease or under or by reason of this assignment, and Mortgagor shall and does hereby agree to indemnify and to hold Lender harmless from any liability, loss or damage that it might incur under any Lease or under or by reason of this assignment and from any claims and demands whatsoever that may be asserted against it by reason of any alleged obligations or undertakings on Lender's part. Unless otherwise specified by Lender in writing, all existing and future Leases for the use or occupancy of all or any part of the Mortgaged Property shall be subordinate to the lien of this Mortgage. In pursuance of this assignment, and not in lieu hereof, Mortgagor shall on demand give Lender separate specific assignments of Rents and Leases, covering some or all of the Leases, the terms of such assignments being incorporated herein by reference. Lender is hereby authorized to notify all lessees and Tenants of the Mortgaged Property of the existence of any and all such assignments. Mortgagor hereby authorizes and directs the lessees and Tenants of the premises that, upon written notice from Lender, all payments required under said Leases and rental agreements or in any way respecting the same, shall be made directly to Lender as they become due. Mortgagor hereby relieves said purchasers, lessees and Tenants from any liability to Mortgagor by reason of said payments being made to Lender. With or without exercising the rights set forth in Section 4.2 hereof, Lender is authorized to give such written notice to Tenants at any time during the existence of an Event of Default hereunder.

(d) All Rents, profits, issues or income derived from the Mortgaged Property that are collected by Lender, its agent or a receiver each month shall be applied as follows:

(i) to the payment of all reasonable fees of the receiver, if any, approved by the court;

(ii) to the repayment of Tenant security deposits, with interest thereon, as required by Minnesota Statutes, Section 504B.178, if applicable;

(iii) to the payment when due of delinquent or current real estate taxes or special assessments with respect to the Mortgaged Property, or the periodic escrow for the payment of the same;

(iv) to the payment when due of premiums for insurance of the type required by this Mortgage, or the periodic escrow for the payment of the same;

(v) to payment for the keeping of the covenants required of a lessor or licensor pursuant to Minnesota Statutes, Section 504B.161, subdivision 1, if applicable;

(vi) to the payment of all expenses for normal maintenance of the Mortgaged Property; and

(vii) the balance to Lender (a) if received prior to the commencement of a foreclosure, to be applied to the Obligations, in such order as Lender may elect and (b) if received after the commencement of a foreclosure, to be applied to the amount required to be paid to effect a reinstatement prior to foreclosure sale, or, after a foreclosure sale to any deficiency or, at the option of Lender, to the amount required to be paid to effect a redemption, all pursuant to Minnesota Statutes, §§ 580.30, 580.23 and 581.10, with any excess to be paid to Mortgagor. Provided, that if this Mortgage is not reinstated nor the Mortgaged Property redeemed as provided by said §§ 580.30, 580.23 or 581.10 following foreclosure, the entire amount paid to Lender, after deducting therefrom the amounts applied by Lender to any deficiency, shall be the property of the purchaser of the Mortgaged Property at the foreclosure sale, together with all or any part of the Mortgaged Property acquired through foreclosure.

The rights and powers of Lender under this Section and the application of Rents, profits, issues or income under this Section 1.12(d) shall continue until expiration of the redemption period from any foreclosure sale, whether or not any deficiency remains after a foreclosure sale.

Section 1.13 Indemnity. Borrower shall indemnify Lender and its directors, officers, agents and employees (collectively the "Indemnified Parties") against, and hold the Indemnified Parties harmless from, all losses, damages, suits, claims, judgments, penalties, fines, liabilities, costs and expenses by reason of, or on account of, or in connection with the construction, reconstruction or alteration of the Mortgaged Property, or any accident, injury, death or damage to any person or property occurring in, on or about the Mortgaged Property or any street, drive, sidewalk, curb or passageway adjacent thereto. The indemnity contained in this Section shall include costs of defense of any such claim asserted against an Indemnified Party, including attorneys' fees, other than damage caused solely by the gross negligence or willful misconduct of Lender or Lender's agents. The indemnity contained in this Section shall survive payment and performance of the Obligations and satisfaction and release of this Mortgage and any foreclosure thereof or acquisition of title by deed in lieu of foreclosure.

## ARTICLE 2.

### REPRESENTATIONS AND WARRANTIES

Mortgagor makes the following representations and warranties:

Section 2.1 Ownership, Liens, Compliance with Laws. The Borrower owns good and marketable fee title to the Land and the Borrower has good title to all other property constituting the Mortgaged Property free from all Liens, except the Permitted Encumbrances. All applicable zoning, environmental, land use, subdivision, building, fire, safety and health laws, statutes, ordinances, codes, rules, regulations and requirements affecting the Mortgaged Property permit the current use and occupancy thereof, and Borrower has obtained all consents, permits and licenses required for such use. Borrower has examined and is familiar with all applicable covenants, conditions, restrictions and reservations, and with all applicable laws, statutes, ordinances, codes and governmental rules, regulations and requirements affecting the Mortgaged Property, and the Mortgaged Property complies with all of the foregoing.

Section 2.2 Use. The Mortgaged Property is a charter school facility. The Mortgaged Property is not homestead property, nor is it agricultural property or in agricultural use. The Mortgaged Property is to be used solely for business purposes. Unless required by applicable law or unless Lender has otherwise agreed in writing, Mortgagor shall not allow changes in the use for which all or any part of the Mortgaged Property was intended at the time this Mortgage was executed. Mortgagor shall not

initiate or acquiesce in a change in the zoning classification of the Mortgaged Property without Lender's prior written consent.

Section 2.3 Utilities; Services. The Mortgaged Property is serviced by all necessary public utilities, and all such utilities are operational and have sufficient capacity. There is no contract or agreement providing for services to or maintenance of the Mortgaged Property which cannot be cancelled upon thirty (30) days' or less notice.

### ARTICLE 3.

#### CASUALTY; CONDEMNATION

Section 3.1 Casualty, Repair, Proof of Loss. If any portion of the Mortgaged Property shall be damaged or destroyed by any cause (a "Casualty"), the cost to repair of which is [**\$250,000**] or more, Mortgagor shall:

(a) give immediate notice to Lender; and

(b) regardless of the cost to repair, promptly commence and diligently pursue to completion (and in the case of a Casualty costing [**\$250,000**] or more to repair, in accordance with plans and specifications approved by Lender) the restoration, repair and rebuilding of the Mortgaged Property as nearly as possible to its value, condition and character immediately prior to the Casualty; and

(c) if the Casualty is covered by insurance, immediately make proof of loss and collect all insurance proceeds, all such proceeds to be payable to Lender or as Lender shall direct. If an Event of Default shall be in existence, or if Mortgagor shall fail to provide notice to Lender of filing proof of loss, or if Mortgagor shall not be diligently proceeding, in Lender's reasonable opinion, to collect such insurance proceeds, then Lender may, but is not obligated to, make proof of loss, and is authorized, but is not obligated, to settle any claim with respect thereto, and to collect the proceeds thereof. Mortgagor shall not accept any settlement of an insurance claim, the result of which shall be a payment which is [**\$250,000**] or more less than the full amount of the claim, without the prior written consent of Lender.

Section 3.2 Use of Insurance Proceeds. Lender shall make the net insurance proceeds received by it (after reimbursement of Lender's out-of-pocket costs of collecting and disbursing the same) available to Mortgagor to pay the cost of restoration, repair and rebuilding of the Mortgaged Property, subject to the following conditions:

(a) There shall be no Event of Default in existence at the time of any disbursement of the insurance proceeds.

(b) In the case of a Casualty costing [**\$250,000**] or more to repair, Lender shall have determined, in its reasonable discretion, that the cost of restoration, repair and rebuilding is and will be equal to or less than the amount of insurance proceeds and other funds deposited by Mortgagor with Lender.

(c) In the case of a Casualty costing [**\$250,000**] or more to repair, Lender shall have determined, in its reasonable discretion, that the restoration, repair and rebuilding can be completed in accordance with plans and specifications approved by Lender (such approval not to be unreasonably withheld), in accordance with applicable codes and ordinances and in

accordance with the terms, and within the time requirements in order to prevent termination, of any Lease, and in any event not less than six (6) months prior to the Maturity Date.

(d) In the case of a Casualty costing [\$250,000] or more to repair, all funds shall be held by Lender and shall be disbursed, at Lender's option, in accordance with Lender's customary disbursement procedures for construction loans.

(e) In the case of a Casualty costing [\$250,000] or more to repair, the Casualty shall have occurred more than twelve (12) months prior to the Maturity Date.

(f) In the case of a Casualty costing [\$250,000] or more to repair, no Tenant and no group of Tenants whose cumulative monthly rent obligations exceed ten percent (10%) of the total monthly rental income of the Mortgaged Property immediately prior to the Casualty, shall have the right to terminate its Lease or their Leases as a result of the Casualty.

If any of these conditions shall not be satisfied, then Lender shall have the right to use the insurance proceeds to prepay the Obligations in accordance with the Loan Documents. If any insurance proceeds shall remain after completion of the restoration, repair and rebuilding of the Mortgaged Property, they shall be disbursed to Mortgagor, or at Lender's discretion, used to prepay the Obligations in accordance with the Loan Documents.

Section 3.3 Condemnation. If any portion of the Mortgaged Property shall be taken, condemned or acquired pursuant to exercise of the power of eminent domain or threat thereof (a "Condemnation"), Mortgagor shall:

(a) give immediate notice thereof to Lender, and send a copy of each document received by Mortgagor in connection with the Condemnation to Lender promptly after receipt;

(b) not enter into any agreement permitting or consenting to the taking of the Mortgaged Property, or any part thereof, or providing for the conveyance thereof in lieu of Condemnation, with anyone authorized to acquire the same in Condemnation unless Lender shall first have consented thereto in writing; and

(c) diligently pursue any negotiation and prosecute any proceeding in connection with the Condemnation at Mortgagor's expense. If an Event of Default shall be in existence, or if Mortgagor, in Lender's reasonable opinion, shall not be diligently negotiating or prosecuting the claim, Lender is authorized, but not required, to negotiate and prosecute the claim and appear at any hearing for itself and on behalf of Mortgagor and to compromise or settle all compensation for the Condemnation. Lender shall not be liable to Mortgagor for any failure by Lender to collect or to exercise diligence in collecting any such compensation. Mortgagor shall not compromise or settle any claim resulting from the Condemnation if such settlement shall result in payment of [\$250,000] or more less than Lender's reasonable estimate of the damages therefrom. All awards shall be paid to Lender.

Section 3.4 Use of Condemnation Proceeds. Lender shall make the net proceeds of any Condemnation received by it (after reimbursement of Lender's out-of-pocket costs of collecting and disbursing the same) available to Mortgagor for restoration, repair and rebuilding of the Mortgaged Property, subject to the following conditions:

(a) There shall be no Event of Default in existence at the time of any disbursement of the Condemnation proceeds.



(b) Lender shall have determined, in its reasonable discretion, that the cost of restoration, repair and rebuilding is and will be equal to or less than the amount of Condemnation proceeds and other funds deposited by Mortgagor with Lender.

(c) Lender shall have determined, in its reasonable discretion, that the restoration, repair and rebuilding can be completed in accordance with plans and specifications approved by Lender (such approval not to be unreasonably withheld), in accordance with codes and ordinances and in accordance with the terms, and within the time requirements in order to prevent termination, of any Lease, and in any event not less than six (6) months prior to the Maturity Date.

(d) All funds shall be disbursed, at Lender's option, in accordance with Lender's customary disbursement procedures for construction loans.

(e) The Condemnation shall have occurred more than twelve (12) months prior to the Maturity Date.

(f) No Tenant and no group of Tenants whose cumulative monthly rent obligations exceed ten percent (10%) of the total monthly rental income of the Mortgaged Property immediately prior to the Condemnation, shall have the right to terminate its Lease or their Leases as a result of the Condemnation.

If any of these conditions shall not be satisfied, then Lender shall have the right to use the Condemnation proceeds to prepay the Obligations in accordance with the Loan Documents. If any Condemnation proceeds shall remain after completion of the restoration, repair and rebuilding of the Mortgaged Property, they shall be disbursed to Mortgagor, or at Lender's discretion, used to prepay the Obligations in accordance with the Loan Documents.

Section 3.5 Appraisals. Mortgagor agrees that Lender shall have the right to obtain, at Borrower's expense, an appraisal of the Mortgaged Property, prepared by an appraiser acceptable to Lender and in substantial conformance with governmental regulations applicable to Lender and approved by Lender at any time that (a) an Event of Default has occurred hereunder, (b) any damage to or destruction of the Mortgaged Property in an amount exceeding [**\$250,000**] occurs, or (c) such appraisal is required by then current banking laws or regulations. In the event that Lender shall elect to obtain such an appraisal, Lender may immediately commission an appraiser acceptable to Lender, at Borrower's cost and expense, to prepare the appraisal and Mortgagor shall fully cooperate with Lender and the appraiser in obtaining the necessary information to prepare such appraisal. In the event that Borrower fails to cooperate with Lender in obtaining such an appraisal or in the event that Mortgagor shall fail to pay for the cost of such appraisal and Lender's internal appraisal review fee immediately upon demand, such event shall constitute an Event of Default hereunder and Lender shall be entitled to exercise all remedies available to it hereunder. In the event that any such appraisal shall determine that the then outstanding principal balance of the Loan is greater than eighty percent (80%) of the fair market value of the Mortgaged Property and Borrower fails to prepay, within thirty (30) days after written notice from Lender to Mortgagor, the outstanding principal balance of the Loan to the extent necessary to reduce said principal balance down to eighty percent (80%) of said fair market value, such event shall constitute an Event of Default hereunder, and Lender shall be entitled to exercise all remedies available to it hereunder. In the event any such appraisal is required by reason of the damage or destruction of a portion of the Mortgaged Property, the fair market value shall be calculated on the Mortgaged Property after restoration of the improvements thereon, but subject only to then existing Leases which will remain in full force and effect following such restoration.

## ARTICLE 4.

### DEFAULTS AND REMEDIES

Section 4.1 Events of Default. Any of the following shall constitute an “Event of Default” hereunder:

(a) The occurrence of an Event of Default under the terms of, and as defined in, the Loan Agreement.

(b) Any breach by Mortgagor of any covenant, agreement, condition, term or provision of this Mortgage.

Section 4.2 Remedies. Upon the occurrence of an Event of Default described in Sections 8.1 (g) or (f) of the Loan Agreement, all of the Obligations shall be accelerated and become immediately due and payable without notice or declaration to Mortgagor. Upon the occurrence of one or more other Events of Default hereunder, all of the Obligations, at the option of Lender, shall be accelerated and become immediately due and payable without presentment, demand or notice of any kind to Mortgagor, all of which are hereby expressly waived. In either event, the Obligations shall be due and payable without presentment, demand or further notice of any kind. In addition to and without limiting the rights and remedies set forth in the Loan Agreement, the other Loan Documents or under applicable law, Lender shall have the right to proceed to protect and enforce its rights by one or more of the following remedies:

(a) LENDER SHALL HAVE THE RIGHT TO BRING SUIT against the Borrower either for damages, for specific performance of any agreement contained in any Loan Document (as defined in the Loan Agreement), for the foreclosure of this Mortgage, or for the enforcement of any other appropriate legal or equitable remedy.

(b) LENDER SHALL HAVE THE RIGHT TO SELL THE MORTGAGED PROPERTY AT PUBLIC AUCTION AND CONVEY THE SAME TO THE PURCHASER IN FEE SIMPLE, as provided by Minnesota law, Borrower to remain liable for any deficiency. Said sale may be as one tract or otherwise, at the sole option of Lender. In the event of any sale of the Mortgaged Property pursuant to any judgment or decree of any court or at public auction or otherwise in connection with the enforcement of any of the terms of this Mortgage, Lender, its successors or assigns, may become the purchaser, and for the purpose of making settlement for or payment of the purchase price, shall be entitled to deliver over and use the Note and any claims for interest accrued and unpaid thereon, together with all other sums, with interest, advanced or secured hereby and unpaid hereunder, in order that there may be credited as paid on the purchase price the total amount of the Obligations then due (or any portion thereof which Lender may elect), including principal and interest on the Note and all other sums, with interest, advanced or secured hereby and unpaid hereunder or under any of the other Loan Documents.

(c) LENDER SHALL HAVE THE RIGHT TO OBTAIN THE APPOINTMENT OF A RECEIVER at any time after the occurrence of an Event of Default. Lender may apply for the appointment of a receiver to the district court for the county where the Mortgaged Property or any part thereof is located, by an action separate from any foreclosure of this Mortgage pursuant to Minnesota Statutes Chapter 580 or pursuant to Minnesota Statutes Chapter 581, or as a part of the foreclosure action under said Chapter 581 (it being agreed that the existence of a foreclosure pursuant to said Chapter 580 or a foreclosure action pursuant to said Chapter 581 is not a prerequisite to any action for a receiver hereunder). Lender shall be entitled to the appointment of a receiver without regard to waste, adequacy of the security or solvency of Mortgagor and otherwise in accordance with the provisions of Minnesota Statutes Chapter 576. Mortgagor

hereby agrees and consents to the appointment of the particular person or firm (including an officer or employee of Lender) designated by Lender as receiver and hereby waives its rights to suggest or nominate any person or firm as receiver in opposition to that designated by Lender. The receiver, who shall be an experienced property manager, shall collect (until the Obligations are fully paid and satisfied and, in the case of a foreclosure sale, during the entire redemption period) the Rents, and shall manage the Mortgaged Property, execute Leases within or beyond the period of the receivership if approved by the court and apply all Rents, profits and other income collected by him in the order provided in Section 1.12(d) of this Mortgage. Lender shall have the right, at any time and without limitation, as provided in Minnesota Statutes, § 582.03, to advance money to the receiver to pay any part or all of the items which the receiver should otherwise pay if cash were available from the Mortgaged Property and sums so advanced, with interest at the Default Rate set forth in the Loan Agreement and the Note, shall be secured hereby, or if advanced during the period of redemption shall be part of the sum required to be paid to redeem from the sale.

(d) LENDER SHALL HAVE THE RIGHT TO COLLECT THE RENTS from the Mortgaged Property and apply the same in the manner provided in Section 1.12(d) of this Mortgage. For that purpose, Lender may enter and take possession of the Mortgaged Property and manage and operate the same and take any action which, in Lender's judgment, is necessary or proper to collect the Rents and to conserve the value of the Mortgaged Property. Lender may also take possession of, and for these purposes use, any and all of the Personal Property. The expense (including any receiver's fees, attorneys' fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be secured by this Mortgage. Lender shall not be liable to account to Mortgagor for any action taken pursuant hereto other than to account for any Rents actually received by Lender. Enforcement hereof shall not cause Lender to be deemed a mortgagee in possession unless Lender elects in writing to be a mortgagee in possession.

(e) LENDER SHALL HAVE THE RIGHT TO ENTER AND TAKE POSSESSION of the Mortgaged Property and manage and operate the same in conformity with all applicable laws and take any action which, in Lender's judgment, is necessary or proper to conserve the value of the Mortgaged Property.

(f) LENDER SHALL HAVE ALL OF THE RIGHTS AND REMEDIES PROVIDED IN THE UNIFORM COMMERCIAL CODE including the right to proceed under the Uniform Commercial Code provisions governing default as to any Personal Property separately from the real estate included within the Mortgaged Property, or to proceed as to all of the Mortgaged Property in accordance with its rights and remedies in respect of said real estate. If Lender should elect to proceed separately as to such Personal Property, Borrower agrees to make such Personal Property available to Lender at a place or places acceptable to Lender, and if any notification of intended disposition of any of such Personal Property is required by law, such notification shall be deemed reasonably and properly given if given at least ten (10) days before such disposition in the manner hereinafter provided.

(g) LENDER SHALL HAVE THE RIGHT TO FILE PROOF OF CLAIM and other documents as may be necessary or advisable in order to have its claims allowed in any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting Mortgagor, its creditors or its property, for the entire amount due and payable by Borrower in respect of the Obligations at the date of the institution of such proceedings, and for any additional amounts which may become due and payable by Borrower after such date.

All rights and remedies provided for herein or which Lender or any other holders of the Note may otherwise have, at law or in equity, shall be distinct, separate and cumulative and may be exercised concurrently, independently or successively in any order whatsoever, and as often as the occasion therefor arises, as may be deemed expedient by Lender. The exercise or the beginning of the exercise of one right shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right. No waiver by Lender of any particular provision of this Mortgage shall be deemed effective unless in writing signed by Lender. In addition to the foregoing, Lender shall have all rights and remedies available under the law in effect now and/or at the time such rights and remedies are sought to be enforced, whether or not they are available under the law in effect on the date hereof.

Section 4.3 Expenses of Exercising Rights, Powers, and Remedies. The reasonable expenses (including any receivers' fees, bond counsel fees, attorneys' fees, appraisers' fees, environmental engineers' and/or consultants' fees, costs incurred for documentary and expert evidence, stenographers' charges, publication costs, costs (which may be estimated as to items to be expended after entry of the decree of foreclosure) of procuring all abstracts of title, continuations of abstracts of title, title searches and examinations, title insurance policies and commitments and extensions therefor, Torrens duplicate certificates of title, UCC and chattel lien searches, and similar data and assurances with respect to title as Lender may deem reasonably necessary either to prosecute any foreclosure action or to evidence to bidders at any sale which may be had pursuant to any foreclosure decree the true condition of the title to or the value of the Mortgaged Property, and agent's compensation) incurred by Lender after the occurrence of any Event of Default and/or in pursuing the rights, powers and remedies contained in this Mortgage shall be immediately due and payable by Borrower, with interest thereon from the date incurred at the Default Rate set forth in the Loan Agreement and the Note, and shall be added to the indebtedness secured by this Mortgage.

Section 4.4 Restoration of Position. In case Lender shall have proceeded to enforce any right under this Mortgage by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then, and in every such case, Mortgagor and Lender shall be restored to their former positions and rights hereunder with respect to the Mortgaged Property subject to the lien hereof.

Section 4.5 Waivers. No waiver of any provision hereof shall be implied from the conduct of the parties. Any such waiver must be in writing and must be signed by the party against which such waiver is sought to be enforced. The waiver or release of any breach of the provisions set forth herein to be kept and performed shall not be a waiver or release of any preceding or subsequent breach of the same or any other provision. No receipt of partial payment after acceleration of any of the Obligations shall waive the acceleration. No payment by Mortgagor or receipt by Lender of a lesser amount than the full amount secured hereby shall be deemed to be other than on account of the sums due and payable hereunder, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Lender may accept any check or payment without prejudice to Lender's right to recover the balance of such sums or to pursue any other remedy provided in this Mortgage. The consent by Lender to any matter or event requiring such consent shall not constitute a waiver of the necessity for such consent to any subsequent matter or event.

Section 4.6 Lender's Right to Cure Defaults. If Borrower shall fail to comply with any of the terms of the Loan Documents with respect to the procuring of insurance, the payment of taxes, assessments and other charges, the keeping of the Mortgaged Property in repair, or any other term contained herein or in any of the other Loan Documents, Lender may, after providing ten (10) days prior written notice to Mortgagor, make advances to perform the same without releasing Mortgagor from any of the Obligations, provided, however, it is expressly understood and agreed that Lender may make such advance without prior written notice to the Mortgagor if, in Lender's determination, such advance is required to be made before such 10-day period to protect and/or preserve the Mortgaged Property or

Lender's security interest and lien therein. Mortgagor agrees to repay upon demand all sums so advanced and all sums expended by Lender in connection with such performance, including without limitation attorneys' fees, with interest at the Default Rate set forth in Loan Agreement and the Note from the dates such advances are made, and all sums so advanced and/or expenses incurred, with interest, shall be secured hereby, but no such advance and/or incurring of expense by Lender, shall be deemed to relieve Mortgagor from any default hereunder or under any of the other Loan Documents, or to release Mortgagor from any of the Obligations.

Section 4.7 Suits and Proceedings. Lender shall have the power and authority, upon prior notice to Mortgagor, to institute and maintain any suits and proceedings as Lender may deem advisable to (i) prevent any impairment of the Mortgaged Property by any act which may be unlawful or by any violation of this Mortgage, (ii) preserve or protect its interest in the Mortgaged Property, or (iii) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if, in the sole opinion of Lender, the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to Lender's interest.

## ARTICLE 5.

### MISCELLANEOUS

Section 5.1 Binding Effect; Survival; Number; Gender. This Mortgage shall be binding on and inure to the benefit of the parties hereto, and their respective heirs, legal representatives, successors and assigns. All agreements, representations and warranties contained herein or otherwise heretofore made by Mortgagor to Lender shall survive the execution, delivery and foreclosure hereof. The singular of all terms used herein shall include the plural, the plural shall include the singular, and the use of any gender herein shall include all other genders, where the context so requires or permits.

Section 5.2 Severability. The unenforceability or invalidity of any provision of this Mortgage as to any person or circumstance shall not render that provision unenforceable or invalid as to any other person or circumstance.

Section 5.3 Notices. Any notice or other communication to any party in connection with this Mortgage shall be in writing and shall be sent by manual delivery, overnight courier or United States mail (postage prepaid) addressed to such party at the address specified in the preamble to this Mortgage, or at such other address as such party shall have specified to the other party hereto in writing. Notices may also be given by fax and e-mail, but shall be deemed effective only when expressly acknowledged by the recipient thereof. All periods of notice shall be measured from the date of delivery thereof if manually delivered, from the date of the express acknowledgement in the case of fax or e-mail, from the first Business Day after the date of sending if sent by overnight courier, or from four days after the date of mailing, if mailed.

Section 5.4 Applicable Law. This Mortgage and the other Loan Documents shall be construed and enforceable in accordance with, and be governed by, the laws of the State of Minnesota, without giving effect to conflict of laws or principles thereof, but giving effect to federal laws of the United States applicable to national banks. Whenever possible, each provision of this Mortgage and any other statement, instrument or transaction contemplated hereby or relating hereto, shall be interpreted in such manner as to be effective and valid under such applicable law, but, if any provision of this Mortgage or any other statement, instrument or transaction contemplated hereby or relating hereto shall be held to be prohibited or invalid under such applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining

provisions of this Mortgage or any other statement, instrument or transaction contemplated hereby or relating hereto.

Section 5.5 WAIVER OF JURY TRIAL. AS A SPECIFICALLY BARGAINED INDUCEMENT FOR LENDER TO EXTEND CREDIT TO BORROWER, THE MORTGAGOR AND THE LENDER EACH WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, ACTION, SUIT OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (a) UNDER THIS AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, LOAN DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR (b) ARISING FROM ANY BORROWING OR ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT, AND AGREE THAT ANY SUCH CLAIM, SUIT, ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

Section 5.6 Effect. This Mortgage is in addition to and not in substitution for any other guarantees, covenants, obligations or other rights now or hereafter held by Lender from any other person or entity in connection with the Obligations.

Section 5.7 Assignability. Lender shall have the right to assign this Mortgage, in whole or in part, or sell participation interests herein, to any person obtaining an interest in the Obligations.

Section 5.8 Headings. Headings of the Sections of this Mortgage are inserted for convenience only and shall not be deemed to constitute a part hereof.

Section 5.9 Uniform Commercial Code Security Agreement. This Mortgage constitutes a security agreement within the meaning of the Uniform Commercial Code as in effect in the State of Minnesota (the "UCC"), with respect to all property described herein as to which a security interest may be granted and/or perfected pursuant to the UCC, and is intended to afford Lender, to the fullest extent allowed by law, the rights and remedies of a secured party under the UCC. For the purposes of the security agreement and related financing statements, the "debtor" is each Mortgagor, and the "secured party" is Lender. Mortgagor hereby authorizes Lender (and Lender's representatives and agents) to file (a) Lender's financing statements (together with amendments thereto and continuation statements thereof) relating to the Mortgaged Property and (b) any termination statements relating to the filings of other secured parties that relate to the Mortgaged Property. Mortgagor hereby irrevocably constitutes and appoints Lender and any officer or agent of Lender, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Mortgagor or in Mortgagor's own name to execute in Mortgagor's name any documents and otherwise to carry out the purposes of this Section, to the extent that Mortgagor's authorization above is not sufficient. This power of attorney is coupled with an interest and shall be irrevocable. For purposes of such filings, Mortgagor agrees to furnish any information requested by Lender promptly upon request by Lender. The form and substance of any financing statement filed with respect to this Mortgage shall be as Lender, in its sole discretion, may determine and Lender is authorized to file a financing statement with a collateral description of "all assets." Borrower shall pay all costs of filing such financing statements and termination and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Lender may reasonably require. Without the prior written consent of Lender, Mortgagor shall not create or suffer to be created pursuant to the UCC any other security interest in said items, including replacements and additions thereto. Upon Mortgagor's breach of any covenant or agreement of Mortgagor contained in this Mortgage, including the covenants to pay when due all sums secured by this Mortgage, Lender shall have the remedies of a secured party under the UCC and, at Lender's option, may also invoke the remedies provided in Section 4.2 of this Mortgage as to such items. In exercising any of said remedies, Lender may proceed against the items of real property and any items of personal property specified above as part of the

Mortgaged Property separately or together and in any order whatsoever, without in any way affecting the availability of Lender's remedies under the UCC or of the remedies provided in Section 4.2 of this Mortgage.

Each Mortgagor represents and warrants to Lender as to itself: that the exact legal name of Mortgagor is set forth in the first paragraph of this Mortgage; that said Mortgagor is organized or incorporated under the laws of the state set forth in the first paragraph of this Mortgage; that Mortgagor is an organization of the type described in the first paragraph of this Mortgage; and that Mortgagor's organizational number is correctly set forth in Section 5.10 of this Mortgage. Mortgagor covenants that Mortgagor will not cause or permit any change to be made in its name, identity or corporate or partnership structure unless Mortgagor shall have first notified Lender in writing of such change at least thirty (30) days prior to the effective date of such change, and shall have first taken all action required by Lender for the purpose of perfecting or protecting the lien and security interest of Lender. Mortgagor's principal place of business and chief executive office, and the place where Mortgagor keeps its books and records, including recorded data of any kind or nature, regardless of the medium or recording, including software, writings, plans, specifications and schematics, has been for the preceding four-months (or, if less, the entire period of the existence of Mortgagor) and will continue to be the address of Mortgagor set forth in Section 5.10 of this Mortgage (unless Mortgagor notifies Lender in writing at least thirty (30) days prior to the date of such change). Mortgagor shall promptly notify Lender of any change in its organizational identification number. If Mortgagor does not now have an organizational identification number and later obtains one, Mortgagor promptly shall notify Lender of such organizational identification number.

Section 5.10 Fixture Filing. This instrument shall be deemed to be a Fixture Filing within the meaning of the Minnesota Uniform Commercial Code, and for such purpose, the following information is given:

(a) Name and address of Debtor:

Lakes Area Kids Enrichment Foundation  
35808 County Road 66  
Crosslake, Minnesota 56442  
Organizational I.D. No.: \_\_\_\_\_

(b) Name and address of Secured Party:

North American Banking Company  
2230 Albert Street  
Roseville, Minnesota 55113

(c) Description of the types (or items) of property covered by this Fixture Filing: See granting clause on pages 2 and 3 hereof.

(d) Description of real estate to which the collateral is attached or upon which it is or will be located: See Exhibit A hereto.

Some of the above-described collateral is or is to become fixtures upon the above described real estate, and this Fixture Filing is to be filed for record in the public real estate records.

Section 5.11 Non-Residential Use; Non-Agricultural Use. Mortgagor represents and warrants that the Mortgaged Property does not include residential real estate and that no portion of the Mortgaged

Property (i) is in "agricultural use" (as defined in Minnesota Statutes § 40A.02 Subd. 3), (ii) is being used for an "agricultural purpose" (as defined in Minnesota Statutes § 273.13 Subd. 23), (iii) is being used for the production, grading, sorting or packaging of "agricultural products" (as defined in Minnesota Statutes § 273.13 Subd. 23), (iv) is classified for ad valorem tax purposes as class 2b rural or agricultural nonhomestead property under Minnesota Statutes § 273.13, Subd. 23; (v) is being used in the production of agricultural products or crops, livestock or livestock products, milk or milk products or fruit or other horticultural products (collectively, "Farming") or (vi) is capable of being used for Farming.

Section 5.12 Marshalling. Mortgagor, for itself and on behalf of all persons, parties and entities which may claim under Mortgage, hereby waives all requirements of law relating to the marshalling of assets, if any, which would be applicable in connection with the enforcement by Mortgagee of its remedies upon the occurrence of an Event of Default hereunder, absent this waiver. Mortgagee shall not be required to sell or realize upon any portion of the Mortgaged Property before selling or realizing upon any other portion thereof.

Section 5.13 Acknowledgment of Waiver of Hearing Before Sale. Mortgagor understands and agrees that if an Event of Default occurs under the terms of this Mortgage, Lender has the right, inter alia, to foreclose this Mortgage by advertisement pursuant to Minnesota Statutes, Chapter 580, as hereafter amended, or pursuant to any similar or replacement statute hereafter enacted; that if Mortgagee elects to foreclose by advertisement, it may cause the Mortgaged Property, or any part thereof, to be sold at public auction; that notice of such sale must be published for six (6) successive weeks at least once a week in a newspaper of general circulation and that no personal notice is required to be served upon Mortgagor. Mortgagor further understands that in the event of such default Mortgagee may also elect its rights under the UCC and take possession of the Mortgaged Property, or any part thereof, and dispose of the same by sale or otherwise in one or more parcels provided that at least ten (10) days' prior notice of such disposition must be given, except where the Mortgaged Property consists of perishable items or threatens to decline speedily in value or is of a type customarily sold on a recognized market, all as provided for by the UCC, as hereafter amended or by any similar or replacement statute hereafter enacted. Mortgagor further understands that under the Constitution of the United States and the Constitution of the State of Minnesota it may have the right to notice and hearing before the Mortgaged Property may be sold and that the procedure for foreclosure by advertisement described above does not insure that notice will be given to Mortgagor and neither said procedure for foreclosure by advertisement nor the UCC requires any hearing or other judicial proceeding. MORTGAGOR HEREBY RELINQUISHES, WAIVES AND GIVES UP ANY CONSTITUTIONAL RIGHTS IT MAY HAVE TO NOTICE AND HEARING BEFORE SALE OF THE MORTGAGED PROPERTY AND EXPRESSLY CONSENTS AND AGREES THAT THE MORTGAGED PROPERTY MAY BE FORECLOSED BY ADVERTISEMENT AND THAT THE MORTGAGED PROPERTY MAY BE DISPOSED OF PURSUANT TO THE UCC, ALL AS DESCRIBED ABOVE. MORTGAGOR ACKNOWLEDGES THAT IT IS REPRESENTED BY LEGAL COUNSEL; THAT BEFORE SIGNING THIS DOCUMENT, THIS SECTION AND MORTGAGOR'S CONSTITUTIONAL RIGHTS WERE FULLY EXPLAINED BY SUCH COUNSEL AND THAT MORTGAGOR UNDERSTANDS THE NATURE AND EXTENT OF THE RIGHTS WAIVED HEREBY AND THE EFFECT OF SUCH WAIVER

Section 5.14 Compliance with Environmental Laws. Concurrently herewith the Borrower has executed and delivered to the Lender the Indemnification Agreement pursuant to which the Borrower has indemnified the Lender for environmental matters concerning the Land and Improvements, as more particularly described therein. The provisions of the Indemnity are hereby incorporated herein and this Mortgage shall secure the obligations of the Mortgagor thereunder.

Section 5.15 Construction Loan. The Note evidences a debt created by one or more disbursements made by Lender to Mortgagor to finance the cost of the construction of the improvements



upon the Land in accordance with the provisions of the Loan Agreement, and this Mortgage is a construction mortgage as such term is defined in Section 9-334 of the UCC.

Section 5.16 Advice of Counsel Obtained. Each of the parties acknowledges and represents that it has had the opportunity to consult with legal, financial, and other professional advisors as it deems appropriate in connection with its consideration and execution of this Agreement. Each undersigned party further represents and declares that in executing this Agreement, it has relied solely upon its own judgment, belief and knowledge, and the advice and recommendation of its own professional advisors, concerning the nature, extent and duration of its rights, obligations and claims; that it has reviewed its records, evaluated its position and conducted due diligence with regard to all rights, claims or causes of action whatsoever with respect to any and all other parties; and that it has not been influenced to any extent whatsoever in executing this Agreement by any representations or statements made by the other party or its representatives, except those expressly contained herein.

Section 5.17 Agreement Jointly Drafted. The parties agree that this Agreement shall not be construed against any party to the Agreement on the grounds that such party drafted this Agreement, but shall be construed as if all parties jointly prepared this Agreement, and any uncertainty or ambiguity shall not on such grounds be interpreted against any one party.

[Remainder of page intentionally blank;  
signature page follows]



EXHIBIT A

Legal Description

That land located in Crow Wing County, Minnesota described as:

**[The South Five Hundred Sixty (560) feet of the North One Thousand One Hundred Sixty (1,160) feet of the West Eight Hundred (800) feet of the Northeast Quarter of the Northwest Quarter (NE ¼ NW ¼), Except the South Forty-three (43) feet thereof, Section Twenty-one (21), Township One Hundred Thirty-seven (137), Range Twenty-seven (27).**

**ABSTRACT PROPERTY]**

EXHIBIT B

Permitted Encumbrances

B.6.

LOAN AGREEMENT  
BETWEEN  
CITY OF CROSSLAKE, MINNESOTA

AND

LAKES AREA KIDS ENRICHMENT FOUNDATION

Dated as of December \_\_\_, 2017

Except for certain reserved rights, the interest of the City of Crosslake, Minnesota, in this Loan Agreement has been pledged and assigned to North American Banking Company pursuant to a Pledge Agreement of even date herewith.

This instrument was drafted by:

BRIGGS AND MORGAN (CJC)  
Professional Association  
2200 IDS Center  
80 South 8<sup>th</sup> Street  
Minneapolis, Minnesota 55402

# TABLE OF CONTENTS

	Page
ARTICLE I	DEFINITIONS, EXHIBITS AND RULES OF INTERPRETATION ..... 1
Section 1.1	Definitions..... 1
Section 1.2	Rules of Interpretation ..... 4
ARTICLE II	REPRESENTATIONS ..... 4
Section 2.1	Representations by the Issuer..... 4
Section 2.2	Representations by the Borrower..... 5
ARTICLE III	THE LOAN..... 8
Section 3.1	Amount and Source of Loan ..... 8
Section 3.2	Documents Required Prior to Closing and Disbursement of the Loan ..... 8
Section 3.3	Disbursement of the Loan ..... 9
Section 3.4	Repayment ..... 9
Section 3.5	Borrower's Obligations Unconditional..... 9
ARTICLE IV	BORROWER'S COVENANTS ..... 10
Section 4.1	Indemnity ..... 10
Section 4.2	Continuing Existence and Qualification ..... 10
Section 4.3	Reports to Governmental Agencies ..... 11
Section 4.4	Security for the Loan ..... 11
Section 4.5	Preservation of Tax Exemption ..... 11
Section 4.6	Lease or Sale of Project ..... 14
Section 4.7	Facility Operation and Maintenance Expenses..... 15
Section 4.8	Notification of Changes ..... 15
Section 4.9	Financial Covenants..... 15
Section 4.10	Access ..... 16
Section 4.11	Access to Books and Inspection ..... 16
Section 4.12	IRS Audit Expenses ..... 16
Section 4.13	Reports to Issuer ..... 16
Section 4.14	Matters Related to Management Contracts..... 16
Section 4.15	Interest Reserve Account..... 16
ARTICLE V	PREPAYMENT OF LOAN..... 16
Section 5.1	Prepayment at Option of Borrower..... 17
ARTICLE VI	EVENTS OF DEFAULT AND REMEDIES ..... 17
Section 6.1	Events of Default ..... 17
Section 6.2	Remedies..... 18
Section 6.3	Disposition of Funds..... 19
Section 6.4	Manner of Exercise ..... 19
Section 6.5	Attorneys' Fees and Expenses ..... 19
Section 6.6	Effect of Waiver..... 20
ARTICLE VII	GENERAL..... 20
Section 7.1	Notices ..... 20

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
Section 7.2	Binding Effect..... 20
Section 7.3	Severability ..... 21
Section 7.4	Amendments, Changes and Modifications ..... 21
Section 7.5	Execution Counterparts..... 21
Section 7.6	Limitation of Issuer’s Liability ..... 21
Section 7.7	Issuer’s Attorneys’ Fees and Costs ..... 21
Section 7.8	Release ..... 21
Section 7.9	Pledge and Assignment by Issuer and Survival of Obligations..... 22
Section 7.10	Required Approvals ..... 22
Section 7.11	Termination Upon Retirement of Note ..... 22
Section 7.12	Expenses of Lender..... 22
Section 7.13	Entire Agreement ..... 23
Section 7.14	Further Assurances..... 23
Section 7.15	Non-Responsibility ..... 23

THIS LOAN AGREEMENT dated as of December \_\_, 2017, between the City of Crosslake, Minnesota, a municipal corporation and political subdivision of the State of Minnesota (the "Issuer"), and Lakes Area Kids Enrichment Foundation, a Minnesota nonprofit corporation (the "Borrower"),

WITNESSETH that the Issuer and the Borrower each in consideration of the representations, covenants and agreements of the other as set forth herein, mutually represent, covenant and agree as follows:

## ARTICLE I

### DEFINITIONS, EXHIBITS AND RULES OF INTERPRETATION

Section 1.1 Definitions. In this Agreement the following terms have the following respective meanings unless the context hereof clearly requires otherwise:

Act: Minnesota Statutes, Sections 469.152 to 469.165, as amended;

Agreement: this Loan Agreement between the Issuer and the Borrower as the same may from time to time be amended or supplemented as herein provided;

Bond Counsel: the firm of Briggs and Morgan, Professional Association, Minneapolis, Minnesota, or any other nationally recognized bond counsel, and any opinion of Bond Counsel shall be a written opinion signed by such Bond Counsel;

Borrower: Lakes Area Kids Enrichment Foundation, a Minnesota nonprofit corporation, its successors and assigns, and any surviving, resulting or transferee business entity which may assume its obligations in accordance with the provisions of this Agreement;

Closing: the date there is physical delivery of the Note to the Lender and payment therefor;

Code: the Internal Revenue Code of 1986, as amended and the temporary, final or proposed regulations promulgated thereunder;

Counsel: an attorney designated by or acceptable to the Lender, duly admitted to practice law before the highest court of any state; an attorney for the Borrower or the Issuer may be eligible for appointment as Counsel;

Date of Taxability: this term shall have the meaning ascribed to it in Section 4.5(2) hereof;

Determination of Taxability: this term shall have the meaning ascribed to it in Section 4.5(2) hereof;

Disbursing Agreement: the Disbursing Agreement dated as of the date hereof, between the Borrower, Title, and the Lender, including any amendment thereof or supplement thereto;



Event of Default: any of the events described in Section 6.1 hereof;

Exempt Organization: a governmental unit, an entity described in Section 501(c)(3) of the Code or a limited liability company that is a disregarded entity for federal income tax purposes and whose sole member (or, if different, beneficial owner for federal income tax purposes) is an entity described in Section 501(c)(3) of the Code;

Facility: a charter school facility to include an approximately 36,160 square-foot, grades Kindergarten through 12 public (charter) school facility that will be leased to the School by the Borrower, to be located on approximately 10 acres at 35808 County Road 66, in the City of Crosslake, Minnesota;

Fiscal Year: with respect to the Borrower, the period commencing on the first day of \_\_\_\_ of any year and ending on the last day of \_\_\_\_ of the following year or any other twelve (12) month period specified by the Borrower as its fiscal year; and with respect to the School, the period commencing on the first day of July of any year and ending on the last day of June of the following year or any other twelve (12) month period specified by the School as its fiscal year;

Indebtedness: means, with respect to any Person and without duplication, all obligations, contingent or otherwise, which in accordance with GAAP should be classified upon a balance sheet of such Person as liabilities, but in any event including the following whether or not so classified: (a) any debt or other obligation created, issued, guaranteed, incurred or assumed by such Person for money borrowed, (b) any obligation of such Person as School under any capital lease, (c) any obligation of such Person for the deferred purchase price of property or services, (d) any guaranty, endorsement or other contingent obligation in respect of indebtedness of others, (e) any undertaking or agreement to reimburse or indemnify any issuer of a letter of credit, (f) any obligation secured by any lien, mortgage, pledge, charge or other encumbrance existing on property owned by such Person or acquired subject thereto, whether or not such obligation shall have been assumed, and (g) any obligations of such Person under any interest rate swap, collar or other interest rate hedging agreement, including without limitation any "ISDA Master Agreement" and confirmations thereunder.

Issuance Expenses: shall mean any and all costs and expenses relating to the issuance, sale and delivery of the Note, including, but not limited to, any fees of the Lender, all fees and expenses of legal counsel, financial consultants, feasibility consultants and accountants, any fee to be paid to the Issuer, the preparation and printing of this Loan Agreement, the Mortgage, the Resolution, the Pledge Agreement, the Disbursing Agreement, the Note and all other related documents, and all other expenses relating to the issuance, sale and delivery of the Note and any other costs which are treated as "issuance costs" within the meaning of Section 147(g) of the Code;

Issuer: the City of Crosslake, Minnesota, its successors and assigns;

Land: the real property and any other easements and rights described in Exhibit A to the Mortgage, together with all additions thereto and substitutions therefor agreed to by Lender and Borrower;

Lease: the Lease of even date herewith between the Borrower and the School for the Facility;

Lender: North American Banking Company, a Minnesota corporation, its successors and assigns;

Loan: the loan of proceeds of the Note from the Issuer to the Borrower described in Section 3.1 of this Agreement;

Loan Documents: the Note, the Mortgage, this Agreement, the Pledge Agreement, the Disbursing Agreement, the Tax Regulatory Agreement, and the Security Agreement;

Mortgage: the Mortgage, Security Agreement, Assignment of Leases and Rents, and Fixture Financing Statement dated as of the date hereof, from the Borrower, as mortgagor, to the Lender, as mortgagee, with respect to the Land and the Facility;

Note: the \$6,175,000 Educational Facilities Revenue Note, Series 2017 (Crosslake Community School Project) to be issued by the Issuer pursuant to the Resolution;

Pledge Agreement: the Pledge Agreement of even date herewith between the Issuer and the Lender pledging and assigning the Issuer's interest in the Loan Agreement to the Lender to the extent provided therein;

Principal Balance: so much of the principal sum on the Note as from time to time remains unpaid;

Project: the acquisition, construction, and equipping of the Facility;

Project Costs: all direct costs authorized by the Act and paid or incurred by the Borrower with respect to the Project;

Resolution: the Final Note Resolution of the Issuer, adopted November 13, 2017, authorizing the issuance of the Note together with any supplement or amendment thereto;

Series 2017 Note: \$6,175,000 Educational Facilities Revenue Note, Series 2017 (Crosslake Community School Project);

School: Crosslake Community School, a Minnesota nonprofit corporation;

Security Agreement: the Capital Campaign Receipts Security Agreement of even date herewith made by the Borrower in favor of the Lender;

State: the State of Minnesota;

Tax Regulatory Agreement: means the Tax Regulatory Agreement of even date herewith by the Borrower and the School, and accepted by the Issuer and the Lender;

Title: Crow Wing Abstract Company, Inc.; and

Treasury Regulations: all proposed, temporary or permanent federal income tax regulations then in effect and applicable.

Section 1.2 Rules of Interpretation.

(1) This Agreement shall be interpreted in accordance with and governed by the laws of the State of Minnesota.

(2) The words “herein” and “hereof” and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than to any particular section or subdivision hereof.

(3) References herein to any particular section or subdivision hereof are to the section or subdivision of this instrument as originally executed.

(4) Where the Borrower is permitted or required to do or accomplish any act or thing hereunder, the Issuer may cause the same to be done or accomplished with the same force and effect as if done or accomplished by the Borrower.

(5) The Table of Contents and titles of articles and sections herein are for convenience only and are not a part of this Agreement.

(6) Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa and the masculine shall include the feminine and vice versa.

(7) Articles, sections, subsections and clauses mentioned by number only are those so numbered which are contained in this Agreement.

(8) References to the Note as “tax exempt” or to the “tax exempt status of the Note” are to the exclusion of interest on the Note from gross income pursuant to Section 103(a) of the Code.

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations by the Issuer. The Issuer makes the following representations as the basis for its covenants herein:

(1) The Issuer is a duly organized and existing municipal corporation and political subdivision pursuant to the laws of the State of Minnesota and is authorized to issue the Note to finance the Project and Project Costs pursuant to the Act;

(2) In authorizing the Project the Issuer’s purpose is, and in its judgment the effect thereof will be, to promote the public welfare by: the attraction, encouragement and development of economically sound industry and commerce so as to prevent, so far as possible, the emergence of blighted and marginal lands and areas of chronic unemployment and to aid in the redevelopment of areas of existing blight, marginal land and persistent

unemployment; the development of industry to use the available resources of the community, in order to retain the benefit of the community's existing investment in educational facilities, halting the movement of talented, educated personnel of mature age to other areas and thus preserving the economic and human resources needed as a base for providing governmental services and facilities; providing accessible employment opportunities for residents in the area; providing educational facilities and the expansion of an adequate tax base to finance the increase in the amount and cost of governmental services;

(3) The Project has been approved by the Commissioner of the Department of Employment and Economic Development of the State of Minnesota, or his/her duly delegated designee, as tending to further the purposes and policies of the Act;

(4) The issuance and sale of the Note, the execution and delivery of this Agreement and the Pledge Agreement, and the performance of all covenants and agreements of the Issuer contained in this Agreement, the Note, and the Pledge Agreement, and of all other acts and things required under the Constitution and laws of the State of Minnesota to make this Agreement, the Pledge Agreement, and the Note valid and binding obligations of the Issuer in accordance with their terms, are authorized by the Act and have been duly authorized by a resolution of the governing body of the Issuer adopted at a meeting thereof duly called and held on November 13, 2017, by the affirmative vote of not less than a majority of its members;

(5) Pursuant to the Resolution, the Issuer has authorized and directed the Lender to disburse the proceeds of the Note directly to the Borrower and such other parties as may be entitled to payment or reimbursement for Project Costs, upon receipt of such supporting documentation as the Lender may deem reasonably necessary or as required by this Agreement or the Disbursing Agreement; and

(6) No public official of the Issuer has either a direct or indirect financial interest in this Agreement nor will any public official either directly or indirectly benefit financially from this Agreement.

