
Economic Development Authority - City Hall Council Chambers
Regular Meeting, Tuesday, February 20, 2018 – 5:30 pm
Meeting Announcement and AMENDED Agenda

*Members of the audience are encouraged to follow the agenda.
Agendas are available on the table outside the Council Chambers door.*

1. Call to Order and Approval of Agenda (1)

2. Approval of Agenda

- A. Annual Meeting – Election of Officers
 - 1. President (must be a commission member)
 - 2. Vice President (must be a commission member)
 - 3. Treasurer (must be a commission member)
 - 4. Secretary
- B. Appointment of Executive Director (Caroline Moe)
- C. Appointment of Assistant Treasurer (Linda Gerlach)
- D. EDA Code of Conduct & Bylaws (handout)

3. Consent Agenda Approvals

- A. Regular EDA Meeting Minutes for January 16, 2018 (p. 3)
- B. Approve EDA Draft December 2017 Financial Statements (p. 5)
- C. Approve lease renewal with Just fort Paws Unit 140 City Center Mall (p. 32)
- D. Housing Division Bills ACH only, Totaling \$63,717.72 (P. 43)
- E. Approve EDA Admin Division Bills Checks #108024 #108311 Totaling \$66,301.00 (p. 45)

4. Work Session

5. Unfinished Business

- A. Asbestos Abatement Project (p. 58)

6. New Business

- A. Supervisor's Report (p. 61)
- B. Resident Meeting (p. 65)
- C. Recommend to the City Council the Approval of the Loan Agreement, and Promissory Note with Ritz Machine Works USA, LLC (p. 67)

7. Adjourn

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**Cambridge Economic Development Authority (EDA)
Regular Meeting Minutes
January 16, 2018**

Pursuant to due call and notice thereof, a regular meeting of the Cambridge Economic Development Authority (EDA) was held on Tuesday, January 16, 2018 at Cambridge City Center, 300 3rd Ave NE, Cambridge, Minnesota, 55008.

Members Present: President Joe Morin and EDA members Lisa Iverson, Marlys Palmer, Kersten Conley, and Jim Godfrey. All present, no absences.

Call to Order

Morin called the meeting to order at 5:30 pm.

Approval of Agenda

Iverson moved, seconded by Conley, to approve the agenda as presented. Motion carried unanimously.

Consent Agenda

Iverson moved, seconded by Godfrey, to approve the consent agenda items A - D, as presented:

- A. Approve November 20, 2017 EDA Regular Meeting Minutes, and December 5, 2017 EDA Special Meeting Minutes
- B. Approve EDA Draft November 2017 Financial Statements
- C. Housing Division Bills ACH only, Totaling \$129,169.64
- D. Approve EDA Admin Division Bills Checks #107580- #108008 Totaling \$48,692.79

Upon call of the roll, Morin, Conley, Palmer, Iverson, and Godfrey voted aye, no nays. Motion carried unanimously.

Work Session & Unfinished Business

There was no items for the work session or unfinished business.

New Business

Housing Supervisor Report

Barrett reviewed the last month's activities.

Approve Job Description Changes for Reporting Structure Change

Moe explained in the past, the Housing Supervisor could not supervise the Housing Maintenance position since the employees were a married couple. Moe reported this situation no longer exists and over the last year there have been several instances where it has been more challenging to coordinate activities at Bridge Park since the Housing Supervisor and Housing Maintenance positions function fairly independently and work different hours to provide available staff to handle issues at Bridge Park.

Moe recommended in order to facilitate proper work flow and accountability the Housing Supervisor be assigned the responsibility for coordinating all activities at Bridge Park, including supervision of maintenance staff.

Moe noted the change should not produce a budgetary impact as it would not necessitate a pay grade increase for the Housing Supervisor.

Godfrey questioned the impact on the budget and whether or not there will be more hours. Moe stated at this point they are not anticipating additional hours or a pay grade change. Godfrey confirmed there is some overlap with their hours. Moe added email is another form of communication they will use.

Conley moved, seconded by Iverson, to approve revising the job descriptions as presented and authorize staff to complete personnel reporting structure change within the Housing Division. Motion carried unanimously.