Section 2.2 Representations by the Borrower. The Borrower makes the following representations as the basis for its covenants herein:

(1) The Borrower is a Minnesota nonprofit corporation duly incorporated and in good standing under the laws of the State of Minnesota, is duly authorized to conduct its business in all states where its activities require such authorization, has power to enter into this Agreement, the Disbursing Agreement, the Security Agreement, Tax Regulatory Agreement, and the Mortgage, and to use the Facility for the purpose set forth in this Agreement and by proper corporate action has authorized the execution and delivery of this Agreement, the Disbursing Agreement, the Security Agreement, the Tax Regulatory Agreement, and the Mortgage;

(2) The Borrower is an organization described in Section 501(c)(3) of the Code and is exempt from tax under Section 501(a) of the Code. The Borrower is not a "private foundation" as defined in Section 509(a) of the Code. Not more than five percent (5%) of the proceeds of the Note will be used, directly or indirectly, to finance or refinance property used

in an unrelated trade or business of the Borrower determined by applying Section 513(a) of the Code or in the trade or business of any person other than an organization described in Section 501(c)(3) of the Code. There is no action, proceeding or investigation pending or threatened by the Internal Revenue Service or authorities of the State of Minnesota which, if adversely determined, might result in a modification of the status of the Borrower as an organization described in Section 501(c)(3) of the Code;

(3) The execution and delivery of this Agreement, the Disbursing Agreement, the Security Agreement, and the Mortgage, the consummation of the transactions contemplated thereby, and the fulfillment of the terms and conditions thereof do not and will not conflict with or result in a breach of any of the terms or conditions of the Borrower's articles of incorporation, its bylaws, any restriction or any agreement or instrument to which the Borrower is now a party or by which it is bound or to which any property of the Borrower is subject, and do not and will not constitute a default under any of the foregoing or a violation of any order, decree, statute, rule or regulation of any court or of any state or federal regulatory body having jurisdiction over the Borrower or its properties, including the Project, and do not and will not result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Borrower contrary to the terms of any instrument or agreement to which the Borrower is a party or by which it is bound;

(4) As of the date hereof, the use of the Project as designed and to be operated complies, in all material respects, with all presently applicable development, pollution control, water conservation and other laws, regulations, rules and ordinances of the federal government and the State of Minnesota and the respective agencies thereof and the political subdivisions in which the Project is located. The Borrower has obtained, or will obtain in a timely manner, all necessary and material approvals of and licenses, permits, consents and franchises from federal, state, county, municipal or other governmental authorities having jurisdiction over the Project and to enter into, execute and perform its obligations under this Agreement, the Disbursing Agreement, the Security Agreement, the Tax Regulatory Agreement, and the Mortgage; and no violation of any local ordinance, laws, regulation or requirement exists with respect to the Land. The representations contained in this subsection (4) as to the presence or release of any hazardous substances or environmental conditions located in, on, or from the Project are subject to the limitations set forth in the Mortgage;

(5) The proceeds of the Note, together with any other funds to be contributed to the Project by the Borrower or otherwise in accordance with this Agreement, will be sufficient to pay the cost of the Project in a manner suitable for use as a public charter school, and all costs and expenses incidental thereto, and the proceeds of the Note will be used only for the purposes contemplated hereby and allowable under the Act;

(6) Comparable private financing for the Project was not found by the Borrower to be reasonably available, and the Project is economically more feasible with the availability of the financing herein authorized;

(7) The Borrower is not in the trade or business of selling properties such as the Facility and is undertaking the Project for investment purposes only or otherwise for use by the Borrower in its trade or business, and therefore, the Borrower has no intention now or in

the foreseeable future to voluntarily sell, surrender or otherwise transfer, in whole or part, its interest in the Facility;

(8) There are no actions, suits, or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any property of the Borrower in any court or before any federal, state, municipal or other governmental agency, which, if decided adversely to the Borrower would have a material adverse effect upon the Borrower or upon the business or properties of the Borrower; and the Borrower is not in default with respect to any order of any court or governmental agency;

(9) The Borrower is not in default in the payment of the principal of or interest on any indebtedness for borrowed money nor in default under any instrument or agreement under and subject to which any indebtedness for borrowed money has been issued;

(10) The Borrower has filed all federal and state income tax returns which are required to be filed and has paid all taxes shown on said returns and all assessments and governmental charges received by the Borrower to the extent that they have become due;

(11) To the knowledge of the Borrower, no public official of the Issuer has either a direct or indirect financial interest in this Agreement nor will any public official either directly or indirectly benefit financially from this Agreement;

(12) The Borrower has approved the terms and conditions of the Note;

(13) The Borrower intends the Facility to be operated as a public charter school facility until the date on which the entire Principal Balance of the Note has been fully paid and is no longer outstanding;

(14) Each document executed by the Borrower in connection with the Loan constitutes the legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms (subject, as to enforceability, to limitations resulting from bankruptcy, insolvency and other similar laws affecting creditors' rights generally);

(15) The financial statements of the Borrower heretofore furnished to the Lender are complete and correct in all material respects and fairly present the financial condition of the Borrower at the date of such statements. Since the most recent set of audited financial statements delivered by the Borrower to the Lender, there have been no material adverse changes in the financial condition of the Borrower;

(16) No consent, approval, order or authorization of, or registration, declaration or filing with, or notice to, any governmental authority or any third party is required in connection with the execution and delivery of this Agreement, or any of the agreements or instruments herein mentioned or related hereto to which the Borrower is a party or the carrying out or performance of any of the transactions required or contemplated hereby or thereby or, if required, such consent, approval, order or authorization has been (or, with respect to the filing of the Form 8038 with the Internal Revenue Service, the notice of issue with Minnesota Department of Employment and Economic Development, and obtaining a

building permit from the Issuer will be) obtained or such registration, declaration or filing has been or will be accomplished or such notice has been or will be given;

(17) The Borrower has good title to the Land, free and clear of all mortgages, liens and encumbrances, except the Permitted Encumbrances (as described in the Mortgage). When timely and properly recorded, the Mortgage will constitute a valid and perfected first mortgage lien on the Land; and

(18) After completion of the improvements to the Facility, the Facility will be in substantial compliance with the accessibility guidelines set forth in Title III of The Americans with Disabilities Act of 1990, as the same may be amended from time to time, and any rules and regulations promulgated thereunder (the "ADA").

### ARTICLE III

#### THE LOAN

Section 3.1 Amount and Source of Loan. The Issuer has authorized the issuance of the Note in the principal amount of \$6,175,000 to provide funds to the Borrower for its use in financing the Project. The Borrower agrees to acquire and construct the Facility and the Issuer agrees to lend the Borrower, upon the other terms and conditions set forth herein, the proceeds received from the Note by causing such sums to be advanced to the Borrower and disbursed at Closing or pursuant to this Agreement and the Disbursing Agreement.

Section 3.2 Documents Required Prior to Closing and Disbursement of the Loan. Prior to the closing and any advance of the proceeds, the Borrower shall deliver to the Lender the following:

- (1) The Note;
- (2) The Loan Agreement;
- (3) The Pledge Agreement;
- (4) The Mortgage;
- (5) The Tax Regulatory Agreement;
- (6) The Disbursing Agreement;
- (7) The items listed in Section 2.1 of the Disbursing Agreement;
- (8) The Security Agreement;
- (9) The Lease;

(10) An opinion of Counsel for the Borrower and opinion of Counsel for the School as prescribed by the Lender and Bond Counsel;

(11) An Opinion of Briggs and Morgan, Professional Association, to the effect that the Issuer has duly authorized the Note and that the interest thereon is exempt from federal income taxation and subject to other conditions acceptable to the Lender;

(12) 501(c)(3) determination letters from the Internal Revenue Service or other evidence that the Borrower and the School are exempt from income taxation under Section 501(c)(3) of the Code and such other documents and opinions as Bond Counsel may reasonably require for purposes of rendering its opinion required in subsection above;

(13) A commitment for a mortgagee's policy of title insurance in form satisfactory to the Lender showing good and marketable title to the Land in the Borrower, free and clear of all defects, encumbrances, security interest restrictions and easements, other than those acceptable to the Lender, together with true and complete copies of all documents affecting title to the Land and such endorsements to the policy as required by the Lender;

(14) Any certification, instrument, assignment or other document referenced in or required by any of the foregoing.

Section 3.3 Disbursement of the Loan. Pursuant to the Loan Agreement and the Act, the Issuer has authorized the Borrower to provide directly for the financing of the Project in such manner as determined by the Borrower and hereby authorizes the Lender to advance the proceeds of the Note directly to the Borrower or such other parties as may be entitled to payment or reimbursement for Project Costs, upon receipt of such supporting documentation as the Lender may deem reasonably necessary or as required by this Agreement. On the date hereof, **\$[50,001]** of proceeds of the Note shall be disbursed for Issuance Expenses. The remaining \$ \_\_\_\_\_ of the proceeds of the Note will be advanced and disbursed in accordance with the Disbursing Agreement to finance the construction and equipping of the Facility. Proceeds that have not been spent by the earlier of the Completion Date (as defined in the Disbursing Agreement) or \_\_\_\_\_, 2020 shall not be advanced.

Section 3.4 Repayment. Subject to the prepayment provisions set forth in the Note, the Borrower agrees to repay the Loan by making all payments of principal, interest and any premium, penalty or charge that are required to be made by the Issuer under the Note at the times and in the amounts provided therein. All payments shall be made directly to the Lender as provided in the Note for the account of the Issuer. The Borrower represents and covenants that the source of payment of the Note is from revenues derived from its ownership of the Project and other funds of the Borrower obtained pursuant to its tax-exempt purposes.

Section 3.5 Borrower's Obligations Unconditional. All payments required of the Borrower hereunder shall be paid without notice or demand and without setoff, counterclaim, abatement, deduction or defense. The Borrower will not suspend or discontinue any payments, and will perform and observe all of its other agreements in this Agreement, and, except as expressly permitted herein, will not terminate this Agreement for any cause, including but not limited to any acts or circumstances that may constitute failure of consideration, destruction or damage to the Project, eviction by paramount title, commercial frustration of purpose, bankruptcy or insolvency of the Issuer or the Lender, change in the tax or other laws or administrative rulings or actions of the United States of America or of the State of Minnesota or



any political subdivision thereof, or failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement.

## ARTICLE IV

### BORROWER'S COVENANTS

Section 4.1 Indemnity. The Borrower will, to the extent permitted by law, pay, and will protect, indemnify and save the Issuer, the Lender, and their respective officers, agents, and employees harmless from and against all liabilities, losses, damages, costs, expenses (including attorneys' fees and expenses), causes of action, suits, claims, demands and judgments of any nature arising from the following:

(1) any injury to or death of any person or damage to property in or upon the Project or growing out of or connected with the use, non-use, condition or occupancy of the Project or a part thereof;

(2) violation of any agreement or condition of this Agreement, except by the Issuer or its assignee;

(3) violation of any contract, agreement or restriction by the Borrower relating to the Project;

(4) violation of any law, ordinance or regulation affecting the Project or a part thereof or the ownership, occupancy or use thereof, or arising out of this Agreement, the Note or the transactions contemplated thereby, including any requirements imposed on the Lender as a financial institution or any disclosure or registration requirements imposed by any federal or state securities law; and

(5) any statement or information relating to the expenditure of the proceeds of the Note contained in the non-arbitrage certificate or similar document furnished by the Borrower to the Issuer which, at the time made, is misleading, untrue or incorrect in any material respect.

Section 4.2 Continuing Existence and Qualification. Throughout the term of this Agreement the Borrower will remain duly qualified to do business as a nonprofit corporation in Minnesota, and will continue to operate as an organization described in Section 501(c)(3) of the Code whose income is exempt from taxation under Section 501(a) of the Code, and will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another corporation or other business entity or permit any other corporation or other business entity to consolidate with or merge into it unless (1) the surviving, resulting or transferee corporation, or other business entity, as the case may be, shall be a nonprofit corporation operating under the laws of the United States, any state or the District of Columbia, and an organization described in Section 501(c)(3) of the Code (provided the Project will not constitute an unrelated trade or business within the meaning of Section 513(a) of the Code) or a governmental unit under Section 145 of the Code; (2) the surviving, resulting or transferee corporation, or other business entity, as the case may be, if other than the

Borrower, assumes in writing all of the obligations of the Borrower under this Agreement, the Disbursing Agreement, and the Mortgage and shall deliver that instrument to the Lender, (3) the surviving, resulting or transferee corporation or other business entity, as the case may be, is duly qualified to do business in Minnesota and (4) the Borrower first obtains the written consent of the Lender to such merger, transfer or consolidation, which approval may be granted or withheld by the Lender in its sole and absolute discretion. At least 60 days before any proposed merger, transfer or consolidation would become effective, the Borrower shall deliver to the Lender a written request seeking the Lender's approval of such merger, transfer or consolidation, and shall thereafter promptly furnish to the Lender such information pertaining to the proposed merger, transfer, or consolidation as the Lender shall request. If the Lender approves the proposed merger, transfer or consolidation, the surviving, resulting or transferee corporation and other entity referred to in this Section 4.2 shall be bound by all of the covenants and agreements of the Borrower herein with respect to any further consolidation, merger, sale or transfer.

Section 4.3 Reports to Governmental Agencies. The Borrower will furnish to agencies of the State of Minnesota, such periodic reports or statements as are required under the Act, or as they may otherwise reasonably require of the Issuer or the Borrower throughout the term of this Agreement in connection with the transaction contemplated herein. Copies of such reports will be provided to the Issuer and the Lender.

Section 4.4 Security for the Loan. As additional security for the Lender, and to induce the Issuer to issue and deliver the Note, the Borrower agrees to execute and deliver (or cause to be executed and delivered) the documents described in Section 3.2 hereof and agrees to meet all its obligations under such documents, which documents shall remain in effect until all payments required hereunder have been made; and the Borrower will direct Bond Counsel, the Lender, or Title to cause to be recorded and filed the Mortgage and such other documents requested by Bond Counsel or the Lender, in such places and in such manner as Bond Counsel or the Lender deems necessary or desirable to perfect or protect the security interest of the Lender in and to the Project and other collateral referred to in said documents. Except as otherwise may be provided in the Mortgage, the Borrower will not further encumber the property pledged therein without the Lender's prior written consent.

Section 4.5 Preservation of Tax Exemption.

(1) The Borrower covenants and agrees that, in order to assure that the interest on the Note shall at all times be free from federal income taxation, the Borrower represents and covenants with the Issuer and the Lender that it will comply with the applicable provisions of Section 103 and Section 141 through 150 of the Code and as follows:

(a) The Facility is and will continue to be owned by the Borrower and operated by the School, and no portion of the Project is managed by anyone other than the Borrower or a governmental entity or an organization described in Section 501(c)(3) of the Code or pursuant to a "qualified management agreement" within the meaning of all pertinent provisions of law, including all relevant provisions of the Code and regulations, rulings and revenue procedures thereunder, including Revenue Procedure 2017-13.

(b) The Facility will not be used by the Borrower in an unrelated trade or business, determined by the application of Section 513(a) of the Code.

(c) No more than five percent (5%) of the net proceeds of the Note is to be used for any private business use as defined in Section 141(b)(6) of the Code.

(d) The payment of the principal of, or interest on, no more than five percent (5%) of the net proceeds of the Note is (under the terms of the Note or any underlying arrangement) directly or indirectly (a) secured by any interest in (i) property used or to be used for a private business use, or (ii) payments in respect of such property, or (b) to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use.

(e) The aggregate authorized face amount of the Note (when increased by any outstanding tax-exempt "qualified 501(c)(3) bonds" issued prior to 1997, other than "qualified hospital bonds," of the Borrower, or any organization with which the Borrower is under common management or control and is a test period beneficiary determined in accordance with Section 145(b) of the Code) does not exceed \$150,000,000 or, alternatively, at least 95% of the net proceeds of the Note will be used for capital expenditures.

(f) The weighted average maturity of the Note will not exceed the estimated economic life of the Facility by more than twenty percent (20%), all within the meaning of Section 147(b) of the Code.

(g) While the Note remains outstanding, no portion of the proceeds of the Note will be used to provide any airplane, skybox or other private luxury box, any facility primarily used for gambling, or a store, the principal business of which is the sale of alcoholic beverages for consumption off premises.

(h) Not more than 2% of the proceeds of the Note will be used to finance Issuance Expenses.

(i) The Borrower agrees it will not use the proceeds of the Note in such a manner as to cause the Note to be an "arbitrage bond" within the meaning of Section 148 of the Code and applicable Treasury Regulations. The Borrower shall:

(i) maintain records identifying all "gross proceeds" and "replacement proceeds" (as defined in Section 148(f)(6)(B) of the Code attributable to the Note, the yield at which such gross proceeds are invested, any arbitrage profit derived therefrom (earnings in excess of the yield on the Note) and any earnings derived from the investment of such arbitrage profit;

(ii) make, or cause to be made as of the end of each fifth bond year, the annual determinations of the amount, if any, of excess arbitrage required to be paid to the United States, unless the Borrower obtains an Opinion of Bond

Counsel to the effect that such calculations need not be made (the "Rebate Amount");

(iii) pay, or cause to be paid, to the United States at least once every fifth bond year the amount, if any, which is required to be paid to the United States, including the last installment which shall be made no later than 60 days after the day on which the Note is paid in full;

(iv) not invest, or permit to be invested, "gross proceeds" of the Note in any acquired non-purpose obligations so as to deflect arbitrage otherwise payable to the United States as a "prohibited payment" to a third party; and

(v) if applicable, retain all records of the determination of the foregoing amounts until six (6) years after the Note has been fully paid.

Unless the Opinion of Bond Counsel described in (ii) above is provided, the Borrower agrees that, in order to comply with this paragraph (i), it shall determine the Rebate Amount within 30 days after each fifth year of the anniversary of the Closing and upon payment in full of the Note; upon request, the Borrower shall furnish the Lender a certificate showing how such calculation was made.

(j) The Borrower has not leased, sold, assigned, granted or conveyed and will not lease, sell, assign, grant or convey all or any portion of the Facility or any interest therein to the United States or any agency or instrumentality thereof within the meaning of Section 149(b) of the Code.

(k) In addition to the Note, no other obligations have been or will be issued under Section 103 of the Code which are sold at substantially the same time as the Note pursuant to a common plan of marketing and at substantially the same rate of interest as the Note and which are payable in whole or part by the Borrower or otherwise have with the Note any common or pooled security for the payment of debt service thereon, or which are otherwise treated as the same "issue of obligations" as the Note as described in Treasury Regulations Section 1.150-1(c)(1).

(l) No proceeds of the Note shall be invested in investments which cause the Note to be federally guaranteed within the meaning of Section 149(b) of the Code. If at any time the moneys in such funds exceed, within the meaning of Section 149(b)(3)(B) of the Code, (i) amounts invested for an initial temporary period until the moneys are needed for the purpose for which the Note was issued, (ii) investments of a bona fide debt service fund, and (iii) investments of a reserve which meet the requirement of Section 148(d) of the Code, such excess moneys shall be invested in only those investments, which are (A) obligations issued by the United States Treasury, (B) other investments permitted under regulations, or (C) obligations which are (a) not issued by, or guaranteed by, or insured by, the United States or any agency or instrumentality thereof or (b) not federally insured deposits or accounts, all within the meaning of Section 149(b) of the Code.

(m) Not otherwise use proceeds of the Note, or take or fail to take any action within its control, the effect of which would be to impair the exemption of interest on the Note from federal income taxation.

(n) Maintain such written procedures as appropriate and applicable to ensure Borrower's principal responsibility for compliance with the post-issuance requirements necessary to maintain the tax-exempt status of the interest on the Note, including requirements that must be continually monitored, including (i) monitoring the investment (pending expenditure) of Note proceeds (and keep detailed records thereof) in order to assure compliance with the arbitrage requirements applicable to the Note, (ii) monitoring the expenditures of Note proceeds (and keep detailed records thereof), (iii) monitoring the use of the Project in order to ensure that the Note continues to qualify as a qualified 501(c)(3) bond within the meaning of Section 145 of the Code, (iv) periodically consulting with Bond Counsel with respect to arbitrage issues and compliance, and (v) consulting with Bond Counsel as necessary to determine whether, and to what extent, any change in the use or purpose of the financed facility will require any remedial action under the relevant Treasury Regulations.

(2) For the purpose of this Section, a "Determination of Taxability" shall mean the issuance of a statutory notice of deficiency by the Internal Revenue Service, or a ruling of the National Office or any District Office of the Internal Revenue Service, or a final decision of a court of competent jurisdiction, or a change in any applicable federal statute, which holds or provides in effect that all of the interest payable on the Note is includible, for federal income tax purposes under Section 103 of the Code, in the gross income of the Lender or any other holder or prior holder of the Note for any reason, if the period, if any, for contest or appeal of such action, ruling or decision by the Borrower or the Lender or any other interested party has expired without any such contest or appeal having been properly instituted by the Lender, the Borrower or any other interested party. The expenses of any such contest shall be paid by the party initiating the contest, and neither the Lender nor the Borrower shall be required to contest or appeal any Determination of Taxability. The "Date of Taxability" shall mean that point in time, as specified in the determination, ruling, order, or decision, that the interest payable on the Note becomes includible in the gross income of the Lender or any other holder or prior holder of the Note, as the case may be, for federal income tax purposes.

(3) If the Borrower receives a Determination of Taxability it will promptly give notice of such Determination of Taxability to the Issuer and the Lender and the Note shall convert to a taxable obligation effective as of the Date of Taxability. The interest rate for interest accruing from the Date of Taxability shall be adjusted to the "Taxable Rate" (as defined in the Note) on the date of the Determination of Taxability and the Borrower shall pay any interest accruing from the Date of Taxability which is retroactively due as a result of the interest rate adjustment on the next payment date along with regularly scheduled principal payment and interest accruing from the previous payment date at the Taxable Rate, as provided in the Note.

Section 4.6 Lease or Sale of Project. Except for the Lease, the Borrower shall not lease, sell, convey or otherwise transfer the Project in whole or part, nor sell the Project in whole or part, without first securing the written consent of the Lender provided that in no event shall

such lease, transfer, assignment or sale be permitted if the effect thereof would otherwise be to impair the validity or the tax exempt status of the Note, nor shall any such transaction release the Borrower of any of its obligations under this Agreement, unless the Project is conveyed in whole and such conveyance has been approved in writing by the Lender. The Borrower shall promptly notify the Issuer of any such sale, transfer, assignment or lease. As further described in Paragraph 9 of the Note, the Borrower shall prepay its obligations under the Note upon any sale or transfer of all or substantially all of the Facility without the consent of the Lender.

Section 4.7 Facility Operation and Maintenance Expenses. The Borrower shall pay or cause to be paid all expenses of the operation and maintenance of the Facility including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all taxes and special assessments levied upon or with respect to the Facility and payable during the term of this Loan Agreement, all in conformance with the provisions of the Mortgage. The Borrower shall keep the Facility in good working order and condition, subject to ordinary wear and tear. The Facility shall not be used for purposes which violate any Federal, State or other laws prohibiting discrimination in access or employment based on race, creed, sex, sexual orientation, handicap, ethnic origin, age or marital status.

Section 4.8 Notification of Changes. The Borrower covenants and agrees that it will promptly notify the Lender of:

(1) any litigation which might affect the Borrower or any of its properties, where the amount in dispute, singly or in the aggregate, exceeds \$50,000 and is not covered by insurance, and any proceedings materially affecting the Borrower or its properties by or before any governmental or regulatory authority;

(2) the occurrence of any Event of Default under this Agreement or under any other loan agreement, debenture, Note, purchase agreement or any other agreement providing for the borrowing of money by the Borrower or any event of which the Borrower has knowledge and which, with the passage of time or giving of notice, or both, would constitute an Event of Default under this Loan Agreement or under such other agreements or obligations; and

(3) any material adverse change in the operations, business, properties, assets or conditions, financial or otherwise, of the Borrower.

Section 4.9 Financial Covenants. While any portion of the Note remains outstanding:

(1) The Borrower will furnish, or caused to be furnished, to the Lender as soon as available and in any event within one hundred twenty (120) days after the end of each fiscal year of the Borrower and the School, the annual audit reports of each of the Borrower and the School prepared in conformity with GAAP, consisting of at least statements of income, cash flow and a balance sheet as at the end of such year, setting forth in each case in comparative form corresponding figures from the previous annual audit, certified, without qualification, by independent certified public accountants of recognized standing selected by the Borrower and the School, respectively, and acceptable to the Lender, together with any

management letters, management reports or other supplementary comments or reports to the Borrower and the School or their boards of directors furnished by such accountants.

(2) The Borrower will not, without Lender's prior written consent, incur, create, issue, assume or suffer to exist any Indebtedness, except: (a) Indebtedness under this Agreement or any other agreement with the Lender; (b) current liabilities, other than for borrowed money, incurred in the ordinary course of business; (c) Indebtedness existing on the date of this Agreement and disclosed to the Lender; and (d) Indebtedness secured by Permitted Encumbrances.

Section 4.10 Access. The Borrower grants to the Lender and to the Lender's agents access to the Project at any reasonable time during normal business hours in order to inspect the Project and the Borrower's other property.

Section 4.11 Access to Books and Inspection. The Borrower shall keep proper books of record and accounts with respect to the use and operation of the Project, and, subject to any privacy laws applicable to Borrower, upon request of the Lender, provide any duly authorized representative of the Lender access during normal business hours to, and permit such representative to examine, copy or make extracts from, or audit any and all books, records and documents of the Borrower relating to the Project, or the Borrower's affairs and to inspect any of its facilities and properties. (The Lender shall be permitted to disclose the information contained therein to its legal counsel, its independent public accountants, any participating lenders, or in connection with any action to collect any indebtedness of the Borrower or to enforce this Agreement and the documents related hereto, or as otherwise permitted or required by law).

Section 4.12 IRS Audit Expenses. The Borrower agrees to pay any reasonable costs incurred by the Issuer, or the Lender as a result of the Issuer's, or the Lender's compliance with an audit, random or otherwise, by the Internal Revenue Service or the Minnesota Department of Revenue with respect to the Note or the Project.

Section 4.13 Reports to Issuer. Annually, not later than March 1, in every year while any portion of the Note remains outstanding, the Borrower agrees to provide a report to the Issuer documenting the then-outstanding principal amount of the Note. This provision cannot be enforced by the Lender.

Section 4.14 Matters Related to Management Contracts. The manager under any management contract for the management of the Project shall be an organization recognized as exempt under Section 501(c)(3) of the Code or such management contract shall comply with Department of Treasury Revenue Procedure 2017-13 (and any amended or successor rule) and in particular with one of the "safe harbor" limitations hereof.

Section 4.15 Interest Reserve Account. [To Come]

## ARTICLE V

### PREPAYMENT OF LOAN

Section 5.1 Prepayment at Option of Borrower. Subject to the limitations on prepayment contained in the Note, the Borrower may at its option prepay the Loan, in whole or in part, on any date, by paying the principal amount to be prepaid, accrued interest thereon then due.

Any partial prepayment shall be applied in the order described in Paragraph 7 of the Note. At the date fixed for prepayment, funds shall be paid to the Lender at its registered address appearing on the Note. In the event the Borrower elects to prepay the Loan, the Borrower shall cause to be given in the name of the Issuer notice of prepayment of the Note to the Lender by first-class mail, addressed to the Lender at its registered address, not less than thirty (30) days prior to the date fixed for prepayment, and shall pay the prepayment price when due to the Lender. The Issuer hereby authorizes the Borrower to give notice of prepayment of the Note as required by the Lender and the law in the name of the Issuer, from time to time.

## ARTICLE VI

### EVENTS OF DEFAULT AND REMEDIES

Section 6.1 Events of Default. Any one or more of the following events is an Event of Default under this Agreement:

(1) If the Borrower shall fail to make any payments required under Section 3.4 of this Agreement on the date due.

(2) If the Borrower shall fail to make any other payment due under this Agreement on or before the date that the payment is due and such default continues for ten (10) days thereafter.

(3) If the Borrower shall fail to observe and perform any other covenant, condition or agreement on its part under this Agreement for a period of thirty (30) days after written notice, specifying such default and requesting that it be remedied, given to the Borrower by the Issuer or the Lender, unless the Lender shall agree in writing to an extension of such time prior to its expiration, or for such longer period as may be reasonably necessary to remedy such default provided that the Borrower is proceeding with reasonable diligence to remedy the same, and provided that such longer period does not place the Facility at material risk.

(4) If the Borrower shall file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any present or future federal bankruptcy act or under any similar federal or state law, shall consent to the entry of an order for relief pursuant to any present or future federal bankruptcy act or under any similar federal or state law, or shall make an assignment for the benefit of its creditors or shall admit in writing its inability to pay its debts generally as they become due, or if a petition or answer proposing the entry of an order for relief of the Borrower under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within 90 days after the filing thereof, or a receiver, trustee or liquidator of the Borrower of all or substantially all of the assets of the Borrower, or of the Facility shall



be appointed in any proceeding brought against the Borrower and shall not be discharged within 90 days after such appointment or if the Borrower shall consent to or acquiesce in such appointment, or if the estate or interest of the Borrower in the Facility or a part thereof shall be levied upon or attached in any proceeding and such process shall not be vacated or discharged within 90 days after such levy or attachment; or if the Borrower shall be dissolved or liquidated or shall be merged with or is acquired by another business entity in violation of Section 4.2.

(5) If the articles of incorporation of the Borrower shall expire or be annulled; or if the Borrower shall be dissolved or liquidated (other than when a new entity assumes the obligations of the Borrower under the conditions permitting such action contained in Section 4.2).

(6) If any representation or warranty made by the Borrower herein, or by an officer or representative of the Borrower in any document or certificate furnished the Lender or the Issuer in connection herewith or therewith or pursuant hereto or thereto, shall prove at any time to be, in any material respect, incorrect or misleading as of the date made.

(7) If the Borrower shall default or fail to perform any covenant, condition or agreement on its part under the Mortgage, the Disbursing Agreement, the Security Agreement, or any other security document securing the Note, and such failure continues beyond the period set forth in such documents during which the Borrower may cure the default.

(8) Any state or federal tax lien shall be filed against the Borrower and shall remain undischarged for a period of sixty (60) days.

(9) All or any portion of the Land or the Facility, or the legal, equitable or any other interest therein, shall be sold, transferred, assigned, leased, further encumbered (except as permitted herein or in the Mortgage) or otherwise disposed of, other than to a trustee or receiver, unless the prior written consent of the Lender is first obtained; provided that nothing in this Agreement prohibits the Borrower from entering into an agreement for sale of the Land where the Loan and all other amounts due under this Agreement and the other documents evidencing the Loan will be paid in full at the closing of the sale.

Section 6.2 Remedies. Whenever any Event of Default referred to in Section 6.1 hereof shall have happened and be subsisting, any one or more of the following remedial steps to the extent permitted by law may be taken by the Lender:

(1) The Lender's obligation to advance any further amounts under the Note and the Disbursing Agreement shall terminate. Notwithstanding anything to the contrary contained herein or in any other instrument evidencing or securing the Loan, the Lender may exercise the foregoing remedy upon the occurrence of an event that would constitute such an Event of Default but for the requirement that notice be given or that a period of grace or time elapse.

(2) The Lender may declare all installments of the Loan (being an amount equal to that necessary to pay in full the Principal Balance plus accrued interest thereon and any premium of the Note assuming acceleration of the Note under the terms thereof and to pay

all other indebtedness thereunder) to be immediately due and payable, whereupon the same shall become immediately due and payable by the Borrower.

(3) The Lender may foreclose the Mortgage and proceed against the collateral described therein.

(4) The Lender may enforce the Security Agreement.

(5) The Lender (in either case at no expense to the Issuer) may take whatever action at law or in equity may appear necessary or appropriate to collect the amounts then due and thereafter to become due under this Agreement, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement, the Disbursing Agreement, or the Mortgage.

(6) The Lender may exercise any other remedy permitted under any other instrument evidencing or securing the Loan.

(7) In addition to the remedies set forth in this Agreement, upon the occurrence of any Event of Default and thereafter while the same be continuing, the Borrower hereby irrevocably authorizes the Lender to set off all sums owing by the Borrower to the Lender against all deposits and credits of the Borrower with, and any and all claims of the Borrower against, the Lender.

Section 6.3 Disposition of Funds. Notwithstanding anything to the contrary contained in this Agreement, any amounts collected pursuant to action taken under Section 6.2 hereof, except for any amounts collected solely for the benefit of the Issuer under any of the provisions set forth in Section 7.9, shall, after deducting (a) all expenses incurred in collecting the same and (b) then accrued interest on the Note, the remainder of such amounts, if any, be applied as a prepayment of the Note in accordance with Section 5.1.

Section 6.4 Manner of Exercise. No remedy herein conferred upon or reserved to the Issuer or the Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Lender to exercise any remedy reserved to either of them in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 6.5 Attorneys' Fees and Expenses. In the event the Borrower should default under any of the provisions of this Agreement and the Issuer or the Lender should employ attorneys or incur other expenses for the collection of amounts due hereunder or the enforcement of performance of any obligation or agreement on the part of the Borrower, the Borrower will on demand pay to the Issuer or the Lender the reasonable fees and costs of such attorneys and such other expenses so incurred.

Section 6.6 Effect of Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. The Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender and, then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event.

## ARTICLE VII

### GENERAL

Section 7.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or received by certified or registered United States mail, return receipt requested, postage prepaid, with proper address as indicated below. The Issuer, the Borrower, and the Lender may, by written notice given by each to the others, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Agreement. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

To the Issuer: City of Crosslake, Minnesota  
37028 County Road 66  
Crosslake, MN 56442  
Attn: City Administrator

To the Borrower: Lakes Area Kids Enrichment Foundation  
35808 County Road 66  
Crosslake, MN 56442  
Attn: President

with a copy to the School: Crosslake Community School  
36974 County Road 66  
Crosslake, MN 56442  
Attn: Executive Director

To the Lender: North American Banking Company  
2230 Albert Street  
Roseville, MN 55113  
Attn: Chief Executive Officer

Section 7.2 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Issuer and the Borrower and their respective successors and assigns.

Section 7.3 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 7.4 Amendments, Changes and Modifications. Except as otherwise provided in this Agreement or in the Resolution, subsequent to the Closing date and before the Note is satisfied and discharged in accordance with its terms, this Agreement may not be effectively amended, changed, modified, altered, or terminated without the prior written consent of the Lender.

Section 7.5 Execution Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7.6 Limitation of Issuer's Liability. It is understood and agreed by the Borrower and the Lender that no covenant of the Issuer herein shall give rise to a pecuniary liability of the Issuer or a charge against its general credit, or taxing powers. It is further understood and agreed by the Borrower and the Lender that the Issuer shall incur no pecuniary liability hereunder, and shall not be liable for any expenses related hereto, including administrative expenses and fees and disbursements of the Issuer's attorney, Bond Counsel and fiscal consultant retained in connection therewith, all of which expenses the Borrower agrees to pay.

Section 7.7 Issuer's Attorneys' Fees and Costs. If, notwithstanding the provisions of Section 7.6 hereof, the Issuer incurs any expense, or suffers any losses, claims or damages, or incurs any liabilities in connection with the transaction contemplated by this Agreement, the Borrower will indemnify and hold harmless the Issuer from the same and will reimburse the Issuer for any reasonable legal or other expenses incurred by the Issuer in relation thereto. The Borrower shall also reimburse the Issuer for all other costs and expenses, including without limitation reasonable attorneys' fees, paid or incurred by the Issuer in connection with (i) the discussion, negotiation, preparation, approval, execution and delivery of this Agreement, the Note, the Pledge Agreement and the documents and instruments related hereto or thereto; (ii) any amendments or modifications hereto or to the Note, the Pledge Agreement and any document, instrument or agreement related hereto or thereto, and the discussion, negotiation, preparation, approval, execution and delivery of any and all documents necessary or desirable to effect such amendments or modifications; and (iii) the enforcement by the Issuer during the term hereof or thereafter of any of the rights or remedies of the Issuer hereunder or under the Note, the Pledge Agreement or any document, instrument or agreement related hereto or thereto, including, without limitation, costs and expenses of collection in the Event of Default, whether or not suit is filed with respect thereto.

Section 7.8 Release. The Borrower hereby acknowledges and agrees that the Issuer shall not be liable to the Borrower, and hereby releases and discharges the Issuer from any liability, for any and all losses, costs, expenses (including attorneys' fees), damages, judgments, claims and causes of action, paid, incurred or sustained by the Borrower as a result of or relating to any action, or failure or refusal to act, on the part of the Lender with respect to this Agreement or the documents and transactions related hereto or contemplated hereby, including, without

limitation, the exercise by the Lender of any of its rights or remedies pursuant to Article VI, the Note, the Pledge Agreement, the Disbursing Agreement, the Security Agreement, the Mortgage, or any other collateral security documents. The Borrower's release of the Issuer pursuant to the preceding sentence does not extend to the Lender following the assignment of the Issuer's rights to the Lender pursuant to the Pledge Agreement.

Section 7.9 Pledge and Assignment by Issuer and Survival of Obligations. The Issuer may pledge and assign its rights under this Agreement and any related documents to the Lender to secure payment of the principal of and interest and premium, if any, on the Note, conditioned upon the Lender's assumption of the Issuer's and Lender's obligations to the Borrower hereunder, except for the Issuer's obligations in connection with its representations in Section 2.1 hereof, which are not being assumed, but any such assignment shall not operate to limit or otherwise affect the following provisions hereof to the extent that they run to the Issuer from the Borrower to which extent they shall survive any such assignment:

- |              |             |
|--------------|-------------|
| Section 3.5  | Section 6.5 |
| Section 4.1  | Section 7.6 |
| Section 4.3  | Section 7.7 |
| Section 4.12 | Section 7.8 |
| Section 4.13 |             |

Upon any such pledge and assignment, the provisions immediately above running to the Issuer from the Borrower for the Issuer's benefit shall run jointly and severally to the Issuer and the Lender (if appropriate), provided that the Issuer shall have the right to enforce any retained rights without the approval of the Lender but only upon prior written notice to the Lender and if the Lender is not enforcing such rights in a manner to protect the Issuer or is otherwise taking action with respect thereto that brings adverse consequences to the Issuer. The obligations of the Borrower running to the Issuer and the Lender for the purpose of preserving the tax exempt status of the Note or otherwise for the Issuer's benefit under the foregoing Sections shall survive repayment of the Note and interest thereon. All other agreements, representations and warranties made in this Agreement shall survive the execution of this Agreement and the making of the Loan, and shall continue until the Lender receives payment in full of all indebtedness of the Borrower incurred under this Agreement.

Section 7.10 Required Approvals. Consents and approvals required by this Agreement to be obtained from the Borrower or the Issuer shall be in writing and shall not be unreasonably withheld or delayed.

Section 7.11 Termination Upon Retirement of Note. At any time when no Principal Balance on the Note remains outstanding, and arrangements satisfactory to the Lender and the Issuer have been made for the discharge of all other accrued and contingent liabilities, if any, under this Loan Agreement, this Loan Agreement shall terminate, except as otherwise expressly provided in Section 7.9 or otherwise herein or in a separate writing signed by the Borrower, the Issuer, and the Lender.

Section 7.12 Expenses of Lender. The Borrower shall pay or reimburse the Lender for any and all costs and expenses, including, without limitation, fees of Bond Counsel and

attorneys' fees, paid or incurred by the Lender in connection with (i) review, negotiation, preparation, and approval of this Agreement and any other document or agreement related hereto or thereto or the transactions contemplated hereby; (ii) the review, negotiation, preparation, and approval of any amendments, modifications or extensions to any of the foregoing documents, instruments or agreements, and the preparation and consummation of any and all documents necessary or desirable to effect such amendments, modifications or extensions; (iii) any appraisals, environmental assessments, surveys, or other reports relating to the Land which the Lender is authorized to seek, order or prepare pursuant to this Agreement or any other instrument evidencing or securing the Loan or is required to seek, order or prepare pursuant either to applicable laws or regulations or the Lender's policies or procedures generally applicable to commercial mortgage loans by the Lender; (iv) any reasonable fees or costs charged to the Lender by an architect or other design or inspection professional engaged by the Lender to, among other things, inspect the construction of any approved improvements to the Land, or verify compliance thereof with applicable building and zoning laws; (v) all title insurance premiums, filing and recording fees and mortgage registration tax paid or payable in connection with the consummation of the transaction contemplated hereby; and (vi) the enforcement by the Lender during the term hereof or thereafter of any of the rights or remedies of the Lender under any of the foregoing documents, instruments or agreements or under applicable law, whether or not suit is filed with respect thereto (attorneys' fees and costs are limited to reasonable fees and costs).

Section 7.13 Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter of this Agreement and supersedes any and all prior letters, proposals, contracts and understandings between the parties with respect to the same, including, but not limited to, any proposal or commitment letter, and such letters, proposals, contracts and understandings are hereby terminated.

Section 7.14 Further Assurances. At any time and from time to time, upon request by the Lender, the Borrower will make, execute and deliver or cause to be made, executed and delivered, to the Lender, any and all other further instruments, certificates and other documents as may, in the reasonable opinion of the Lender, be necessary or desirable in order to effectuate, complete, secure, or perfect, or to continue and preserve, the obligations of the Borrower hereunder and under any of the other documents related to the Loan. Upon any failure by the Borrower so to do after ten (10) days written notice from the Lender, the Lender may make, execute and record any and all such instruments, certificates and documents for and in the name of the Borrower at the Borrower's expense and the Borrower hereby irrevocably appoints the Lender its agent and attorney-in-fact of the Borrower so to do. The Borrower hereby understands, acknowledges and agrees that the Lender may prepare and file such UCC financing statements or similar instruments as may be necessary to perfect the Lender's security interest in any real or personal property pledged by the Borrower as security for the Loan.

Section 7.15 Non-Responsibility. Neither the Issuer nor the Lender assumes liability for the sufficiency of Loan proceeds to complete the Project.

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Agreement to be executed in their respective names all as of the date first above written.

City of Crosslake, Minnesota

By \_\_\_\_\_  
Mayor

By \_\_\_\_\_  
City Administrator

Loan Agreement between the City of Crosslake, Minnesota  
and Lakes Area Kids Enrichment Foundation

Lakes Area Kids Enrichment Foundation

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

Loan Agreement between the City of Crosslake, Minnesota  
and Lakes Area Kids Enrichment Foundation



B.7.

Extract of Minutes of a Meeting of the  
City Council of the City of Crosslake, Minnesota

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Crosslake, Minnesota was duly held in the City Hall in the City Hall of Crosslake, Minnesota, on Monday, November 13, 2017, at 7:00 o'clock P.M.

The following Councilmembers were present:

and the following were absent:

Councilmember \_\_\_\_\_ introduced the following resolution and moved its adoption:

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING THE ISSUANCE AND SALE OF AN EDUCATIONAL FACILITIES REVENUE NOTE, SERIES 2017 AND AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING THERETO (CROSSLAKE COMMUNITY SCHOOL PROJECT)

WHEREAS,

(a) Minnesota Statutes, Section 469.152 to 469.165, as amended (the "Act"), relating to municipal industrial development, gives municipalities the power to issue revenue obligations for the purpose of financing industrial development and to enter into agreements necessary or convenient in the exercise of the powers granted by the Act;

(b) The City Council of the City of Crosslake, Minnesota (the "Issuer") has received from Lakes Area Kids Enrichment Foundation, a nonprofit corporation organized under the laws of the State of Minnesota (the "Borrower"), a proposal that the Issuer assist in financing a Project hereinafter described through the issuance of a revenue note, as further defined below, the "Note", pursuant to the Act;

(c) The Issuer desires to facilitate the selective development of the community, retain and improve the tax base, and help to provide the range of services and employment opportunities required by the population, including educational services; and the Project will assist the Issuer in achieving those objectives and will enhance the image and reputation of the community;

(d) The project to be financed by the Note is the acquisition, construction, and equipping of an approximately 36,160 square-foot, grades Kindergarten through 12 public (charter) school facility that will leased to the Crosslake Community School, a Minnesota nonprofit corporation (the "School"), by the Borrower, to be located on approximately 10 acres

at 35808 County Road 66, in the City of Crosslake, Minnesota (the "Project"). The Project will be owned and operated by the Borrower and leased to and operated by the School;

(e) The Issuer has been advised by representatives of the Borrower that conventional, commercial financing to pay the capital cost of the Project is available only on a limited basis and at such high costs of borrowing that the economic feasibility of operating the Project would be significantly reduced;

(f) Based on representations of the Borrower, no public official of the Issuer has either a direct or indirect financial interest in the Project nor will any public official either directly or indirectly benefit financially from the Project; and

(g) A public hearing on the Project was held this date, after notice was published and materials made available for public inspection at the City Hall, all as required by the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended, at which public hearing all those appearing who desired to speak were heard and written comments were accepted.

BE IT RESOLVED by the City Council of the City of Crosslake, Minnesota (the "Issuer"), as follows:

**SECTION 1. LEGAL AUTHORIZATION AND FINDINGS.**

1.1 Findings. The Issuer hereby finds, determines and declares as follows:

(a) The Issuer is a municipal corporation and a political subdivision of the State of Minnesota and is authorized under the Act to assist the project referred to herein, and to issue and sell the Note, as hereinafter defined, for the purpose, in the manner and upon the terms and conditions set forth in the Act and in this Resolution.

(b) The issuance and sale of the Educational Facilities Revenue Note, Series 2017 (Crosslake Community School Project) in an amount not to exceed \$8,200,000 by the Issuer, pursuant to the Act, is in the best interest of the Issuer, and the Issuer hereby determines to issue the Note and to sell the Note to North American Banking Company in Roseville, Minnesota, or another bank in Minnesota (the "Lender"), as provided herein. The Issuer will loan the proceeds of the Note (the "Loan") to the Borrower in order to finance the Project.

(c) Pursuant to a Loan Agreement (the "Loan Agreement") to be entered into between the Issuer and the Borrower, the Borrower has agreed to repay the Note in specified amounts and at specified times sufficient to pay in full when due the principal of, premium, if any, and interest on the Note. In addition, the Loan Agreement contains provisions relating to the maintenance and operation of the Facility (as defined in the Loan Agreement), indemnification, insurance, and other agreements and covenants which are required or permitted by the Act and which the Issuer and the Borrower deem necessary or desirable for the financing of the Project. A draft of the Loan Agreement has been submitted to the City Council.

(d) Pursuant to a Pledge Agreement (the "Pledge Agreement") to be entered into between the Issuer and the Lender, the Issuer has pledged and granted a security interest in all of its rights, title, and interest in the Loan Agreement to the Lender (except for certain rights of indemnification and to reimbursement for certain costs and expenses). A draft of the Pledge Agreement has been submitted to the City Council.

(e) Pursuant to a Mortgage, Security Agreement, Assignment of Leases and Rents, and Fixture Financing Statement (the "Mortgage") to be executed by the Borrower in favor of the Lender, the Borrower has secured payment of amounts due under the Loan Agreement and the Note by granting to the Lender a mortgage and security interest in the property described therein. A draft of the Mortgage has been submitted to the City Council.

(f) Pursuant to a Security Agreement (the "Security Agreement") to be executed by the Borrower in favor of the Lender, the Borrower has further secured payment of amounts due under the Loan Agreement and the Note by granting to the Lender a security interest in certain collateral described therein. A draft of the Security Agreement has been submitted to the City Council.

(g) The Note will be a special, limited obligation of the Issuer. The Note shall not be payable from or charged upon any funds other than the revenues pledged to the payment thereof, nor shall the Issuer be subject to any liability thereon. No holder of the Note shall ever have the right to compel any exercise of the taxing power of the Issuer to pay the Note or the interest thereon, nor to enforce payment thereof against any property of the Issuer. The Note shall not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitation.

(h) On the basis of information available to the Issuer it appears, and the Issuer hereby finds, that the Project constitutes properties, real and personal, used or useful in connection with one or more revenue producing enterprises, whether or not operated for profit, within the meaning of an educational facility as described in Minnesota Statutes, Section 469.153, subdivision 2(b) of the Act; that the Project furthers the purposes stated in the Act; that the availability of the financing under the Act and the willingness of the Issuer to furnish such financing will be a substantial inducement to the Borrower to undertake the Project, and that the effect of the Project, if undertaken, will be to assist in the prevention of the emergence of blighted and marginal land, to help prevent chronic unemployment, to help the surrounding area retain and eventually improve the tax base, to provide the range of service and employment opportunities required by the population, to help prevent the movement of talented and educated persons out of the state and to areas within the State where their services may not be as effectively used, to promote more intensive development and use of land within the City of Crosslake and surrounding communities, and to provide available adequate educational services to residents of the State at a reasonable cost.

(i) It is desirable, feasible, and consistent with the objects and purposes of the Act to issue the Note for the purpose of financing the costs of the Project.

**SECTION 2. THE NOTE.**

2.1 Authorized Amount and Form of Note. The Note are hereby approved and shall be issued pursuant to this Resolution in substantially the form submitted to the City Council with such appropriate variations, omissions, and insertions as are necessary and appropriate and are permitted or required by this Resolution, and in accordance with the further provisions hereof; and the total principal amount of the Note that may be outstanding hereunder is expressly limited to \$8,200,000, unless a duplicate Note is issued pursuant to Section 2.7. The Note shall bear interest at a fixed rate as set forth therein.

2.2 The Note. The Note shall be dated as of the date of delivery to the Lender, shall be payable at the times and in the manner, shall bear interest at the rate, and shall be subject to such other terms and conditions as are set forth therein.

2.3 Execution. The Note shall be executed on behalf of the Issuer by the signatures of its Mayor and the City Administrator and shall be sealed with the seal of the Issuer; provided that the seal may be intentionally omitted as provided by law. In case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if had remained in office until delivery. In the event of the absence or disability of the Mayor or the City Administrator such officers of the Issuer as, in the opinion of the City Attorney, may act in their behalf, shall without further act or authorization of the City Council execute and deliver the Note.

2.4 Delivery of Initial Note. Before delivery of the Note there shall be filed with the Lender (except to the extent waived by the Lender) the following items:

- (1) an executed copy of each of the following documents:
  - (a) the Loan Agreement;
  - (b) the Pledge Agreement;
  - (c) the Mortgage; and
  - (d) the Security Agreement; and
  - (e) the Disbursing Agreement.
- (2) an opinion of Counsel for the Borrower as prescribed by the Lender and Bond Counsel;
- (3) the opinion of Bond Counsel as to the validity and tax exempt status of the Note;

(4) a 501(c)(3) determination letter from the Internal Revenue Service evidencing that the Borrower is exempt from income taxation under Section 501(c)(3) of the Code;

(5) such other documents and opinions as Bond Counsel may reasonably require for purposes of rendering its opinion required in subsection (3) above or that the Lender may reasonably require for the closing.

2.5 Disposition of Proceeds of the Note. Upon delivery of the Note to Lender, the Lender shall, on behalf of the Issuer, disburse the proceeds of the Note for payment of Project Costs in accordance with the terms of the Loan Agreement.

2.6 Registration of Transfer. The Issuer will cause to be kept at the office of the City Administrator a Note Register in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of transfers of ownership of the Note. The Note shall be initially registered in the name of the Lender and shall be transferable upon the Note Register by the Lender in person or by its agent duly authorized in writing, upon surrender of the Note together with a written instrument of transfer satisfactory to the City Administrator, duly executed by the Lender or its duly authorized agent. The following form of assignment shall be sufficient for said purpose.

For value received \_\_\_\_\_ hereby sells, assigns and transfers unto \_\_\_\_\_ the within Note of the City of Crosslake, Minnesota, and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer said Note on the books of said Issuer with full power of substitution in the premises. The undersigned certifies that the transfer is made in accordance with the provisions of Section 2.9 of the Resolution authorizing the issuance of the Note.

Dated: \_\_\_\_\_  
\_\_\_\_\_  
Registered Owner

Upon such transfer the City Administrator shall note the date of registration and the name and address of the new Lender in the applicable Note Register and in the registration blank appearing on the Note.

2.7 Mutilated, Lost or Destroyed Note. In case a Note issued hereunder shall become mutilated or be destroyed or lost, the Issuer shall, if not then prohibited by law, cause to be executed and delivered, a new Note of like outstanding principal amount, number and tenor in exchange and substitution for and upon cancellation of such mutilated Note, or in lieu of and in substitution for such Note destroyed or lost, upon the Lender's paying the reasonable expenses and charges of the Issuer in connection therewith, and in the case of a Note destroyed or lost, the filing with the Issuer of evidence satisfactory to the Issuer with indemnity satisfactory to it. If the mutilated, destroyed or lost Note has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Note prior to payment.

2.8 Ownership of Note. The Issuer may deem and treat the person in whose name a Note is last registered in the Note Register and by notation on the Note whether or not such Note shall be overdue, as the absolute owner of such Note for the purpose of receiving payment of or on account of the Principal Balance, redemption price or interest and for all other purposes whatsoever, and the Issuer shall not be affected by any notice to the contrary.

2.9 Limitation on Note Transfers. The Note will be issued to an “accredited investor” and without registration under state or other securities laws, pursuant to an exemption for such issuance; and accordingly the Note may not be assigned or transferred in whole or part, nor may a participation interest in the Note be given pursuant to any participation agreement, except to another “accredited investor” or “financial institution” in accordance with an applicable exemption from such registration requirements and with full and accurate disclosure of all material facts to the prospective purchaser(s) or transferee(s).

2.10 Issuance of a New Note. Subject to the provisions of Section 2.9, the Issuer shall, at the request and expense of the Lender, issue a new Note, in aggregate outstanding principal amount equal to that of the Note surrendered, and of like tenor except as to number, principal amount, and the amount of the periodic installments payable thereunder, and registered in the name of the Lender or such transferee as may be designated by the Lender.

### **SECTION 3. GENERAL COVENANTS.**

3.1 Payment of Principal and Interest. The Issuer covenants that it will promptly pay or cause to be paid the principal of and interest on the Note at the place, on the dates, solely from the source and in the manner provided herein and in the Note. The principal and interest are payable solely from and secured by revenues and proceeds derived from the Loan Agreement and the Pledge Agreement, which revenues and proceeds are hereby specifically pledged to the payment thereof in the manner and to the extent specified in the Note, the Loan Agreement and the Pledge Agreement; and nothing in the Note or in this Resolution shall be considered as assigning, pledging or otherwise encumbering any other funds or assets of the Issuer.

3.2 Performance of and Authority for Covenants. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Resolution, in the Note executed, authenticated and delivered hereunder and in all proceedings of the City Council pertaining thereto; that it is duly authorized under the Constitution and laws of the State of Minnesota including particularly and without limitation the Act, to issue the Note authorized hereby, pledge the revenues and assign the Loan Agreement in the manner and to the extent set forth in this Resolution, the Note, the Loan Agreement and the Pledge Agreement; that all action on its part for the issuance of the Note and for the execution and delivery thereof has been duly and effectively taken; and that the Note in the hands of the Lender is and will be a valid and enforceable special limited obligation of the Issuer according to the terms thereof.

3.3 Enforcement and Performance of Covenants. The Issuer agrees to enforce all covenants and obligations of the Borrower under the Loan Agreement, upon request of the Lender and being indemnified to the satisfaction of the Issuer for all expenses and claims arising

therefrom, and to perform all covenants and other provisions pertaining to the Issuer contained in the Note and the Loan Agreement and subject to Section 3.4.

3.4 Nature of Security. Notwithstanding anything contained in the Note, the Loan Agreement, the Pledge Agreement, or any other document referred to in Section 2.4 to the contrary, under the provisions of the Act the Note may not be payable from or be a charge upon any funds of the Issuer other than the revenues and proceeds pledged to the payment thereof, nor shall the Issuer be subject to any liability thereon, nor shall the Note otherwise contribute or give rise to a pecuniary liability of the Issuer or, to the extent permitted by law, any of the Issuer's officers, employees and agents. No holder of the Note shall ever have the right to compel any exercise of the taxing power of the Issuer to pay the Note or the interest thereon, or to enforce payment thereof against any property of the Issuer other than the revenues pledged under the Pledge Agreement; and the Note shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Issuer; and the Note shall not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitation; but nothing in the Act impairs the rights of the Lender to enforce the covenants made for the security thereof as provided in this Resolution, the Loan Agreement, and the Pledge Agreement, and in the Act, and by authority of the Act the Issuer has made the covenants and agreements herein for the benefit of the Lender; provided that in any event, the agreement of the Issuer to perform or enforce the covenants and other provisions contained in the Note, the Loan Agreement, and the Pledge Agreement, shall be subject at all times to the availability of revenues under the Loan Agreement sufficient to pay all costs of such performance or the enforcement thereof, and the Issuer shall not be subject to any personal or pecuniary liability thereon.

3.5 Qualified Tax Exempt Obligation. In order to qualify the Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer hereby makes the following factual statements and representations;

(a) the Note is not treated as a "private activity bond" under Section 265(b)(3) of the Code;

(b) the Issuer hereby designates the Note as a qualified tax-exempt obligation for purposes of Section 265(b)(3) of the Code;

(c) the reasonably anticipated amount of tax-exempt obligations (other than obligations described in clause (ii) of Section 265(b)(3)(C) of the Code) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year 2017 will not exceed \$10,000,000;

(d) not more than \$10,000,000 of obligations issued by the Issuer during the calendar year 2017 have been designated for purposes of Section 265(b)(3) of the Code; and

(e) the aggregate face amount of the Note does not exceed \$10,000,000.

3.6 Approval of Program. The Issuer has established a governmental program of acquiring purpose investments for qualified 501(c)(3) projects. The governmental program is

one in which the following requirements of §1.148-1(b) of the federal regulations relating to tax-exempt obligations shall be met:

(a) the program involves the origination or acquisition of purpose investments;

(b) at least 95% of the cost of the purpose investments acquired under the program represents one or more loans to a substantial number of persons representing the general public, states or political subdivisions, 501(c)(3) organizations, persons who provide housing and related facilities, or any combination of the foregoing;

(c) at least 95% of the receipts from the purpose investments are used to pay principal, interest, or redemption prices on issues that financed the program, to pay or reimburse administrative costs of those issues or of the program, to pay or reimburse anticipated future losses directly related to the program, to finance additional purpose investments for the same general purposes of the program, or to redeem and retire governmental obligations at the next earliest possible date of redemption;

(d) the program documents prohibit any obligor on a purpose investment financed by the program or any related party to that obligor from purchasing bonds of an issue that finances the program in an amount related to the amount of the purpose investment acquired from that obligor; and

(e) the Issuer shall not waive the right to treat the investment as a program investment.

#### **SECTION 4. MISCELLANEOUS.**

4.1 DEED Application. The financing of the Project by the issuance of the Note by the Issuer is subject to, among other things, (a) the approval of the Project by the Issuer and the Minnesota Department of Employment and Economic Development, (b) final approval by the Issuer, the Borrower and the Lender as to the ultimate details of the financing, and (c) review and approval of the proposed Project by Bond Counsel.

4.2 Reimbursement. In anticipation of the approval of the Project by the Department of Employment and Economic Development and all other necessary entities and the issuance of the Note to finance all or a portion of the Project, and in order that completion of the Project will not be unduly delayed when approved, the Issuer hereby authorizes the Borrower, in accordance with the provisions of the Act and subject to the terms and conditions imposed by the Lender, to provide for the acquisition, construction, and equipping of the improvements to the School Facilities by such means as shall be available to the Borrower and in the manner determined by the Borrower, and without advertisement for bids as may be required for the construction and acquisition of other municipal facilities; the Issuer hereby ratifies, affirms, and approves all actions heretofore taken by the Borrower consistent with and in anticipation of such authority; and the Borrower is hereby authorized to make such expenditures and advances toward payment of that portion of the costs of the improvements to the School Facilities to be financed from the proceeds of the Note as the Borrower considers necessary, including the use of interim, short-



term financing, subject to reimbursement from the proceeds of the Note if and when delivered but otherwise without liability on the part of the Issuer.

4.3 Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or paragraphs in this Resolution contained shall not affect the remaining portions of this Resolution or any part thereof.

4.4 Authentication of Transcript. The officers of the Issuer are directed to furnish to Bond Counsel certified copies of this Resolution and all documents referred to herein, and affidavits or certificates as to all other matters which are reasonably necessary to evidence the validity of the Note. All such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute recitals of the Issuer as to the correctness of all statements contained therein.

4.5 Authorization to Execute Agreements. The forms of the proposed Loan Agreement and the Pledge Agreement are hereby approved in substantially the form presented to the City Council, together with such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by Bond Counsel prior to the execution of the documents. The Mayor and the City Administrator are authorized to execute the Loan Agreement and the Pledge Agreement and such other documents as Bond Counsel consider appropriate in connection with the issuance of the Note, in the name of and on behalf of the Issuer. In the event of the absence or disability of the Mayor or the City Administrator such officers of the Issuer as, in the opinion of the City Attorney, may act on their behalf, shall without further act or authorization of the City Council do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers. The execution of any instrument by the appropriate officer or officers of the Issuer herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof.

[Remainder of page intentionally blank; signature page follows.]

Adopted by the City Council of the City of Crosslake, Minnesota, this 13<sup>th</sup> day of November, 2017.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Administrator

STATE OF MINNESOTA  
COUNTY OF CROW WING  
CITY OF CROSSLAKE

I, the undersigned, being the duly qualified and acting City Administrator of the City of Crosslake, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council duly called and held on the date therein indicated, insofar as such minutes relate to a resolution authorizing the issuance of a revenue Note.

WITNESS my hand this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
City Administrator

C. 1.

PUBLIC HEARING  
CITY OF CROSSLAKE  
DREAM ISLAND BRIDGE  
FINAL ASSESSMENT HEARING  
WEDNESDAY, OCTOBER 4, 2017  
6:00 P.M. - CITY HALL

The Council for the City of Crosslake met in a Special Session on Wednesday, October 4, 2017 at City Hall. The following Council Members were present: Deputy Mayor Gary Heacox, Dave Nevin and Brad Nelson. Dave Schrupp and Patty Norgaard were absent. Also present were City Administrator Mike Lyonais, City Clerk Char Nelson, Public Works Director Ted Strand, City Attorney Brad Person, Engineer Dave Reese and Northland Press Reporter Bill Monroe. There were ten people in the audience.

1. Call to order – Deputy Mayor Heacox called the special meeting to order at 6:00 P.M. and stated the purpose of the meeting was to hold a public hearing for the Dream Island Bridge Final Assessment.
2. City Administrator Mike Lyonais reported that the Notice of Hearing was deposited in the U.S. Post Office on September 14, 2017 to property owners benefiting from bridge construction based on current tax records received from the Crow Wing County Auditor's Office. The Notice of Hearing was published in the City's official newspaper, the Northland Press, on September 19 and September 26, 2017. Dream Island Lane property owners, Steven Hahn, Gary Christian, Fredrick and Barbara Zahn, and Novak Dream Island Family Cabin, LLC, sent letters to the City requesting that their parcels on Dream Island Lane be excluded from any special assessment related to the project.
3. The meeting was then turned over to Dave Reese who presented the project cost summary to the Council for the Dream Island Bridge Replacement. The total estimated project cost in the feasibility study which was completed in 2015 was \$567,500 with the estimated State grant portion being \$487,500 and the estimated local portion being \$80,000. The total estimated equivalent lot assessment was \$1,081 based on 37 benefiting property owners. Mr. Reese noted that once construction began, more fill was required to build the bypass road because the lake level was twelve inches higher than in 2015. The City has received approximately 30 inches of rain in the last month. The cost of the project to date is \$733,832.25 and the City will receive \$639,927.05 from the State. The difference is the local share presented tonight of \$93,905.20 and fifty percent of that amount will be assessed against the benefiting property owners on Dream Island and Moen Beach Trail. If there are any more changes related to construction or easements, the City will be responsible for payment. Property owners on Dream Island Lane were not included in the assessment calculation because they receive no benefit from the new bridge. The assessable share is \$46,952.60 and based on 45 equivalent lots the final recommended assessment per equivalent lot is \$1,043.39.
4. Rich Hoppe of 37931 Dream Island Road asked if the proposed assessment could change. Attorney Person stated that the Council intended to approve the final assessment today. The Council would be required to hold an additional Public Hearing if the assessment increased. Mr. Hoppe questioned why the property owners should burden fifty percent of the cost. Dave Reese replied that the ordinance allows for assessments of bridges after it

has reached its “useful life”. Mr. Hoppe also commented that road projects in the City should be treated the same and noted that the residents on Anchor Point Road were not assessed for the road project completed this year. Mr. Hoppe reminded the Council that the property owners on Moen Beach Trail said they would pay their fair share for the beauty of a new bridge.

Karen Friederich of 37698 Moen Beach Trail stated that she and her neighbors have a view of the bridge and they are happy that it is being improved. Although they would have liked to see a larger bridge, they are happy to pay their fair share.

Colin Wille of 15402 Dream Island Circle stated that he was disappointed with the design of the bridge because the width underneath is only 17 feet. This does not promote water flow. Mr. Wille argued that the specifications of the bridge are not changing and that it is outrageous to pay this amount of money for basically the same bridge that was there.

Attorney Person stated that the design of the bridge is complete, hearings on the design were held, and there will be no more discussion about it. The bridge is new and safer.

5. Dave Nevin questioned the change order for more fill at a cost of \$13,905 and stated that the engineer should have had better knowledge of where the ordinary high water mark was. Dave Reese reviewed the plan that was submitted to the State for approval. Attorney Person addressed Nevin’s concerns and stated that the purpose of this meeting was to approve the final assessment. If the Council has an issue with the change order, it should be discussed at a separate meeting.
6. MOTION 10PH1-01-17 WAS MADE BY BRAD NELSON AND SECONDED BY DAVE NEVIN TO APPROVE RESOLUTION NO. 17-25 ADOPTING ASSESSMENT FOR DREAM ISLAND BRIDGE. MOTION CARRIED WITH ALL AYES.
7. There being no further discussion, MOTION 10PH1-02-17 WAS MADE BY DAVE NEVIN AND SECONDED BY BRAD NELSON TO ADJOURN THIS PUBLIC HEARING AT 6:39 P.M. MOTION CARRIED WITH ALL AYES.

Respectfully submitted by,

Charlene Nelson  
City Clerk

C.2.

**REGULAR COUNCIL MEETING  
CITY OF CROSSLAKE  
MONDAY, OCTOBER 9, 2017  
7:00 P.M. – CITY HALL**

The Crosslake City Council met in the Council Chambers of City Hall on Monday, October 9, 2017. The following Council Members were present: Mayor Patty Norgaard, Dave Nevin, Gary Heacox, Dave Schrupp and Brad Nelson. Also present were City Administrator/Treasurer Mike Lyonais, City Clerk Char Nelson, Police Chief Erik Lee, Park Director Jon Henke, Public Works Director Ted Strand, Land Service Supervisor Chris Pence, Land Service Specialist Jon Kolstad, City Attorney Brad Person, City Engineer Mike Rardin, Dave Reese of WSN, Northland Press Reporter Bill Monroe, and Echo Publishing Reporter Theresa Bourke. There were approximately twelve people in the audience.

**A. CALL TO ORDER** – Mayor Norgaard called the Regular Council Meeting to order at 7:00 P.M. The Pledge of Allegiance was recited. MOTION 10R-01-17 WAS MADE BY DAVE NEVIN AND SECONDED BY GARY HEACOX TO APPROVE THE ADDITIONS TO THE AGENDA. MOTION CARRIED WITH ALL AYES.

**B. CONSENT CALENDAR** – MOTION 10R-02-17 WAS MADE BY DAVE SCHRUPP AND SECONDED BY BRAD NELSON TO APPROVE THE FOLLOWING ITEMS LISTED ON THE CONSENT CALENDAR EXCLUDING ITEMS #13, 14, 17 AND 24 WHICH WERE REMOVED AT DAVE NEVIN’S REQUEST:

1. Budget Workshop Minutes of September 11, 2017
2. Regular Council Meeting Minutes of September 11, 2017
3. City – Month End Revenue Report dated September 2017
4. City – Month End Expenditures Report dated September 2017
5. September 2017 Budget to Actual Analysis
6. Pledged Collateral Report dated September 30, 2017
7. Police Report for Crosslake – September 2017
8. Police Report for Mission Township – September 2017
9. Fire Department Report – September 2017
10. North Memorial Ambulance Report – September 2017
11. Planning and Zoning Monthly Statistics
12. Planning and Zoning Commission Meeting Minutes of August 25, 2017
13. *Removed*
14. *Removed*
15. Pay Request No. 3 from DeChantel Excavating for 20107 Road Projects
16. Pay Request No. 1 from Redstone Construction for Dream Island Bridge
17. *Removed*
18. EDA Meeting Minutes of June 1, 2017
19. Crosslake Roll Off Recycling Report for September 2017
20. Waste Partners Recycling Report for August 2017
21. Resolution Regarding Unpaid Sewer Charges
22. Resolution Accepting Donations
23. Memo dated October 5, 2017 from City Clerk Re: Relocation of Cemetery Lot
24. *Removed*

25. Memo dated October 9, 2017 from Personnel Committee Re: Recommendation of Staff Layoff
  26. Memo dated October 9, 2017 from City Administrator Re: Recommendation to Close Bank Account
  27. Additional Bills for Approval
  28. Updated Resolution Regarding Unpaid Sewer Charges
- MOTION CARRIED WITH ALL AYES.

Dave Nevin pulled item #13 Public Works Commission Meeting Minutes of September 5, 2017 and questioned whether the Council approved the proposal from WSN to complete the 2018 road projects. Mike Lyonais replied that the Council acted on that at their last regular meeting.

Dave Nevin pulled item #14 Proposal from Braun Intertec for Materials Testing Services for Dream Island Bridge and questioned if this was an additional cost for the project. Mike Lyonais replied that this is included in the estimated cost of the project.

Dave Nevin pulled item #17 Letter dated September 21, 2017 from Crow Wing County Re: CSAH 36 Reconstruction Scheduled for 2020 and questioned if the property owners will be notified. Mike Lyonais replied that this is a County project and that the County sent this letter to the affected property owners.

Dave Nevin pulled item #24 Bills for Approval and questioned the bill from Digital Horizons for a sound system at a cost of \$3,977.37. Char Nelson replied that Jon Henke changed the proposal for services from Digital Horizons and would speak to that during his report tonight.

**C. CRITICAL ISSUES**

1. Cindy Myogeto of the Chamber of Commerce addressed the Council to ask their opinion on whether the fireworks for the Fourth of July should be held on Saturday, June 30, 2018 or Saturday, July 7, 2018. It has been tradition to have the fireworks on the Saturday prior to the Fourth of July, however, the 4<sup>th</sup> of July Committee thought that they should be held closer to the actual holiday. MOTION 10R-03-17 WAS MADE BY DAVE NEVIN AND SECONDED BY DAVE SCHRUPP TO HOLD THE 2018 FIREWORKS DISPLAY ON SATURDAY, JULY 7. MOTION CARRIED WITH ALL AYES.

Cindy Myogeto reported that Crosslake Days was a success and that there were 32 chili entries, 50 business member specials and a new app for chili voting. Ms. Myogeto thanked Ted Strand and his crew for help with festivities.

2. Christine Davis of 13408 Rush Harbor Drive, representing the L.A.K.E. Foundation, reported that the Crosslake Community School construction at the intersection of County Road 66 and Swann Drive is underway and the fundraising campaign is still running.
3. Bill Monroe of 37313 County Road 66, representing the Crosslakers, gave an update on upcoming activities, meetings and accomplishments.
4. Tom Watson of 39195 Swanburg Court, Pine River MN, president of WAPOA, reported that the Enbridge Pipeline Public Hearing is scheduled for 10/25/17 at the Crosslake Community Center.

**D. MAYOR'S REPORT** – With consensus of the Council, the Mayor announced that a special meeting would be held on Monday, November 13<sup>th</sup> at 6:00 pm to hear presentation from NJPA and Region 5 on Comprehensive Plan update.

**E. PUBLIC FORUM** – None.

**F. CITY ADMINISTRATOR'S REPORT**

1. MOTION 10R-04-17 WAS MADE BY DAVE SCHRUPP AND SECONDED BY GARY HEACOX TO APPROVE RESOLUTION NO. 17-24 CALLING FOR A PUBLIC HEARING TO BE HELD ON MONDAY, NOVEMBER 13, 2017 AT 7:00 P.M., IN CITY HALL ON THE ISSUANCE OF EDUCATIONAL FACILITIES REVENUE NOTES, SERIES 2017 AND AUTHORIZING THE PUBLICATION OF A NOTICE OF HEARING FOR THE CROSSLAKE COMMUNITY SCHOOL PROJECT. MOTION CARRIED WITH ALL AYES.
2. MOTION 10R-05-17 WAS MADE BY GARY HEACOX AND SECONDED BY BRAD NELSON TO APPROVE THE LOCAL BRIDGE REPLACEMENT PROGRAM GRANT AGREEMENT BETWEEN MN DOT AND THE CITY OF CROSSLAKE FOR DREAM ISLAND BRIDGE. MOTION CARRIED WITH ALL AYES.
3. Mike Lyonais reported that he is working on the \$1M in funding for the sewer project and would bring a proposal to the next meeting.
4. Mike Lyonais asked that the Council review the draft Investment Policy that was included in the packet so that it can be approved at the Budget Workshop on 10/23/17.

**G. COMMISSION REPORTS**

**1. PLANNING AND ZONING**

- a. Chris Pence reviewed a letter from Crow Wing County dated September 14, 2017 regarding classification to “non-conservation” and future direct sale of a non-conforming tax forfeited tract. Parcel 120071101Y00009 is 0.27 acre in size on Anchor Point Road. It was forfeited on 4-26-1978 and has approximately 35’ water frontage on Island Lake. The adjacent owner to the Ease has a cabin encroachment and a direct sale to them would eliminate the encroachment issue. MOTION 10R-06-17 WAS MADE BY DAVE NEVIN AND SECONDED BY DAVE SCHRUPP TO CLASSIFY TRACT 120071101Y00009 TO A “NON-CONSERVATION” STATUS AND APPROVE DIRECT SALE TO ADJACENT LAND OWNER. MOTION CARRIED WITH ALL AYES.

Chris Pence reported that he has resigned from his position at the County effective November 3<sup>rd</sup>. He has taken a job with the State of Minnesota Soil and Water Conservation in Brainerd.

**2. PARK & RECREATION/LIBRARY**

- a. Jon Henke gave brief updates on Community Center activities including the Pequot Lakes Cross Country track meet, the annual Halloween party, the new Zumba class, Music of the Mississippi event, fall basketball, New to Medicare class, and Library book sale.



Jon Henke reported that he received quotes to update the sound systems in the gym and two meeting rooms. There are funds in the budget for this item. MOTION 10R-07-17 WAS MADE BY PATTY NORGAARD AND SECONDED BY DAVE SCHRUPP TO AWARD THE SOUND SYSTEM UPGRADE PROJECT AT THE COMMUNITY CENTER TO LOW BIDDER DIGITAL HORIZONS AT A COST OF \$16,783.01. MOTION CARRIED WITH ALL AYES.

**3. PUBLIC WORKS/CEMETERY/SEWER**

- a. The Council reviewed a Snow Plowing Policy that the Public Works Commission recommended that the Council approve. Ted Strand reported that there has been no written policy and the department has used “past practices” for guidance. MOTION 10R-08-17 WAS MADE BY DAVE SCHRUPP AND SECONDED BY DAVE NEVIN TO APPROVE THE CITY OF CROSSLAKE SNOW PLOWING POLICY. MOTION CARRIED WITH ALL AYES. Mayor Norgaard stated that the policy will be posted on the City’s website.

Ted Strand gave a brief update on the 2017 Road Improvement projects and the Wastewater Treatment Facility upgrades.

**H. CITY ATTORNEY** – None.

**I. PUBLIC FORUM** – None

**J. OLD BUSINESS** – None.

**K. NEW BUSINESS** – None.

**L. ADJOURN** – MOTION 10R-09-17 WAS MADE BY DAVE NEVIN AND SECONDED BY GARY HEACOX TO ADJOURN THE MEETING AT 8:15 P.M. MOTION CARRIED WITH ALL AYES.

Respectfully submitted by,

Charlene Nelson  
City Clerk  
City Clerk/Minutes/10-9-17

C.3.

BUDGET WORKSHOP  
CITY OF CROSSLAKE  
MONDAY, OCTOBER 23, 2017  
3:00 P.M. – CITY HALL

The Council for the City of Crosslake met for a Budget Workshop on October 23, 2017. The following Council Members were present: Mayor Patty Norgaard, Brad Nelson, Dave Schrupp, and Dave Nevin. Gary Heacox was absent. Also present were City Administrator/Treasurer Mike Lyonais, City Clerk Char Nelson, Public Works Director Ted Strand, Police Chief Erik Lee, Park Director Jon Henke, Land Service Specialist Jon Kolstad, Northland Press Reporter Bill Monroe and Echo Publishing Reporter Theresa Rourke.

1. Mayor Norgaard called the meeting to order at 3:00 P.M.
2. CONSENT CALENDAR – MOTION 10SP1-01-17 WAS MADE BY DAVE SCHRUPP AND SECONDED BY DAVE NEVIN TO APPROVE THE FOLLOWING ITEMS LISTED ON THE CONSENT CALENDAR:
  - a. B13-Public Works Commission Meeting Minutes of September 5, 2017  
B14-Proposal from Braun Intertec for Material Testing Services for Dream Island Bridge  
B17-Letter dated September 21, 2017 from Crow Wing County Re: CSAH 36 Reconstruction Schedule for 2020  
B24-Bills for Approval dated 10/9/17 in the Amount of \$125,918.07
  - b. Bills for Approval dated 10/23/17 in the Amount of \$22,412.14
  - c. LG555 Government Approval or Acknowledgement for Use of Gambling Funds from the Crosslake-Ideal Lions

MOTION CARRIED WITH ALL AYES.
3. Mike Lyonais reviewed the budget changes that were made from the prior meeting of 9/11/17. By using cash reserves of \$73,000, the draft budget shows a levy decrease from 7% to 5%. A brief discussion ensued regarding the budget. The Council reviewed the capital outlay budget versus actual expenses through 10/23/17. Mr. Lyonais noted that the City was able to use cash on-hand for 2017 projects.

Ted Strand reported that the Public Works Commission reviewed sewer user charges. Mike Lyonais and Ted Strand had suggested to the Commission a \$1/month increase. The Commission recommended that the Council increase rates from \$45/month to \$48/month per ERU. A discussion ensued regarding the benefits to property owners on the system. MOTION 10SP1-02-17 WAS MADE BY BRAD NELSON AND SECONDED BY DAVE NEVIN TO INCREASE SEWER USER RATES FROM \$45/MONTH TO \$48/MONTH PER ERU EFFECTIVE 1/1/18. MOTION CARRIED WITH ALL AYES.

Ted Strand asked the Council to approve the replacement of the sweeper with a turbine blower. There are funds in the 2017 Budget for this expense. Dave Nevin suggested carrying the funds over to 2018 and ordering the blower in the spring. Ted Strand replied that the cost could increase. MOTION 10SP1-03-17 WAS MADE BY DAVE SCHRUPP AND SECONDED BY BRAD NELSON TO APPROVE THE PURCHASE OF A BUFFALO TURBINE CYCLONE

SQUARED DEBRIS BLOWER AT A COST OF \$12,985. MOTION CARRIED WITH ALL AYES.

MOTION 10SP1-04-17 WAS MADE BY BRAD NELSON AND SECONDED BY DAVE NEVIN TO APPROVE 2018 SUPPORT PAYMENTS TO CROSSLAKE WELCOME CENTER OF \$2,500, INITIATIVE FOUNDATION OF \$1,650 AND CELEBRATE AMERICA/CROSSLAKE CHAMBER OF COMMERCE FIREWORKS OF \$14,000. MOTION CARRIED WITH ALL AYES.

MOTION 10SP1-05-17 WAS MADE BY DAVE SCHRUPP AND SECONDED BY DAVE NEVIN TO APPROVE THE CHANGE IN SAFETY TRAINING FROM IN-PERSON (MMUA) TO ONLINE (TARGET SOLUTIONS) AT A COST SAVINGS OF APPROXIMATELY \$5,500. MOTION CARRIED WITH ALL AYES.

Mike Lyonais informed the Council that the Personnel Committee is meeting to discuss and make a recommendation for 2018 non-union employee salaries.

4. Mike Lyonais presented a draft copy of an investment policy and noted that until the sale of Crosslake Communications, the City did not have significant funds to invest. The Council could divide the funds into multiple local banks, but waivers would be required if an employee or Council Member banked there. 4M is restricted to government banking and individuals are not allowed to be members. Mayor Norgaard stated that it would be better to have all of the funds in 4M. MOTION 10SP1-06-17 WAS MADE BY DAVE SCHRUPP AND SECONDED BY PATTY NORGAARD TO ADOPT THE CITY OF CROSSLAKE DEPOSITS AND INVESTMENT POLICY AS PRESENTED. MOTION CARRIED WITH ALL AYES.
5. MOTION 10SP1-07-17 WAS MADE BY BRAD NELSON AND SECONDED BY DAVE SCHRUPP TO APPROVE THE QUIET TITLE ACTION FOR ROAD RIGHT-OF-WAY PLAT ON FOREST LODGE ROAD. MOTION CARRIED WITH ALL AYES.
6. MOTION 10SP1-08-17 WAS MADE BY DAVE NEVIN AND SECONDED BY BRAD NELSON TO HIRE HILDI, INC TO PERFORM THE REQUIRED POST EMPLOYMENT BENEFITS REPORT. MOTION CARRIED WITH ALL AYES.

Jon Kolstad reported that Paul Herkenhoff of Crow Wing County Land Services would be taking over Chris Pence's duties as supervisor of the County's staff in Crosslake effective 11/4/17. Mike Lyonais noted that it is beneficial for the City to have access to County resources. MOTION 10SP1-09-17 WAS MADE BY DAVE SCHRUPP AND SECONDED BY BRAD NELSON TO APPOINT JON KOLSTAD AND PAUL HERKENHOFF AS ZONING ADMINISTRATOR SIGNATORIES. MOTION CARRIED WITH ALL AYES.

Mayor Norgaard announced that she would like to hold a workshop in January with the Council, department heads and Commission Chairs to review the upcoming projects within the City.

7. There being no further business, the Mayor adjourned the meeting at 4:33 P.M.

Respectfully Submitted,

Charlene Nelson  
City Clerk

C.4.

CITY OF CROSS LAKE

11/07/17 3:43 PM

Page 1

Month-End Revenue

Current Period: OCTOBER 2017

SRC	SRC Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	2017 % of Budget
FUND 101 GENERAL FUND						
31000	General Property Taxes	\$3,005,707.00	\$0.00	\$1,666,712.56	\$1,338,994.44	55.45%
31055	Tax Incr 1-8 Crosswoods Dev	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31101	County Payment Joint Facility	\$112,467.00	\$0.00	\$112,601.42	-\$134.42	100.12%
31300	Emergency Services Levy	\$0.00	\$0.00	\$18.74	-\$18.74	0.00%
31305	2003 Joint Facility Levy	\$0.00	\$0.00	\$26.22	-\$26.22	0.00%
31310	2012 Series A Levy	\$122,533.00	\$0.00	\$68,002.42	\$54,530.58	55.50%
31800	Other Taxes	\$1,500.00	\$184.03	\$184.03	\$1,315.97	12.27%
31900	Penalties and Interest DelTax	\$1,000.00	\$0.00	\$2,132.29	-\$1,132.29	213.23%
32110	Alcoholic Beverages	\$16,000.00	\$0.00	\$16,474.99	-\$474.99	102.97%
32111	Club Liquor License	\$500.00	\$0.00	\$500.00	\$0.00	100.00%
32112	Beer and Wine License	\$1,000.00	\$0.00	\$975.00	\$25.00	97.50%
32180	Other Licenses/Permits	\$200.00	\$0.00	\$204.00	-\$4.00	102.00%
33400	State Grants and Aids	\$500.00	\$0.00	\$57,448.65	-\$56,948.65	11489.73%
33401	Local Government Aid	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
33402	Homestead Credit	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
33403	Mobile Home Homestead Credit	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
33406	Taconite Homestead Credit	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
33416	Police Training Reimbursement	\$2,000.00	\$0.00	\$1,589.63	\$410.37	79.48%
33417	Police State Aid	\$33,000.00	\$0.00	\$41,986.48	-\$8,986.48	127.23%
33418	Fire State Aid	\$38,000.00	\$0.00	\$41,406.34	-\$3,406.34	108.96%
33419	Fire Training Reimbursement	\$0.00	\$0.00	\$9,930.00	-\$9,930.00	0.00%
33420	Insurance Premium Reimburse	\$0.00	\$0.00	\$3,438.00	-\$3,438.00	0.00%
33422	PERA State Aid	\$2,979.00	\$0.00	\$590.50	\$2,388.50	19.82%
33423	Insurance Claim Reimbursement	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
33650	Recycling Grant	\$29,200.00	\$0.00	\$29,200.00	\$0.00	100.00%
34000	Charges for Services	\$200.00	\$0.00	\$70.80	\$129.20	40.40%
34010	Sale of Maps and Publications	\$30.00	\$20.00	\$40.00	-\$10.00	133.33%
34050	Candidate Filing Fees	\$20.00	\$0.00	\$0.00	\$20.00	0.00%
34103	Zoning Permits	\$28,000.00	\$8,075.00	\$61,125.00	-\$33,125.00	219.38%
34104	Plat Check Fee/Subdivision Fee	\$1,000.00	\$100.00	\$4,175.00	-\$3,175.00	417.50%
34105	Variances and CUPS/IUPS	\$8,800.00	\$1,000.00	\$10,000.00	-\$1,200.00	113.64%
34106	Sign Permits	\$500.00	\$0.00	\$150.00	\$350.00	30.00%
34107	Assessment Search Fees	\$800.00	\$145.00	\$830.00	-\$30.00	104.38%
34108	Zoning Misc/Penalties	\$1,000.00	\$500.00	\$503.50	\$496.50	50.35%
34109	Zoning Reimb Eng/Legal/Survey	\$2,500.00	\$0.00	\$0.00	\$2,500.00	0.00%
34110	TIF/JOBZ Pre Application Fee	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34111	Driveway Permits	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34112	Septic Permits	\$4,000.00	\$2,250.00	\$12,200.00	-\$8,200.00	305.00%
34113	Landscape License Fee	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34114	Zoning Map/Ordinance Amendment	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34201	Fire Department Donations	\$200.00	\$693.48	\$7,193.48	-\$6,993.48	3596.74%
34202	Fire Protection and Calls	\$31,250.00	\$0.00	\$29,094.90	\$2,155.10	93.10%
34206	Animal Control Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34207	House Burning Fee	\$1,500.00	\$0.00	\$1,500.00	\$0.00	100.00%
34210	Police Contracts	\$48,000.00	\$0.00	\$36,000.00	\$12,000.00	75.00%
34211	Police Donations	\$0.00	\$0.00	\$3,000.00	-\$3,000.00	0.00%
34213	Police Receipts	\$5,000.00	\$0.00	\$2,130.53	\$2,869.47	42.61%
34214	Tac Team Donations	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34215	Pass Thru Donations	\$0.00	\$3,840.00	\$57,499.00	-\$57,499.00	0.00%
34300	E911 Signs	\$1,000.00	\$100.00	\$3,700.00	-\$2,700.00	370.00%
34700	Park & Rec Donation	\$300.00	\$0.00	\$305.00	-\$5.00	101.67%

## CITY OF CROSS LAKE

11/07/17 3:44 PM

Page 2

## Month-End Revenue

Current Period: OCTOBER 2017

SRC	SRC Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	2017 % of Budget
34701	Halloween Donations	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34711	Taxable Merchandise/Rentals	\$200.00	\$120.00	\$1,030.00	-\$830.00	520.00%
34740	Park Concessions	\$500.00	\$0.00	\$326.05	\$173.95	65.21%
34741	Gen Gov t Concessions	\$100.00	\$10.31	\$550.51	-\$450.51	570.89%
34742	Park Concessions - Food	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34743	Public Works Concessions	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34744	Fire Department Concessions	\$0.00	\$0.00	\$8.00	-\$8.00	0.00%
34750	CCC/Park User Fee	\$3,800.00	\$118.00	\$3,113.15	\$686.85	82.19%
34751	Shelter/Beer/Wine Fees	\$300.00	\$0.00	\$416.00	-\$116.00	138.67%
34760	Library Cards	\$1,300.00	\$47.00	\$1,013.00	\$287.00	79.08%
34761	Library Donations	\$500.00	\$0.00	\$306.00	\$194.00	61.20%
34762	Library Copies	\$300.00	\$9.35	\$314.81	-\$14.81	110.15%
34763	Library Events	\$1,000.00	\$341.35	\$5,294.60	-\$4,294.60	529.46%
34764	Library Miscellaneous	\$50.00	\$0.00	\$6.00	\$44.00	12.00%
34765	Summer Reading Program	\$300.00	\$0.00	\$226.00	\$74.00	75.33%
34766	Library Luncheon	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34767	New York Times Best Seller Pro	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34768	PAL Foundation - Library	\$1,000.00	\$0.00	\$2,740.41	-\$1,740.41	274.04%
34769	PAL Foundation - Park	\$6,000.00	\$3,772.00	\$18,573.88	-\$12,573.88	309.56%
34770	Silver Sneakers	\$6,000.00	\$717.00	\$6,614.50	-\$614.50	110.81%
34790	Park Dedication Fees	\$1,000.00	\$0.00	\$7,500.00	-\$6,500.00	750.00%
34800	Tennis Fees	\$1,100.00	\$0.00	\$1,922.00	-\$822.00	174.73%
34801	Recreational-Program	\$10,000.00	\$300.00	\$1,145.00	\$8,855.00	11.85%
34802	Softball/Baseball Fees	\$1,300.00	\$0.00	\$350.00	\$950.00	26.92%
34803	Recreation-Misc. Receipts	\$1,200.00	\$13.00	\$217.85	\$982.15	28.99%
34805	Aerobics Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34806	Weight Room Fees	\$30,000.00	\$1,781.00	\$28,425.00	\$1,575.00	95.67%
34807	Volleyball Fees	\$500.00	\$12.00	\$584.00	-\$84.00	116.80%
34808	Silver and Fit	\$10,000.00	\$1,755.00	\$14,742.00	-\$4,742.00	147.42%
34809	Soccer Fees	\$500.00	\$0.00	\$2,523.00	-\$2,023.00	504.60%
34810	Pickle Ball	\$0.00	\$94.00	\$3,531.00	-\$3,531.00	0.00%
34910	Transit Revenue	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34940	Cemetery Lots	\$3,000.00	\$0.00	\$5,000.00	-\$2,000.00	166.67%
34941	Cemetery Openings	\$3,500.00	\$0.00	\$4,400.00	-\$900.00	125.71%
34942	Cemetery Other	\$450.00	\$0.00	\$600.00	-\$150.00	133.33%
34950	Public Works Revenue	\$1,500.00	\$0.00	\$1,342.53	\$157.47	89.50%
34952	County Joint Facility Payments	\$45,000.00	\$3,797.49	\$21,831.59	\$23,168.41	48.51%
34953	Recycling Revenues	\$50.00	\$0.00	\$360.97	-\$310.97	721.94%
35100	Court Fines	\$10,000.00	\$742.75	\$6,458.01	\$3,541.99	64.58%
35103	Library Fines	\$600.00	\$8.00	\$534.00	\$66.00	90.67%
35105	Restitution Receipts	\$1,000.00	\$0.00	\$1,896.00	-\$896.00	189.60%
36200	Miscellaneous Revenues	\$500.00	\$80.00	\$6,721.40	-\$6,221.40	1344.28%
36201	Misc Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36202	LIBRARY GRANTS	\$5,000.00	\$0.00	\$6,000.00	-\$1,000.00	120.00%
36210	Interest Earnings	\$3,000.00	\$5,248.21	\$37,503.77	-\$34,503.77	1250.13%
36230	Contributions and Donations	\$0.00	\$0.00	\$9,385.11	-\$9,385.11	0.00%
36254	Sp Assess Prin-Bridges	\$2,547.00	\$12,520.68	\$13,782.06	-\$11,235.06	868.83%
36255	Sp Assess Int-Bridges	\$1,451.00	\$0.00	\$288.20	\$1,162.80	19.86%
36256	Andys Parking Lot Principal	\$5,252.00	\$0.00	\$1,969.47	\$3,282.53	37.50%
36257	Andys Parking Lot Interest	\$552.00	\$0.00	\$544.11	\$7.89	98.57%
38050	Telephone Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
38051	Telephone True-Up	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
38052	Telephone Miscellaneous Rev	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

CITY OF CROSS LAKE

Month-End Revenue

Current Period: OCTOBER 2017

SRC	SRC Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	2017 % of Budget
39101	Sales of General Fixed Assets	\$0.00	\$0.00	\$26,300.00	-\$26,300.00	0.00%
39200	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39204	Transfer Frm Needs Assess Fund	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39230	Proceeds - 2006 Series B Bonds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39300	Proceeds-Gen Long-term Debt	\$1,595,500.00	\$0.00	\$0.00	\$1,595,500.00	0.00%
39330	Proceeds from Capital Lease	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39400	Bond Premium	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39700	Capital Contrib from CU	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 101 GENERAL FUND		\$5,256,538.00	\$48,394.65	\$2,529,328.46	\$2,727,209.54	48.29%
FUND 301 DEBT SERVICE FUND						
31000	General Property Taxes	\$0.00	\$0.00	\$14.83	-\$14.83	0.00%
31001		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31100	REA Loan Payment	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31101	County Payment Joint Facility	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31200	Community Ctr Levy Refund 2002	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31300	Emergency Services Levy	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31301	1999 Series A Levy	\$0.00	\$0.00	-\$10.75	\$10.75	0.00%
31302	1999 Series B Levy	\$0.00	\$0.00	-\$2.08	\$2.08	0.00%
31303	2001 Series A Levy	\$0.00	\$0.00	\$7.15	-\$7.15	0.00%
31304	2002 Series A Levy	\$0.00	\$0.00	\$5.15	-\$5.15	0.00%
31305	2003 Joint Facility Levy	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31306	2003 Disposal System Levy	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31307	2004 Series A Levy	\$0.00	\$0.00	\$26.00	-\$26.00	0.00%
31308	2006 Series B Levy	\$0.00	\$0.00	\$1,404.85	-\$1,404.85	0.00%
31309	2006 Series C Levy	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31310	2012 Series A Levy	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31311	2015 GO Equip Certs 2015B	\$154,581.00	\$0.00	\$84,307.33	\$70,273.67	54.54%
31312	Not Used	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31900	Penalties and Interest DelTax	\$0.00	\$0.00	\$129.80	-\$129.80	0.00%
33402	Homestead Credit	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36104	Penalty & Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36105	Sp Asses Prin Ox Lake 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36106	Sp Asses Int Ox Lake 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36107	Sp Assess Prin Jason/Staley 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36108	Sp Assess Int Jason/Staley 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36109	Sp Assess Prin Lakeshore/Pk 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36110	Sp Assess Int Lakeshore/Pk 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36111	Sp Assess Prin Miller/Mary 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36112	Sp Assess Int Miller/Mary 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36113	Sp Assess Prin Sugar Loaf 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36114	Sp Assess Int Sugar Loaf 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36115	Sp Assess Prin Kimberly 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36116	Sp Assess Int Kimberly 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36117	Sp Assess Prin Shamrock 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36118	Sp Assess Int Shamrock 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36119	Sp Assess Prin Sleepy Val 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36120	Sp Assess Int Sleepy Val 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36121	Sp Assess Prin Tamarack 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36122	Sp Assess Int Tamarack 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36123	Sp Assess Prin Red Pine 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36124	Sp Assess Int Red Pine 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36125	Sp Assess Prin Cross Ave 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

CITY OF CROSS LAKE

Month-End Revenue

Current Period: OCTOBER 2017

SRC	SRC Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	2017 % of Budget
36126	Sp Assess Int Cross Ave 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36127	Sp Assess Prin Wilderness 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36128	Sp Assess Int Wilderness 99	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36129	Sp Assess Prin Kimberly/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36130	Sp Assess Int Kimberly/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36131	Sp Assess Prin Waterwood/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36132	Sp Assess Int Waterwood/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36133	Sp Assess Prin Shores Dr/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36134	Sp Assess Int Shores Dr/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36135	Sp Assess Prin Backdahl Rd/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36136	Sp Assess Int Backdahl Rd/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36137	Sp Assess Prin Daggett Lane/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36138	Sp Assess Int Daggett Lane/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36139	Sp Assess Prin Deer Rg/Ridg/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36140	Sp Assess Int Deer Rg/Ridg/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36141	Sp Assess Prin Log Ldg/Timb/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36142	Sp Assess Int Log Ldg/Timb/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36143	Sp Assess Prin Velvet Ln/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36144	Sp Assess Int Velvet Ln/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36145	Sp Assess Prin Rabbit Ln/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36146	Sp Assess Int Rabbit Ln/00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36147	Sp Assess Prin PineBay/Wolf 00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36148	Sp Assess Int Pine Bay/Wolf 00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36149	Sp Assess Prin White Oak Dr/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36150	Sp Assess Int White Oak Dr/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36151	Sp Assess Prin Red Oak Cir/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36152	Sp Assess Int Red Oak Cir/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36153	Sp Assess Prin Summit Ave/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36154	Sp Assess Int Summit Ave/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36155	Sp Assess Prin Gale Ln/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36156	Sp Assess Int Gale Ln/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36157	Sp Assess Prin Rush Ln/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36158	Sp Assess Int Rush Ln/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36159	Sp Assess Prin Gins/Twin/An/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36160	Sp Assess Int Gins/Twin/An/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36161	Sp Assess Prin Anchor Pt Tr/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36162	Sp Assess Int Anchor Pt Tr/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36163	Sp Assess Prin Ivy Ln/Tr/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36164	Sp Assess Int Ivy Ln/Tr/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36165	Sp Assess Prin 1st/2nd/2nd/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36166	Sp Assess Int 1st/2nd/2nd/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36167	Sp Assess Prin Anderson Ct/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36168	Sp Assess Int Anderson Ct/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36169	Sp Assess Prin Cool Haven/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36170	Sp Assess Int Cool Haven/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36171	Sp Assess Prin Pinedale/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36172	Sp Assess Int Pinedale/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36173	Sp Assess Prin Manhattan Dr/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36174	Sp Assess Int Manhattan Dr/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36175	Sp Assess Prin Eagle St/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36176	Sp Assess Int Eagle St/01	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36177	Sp Assess Prin Wolf Tr/Ct/02	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36178	Sp Assess Int Wolf Tr/Ct/02	\$0.00	\$0.00	\$0.00	\$0.00	0.00%



CITY OF CROSS LAKE

Month-End Revenue

Current Period: OCTOBER 2017

SRC	SRC Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	2017 % of Budget
36179	Sp Assess Prin Willwood/02	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36180	Sp Assess Int Willwood/02	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36181	Sp Assess Prin Shafer Rd/02	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36182	Sp Assess Int Shafer Rd/02	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36183	Sp Assess Prin Sandra Rd/02	\$0.00	\$0.00	\$94.19	-\$94.19	0.00%
36184	Sp Assess Int Sandra Rd/02	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36185	Sp Assess Prin Lake Tr/02	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36186	Sp Assess Int Lake Tr/02	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36187	Sp Assess Prin Happy Cove/02	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36188	Sp Assess Int Happy Cove/02	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36189	Sp Assess Prin Bay Shores/02	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36190	Sp Assess Int Bay Shores/02	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36191	Sp Assess Prin Woodland Dr/02	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36192	Sp Assess Int Woodland Dr/02	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36193	Sp Assess Prin Pine Pt/02	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36194	Sp Assess Int Pine Pt/02	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36195	Sp Assess Prin ABC Dr 03	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36196	SpAssess Int ABC Drive	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36197	SpAssess Prin Wildwood/White B	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36198	SpAssess Int Wildwood/White B	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36199	SpAssess Prin Greer Lake Rd 03	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36200	Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36210	Interest Earnings	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36235	SpAssess Int Greer Lake Rd 03	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36236	SpAssess Prin East Shore 2004	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36237	SpAssess Int East Shore 2004	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36238	SpAssess Prin Margaret 2004	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36239	SpAssess Int Margaret 2004	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36240	SpAssess Prin Edgewater 2004	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36241	SpAssess Int Edgewater 2004	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36242	SpAssess Prin Gendreau 2004	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36243	SpAssess Int Gendreau 2004	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36244	Sp Assess Prin - Duck Lane	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36245	Sp Assess Int - Duck Lane	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36246	Sp Assess Prin - Sunset Drive	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36247	Sp Assess Int - Sunset Drive	\$0.00	\$0.00	\$12.98	-\$12.98	0.00%
36248	Sp Assess Prin - Maroda Drive	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36249	Sp Assess Int - Maroda Drive	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36250	Sp Assess Prin - Johnie/Rober	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36251	Sp Assess Int - Johnie/Robert	\$0.00	\$0.00	\$5.72	-\$5.72	0.00%
36252	Sp Assess Prin - Brita/Pinevie	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36253	Sp Assess Int - Brita/Pineview	\$0.00	\$0.00	\$45.52	-\$45.52	0.00%
36254	Sp Assess Prin-Bridges	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36255	Sp Assess Int-Bridges	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
38052	Telephone Miscellaneous Rev	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39200	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39230	Proceeds - 2006 Series B Bonds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39300	Proceeds-Gen Long-term Debt	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39311	Proceeds-Wilderness GO Bonds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39314	Proceeds-2001 Bond Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39315	Proceeds-2002 Bond Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39318	Proceeds--2004 ESC Refunding	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39319	Proceeds-2004 Impr Bonds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

CITY OF CROSS LAKE

Month-End Revenue

Current Period: OCTOBER 2017

SRC	SRC Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	2017 % of Budget
39900	02 Series A	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 301 DEBT SERVICE FUND		\$154,581.00	\$0.00	\$86,040.69	\$68,540.31	55.66%
FUND 401 GENERAL CAPITAL PROJECTS						
31000	General Property Taxes	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
33420	Insurance Premium Reimburse	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34790	Park Dedication Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36210	Interest Earnings	\$500.00	\$55.55	\$528.87	-\$28.87	105.77%
36230	Contributions and Donations	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39101	Sales of General Fixed Assets	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39102	Sale of City Hall	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39103	Sale of Fire Hall	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39104	Sale of Lots-Gendreau Addn.	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39200	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39231	Proceeds-2006 Series C Bonds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 401 GENERAL CAPITAL PROJECTS		\$500.00	\$55.55	\$528.87	-\$28.87	105.77%
FUND 404 JOBZ						
31000	General Property Taxes	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34110	TIF/JOBZ Pre Application Fee	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34204	JOBZ Recipient Deposit	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34208	JOBZ Annual Fee	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 404 JOBZ		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 405 TAX INCREMENT FINANCE PROJECTS						
31000	General Property Taxes	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31050	Tax Increments LeRever	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31051	Tax Increments Daggett Brook	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31052	Tax Increments Reeds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31053	Tax Increments - Ace Hardware	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31054	Tax Increment - Crosswoods	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31055	Tax Incr 1-8 Crosswoods Dev	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31056	Tax Increment 1-9 C&J Develop	\$11,000.00	\$0.00	\$7,081.07	\$3,918.93	64.37%
33403	Mobile Home Homestead Credit	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36104	Penalty & Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36201	Misc Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36210	Interest Earnings	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39200	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 405 TAX INCREMENT FINANCE PROJE		\$11,000.00	\$0.00	\$7,081.07	\$3,918.93	64.37%
FUND 408 WEST SHORE DRIVE						
39200	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39310	Proceeds-Gen Obligation Bond	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39318	Proceeds--2004 ESC Refunding	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 408 WEST SHORE DRIVE		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 412 DUCK LANE						
36200	Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39200	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39310	Proceeds-Gen Obligation Bond	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 412 DUCK LANE		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 414 SUNRISE ISLAND BRIDGE PROJECT						
33400	State Grants and Aids	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

CITY OF CROSS LAKE

Month-End Revenue

Current Period: OCTOBER 2017

SRC	SRC Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	2017 % of Budget
36200	Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39200	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 414 SUNRISE ISLAND BRIDGE PROJEC		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 415 AMBULANCE PROJECT						
39200	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 415 AMBULANCE PROJECT		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 420 LIBRARY PROJECT						
31000	General Property Taxes	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36200	Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36210	Interest Earnings	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36230	Contributions and Donations	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39200	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39310	Proceeds-Gen Obligation Bond	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 420 LIBRARY PROJECT		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 432 SEWER PROJECT						
36200	Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36210	Interest Earnings	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39200	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39204	Transfer Frm Needs Assess Fund	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39316	Proceeds-2003 Series A Bonds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39317	Proceeds-2003 Series B Bonds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 432 SEWER PROJECT		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 502 ECONOMIC DEVELOPMENT FUND						
31000	General Property Taxes	\$12,500.00	\$0.00	\$6,919.67	\$5,580.33	55.36%
31101	County Payment Joint Facility	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31300	Emergency Services Levy	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31305	2003 Joint Facility Levy	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
31802	EDA Tax Receipts	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34101	City Hall User Revenue	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34215	Pass Thru Donations	\$0.00	\$435.00	\$770.00	-\$770.00	0.00%
34951	Rev Loan Principal Pymts	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36200	Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36210	Interest Earnings	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36212	Restricted Interest Income	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36220	Lease Revenue	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39200	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39319	Proceeds-2004 Impr Bonds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 502 ECONOMIC DEVELOPMENT FUND		\$12,500.00	\$435.00	\$7,689.67	\$4,810.33	61.52%
FUND 503 EDA (REVOLVING LOAN)						
34951	Rev Loan Principal Pymts	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36210	Interest Earnings	\$0.00	\$0.00	\$279.75	-\$279.75	0.00%
36211	Revolving Loan Interest	\$0.00	\$0.00	\$1,172.65	-\$1,172.65	0.00%
39200	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 503 EDA (REVOLVING LOAN)		\$0.00	\$0.00	\$1,452.40	-\$1,452.40	0.00%
FUND 601 SEWER OPERATING FUND						
33423	Insurance Claim Reimbursement	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
34410	Unallocated Reserves	\$0.00	\$149.42	-\$315.59	\$315.59	0.00%
36104	Penalty & Interest	\$1,000.00	\$333.42	\$2,046.97	-\$1,046.97	204.78%

CITY OF CROSS LAKE

Month-End Revenue

Current Period: OCTOBER 2017

SRC	SRC Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	2017 % of Budget
36200	Miscellaneous Revenues	\$1,000.00	\$373.50	\$1,904.85	-\$904.85	190.49%
36201	Misc Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36210	Interest Earnings	\$0.00	-\$254.25	\$0.00	\$0.00	0.00%
37200	User Fee	\$237,060.00	\$22,895.78	\$213,329.14	\$23,730.86	90.73%
37250	Sewer Connection Payments	\$0.00	\$32,500.00	\$76,500.00	-\$76,500.00	0.00%
37500	Capital Contribution	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39200	Operating Transfers	\$217,805.00	\$0.00	\$0.00	\$217,805.00	0.00%
39204	Transfer Frm Needs Assess Fund	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 601 SEWER OPERATING FUND		\$456,865.00	\$55,997.87	\$293,465.37	\$163,399.63	64.39%
FUND 614 TELEPHONE AND CABLE FUND						
36200	Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36210	Interest Earnings	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39105	Sales Proceeds - Crosslake Com	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
39200	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 614 TELEPHONE AND CABLE FUND		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 651 SEWER RESTRICTED SINKING FUND						
31306	2003 Disposal System Levy	\$221,000.00	\$0.00	\$122,763.72	\$98,236.28	55.55%
33402	Homestead Credit	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36104	Penalty & Interest	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
36200	Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36201	Misc Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
36210	Interest Earnings	\$0.00	\$0.00	\$18.15	-\$18.15	0.00%
37250	Sewer Connection Payments	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
39200	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 651 SEWER RESTRICTED SINKING FU		\$223,000.00	\$0.00	\$122,781.87	\$100,218.13	55.06%
		\$6,114,984.00	\$104,883.07	\$3,048,368.40	\$3,066,615.60	50.01%

C.5.

CITY OF CROSS LAKE

Month End Expenditures

Current Period: OCTOBER 2017

OBJ	OBJ Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	%YTD Budget
FUND 101 GENERAL FUND						
DEPT 41110 Council						
100	Wages and Salaries Dept Head	\$27,000.00	\$1,910.00	\$20,820.00	\$6,180.00	77.11%
122	FICA	\$2,066.00	\$146.14	\$1,592.98	\$473.02	77.10%
151	Workers Comp Insurance	\$83.00	\$0.00	\$105.00	-\$22.00	126.51%
208	Instruction Fees	\$1,500.00	\$45.00	\$935.00	\$565.00	62.33%
321	Communications-Cellular	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
331	Travel Expenses	\$1,500.00	\$215.48	\$1,128.98	\$371.02	75.27%
340	Advertising	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
360	Insurance	\$150.00	\$0.00	\$0.00	\$150.00	0.00%
430	Miscellaneous	\$704.00	\$251.85	\$251.85	\$452.15	35.77%
433	Dues and Subscriptions	\$0.00	\$0.00	\$30.00	-\$30.00	0.00%
DEPT 41110 Council		\$33,003.00	\$2,568.47	\$24,863.81	\$8,139.19	75.34%
DEPT 41400 Administration						
100	Wages and Salaries Dept Head	\$86,875.00	\$6,688.72	\$70,216.56	\$16,658.44	80.82%
101	Assistant	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
102	Consultant	\$26,000.00	\$0.00	\$9,450.00	\$16,550.00	36.35%
105	Part-time	\$1,125.00	\$0.00	\$0.00	\$1,125.00	0.00%
109	Secretary/Bookkeeper	\$62,119.00	\$4,807.30	\$50,453.65	\$11,665.35	81.22%
121	PERA	\$11,259.00	\$862.20	\$9,050.25	\$2,208.75	80.38%
122	FICA	\$11,484.00	\$803.33	\$8,491.64	\$2,992.36	73.94%
131	Employer Paid Health	\$31,882.00	\$2,656.80	\$26,568.00	\$5,314.00	83.33%
132	Employer Paid Disability	\$1,296.00	\$120.01	\$1,168.26	\$127.74	90.14%
133	Employer Paid Dental	\$2,344.00	\$172.00	\$1,748.00	\$596.00	74.57%
134	Employer Paid Life	\$134.00	\$11.20	\$112.00	\$22.00	83.58%
136	Deferred Compensation	\$1,300.00	\$100.00	\$1,050.00	\$250.00	80.77%
151	Workers Comp Insurance	\$1,352.00	\$0.00	\$1,787.00	-\$435.00	132.17%
152	Health Savings Account Contrib	\$12,000.00	\$3,000.00	\$12,000.00	\$0.00	100.00%
200	Office Supplies	\$1,800.00	\$98.09	\$1,201.17	\$598.83	66.73%
208	Instruction Fees	\$2,000.00	\$0.00	\$1,023.29	\$976.71	51.16%
210	Operating Supplies	\$1,500.00	\$10.00	\$1,214.19	\$285.81	80.95%
220	Repair/Maint Supply - Equip	\$3,834.00	\$265.66	\$3,453.94	\$380.06	90.09%
301	Auditing and Acct g Services	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
320	Communications	\$4,000.00	\$250.89	\$2,264.47	\$1,735.53	56.61%
322	Postage	\$1,000.00	\$0.00	\$354.87	\$645.13	35.49%
331	Travel Expenses	\$1,500.00	\$31.03	\$878.03	\$621.97	58.54%
334	Vehicle Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
340	Advertising	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
341	Newsletter Expenditures	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
351	Legal Notices Publishing	\$1,000.00	\$0.00	\$276.25	\$723.75	27.63%
413	Office Equipment Rental/Repair	\$800.00	\$0.00	\$0.00	\$800.00	0.00%
430	Miscellaneous	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
433	Dues and Subscriptions	\$850.00	\$0.00	\$730.00	\$120.00	85.88%
443	Sales Tax	\$100.00	\$0.00	\$0.00	\$100.00	0.00%
500	Capital Outlay	\$3,063.00	\$0.00	\$0.00	\$3,063.00	0.00%
600	Principal	\$794.00	\$133.46	\$661.81	\$132.19	83.35%
610	Interest	\$70.00	\$10.54	\$58.19	\$11.81	83.13%
DEPT 41400 Administration		\$271,981.00	\$20,021.23	\$204,211.57	\$67,769.43	75.08%
DEPT 41410 Elections						
107	Services	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
122	FICA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
210	Operating Supplies	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

OBJ	OBJ Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	%YTD Budget
351	Legal Notices Publishing	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
413	Office Equipment Rental/Repair	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
430	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
500	Capital Outlay	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 41410 Elections		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 41600 Audit/Legal Services						
301	Auditing and Acct g Services	\$28,000.00	\$0.00	\$26,976.99	\$1,023.01	96.35%
304	Legal Fees (Civil)	\$10,000.00	\$936.00	\$4,761.00	\$5,239.00	47.61%
307	Legal Fees (Labor)	\$7,000.00	\$614.50	\$1,238.00	\$5,762.00	17.69%
DEPT 41600 Audit/Legal Services		\$45,000.00	\$1,550.50	\$32,975.99	\$12,024.01	73.28%
DEPT 41910 Planning and Zoning						
100	Wages and Salaries Dept Head	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
101	Assistant	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
102	Consultant	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
103	Tech 1	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
104	Tech 2	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
105	Part-time	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
121	PERA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
122	FICA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
131	Employer Paid Health	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
132	Employer Paid Disability	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
133	Employer Paid Dental	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
134	Employer Paid Life	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
136	Deferred Compensation	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
140	Unemployment	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
151	Workers Comp Insurance	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
200	Office Supplies	\$700.00	\$83.06	\$392.34	\$307.66	56.05%
208	Instruction Fees	\$600.00	\$0.00	\$0.00	\$600.00	0.00%
210	Operating Supplies	\$1,500.00	\$304.82	\$555.06	\$944.94	37.00%
212	Motor Fuels	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
220	Repair/Maint Supply - Equip	\$3,934.00	\$265.67	\$1,778.03	\$2,155.97	45.20%
221	Repair/Maint Vehicles 306	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
303	Engineering Fees	\$2,500.00	\$100.00	\$250.00	\$2,250.00	10.00%
304	Legal Fees (Civil)	\$5,000.00	\$0.00	\$2,880.00	\$2,120.00	57.60%
305	Legal/Eng - Developer/Criminal	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
314	Surveyor	\$1,000.00	\$0.00	\$0.00	\$1,000.00	0.00%
320	Communications	\$3,500.00	\$210.18	\$1,789.73	\$1,710.27	51.14%
322	Postage	\$500.00	\$7.80	\$695.60	-\$195.60	139.12%
331	Travel Expenses	\$1,000.00	\$0.00	\$68.00	\$932.00	6.80%
332	Travel Expense- P&Z Comm	\$1,500.00	\$974.20	\$3,561.30	-\$2,061.30	237.42%
340	Advertising	\$100.00	\$0.00	\$0.00	\$100.00	0.00%
351	Legal Notices Publishing	\$2,000.00	\$123.25	\$1,168.75	\$831.25	58.44%
352	Filing Fees	\$1,500.00	\$532.00	\$1,314.00	\$186.00	87.60%
356	Mapping	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
360	Insurance	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
387	Septic Inspections	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
413	Office Equipment Rental/Repair	\$860.00	\$0.00	\$0.00	\$860.00	0.00%
430	Miscellaneous	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
433	Dues and Subscriptions	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
441	Enhanced 911	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
443	Sales Tax	\$0.00	\$1.00	\$5.00	-\$5.00	0.00%
452	Refund	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
470	Consultant Fees	\$205,448.00	\$0.00	\$152,388.00	\$53,060.00	74.17%
500	Capital Outlay	\$3,000.00	\$0.00	\$1,996.19	\$1,003.81	66.54%

OBJ	OBJ Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	%YTD Budget
600	Principal	\$794.00	\$133.46	\$661.81	\$132.19	83.35%
610	Interest	\$70.00	\$10.54	\$58.19	\$11.81	83.13%
DEPT 41910 Planning and Zoning		\$238,506.00	\$2,745.98	\$169,562.00	\$68,944.00	71.09%
DEPT 41940 General Government						
131	Employer Paid Health	\$1,993.00	\$1,660.50	\$7,540.58	-\$5,547.58	378.35%
133	Employer Paid Dental	\$138.00	\$55.54	\$578.41	-\$440.41	419.14%
151	Workers Comp Insurance	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
152	Health Savings Account Contrib	\$750.00	\$0.00	\$0.00	\$750.00	0.00%
210	Operating Supplies	\$2,500.00	\$249.91	\$1,700.59	\$799.41	68.02%
220	Repair/Maint Supply - Equip	\$0.00	\$0.00	\$123.15	-\$123.15	0.00%
223	Bldg Repair Suppl/Maintenance	\$4,000.00	\$719.36	\$2,519.13	\$1,480.87	62.98%
235	Signs	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
254	Concessions - Pop	\$300.00	\$76.06	\$412.62	-\$112.62	137.54%
302	Architects Fees	\$250.00	\$0.00	\$0.00	\$250.00	0.00%
303	Engineering Fees	\$750.00	\$0.00	\$0.00	\$750.00	0.00%
316	Security Monitoring	\$800.00	\$0.00	\$422.64	\$377.36	52.83%
335	Background Checks	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
341	Newsletter Expenditures	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
351	Legal Notices Publishing	\$250.00	\$0.00	\$255.00	-\$5.00	102.00%
354	Ordinance Codification	\$5,000.00	\$0.00	\$1,510.90	\$3,489.10	30.22%
360	Insurance	\$26,500.00	\$0.00	\$21,796.00	\$4,704.00	82.25%
381	Electric Utilities	\$14,500.00	\$950.00	\$8,800.00	\$5,700.00	60.69%
383	Gas Utilities	\$4,500.00	\$28.40	\$1,052.98	\$3,447.02	23.40%
384	Refuse/Garbage Disposal	\$500.00	\$51.48	\$474.73	\$25.27	94.95%
385	Sewer Utility	\$600.00	\$45.00	\$450.00	\$150.00	75.00%
389	Generator Expense	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
405	Cleaning Services	\$9,600.00	\$707.50	\$7,075.00	\$2,525.00	73.70%
430	Miscellaneous	\$2,500.00	\$0.00	\$38.95	\$2,461.05	1.56%
433	Dues and Subscriptions	\$3,500.00	\$0.00	\$5,209.40	-\$1,709.40	148.84%
437	Brainerd Lakes Area Dev Corp	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
438	Initiative Foundation	\$1,650.00	\$0.00	\$1,650.00	\$0.00	100.00%
439	Emergency Mgmt Expense	\$2,000.00	\$0.00	\$0.00	\$2,000.00	0.00%
440	Telephone Co Reimb Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
441	Enhanced 911	\$300.00	\$0.00	\$0.00	\$300.00	0.00%
442	Safety Prog/Equipment	\$10,500.00	\$0.00	\$8,701.74	\$1,798.26	82.87%
443	Sales Tax	\$50.00	\$0.00	\$1.00	\$49.00	2.00%
444	Transportation Plan	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
446	Animal Control	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
449	Cobra Payments	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
451	Health Comm Program Expense	\$20,000.00	\$450.00	\$775.00	\$19,225.00	3.88%
452	Refund	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
456	Fireworks	\$14,000.00	\$0.00	\$12,000.00	\$2,000.00	85.71%
460	Fines/Fees Reimburse	\$6,000.00	\$1,671.52	\$2,896.98	\$3,103.02	48.28%
470	Consultant Fees	\$15,000.00	\$0.00	\$3,069.84	\$11,930.16	20.47%
490	Donations to Civic Org s	\$3,700.00	\$0.00	\$2,600.00	\$1,100.00	70.27%
493	Pass Thru Donations	\$0.00	\$3,840.00	\$56,499.00	-\$56,499.00	0.00%
500	Capital Outlay	\$36,000.00	\$491.26	\$46,146.31	-\$10,146.31	128.18%
551	Capital Outlay-Building	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
552	Capital Outlay-Land	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
720	Operating Transfers	\$217,805.00	\$0.00	\$0.00	\$217,805.00	0.00%
DEPT 41940 General Government		\$408,436.00	\$10,996.53	\$194,299.95	\$214,136.05	47.57%
DEPT 42110 Police Administration						
100	Wages and Salaries Dept Head	\$79,604.00	\$0.00	\$88,563.90	-\$8,959.90	111.26%
101	Assistant	\$67,347.00	\$6,558.12	\$67,040.93	\$306.07	99.55%

OBJ	OBJ Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	%YTD Budget
103	Tech 1	\$0.00	\$3,481.46	\$16,702.50	-\$16,702.50	0.00%
108	Tech 3	\$25,000.00	\$780.13	\$23,193.42	\$1,806.58	92.77%
110	Tech 4	\$58,753.00	\$4,186.45	\$44,662.96	\$14,090.04	76.02%
112	Tech 5	\$58,681.00	\$4,170.45	\$44,707.91	\$13,973.09	76.19%
113	Tech 6	\$60,031.00	\$4,156.23	\$45,130.90	\$14,900.10	75.18%
121	PERA	\$56,605.00	\$3,779.96	\$43,637.79	\$12,967.21	77.09%
122	FICA	\$5,067.00	\$314.88	\$3,622.77	\$1,444.23	71.50%
131	Employer Paid Health	\$70,142.00	\$5,048.40	\$53,936.40	\$16,205.60	76.90%
132	Employer Paid Disability	\$2,710.00	\$226.75	\$2,235.23	\$474.77	82.48%
133	Employer Paid Dental	\$5,128.00	\$324.48	\$3,534.88	\$1,593.12	68.93%
134	Employer Paid Life	\$336.00	\$28.00	\$268.80	\$67.20	80.00%
136	Deferred Compensation	\$1,300.00	\$50.00	\$800.00	\$500.00	61.54%
140	Unemployment	\$1,000.00	\$0.00	\$0.00	\$1,000.00	0.00%
151	Workers Comp Insurance	\$16,128.00	\$0.00	\$21,094.00	-\$4,966.00	130.79%
152	Health Savings Account Contrib	\$27,000.00	\$6,750.00	\$30,000.00	-\$3,000.00	111.11%
200	Office Supplies	\$300.00	\$132.53	\$303.44	-\$3.44	101.15%
208	Instruction Fees	\$3,500.00	\$271.00	\$3,009.27	\$490.73	85.98%
209	Physicals	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
210	Operating Supplies	\$1,300.00	\$209.24	\$2,128.55	-\$828.55	163.73%
212	Motor Fuels	\$18,000.00	\$1,087.99	\$8,835.25	\$9,164.75	49.08%
214	Auto Expense- Squad 301	\$2,000.00	\$57.37	\$294.42	\$1,705.58	14.72%
216	Auto Expense- Squad 305	\$1,200.00	\$155.03	\$311.47	\$888.53	25.96%
217	Auto Expense- Squad 303	\$800.00	\$0.00	\$561.49	\$238.51	70.19%
218	Auto Expense- Squad 302	\$1,200.00	\$73.85	\$575.81	\$624.19	47.98%
219	Auto Expense- Squad 304	\$1,200.00	\$31.39	\$792.81	\$407.19	66.07%
220	Repair/Maint Supply - Equip	\$5,532.00	\$494.00	\$10,492.35	-\$4,960.35	189.67%
221	Repair/Maint Vehicles 306	\$0.00	\$0.00	\$849.92	-\$849.92	0.00%
258	Unif Tony/Ted/Gerald/Fire	\$675.00	\$0.00	\$667.38	\$7.62	98.87%
259	Unif Erik/Joe	\$675.00	\$40.99	\$622.46	\$52.54	92.22%
260	Unif Eric & Nate	\$675.00	\$0.00	\$625.36	\$49.64	92.65%
261	Unif Jake/Jon/Leigh	\$675.00	\$0.00	\$655.72	\$19.28	97.14%
262	Unif Tony	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
264	Unif Bobby/Ron	\$675.00	\$0.00	\$572.97	\$102.03	84.88%
265	Unif & P/T Expense	\$500.00	\$0.00	\$496.51	\$3.49	99.30%
281	Tactical Team	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
282	Restitution Expenditures	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
283	Forfeiture Expenditures	\$1,000.00	\$265.00	\$10,889.15	-\$9,889.15	1088.92%
304	Legal Fees (Civil)	\$0.00	\$0.00	\$180.00	-\$180.00	0.00%
319	Donation Expenditures	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
320	Communications	\$2,800.00	\$261.14	\$2,433.95	\$366.05	86.93%
321	Communications-Cellular	\$5,400.00	\$614.41	\$3,375.90	\$2,024.10	62.52%
322	Postage	\$200.00	\$9.10	\$44.05	\$155.95	22.03%
331	Travel Expenses	\$1,700.00	\$359.70	\$1,640.02	\$59.98	96.47%
340	Advertising	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
351	Legal Notices Publishing	\$0.00	\$263.50	\$420.75	-\$420.75	0.00%
360	Insurance	\$14,000.00	\$0.00	\$16,284.00	-\$2,284.00	116.31%
413	Office Equipment Rental/Repair	\$400.00	\$0.00	\$0.00	\$400.00	0.00%
430	Miscellaneous	\$200.00	\$0.00	\$276.85	-\$76.85	138.43%
433	Dues and Subscriptions	\$250.00	\$10.99	\$508.23	-\$258.23	203.29%
443	Sales Tax	\$200.00	\$0.00	\$0.00	\$200.00	0.00%
458	Undercover Supplies	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
460	Fines/Fees Reimburse	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
500	Capital Outlay	\$10,023.00	\$0.00	\$5,005.48	\$5,017.52	49.94%
550	Capital Outlay - Vehicles	\$49,000.00	\$4,765.08	\$87,972.17	-\$38,972.17	179.54%
600	Principal	\$132.00	\$22.24	\$110.30	\$21.70	83.56%



OBJ	OBJ Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	%YTD Budget
610	Interest	\$12.00	\$1.76	\$9.70	\$2.30	80.83%
DEPT 42110	Police Administration	\$659,556.00	\$48,981.62	\$650,078.12	\$9,477.88	98.56%
DEPT 42280 Fire Administration						
100	Wages and Salaries Dept Head	\$6,000.00	\$500.00	\$5,000.00	\$1,000.00	83.33%
101	Assistant	\$1,200.00	\$100.00	\$1,000.00	\$200.00	83.33%
106	Training	\$2,100.00	\$75.00	\$750.00	\$1,350.00	35.71%
107	Services	\$50,000.00	\$0.00	\$0.00	\$50,000.00	0.00%
122	FICA	\$4,536.00	\$51.63	\$516.30	\$4,019.70	11.38%
151	Workers Comp Insurance	\$4,950.00	\$0.00	\$6,395.00	-\$1,445.00	129.19%
200	Office Supplies	\$100.00	\$0.00	\$0.00	\$100.00	0.00%
208	Instruction Fees	\$8,000.00	\$900.00	\$12,456.00	-\$4,456.00	155.70%
209	Physicals	\$500.00	\$0.00	\$1,780.00	-\$1,280.00	356.00%
210	Operating Supplies	\$3,000.00	\$1,220.22	\$4,169.70	-\$1,169.70	138.99%
212	Motor Fuels	\$500.00	\$55.44	\$224.85	\$275.15	44.97%
213	Diesel Fuel	\$2,500.00	\$179.40	\$454.06	\$2,045.94	18.16%
220	Repair/Maint Supply - Equip	\$3,000.00	\$11.18	\$903.43	\$2,096.57	30.11%
221	Repair/Maint Vehicles 306	\$9,000.00	\$5,977.93	\$10,526.94	-\$1,526.94	116.97%
222	Tires	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
223	Bldg Repair Suppl/Maintenance	\$1,000.00	\$0.00	\$2,127.21	-\$1,127.21	212.72%
233	FIRE PREVENTION	\$2,000.00	\$0.00	\$2,698.10	-\$698.10	134.91%
240	Small Tools and Minor Equip	\$1,500.00	\$0.00	\$833.22	\$666.78	55.55%
258	Unif Tony/Ted/Gerald/Fire	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
319	Donation Expenditures	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
320	Communications	\$2,500.00	\$594.32	\$2,563.39	-\$63.39	102.54%
322	Postage	\$25.00	\$0.00	\$0.00	\$25.00	0.00%
331	Travel Expenses	\$5,000.00	\$0.00	\$2,881.00	\$2,119.00	57.62%
340	Advertising	\$200.00	\$0.00	\$0.00	\$200.00	0.00%
351	Legal Notices Publishing	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
360	Insurance	\$7,000.00	\$0.00	\$6,734.00	\$266.00	96.20%
430	Miscellaneous	\$150.00	\$693.48	\$1,870.80	-\$1,720.80	1247.20%
433	Dues and Subscriptions	\$1,200.00	\$315.00	\$1,711.50	-\$511.50	142.63%
443	Sales Tax	\$100.00	\$0.00	\$0.00	\$100.00	0.00%
450	Permits	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
455	House Burn	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
491	FDRA City Contribution	\$21,000.00	\$0.00	\$0.00	\$21,000.00	0.00%
492	FDRA State Aid	\$28,000.00	\$38,406.34	\$38,406.34	-\$10,406.34	137.17%
500	Capital Outlay	\$162,000.00	\$0.00	\$196,204.45	-\$34,204.45	121.11%
550	Capital Outlay - Vehicles	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
551	Capital Outlay-Building	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
615	Issuance Costs (Other Financin	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
720	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 42280	Fire Administration	\$329,061.00	\$49,079.94	\$300,206.29	\$28,854.71	91.23%
DEPT 42500 Ambulance Services						
223	Bldg Repair Suppl/Maintenance	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
306	Ambulance Subsidy	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 42500	Ambulance Services	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 43000 Public Works (GENERAL)						
100	Wages and Salaries Dept Head	\$6,240.00	\$0.00	\$0.00	\$6,240.00	0.00%
103	Tech 1	\$54,410.00	\$3,866.00	\$42,088.23	\$12,321.77	77.35%
104	Tech 2	\$56,181.00	\$3,552.34	\$43,413.67	\$12,767.33	77.27%
105	Part-time	\$0.00	\$909.74	\$2,420.86	-\$2,420.86	0.00%

OBJ	OBJ Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	%YTD Budget
108	Tech 3	\$56,181.00	\$3,793.11	\$39,161.30	\$17,019.70	69.71%
121	PERA	\$12,976.00	\$859.30	\$9,481.54	\$3,494.46	73.07%
122	FICA	\$13,235.00	\$822.95	\$8,657.92	\$4,577.08	65.42%
131	Employer Paid Health	\$38,261.00	\$3,188.40	\$31,884.00	\$6,377.00	83.33%
132	Employer Paid Disability	\$1,089.00	\$104.09	\$1,006.82	\$82.18	92.45%
133	Employer Paid Dental	\$2,785.00	\$222.32	\$2,157.59	\$627.41	77.47%
134	Employer Paid Life	\$202.00	\$17.92	\$172.89	\$29.11	85.59%
136	Deferred Compensation	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
140	Unemployment	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
151	Workers Comp Insurance	\$16,117.00	\$0.00	\$22,868.00	-\$6,751.00	141.89%
152	Health Savings Account Contrib	\$15,000.00	\$3,750.00	\$15,000.00	\$0.00	100.00%
200	Office Supplies	\$450.00	\$0.00	\$294.97	\$155.03	65.55%
208	Instruction Fees	\$1,000.00	\$585.00	\$1,895.00	-\$895.00	189.50%
210	Operating Supplies	\$1,200.00	\$153.48	\$661.06	\$538.94	55.09%
212	Motor Fuels	\$8,000.00	\$1,164.01	\$3,805.76	\$4,194.24	47.57%
213	Diesel Fuel	\$15,000.00	\$151.46	\$5,002.96	\$9,997.04	33.35%
215	Shop Supplies	\$2,750.00	\$11.20	\$684.24	\$2,065.76	24.88%
220	Repair/Maint Supply - Equip	\$18,000.00	\$1,955.81	\$20,650.18	-\$2,650.18	114.72%
221	Repair/Maint Vehicles 306	\$15,000.00	\$372.75	\$33,942.24	-\$18,942.24	226.28%
222	Tires	\$1,500.00	\$149.71	\$149.71	\$1,350.29	9.98%
223	Bldg Repair Suppl/Maintenance	\$4,500.00	\$106.51	\$12,175.15	-\$7,675.15	270.56%
224	Street Maint Materials	\$20,000.00	\$849.04	\$26,026.94	-\$6,026.94	130.13%
225	New Roads Materials	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
226	Bridge Materials	\$25,000.00	\$0.00	\$0.00	\$25,000.00	0.00%
228	Street Lighting	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
232	Striping	\$8,000.00	\$0.00	\$16,555.00	-\$8,555.00	206.94%
235	Signs	\$3,000.00	\$1,580.38	\$2,617.34	\$382.66	87.24%
240	Small Tools and Minor Equip	\$2,500.00	\$595.68	\$3,711.28	-\$1,211.28	148.45%
254	Concessions - Pop	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
259	Unif Erik/Joe	\$300.00	\$0.00	\$154.99	\$145.01	51.66%
260	Unif Eric & Nate	\$300.00	\$0.00	\$300.00	\$0.00	100.00%
261	Unif Jake/Jon/Leigh	\$300.00	\$0.00	\$159.99	\$140.01	53.33%
303	Engineering Fees	\$25,000.00	\$0.00	\$2,560.10	\$22,439.90	10.24%
304	Legal Fees (Civil)	\$1,000.00	\$0.00	\$225.00	\$775.00	22.50%
314	Surveyor	\$100.00	\$0.00	\$0.00	\$100.00	0.00%
316	Security Monitoring	\$200.00	\$49.35	\$148.05	\$51.95	74.03%
320	Communications	\$1,600.00	\$111.05	\$977.15	\$622.85	61.07%
322	Postage	\$50.00	\$0.00	\$0.00	\$50.00	0.00%
331	Travel Expenses	\$1,000.00	\$0.00	\$532.20	\$467.80	53.22%
340	Advertising	\$100.00	\$0.00	\$0.00	\$100.00	0.00%
351	Legal Notices Publishing	\$100.00	\$0.00	\$0.00	\$100.00	0.00%
360	Insurance	\$27,000.00	\$0.00	\$12,377.00	\$14,623.00	45.84%
381	Electric Utilities	\$14,000.00	\$575.86	\$8,033.35	\$5,966.65	57.38%
383	Gas Utilities	\$6,000.00	\$61.09	\$1,167.33	\$4,832.67	19.46%
384	Refuse/Garbage Disposal	\$1,000.00	\$87.91	\$1,140.63	-\$140.63	114.06%
385	Sewer Utility	\$400.00	\$21.15	\$380.70	\$19.30	95.18%
405	Cleaning Services	\$3,700.00	\$176.25	\$1,762.50	\$1,937.50	47.64%
413	Office Equipment Rental/Repair	\$100.00	\$0.00	\$0.00	\$100.00	0.00%
415	Equipment Rental	\$2,500.00	\$0.00	\$0.00	\$2,500.00	0.00%
430	Miscellaneous	\$1,000.00	\$307.00	\$1,701.90	-\$701.90	170.19%
433	Dues and Subscriptions	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
442	Safety Prog/Equipment	\$1,000.00	\$7.99	\$2,188.45	-\$1,188.45	218.85%
443	Sales Tax	\$100.00	\$0.00	\$0.00	\$100.00	0.00%
450	Permits	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
454	Joint Facility County Expense	\$45,000.00	\$1,790.57	\$21,431.63	\$23,568.37	47.63%

OBJ	OBJ Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	%YTD Budget
500	Capital Outlay	\$65,000.00	\$743.07	\$15,672.72	\$49,327.28	24.11%
550	Capital Outlay - Vehicles	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
551	Capital Outlay-Building	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
552	Capital Outlay-Land	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
581	Capital Outlay -Seal Coat	\$0.00	\$0.00	\$45,223.21	-\$45,223.21	0.00%
582	Capital Outlay - Crackfill	\$50,000.00	\$0.00	\$0.00	\$50,000.00	0.00%
583	Capital Outlay - Overlays	\$1,826,500.00	\$427,899.57	\$810,952.91	\$1,015,547.09	44.40%
584	Capital Outlay - Road Const	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
720	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 43000 Public Works (GENERAL)		\$2,471,927.00	\$460,592.06	\$1,273,574.46	\$1,198,352.54	51.52%
DEPT 43100 Cemetery						
210	Operating Supplies	\$940.00	\$0.00	\$28.47	\$911.53	3.03%
220	Repair/Maint Supply - Equip	\$250.00	\$61.94	\$1,127.63	-\$877.63	451.05%
360	Insurance	\$60.00	\$0.00	\$66.00	-\$6.00	110.00%
381	Electric Utilities	\$350.00	\$32.53	\$170.59	\$179.41	48.74%
430	Miscellaneous	\$400.00	\$0.00	\$762.91	-\$362.91	190.73%
452	Refund	\$0.00	\$0.00	\$925.00	-\$925.00	0.00%
500	Capital Outlay	\$1,000.00	\$0.00	\$0.00	\$1,000.00	0.00%
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 43100 Cemetery		\$3,000.00	\$94.47	\$3,080.60	-\$80.60	102.69%
DEPT 45100 Park and Recreation (GENERAL)						
100	Wages and Salaries Dept Head	\$70,732.00	\$5,467.06	\$57,817.49	\$12,914.51	81.74%
101	Assistant	\$28,806.00	\$2,246.96	\$23,690.13	\$5,115.87	82.24%
103	Tech 1	\$26,408.00	\$992.01	\$10,396.30	\$16,011.70	39.37%
104	Tech 2	\$5,000.00	\$0.00	\$0.00	\$5,000.00	0.00%
105	Part-time	\$43,680.00	\$2,403.50	\$27,325.27	\$16,354.73	62.56%
108	Tech 3	\$33,010.00	\$2,587.06	\$26,845.76	\$6,164.24	81.33%
121	PERA	\$15,198.00	\$846.84	\$8,870.88	\$6,327.12	58.37%
122	FICA	\$15,884.00	\$994.84	\$10,615.04	\$5,268.96	66.83%
131	Employer Paid Health	\$22,320.00	\$1,328.40	\$13,284.00	\$9,036.00	59.52%
132	Employer Paid Disability	\$1,452.00	\$112.77	\$1,027.64	\$424.36	70.77%
133	Employer Paid Dental	\$3,956.00	\$326.92	\$2,892.33	\$1,063.67	73.11%
134	Employer Paid Life	\$336.00	\$21.28	\$179.91	\$156.09	53.54%
136	Deferred Compensation	\$650.00	\$50.00	\$525.00	\$125.00	80.77%
140	Unemployment	\$0.00	\$0.00	\$338.00	-\$338.00	0.00%
151	Workers Comp Insurance	\$9,691.00	\$0.00	\$12,323.00	-\$2,632.00	127.16%
152	Health Savings Account Contrib	\$9,000.00	\$1,500.00	\$9,000.00	\$0.00	100.00%
200	Office Supplies	\$200.00	\$21.95	\$303.60	-\$103.60	151.80%
208	Instruction Fees	\$500.00	\$0.00	\$197.00	\$303.00	39.40%
210	Operating Supplies	\$3,200.00	\$0.00	\$992.06	\$2,207.94	31.00%
212	Motor Fuels	\$2,000.00	\$212.46	\$1,401.00	\$599.00	70.05%
213	Diesel Fuel	\$1,500.00	\$367.60	\$709.06	\$790.94	47.27%
220	Repair/Maint Supply - Equip	\$3,000.00	\$0.00	\$5,534.96	-\$2,534.96	184.50%
221	Repair/Maint Vehicles 306	\$2,000.00	\$15.00	\$1,021.93	\$978.07	51.10%
223	Bldg Repair Suppl/Maintenance	\$15,000.00	\$1,665.65	\$10,235.14	\$4,764.86	68.23%
231	Chemicals	\$5,000.00	\$0.00	\$1,080.00	\$3,920.00	21.60%
235	Signs	\$400.00	\$0.00	\$0.00	\$400.00	0.00%
254	Concessions - Pop	\$300.00	\$0.00	\$107.11	\$192.89	35.70%
255	Concessions - Food	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
258	Unif Tony/Ted/Gerald/Fire	\$300.00	\$0.00	\$0.00	\$300.00	0.00%

OBJ	OBJ Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	%YTD Budget
261	Unif Jake/Jon/Leigh	\$300.00	\$0.00	\$0.00	\$300.00	0.00%
264	Unif Bobby/Ron	\$300.00	\$0.00	\$300.00	\$0.00	100.00%
303	Engineering Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
304	Legal Fees (Civil)	\$250.00	\$0.00	\$887.65	-\$637.65	355.06%
308	Instructors Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
309	Tennis	\$1,600.00	\$0.00	\$1,080.92	\$519.08	67.56%
310	Program Supplies	\$1,000.00	\$385.00	\$1,340.11	-\$340.11	134.01%
311	Softball/Baseball	\$1,000.00	\$0.00	\$138.74	\$861.26	13.87%
312	Aerobic Instruction	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
315	Warm House/Garage Exp	\$1,000.00	\$90.96	\$737.73	\$262.27	73.77%
316	Security Monitoring	\$1,200.00	\$0.00	\$367.88	\$832.12	30.66%
317	Soccer/Skating	\$1,500.00	\$1,075.00	\$1,175.00	\$325.00	78.33%
318	Garage (North)	\$3,000.00	\$59.00	\$1,040.48	\$1,959.52	34.68%
319	Donation Expenditures	\$0.00	\$0.00	\$1,758.97	-\$1,758.97	0.00%
320	Communications	\$3,500.00	\$362.66	\$3,261.61	\$238.39	93.19%
322	Postage	\$150.00	\$0.00	\$58.81	\$91.19	39.21%
323	Garage (East)	\$800.00	\$3.75	\$802.47	-\$2.47	100.31%
324	Disc Golf Expenses	\$100.00	\$0.00	\$0.00	\$100.00	0.00%
331	Travel Expenses	\$700.00	\$38.25	\$774.79	-\$74.79	110.68%
335	Background Checks	\$150.00	\$0.00	\$60.00	\$90.00	40.00%
340	Advertising	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
351	Legal Notices Publishing	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
360	Insurance	\$15,000.00	\$0.00	\$11,665.00	\$3,335.00	77.77%
381	Electric Utilities	\$13,000.00	\$1,236.75	\$12,103.44	\$896.56	93.10%
383	Gas Utilities	\$7,500.00	\$104.31	\$2,701.78	\$4,798.22	36.02%
384	Refuse/Garbage Disposal	\$800.00	\$72.63	\$647.73	\$152.27	80.97%
403	Improvements Other Than Bldgs	\$3,800.00	\$0.00	\$0.00	\$3,800.00	0.00%
413	Office Equipment Rental/Repair	\$700.00	\$0.00	\$0.00	\$700.00	0.00%
415	Equipment Rental	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
430	Miscellaneous	\$800.00	\$390.23	\$885.23	-\$85.23	110.65%
433	Dues and Subscriptions	\$500.00	\$0.00	\$220.00	\$280.00	44.00%
442	Safety Prog/Equipment	\$1,500.00	\$0.00	\$27.58	\$1,472.42	1.84%
443	Sales Tax	\$1,600.00	\$320.00	\$2,594.00	-\$994.00	162.13%
445	Sr Meals Expense	\$400.00	\$0.00	\$492.36	-\$92.36	123.09%
448	Weight Room Ins Reimbur	\$150.00	\$12.25	\$103.75	\$46.25	69.17%
450	Permits	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
452	Refund	\$150.00	\$0.00	\$65.00	\$85.00	43.33%
453	80 Acre Development Expense	\$1,000.00	\$1,000.00	\$1,000.00	\$0.00	100.00%
457	Weight Room Expenses	\$2,000.00	\$0.00	\$1,183.44	\$816.56	59.17%
459	PAL Foundation Expenditures	\$3,000.00	\$3,709.63	\$14,099.91	-\$11,099.91	470.00%
461	Silver Sneakers	\$6,300.00	\$1,080.00	\$6,768.00	-\$468.00	107.43%
481	Park Master Plan	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
500	Capital Outlay	\$60,000.00	\$13,704.55	\$41,541.12	\$18,458.88	69.24%
551	Capital Outlay-Building	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
552	Capital Outlay-Land	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
553	Capital Outlay - Other	\$0.00	\$0.00	\$4,815.50	-\$4,815.50	0.00%
557	Capital Outlay - Tennis Courts	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
600	Principal	\$1,250.00	\$104.14	\$937.26	\$312.74	74.98%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 45100 Park and Recreation (GENERA		\$456,523.00	\$44,909.41	\$342,348.87	\$114,174.13	74.99%
DEPT 45500 Library						
101	Assistant	\$31,616.00	\$2,478.00	\$25,971.40	\$5,644.60	82.15%
121	PERA	\$2,371.00	\$185.85	\$1,947.85	\$423.15	82.15%
122	FICA	\$2,419.00	\$162.52	\$1,716.08	\$702.92	70.94%
131	Employer Paid Health	\$15,941.00	\$1,328.40	\$13,284.00	\$2,657.00	83.33%

OBJ	OBJ Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	%YTD Budget
132	Employer Paid Disability	\$260.00	\$25.56	\$243.52	\$16.48	93.66%
133	Employer Paid Dental	\$1,172.00	\$86.00	\$874.00	\$298.00	74.57%
134	Employer Paid Life	\$67.00	\$5.60	\$56.00	\$11.00	83.58%
135	Employer Paid Other	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
140	Unemployment	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
151	Workers Comp Insurance	\$200.00	\$0.00	\$0.00	\$200.00	0.00%
152	Health Savings Account Contrib	\$6,000.00	\$1,500.00	\$3,000.00	\$3,000.00	50.00%
201	Library Operating Supplies	\$2,000.00	\$795.00	\$2,502.84	-\$502.84	125.14%
202	Library Subscriptions	\$500.00	\$199.88	\$629.92	-\$129.92	125.98%
203	Library Books	\$500.00	\$867.79	\$7,679.18	-\$7,179.18	1535.84%
204	Children s Program Expense	\$150.00	\$0.00	\$27.21	\$122.79	18.14%
205	Library Luncheon Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
206	Book Sale Expenses	\$0.00	\$0.00	\$353.20	-\$353.20	0.00%
207	Golf Fundraiser Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
319	Donation Expenditures	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
320	Communications	\$1,000.00	\$59.49	\$532.49	\$467.51	53.25%
322	Postage	\$50.00	\$0.00	\$0.00	\$50.00	0.00%
360	Insurance	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
413	Office Equipment Rental/Repair	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
430	Miscellaneous	\$1,000.00	\$0.00	\$299.40	\$700.60	29.94%
443	Sales Tax	\$0.00	\$44.00	\$359.00	-\$359.00	0.00%
452	Refund	\$50.00	\$0.00	\$0.00	\$50.00	0.00%
459	PAL Foundation Expenditures	\$250.00	\$0.00	\$2,270.53	-\$2,020.53	908.21%
500	Capital Outlay	\$3,063.00	\$0.00	\$3,858.14	-\$795.14	125.96%
600	Principal	\$1,250.00	\$104.14	\$937.26	\$312.74	74.98%
DEPT 45500 Library		\$70,359.00	\$7,842.23	\$66,542.02	\$3,816.98	94.58%
DEPT 47007 2003 Series A Disposal						
720	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47007 2003 Series A Disposal		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47013 Bond Disclosure						
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$450.00	-\$450.00	0.00%
DEPT 47013 Bond Disclosure		\$0.00	\$0.00	\$450.00	-\$450.00	0.00%
DEPT 47014 2012 Series A						
600	Principal	\$185,000.00	\$0.00	\$185,000.00	\$0.00	100.00%
610	Interest	\$31,155.00	\$0.00	\$27,202.50	\$3,952.50	87.31%
620	Fiscal Agent s Fees	\$300.00	\$0.00	\$253.00	\$47.00	84.33%
DEPT 47014 2012 Series A		\$216,455.00	\$0.00	\$212,455.50	\$3,999.50	98.15%
DEPT 47015 47015 Series 2015B						
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
615	Issuance Costs (Other Financin	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47015 47015 Series 2015B		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 48000 Recycling						
384	Refuse/Garbage Disposal	\$32,340.00	\$2,433.00	\$24,382.36	\$7,957.64	75.39%
388	Recycling Expenses	\$100.00	\$50.00	\$286.00	-\$186.00	286.00%
430	Miscellaneous	\$2,340.00	\$262.00	\$2,620.00	-\$280.00	111.97%
DEPT 48000 Recycling		\$34,780.00	\$2,745.00	\$27,288.36	\$7,491.64	78.46%
FUND 101 GENERAL FUND		\$5,238,587.00	\$652,127.44	\$3,501,937.54	\$1,736,649.46	66.85%
FUND 301 DEBT SERVICE FUND						
DEPT 47000 Emer Svcs Ctr Refunding 2004						
551	Capital Outlay-Building	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

OBJ	OBJ Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	%YTD Budget
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
602	REA Loan Payment	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47000	Emer Svcs Ctr Refunding 2004	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47001	Community Ctr Refunding 2002					
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47001	Community Ctr Refunding 200	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47002	G.O. Improve-Wilderness					
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47002	G.O. Improve-Wilderness	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47003	1999 Series A Improvement Bond					
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47003	1999 Series A Improvement B	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47004	1999 Series B Improvement Bond					
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47004	1999 Series B Improvement B	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47005	2001 Series A Improvement Bond					
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47005	2001 Series A Improvement B	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47006	2002 Series A Improvement Bond					
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47006	2002 Series A Improvement B	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47007	2003 Series A Disposal					
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47007	2003 Series A Disposal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47008	2003 Series B Sewer					
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47008	2003 Series B Sewer	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47009	2003 Joint Facility					
430	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47009	2003 Joint Facility	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47010	2004 Series A					

OBJ	OBJ Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	%YTD Budget
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47010 2004 Series A		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47011 2006 Series B Improvement Bond						
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
615	Issuance Costs (Other Financin	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
616	Bond Discount	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47011 2006 Series B Improvement B		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47012 2006 Series C Equipment Cert						
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47012 2006 Series C Equipment Cert		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47013 Bond Disclosure						
440	Telephone Co Reimb Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
621	Continung Disclosure Expene	\$2,400.00	\$0.00	\$0.00	\$2,400.00	0.00%
DEPT 47013 Bond Disclosure		\$2,400.00	\$0.00	\$0.00	\$2,400.00	0.00%
DEPT 47014 2012 Series A						
430	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47014 2012 Series A		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47015 47015 Series 2015B						
600	Principal	\$136,000.00	\$0.00	\$0.00	\$136,000.00	0.00%
610	Interest	\$11,220.00	\$0.00	\$5,610.00	\$5,610.00	50.00%
620	Fiscal Agent s Fees	\$300.00	\$0.00	\$0.00	\$300.00	0.00%
DEPT 47015 47015 Series 2015B		\$147,520.00	\$0.00	\$5,610.00	\$141,910.00	3.80%
FUND 301 DEBT SERVICE FUND		\$149,920.00	\$0.00	\$5,610.00	\$144,310.00	3.74%
FUND 401 GENERAL CAPITAL PROJECTS						
DEPT 44000 Capital Projects						
430	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 44000 Capital Projects		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47012 2006 Series C Equipment Cert						
615	Issuance Costs (Other Financin	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
616	Bond Discount	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47012 2006 Series C Equipment Cert		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 49300 Other Finanacing Uses						
720	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 49300 Other Finanacing Uses		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 401 GENERAL CAPITAL PROJECTS		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 405 TAX INCREMENT FINANCE PROJECTS						
DEPT 46000 Tax Increment Financing						
351	Legal Notices Publishing	\$650.00	\$0.00	\$63.75	\$586.25	9.81%
640	Tax Increment 1	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
641	Tax Increment 2	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
642	Tax Increment 3	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

OBJ	OBJ Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	%YTD Budget
643	Tax Increment 6	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
644	Tax Increment 7 - Stone #1	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
645	Tax Increment 8 - Crosswoods	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
646	TaxIncrement 9-C&J Dev	\$0.00	\$0.00	\$6,372.96	-\$6,372.96	0.00%
650	Administrative Costs	\$650.00	\$0.00	\$100.00	\$550.00	15.38%
720	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 46000 Tax Increment Financing		\$1,300.00	\$0.00	\$6,536.71	-\$5,236.71	502.82%
DEPT 46001 TIF 1-9 MidWest Asst Living						
646	TaxIncrement 9-C&J Dev	\$10,200.00	\$0.00	\$0.00	\$10,200.00	0.00%
DEPT 46001 TIF 1-9 MidWest Asst Living		\$10,200.00	\$0.00	\$0.00	\$10,200.00	0.00%
FUND 405 TAX INCREMENT FINANCE PROJEC		\$11,500.00	\$0.00	\$6,536.71	\$4,963.29	56.84%
FUND 410 MARODA DRIVE						
DEPT 43000 Public Works (GENERAL)						
303	Engineering Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 43000 Public Works (GENERAL)		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 410 MARODA DRIVE		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 411 SUNSET DRIVE						
DEPT 43000 Public Works (GENERAL)						
303	Engineering Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 43000 Public Works (GENERAL)		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 411 SUNSET DRIVE		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 412 DUCK LANE						
DEPT 43000 Public Works (GENERAL)						
303	Engineering Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
304	Legal Fees (Civil)	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
430	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
500	Capital Outlay	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 43000 Public Works (GENERAL)		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 412 DUCK LANE		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 413 FAWN LAKE ROAD						
DEPT 43000 Public Works (GENERAL)						
303	Engineering Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
304	Legal Fees (Civil)	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
500	Capital Outlay	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 43000 Public Works (GENERAL)		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 413 FAWN LAKE ROAD		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 414 SUNRISE ISLAND BRIDGE PROJECT						
DEPT 43000 Public Works (GENERAL)						
226	Bridge Materials	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
303	Engineering Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
304	Legal Fees (Civil)	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
430	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
500	Capital Outlay	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 43000 Public Works (GENERAL)		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 414 SUNRISE ISLAND BRIDGE PROJECT		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 415 AMBULANCE PROJECT						
DEPT 43000 Public Works (GENERAL)						



OBJ	OBJ Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	%YTD Budget
303	Engineering Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
304	Legal Fees (Civil)	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
430	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
500	Capital Outlay	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
551	Capital Outlay-Building	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
720	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 43000 Public Works (GENERAL)		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 415 AMBULANCE PROJECT		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 420 LIBRARY PROJECT						
DEPT 45500 Library						
302	Architects Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
430	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
500	Capital Outlay	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
720	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 45500 Library		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 420 LIBRARY PROJECT		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 432 SEWER PROJECT						
DEPT 43200 Sewer						
303	Engineering Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
304	Legal Fees (Civil)	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
430	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
443	Sales Tax	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
500	Capital Outlay	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
720	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 43200 Sewer		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 49300 Other Financing Uses						
720	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 49300 Other Financing Uses		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 432 SEWER PROJECT		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 463 BRITA LN/PINE VIEW LN						
DEPT 43000 Public Works (GENERAL)						
303	Engineering Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
304	Legal Fees (Civil)	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
430	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
500	Capital Outlay	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 43000 Public Works (GENERAL)		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 463 BRITA LN/PINE VIEW LN		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 502 ECONOMIC DEVELOPMENT FUND						
DEPT 41940 General Government						
720	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 41940 General Government		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 46500 Economic Development (GENERAL)						
304	Legal Fees (Civil)	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
351	Legal Notices Publishing	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
493	Pass Thru Donations	\$0.00	\$267.10	\$2,182.96	-\$2,182.96	0.00%
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
720	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 46500 Economic Development (GENERAL)		\$0.00	\$267.10	\$2,182.96	-\$2,182.96	0.00%

OBJ	OBJ Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	%YTD Budget
DEPT 47000 Emer Svcs Ctr Refunding 2004						
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
615	Issuance Costs (Other Financin	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
616	Bond Discount	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47000 Emer Svcs Ctr Refunding 2004		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47009 2003 Joint Facility						
430	Miscellaneous	\$12,500.00	\$0.00	\$3,720.00	\$8,780.00	29.76%
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47009 2003 Joint Facility		\$12,500.00	\$0.00	\$3,720.00	\$8,780.00	29.76%
FUND 502 ECONOMIC DEVELOPMENT FUND		\$12,500.00	\$267.10	\$5,902.96	\$6,597.04	47.22%
FUND 503 EDA (REVOLVING LOAN)						
DEPT 46500 Economic Develop mt (GENERAL)						
304	Legal Fees (Civil)	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
430	Miscellaneous	\$0.00	\$0.00	\$447,873.11	-\$447,873.11	0.00%
447	Loan Disbursements	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 46500 Economic Develop mt (GENER		\$0.00	\$0.00	\$447,873.11	-\$447,873.11	0.00%
FUND 503 EDA (REVOLVING LOAN)		\$0.00	\$0.00	\$447,873.11	-\$447,873.11	0.00%
FUND 601 SEWER OPERATING FUND						
DEPT 43200 Sewer						
100	Wages and Salaries Dept Head	\$71,540.00	\$5,883.82	\$71,294.97	\$245.03	99.66%
101	Assistant	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
103	Tech 1	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
104	Tech 2	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
108	Tech 3	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
121	PERA	\$5,366.00	\$441.28	\$4,632.84	\$733.16	86.34%
122	FICA	\$5,473.00	\$404.83	\$4,280.28	\$1,192.72	78.21%
131	Employer Paid Health	\$15,941.00	\$1,328.40	\$13,284.00	\$2,657.00	83.33%
132	Employer Paid Disability	\$663.00	\$61.66	\$602.28	\$60.72	90.84%
133	Employer Paid Dental	\$1,172.00	\$86.00	\$874.00	\$298.00	74.57%
134	Employer Paid Life	\$67.00	\$5.60	\$56.00	\$11.00	83.58%
136	Deferred Compensation	\$650.00	\$50.00	\$525.00	\$125.00	80.77%
151	Workers Comp Insurance	\$3,891.00	\$0.00	\$4,788.00	-\$897.00	123.05%
152	Health Savings Account Contrib	\$6,000.00	\$0.00	\$6,000.00	\$0.00	100.00%
200	Office Supplies	\$250.00	\$0.00	\$552.16	-\$302.16	220.86%
208	Instruction Fees	\$2,000.00	\$0.00	\$1,790.00	\$210.00	89.50%
210	Operating Supplies	\$1,500.00	\$17.98	\$987.71	\$512.29	65.85%
212	Motor Fuels	\$2,000.00	\$0.00	\$531.54	\$1,468.46	26.58%
213	Diesel Fuel	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
220	Repair/Maint Supply - Equip	\$7,000.00	\$530.93	\$12,931.01	-\$5,931.01	184.73%
221	Repair/Maint Vehicles 306	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
222	Tires	\$1,000.00	\$0.00	\$0.00	\$1,000.00	0.00%
223	Bldg Repair Suppl/Maintenance	\$1,500.00	\$298.00	\$6,883.90	-\$5,383.90	458.93%
229	Oper/Maint - Lift Station	\$12,000.00	\$218.51	\$7,361.25	\$4,638.75	61.34%
230	Repair/Maint - Collection Syst	\$7,000.00	\$0.00	\$3,101.76	\$3,898.24	44.31%
231	Chemicals	\$10,000.00	\$1,100.49	\$16,936.38	-\$6,936.38	169.36%
258	Unif Tony/Ted/Gerald/Fire	\$300.00	\$0.00	\$319.95	-\$19.95	106.65%
303	Engineering Fees	\$1,000.00	\$0.00	\$0.00	\$1,000.00	0.00%
304	Legal Fees (Civil)	\$250.00	\$0.00	\$75.00	\$175.00	30.00%

OBJ	OBJ Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	%YTD Budget
320	Communications	\$600.00	\$151.17	\$959.74	-\$359.74	159.96%
321	Communications-Cellular	\$1,400.00	\$118.28	\$1,334.85	\$65.15	95.35%
322	Postage	\$800.00	\$0.00	\$993.65	-\$193.65	124.21%
331	Travel Expenses	\$2,000.00	\$351.41	\$2,199.68	-\$199.68	109.98%
340	Advertising	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
351	Legal Notices Publishing	\$200.00	\$0.00	\$124.66	\$75.34	62.33%
360	Insurance	\$7,500.00	\$0.00	\$8,108.00	-\$608.00	108.11%
381	Electric Utilities	\$26,000.00	\$2,033.79	\$20,786.13	\$5,213.87	79.95%
383	Gas Utilities	\$3,000.00	\$25.00	\$1,020.62	\$1,979.38	34.02%
384	Refuse/Garbage Disposal	\$0.00	\$0.00	\$514.80	-\$514.80	0.00%
406	Lab Testing	\$10,000.00	\$1,033.20	\$11,159.18	-\$1,159.18	111.59%
407	Sludge Disposal	\$12,000.00	\$0.00	\$15,660.00	-\$3,660.00	130.50%
420	Depreciation Expense	\$200,000.00	\$0.00	\$0.00	\$200,000.00	0.00%
430	Miscellaneous	\$100.00	\$0.00	\$97.46	\$2.54	97.46%
433	Dues and Subscriptions	\$300.00	\$0.00	\$471.00	-\$171.00	157.00%
442	Safety Prog/Equipment	\$1,500.00	\$0.00	\$96.98	\$1,403.02	6.47%
443	Sales Tax	\$200.00	\$0.00	\$0.00	\$200.00	0.00%
450	Permits	\$200.00	\$0.00	\$1,450.00	-\$1,250.00	725.00%
452	Refund	\$100.00	\$0.00	\$0.00	\$100.00	0.00%
500	Capital Outlay	\$232,402.00	\$17,984.65	\$175,691.30	\$56,710.70	75.60%
553	Capital Outlay - Other	\$0.00	\$11,858.00	\$42,558.12	-\$42,558.12	0.00%
554	Capital Outlay - Ox Ditch Bldg	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
555	Capital Outlay - Sewer Biosol	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
556	Capital Outlay - Sewer Exten	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 43200 Sewer		\$656,865.00	\$43,983.00	\$441,034.20	\$215,830.80	67.14%
FUND 601 SEWER OPERATING FUND		\$656,865.00	\$43,983.00	\$441,034.20	\$215,830.80	67.14%
FUND 614 TELEPHONE AND CABLE FUND						
DEPT 49000 Miscellaneous (GENERAL)						
301	Auditing and Acct g Services	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
304	Legal Fees (Civil)	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
430	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
630	Loss on Bond Defeasance	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
720	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 49000 Miscellaneous (GENERAL)		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 614 TELEPHONE AND CABLE FUND		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 651 SEWER RESTRICTED SINKING FUND						
DEPT 43200 Sewer						
220	Repair/Maint Supply - Equip	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
223	Bldg Repair Suppl/Maintenance	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
303	Engineering Fees	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
430	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
500	Capital Outlay	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 43200 Sewer		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47007 2003 Series A Disposal						
600	Principal	\$175,000.00	\$0.00	\$175,000.00	\$0.00	100.00%
610	Interest	\$27,106.00	\$0.00	\$31,155.00	-\$4,049.00	114.94%
615	Issuance Costs (Other Financin	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
620	Fiscal Agent s Fees	\$750.00	\$0.00	\$242.00	\$508.00	32.27%
720	Operating Transfers	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47007 2003 Series A Disposal		\$202,856.00	\$0.00	\$206,397.00	-\$3,541.00	101.75%

OBJ	OBJ Descr	2017 Budget	OCTOBER 2017 Amt	2017 YTD Amt	2017 YTD Balance	%YTD Budget
DEPT 47008 2003 Series B Sewer						
452	Refund	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
600	Principal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
610	Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
615	Issuance Costs (Other Financin	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 47008 2003 Series B Sewer						
		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 651 SEWER RESTRICTED SINKING FUN		\$202,856.00	\$0.00	\$206,397.00	-\$3,541.00	101.75%
FUND 652 WASTEWATER MGMT DISTRICT						
DEPT 41910 Planning and Zoning						
430	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 41910 Planning and Zoning						
		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FUND 652 WASTEWATER MGMT DISTRICT		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
		\$6,272,228.00	\$696,377.54	\$4,615,291.52	\$1,656,936.48	73.58%

C.6.

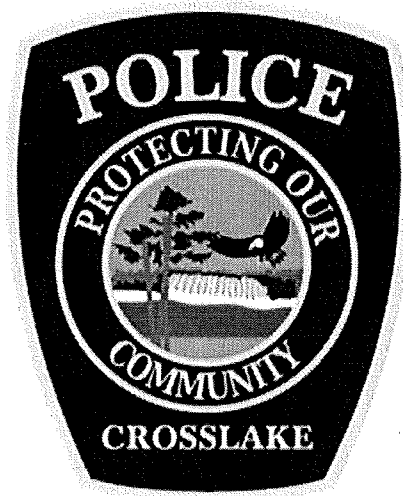
City of Crosslake - Preliminary					
10/31/2017 Preliminary Budget to Actual Analysis (Remove Debt Service, Capital Outlay and Operating Transfers)					
Description	2017 Budget	31-Oct	2017 YTD Amount	2017 YTD Balance	2017 %YTD Budget
<b>Total Expense (From Month End Report For October 31, 2017)</b>	<b>\$ 6,272,228</b>	<b>\$ 696,378</b>	<b>\$ 4,615,292</b>	<b>\$ 1,656,936</b>	<b>73.58%</b>
<b>Adjustments:</b>					
<i>Less: All DS Issues</i>					
(101-41400-600) Administration: Copier Lease	(864)	(144)	(720)	(144)	83.33%
(101-41910-600) Planning and Zoning: Copier Lease	(864)	(144)	(720)	(144)	83.33%
(101-42110-600) Police: Copier Lease	(144)	(24)	(120)	(24)	83.33%
(101-45100-600) Parks and Rec.: Copier Lease	(1,250)	(104)	(937)	(313)	74.98%
(101-45500-600) Library: Copier Lease	(1,250)	(104)	(937)	(313)	74.98%
(101-47014-600) 2012 Series A - Principal	(185,000)	0	(185,000)	0	100.00%
(101-47014-610) 2012 Series A - Interest	(31,155)	0	(27,203)	(3,953)	87.31%
(101-47014-620) 2012 Series A - Fiscal Agent Fees	(300)	0	(703)	403	0.0%
(301-47015-600) 2015 Series B - Principal	(136,000)	0	0	(136,000)	0.00%
(301-47015-610) 2015 Series B - Interest	(11,220)	0	(5,610)	(5,610)	50.00%
(301-47015-620) 2015 Series B - Fiscal Agent Fees	(300)	0	0	(300)	0.00%
(301-47013-440/621) Fiscal Agent Fees	(2,400)	0	0	(2,400)	0.00%
(651-47007-600) 2012 Series A Disposal - Prin.. ( Reported on B/S)	(175,000)	0	(175,000)	0	100.00%
(651-47007-610) 2012 Series A Disposal -Interest	(27,105)	0	(31,155)	4,050	114.94%
(651-47007-620) 2012 Series A Disposal - Fiscal Agent Fees	(750)	0	(242)	(508)	32.27%
<i>Total Debt Service</i>	<u>(573,602)</u>	<u>(520)</u>	<u>(428,347)</u>	<u>(145,255)</u>	<u>74.68%</u>
<i>Less - All Capital Outlay Accounts:</i>					
(101-41400-500) Administration	(3,063)	0	0	(3,063)	0.00%
(101-41910-500) Planning and Zoning	(3,000)	0	(1,996)	(1,004)	66.54%
(101-41940-500) General Government Capital Outlay	(36,000)	(491)	(46,146)	10,146	128.18%
(101-42110-500) Police Administration Capital Outlay	(10,023)	0	(5,005)	(5,018)	49.94%
(101-42110-550) Police Administration Capital Outlay - Vehicles	(49,000)	(4,765)	(87,972)	38,972	179.54%
(101-42280-500) Fire Administration - Capital Outlay	(162,000)	0	(196,204)	34,204	121.11%
(101-42280-550) Fire Administration - Capital Outlay - Vehicles	0	0	0	0	0.00%
(101-43000-500) Public Works - Capital Outlay	(1,941,500)	(428,643)	(871,849)	(1,069,651)	44.91%
(101-43100-500) Cemetery - Capital Outlay	(1,000)	0	0	(1,000)	0.00%
(101-45100-500) Parks and Recreation - Capital Outlay	(60,000)	(13,705)	(46,357)	(13,643)	77.26%
(101-45500-500) Library	(3,063)	0	(3,858)	795	0.00%
(601-43200-500) Sewer - Capital Outlay	(232,402)	(29,843)	(218,249)	(14,153)	93.91%
<i>Total Capital Outlay</i>	<u>(2,501,051)</u>	<u>(477,446)</u>	<u>(1,477,638)</u>	<u>(1,023,413)</u>	<u>59.08%</u>
<i>Less: Other Items:</i>					
Transfer Revolving Loan Program to Crow Wing Cooperative	0	0	(447,873)	447,873	0%
Operating Transfers from General Fund to Sewer Fund)	(217,805)	0	0	(217,805)	0%
<i>Total Operating Transfers Between Funds</i>	<u>(217,805)</u>	<u>0</u>	<u>(447,873)</u>	<u>230,068</u>	<u>0%</u>
<i>Less: Depreciation/Amortization</i>					
(601) Depreciation	(200,000)	0	0	(200,000)	0.00%
<b>Adjusted Expenditures</b>	<b>\$ 2,779,770</b>	<b>\$ 218,411</b>	<b>\$ 2,261,434</b>	<b>\$ 518,336</b>	<b>81.35%</b>
<i>Linear Assumption (10 Month/12 Months) = 83.33%</i>					
	<b>83.33%</b>	<b>\$ 5,226,857</b>			<b>-1.98%</b>

City of Crosslake  
10/31/2017

Depository	Percent of Total Bank Balance	Bank Balance	Less: Insurance FDIC/NCUA	Deposits Requiring Collateral	Amount of Collateral Required (110% of Deposits Requiring Collateral)	Market Value of Collateral Provided	Sufficient (Insufficient) Collateral Coverage	Collateral Description	Expiration Date
BlackRidge Bank	69.4%	\$ 211,261	\$ 250,000	\$ 0	\$ 0	\$ 0	\$ 0		1/0/1900
Frandsen Bank and Trust	30.6%	\$ 93,251	\$ 250,000	\$ 0	\$ 0	\$ 1,317,812	\$ 1,284,706	3132J4FG9 FHLMC POOL G30866, 4.00	4/1/2034
<b>Totals</b>	<b>100.0%</b>	<b>\$ 304,512</b>		<b>\$ -</b>	<b>\$ 0</b>	<b>\$ 1,317,812</b>	<b>\$ 1,284,706</b>		

C.7.

C.8.



# CROSSLAKE POLICE DEPARTMENT

## MONTHLY REPORT

October

2017

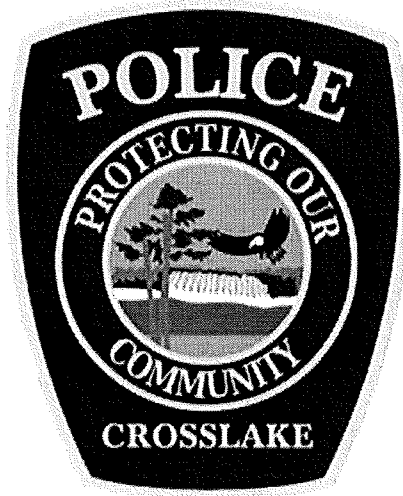
**Crosslake Police Department  
Monthly Report  
October 2017**

911 Hangup	1
Agency Assist	19
Alarm	16
Animal Complaint	1
Burning Complaint	1
Damage To Property	1
Death	1
Disturbance	3
Domestic	1
Driving Complaint	3
Ems	23
Extra Patrol	1
Fire	2
Fraud	1
Garbage Dumping	1
Hazard In Road	1
Housewatch	5
Information	6
Intoxicated Person	1
Lost Property	1
Motorist Assist	2
Open Door	1
Other	1
Parking Complaint	1
Property Damage Acc	5
Public Assist	3
Scam/Con	2
Suicidal Person	1
Suspicious Activity	1
Suspicious Person	2
Suspicious Vehicle	3



Theft	2
Threats	1
Traffic Citations	3
Traffic Warnings	82
Warrant Service Atmpt	4
Welfare Check	5
<b>Total</b>	<b>208</b>

C. a.



# CROSSLAKE POLICE DEPARTMENT

## MISSION TOWNSHIP MONTHLY REPORT

October

2017

**Crosslake Police Department  
Mission Township Monthly Report  
October 2017**

<b>2017</b>		<b>2016 (Last Year)</b>	
Alarm	1	Animal Complaint	2
Animal Complaint	2	Burglary In Prog	1
Civil Problem	1	Civil Problem	1
Ems	2	Driving Complaint	1
Hazard In Road	1	Housewatch	1
Housewatch	4	Parking Complaint	1
Theft	1	Traffic Arrests	1
Traffic Arrest	1	Traffic Citations	6
Traffic Citations	11	Traffic Stop	20
Traffic Warnings	38	Warrant Service	1
<b>Total</b>	<b>62</b>	<b>Total</b>	<b>35</b>



# Crosslake Fire Department

Date: October 2017

C.10.

## Incidents

Description of Incident	Calls	YTD
<b>3 - Rescue &amp; Emergency Medical Services</b>		
311 - Medical Assist - Assist EMS Crew	21	234
300 - Rescue, EMS Incident		1
322 - Motor Vehicle Accident with Injuries		7
324 - Motor Vehicle Accident with No Injuries		1
340 - Search for Lost Person	1	2
362 - Ice Rescue		
326 - Snowmobile Accident With Injuries		
<b>Total Medical:</b>	<b>22</b>	<b>245</b>
<b>1 - Fire</b>		
111 - Building Fire		4
111 - Building Fire (Mutual Aid)		1
114 - Chimney Fire		
112/118/113 - Fire Other	1	3
143 - Grass Fire/Wildland Fire	1	4
131 - Automobile Fire		
<b>Total Fire:</b>	<b>2</b>	<b>12</b>
<b>4 - Hazardous Condition (No Fire)</b>		
411 - Gasoline or other Flammable Liquid Spill		1
412 - Gas Leak (Natural Gas or LPG)		6
444 - Power Line Down/Trees on Road		2
<b>Total Hazardous Condition:</b>	<b>0</b>	<b>9</b>
<b>5 - Service Call</b>		
571 - Cover Assignment, Standby		2
561 - Unauthorized Burning		
<b>Total Service Calls:</b>	<b>0</b>	<b>2</b>
<b>6 - Good Intent Call</b>		
611 - Dispatched and Cancelled en route	1	8
600 - Good Intent Call		3
609 - Smoke scare, Odor of smoke	1	2
<b>Total Good Intent:</b>	<b>2</b>	<b>13</b>
<b>7 - False Alarm &amp; False Call</b>		
743 - Smoke Detector Activation - No Fire	1	13
746 - Carbon Monoxide Detector Activation - No CO		1
731 - Sprinkler Activation due to Malfunction		
<b>Total False Alarms:</b>	<b>1</b>	<b>14</b>

**Total Incidents:** 27 295

**NORTH AMBULANCE  
CROSSLAKE**

**OCTOBER 2017 RUN REPORT**

**TOTAL CALLOUTS:** 64  
NIGHT: 26 DAY: 38

No Loads: 09  
Cancels: 12  
Fire Standbys: 01  
Police Standbys: 01  
Transported Patients: 39

CROSSLAKE: 38 (4 No Load, 7 Cancel, 2 Standbys)  
BREEZY POINT: 09 (1 No Load, 3 Cancel)  
IDEAL: 01 (1 No Load)  
MISSION: 00  
FIFTY LAKES: 04  
MANHATTAN BEACH: 00  
CENTER: 00  
TIMOTHY: 00

**MUTUAL AID TO:**

PINE RIVER: 06 (2 No Loads)  
BRAINERD: 06 (1 No Load, 2 Cancel)

BLS TRANSFERS: 00  
ALS TRANSFERS: 00

**ALS INTERCEPTS (ADVANCED LIFE SUPPORT):**

BRAINERD: 01  
PINE RIVER: 00  
AIRCARE: 02

C.12.

## MONTHLY PLANNING & ZONING STATISTICS - CROSSLAKE

PERMITS	October-2017	Year-to-Date 2017	October-2016	Year-to-Date 2016
New Construction (Dwellings)	7	46	2	26
Septic - New	4	40	0	17
Septic Upgrades	7	26	3	14
Porch / Deck	9	48	7	35
Additions	2	21	5	22
Landscape Alterations	5	57	9	53
Access. Structures	2	35	1	35
Demo/Move	5	21	1	2
Signs	0	2	0	4
Fences	0	9	1	5
E911 Addresses Assigned	0	37	1	17
<b>Total Permits</b>	<b>41</b>	<b>342</b>	<b>30</b>	<b>230</b>

ENFORCEMENT / COMPLAINTS	Year-to-Date 2017	Year-to-Date Closed	Year-to-Date Open	Year-to-Date % Closed
Enforcement	9	9	0	100%

CUSTOMER SERVICE STATISTICS	October-2017	Year-to-Date 2017	October-2016	Year-to-Date 2016
Counter Visits	112	895	80	813
Phone Calls	165	1518	154	1377
Email	61	469	44	482
<b>Total</b>	<b>338</b>	<b>2882</b>	<b>278</b>	<b>2672</b>

Call For Service	6	68	10	82
Shoreland Rapid Assessment Completed (Buffer)	6	24	4	30
Stormwater Plans Submitted	11	69	10	85
Site Visits	65	514	48	510

COMPLIANCE SEPTIC STATISTICS	Year-To-Date Received 2017	Year-To-Date Failed 2017	Year-To-Date Received 2016	Year-To-Date Failed 2016
Septic Compliance Inspections	150	9	136	2
Passing Septic Compliance Percentage		94.0%		98.5%

PUBLIC HEARINGS	October-2017	Year-to-Date 2017	October-2016	Year-to-Date 2016
DRT	1	25	0	27
Variance	1	17	2	13
CUP/IUP	0	5	0	1
Land Use Map Amendments	0	0	0	2
Subdivisions (Metes & Bounds; Preliminary; Final)	0	5	0	7

Consolidations/Lot Line Adjustments	1	2	0	5
-------------------------------------	---	---	---	---

C.13.



**STATED MINUTES**

**City of Crosslake  
Planning Commission/Board of Adjustment**

**September 22, 2017  
9:00 A.M.**

**Crosslake City Hall  
37028 County Road 66  
Crosslake, MN 56442**

1. Present: Chair Aaron Herzog; Vice-Chair Mark Wessels; Joel Knippel; Mark LaFon; Alternate Bill Schiltz; Alternate Mark Lindner; Council Member Dave Nevin and Council Member Gary Heacox
2. Absent: Matt Kuker
3. Staff: Jon Kolstad, Crosslake Land Services Specialist and Cheryl Stuckmayer, Customer Service Specialist
4. 8-25-17 Minutes & Findings – **Motion by LaFon; supported by Knippel to approve the minutes & findings as written. All members voting “Aye”, Motion carried.**
5. Old Business
  - 5.1 Dave M Nevin variance project update - **Herzog announced and clarified the stormwater management plan as seen at the September 21, 2017 on-site. LaFon stated with Herzog agreeing the parcel stormwater has improved since the May 25, 2017 on-site. Discussion was held on the need to protect the bluff from any run-off, example, if a berm was necessary it would need to be placed roadside of the window well. Recommendation by the Commissioners for Nevin to continue to work with staff.**
6. New Business
  - 6.1 Richard & Natalie M Kaliszewski – After-the-Fact Variance for lake setback
  - 6.2 John M & Kimberly R Miklya – Variance for height, lake setback, road right-of-way setback and time extension
7. Other Business
  - 7.1 Staff Report
8. Open Forum
9. Adjournment

**Richard & Natalie M Kaliszewski  
120304300G00009**

Herzog announced the variance request, clarified the stormwater management plan and invited the applicant and/or representative to the podium. LaFon stated, with Herzog agreeing, that the current stormwater design has improved and a recommendation to continue to work with the staff on this issue was stated. Kolstad read the variance request, comments received, permit 1610009 to rebuild dwelling pertaining to the January 15, 2016 Development Review Team (DRT), history of the parcel and the surrounding parcel history into the record. Kaliszewski, owner, gave some details on the history and their needs connected to the building project and safety issues associated with the outside fire place. Herzog questioned the square foot of existing patio versus the new deck. Kolstad clarified the square foot and that this is an after-the-fact (ATF) variance with additional questions in the findings procedure. LaFon began a discussion on the drainage of the lot and the stormwater management plan. Kaliszewski clarified the underground drainage culvert that was installed during the building project. Impervious discussion was held on the fabric below the lakeside deck with possible partial removal of the fabric, along with the deck stairway placement and fire pit location, with Kaliszewski's comprehension and agreement. Nevin clarified the discussion at the permit application time concerning the deck and the statement on the application indicating no deck, which Kolstad had displayed on the projector. Kolstad initiated a discussion on the list of possible conditions that were discussed during the commissioners September 21, 2017 on-site. Wessels stated his concerns on past ATF variance issues. Herzog opened the public hearing with Blosberg of North Country Custom Builders stepping up for clarification on the differences of decks and patios. Herzog closed the public hearing. Herzog asked if any of the commissioners had additional questions, but none were forthcoming. Herzog requested Kolstad to initiate the findings of fact procedure with the board members deliberating and responding to each question.

**September 22, 2107 Action:**

**Motion by Wessels; supported by Schiltz to approve the After-the-Fact Variance with amendments to the request for:**

- 1. Lake setback of 34 feet where 75 feet is required to deck**

**To allow:**

- A 491 square foot deck is amended and approved to a 4' wide walkway extending lakeward from the dwelling with an additional 33 square foot area centered on the outside deck fireplace not to extend any further than 7' from the dwelling for a total of a 357 square foot deck/walkway area**

**Per the findings of fact as discussed and the on-site conducted on 9-21-17 and as shown on the certificate of survey received at the Planning & Zoning office dated 8-17-17 for property located at 12314 Perkins Rd, Sec 30, City of Crosslake**

**Conditions:**

**Chapter 26 – Land Use; Sec. 26-227 Variance Decision - Variances must be substantially completed within two years of receiving approval – the approval of this variance will expire on 9-22-19**



1. **Modify the permit to include a 4' wide walkway extending lakeward from the dwelling with an additional 33 square foot area centered on the outside deck fireplace not to extend any further than 7' from the dwelling for a total of a 357 square foot deck/walkway area**
2. **Work with the staff to implement and expand the submitted stormwater plan between the dwelling and the OHW**
3. **Implement the required shoreline rapid assessment model results of a 20 foot no mow buffer**
4. **Move the fire pit to meet the ordinance requirement of the 20' setback from the OHW**
5. **Remove stairs per survey dated 8-17-17 and locate the stairs to the west side of the deck and not on the lake side and not to exceed 4' in width**
6. **Remove all but 2 feet next to the foundation of the fabric from under the deck to insure the area below the deck remains pervious**

**Findings: See attached**

**All members voting "Aye", Motion carried.**

**John M & Kimberly R Miklya  
141930010030009**

Herzog announced the variance request and invited the applicant and/or representative to the podium. Kolstad read the variance request, comment received, Development Review Team (DRT) information, expired deed restriction, association procedures, buffer results of 15', history of the parcel and the surrounding parcel history into the record. Discussion was held on the driveway location, parking, auxiliary cottage height, lake view, fire pit, lake deck, water-oriented accessory structure, height variance request, and landscaping. Blosberg of North Country Custom Builders, the owner's representative, explained the projects location and setbacks. Miklya, owner, stated that the area lake side with mulch was done by Abra Landscaping and did not have an underlayment of fabric, just sand. Miklya clarified that a deck is not part of the request and stated/agreed that a deck request in the future would not be forthcoming. Herzog opened the public hearing with no response, so the public hearing was closed. Herzog asked if any of the commissioners had additional questions, but none were forthcoming. Herzog requested Kolstad to initiate the findings of fact procedure with the board members deliberating and responding to each question.

**September 22, 2017 Action:**

**Motion by Schiltz; supported by Knippel to approve the variance for:**

- 1. Lake setback of 62 feet where 75 feet is required to proposed dwelling**
- 2. Road Right-of-Way setback of 28 feet where 35 feet is required to proposed dwelling**
- 3. Increase height of nonconforming structure from 13 feet to 23 feet**
- 4. Increase height of nonconforming structure from 11 feet to 15 feet**
- 5. Substantial completion of 5 years where 2 years are allowed for proposed cottage**

**To construct:**

- 2910 square foot dwelling**
- 480 square foot auxiliary cottage**

**Per the findings of fact as discussed, the on-sites conducted on 9-21-17 and as shown on the certificate of survey received at the Planning & Zoning office dated 8-18-17 for property located at 13761 Edgewater Lane, Sec 17, City of Crosslake**

**Conditions:**

**Chapter 26 – Land Use; Sec. 26-227 Variance Decision - Variances must be substantially completed within two years of receiving approval – the approval of this variance will expire on 9-22-19**

- 1. Work with the staff to implement, alter, and expand on the submitted stormwater plan**
- 2. Implement and maintain a temporary erosion control plan during construction**
- 3. Work with the staff to implement a plan and maintain vegetation on the lake side bank**

September 22, 2017 Planning Commission/Board Of Adjustment Meeting

4. **Maintain and enhance as necessary the required shoreline rapid assessment model results of a 15 foot no mow buffer from the OHW**
5. **Five year window applies only to the auxiliary cottage/out building per submitted application**

**Findings: See attached**

**All members voting "Aye", Motion carried.**

**Other Business:**

1. Staff report
  - a. Monthly city council report
  - b. Development Review Team (DRT) monthly meeting(s)
  - c. October public hearing applications; none at this time
  - d. Permits for townhomes behind town square
  - e. Dollar General near completion and opening; exterior sign to meet ordinance
  - f. Home behind Andy's to be demo' d with no current plans
  - g. DNR Restoration order

**Open Forum:**

1. Discussion on the shoreline rapid assessment model form - no mow buffer zones
2. Comprehensive Plan revisions discussion to be held September 28<sup>th</sup> at the American Legion and November 13<sup>th</sup> at the City Council Meeting

**Matters not on the Agenda:**

1. There were no matters not on the agenda

**Motion by Knippel; supported by LaFon to adjourn at 11:45 A.M.**

**All members voting "Aye", Motion carried.**

Respectfully yours,

*Cheryl Stuckmayer*

Cheryl Stuckmayer  
Customer Service Specialist

C.14.

Brainerd Office | 7678 College Road | Suite 105 | Baxter, MN 56425 | 218-828-2492  
800-657-3864 | Use your preferred relay service | info.pca@state.mn.us | Equal Opportunity Employer

October 31, 2017

The Honorable Patty Norgaard  
Mayor, City of Crosslake  
37028 County Road 66  
Crosslake, MN 56442-2528

RE: Crosslake Wastewater Treatment Facility  
Plans and Specification Approval  
NPDES/SDS Permit Number MN 0064882

Dear Mayor Norgaard:

The Minnesota Pollution Control Agency (MPCA) is pleased to inform you that we are hereby granting approval of the final plans and specifications. The approved proposal is for the construction of an equalization basin and rehabilitation of the existing wastewater treatment facility which is designed to treat 150,000 gallons per day average wet weather flow. The level of treatment will be governed by the provisions of National Pollutant Discharge Elimination System (NPDES)/State Disposal System (SDS) Permit Number MN 0064882. The approval is pursuant to Minn. Stat. chs. 115 and 116, as amended. The legal description of the location of the proposed facility is Section 21, Township 137 North, Range 27 West, city of Crosslake, Crow Wing County.

The final plans and specifications and related information indicate that the project will consist of installing an equalization basin, a new rapid mix manhole, a new control structure prior to the clarifiers, installing a water supply tank for filter backwashing, and necessary piping. The project also involves rehabilitation of the pretreatment building and replacing several blowers and valves throughout the facility. The project is described in detail in the plans and specifications titled, Wastewater Treatment Plant Improvements, by Bolton & Menk, signed and dated on June 29, 2017.

The MPCA's officers, employees and agents review, comment upon, and approve plans and specifications for the limited administrative purpose of determining whether there is reasonable assurance that the treatment system when constructed, will comply with the regulations and criteria of the MPCA.

This approval shall not in any way relieve the Permittee or the engineer of responsibility, nor shall it make the MPCA responsible for the technical adequacy of the engineer's work. This approval shall not relieve the Permittee from complying with all conditions and requirements of the NPDES/SDS permit and shall be retained by the Permittee with the permit.

The Permittee is responsible for obtaining an NPDES Stormwater Permit, separate from the above-mentioned wastewater discharge permit, for any construction project which disturbs a surface area of one acre or more. To obtain a copy of the construction stormwater permit application, go to the MPCA website and the stormwater program webpage at:

<http://www.pca.state.mn.us/water/stormwater/stormwater-c.html> to request a paper application, call the MPCA Front Desk at 651-296-6300 or 800-657-3864 and ask to speak to the Construction Stormwater Administrative Lead.

Any alterations or additions to the treatment system's approved plans and specifications must be submitted to the MPCA as a Plan and Specification Addendum and be approved by the MPCA prior to bid opening. Significant alterations or additions to the treatment system's approved plans and specifications, proposed after the award of the contract, must be submitted as a change order and approved by the MPCA. Significant change orders are defined as contract deviations which:

1. substantially alter the type of treatment process, or its efficiency, versatility, or reliability; and/or
2. alter the approved project schedule affecting the initiation of operation date.

Significant change orders require prior approval, from the MPCA, before the work can be done. Verbal approval may be agreed to if the work is of an emergency nature.

All change orders shall be retained by the Permittee for review by the MPCA. Each change order shall include an execution date, a complete description of the change, and signatures from the Permittee's authorized representative, the engineer, and the contractor.

Regulations may change regarding administrative requirements in effect at the time of this approval.

At least 60 days before the scheduled contract date for completion of construction, the municipality must submit to the MPCA:

- a. Evidence that the Permittee has hired a wastewater treatment operator with a valid state certificate for the classification of the treatment system;
- b. An operation and maintenance manual for MPCA's approval or a completed O&M Manual Certificate of Completion form (located on the MPCA website at: [www.pca.state.mn.us/water/wastewater.html#operation](http://www.pca.state.mn.us/water/wastewater.html#operation));

A final inspection of the treatment facility shall be performed by MPCA staff when all construction is complete except for minor weather-related components. The Permittee should request in writing that a final inspection be performed when it believes construction is complete.

One year after the initiation of operation of the project, the Permittee must submit to the MPCA the following items, as appropriate for the project:

- a. A certification on a form prescribed by the MPCA, signed by a professional engineer registered in the state of Minnesota stating that the project meets the following performance standards:
  - 1) The project has been completed in according to approved construction plans and specifications and change orders.
  - 2) The Permittee has a sufficient number of trained and capable personnel, including a wastewater treatment facility operator having a valid state certificate, to provide adequate operation and maintenance of the project, and the project requires only the operation and maintenance as is outlined as normal and routine in the approved operation and maintenance manual.
  - 3) The project accepts hydraulic and organic loading to the extent described in the approved design specifications and NPDES or SDS permit conditions.
  - 4) The project facility meets the effluent limitations as assigned in the NPDES or SDS permit.
  - 5) Nonresidential wastewater discharges to the treatment system do not interfere with the operation of the project, disposal, or use of septage or municipal sludges, and do not degrade the groundwater or surface water.
  - 6) Septage treatment and disposal is accomplished in accordance with applicable state, federal, and local standards.
  - 7) The project meets the requirements in the approved plans and specifications for the prevention of contamination of underground drinking water sources beyond the property boundary.

The certification form submittal shall also include one copy of "as-built" plans and specifications, also known as record drawings. The as-built documents must be submitted in a format approved by the MPCA. The factsheet titled: "Wastewater Treatment Facility Construction Record Documents, As-built Submittal Requirements" contains specific information regarding the required format of the submittal. The document is located on the MPCA webpage at:

<http://www.pca.state.mn.us/index.php/view-document.html?gid=15492>.

- b. A revised operation and maintenance manual or a completed O&M Manual Certificate of Completion form (located on the MPCA website at: [www.pca.state.mn.us/water/wastewater.html#operation](http://www.pca.state.mn.us/water/wastewater.html#operation)).
- c. Documentation that the Permittee is collecting sufficient funds to provide for operation and maintenance and equipment replacement costs in conformance with the approved operation and maintenance manual on a form prescribed by the MPCA.

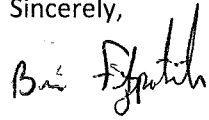
The Honorable Patty Norgaard

Page 4

October 31, 2017

Any questions regarding this approval should be directed to me at 218-316-3859.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Fitzpatrick". The signature is written in a cursive style with a large, prominent initial "B".

Brian Fitzpatrick  
Principal Engineer  
Municipal Division

cc: Ted Strand, City of Crosslake  
John Graupman, Bolton & Menk  
Morgan Salo, Bolton & Menk





**BOLTON  
& MENK**

Real People. Real Solutions.

C.15.  
7656 Design Road  
Suite 200  
Baxter, MN 56425-8676

Ph: (218) 825-0684  
Fax: (218) 825-0685  
Bolton-Menk.com

## MEMORANDUM

**Date:** November 1, 2017

**To:** Ted Strand, Public Works Director  
Michael Lyonais, City Administrator/Treasurer  
Char Nelson, City Clerk

**From:** Michael Rardin, P.E., Senior Project Manager

**Subject:** Wastewater Treatment Facility Well Project  
City of Crosslake, Minnesota  
Project No.: M25.113425

Attached is the pay request for Blue Water Wells, Inc. for the well at the wastewater site. The well was a unit price contract with a bid amount of \$68,395. Based on unit adjustments the final contract amount is \$67,940 which is \$455 below the bid amount. The well capacity was greater than expected and has a larger capacity pump than anticipated. This invoice was held briefly to confirm units but is now ready for payment.

We have requested final documents - form IC-134 and lien waivers. Pending receipt of these, 95% of the above final amount, \$64,543.00, should be paid. Upon receipt of the final documents stated above, the final 5%, \$3,397.00, will be due the Contractor.

Please feel free to call me at 218-232-6536 with any questions.

Blue Water Wells, Inc.  
P.O. Box 406  
Pequot Lakes, MN 56472

# Invoice

Date	Invoice #
9/18/2017	5464

Bill To
City of Crosslake 37028 Co Rd 66 Crosslake, MN 56442

Ship To

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
I 3870 Whipple Dr			9/18/2017			
Quantity	Item Code	Description			Price Each	Amount
1	Pitless Adapter	Pitless Adapter, Mobilization & Demobilization, Clean-up site, Site restoration, 6" Test hole, 16" Open hole, 10" Casing, Screen, Gravel pack, Furnish & install & remove well development equipment, Well development, Furnish, install & remove test pump with discharge piping, Test pumping, Furnish & install well pump. Grout Well (per state code), Water samples, Lab work, Well tag & record. Well notification fee (State of MN Dept Health).			67,940.00	67,940.00
					<b>Total</b>	\$67,940.00

Toll Free: 1-866-333-WELL  
Pequot Lakes: 218-568-7793  
Brainerd: 218-824-WELL  
Fax: 218-568-8801

# Blue Water Wells, Inc.



Address:  
PO Box 406  
Pequot Lakes  
MN 56472

*The Clear Choice!*

9/18/17

City of Crosslake

Well Location:

13870 Whipple Drive

Crosslake, MN 56442

Changes to original bid:

Original bid amount: \$68,395.00

-\$2000 on test pump

-\$1750 on water analysis

-\$1080 on casing

-\$1125 open hole

---

-\$5955

+ \$5500 (We increased the pump size to a 25H which brought us to 500 gpm. We increased the drop pipe from 3" to 4" which increased the size of the fittings and check valve.)

**Total: \$ 67, 940.00**



Real People. Real Solutions.

C. 16.  
7656 Design Road  
Suite 200  
Baxter, MN 56425-8676

Ph: (218) 825-0684  
Fax: (218) 825-0685  
Bolton-Menk.com

## MEMORANDUM

**Date:** November 1, 2017

**To:** Ted Strand, Public Works Director  
Michael Lyonais, City Administrator/Treasurer  
Char Nelson, City Clerk

**From:** Michael Rardin, P.E., Senior Project Manager

**Subject:** Wastewater Treatment Facility Improvements - Pay Requests #1 and #2  
City of Crosslake, Minnesota  
Project No.: M25.113425

Attached are two pay requests from Eagle Construction Co., Inc. We have reviewed these and recommend payment of both. This can be done with either one or two checks as you determine.

Please note pay request number 1 is dated September 27, 2017. That request was held by us pending further progress on the project which has now been made.

Pay request number 2, dated October 30, 2017, covers all progress made through that date.

Please feel free to call me at 218-232-6536 with any questions.

# APPLICATION AND CERTIFICATE FOR PAYMENT

AIA DOCUMENT G702

(Instructions on reverse side)

TO OWNER: CITY OF CROSSLAKE, MN  
37028 COUNTY ROAD 66  
CROSSLAKE, MN 56442

PROJECT: CROSSLAKE WWTF IMPROVEMENTS

APPLICATION NO: 1  
PERIOD TO: 09/27/17  
PROJECT NOS.: M25.113425

Distribution to:  
 OWNER  
 ARCHITECT  
 CONTRACTOR

FROM CONTRACTOR: EAGLE CONSTRUCTION CO., INC.  
515 9TH AVENUE NW  
LITTLE FALLS, MN 56345

CONTRACT DATE: 08.30.17

VIA: BOLTON & MENK  
1960 PREMIER DRIVE  
MANKATO, MN 56001

## CONTRACTOR'S APPLICATION FOR PAYMENT

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the contract Documents, that all amounts have been paid to the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

1 ORIGINAL CONTRACT SUM .....	\$2,227,000.00
2 Net change by Change Orders .....	\$0.00
3 CONTRACT SUM TO DATE .....	\$2,227,000.00
4 TOTAL COMPLETED & STORED TO DATE .....	\$63,000.00
5 RETAINAGE:	
a. 5% of Completed Work (Column D + E on G703)	\$3,150.00
b. 5% of Stored Material (Column F on G703)	\$3,150.00
Total Retainage (Line 5a + 5b or Total in Column I of G703) .....	\$59,850.00
6 TOTAL EARNED LESS RETAINAGE .....	\$2,167,150.00
(Line 4 less Line 5 Total)	
7 LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) .....	\$0.00
8 CURRENT PAYMENT DUE .....	\$59,850.00
9 BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) .....	\$2,167,150.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month	\$ -	\$ -
TOTALS	\$ -	\$ -
NET CHANGES by Change Order	\$ -	\$ -

AIA DOCUMENT G702 - APPLICATION AND CERTIFICATE FOR PAYMENT - 1992 EDITION \* AIA \* @1992 \* THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVENUE, N.W., WASHINGTON, D.C. 20006-5292 \* WARNING: Unlicensed photocopying violates U.S. copyright laws and will subject the violator to legal prosecution

G702-1992

CAUTION: You should use an original AIA document which has this caution printed in red. An original assures that changes will not be obscured as may occur when documents are reproduced.

CONTRACTOR:

  
Scott Feutemich

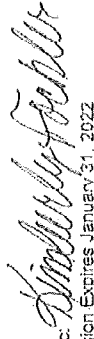
Date: 09/27/17

State of: Minnesota  
County of: Morrison

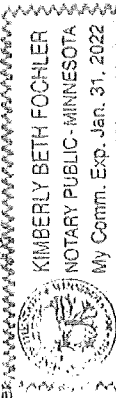
Subscribed and sworn to before me this 27

day of

September

  
Kimberly Beth Fochler

Notary Public: Kimberly Beth Fochler  
My Commission Expires January 31, 2022



## ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: ..... \$  
(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)

By: \_\_\_\_\_ Date: \_\_\_\_\_  
This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

# CONTINUATION SHEET

AIA DOCUMENT G703 (Instructions on reverse side)

PAGE 2 OF 2 PAGES

AIA Document G703, APPLICATION AND CERTIFICATE FOR PAYMENT

containing Contractor's signed Certification, is attached

In tabulations below, amounts are stated to the nearest dollar

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO.: 1

APPLICATION DATE: 9/27/2017

PERIOD TO: 9/27/2017

ARCHITECT'S PROJECT NO.: M25.113425

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		E THIS PERIOD	F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE) 5%
			FROM PREVIOUS APPLICATION (D + E)						
1	PERMITS, BONDS, AND INSURANCE	63,000.00	0.00	63,000.00	63,000.00	0.00	63,000.00	0.00	3,150.00
2	ADMINISTRATION & SITE SUPERVISION	27,250.00	0.00	0.00	0.00	0.00	0.00	27,250.00	0.00
3	ALLOWANCES	75,000.00	0.00	0.00	0.00	0.00	0.00	75,000.00	0.00
4	MOBILIZATION	7,500.00	0.00	0.00	0.00	0.00	0.00	7,500.00	0.00
5	TEMPORARY UTILITIES/CONSTRUCTION	2,500.00	0.00	0.00	0.00	0.00	0.00	2,500.00	0.00
6	REMOVALS	69,800.00	0.00	0.00	0.00	0.00	0.00	69,800.00	0.00
7	EARTHWORK & SITE UTILITIES	194,900.00	0.00	0.00	0.00	0.00	0.00	194,900.00	0.00
8	EROSION CONTROL & TURF RESTORATION	1,000.00	0.00	0.00	0.00	0.00	0.00	1,000.00	0.00
9	CONCRETE	282,100.00	0.00	0.00	0.00	0.00	0.00	282,100.00	0.00
10	MASONRY	500.00	0.00	0.00	0.00	0.00	0.00	500.00	0.00
11	METALS	63,900.00	0.00	0.00	0.00	0.00	0.00	63,900.00	0.00
12	CARPENTRY, INSULATION, & SEALANTS	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	0.00
13	PAINTING	49,750.00	0.00	0.00	0.00	0.00	0.00	49,750.00	0.00
14	HYDRAULIC GATES	26,250.00	0.00	0.00	0.00	0.00	0.00	26,250.00	0.00
15	CENTRIFUGAL & SUBMERSIBLE PUMPS	48,250.00	0.00	0.00	0.00	0.00	0.00	48,250.00	0.00
16	VORTEXT PUMP	20,000.00	0.00	0.00	0.00	0.00	0.00	20,000.00	0.00
17	SCREEN, BLOWERS, AERATION, & MIXERS	222,000.00	0.00	0.00	0.00	0.00	0.00	222,000.00	0.00
18	PORTABLE HOIST	7,000.00	0.00	0.00	0.00	0.00	0.00	7,000.00	0.00
19	PROCESS PIPE & VALVES	165,800.00	0.00	0.00	0.00	0.00	0.00	165,800.00	0.00
20	HVAC	7,500.00	0.00	0.00	0.00	0.00	0.00	7,500.00	0.00
20	ELECTRICAL & CONTROLS	888,000.00	0.00	0.00	0.00	0.00	0.00	888,000.00	0.00
		<b>2,227,000.00</b>	<b>0.00</b>	<b>63,000.00</b>	<b>63,000.00</b>	<b>0.00</b>	<b>63,000.00</b>	<b>2,164,000.00</b>	<b>3%</b>

AIA DOCUMENT G703 - CONTINUATION SHEET FOR G702 - 1992 EDITION - AIA® - 1992 - THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK

AVENUE, N.W., WASHINGTON, D.C. 20006-5292 - WARNING: Unlicensed photocopying violates U.S. copyright laws and will subject the violator to legal prosecution.

G703-1992

# APPLICATION AND CERTIFICATE FOR PAYMENT

AIA DOCUMENT G702  
PROJECT: CROSSLAKE WWTF IMPROVEMENTS

(Instructions on reverse side) PAGE 1 OF 2 PAGES

TO OWNER: CITY OF CROSSLAKE, MN  
37028 COUNTY ROAD 66  
CROSSLAKE, MN 56442

APPLICATION NO: 2  
PERIOD TO: 10/30/17  
PROJECT NOS: M25.113425

Distribution to:  
OWNER  
ARCHITECT  
CONTRACTOR

FROM CONTRACTOR: EAGLE CONSTRUCTION CO., INC.  
515 9TH AVENUE NW  
LITTLE FALLS, MN 56345

VIA : BOLTON & MIENK  
1960 PREMIER DRIVE  
MANKATO, MN 56001

CONTRACT DATE: 08/30/17

CONTRACT FOR: Labor and Materials

## CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the contract Continuation sheet, AIA Document G703, is attached.


The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the contract Documents, that all amounts have been paid to the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

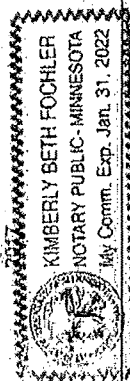
1 ORIGINAL CONTRACT SUM .....	\$2,227,000.00
2 Net change by Change Orders .....	\$0.00
3 CONTRACT SUM TO DATE .....	\$2,227,000.00
4 TOTAL COMPLETED & STORED TO DATE .....	\$118,845.00
5 RETAINAGE:	
a. 5% of Completed Work (Columns D + E on G703)	\$5,942.25
b. 5% of Stored Material (Column F on G703)	\$5,942.25
Total Retainage (Line 5a + 5b or Total in Column I of G703) .....	\$112,902.75
6 TOTAL EARNED LESS RETAINAGE .....	\$2,114,097.25
(Line 4 less Line 5 Total)	
7 LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) .....	\$59,850.00
8 CURRENT PAYMENT DUE .....	\$53,052.75
9 BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) .....	\$2,114,097.25

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$ -	\$ -
Total approved this Month	\$ -	\$ -
TOTALS	\$ -	\$ -
NET CHANGES by Change Order	\$ -	\$ -

CONTRACTOR:   
By: \_\_\_\_\_  
Date: 10/30/17

Slate of: Minnesota  
County of: Morrison  
Subscribed and sworn to before me this 30 day of October

Notary Public:   
My Commission Expires January 31, 2022

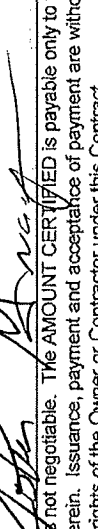


## ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED ..... \$  
(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified)

53,052.75

ARCHITECT:   
By: \_\_\_\_\_  
Date: 10.30.17

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

AIA DOCUMENT G702 - APPLICATION AND CERTIFICATE FOR PAYMENT - 1992 EDITION \* AIA - ©1992 \* THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVENUE, N.W., WASHINGTON, D.C. 20005-5292 \* WARNING: Unlicensed photocopying violates U.S. copyright laws and will subject the violator to legal prosecution.

G702-1992

CAUTION: You should use an original AIA document which has this caution printed in red. An original assures that changes will not be obscured as may occur when documents are reproduced.

**CONTINUATION SHEET**

AIA DOCUMENT G702: APPLICATION AND CERTIFICATE FOR PAYMENT containing Contractor's signed Certification, is attached. in tabulations below, amounts are stated to the nearest dollar. Use Column I on Contracts where variable retainage for line items may apply.		AIA DOCUMENT G703 (Instructions on reverse side)				APPLICATION NO. 2 APPLICATION DATE: 10/30/2017 PERIOD TO: 10/30/2017 ARCHITECT'S PROJECT NO.: M25.113425		PAGE 2 OF 2 PAGES	
A	B	C	D	E	F	G	H	I	
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD	MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D+E+F)	BALANCE TO FINISH (G-H)	RETAINAGE (IF VARIABLE RATE) 5%	
1	PERMITS, BONDS, AND INSURANCE	63,000.00	63,000.00	0.00	0.00	63,000.00	0.00	3,150.00	
2	ADMINISTRATION & SITE SUPERVISION	27,250.00	0.00	2,180.00	0.00	2,180.00	25,070.00	109.00	
3	ALLOWANCES	75,000.00	0.00	0.00	0.00	0.00	75,000.00	0.00	
4	MOBILIZATION	7,500.00	0.00	7,500.00	0.00	7,500.00	0.00	375.00	
5	TEMPORARY UTILITIES/CONSTRUCTION	2,500.00	0.00	200.00	0.00	200.00	2,300.00	10.00	
6	REMOVALS	69,800.00	0.00	3,490.00	0.00	3,490.00	66,310.00	174.50	
7	EARTHWORK & SITE UTILITIES	194,900.00	0.00	19,490.00	0.00	19,490.00	175,410.00	974.50	
8	EROSION CONTROL & TURF RESTORATION	1,000.00	0.00	0.00	0.00	0.00	1,000.00	0.00	
9	CONCRETE	282,100.00	0.00	14,105.00	0.00	14,105.00	267,995.00	705.25	
10	MASONRY	500.00	0.00	0.00	0.00	0.00	500.00	0.00	
11	METALS	63,900.00	0.00	0.00	0.00	0.00	63,900.00	0.00	
12	CARPENTRY, INSULATION, & SEALANTS	5,000.00	0.00	0.00	0.00	0.00	5,000.00	0.00	
13	PAINTING	49,750.00	0.00	0.00	0.00	0.00	49,750.00	0.00	
14	HYDRAULIC GATES	26,250.00	0.00	0.00	0.00	0.00	26,250.00	0.00	
15	CENTRIFUGAL & SUBMERSIBLE PUMPS	48,250.00	0.00	0.00	0.00	0.00	48,250.00	0.00	
16	VORTEXT PUMP	20,000.00	0.00	0.00	0.00	0.00	20,000.00	0.00	
17	SCREEN, BLOWERS, AERATION, & MIXERS	222,000.00	0.00	0.00	0.00	0.00	222,000.00	0.00	
18	PORTABLE HOIST	7,000.00	0.00	0.00	0.00	0.00	7,000.00	0.00	
19	PROCESS PIPE & VALVES	165,800.00	0.00	0.00	0.00	0.00	165,800.00	0.00	
20	HVAC	7,500.00	0.00	0.00	0.00	0.00	7,500.00	0.00	
20	ELECTRICAL & CONTROLS	888,000.00	0.00	8,880.00	0.00	8,880.00	879,120.00	444.00	
		<b>2,227,900.00</b>	<b>63,000.00</b>	<b>55,845.00</b>	<b>0.00</b>	<b>118,845.00</b>	<b>2,108,155.00</b>	<b>5,942.25</b>	



C.17.

PARTIAL PAYMENT ESTIMATE NUMBER 4 (FINAL)									
Name of Contractor: DeChantal Excavating, LLC 12209 State Highway 18, PO Box 316 Brainerd, MN 56401									
Name of Owner: City of Crosslake									
Date of Completion: Original: September 29, 2017 Substantial Completion October 31, 2017 Final					Amount of Contract: Original: \$527,031.79			Dates of Estimate: From: Start September 30, 2017	
Revised:					Revised:			To: October 31, 2017	
Description of Project: 2017 Crosslake Street Improvements WSN No. 0107B0163.000									
ITEM NO.	ITEM DESCRIPTION	CONTRACT ITEMS				THIS PERIOD		TOTAL TO DATE	
		QTY.	UNIT	UNIT PRICE	AMOUNT	QTY.	AMOUNT	QTY.	AMOUNT
1	MOBILIZATION	1	LUMP SUM	\$16,300.00	\$16,300.00		\$0.00	1	\$16,300.00
2	CLEARING	0.14	ACRE	\$7,500.00	\$1,050.00		\$0.00	0.14	\$1,050.00
3	GRUBBING	0.14	ACRE	\$7,500.00	\$1,050.00		\$0.00	0.14	\$1,050.00
4	REMOVE PIPE CULVERTS	64	LIN FT	\$5.00	\$320.00		\$0.00	137	\$685.00
5	REMOVE BITUMINOUS PAVEMENT	3143	SQ YD	\$1.25	\$3,928.75	28.5	\$35.63	3135.3	\$3,919.13
6	REMOVE CONCRETE PAVEMENT	73	SQ YD	\$5.00	\$365.00		\$0.00	156.8	\$784.00
7	REMOVE MAIL BOX SUPPORT	100	EACH	\$11.00	\$1,100.00	5	\$55.00	87	\$957.00
8	SAWING CONCRETE PAVEMENT (FULL DEPTH)	49	LIN FT	\$4.50	\$220.50		\$0.00	180	\$810.00
9	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	1095	LIN FT	\$1.90	\$2,080.50		\$0.00	1061	\$2,015.90
10	SALVAGE RETAINING WALL	15	LIN FT	\$24.95	\$374.25		\$0.00		\$0.00
11	SALVAGE SIGN	12	EACH	\$25.00	\$300.00	3	\$75.00	3	\$75.00
12	SALVAGE STONE PAVERS	13	SQ YD	\$24.95	\$324.35		\$0.00		\$0.00
13	SUBGRADE EXCAVATION (LV)	150	CU YD	\$6.75	\$1,012.50		\$0.00	150	\$1,012.50
14	GRANULAR BORROW (CV)	740	CU YD	\$8.50	\$6,290.00		\$0.00	1082	\$9,197.00
15	SUBGRADE PREPARATION	125.3	ROAD STA	\$101.00	\$12,655.30		\$0.00	124.3	\$12,554.30
16	AGGREGATE SURFACING CLASS 5	300	TON	\$22.75	\$6,825.00	31.26	\$711.17	120.38	\$2,738.65
17	COMMON LABORERS	14	HOUR	\$54.00	\$756.00	25	\$1,350.00	25	\$1,350.00
18	STREET SWEEPER (WITH PICKUP BROOM)	8	HOUR	\$92.00	\$736.00	7	\$644.00	7	\$644.00
19	AGGREGATE BASE CLASS 5	6014	TON	\$15.25	\$91,713.50		\$0.00	6561.96	\$99,917.39
20	FULL DEPTH RECLAMATION	33499	SQ YD	\$0.41	\$13,734.59		\$0.00	28898	\$11,848.18
21	TYPE SP 9.5 WEARING COURSE MIXTURE (2,C)	6278	TON	\$49.00	\$307,622.00	34.6	\$1,695.40	6312.94	\$309,334.06
22	INSTALL RETAINING WALL	15	LIN FT	\$24.95	\$374.25		\$0.00		\$0.00
23	8" CS PIPE CULVERT	65	LIN FT	\$27.85	\$1,810.25		\$0.00	64	\$1,782.40
24	8" CS PIPE APRON	4	EACH	\$145.00	\$580.00		\$0.00	4	\$580.00
25	6" CONCRETE DRIVEWAY PAVEMENT	73	SQ YD	\$112.50	\$8,212.50	24	\$2,700.00	111.1	\$12,498.75
26	MAIL BOX SUPPORT	100	EACH	\$95.50	\$9,550.00	5	\$477.50	87	\$8,308.50
27	INSTALL STONE PAVERS	13	SQ YD	\$24.95	\$324.35		\$0.00		\$0.00
28	TRAFFIC CONTROL	1	LUMP SUM	\$1,300.00	\$1,300.00		\$0.00	1	\$1,300.00
29	INSTALL SIGN	12	EACH	\$100.00	\$1,200.00	3	\$300.00	3	\$300.00
30	SILT FENCE; TYPE MS	1450	LIN FT	\$2.00	\$2,900.00		\$0.00	1488	\$2,976.00
31	EROSION CONTROL BLANKETS CATEGORY 3	1200	SQ YD	\$1.65	\$1,980.00	1200	\$1,980.00	1200	\$1,980.00
32	SEDIMENT CONTROL LOG TYPE STRAW	35	LIN FT	\$4.50	\$157.50		\$0.00		\$0.00
33	STABILIZED CONSTRUCTION EXIT	4	EACH	\$325.00	\$1,300.00		\$0.00		\$0.00
34	EROSION CONTROL SUPERVISOR	1	LUMP SUM	\$500.00	\$500.00		\$0.00	1	\$500.00
35	FERTILIZER TYPE 1	400	POUND	\$0.69	\$276.00	750	\$517.50	750	\$517.50
36	SCREENED TOPSOIL BORROW (LV)	738	CU YD	\$26.50	\$19,557.00	433.6	\$11,490.40	1006.76	\$26,679.14
37	SEEDING	2	ACRE	\$500.00	\$1,000.00	3.25	\$1,625.00	3.25	\$1,625.00
38	SEED MIXTURE 25-151	400	POUND	\$3.25	\$1,300.00	750	\$2,437.50	750	\$2,437.50
39	HYDRAULIC MULCH MATRIX	5005	POUND	\$0.72	\$3,603.60	8500	\$6,120.00	8500	\$6,120.00
40	4" DOUBLE SOLID LINE PAINT	767	LIN FT	\$0.30	\$230.10	8094	\$2,428.20	8094	\$2,428.20
41	8" SOLID LINE PAINT	7060	LIN FT	\$0.30	\$2,118.00	7017	\$2,105.10	7017	\$2,105.10
<b>PROJECT TOTAL</b>					<b>\$527,031.79</b>	<b>\$36,747.39</b>	<b>\$540,380.19</b>		
					<b>THIS PERIOD</b>	<b>TOTAL TO DATE</b>			
<b>AMOUNT EARNED</b>					<b>\$36,747.39</b>			<b>\$540,380.19</b>	
<b>AMOUNT RETAINED (1.5% of Contract)</b>					<b>\$551.21</b>			<b>\$8,225.70</b>	
<b>PREVIOUS PAYMENTS</b>								<b>\$466,051.16</b>	
<b>RETAINAGE RELEASED THIS PERIOD</b>					<b>\$17,907.15</b>				
<b>AMOUNT DUE</b>					<b>\$54,103.33</b>			<b>\$54,103.33</b>	

Estimated Percentage of Job Completed: 98.0%  
Is Contractor's Const. Progress on Schedule: Yes

**CONTRACTOR'S CERTIFICATION:**

The undersigned Contractor certifies that to the best of their knowledge, information and belief the work covered by this payment estimate has been completed in accordance with the contract documents, that all amounts have been paid by the Contractor for work for which previous payment estimates were issued and payments received from the Owner, and that current payment shown herein is now due.

**ENGINEER'S CERTIFICATION:**

The undersigned certifies that the work has been carefully inspected and to the best of their knowledge and belief, the quantities shown in this estimate are correct and the work has been performed in accordance with the contract documents.

DeChantal Excavating, LLC

BY: 

Date: 11-1-17

ENGINEER: WIDSETH SMITH NOLTING

BY: 

David S. Reese, P. E.

Date: 11/01/17

APPROVED BY OWNER:  
City of Crosslake



C.18.

October 31, 2017

City of Crosslake  
Char Nelson, City Clerk  
37028 County Rd 66  
Crosslake, Minnesota 56442

RE: Future County Highway Project  
2018 Bituminous Seal Coat


Once again, it is time to start thinking about next year's seal coat contract. This letter is sent to inform you that the Crow Wing County Highway Department will be administering a seal coat contract for 2018. Since your City/Township has participated in past seal coat projects, we will ask that you begin thinking about any joint or tied projects that may create a cost savings opportunity for the community.

For 2018, the Crow Wing County Highway Department is planning to seal coat portions of County State Aid Highway (CSAH) 3, CSAH 11, CSAH 66, and CSAH 18. CSAH 3 will be sealed from the intersection of CSAH 11 to CSAH 66. CSAH 11 will be sealed from the Trunk Highway 371 interchange to the CSAH 4 intersection. CSAH 66 will be sealed from the intersection of CSAH 16 to CSAH 1. CSAH 18 will be sealed from Trunk Highway 371 to Centennial Lane. Additional County Road miles may be added in the near future, but have not been determined at this time.

Currently, these projects are in the final design phase and are on schedule for a bid letting date in March 2018. If the City/Township wishes to bid a seal coat project jointly, please contact me by **November 30<sup>th</sup>, 2017** so your concerns can be addressed. Meeting this deadline will assure the project remains on schedule for the projected letting date.

If you have questions relating to the project, please contact me at the number listed below or e-mail at [Jordan.larson@crowwing.us](mailto:Jordan.larson@crowwing.us). Also, please check our website for updates on current and upcoming projects.

Sincerely,

  
Jordan D. Larson  
Staff Engineer/Project Manager

Timothy V. Bray, P.E. County Engineer  
Robert Hall, P.E. Assistant County Engineer  
Highway Department  
16589 County Road 142  
Brainerd, MN 56401

**Our Vision:** Being Minnesota's favorite place.  
**Our Mission:** Serve well. Deliver value. Drive results.  
**Our Values:** Be responsible. Treat people right. Build a better future.

Office: (218) 824-1110  
Fax: (218) 824-1111  
[www.crowwing.us](http://www.crowwing.us)

C.19.

# Crosslake Roll-Off & Recycling Services

		October 2017										
	Mixed Paper	Aluminum	Tin	Glass	Plastic	Metal	Cardboard	Electro	Total lbs	2000#	Total Tons	
January	9720	750	2100	0	2240	13740	5980	0	34530	2000	17.265	
February	0	0	0	6660	1420	0	2540	0	10620	2000	5.31	
March	11260	770	0	6120	1500	0	8560	0	28210	2000	14.105	
April	9980	0	0	6340	2380	11180	7900	37	37817	2000	18.9085	
May	10100	720	2320	0	3860	0	10000	0	27000	2000	13.5	
June	7460	1210	0	13120	5120	34400	13380	0	74690	2000	37.345	
July	6740	1720	1580	20960	6980	0	8900	0	46880	2000	23.44	
August	8840	1605	1980	14460	4600	0	16580	0	48065	2000	24.0325	
September	9520	860	0	6400	5500	32600	12940	0	67820	2000	33.91	
October	9200	900	0	13800	3960	0	7040	0	34900	2000	17.45	
November								0	0	2000	0	
December									0	2000	0	

TOTAL IBS	82820	8535	7980	87860	37560	91920	93820	37			
2000#	2000	2000	2000	2000	2000	2000	2000	2000			
TOTAL TONS	41.41	4.2675	3.99	43.93	18.78	45.96	46.91	0.019			

Tires 0

# SCORE REPORT FORM

C.  
20.

Mo./Yr. **September 2017**

**CROSSLAKE REPORT**

Organization:	Waste Partners, Inc. PO Box 677 Pine River, MN 56474
Contact Person:	Eric Loge    Ph: (218) 824-8727    Fax: (218) 587-5122

Materials delivered to:	Cass County - Pine River Transfer Station Cardboard & Mixed Paper - LDI or Rock-Tenn Metal - Crow Wing Recycling or Pine River Iron & Metal
-------------------------	---

**RESIDENTIAL      COMMERCIAL**

<b>Total Paper : (includes)</b>	<b>12,808</b>	
Corrugated Cardboard	3,133	
Newspaper	-	
Mixed Paper (News, Mags, Mixed Mail, CDBD)	9,676	

**Metal: Appliances, misc...**  

**Commingled Materials: (includes)** **13,778**

%			lbs
5%	Metals- Aluminum Cans		689
21%	Tin Cans		2893
61%	Glass-		8405
	Clear bottles		
	Green bottles		
	brown bottles		
10%	Plastic - #1 & #2 bottles		1378
3%	Reject		413
100%			13778

<b>Total LBS.</b>	<b>26,586</b>	<b>0</b>
<b>Total Tons</b>	<b>13.29</b>	<b>0</b>

<b>OUT OF COUNTY Waste Disposal</b>	
Final Destination:	N/A
Disposal Site Permit # :	_____
Tons Delivered:	<b>NONE</b>

Total Number of Households Served this Month
<b>1015</b>

	Trash		Recycling		Paper	Commingle
	Accounts	Rate	Accounts	%		
					61,621	87,748
BRD	2740	58%	1586	35%	21,675	30,865
BAX	1546	93%	1441	32%	19,693	28,043
B.P.	659	87%	572	13%	7,817	11,131
P.L.	263	77%	202	4%	2,761	3,931
C.L.	1015	70%	708	16%	9,676	13,778
C TWNSP	0	0%	0	0%	2,267	832
NIS	70	0%	0	0%	-	-
	<b>6293</b>	<b>72%</b>	<b>4509</b>	<b>100%</b>		

**RESOLUTION 17-\_\_\_\_\_**

**RESOLUTION ACCEPTING DONATION(S)**

WHEREAS, the City of Crosslake encourages public donations to help defray costs to the general public of providing services and improving the quality of life in Crosslake; and

WHEREAS, the City of Crosslake is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 for the benefit of citizens; and

WHEREAS, said Statute 465.03 requires that all gifts and donations of real or personal property be accepted only with the adoption of a resolution approved by two-thirds of the members of the City Council; and

WHEREAS, the following person/persons and/or entity/entities has/have donated real and/or personal property as follows:

<b>FROM</b>	<b>DONATION</b>	<b>INTENDED PURPOSE</b>
PAL Foundation	\$500.00	Sound System
	\$472.00	Halloween Party
	\$2,200.00	Nordic Ridge Trail Project
	\$600.00	Benches

; and

WHEREAS, the City of Crosslake will strive to use the donation as intended by the donor; and

WHEREAS, the City Council finds that it is appropriate to accept said donation(s) as offered.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Crosslake that the donation(s) as described above are accepted as allowed by law.

Passed this 13th day of November, 2017.

---

Patty Norgaard  
Mayor

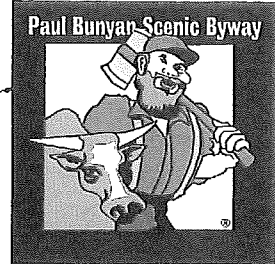
ATTEST:

---

Michael R. Lyonais  
City Administrator  
(SEAL)

# Inklinger

C. 22.



The official newsletter of the Paul Bunyan Scenic Byway Association • FALL 2017

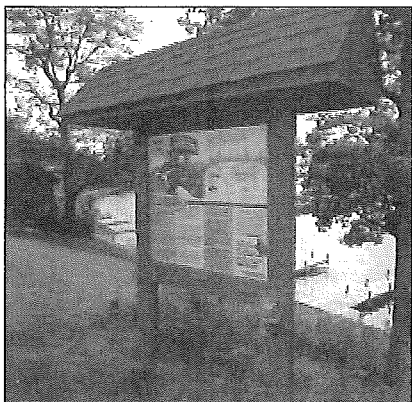
## Spot of interest

### *There's more Lore to Explore!*

The Paul Bunyan Scenic Byway Association installed interpretive panels framed in roof and post kiosks at thirteen sites along the Scenic Byway's 54 miles. These 'Explore the Lore' interpretive panels present stories with just the right mix of Paul Bunyan lore and area historical truth blended together to produce cleverly intriguing stories. Visit all thirteen kiosks yourself for a fun family day trip. Locate kiosk locations on Scenic Byway map by finding this kiosk icon.



Stories highlight the unique significance of each location while also weaving in the winking wit of Paul Bunyan along with a concluding invitation to visit the next kiosk along the scenic byway.



### Site of Sioux Battle - Sugar Camp

A fierce battle between members of the Ojibwe and Dakota took place on the ice of Cross Lake near this site in 1801. This particular skirmish was won by the Dakota, but we are left to speculate as to the exact reason for the battle. This narrow strip of land between the two lakes was once the site of an encampment for maple syrup gathering by the native Indians.

*—continued inside*

## New signage coming to Paul Bunyan Scenic Byway

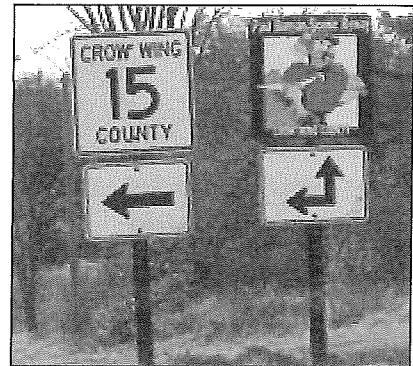
Board members Lynn Scharenbroich and Rod Nelson have overseen this project and keep in touch with Holly Slagle, Minnesota Scenic Byways Coordinator, MNDOT.

The signage upgrade will be compliant, improving sign reflectivity, which is especially helpful for wayfinding in the dark of night and inclement weather.

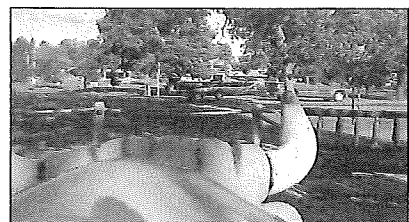
### **New directional signage at intersection HWY 371 and CSAH 16**

Minnesota Scenic Byways Coordinator Holly Slagle recently confirmed that in 2018 new Paul Bunyan Scenic Byway *directional signage* is scheduled to be installed at the newly remodeled intersection of HWY 371 & CSAH 16, and HWY 371 & CSAH 11. Working together with Slagle and Tim Bray, Crow Wing County Highway Engineer, the Association looks forward to this improvement.

Soon we'll all benefit from new directional and route signs to shine up our merry-way along Paul and Babe's Favorite destination — Paul Bunyan Scenic Byway!



Good news! PBSBA learned recently that all the route signs along the Scenic Byway are scheduled for an upgrade in 2018. Pictured above on the right is an example of route signage currently marking the six county roads which make up the Paul Bunyan Scenic Byway— CSAH 1, 15, 16, 11, 3, and 66. This sign is at the intersection of CSAH 15 and CSAH 1. (abbreviated as CSAH for County State Aid Highway)



See Interpretive kiosk at lake side of the parking lot, Moonlite Bay Family Restaurant, Crosslake

## Me And Ike The Pike

Author: Dave Skyberg

This is a great spot to fish. And it was right here that I once caught the most cantankerous fish in the North Country— Ike the Pike.

See, if you walk out on that skinny strip of land, and you've got a good fishin' pole, you can cast all the way



*—continued page 2*

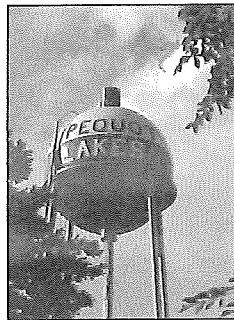
## IKE the PIKE (continued)

to the south end of Cross Lake... or way over to Whitefish, and work the channel that comes into Rush. Well I can, anyway.

So I was out there one still, sunny morning, fishin' for Ike. And like I said, he was the biggest, nastiest, most ill-tempered critter that ever swam. Ike was a big 'un, too. He was 50 feet long and weighed more than 10 teams of heavy horses.

No hook could ever catch that fish. He'd just bend 'em straight and spit 'em out. So I used a bathtub with a ship's anchor chained to it. Hung it under a big bobber and just kinda popped it along. For a fishin' pole, I used a 100-foot balsam tree. They're the bendiest. I had a reel made outa big wagon wheels, and for line, I used drag cable. It was a good outfit.

Well, I took that bathtub and slinged 'er out a loooooong ways. Sure enough, ol' Ike was swimmin' nearby, and he bit that thing just out of pure meanness. He thrashed and he splashed, and jumped about 200 feet out of the water. When I pulled back, it snapped my bobber off the line and it flew all the way over to Pequot Lakes.



We had at it, fightin' tooth and nail for two hours. With all that splashin', it rained a foot right here where you're standing. Well, I was gettin' pretty pooped, and I guess ol' Ike was too. He swam up and spit that bathtub right back at me. Then he winked... and swam away. Best fishin' fight I ever had!

Y'know, this was also the spot where the Dakota and Qjibwe tribes had a big fight one winter. They were always fightin', and one day, some Dakota warriors dressed up like wolves and snuck up on the Qjibwe over the ice. The Qjibwe lost that one, but eventually they pushed the Dakota west, onto the plains, where they became the mighty Sioux Nation.

Travelers have been coming here for hundreds of years. Not only because it's a good fishin' spot, but it's good for huntin' and trappin', too. The lakes and rivers were the highways, and a fella could get around easy enough, with a canoe and some elbow grease.

Yup, these waterways are pretty important. The Native Americans used 'em to get here. Then the European explorers and traders, and then the early settlers and merchants. My lumberjack crew used 'em to float supplies upstream, and to float our logs downstream. Couldn't have done it without these Sky Blue Waters.

Well, there you go. A fish-story and some hi-story. I'm sure havin' a good time showin' you around and spinnin' some yarns. Babe and I hope to see you at the next stop on the Byway... to Explore the Lore!

## Annual Meeting & Fund Raising Dinner

Wed., Nov. 15, 2017  
Bites Grill & Bar,  
Pine River

5:30 pm Social time  
6:00 pm Meeting &  
Keynote speaker  
7:00 pm Dinner  
8:00 pm Burly Plaid  
Farewell



Call 218-543-4714 to reserve your seat!

## Become a Member

[PaulBunyanScenicByway.org/explore/membership](http://PaulBunyanScenicByway.org/explore/membership)

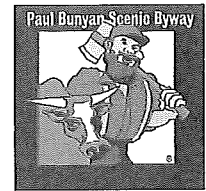
## Donate

[PaulBunyanScenicByway.org/explore/donate-support-byway](http://PaulBunyanScenicByway.org/explore/donate-support-byway)

## Volunteer

[PaulBunyanScenicByway.org/explore/volunteer](http://PaulBunyanScenicByway.org/explore/volunteer)

Support  
what you  
enjoy!



## VISION

Strengthen the quality of life and visitor experience along the Byway's route by promoting and enhancing the area's resources and amenities that support economic vitality.

## MISSION

Promote, preserve and enhance the recreational, historic, cultural, scenic, natural and archeological resources along the 54-mile Paul Bunyan Scenic Byway.

## GOALS

- Build awareness of the Scenic Byway in clever and compelling ways through: Community/regional projects and events; Interesting stories from the area's past
- Develop area amenities which are free to the public
- Encourage cooperation and collaboration among the Scenic Byway's jurisdictions, preserving and enhancing the Byway's resources.

PBSBA is a 501(c)3 non-profit organization

## Projects in Progress

- **Crosslake Days** Fri. Sept. 29, 2017: Drive by Brat Sale 4-7PM at the Corps followed by **Outdoor Movie Night** at the Paviion Area near the Dam. Featured movie is Grease. Begins about 7:30PM
- Sat. Sept. 30, 2017: **Chili Cook Off** and **Custom Classic Car Show / Fall Color Run** along the Paul Bunyan Scenic Byway.
- 2017 **Membership drive** is on! Thank you to all members, donors and supporters. (See Membership form insert)
- Linda Ulland Memorial Gardens (LUMG):
  - The Paver pathways are installed, curving gracefully around the perimeter of the gardens leading visitors through, around, even over and under many surprising delights along the way. **Order your own custom engraved paver today!** (insert) Engraved message limited to 16 characters per line, max two lines.
  - **Grand Opening** May 19, 2017 (read more below).
  - LUMG was featured in **"Where's IQ?" Contest**, Initiative Foundation's IO Quarterly Magazine, spring issue.
  - **Talking Boxes** installed May 2017. Two **interpretive kiosks** designed to engage garden visitors with audio stories both legendary and historic.
- PBSBA is awarded a **grant** from Explore Minnesota Tourism for a new **direct mail tour brochure**. Matching funds of \$2000 have been received from WALA. PBSBA continues to seek match donors for up to \$3500. Please contact Lynn (218-543-4714) or Mary (218-543-6479) if you, your organization, or your business would like to be a match donor.

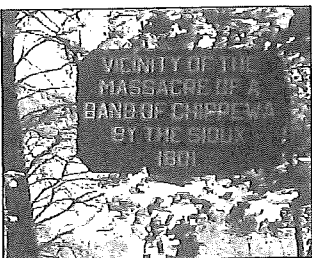
- Linda Ulland Memorial **Scholarship** awarded \$1000 to Pequot Lakes High School graduate, **Morena Hammer** in May 2017.
- **Supporting Music and Theater** in our community:
  - half-page advertisement in the 2017 music program for **Lakes Area Music Festival**
  - reciprocal advertisement with **Greater Lakes Area Performing Arts (GLAPA)** program print ad for web link at paulbunyan scenicbyway.org.
- **Scenic Byway Tear-Off Map 2017:** Thank you to partner **Minnesota's S'More Capital** (Whitefish.org) for donating funds for map production and printing. They practically flew off the racks this year!
- The **Fire Tower** on CSAH 11 in Pequot Lakes is closed off to the public until further notice due to safety reasons. Supporters of the fire tower haven't given up hope for its preservation. July 2017 the tower added to *National Register of Historic Places*.
- **County road signage** marking the routes of the Paul Bunyan Scenic Byway will be updated over next road construction season. Reflectivity in the signs will be improved to meet newer standards.
- The **Gateway Gazebo** and its three interpretive panels will soon be dismantled and moved by volunteers from its current location near the AmericInn Lodge & Suites in Jenkins. The Gazebo's new home will be under a group of pines just across Co. Rd. 16 at the A-Pine Restaurant.



**Morena Hammer Receives Linda Ulland Memorial Scholarship**  
*Congratulations to Pequot Lakes High School graduate, Morena Hammer, recipient of the 2017 Linda Ulland Memorial Scholarship of \$1000. Mike Schwieters, Assoc. scholarship committee member, handed out the award for PBSBA.*

With strong interests in environmental science and a well-thought out statement on the value of volunteerism, reviewers stated, "Morena is an outstanding candidate." Her plans to work part time at the Minnesota Pollution Control Agency and to volunteer at many area events while attending college at the University of Minnesota-Duluth, contributed significantly to the strength of her application. Morena joins a list of remarkable students who have received the Linda Ulland Memorial Scholarship over the years. PBSBA looks forward to staying in touch with Hammer as she continues her education at UMD.

### Spot of Interest (continued)



See the Interpretive kiosk located at the lake side of the Moonlite Bay Restaurant parking lot – learn more about this historic battle. **Visit all 13 interpretive kiosks along the Scenic Byway for family fun year round!**

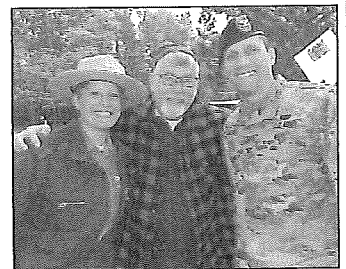
### Gardens Grand Opening, Engraved pathway pavers

Excerpt article by Lynn Scharenbroich, published in August 2017 *Great Northern News*

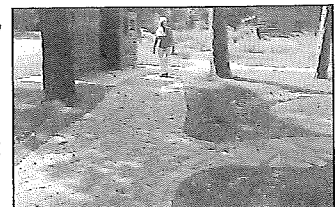
With the grand opening of the **Linda Ulland Memorial Gardens (LUMG)** at the USACE Cross Lake Rec Area this spring, fun times along Paul's Scenic Byway took a Bunyan-sized leap. The results of a working partnership between the Paul Bunyan Scenic Byway Association and the US Army Corps of Engineers (USACE) were showcased to the public last May 19, 2017. The story-telling outhouse is located here. So is a story-telling dam-gate; complete with the actual wheel that was operated manually to open those heavy gates so many years ago. Paver pathways guide visitors to the butterfly garden, a foraging garden, Paul Bunyan's footprints, Babe the Blue Ox laden with saddlebags of garden produce, and lots of other intriguing things including a picture-perfect mosaic surrounding the doorway that beckons folks into the exhibit room where both PBSB and USACE displays hold the attention of even the youngest adventurers.

Like all projects along the Paul Bunyan Scenic Byway, the LUMG are made possible through donations of all kinds. To lend a hand yourself (see inserts): engravable pavers to purchase; volunteer opportunities; membership in the PBSBA; you might provide insight on potential grant opportunities and donations of time, services and funds.

[PaulBunyanScenicByway.org/news-category/linda-ulland-memorial-gardens](http://PaulBunyanScenicByway.org/news-category/linda-ulland-memorial-gardens)



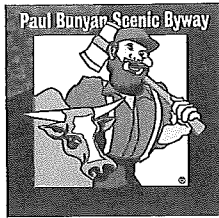
*Hosting the Linda Ulland Memorial Gardens Grand Opening and dedication (L to R) Corrine Hodapp, USACE; Rod Nelson, PBSBA; Colonel Calkins, USACE*





**PBSBA BOARD OF DIRECTORS**

Jim Bergquist  
 Ron Heil  
 Cindy Mercer-Nelson, Chair  
 Rod Nelson  
 Carol Ottoson, Treasurer  
 Lynn Scharenbroich, Director Emeritus  
 Keith Simar  
 Ryan Sjoblad, Vice Chair



Paul Bunyan Scenic Byway Association  
 PO Box 401, Pequot Lakes, MN 56472  
[www.PaulBunyanScenicByway.org](http://www.PaulBunyanScenicByway.org)

PRSR STD  
 U.S. Postage  
**PAID**  
 Brainerd, MN  
 Permit No. 471

**US ARMY CORPS ENGINEERS REPS**

Corrine Hodapp, Jason Hauser,  
 Angela Awender

**PARTNERS**

Chambers of Commerce:  
 Crosslake, Pequot Lakes,  
 Pine River  
 Explore Minnesota Tourism  
 Greater Lakes Area Performing Arts  
 Minnesota Scenic Byways  
 US Army Corps of Engineers,  
 St. Paul District  
 Whitefish Area Lodging Association

**COUNTY COMMISSIONER**

Paul Thiede, Crow Wing County

\*\*\*\*\*AUTO\*\*ALL FOR AADC 553

Char Nelson, City Clerk 303  
 City of Crosslake  
 37028 County Road 66  
 Crosslake MN 56442-2528



search Paul Bunyan Scenic Byway Association on Facebook

**CROSSLAKE DAYS**  
 — SEPTEMBER 28 - 30, 2017 —

**Custom and Classic Car, Truck, Tractor and Motorcycle Show**  
**Saturday, Sept. 30, 2017**  
 9 a.m. - 3 p.m.

**Peoples Choice Awards**  
 &  
**Entrants Choice Award**

Door Prizes  
 Food & Beer Garden  
 Live Music

**Paul Bunyan Scenic Byway**  
 Fall Color Run following the Show

Chamber of Commerce  
 Partner of the Brainerd Lakes Chamber of Commerce

**THANK YOU MEMBERS & DONORS!**

Bold Group of 54  
 Bold with \* Charter member of Group of 54

See full list of members, donors and supporters: [PaulBunyanScenicByway.org/explore/byway-association-members](http://PaulBunyanScenicByway.org/explore/byway-association-members)

**Adeline Johnson**  
 John & Karen Larsen  
 Merritt Jewelers  
 MN Backyard Birds  
**Moonlite Bay Family Restaurant\***  
**Moonlite Square**  
**Rod Nelson**  
 Old Milwaukee Saloon & Eatery  
**Tom & Carol Ottoson\***  
 Pequot Lakes Historical Society  
**Pequot Sand & Gravel**  
 Pine River Bakery  
**Pine River Chamber**  
 Pine River State Bank  
 Pine Terrace Resort  
 Larry and Gail Schultz  
 Keith Simar  
 Don & Buff Spies\*  
 Wind, Water & Wheels  
**FUNDING JURISDICTIONS**  
**Ideal Township**  
**Timothy Township**

**Al's Marine/Leisure Day Rentals**  
**American Lodges & Suites**  
**Dave & Mary Badger\***  
**Bay View Lodge**  
**Black Pine Beach Resort\***  
**Breezy Point Resort\***  
 Bruce & Mary Bundgaard  
**City of Crosslake**  
**City of Pequot Lakes**  
 Clamshell Beach Resort  
**Crosslake Communications**  
 Crosslake Drug  
**Marylou & Dick Dietz**  
**Don & Deanna Engen**  
 Expressions Shoe Center  
**First National Bank\***  
 Greater Lakes Area Performing Arts  
 (GLAPA)  
 Hanneken Insurance Agency  
 Don Hickman  
**Hunt Utilities Group**  
**Ideal Community Service Organization**  
**JM Plein Consulting**

C. 23.

PARTIAL PAYMENT ESTIMATE NUMBER 2									
Name of Contractor: Redstone Construction, LLC P.O. Box 218 Mora, MN 55051									
Name of Owner: City of Crosslake									
Date of Completion: Original: November 30, 2017 Substantial Completion July 13, 2018 Final				Amount of Contract: Original: \$465,787.25			Dates of Estimate: From: Start October 4, 2017		
Revised:				Revised:			To: November 6, 2017		
Description of Project: SAP 018-597-009 Dream Island Bridge Replacement WSN No. 0107B0147.000									
ITEM NO.	ITEM DESCRIPTION	CONTRACT ITEMS				THIS PERIOD		TOTAL TO DATE	
		QTY.	UNIT	UNIT PRICE	AMOUNT	QTY.	AMOUNT	QTY.	AMOUNT
1	MOBILIZATION	1	LUMP SUM	\$50,000.00	\$50,000.00	0.5	\$25,000.00	0.75	\$37,500.00
2	CLEARING & GRUBBING	1	LUMP SUM	\$5,000.00	\$5,000.00		\$0.00	1	\$5,000.00
3	REMOVE 1-CABLE GUARDRAIL	334	LIN FT	\$13.50	\$4,509.00	334	\$4,509.00	334	\$4,509.00
4	REMOVE BITUMINOUS PAVEMENT	1430	SY	\$4.00	\$5,720.00		\$0.00	1430	\$5,720.00
5	SAWING BITUMINOUS PAVEMENT (FD)	91	LIN FT	\$4.25	\$386.75		\$0.00		\$0.00
6	SELECT GRANULAR BORROW MOD. 10% (CV)	220	CY	\$30.50	\$6,710.00	220	\$6,710.00	220	\$6,710.00
7	COMMON BORROW (LV)	841	CY	\$5.00	\$4,205.00	250	\$1,250.00	250	\$1,250.00
8	ONE-LANE BYPASS	1	LUMP SUM	\$57,000.00	\$57,000.00		\$0.00	0.75	\$42,750.00
9	EXCAVATION SPECIAL (P)	321	CY	\$21.00	\$6,741.00	260	\$5,460.00	260	\$5,460.00
10	DOZER	10	HOUR	\$120.00	\$1,200.00		\$0.00		\$0.00
11	AGGREGATE BASE, CLASS 5	853	TON	\$22.50	\$19,192.50		\$0.00		\$0.00
12	TYPE SP 12.5 WEARING COURSE MIXTURE (2,C)	271	TON	\$83.00	\$22,493.00		\$0.00		\$0.00
13	STRUCTURAL CONCRETE (3B52) (P)	39	CY	\$950.00	\$37,050.00	39	\$37,050.00	39	\$37,050.00
14	REINFORCEMENT BARS (EPOXY COATED) (P)	11270	POUND	\$1.50	\$16,905.00	11270	\$16,905.00	11270	\$16,905.00
15	STRUCTURE EXCAVATION	1	LUMP SUM	\$5,000.00	\$5,000.00	1	\$5,000.00	1	\$5,000.00
16	SLOPE PREPARATION	1	LUMP SUM	\$4,000.00	\$4,000.00	1	\$4,000.00	1	\$4,000.00
17	BRIDGE SLAB CONCRETE (3YHPC-M) (P)	1060	SF	\$40.00	\$42,400.00	1060	\$42,400.00	1060	\$42,400.00
18	STRUCTURAL STEEL (3306) (P)	310	POUND	\$7.00	\$2,170.00	310	\$2,170.00	310	\$2,170.00
19	ELASTOMERIC BEARING PAD TYPE 1	8	EACH	\$100.00	\$800.00	8	\$800.00	8	\$800.00
20	GLUED LAMINATED RAIL	99	LIN FT	\$200.00	\$19,800.00	99	\$19,800.00	99	\$19,800.00
21	PRESTRESSED CONCRETE BEAMS 18RB-48	189	LIN FT	\$235.00	\$44,415.00	189	\$44,415.00	189	\$44,415.00
22	REMOVE EXISTING BRIDGE	1	LUMP SUM	\$8,500.00	\$8,500.00	1	\$8,500.00	1	\$8,500.00
23	C.I.P. CONC. PILING DELIVERED 12"	450	LIN FT	\$25.50	\$11,475.00	371.5	\$9,473.25	371.5	\$9,473.25
24	C.I.P. CONC. PILING DRIVEN 12"	450	LIN FT	\$1.00	\$450.00	371.5	\$371.50	371.5	\$371.50
25	C.I.P. CONC. TEST PILES 85 FT. LONG 12"	2	EACH	\$7,500.00	\$15,000.00	2	\$15,000.00	2	\$15,000.00
26	PILE POINTS 12"	8	EACH	\$200.00	\$1,600.00	8	\$1,600.00	8	\$1,600.00
27	RANDOM RIPRAP CLASS III	368	CY	\$46.00	\$16,928.00	105	\$4,830.00	105	\$4,830.00
28	GEOTEXTILE FILTER TYPE VII	796	SY	\$3.00	\$2,388.00	270	\$810.00	270	\$810.00
29	SPECIAL SURFACE TREATMENT	540	SF	\$4.00	\$2,160.00		\$0.00		\$0.00
30	INSTALL 3-CABLE GUARDRAIL	313	LIN FT	\$41.00	\$12,833.00		\$0.00		\$0.00
31	TRAFFIC CONTROL	1	LUMP SUM	\$14,500.00	\$14,500.00	0.25	\$3,625.00	0.5	\$7,250.00
32	SILT FENCE, TYPE HEAVY DUTY	744	LIN FT	\$2.50	\$1,860.00	702	\$1,755.00	702	\$1,755.00
33	FLOTATION SILT CURTAIN TYPE STILL WATER (5 F	465	LIN FT	\$12.50	\$5,812.50		\$0.00	465	\$5,812.50
34	EROSION CONTROL SUPERVISOR	1	LUMP SUM	\$250.00	\$250.00	0.25	\$62.50	0.5	\$125.00
35	COMMON TOPSOIL BORROW	66	CY	\$45.00	\$2,970.00		\$0.00		\$0.00
36	EROSION CONTROL BLANKET CAT. 3N	1130	SY	\$1.95	\$2,203.50		\$0.00		\$0.00
37	TURF REINFORCEMENT MAT CAT. 3	378	SY	\$10.00	\$3,780.00	182	\$1,820.00	182	\$1,820.00
38	TURF ESTABLISHMENT	1	LUMP SUM	\$2,000.00	\$2,000.00		\$0.00		\$0.00
39	RAPID STABILIZATION METHOD 3	18	MGAL	\$300.00	\$5,400.00		\$0.00		\$0.00
PROJECT TOTAL					\$465,787.26	\$263,316.25	\$338,786.25		
					THIS PERIOD		TOTAL TO DATE		
AMOUNT EARNED					\$263,316.25	\$338,786.25			
AMOUNT RETAINED (5% of Contract)					\$13,166.81	\$16,939.31			
PREVIOUS PAYMENTS						\$71,686.50			
AMOUNT DUE					\$260,150.44	\$250,150.44			

Estimated Percentage of Job Completed: 72.7%

Is Contractor's Const. Progress on Schedule: Yes

CONTRACTOR'S CERTIFICATION:

The undersigned Contractor certifies that to the best of their knowledge, information and belief the work covered by this payment estimate has been completed in accordance with the contract documents, that all amounts have been paid by the Contractor for work for which previous payment estimates were issued and payments received from the Owner, and that current payment shown herein is now due.

ENGINEER'S CERTIFICATION:

The undersigned certifies that the work has been carefully inspected and to the best of their knowledge and belief, the quantities shown in this estimate are correct and the work has been performed in accordance with the contract documents.

Redstone Construction, LLC

BY: 

Date: 11-7-17

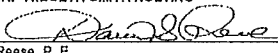
APPROVED BY OWNER:

City of Crosslake

BY: Charlene Nelson, City Clerk

Date:

ENGINEER: WIDSETH SMITH NOLTING

BY: 


Date: 11-06-17



*The power of human connections*

C. 24.  
P.O. Box 507  
Highway 371 North  
Brainerd, Minnesota 56401  
218-829-2827  
1-800-648-9401  
Fax: 218-825-2209  
Web Site: [www.cwpower.com](http://www.cwpower.com)

*"This institution is an equal opportunity provider."*

A Touchstone Energy® Cooperative 

October 19, 2017

City of Crosslake  
37028 CR 66  
Crosslake MN 56442

Members of the City Council:

The Crow Wing Power Board of Directors met in October to review the cooperative's municipal meter relief program and decided to continue the program for another year. Although the program has been underway for many years, it is evaluated by the board annually. Under the municipal meter relief program, the City of Crosslake currently has 8 meters that the cooperative is forgiving the normal monthly service fee. In 2017 alone, the City of Crosslake will have saved \$2,112 under this program. In the past 22 years, you have saved \$18,168.

In addition, the city receives special lighting credit each year, based on 1% of total gross revenues within the entire city. For 2017, the City of Crosslake will have received a credit of approximately \$32,760 toward your street lighting program

Thanks for your membership with Crow Wing Power!

Sincerely,



Bob Kangas  
Board President

C.25.

**BILLS FOR APPROVAL**  
November 13, 2017

VENDORS	DEPT	AMOUNT
Ace Hardware, batteries, brace	Park	11.98
Ace Hardware, hardware	Park	1.40
Ace Hardware, husqvarna parts	PW	129.55
Ace Hardware, broom, vacuum	Sewer	103.98
Ace Hardware, work bag	Park	11.99
Ace Hardware, socket set	Park	5.27
Ace Hardware, batteries, memo pads, tape, trash bags	Sewer	123.28
Ace Hardware, janitorial supplies	PW	14.38
Ace Hardware, batteries	Police	5.98
Ace Hardware, hardware	Sewer	31.48
Ace Hardware, tension rod	Park	16.99
Ace Hardware, seafoam	Park	7.99
Ace Hardware, hardware	Park	5.00
Ace Hardware, valve ball	Park	19.99
Ace Hardware, fish net	Park	4.58
Ace Hardware, spray paint	Park	3.99
Ace Hardware, work light, flood light	Sewer	141.96
Ace Hardware, hardware	Sewer	48.67
Ace Hardware, splice butt, eco thaw	PW	45.99
Ace Hardware, air wick room freshener	Park	6.98
Ace Hardware, post driver	Park	33.99
Ace Hardware, antifreeze	Park	5.00
Ace Hardware, hardware	Park	4.89
Ace Hardware, antifreeze	Park	7.50
Ace Hardware, weedblock, hardware	PW	41.66
Ace Hardware, screws, cable ties	PW	34.33
Ace Hardware, battery charger, hardware	Sewer	74.22
Ace Hardware, hardware	PW	15.98
Ace Hardware, boots	Sewer	19.99
Ace Hardware, weldable sheets, trowel, cement	PW	54.63
Ace Hardware, tool bag, belt	PW	29.58
Ace Hardware, hardware	PW	13.58
Ace Hardware, epoxy, pipe	Sewer	47.54
Ace Hardware, weedblock	Gov't	24.99
Ace Hardware, valve, adapter	Sewer	15.97
Ace Hardware, great stuff	Sewer	5.98
Ace Hardware, trufuel 4 cycle	PW	74.69
Ace Hardware, gloves	PW	13.97
Ace Hardware, super glue, tree wrap	Park	22.56
Ace Hardware, tree wrap	Park	14.97
Ace Industrial Supply, oil, cleaner, cable ties	PW	362.88
Aspen Mills, uniforms	Fire	776.12
AW Research, water testing	Sewer	454.70
Axon, battery packs	Police	129.72
Baker and Taylor, books	Library	112.91

Batteries Plus Bulbs, bulbs, batteries	PW		276.96
Bill Ludenia Appraisals, perkins road	Park		2,500.00
Bill Schiltz, reimburse mileage	PZ	pd 11-1	128.40
Birchdale Fire and Security, additional locks	Gov't		900.00
Blue Cross Blue Shield, health insurance	ALL		20,923.50
Bob Seversons Locksmith, replace lever	Park		271.50
Bobby Willard, reimburse for uniform expense	Police		57.94
Brainerd Hydraulics, parts	PW		23.80
Breen & Person, legal fees	ALL		2,992.00
Brock White, masterseal	PW		128.08
Brock White, masterseal	PW		102.94
Build All Lumber, treated lumber	PW		117.60
Chip Lohmiller, reimburse for nrs rapid rescuers	Fire	pd 11-1	689.85
Cindy Myogeto, reimburse for mdt meeting	MDT		309.18
City of Crosslake, sewer utilities	PW/Gov't		90.00
Clean Team, november cleaning	PW/Gov't		1,082.50
Council #65, union dues	Gov't		385.00
Crosslake Communications, phone, fax, cable, internet	ALL		1,390.08
Crosslake Rolloff, roll off box	PW		468.00
Crosslake Rolloff, recycling	Gov't		2,695.00
Crow Wing County Highway Dept, fuel	ALL		2,455.02
CTC I.T., october i.t. labor	ALL		750.00
Culligan, water and cooler rental	PW/Gov't		87.50
Dacotah Paper, janitorial supplies	Gov't		254.00
Deferred Comp	ALL		250.00
Delta Dental, dental insurance	ALL		1,671.20
Emergency Medical Products, megamover	Fire		74.97
Fire Inspection and Rescue, zodiac hands on training	Fire	pd 11-1	1,400.00
Fire Instruction & Rescue, fire investigation	Fire		600.00
Fortis, disability	ALL		650.84
Fyles, portable restrooms	Park		218.75
Game Time, molded grips	Park		133.10
Grafix Shoppe, lettering	Police		80.23
Hawkins, chemicals	Sewer		1,094.61
Holiday Station, oil	PW		8.59
Holiday Station, terminal cleaner	PW		3.76
Jefferson Fire & Safety, turnout gear	Fire		7,179.82
Joe Chase, reimburse for clothing allowance	PW		99.98
Lynn Wick, refund basketball registration	Park		30.00
Marco, copier lease	Park		230.23
Mastercard, Amazon, membership fee	Police	pd 10-30	10.99
Mastercard, BCA, leaders conference	Police	pd 10-30	175.00
Mastercard, Compliance Signs, restroom signs	Park		47.50
Mastercard, Fleet Farm, halloween candy	PW		83.99
Mastercard, MN State Fire Chiefs Assn, conference	Fire	pd 10-30	300.00
Mastercard, NRS, rescue suit and bag	Fire		1,999.80
Mastercard, Office Max, ink cartridges	PW		103.54
Mastercard, Raffertys, training	Police		39.71
Mastercard, Reeds Market, silver sneakers week	Park		14.37
Mastercard, travel expenses	Police		449.82

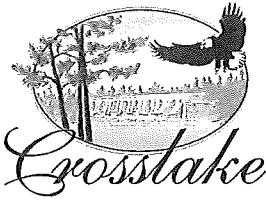
Mastercard, travel expenses	Fire		1,148.66
Mastercard, travel expenses	PW		6.62
Menards, suction hose, seafoam, couplings, tree wrap	PW		128.44
Midwest Machinery, quick lock pin, guard	Park		17.26
Midwest Machinery, ring	Park		12.80
Mikes Electric, install receptacle	Park		242.00
MN Life, life insurance	ALL		456.40
MN State Fire Chiefs Assn, conference registration	Fire		300.00
Moonlite Square, fuel	Fire		35.75
Napa, gloves	PW		15.99
NCPERS-Life Insurance	ALL		80.00
Neil Luzar, reimburse travel expenses	Fire	pd 11-1	293.50
NJPA, comp plan update	Gov't		600.00
North Country Building, garage repair	PW		265.00
North Country Building, salt shed repair	PW		5,400.00
Northland Press, book sale ad	Library		34.56
Northland Press, meeting notice of 11/13	PZ		68.00
Peoples Security, annual monitoring	Park		251.88
Pine Island Bank, bond payment	Gov't		141,610.00
Power Lodge, strap	Park		30.99
Premier Auto, mount and balance tires	Police		60.00
Premier Auto, replace brakes, rotors	Police		513.86
Premier Auto, mount and balance tires	Police		60.00
Premier Auto, mount and balance tires	Police		60.00
Rich Irish, remiburse travel expenses and wiper blades	Fire	pd 11-7	170.72
Royal Tire, tire repair	PW		103.68
Seachange, receipt books	Admin		106.87
Simonson Lumber, screws, lumber	Park		30.95
Specialty Solutions, eco thaw	PW		396.13
Teamsters, union dues	Police	pd 11-7	308.00
The Office Shop, sealer	Admin/PZ		22.70
Ultimate Safety Concepts, gloves, door wedges	Fire		210.00
US Auto Force, tires	Police		1,140.40
USA Bluebook, skimmer, strainer	Sewer		200.24
Verizon, m2m charges	Police	pd 10-24	38.52
Verizon, cell phone charges	ALL	pd 11-1	750.49
Waste Partners, trash removal	ALL		240.93
Winners Trophy, engraving	Park		15.00
WSN, building modifications, streets, bridge	PW		40,400.35
WW Goetsch, ras pump service	Sewer		391.00
Xcel Energy, gas utilities	Sewer		320.11
Ziegler, nut, bolt	PW		41.52
<b>TOTAL</b>			255,742.75

E. 1.

MEMO TO: City Council  
FROM: Mayor Norgaard  
DATE: November 13, 2017  
SUBJECT: Commission Appointment

I hereby recommend the following reappointments:

Economic Development Authority  
John Gunstad – appointment as alternate member



**CITY OF CROSSLAKE**  
**APPLICATION FOR APPOINTMENT TO CITY BOARD OR COMMISSION**

**PERSONAL INFORMATION**

Name: Last GUNSTAD First JOHN

Address: \_\_\_\_\_

Phone: (H) \_\_\_\_\_ (W) \_\_\_\_\_ (Cell) \_\_\_\_\_

Occupation: SERIAL ENTREPRENEUR Employer: 'RETIRED'

Email Address: \_\_\_\_\_

Are you a Crosslake resident or property owner?  Yes  No If yes,  Seasonal  Permanent

If yes, how long have you been a Crosslake resident or property owner? 3 MONTHS

Please check this box if you are currently on a board or commission and wish to be considered for reappointment. Please note below the current board or commission you are currently serving. You are not required to complete the remainder of the application.

Please rank in order which of the following boards and commissions you are interested in serving on:

- Planning and Zoning Commission (Crosslake residency or property ownership required)
- Economic Development Authority (Crosslake residency or property ownership required)
- Public Works/Cemetery/Sewer Commission (Crosslake residency or property ownership required)
- Parks and Recreation/Library Commission (Crosslake residency or property ownership not required)
- Crosslake Communications Advisory Board (Must own property within service area)

Why are you interested in being appointed to a City advisory board or commission?

GIVE BACK TO THE COMMUNITY

What strengths and abilities would you bring to the board or commission? Please include any education and experience that would assist you in serving on a board or commission.

ECONOMIC DEVELOPMENT SPECIALIST FOR LAST 20 YEARS  
EMPLOYED BY CORPORATE COMMISSION OF THE MULE HILL BAND  
AND MORE RECENTLY, BLAEDC

What are the most important issues facing our community over the next several years? What do you think the role of your board or commission should be in addressing those issues?

- (1) MORE HIGH PAYING FULL-TIME JOBS
- (2) WORKPLACE HOUSING

(over)



Attendance: Are you aware of the importance of regular meeting attendance, including the time commitment involved in preparing for meetings, and do you feel you have the time available to be an active participant?  Yes  No


Comments:

**POTENTIAL CONFLICTS**

*Conflicts of Interest* may arise by the participation in any activity, recommended action, or decision from which you receive or could potentially receive direct or indirect personal financial gain. In accordance with this definition, do you have any legal or equitable interest in any business which could be construed as a conflict of interest?  Yes  No

If yes, please explain:

---

Signature  Date 11-2-17

Note: The selection process will vary according to the number of applications and vacancies, and may not include interviews with all applicants.

THANK YOU FOR YOUR INTEREST IN SERVING ON A CITY BOARD OR COMMISSION!

Please return application to:  
City of Crosslake  
37028 County Road 66  
Crosslake, MN 56442  
218-692-2688 Phone  
218-692-2687 Fax

**DATA PRACTICES ADVISORY**

We are required to provide the following information to you. Under Minnesota law, some of the information requested above is public information, which must be provided to anyone who requests it. Some of it is classified as private information, which is not generally available to the public. However, all of the information will be used by the City Council in determining whether you should be appointed to a Board or Commission. Therefore, the information will be provided to the City Council in a public forum and will be reviewed in public. It will therefore be part of the public record, which will be available to anyone. Failure to provide the requested information may result in your not being considered for appointment. If you have concerns about providing any of the requested information, please contact City Hall at 218-692-2688.

G.2.

MEMO TO: City Council

FROM: City Clerk

DATE: November 6, 2017

SUBJECT: Ordinance Re: Off Sale Liquor Sales on Sundays

Effective July 1, 2017, State Statutes changed to allow establishments holding an Off-Sale Liquor License to sell liquor on Sundays. Even though we are governed by the State in this matter, we would like to keep our ordinance in compliance with the State of MN. Attached is an ordinance allowing off-sale liquor to be sold on Sundays.

ORDINANCE NO. \_\_\_\_\_  
AN ORDINANCE AMENDING HOURS AND DAYS OF LIQUOR SALES  
CITY OF CROSSLAKE  
COUNTY OF CROW WING  
STATE OF MINNESOTA

The City Council of the City of Crosslake, in the County of Crow Wing, State of Minnesota, does ordain as follows:

SECTION 1. Section 4-52 is hereby amended as follows:

Sec. 4-52. - Hours and days of liquor sales.

- (a) No sale of liquor shall be made between the hours of 2:00 a.m. and 8:00 a.m. ~~on Monday through Saturday, nor after 2:00 a.m. on Sunday.~~
- (b) No off-sale shall be made ~~on Sundays, nor before 8:00 a.m. or after 10:00 p.m. on Monday through Saturday,~~ nor after 8:00 p.m. on Thanksgiving Day, Christmas Eve (December 24) or Christmas Day (December 25).

SECTION 2. This ordinance shall be in full force and effect upon its passage and publication according to law.

Passed by the Crosslake City Council on November 13, 2017.

---

Patty Norgaard  
Mayor

ATTEST:

---

Charlene Nelson  
City Clerk

Published on November 21, 2017.

G.3.

MEMO TO: City Council *MR*  
FROM: Michael R. Lyonais – City Administrator/Treasurer  
DATE: November 13, 2017  
SUBJECT: Salary Adjustment Recommendation(s)

Salary Adjustment – Non Union Department Heads:  
Recommendation of 3.00% base salary adjustment for non-union department head employees for 2018. This would be in line with the overall adjustment that the union employees will receive for 2018.

This recommendation was based on four previous budget workshop meetings along with the consensus of the personnel committee meeting held on November 1, 2017.

*Motion/Council Action:*  
Approve Non-Union Department Head Salary Adjustment of 3.00%.

City Administrator Retroactive Salary Adjustment to July 10, 2017:  
On July 10, 2017, the Finance Director/Treasurer was appointed to the position of Full-Time City Administrator/Treasurer, wage to be adjusted retroactively to July 10, 2017.

Request is for a 6.00% salary adjustment retroactive to July 10, 2017. This is based in part on the assumption of full administrator duties, compensation adjustments between pay scales (Preliminary Springsted Survey) and statewide comparable wages published by the League of Minnesota Cities.

*Motion/Council Action:*  
Approve City Administrator salary adjustment for 2017 of 6.00%, retroactive to July 10, 2017.

CITY CALCULATIONS

CITY OF CROSSLAKE

CITY OF CROSSLAKE  
 \*\* PROPOSED RATES

09-Nov-17

INITIAL TAX CAPACITY:	12,794,665	
less TIF Value:	21,145	
less FD Contrib Value:	16,670	
<b>TAXABLE TAX CAPACITY:</b>	<b>12,756,850</b>	

PREV TIF: 21,834  
 PREV FD CONT: 16,060

Population  
 2,230

PAYABLE 2018

LGA Relief: 0  
 Rate: 0.000%

Max. EDA Levy = .01813% of Prev. Yr. Estimated MV (469,107)	
0.01813%	215,401.00
<b>TOTAL</b>	<b>215,401.00</b>

PREV EMV:	1,188,090,000	1.9%
PREV TAXABLE MV: (FULLY TAXABLE)	1,174,049,844	2.0%
PREV TC:	12,498,774	2.1%
PREV NTC LEVY:	3,516,321	7.0%
PREV FD DIST:	32	2.9%
PREV FINAL LEVY:	3,516,289	7.0%

REF MV: 414,625,552  
 TAX MV: 1,197,580,206  
 EST MV: 1,210,918,200  
 NEW CONST: 10,744,700

PREV RATE: 28.134%  
 1.360%

TYPE FUND NAME	TOTAL LEVY REQUEST	TACONITE AID	TIF EXCESS	ADJUSTED LEVY	FISC DISP DISTRIB	FINAL LEVY	SPREAD LEVY	GENERAL RATE
10 CITY REVENUE	3,136,655	0	0	3,136,655	32.93	3,136,622	3,136,654.28	24.588%
83 EDA	12,500	0	0	12,500	0.00	12,500	12,501.71	0.098%
322 G.O. REFUNDING BONDS. 2012A	342,870	0	0	342,870	0.00	342,870	342,904.13	2.688%
335 G.O. EQUIPMENT CERT. 2015B	153,825	0	0	153,825	0.00	153,825	153,847.61	1.206%
347 G.O. SEWER REV IMP BONDS 2017	116,613	0	0	116,613	0.00	116,613	116,597.61	0.914%
<b>TOTAL</b>	<b>3,762,463</b>	<b>0</b>	<b>0</b>	<b>3,762,463</b>	<b>32.93</b>	<b>3,762,430</b>	<b>3,762,505.34</b>	<b>29.494%</b>

REQUIRED DEBT LEVY: \$603,340.00  
 (Diff. covered by County Lease Pmt) Check Debt Levy

CITY OF CROSSLAKE

G. 4.

## Staff Report - Crosslake Parks, Recreation & Library

H. I. a.

**Date: November 5, 2017**

**To: Crosslake City Council**

**From: Jon Henke, Director of Parks, Recreation & Library** J.H.

### **1. Library Book Donations**

The Book Sale Committee has recommended that the public hold off on bringing book donations into the Library until March of 2018. The Library has limited storage and would appreciate books being donated in the spring. The first Book Sale of the year will be held April 6, 2018.

### **2. Community Center Schedule**

The Community Center will be closed for the Thanksgiving holiday on Thursday, November 23rd.

### **3. New Zumba Class**

Join us for Zumba class on Tuesday's from 5:30-6:30. Denise Thompson will be the instructor. Day passes or a 10 visit punch card will be available. Come check out this new class!

The Park Commission approved the payment proposal made by instructor Denise Thompson. The instructor is requesting to be paid 60% of the receipted revenues for the Zumba Class and the Park Department will receive 40% of the revenue. A motion to accept this payment proposal is being recommended by the staff. **Council Action/Motion**

### **4. Community Garden Applications**

The 2018 Community Garden Applications are now available at the Community Center.

### **5. AAA Senior Driving Class**

A refresher class will be held on Thursday November 16th from 10-2. Please call AAA to register at 888-234-1294.

### **6. Learn to Play Pickleball**

Come in on Monday's starting November 27th from 5:30 - 7 p.m. to learn how to play Pickleball. The best part about this new opportunity is that the four sessions will be free. The sessions will take place 11/27, 12/4, 12/11 and 12/18. The Community Center will supply the equipment. Come join us!

### **7. No Silver Sneakers Yoga Class Friday, November 24th.**

### **8. Crimes Against Seniors**

The Community Center and the Crosslake Police Department will be sponsoring a special class for area seniors that will focus on the most common scams against seniors. The class will take place after Senior Nutrition on Monday, December 11th at 11:30 a.m. If you would like to join us for senior meals before the meeting please call the Community Center before noon on Friday, December 8th. The program will start after the meal. Anyone is welcome to attend. Crosslake Police Officer Eric Swanson will be leading the program.

### **9. Thank You**

The Crosslake Park Department would like to thank Police Chief Erik Lee and his staff along with the Crow Wing County Sheriff's Department and also the State Patrol for providing security during the Enbridge Pipeline Hearings that were held at the Community Center on Wednesday, October 25th. We would also like to thank the Whitefish Area Property Owners Association for their assistance in setting up and taking down the equipment that was needed for the meeting.



October 30, 2017

City of Crosslake  
37028 County Road 66  
Crosslake, MN 56442

Owner: Arthur John Heigl Trust  
Project: Perkins Road Realignment Project  
Legal Description: Part of Section 31, Township 137, Range 27

Dear Sirs:

At your request, I have completed an appraisal of the above captioned property to determine the amount of damages, if any, resulting from a proposed right-of-way acquisition. As a result, I have estimated the amount of damages, as of October 14, 2017, at:

**THIRTY-SIX THOUSAND THREE HUNDRED SEVENTY-FIVE DOLLARS  
(\$36,375)**

This appraisal report is prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.

The intended use of this appraisal is to provide real property value documentation to assist the client in a proposed right-of-way acquisition, by a public entity for the Perkins Road Realignment Project. The intended user of this appraisal is the City of Crosslake and its representatives.

This Appraiser physically inspected the subject property on October 14, 2017.

The methods of approach and reasoning in the valuation of the various physical and economic factors of the subject property are contained in the report. The opinion of value expressed in this report is contingent upon the Critical Assumptions and Limiting Conditions Section of this report.

Sincerely,



William R. Ludenia, I.F.A.  
Certified General Appraiser  
Minnesota Appraiser License #4000170



# TABLE OF CONTENTS

<u>Item</u>	<u>Page No.</u>
PART I - PREFACE	
Appraisal Summary	6
Project Location Map	7
Subject Property	8
PART II - INTRODUCTION	
Appraisal Authorization	10
Extraordinary Assumptions	10
Hypothetical Condition	10
Purpose of Appraisal	10
Intended Use and Users of Appraisal	11
Competency Provision	11
Property Identification and Statement of Ownership	11
Larger Parcel	11
Larger Parcel Map	13
Sketch of Acquisition Area	14
Methodology	14
Property Rights Appraised	15
Scope of the Appraisal	15
Date of Market Valuation	16
Estimated Exposure Time and Marketing Period	16
Sales History of the Subject	17
Listing and Marketing Data	17
Mineral Rights	17
Exclusions	17
Special Environmental Conditions	17
Tax and Special Assessment Data	18
PART III - AREA REVIEW	
Regional and Area Analysis	20
Minnesota Map	23
Regional Map	24
City of Crosslake Map	25
Project Location Map	26

#### PART IV - DESCRIPTION

Description of Non-Lakeshore Tract Before Acquisition	28
Description of Acquisition	28
Description of Site After Acquisition	28
Aerial Map of Subject Property	29
Aerial Map of Area of Acquisition	30
Subject Photographs	31

#### PART V - HIGHEST AND BEST USE ANALYSIS

Highest and Best Use Analysis	34
Determination of Highest and Best Use	35

#### PART VI - VALUATION PROCESS

Introduction to the Valuation Process	37
---------------------------------------	----

#### PART VII - COMPARABLE SALES APPROACH TO VALUE

Comparable Sales Approach to Value	40
Comparable Sales Grid	42
Location Map of Comparable Sales	43
Adjustments to Comparable Sales	45
Value Conclusion - Before Acquisition	46
After Acquisition Value and Methodology	47

#### PART VIII - RECONCILIATION AND CONCLUSIONS

Reconciliation and Final Value Conclusion	49
---	----

#### PART IX - QUALIFYING DATA

Appraiser Certification	51
Assumptions and Limiting Conditions	53
Qualifications of Appraiser	57
Appraiser License	58

#### PART X - EXHIBITS AND ADDENDA

Aerial View of Acquisition Areas	61
Zoning Map	63
Comparable Sales	65

# PREFACE

**APPRAISAL SUMMARY**

Project:  
Perkins Road  
Realignment Project

Parcel #:  
120311100B00009 &  
Part of 120311100A00009

County:  
Crow Wing

Appraiser:  
William R. Ludenia  
21196 Moody Lane  
Brainerd, MN 56401  
Telephone: 218.851.3612

Owner:  
Arthur John Heigl Trust  
28160 Robolini Court  
Bonita Springs, FL 34135

Intended Users  
City of Crosslake and  
its representatives

Legal Description: Part of Section 31, Township 137, Range 27  
Zoning: Shoreland District  
Real Estate Taxes: \$1,820.00  
Delinquent Amount: None  
Special Assessments: None

Site Area of Subject Property: 7.96+/- Acres  
Site Area of Proposed Right-of-Way Acquisition: 2.91+/- Acres

Highest and Best Use (Before): Residential Development Site  
Highest and Best Use (After): Residential Development Site

Indicated Value of Taking: = \$36,375  
Indicated Value of Severance Damages: = \$ 0

Indicated Value of Damages = \$36,375

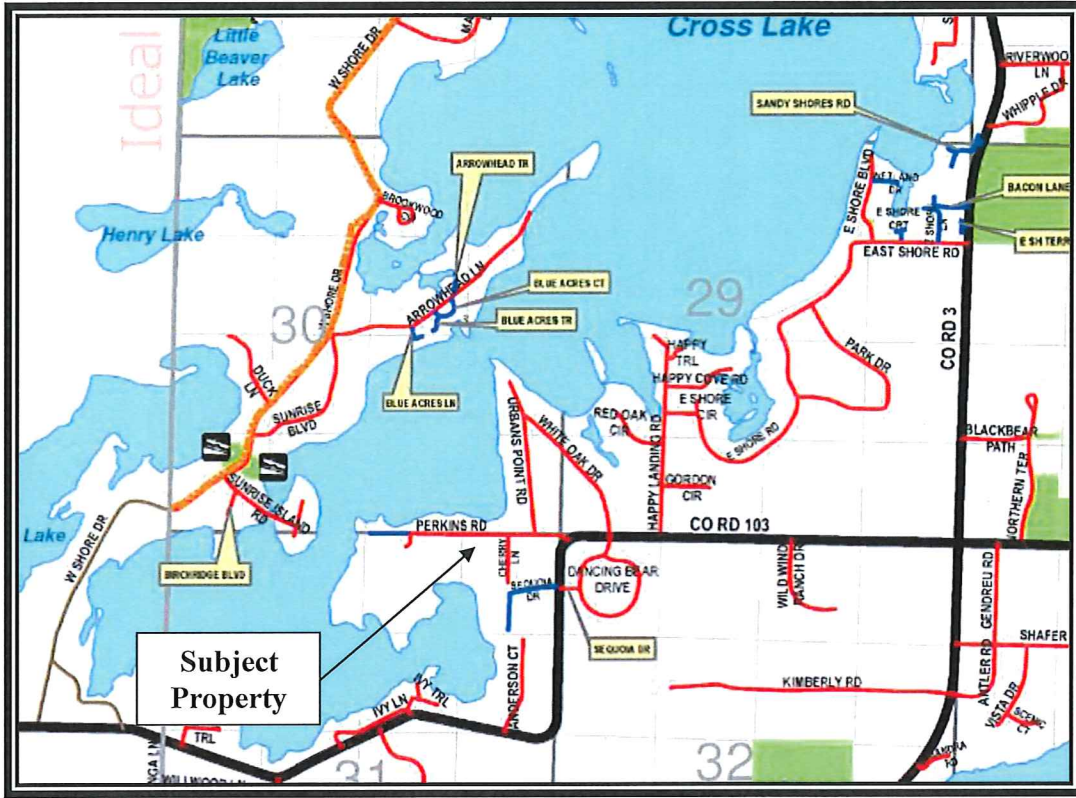
Special Limitations: Special limitations apply to this Appraisal Report; your attention is directed to the Critical Assumptions and Limiting Conditions Section of this Appraisal Report.



\_\_\_\_\_  
William R. Ludenia, I.F.A.  
Certified General Appraiser  
Minnesota Appraiser License #4000170

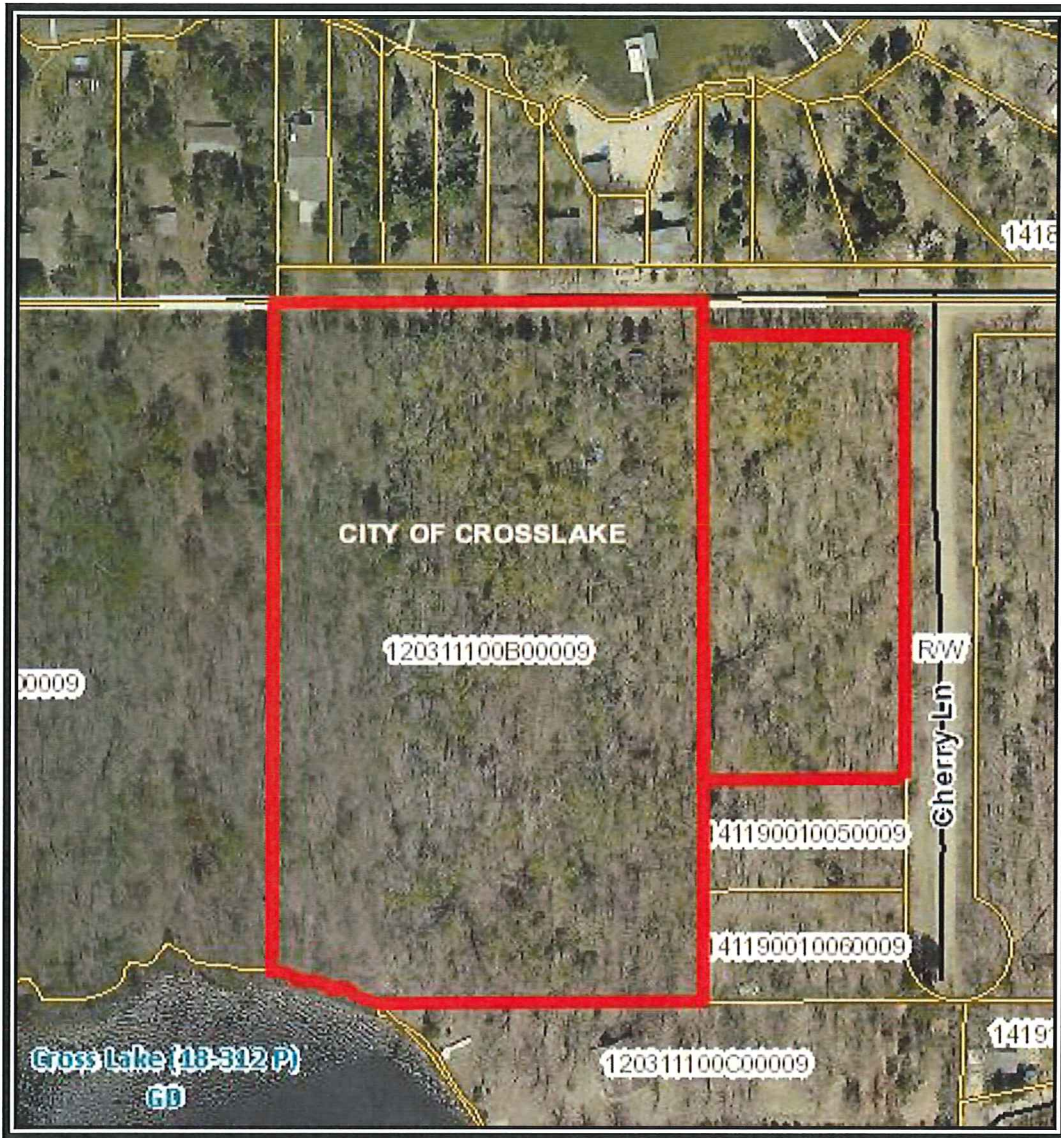
10-30-2017  
Date

PROJECT LOCATION MAP



Map Source: City of Crosslake

**SUBJECT PROPERTY**



Note: The Subject Property is outlined in red.  
Map Source: Crow Wing County

# INTRODUCTION

## APPRAISAL AUTHORIZATION

The authorization for this appraisal was made by Jon Henke, Crosslake Parks and Recreation Director.

Mr. Henke has requested that the appraisal contain three value estimates based on the following scenarios:

- The current market value of the subject property.
- The market value of the subject property after the proposed right-of-way acquisition.
- The amount of severance damages, if any, after the proposed right-of-way acquisition.

## EXTRAORDINARY ASSUMPTIONS

There are no extraordinary assumptions associated with this appraisal assignment.

## HYPOTHETICAL CONDITION

The after acquisition condition of the property is subject to a hypothetical condition. A hypothetical condition is contrary to what actually exists but is assumed for purposes of analysis. This hypothetical condition is necessary since the proposed Perkins Road Realignment Project has not been completed as of the effective date of this appraisal.

## PURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate the present Market Value of the subject property before and after the acquisition of the proposed right-of-way, and to estimate the amount of damages resulting from the acquisition.

Market Value, as defined in the Uniform Appraisal Standards for Federal Land Acquisitions, 2000 is:

*“The amount in cash, or in terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.”*



## INTENDED USE AND USERS OF APPRAISAL

The intended use of this appraisal is to provide real property value documentation to assist the client in the acquisition of a proposed right-of-way, by a public entity for the Perkins Road Realignment Project. The intended user of this appraisal is the City of Crosslake and its representatives.

## COMPETENCY PROVISION

The competency provision of the Uniform Standards of Professional Appraisal Practice requires the appraiser to have both the knowledge and experience necessary to perform a specific appraisal assignment competently.

William R. Ludenia, IFA, has been a full time professional real estate appraiser for over twenty years. Located in the Addenda Section of this appraisal report is a copy of his professional qualifications. He has extensive experience in appraising a wide variety of real estate, including properties similar to the subject throughout Minnesota.

In addition, he has earned the IFA designation from the National Association of Independent Fee Appraisers. He is a licensed Certified General Appraiser in the State of Minnesota.

Experience and professional training provide the appraiser with the necessary background to complete this appraisal assignment in accordance with the competency provision of the Uniform Standards of Professional Appraisal Practice.

## PROPERTY IDENTIFICATION AND STATEMENT OF OWNERSHIP

According to the client the indicated owner of the subject property is the Arthur John Heigl Trust. According to the Crow Wing County public record, the subject property is 7.96+/- acres or 346,738+/- square feet in size and legally described as:

PART OF THE N 660 FT OF THE NE1/4 OF NE1/4 WHICH LIES W'LY OF THE DESC. LINE BEG. AT THE SE CORNER OF LOT 39 BLOCK 2 URBAN POINT THEN S AT RIGHT ANGLES TO THE N LINE OF SAID NE1/4 OF NE1/4 TO THE S LINE OF SAID N 660 FT OF SAID NE1/4-NE1/4 & THERE ENDING ACCORDING TO MAP ON FILE. SUBJECT TO U.S.C.E. OVERFLOW ESMT.

AND

ALL THAT PART OF N. 660 FT OF NE1/4 OF NE1/4 SEC. 31 WHICH LIES E'LY OF THE FOLLOWING DESCRIBED LINE; BEG. AT THE SE CORNER OF LOT 39 BLOCK 2 IN THE PLAT OF URBAN'S POINT, THEN S. ALONG A LINE DRAWN AT RIGHT ANGLES TO THE N. LINE OF SAID NENE TO THE S. LINE OF SAID N. 660 FT OF SAID NENE AND THERE TERMINATING WHICH LIES WESTERLY OF CHERRY LANE. EXCEPT LOTS 5 & 6 BLOCK 1 CROSSLAKE ESTATES, AND EXCEPT THE RIGHTS OF THE PUBLIC IN THE ROADWAYS KNOWN AS CHERRY LANE, PERKINS ROAD, ALSO KNOWN AS VILLAGE ROAD & COUNTY RD #103 AS SHOWN ON THE PLAT OF CROSSLAKE ESTATES.

According to the client, that area of the subject property which will be acquired for the proposed road right-of-way is 2.91+/- acres or 126,572+/- square feet in size. The area of acquisition is legally described as:

THE NORTH 223 FEET OF THAT PART OF THE N 660 FT OF THE NE1/4 OF NE1/4 WHICH LIES W'LY OF THE DESC. LINE BEG. AT THE SE CORNER OF LOT 39 BLOCK 2 URBAN POINT THEN S AT RIGHT ANGLES TO THE N LINE OF SAID NE1/4 OF NE1/4 TO THE S LINE OF SAID N 660 FT OF SAID NE1/4-NE1/4 & THERE ENDING ACCORDING TO MAP ON FILE. SUBJECT TO U.S.C.E. OVERFLOW ESMT.

AND

THE NORTH 190 FEET OF ALL THAT PART OF N. 660 FT OF NE1/4 OF NE1/4 SEC. 31 WHICH LIES E'LY OF THE FOLLOWING DESCRIBED LINE; BEG. AT THE SE CORNER OF LOT 39 BLOCK 2 IN THE PLAT OF URBAN'S POINT, THEN S. ALONG A LINE DRAWN AT RIGHT ANGLES TO THE N. LINE OF SAID NENE TO THE S. LINE OF SAID N. 660 FT OF SAID NENE AND THERE TERMINATING WHICH LIES WESTERLY OF CHERRY LANE. EXCEPT LOTS 5 & 6 BLOCK 1 CROSSLAKE ESTATES, AND EXCEPT THE RIGHTS OF THE PUBLIC IN THE ROADWAYS KNOWN AS CHERRY LANE, PERKINS ROAD, ALSO KNOWN AS VILLAGE ROAD & COUNTY RD #103 AS SHOWN ON THE PLAT OF CROSSLAKE ESTATES.

The client's legal representative provided the legal descriptions contained in this appraisal report to this Appraiser. No survey or title opinion has been completed by this Appraiser to determine the accuracy of the legal descriptions contained in this appraisal report or the quality of title vested with the indicated owner.

#### LARGER PARCEL

The main criteria in determining the larger parcel are unity of ownership and unity of use.

##### Unity of Ownership

The larger parcel is that land all within one ownership or that is under the beneficial control of a single owner. The Arthur John Heigl Trust is the indicated sole owner of the 7.96+/- acre subject property.

The Marilyn Rose Heigl Trust owns a lake home which is located immediately north of the subject property. This property is separated from the subject property by Perkins Road.

In addition, the Arthur John Heigl Trust owns an 8.96+/- acre tract of unimproved land which is located east of the subject property. This property is separated from the subject property by Cherry Lane.

### Unity of Use

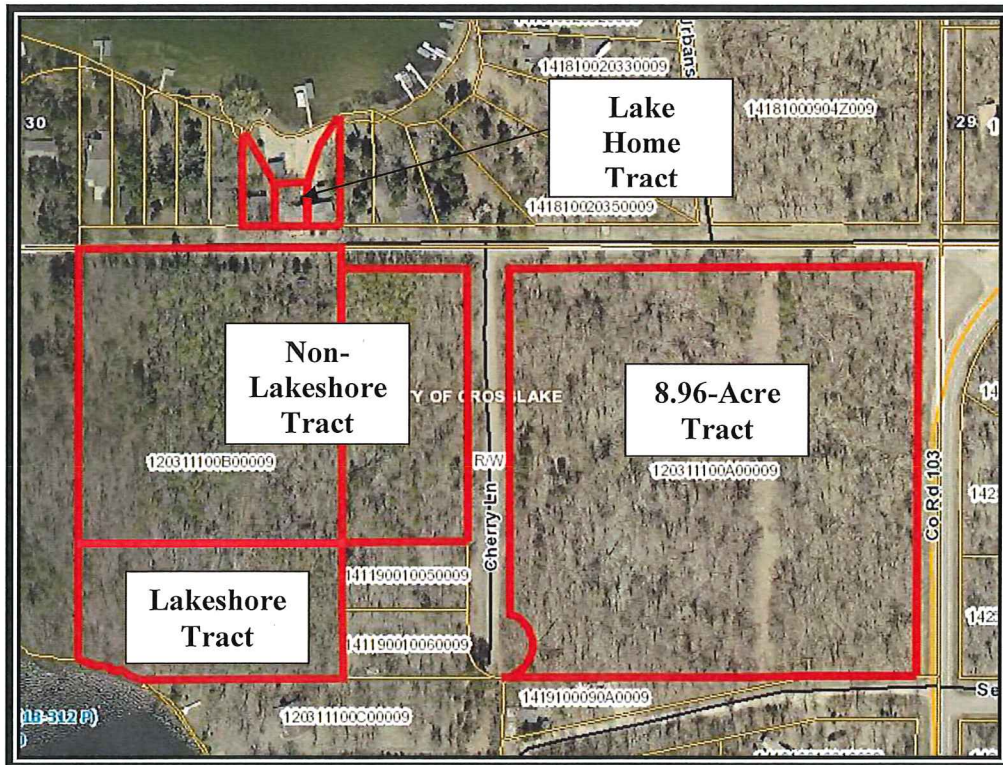
The larger parcel is all that land that has the same highest and best use. It is possible that a single physical tract of land may have multiple larger parcels due to alternate uses.

As part of the determination of the Unity of Use, this Appraiser examined the land usage of the Arthur John Heigl Trust and of the Marilyn Rose Heigl Trust, located in Crosslake and considered their respective highest and best uses.

Because the Marilyn Rose Heigl Trust lake home and 8.96+/- acre tract of unimproved land are physically separated from the subject property and have different unique physical features, these lands fail the test of unity of use.

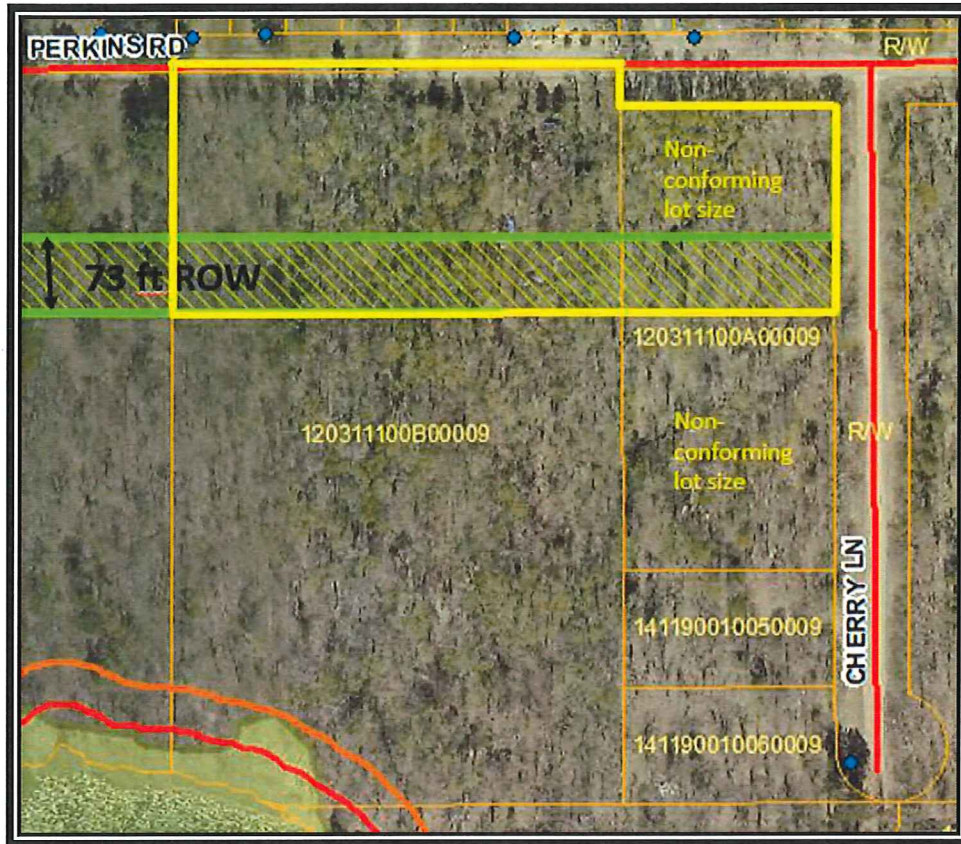
In addition, an analysis was made of the 7.96+/- acre subject property and it was determined that the subject property is considered to have two separate larger parcels which will be identified as the Lakeshore Tract, which is 2+/- acres in size and as the Non-Lakeshore Tract which is 5.96+/- acres in size. The highest and best use of the lakeshore tract is considered to be a riparian residential development site and the highest and best use of the non-lakeshore tract is considered to be a non-riparian residential development site.

### ***LARGER PARCEL MAP***



*Note: Each of the larger parcels is outlined in red.*

## SKETCH OF ACQUISITION AREAS



Note: The subject property is identified as Parcel 120311100B00009 & 120311100A00009. The area of taking is outlined in yellow, which includes the 73 foot right-of-way which is crossed hatched in green.  
Map Source: City of Crosslake

## METHODOLOGY

In order to arrive at the value conclusions requested in this appraisal assignment, the following methodology has been employed:

A before and after analysis of the subject's non-lakeshore tract was performed to determine the amount of damages, if any, resulting from the proposed right-of-way acquisition, by a public entity.

The Appraiser first determines the value of the subject's non-lakeshore tract and then determines the value for the remainder subsequent to severance. This methodology measures damages, if any, to the remainder that may accrue as a result of the severance of the area of acquisition.

The subject's non-lakeshore tract was unimproved as of the effective date of this appraisal.

## PROPERTY RIGHTS APPRAISED

The property rights appraised consist of the fee simple estate interest in the real estate, subject to typical road and utility easements. For the purposes of this analysis, fee simple estate interest is defined on page 113 of The Dictionary of Real Estate Appraisal, 5<sup>th</sup> Edition, published by the Appraisal Institute, as:

*“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.”*

## SCOPE OF THE APPRAISAL

This appraisal report is prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. This appraisal includes the appropriate scope of work deemed necessary to produce a credible and reliable appraisal report. To complete the appraisal report to these standards and guidelines:

- ❑ The subject was inspected on October 14, 2017.
- ❑ Photographs of the subject included in this report were taken during the October 14, 2017, inspection.
- ❑ Completed a review of an aerial map of the subject and of a sketch of the proposed area of taking, to ascertain the scope of the proposed project.
- ❑ This Appraiser completed an interview with Brad Person, City Attorney and of Jon Henke, Director of Crosslake Parks and Recreation, to ascertain the scope of the proposed project.
- ❑ This Appraiser verified the ownership and sales history of the subject property through a review of available data in the Crow Wing County public record.
- ❑ The County Assessor’s records and the available aerial, topographic and soil maps of the subject property were reviewed.
- ❑ A neighborhood analysis was completed for the purposes of determining development trends, existing land uses and market demand and was based on a physical inspection of the general area as well as on studies performed in conjunction with other properties appraised in the area.
- ❑ Regional, community and neighborhood data was compiled using several sources including governmental and private publications in which the data was researched, analyzed and presented in their respective sections.

- ❑ This Appraiser reviewed the available data from the city of Crosslake's Planning and Zoning Department to determine the current zoning and to ascertain allowable uses of the subject property and of the subject's non-lakeshore tract.
- ❑ A highest and best use analysis of the subject site using the data compiled herein was performed.
- ❑ Researched comparable sales and competitive properties and analyzed their applicability to the subject. The market data was researched from data in my office files, the Northstar Multiple Listing Service and county public records.
- ❑ This Appraiser prepared an appraisal report summarizing my analyses, opinions and conclusions. The appraisal is presented in a summary report format.
- ❑ The final conclusion of market value was reconciled for the subject property with consideration given to the importance of each approach to value utilized in this appraisal assignment.

#### DATE OF MARKET VALUATION

This Appraiser physically inspected the subject property on October 14, 2017. This appraisal is based on the market conditions as of October 14, 2017, the date of the physical inspection. The appraisal report was prepared on October 30, 2017.

#### ESTIMATED EXPOSURE TIME AND MARKETING PERIOD

The estimated market value in this report is based on a reasonable exposure time. Uniform Standards for Professional Appraisal Practices (USPAP) Standard Rule 1-2 states the value estimate must be linked to an estimate of marketing time of the estate being appraised and stated in the report.

According to the Uniform Standards of Professional Appraisal Practice, exposure time is an historical concept and is always presumed to have occurred prior to the effective date of the appraisal. The Dictionary of Real Estate Appraisal, 4<sup>th</sup> Edition, defines exposure time as:

*“The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.”*

Reasonable exposure assumes adequate, sufficient and reasonable time and effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. Based on a review of current market conditions, the exposure time of the subject property is estimated to be up to twelve months at a price consistent with the estimated market value concluded herein.

The Dictionary of Real Estate Appraisal, 4<sup>th</sup> Edition, defines marketing time as:

*“The time it takes an interest in real property to sell on the market subsequent to the date of appraisal. Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal.”*

For the purposes of this appraisal, the marketing time of the subject's non-lakeshore tract is also estimated to be up to twelve months. This time period is based on the assumption that the property is offered for sale at the market value estimate concluded in this appraisal and that the current market conditions remain unchanged.

#### SALES HISTORY OF THE SUBJECT

According to the Crow Wing County public record, no sales activity has taken place on the subject property during the last thirty-six months.

#### LISTING AND MARKETING DATA

According to the Northstar Multiple Listing Service, the subject property is not currently listed for sale.

#### MINERAL RIGHTS

This Appraiser has made no determination if the mineral interests for the subject are held separately from the fee estate nor is a separate mineral valuation part of this appraisal.

The valuation process employed is consistent with the nature of the subject property and an accepted valuation technique in the subject's market area.

#### EXCLUSIONS

The value estimate contained in this appraisal report specifically excludes all buildings, furnishings, fixtures and removable equipment.

#### SPECIAL ENVIRONMENTAL CONDITIONS

No adverse environmental conditions were noted on the subject property or within the subject's immediate neighborhood.

No testing was made by this Appraiser to determine the existence or presence of mold, radon, lead paint, asbestos, petroleum contamination, toxic or hazardous substances or other detrimental environmental conditions in the buildings, land or the surrounding areas. The value estimated in this appraisal report is based on the assumption that the property is not negatively affected by the existence of toxic or hazardous substances or detrimental environmental conditions.

This Appraiser is not an expert in the identification of toxic or hazardous substances or detrimental environmental conditions. It is possible that tests and inspections made by a qualified toxic or hazardous substance expert or environmental expert would reveal the existence of toxic or hazardous materials and environmental conditions on or around the property that would negatively affect its value.

This Appraiser further recommends that if the Client has any knowledge of or reason to suspect the existence of any toxic or hazardous substances or detrimental environmental conditions that an environmental assessment of the subject property be obtained.

TAX & SPECIAL ASSESSMENT DATA

In the State of Minnesota, the real estate taxes that are due and payable in any given year are based on the Assessor’s estimated market value from the previous year. The amount of taxes are based on a tax rate which is in effect for the subject property.

The subject property is identified under two Crow Wing County tax parcel identification numbers as indicated in the following table.

According to the Crow Wing County Auditor-Treasurer, the subject’s real estate taxes for calendar year 2017 are \$1,820. The Crow Wing County Assessor’s office has estimated the market value of the subject property, for assessment year 2017 at \$254,400.

<i>Parcel Identification</i>	<i>EMV Land</i>	<i>EMV Buildings</i>	<i>EMV Total</i>	<i>2017 Taxes</i>
120311100B00009	\$225,900	\$0.00	\$225,900	\$1,622.00
120311100A00009	\$28,400	\$100.00	\$28,500	\$ 198.00
<b>TOTALS</b>	<b>\$254,300</b>	<b>\$100.00</b>	<b>\$254,400</b>	<b>\$1,820.00</b>



## **AREA REVIEW**

## REGIONAL AND AREA ANALYSIS

The subject property is located in Crow Wing County, in north-central Minnesota, in an area known as the central lakes area. Crow Wing County, situated on the Mississippi River, is located in the geographic center of the State of Minnesota approximately 100 miles northwest of Minneapolis and St. Paul, 120 miles southwest of Duluth, and 140 miles southeast of Fargo, North Dakota. Crow Wing County has a population of 62,500 according to the 2010 census and is divided into 31 townships and 8 cities. Brainerd and its sister city of Baxter, are the largest cities in Crow Wing County and are the center for retail, educational, medical and governmental services for the region.

The median household income for Crow Wing County in 2006-2010 was \$44,659 which compared to a state average of \$57,243 during the same time period. Approximately 11.5% of the population of the county was considered to be below the poverty level in 2006-2010 which compared to an overall state rate of 10.6% during the same time period.

The unemployment rate in Crow Wing County is currently 3.6% compared to a state-wide unemployment rate of 3.4%. Wage scales are competitive with the wage scales found in other similar communities throughout out-state Minnesota.

Crow Wing County is served by Highway 371, which extends south to Little Falls and then to St. Cloud and Highway 210, which extends east to Aitkin and connects to Highway 169 which is a major north-south thoroughfare between Grand Rapids and the Twin Cities. This highway system links Brainerd and the surrounding lakes area to the Twin Cities and St. Cloud with minimal travel time.

The area is further serviced by Burlington Northern Santa Fe Railroad and the Greyhound Transportation Company. Several truck lines with overnight service to the Twin Cities and Chicago serve the area, along with the services of United Parcel Service, Federal Express and Airbourne Express. There is regularly scheduled airline passenger service out of the Brainerd-Crow Wing County Regional Airport, which is jointly owned by the city of Brainerd and Crow Wing County.

The transportation system has spurred development of the area as a recreational and commercial center. Many people from the Twin Cities look to the central lakes area as a major source of recreation and leisure activities. The pursuit of more time for leisure activities is a growing national trend and the central lakes area is in a position to offer both employment and recreation in close proximity to one another.

Due to its number and quality of lakes, its location at the gateway to Minnesota's central forest area and close proximity to the state's largest concentration of population, Crow Wing County has become one of the most popular vacation destinations in Minnesota. Each year thousands of tourists visit the central lakes area and the hospitality industry is a key component of the economic development in the area.

While tourism provides the primary economic base for the area, an increasing portion of the area's economy is becoming more production and service oriented providing additional employment in the area of retailing, business services, health services, construction and education. Some fifty manufacturing firms are located in Crow Wing County and the recent expansion of several existing plants have provided additional year-round jobs that help to offset the area's seasonal employment changes.

Brainerd is the county seat of Crow Wing County and with its sister city of Baxter, is a regional commercial center providing a complete array of commercial services for several nearby counties and is the next largest metropolitan area north of St. Cloud. Many regional retailers have moved into Baxter including Target, Wal-Mart, Costco, Fleet Farm, Menard's, Best Buy, Kohl's and Home Depot.

Although the central lakes area tends to be best known for their close proximity to some of Minnesota's most popular recreational lakes, within the past twenty years, the area has diversified its commercial and industrial base and is a regional center for health services, local, state and federal governmental agencies, manufacturing and trade.

Another large provider of jobs in Crow Wing County is government services and the education system. Several governmental departments and agencies associated with the local, county, state and federal government have offices in Brainerd and Baxter. The Brainerd, Crosby and Pequot Lakes Public School Districts together with Central Lakes College, provide education services for the entire area.

Agricultural production is also pursued throughout the area, with greater emphasis on open land production in the southern portion of the area where the soil is more suited to crop production.

#### **Crow Wing County Land Use and Cover Statistics**

<i>Description</i>	<i>Acreage</i>	<i>% of Total</i>
Urban & Rural Development	20,519	2.8
Cultivated Land	13,330	1.8
Hay/Pasture/Grassland	114,372	15.5
Brush Land	4,569	0.6
Forested	374,488	50.6
Water	105,593	14.3
Bog/Marsh/Fen	103,618	14.0
Mining	3,292	0.4
<b>Total</b>	<b>739,781</b>	<b>100</b>

*Source: Office of Geographic and Demographic Analysis*

### Population History of Crow Wing County

<i>Population History</i>	<i>1990</i>	<i>2000</i>	<i>2010</i>
Crow Wing County	44,249	55,099	62,500
Brainerd	12,353	13,178	13,590
Baxter	3,695	5,555	7,610
Pequot Lakes	843	947	2,162
Breezy Point	432	979	2,346
Nisswa	1,391	1,953	1,971
Crosslake	1,132	1,893	2,141
Emily	613	847	813
Crosby	2,073	2,299	2,386
Ironton	553	498	572
Deerwood	524	590	532
Jenkins	262	287	430

*Source: US Census Bureau*

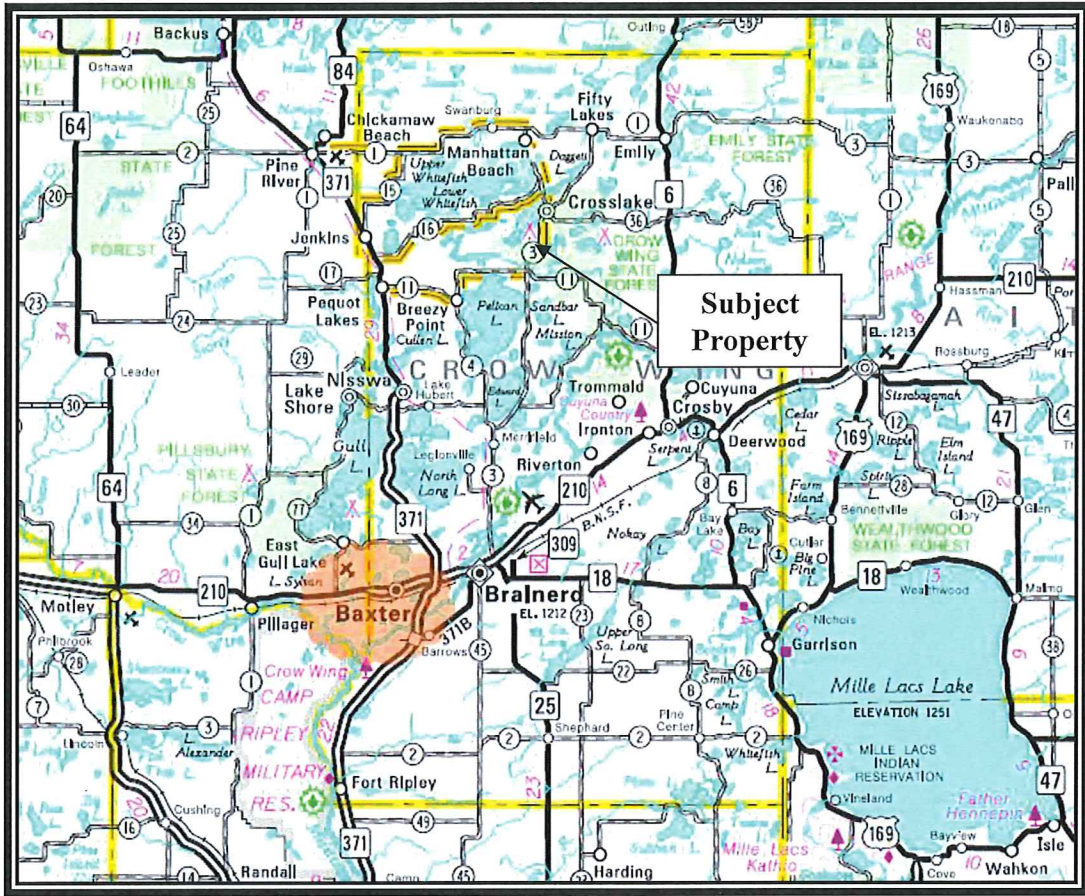
### Major Crow Wing County Employers

<i>Employers</i>	<i>Products/Services</i>
School District #181	Education
Essentia Medical Services	Health Care
Ascensus	Business Support Systems
Maddens, Inc	Hospitality
Crow Wing County	Government
Clow Stamping	Manufacturing
Anderson Brothers	Construction
Minnesota DOT	Transportation
Bethany Good Samaritan	Community Care
Burlington Northern	Transportation
Reichert Bus Service	Transportation
Pequot Lakes Public Schools	Elementary & Secondary Schools
Breezy Point Resort	Traveler Accommodation
Ruttger's Bay Lake Lodge	Traveler Accommodation
School District #182	Education
Cuyuna Regional Medical Center	Health Care

*Source: Community Profile – Department of Employment and Economic Development*

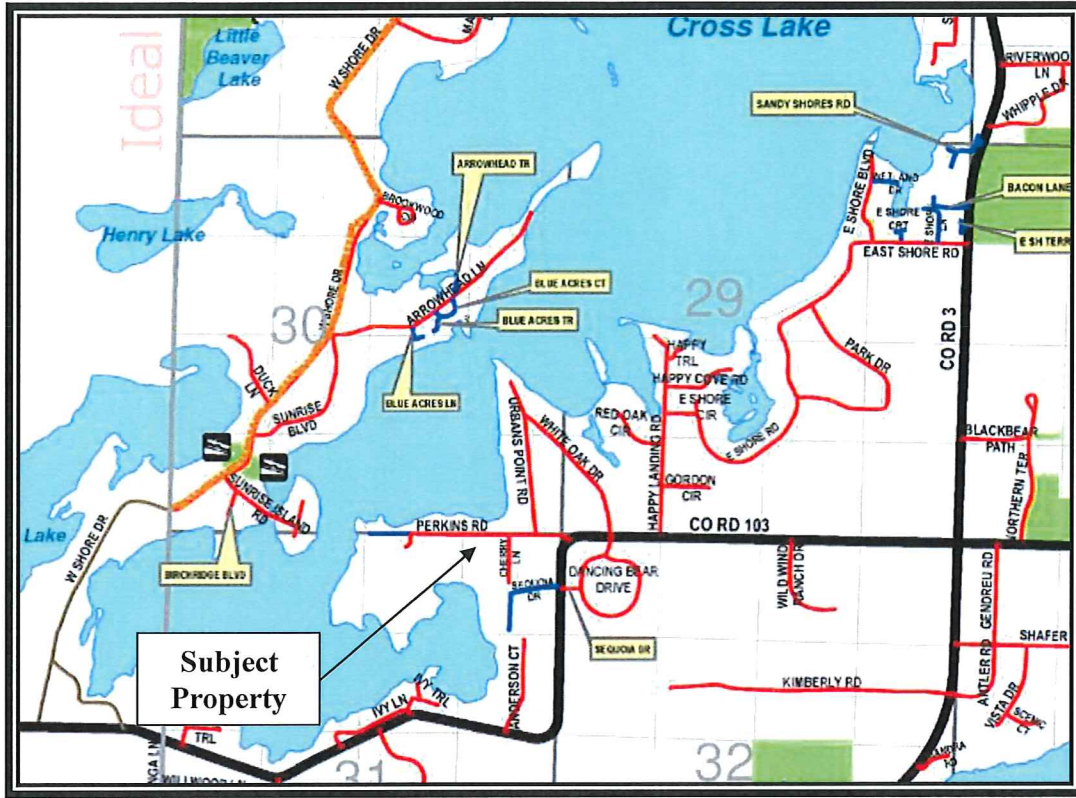


REGIONAL MAP





PROJECT LOCATION MAP



Map Source: City of Crosslake



**DESCRIPTION**

### **DESCRIPTION OF NON-LAKESHORE TRACT BEFORE ACQUISITION**

The subject's non-lakeshore tract, which is located along the southern right-of-way of Perkins Road and the westerly right-of-way of Cherry Lane, in Crosslake, Minnesota, is an irregular shaped tract of land which is approximately 5.96 acres or 259,618+/- square feet in size. The site is level in nature and has similar elevations as adjoining properties. The subject's non-lakeshore tract is located in a Shoreland District according to the City of Crosslake.

Access to the subject's non-lakeshore tract is at its northern boundary via Perkins Road and along its eastern boundary via Cherry Lane.

The highest and best use of the subject property is considered to be a non-riparian development site.

### **DESCRIPTION OF ACQUISITION**

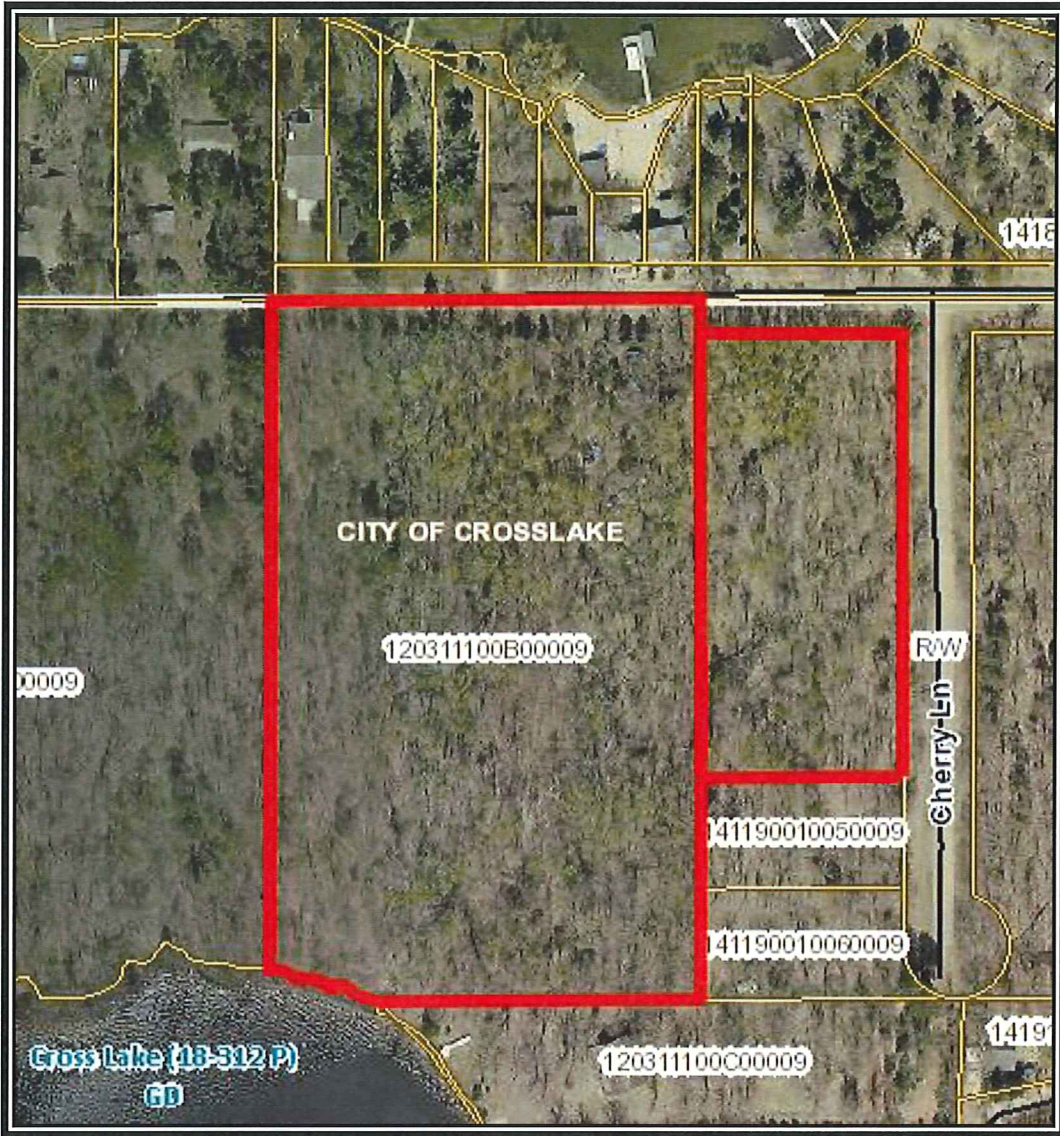
Based on a review of an aerial map of the subject property and of a sketch of the subject property provided by the City of Crosslake, that area of the subject's non-lakeshore tract which will be subject to the proposed right-of-way acquisition is 2.91+/- acres in size and is located along the northern boundary of the site.

### **DESCRIPTION OF SITE AFTER ACQUISITION**

After the acquisition of the previously described right-of-way, the subject's non-lakeshore tract will be approximately 3.05 acres in size.

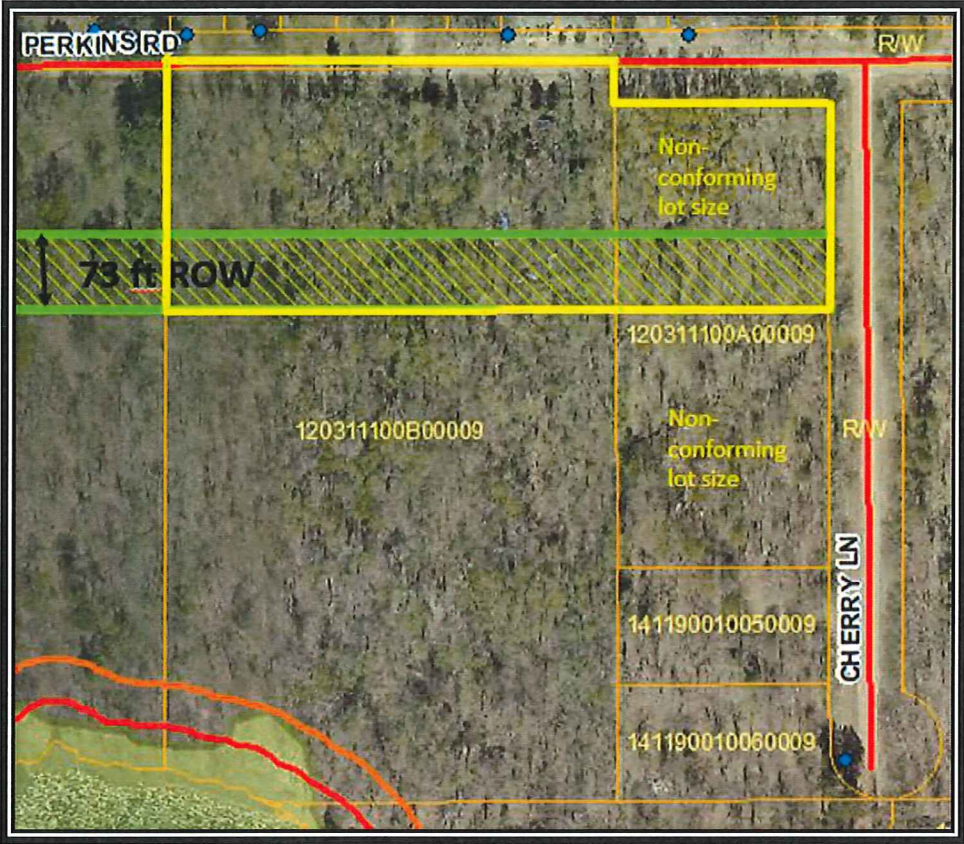
The shape of the subject's non-lakeshore tract, its utility, access, site improvements and availability of utilities will be similar. The highest and best use of the subject property after acquisition will remain as a non-riparian development site.

**AERIAL MAP OF SUBJECT PROPERTY**



Note: The Subject Property is outlined in red.  
Map Source: Crow Wing County

**AERIAL MAP OF AREA OF ACQUISITION**



Note: The subject property is identified as Parcel 120311100B00009 & 120311100A00009. The area of taking is outlined in yellow, which includes the 73 foot right-of-way which is crossed hatched in green.  
Map Source: City of Crosslake

## PHOTOGRAPH ADDENDUM



**Area of Road Right-Of-Way Acquisition**



**Area of Road Right-Of-Way Acquisition**

## PHOTOGRAPH ADDENDUM



**View of Existing Perkins Road**



**View of Existing Cherry Lane**

**HIGHEST & BEST USE ANALYSIS**

## HIGHEST AND BEST USE ANALYSIS

(As Vacant)

Highest and Best Use, also referred to as the Most Probable Use, is basic to any valuation process. Highest and Best Use, as defined in The Uniform Standards of Professional Appraisal Practice, is:

*“The reasonably probable and legal use of property that is physically possible, appropriately supported, and financially feasible, and that results in the highest value.”*

It may also be defined as the legal use to which a property can logically be put or adapted, for which there is a current market, and which may reasonably be expected to produce the greatest net return to land over a given period of time, or to yield to land its highest present value.

In order to determine Highest and Best Use, a property must meet four tests which are:

1. Be legally permissible
2. Be physical possible
3. Be financially feasibility and
4. Be maximally productive

Based on the above criteria, I have reviewed the past growth patterns of Crow Wing County, the city of Crosslake and the subject's immediate neighborhood, and I am of the opinion, that the highest and best use of the subject's non-lakeshore tract before the acquisitions is non-riparian residential usage. I am also of the opinion, that the highest and best use of the subject property after the acquisitions is non-riparian residential usage. This usage is considered the highest and best use of the site because:

### Legally Permissible

First, a determination of what uses are legally permissible was made. Existing leases, deed restrictions, zoning, building codes, environmental regulations and existing land use contracts may all influence potential use.

### Physically Possible

Once the determination of what the legally permissible uses are, what is physically possible must be addressed. All the physical features of the subject property must be considered including its size, topography, soil types and access.



### Financial Feasibility

The test of financial feasibility considers which uses are likely to produce an income, or return equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization. All uses that are expected to produce a positive return are regarded as financially feasible. If the use is not an income producing use, an analysis is completed to determine which uses are likely to create a value or result equal or greater than the amount needed to develop and market the property under those uses. The value of a property for personal use is also considered and may be sufficient to offset the lack of an income stream from an external source.

### Maximum Profitability

The use that produces the highest price or value consistent with the rate of return indicated by the market is considered to be maximally productive.

### **Determination of Highest and Best Use Before Acquisition: Non-riparian Residential Development Site**

### **Determination of Highest and Best Use After Acquisition: Non-riparian Residential Development Site**

## **VALUATION PROCESS**

## INTRODUCTION TO THE VALUATION PROCESS

The valuation of real estate generally is undertaken by three major methods or approaches, which are employed either separately or together, as applicable. Data relevant to the subject property, gathered from the market place, is applied to each approach and after careful analysis of the data for its reliability and similarity to the subject, a value indicator is established for the subject. The value indicators, if more than one approach is used, are then correlated into a final estimate of value.

### Cost Approach to Value

The Cost Approach to Value recognizes the estimated market value of the land plus depreciated cost of the improvements and is predicated on standard cost indices, actual construction data and other data from informed sources. The Cost Approach is believed to have a high degree of applicability in the valuation of newer improved properties. Because the subject property is unimproved, the Cost Approach to Value is not applicable.

### Sales Comparison Approach to Value

The Sales Comparison Approach to Value is the most basic and widely utilized of the appraisal methodologies. This approach to value is a direct comparison method of estimating value, involving the analysis of market activity--sales of comparable properties--and from this, deriving an indicated value. The Sales Comparison Approach to Value is used in the appraisal assignment and is the sole approach to value utilized to determine the value of the subject site.

### Income Approach to Value

The Income Approach to Value involves the forecasting of potential income, deducting applicable expenses and capitalizing the estimated net income into value using a capitalization rate appropriate for the specific property under present market conditions. Land rental of commercial, residential and recreational land, pasture or agricultural production is very limited in this market area. Rents are very minimal and fail to support the underlying value of the land. Because the income derived from properties similar to the subject is not directly measurable in rational economic terms, the Income Approach to Value is not applicable.

## Reconciliation

The credibility of each approach to value is dependent upon the specific property type, market conditions and the adequacy of pertinent data. Theoretically, all three of the traditional approaches to value should develop the same value if all relevant data were available and the marketplace a perfect one. In the reconciliation process the Appraiser weighs the strengths and weaknesses in the various approaches, and accordingly selects the final value estimate. In summary, the objective of the valuation process is to convert costs, market indicators and income into a defined value conclusion.

**COMPARABLE SALES APPROACH TO VALUE**

## COMPARABLE SALES APPROACH TO VALUE

This approach is common to practically every appraisal because of the basic principle of substitution, which establishes the premise that the value of a property tends to approach the value indicated by the actions of informed buyers and sellers of comparable real estate. Stated another way, this approach measures opportunity cost to acquire a like property. The application of this approach involves the comparison of the subject with similar properties recently sold, and in the process adjusting to the subject for variances in location, condition and physical characteristics of the comparable sales.

The reliability of this technique is dependent upon the:

- Availability of comparable sales data
- Verification of the sales data
- Degree of comparability or extent of adjustments necessary for differences between the properties
- Absence of non-typical conditions affecting the sale prices

In theory, the sale prices of the various comparables, after adjustment, tend to set the range of value of the subject. However, it should be noted that since real estate is heterogeneous in nature, the adjustments sometimes must be made with considerable subjectivity. Also, since properties cannot be compared as a whole, a suitable unit of comparison, such as sale price per buildable unit, square foot, acre or front foot, may be the most creditable common denominator for comparative purposes.

The value of the subject's non-lakeshore tract will be estimated by using a Comparable Sales Approach, wherein the value will be estimated by referencing the price paid per acre for other non-riparian development sites that are located in the city of Crosslake and Ideal Township.

Available market data may allow for quantitative adjustments for those factors that can be measured in the market place or qualitative adjustments for those factors that cannot be measured in the marketplace. The qualitative analysis recognizes market inefficiencies and further recognizes the difficulty in measuring the reactions of market participants. The qualitative analysis tends to be more consistent with the reactions of actual market participants, and is the preferred method used in this appraisal report.

This Appraiser has reviewed and analyzed eight sales, with an effort made to search out sales of properties in generally close proximity to the subject and of proportionate size, utility, elevation and quality. Ideally, the geographic search would be limited to the subject's immediate neighborhood but due to a minimum number of sales of properties with similar physical features as the subject, our search included all of the city of Crosslake and Ideal Township.

A total of four comparable sales were presented in this appraisal report which provide a reasonably good indication of the value of the subject property. In the following exhibits, this Appraiser has presented the most significant and salient characteristics from each of the comparable sales. Adjustments have been made to each comparable sale to reflect the significant differences. This analysis demonstrates the Appraiser's technique for deriving an indication of the market value of the subject property.

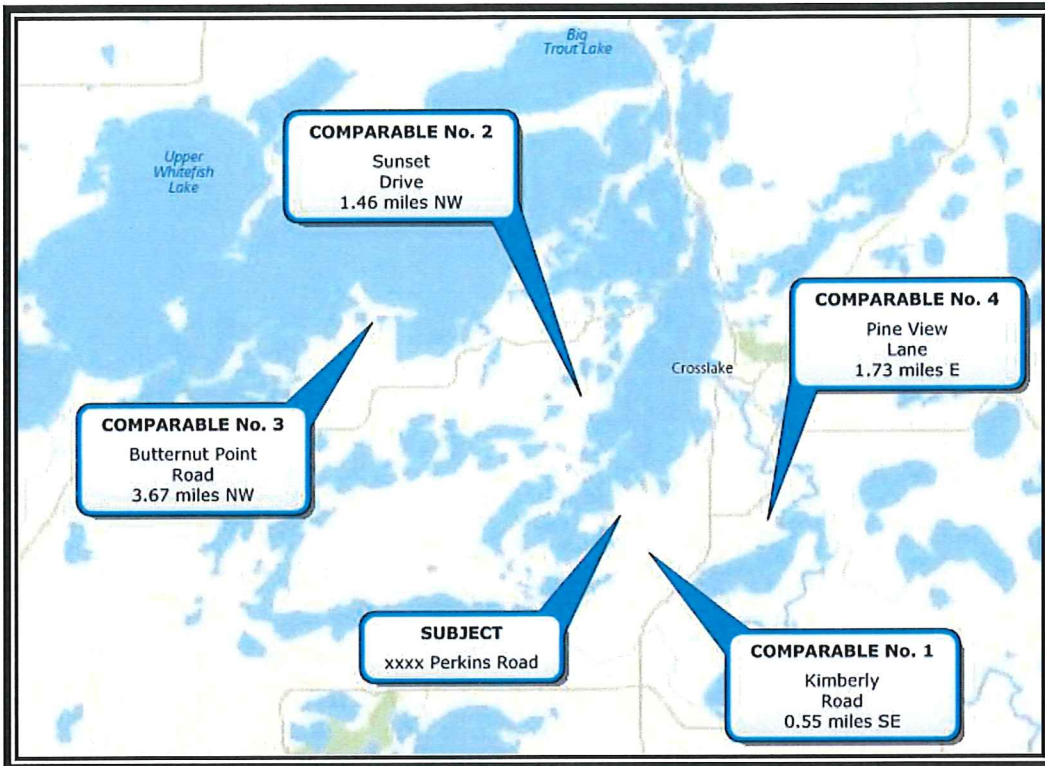
**COMPARABLE LAND SALES GRID**

<b>Comp. Number:</b>	<b>Subject</b>	<b>Comp #1</b>	<b>Comp #2</b>	<b>Comp #3</b>	<b>Comp #4</b>
Address:	Perkins Road	Kimberly Road	Sunset Drive	Butternut Point Road	Pine View Lane
Location:	Crosslake	Crosslake	Crosslake	Pequot Lakes	Crosslake
Sale Date:	N/A	08/17/2017	05/10/2016	05/06/2016	11/21/2016
Site Area:	5.96 Acres	2.85 Acres	3.86 Acres	2.95 Acres	1.6 Acres
Elevation:	Level	Sloping	Level	Level	Level
Ground Cover:	Typical	Typical	Typical	Typical	Typical
Access:	Adequate	Adequate	Adequate	Adequate	Adequate
Zoning:	Shoreland	Residential	Shoreland	Shoreland	Residential
Other:	None	None	None	Pond	None
Highest & Best Use:	Residential	Residential	Residential	Residential	Residential
Sale Price:	N/A	\$31,000	\$47,500	\$40,000	\$28,000
Sale Price/Acre:	N/A	\$10,877.19	\$12,305.70	\$13,559.32	\$17,500.00
Quantitative Adjustment:					
Sale Terms:	N/A	Cash	Cash	Cash	Cash
Adjusted Price:	N/A	\$31,000	\$47,500	\$40,000	\$28,000
Adjust. Price/Acre:	N/A	\$10,877.19	\$12,305.70	\$13,559.32	\$17,500.00
Qualitative Adjustments:					
Market Conditions:	Average	Similar	Similar	Similar	Similar
Financing/Concessions:	None	Similar	Similar	Similar	Similar
Condition of Sale:	Average	Similar	Similar	Similar	Similar
Location:	Crosslake	Inferior	Similar	Similar	Similar
Site Area:	5.96 Acres	Similar	Similar	Similar	Superior
Elevation:	Level	Similar	Similar	Similar	Similar
Ground Cover:	Typical	Similar	Similar	Similar	Similar
Access:	Adequate	Similar	Similar	Similar	Similar
Zoning:	Shoreland	Similar	Similar	Similar	Similar
Other:	None	Similar	Similar	Superior	Similar
<b>Overall Comparison:</b>		Inferior	Most Similar	Superior	Superior
<b>Price Per Acre:</b>		<b>\$10,877.19</b>	<b>\$12,305.70</b>	<b>\$13,559.32</b>	<b>\$17,500.00</b>

**Indicated Value of Subject's Non-Lakeshore Tract: \$12,500 Per Acre**



## LOCATION MAP OF COMPARABLE SALES



### Comparable Sales Adjustment Process

The adjustments on the Comparable Land Sale Adjustment Grid are based on any appreciation experienced between the sale date of the comparable and the effective date of this appraisal, on the granting of any financing or sale concessions, general location, parcel size, zoning, availability of utilities, topography as it relates to site utility, accessibility by motor vehicles and any unique physical features experienced by the comparable sale.

The adjustment process involves:

- Appropriate value indicators are assigned for each comparable depending on market norms. The analysis of the comparable sale will be completed on the price paid per square foot for other undeveloped acreages. Appropriate value indicators will be derived based upon the actions of buyers and sellers in the marketplace.
- If the comparable property is superior to the subject in terms of the identified factor, then a negative adjustment is made thus reducing the indicated value of the subject.
- If the comparable property is inferior to the subject in terms of the identified factor, a positive adjustment is made, thus increasing the indicated value of the subject.
- The adjusted values are then reviewed and reconciled. The sale that provides the best indication of market value will be identified, the adjusted values will be reviewed and weighed, and a final value estimate selected.

### Type of Adjustment

The preferred method of adjustment is a quantitative analysis. This type of analysis assigns specific dollar or percentage adjustments to a comparable sale. To determine the amount of adjustment, sale pairings are completed. A large data set is required for a quantitative analysis to be credible.

In the case of this appraisal assignment, a quantitative analysis was not completed due to a lack of comparable sales and market dynamics. In my opinion, if a quantitative analysis was utilized, the adjustments would be forced and unsupported. Instead, a qualitative analysis will be used.

This type of analysis is a relative comparison showing relationships without recourse to quantification. Qualitative analysis reflects the imperfect nature of the subject property's market area. Each sale was discussed as superior, inferior or similar to the subject property.

## Adjustments to Comparable Land Sales

### Market Conditions

This Appraiser made an analysis of the past sales and listing activity of unimproved non-lakeshore properties located in the city of Crosslake and Ideal Township to ascertain the demand for unimproved residential properties and if there has been any measurable change in market values.

Based on this analysis of past sales and listing activity of unimproved non-lakeshore residential properties located in the subject property's general market area, it is this Appraiser's opinion that no market condition adjustment is warranted with any of the comparable sales.

### Financing/Sales Concessions

An analysis of each of the comparable properties indicates that no financing or sales concession adjustment was warranted with any of the comparable sales.

### Condition of Sale

Based on an analysis of each of the comparable properties and an analysis of current market conditions, it was determined that no condition of sale adjustment was warranted.

### Location

A positive location adjustment was warranted with Comparable Sale 1 due to the modest residential development experienced within its immediate neighborhood.

### Site Area

The site area adjustment is based on the theory of diminishing returns that states that as the number of units increase, the price per unit decreases and in turn, as the number of units decrease, the price per unit increases. Based on this theory, a negative adjustment was warranted with Comparable Sale 4.

### Elevation

Each of the comparable sales is considered to have similar elevations therefore no elevation adjustment was warranted.

### Ground Cover

Each of the comparable sales was considered to have similar quality of ground cover therefore no adjustment was warranted.

Access

No adjustment was warranted because each of the comparables had similar accessibility as the subject.

Zoning

No adjustment was warranted because each of the comparables had similar zoning classifications as the subject.

Other

Comparable Sale 3 had a pond located on its site which added to the market appeal of the property resulting in a negative adjustment.

Reconciliation of Comparable Sales

The Comparable Land Sale Adjustment Grid suggests that the physical and non-physical aspects of the subject property and each of the comparable sales are reasonably similar.

Comparable Sale 1 is the most recent sale and is considered inferior to the subject's non-lakeshore tract due to its location. This sale is considered to set the low range of value of the subject's non-lakeshore tract.

Comparable Sale 2 is most similar to the subject's non-lakeshore tract and no measurable adjustments were warranted.

Comparable Sale 3 is considered slightly superior to the subject's non-lakeshore tract due to the existence of a pond on its site.

Comparable Sale 4 is considered superior to the subject's non-lakeshore tract due to its size. This sale is considered to set the high range of value of the subject's non-lakeshore tract.

**Before Acquisition Value Conclusion of Subject Site By Sales Approach:**

After considering the adjusted comparable sales, with Comparable Sale 2 receiving the most consideration, I have concluded that the market value of the subject property is \$12,500 per acre.

Value Calculation:  $5.96 \times \$12,500 = \$74,500$

Indicated Value of Subject Site Before Acquisition: \$74,500

**AFTER ACQUISITION VALUE AND METHODOLOGY**

After the acquisition of the previously described right-of-way, the subject's non-lakeshore tract will be reduced to approximately 3.05 acres in size.

The shape of the subject's non-lakeshore tract, its utility, access, site improvements and availability of utilities will be similar. The highest and best use of the subject's non-lakeshore tract after acquisition will remain residential usage.

**After Acquisition Value Conclusion of Subject Site By Sales Approach:**

After considering the adjusted comparable sales, with Comparable Sale 2 receiving the most consideration, I have concluded that the after acquisition market value of the subject property is also \$12,500 per acre.

Value Calculation:  $3.05 \times \$12,500 = \$38,125$

Indicated Value of Subject Site After Acquisition: \$38,125

**Indicated Value of Damages to Subject Site:**

Before Acquisition Value of Subject Site:	\$74,500
After Acquisition Value of Subject Site:	<u>- 38,125</u>
Indicated Damages:	\$36,375

**Severance Damages**

Severance damages relate to the loss of value to that portion of a property left after a taking, above and beyond the value of the land and any structures taken by a government entity. The difference in value before the taking and after the taking falls under the general definition of severance damages.

It is this Appraiser's opinion that the subject property will not experience any severance damages.

## **RECONCILIATION AND CONCLUSIONS**

## RECONCILIATION AND FINAL VALUE ESTIMATE

The reconciliation process involves the correlation of the conclusions reached from any of the three approaches to value considering the property type involved and requirements of the appraisal assignment. This process depends on the recognition of the appropriateness and reliability of each approach and of the quality, availability and reliability of the data obtained.

The value indications of the three traditional approaches to value used in this appraisal assignment to determine the value of the subject's non-lakeshore tract are:

### Before Acquisition

Cost Approach to Value	=	N/A
Comparable Sales Approach to Value	=	\$74,500
Income Approach to Value	=	N/A

### After Acquisition

Cost Approach to Value	=	N/A
Comparable Sales Approach to Value	=	\$38,125
Income Approach to Value	=	N/A

### Reconciliation of Before and After Values

Indicated Value Before Acquisition:	=	\$74,500
Indicated Value After Acquisition:	=	<u>\$38,125</u>
Indicated Value of Taking:	=	\$36,375

### Reconciliation of Value of Taking and Severance Damages

Indicated Damages:	=	\$36,375
Indicated Value of Severance Damages:	=	<u>\$ 0</u>
Indicated Value of Damages	=	\$36,375

### Value Conclusion

Based upon my analysis of the subject property and applying recognized appraisal procedures, it is my opinion that the amount of damages resulting from the acquisition of the right-of-way area is \$36,375.

## **QUALIFYING DATA**

Certification

Assumptions and Limiting Conditions

Qualifications of Appraiser

Appraiser License



## APPRAISER CERTIFICATION

Project: Perkins Road Realignment Project

City: Crosslake

Owner: Arthur John Heigl Trust

Date of Value: October 14, 2017

Damages: \$36,375

I hereby certify that:

1. The Appraiser has not provided any services related to the subject property within the three year period immediately preceding acceptance of the assignment, or in any other capacity.
2. This Appraiser has not observed environmental concerns on or near the subject property.
3. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and with the Code of Ethics of the National Association of Independent Fee Appraisers.
4. The OPINION OF VALUE DATE specified above is the date I personally inspected the property and the date to which my opinion of value applies. I have also made a field inspection of the comparable sales relied upon in making this appraisal which are represented by the photographs in the report.
5. The Estimated Fair Market Value specified herein is my independent opinion for the proposed acquisition on the date specified.
6. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
7. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusion in, or the use of, this report.
8. I understand that such appraisal report is to be used as the basis for an offer of just compensation by a governmental entity; that the appraisal has been made in conformity with the appropriate State laws, regulations, policies and procedures applicable to appraising land for such purposes. To the best of my knowledge no portion of the value assigned to such property consists of items, which are non-compensable under the established law of the State.
9. In making this appraisal, I have disregarded any increase or decrease in the before value caused by the project for which the property is being acquired.
10. I will not reveal the findings and results of this appraisal to anyone other than the proper officials of the State of Minnesota until authorized by State officials to do so, or until I am required to do so by due process of law.

11. I was provided no significant professional assistance in preparing this report, which is not referenced in this report. No change of any item in the appraisal report shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility for any such unauthorized change.
12. I am licensed as a real estate appraiser by the State of Minnesota with a Certified General license, number AP-4000170, expiring on 8-31-2019. I am licensed and competent to perform an appraisal for the type of property presented in this report.
13. The State of Minnesota has a mandatory program of continuing education for reissuance of their appraiser license. I have completed the requirements of the continuing education program for the State of Minnesota.
14. To the best of my knowledge and belief, the statements contained in the appraisal report are true, and the information upon which my opinions are based is correct.
15. The reported analyses, opinions, and conclusions, are limited only by the reported critical assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.



---

William R. Ludenia, I.F.A.  
Certified General Appraiser  
Minnesota Appraiser License #4000170

10-30-2017  
Date

## CRITICAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is made subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser in the report.

1. This appraisal report has been prepared for the exclusive benefit of the Client. It may not be used or relied upon by any other party. Any party who uses or relies upon any information contained in the appraisal report without the preparer's written consent does so at his own risk.
2. The Client is advised that an appraisal is an opinion, and that it does not constitute a guarantee that the property will sell for the appraised amount. Property management, differing motivations of buyers and sellers, salesmanship, information, which may or may not be presented to a buyer, and differences in the way a property is presented, can change sale prices dramatically. This appraisal simply represents the Appraiser's opinion of value based upon the facts known at the time of the appraisal.
3. Information, estimates and opinions furnished to the Appraiser and contained in the report were obtained from sources considered to be reliable and believed to be true and correct. However, the Appraiser does not assume responsibility for accuracy of such items furnished in the appraisal.
4. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership and management and receiving proper maintenance. Existing liens or encumbrances have been disregarded, and the property has been appraised as though free and clear of all indebtedness, unless otherwise stated in this appraisal report.
5. The appraisal report and its contents must be regarded as a whole and any excerpts from this appraisal cannot be used separately and, if used separately, invalidates this appraisal.
6. The Appraiser has made no survey of the subject property to determine any easements, encroachments or rights-of-way and the legal description used in this appraisal report is assumed to be correct. It is assumed that the utilization of the land is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within the appraisal report.
7. Any plot plan or sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property, and the Appraiser assumes no responsibility for its accuracy.

8. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuation for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
9. No testing has been made to determine the existence or presence of mold, radon, lead paint, asbestos, petroleum contamination, toxic or hazardous substances or other detrimental environmental conditions in the buildings, land or the surrounding areas. The value estimated in this appraisal report is based on the assumption that the property is not negatively affected by the existence of toxic or hazardous substances or detrimental environmental conditions. This Appraiser is not an expert in the identification of toxic or hazardous substances or detrimental environmental conditions. It is possible that tests and inspections made by a qualified toxic or hazardous substance expert or environmental expert would reveal the existence of toxic or hazardous materials and environmental conditions on or around the property that would negatively affect its value. This Appraiser further recommends that if the Client has any knowledge of or reason to suspect the existence of any toxic or hazardous substances or detrimental environmental conditions that an environmental assessment of the subject property be obtained.
10. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, or for engineering, which might be required to discover such factors.
11. This appraisal does not include structural or mechanical warranties nor is it an assurance that any purchaser, owner or occupant will find the condition of the property to be fully satisfactory. It is assumed that there are no structural defects or unapparent conditions of the property; that all mechanical equipment, built-in appliances, electrical components and roofing are in adequate condition unless otherwise addressed in this appraisal report. No judgment is made relative to adequacy of insulation or energy efficiency of the improvement; these are assumed standard for the appraised property's type and age. No responsibility is assumed for infestation of wood destroying insects or damage caused by them. If the Client has any questions or concerns regarding these items, it is the Client's responsibility to order any appropriate inspections.
12. If a well and septic system are located on the subject site, this Appraiser has made no determination if the well is providing safe, sanitary drinking water, or if the septic system is working properly. The Appraiser is not qualified to determine such.

13. The appraiser's property visitation and examination is not a home/building inspection. This appraiser does not have the expertise needed to make such inspections nor does this Appraiser assume any responsibility for these items. A home/building inspection, performed by a qualified individual is always recommended.
14. While flood maps of the area may have been studied and comments may have been made about the subject's location in or outside a flood hazard area, we are not qualified to detect the subject's specific flood hazard area. No responsibility is assumed for any consequences arising from the need for flood insurance.
15. Nothing set forth in the appraisal should be relied upon for the purpose of determining the amount or type of insurance coverage to be placed on the subject property. The Appraiser assumes no liability for and does not guarantee that any insurable value estimate inferred from this report will result in the subject property being fully insured for any loss that may be sustained.
16. It is assumed that there is full compliance with all-applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
17. Title III of the Americans with Disabilities Act, "Public Accommodations and Services Operated by Private Entities," requires all privately owner/operated buildings, which provide public accommodations and/or services, to be equally accessible for persons with disabilities. All architectural, transportation and communication barriers must be removed, if readily achievable. The appraiser is not qualified to make a determination as to whether the property under appraisal is in compliance with this act. The client is urged to retain an expert in this field, if desired.
18. It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless non-conformity has been stated, defined and considered in the appraisal report.
19. It is assumed that the revenue stamps placed on any deed referenced accurately indicates the sale price and are in correct relationship to the actual dollar amount of the transaction.
20. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any. It is assumed that the subject property is not affected by surface entry for the exploration or removal of any such materials, unless otherwise noted in the report.
21. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in the appraisal report is based.

22. It is assumed that all appraisals, subject to satisfactory completion, repairs, or alternations, if applicable, will be completed in accordance with the plans and specifications and are contingent upon completion of the improvements in a professional, workmanlike manner. The estimated market value is, as of the appraisal date, as proposed, and as if fully completed and operating at the projected levels of income and expense.
23. The Appraiser is not required to give testimony or appear in court or before any board or governmental body because of having made an appraisal of the subject property without satisfactory predetermined financial arrangements and time agreements.
24. Disclosure of the contents of the appraisal report is governed by the By-laws and Regulations of the professional appraisal organizations with which the Appraiser is affiliated.
25. The Appraiser reserves the right to alter, amend, revise or rescind any comments and any value conclusions if pertinent facts, unknown during the appraisal process, become known subsequent to completion of the appraisal report. Further, the estimated Market Value is subject to change over time, as may be dictated by market circumstances.
26. The analysis and conclusion necessarily incorporated numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.
27. In consideration of performing the services rendered at the fee charged, the appraisal firm expressly limits its liability to the amount of fee paid by the Client. The appraisal firm expressly disclaims liability as an insurer or guarantor. Any persons seeking greater protection from loss or damage than is provided from herein should obtain appropriate insurance. The Client shall indemnify and hold harmless the appraiser(s), the appraisal firm, and its employees against all claims by any third party or any judgment for loss or damage relating to the performance or non-performance of any services by the appraisal firm.
28. Any use of the appraisal report, by the client, is conditioned upon payment of all fees in accordance with the agreed terms.
29. Acceptance of and/or use of the appraisal report constitutes acceptance of the forgoing general assumptions and limiting conditions.

## **WILLIAM R. LUDENIA – REAL ESTATE APPRAISER**

21196 Moody Lane, Brainerd, MN 56401

218.851.3612

### ***Education – Real Estate Appraising***

Uniform Standards of Professional Appraisal Practice  
Principals of Real Estate Appraising  
Single Family Report Writing  
Narrative Report Writing  
Market Abstraction  
Review Appraising  
Relocation Report Writing Seminar  
Cash Rental Value Appraisal  
Farm, Ranch and Rural Property Appraisal  
Marshall & Swift Residential Cost Approach Seminar  
Marshall & Swift Commercial Cost Approach Seminar  
Fundamentals of Real Estate Investment and Taxation  
Income Property Appraising  
Income Capitalization  
Easement Valuation  
Principles of Environmental Risk Screening

### ***Work History***

1973-1975 - United Farm Agency – Branch Manager  
1975-1986 - Self-employed real estate broker  
1986 - Present - Self-employed real estate appraiser

### ***Work Experience***

Since 1973 involved full-time with various phases of real estate including the appraisal and marketing of residential, lakeshore, farm, raw land, multi-family, commercial and business opportunities. Served as a real estate instructor and lectured at Minnesota's Area Vocational Institutes.

### ***Sample of Clients Served***

Northern National Bank	Wells Fargo Banks
Bremer Bank	MidAmerica Mortgage Company
US Bank	Brainerd Savings and Loan
Lakewood Banks	Security State Bank of Pillager
Unity Bank	Lakes State Bank
Mid Minnesota Federal Credit Union	Peoples National Bank
First National Bank of Walker	Rels Valuation
First National Bank of Deerwood	American National Bank
RiverWood Bank	Security State Bank of Aitkin
Voyageur Financial	Woodlands National Bank
Crow Wing County	City of Brainerd
Cass County	City of Baxter
State of Minnesota-DNR	City of Pillager
Breen & Person Ltd.	City of East Gull Lake
The Nature Conservancy	City of Breezy Point
The Trust for Public Land	City of Remer
Prudential Relocation	TransEquity Relocation

STATE OF MINNESOTA



WILLIAM R LUDENIA  
21196 MOODY LANE  
BRainerD, MN 56401

Department of Commerce

The Undersigned COMMISSIONER OF COMMERCE for the State of Minnesota hereby certifies that  
WILLIAM R LUDENIA

21196 MOODY LANE  
BRainerD, MN 56401

has complied with the laws of the State of Minnesota and is hereby licensed to transact the business of

**Resident Appraiser : Certified General**

**License Number: 4000170**

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect until August 31, 2019.

IN TESTIMONY WHEREOF, I have hereunto set my hand this July 14, 2017.

A handwritten signature in black ink, appearing to read "Nick Gottman".

COMMISSIONER OF COMMERCE

Minnesota Department of Commerce

Licensing Division  
85 7th Place East, Suite 500  
St. Paul, MN 55101-3165  
Telephone: (651) 539-1599  
Email: [licensing.commerce@state.mn.us](mailto:licensing.commerce@state.mn.us)  
Website: [commerce.state.mn.us](http://commerce.state.mn.us)

**Notes:**

- **Individual Licensees Only - Continuing Education:** 15 hours is required in the first renewal period, which includes a 7 hour USPAP course. 30 hours is required for each subsequent renewal period, which includes a 7 hour USPAP course.
- **Appraisers:** You must hold a licensed Residential, Certified Residential, or Certified General qualification in order to perform appraisals for federally-related transactions. Trainees do not qualify. For further details, please visit our website at [commerce.state.mn.us](http://commerce.state.mn.us).



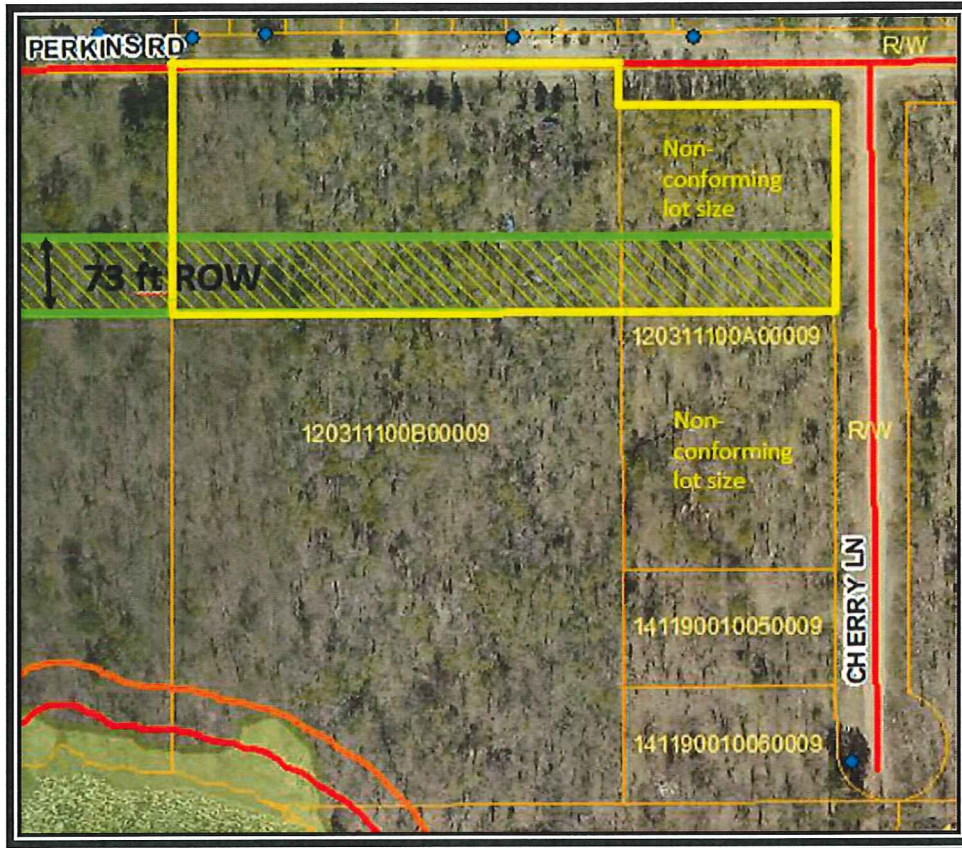
## **EXHIBITS AND ADDENDA**

Aerial View of Acquisition Area

Zoning Map

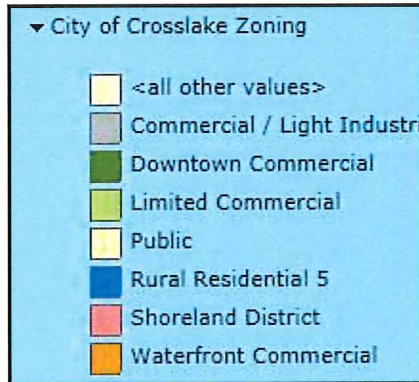
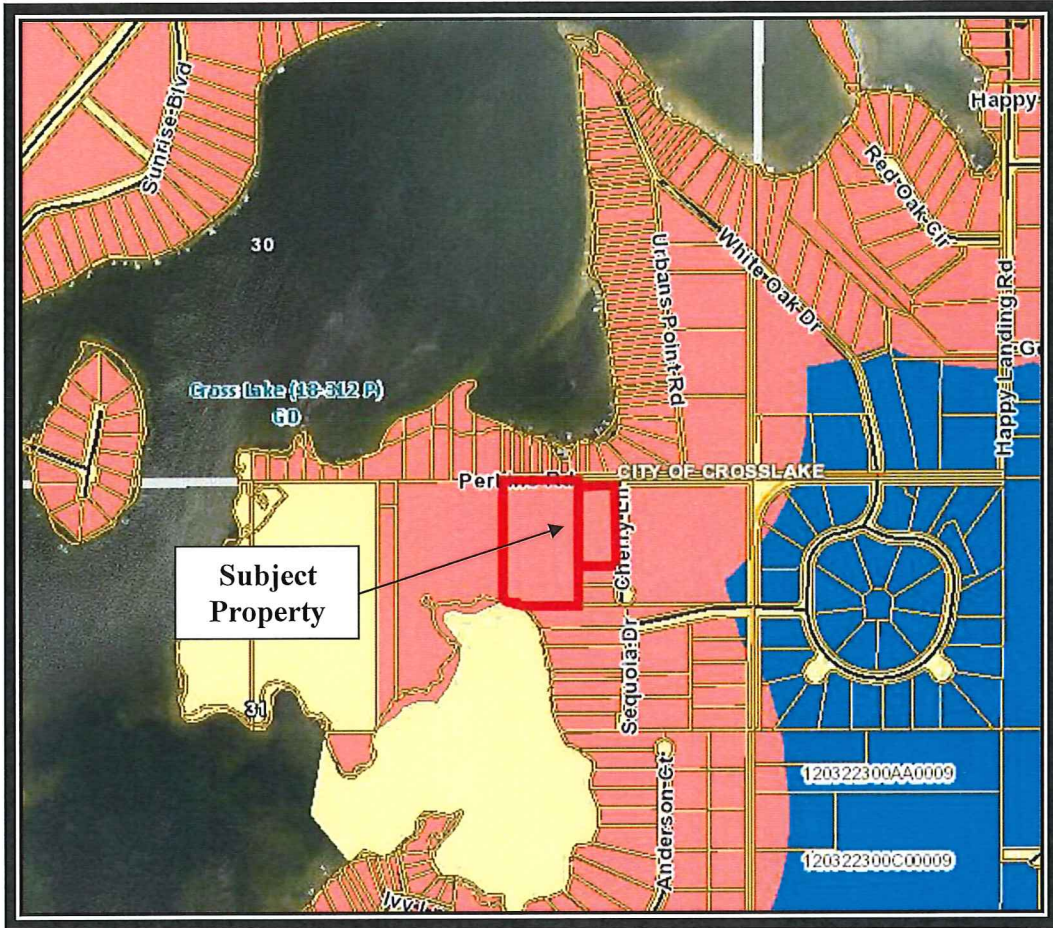
Comparable Sales

**AERIAL VIEW OF ACQUISITION AREA**



Note: The subject property is identified as Parcel 120311100B00009 & 120311100A00009. The area of taking is outlined in yellow, which includes the 73 foot right-of-way which is crossed hatched in green.  
Map Source: City of Crosslake

**ZONING MAP**



**COMPARABLE SALES**

## COMPARABLE SALE NUMBER 1



<i>Sale Information</i>		<i>Property Information</i>	
Date of Sale:	08/17/2017	PID Number:	141900020010009
Grantor:	Jannazzo, Jason, etal	Address:	Kimberly Road
Grantee:	Steve & Roxanne Sinkie Family Part.	City:	Crosslake
Township:	137	Zoning:	Residential
Range:	27	Utilities:	Private
Section:	32	Access:	Adequate
Legal Description:	L1, B2, Kimberly Acres	Elevation:	Sloping
Sale Price:	\$31,000	Visibility:	Average
Acres:	2.85	Highest & Best Use:	Residential
Price Per Acre:	\$10,877.19	Present Use:	Residential
Data Source:	MLS/Public Record/Inspection	Confirmation:	Listing Broker

## COMPARABLE SALE NUMBER 2



<i>Sale Information</i>		<i>Property Information</i>	
Date of Sale:	05/10/2016	PID Number:	142080010100009
Grantor:	Corbett, Carolyn & David	Address:	Sunset Drive
Grantee:	Nyberg, Sean	City:	Crosslake
Township:	137	Zoning:	Shoreland
Range:	27	Utilities:	Private
Section:	19	Access:	Adequate
Legal Description:	L10, B1, Westwood Estates	Elevation:	Level
Sale Price:	\$47,500	Visibility:	Average
Acres:	3.86	Highest & Best Use:	Residential
Price Per Acre:	\$12,305.70	Present Use:	Residential
Data Source:	MLS/Public Record/Inspection	Confirmation:	Listing Broker



### COMPARABLE SALE NUMBER 3



<i>Sale Information</i>		<i>Property Information</i>	
Date of Sale:	05/06/2016	PID Number:	680143201BC0009
Grantor:	36239 Butternut Point Road LLC	Address:	Butternut Point
Grantee:	McCollum, Michael & Diana	City:	Pequot Lakes
Township:	137	Zoning:	Shoreland
Range:	28	Utilities:	Private
Section:	14	Access:	Adequate
Legal Description:	Part of Government Lot 1	Elevation:	Level
Sale Price:	\$40,000	Visibility:	Average
Acres:	2.95	Highest & Best Use:	Residential
Price Per Acre:	\$13,559.32	Present Use:	Residential
Data Source:	MLS/Public Record/Inspection	Confirmation:	Listing Broker

## COMPARABLE SALE NUMBER 4



<i>Sale Information</i>		<i>Property Information</i>	
Date of Sale:	11/21/2016	PID Number:	141860010060009
Grantor:	Cunningham, Michael & Pamela	Address:	Pine View Lane
Grantee:	Raymo, James & Julianne	City:	Crosslake
Township:	137	Zoning:	Residential
Range:	27	Utilities:	Private
Section:	33	Access:	Adequate
Legal Description:	L6, B1, Johnson Pine View	Elevation:	Level
Sale Price:	\$28,000	Visibility:	Average
Acres:	1.6	Highest & Best Use:	Residential
Price Per Acre:	\$17,500	Present Use:	Residential
Data Source:	MLS/Public Record/Inspection	Confirmation:	Listing Broker

LOCATION MAP OF COMPARABLE SALES