Iverson asked for an update on the asbestos project at Bridge Park. Moe explained staff has met with a local contractor and is still performing research. Moe anticipates going out for bid in April or May with work beginning in September or October. The Board discussed an option of not filling vacancies when they occur and the possible impact that could have on their PHA score. Moe explained staff can always provide HUD an explanation as to why the vacancies are not being filled temporarily. The Board consensus was to advise new tenants of the upcoming project as they fill vacancies.

Adjournment

Conley moved, seconded by Godfrey, to adjourn the meeting at 5:45 p.m. Motion carried unanimously.

Joe Morin, President

ATTEST:

Caroline Moe, Executive Director

CITY OF CAMBRIDGE
 BALANCE SHEET
 DECEMBER 31, 2017

LOW RENT PROGRAM-BRIDGE PARK

ASSETS

901-10010	CASH AND INVESTMENTS	(2,261.83)	
901-10102	INVESTMENTS--PBC		321,804.28	
901-10200	EDA OPERATING ACCOUNT-LOW RENT		434,090.98	
901-15500	PREPAID EXPENSES		3,710.00	
901-16100	LAND AND LAND IMPROVEMENTS		134,042.37	
901-16200	BUILDINGS AND STRUCTURES		474,877.78	
901-16250	BUILDING IMPROVEMENTS		1,221,510.52	
901-16300	SITE IMPROVEMENTS		103,618.10	
901-16350	NON-DWELLING STRUCTURES		76,009.20	
901-16400	FURNITURE, EQUIPMENT, MACH-DWE		34,782.90	
901-16450	FURN, EQUIP, MACH-ADMIN		56,192.12	
901-16460	ACCUM DEPREC-FURN,EQUIP- ADMIN	(1,691,997.69)	
	TOTAL ASSETS			<u>1,166,378.73</u>

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LIABILITIES AND EQUITY

LIABILITIES

901-20100	AP ALLOCATED TO OTHER FUNDS		14,870.40	
901-20200	ACCOUNTS PAYABLE		3,664.55	
901-22600	TENANT SECURITY DEPOSITS		28,528.00	
	TOTAL LIABILITIES			47,062.95

FUND EQUITY

901-27200	UNRESTRICTED NET ASSETS		772,296.80	
901-27300	INVESTED IN CAPITAL ASSETS		301,555.77	
901-27400	HUD OPERATING RESERVE MEMO		227,249.46	
901-27500	HUD OPERATING RESERVE CONTRA	(227,249.46)	
	UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD		45,463.21	
	BALANCE - CURRENT DATE		45,463.21	
	TOTAL FUND EQUITY			<u>1,119,315.78</u>
	TOTAL LIABILITIES AND EQUITY			<u>1,166,378.73</u>

CITY OF CAMBRIDGE
DETAIL REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

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FUND 901 - LOW RENT PROGRAM-BRIDGE PARK

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>INTERGOVERNMENTAL REVENUES</u>						
901-33160 OPERATING GRANTS-HUD	80,000.00	80,000.00	75,931.00	4,069.00	94.91	80,942.00
TOTAL INTERGOVERNMENTAL REVE	80,000.00	80,000.00	75,931.00	4,069.00	94.91	80,942.00
<u>INTEREST & MISC INCOME</u>						
901-36200 MISCELLANEOUS INCOME	100.00	100.00	50.18	49.82	50.18	1,801.80
901-36210 INTEREST EARNINGS	1,500.00	1,500.00	2,384.65	(884.65)	158.98	2,265.54
TOTAL INTEREST & MISC INCOME	1,600.00	1,600.00	2,434.83	(834.83)	152.18	4,067.34
<u>RENTAL INCOME</u>						
901-37220 DWELLING RENTAL	144,000.00	144,000.00	167,690.62	(23,690.62)	116.45	165,602.90
901-37221 LAUNDRY INCOME BRIDGE PARK	5,800.00	5,800.00	5,991.26	(191.26)	103.30	6,602.50
TOTAL RENTAL INCOME	149,800.00	149,800.00	173,681.88	(23,881.88)	115.94	172,205.40
<u>OTHER FINANCING SOURCES</u>						
901-39203 TRANSFERS FROM OTHER FUNDS	36,000.00	36,000.00	21,654.69	14,345.31	60.15	92,883.77
TOTAL OTHER FINANCING SOURCES	36,000.00	36,000.00	21,654.69	14,345.31	60.15	92,883.77
TOTAL FUND REVENUE	267,400.00	267,400.00	273,702.40			350,098.51

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

DRAFT

FUND 901 - LOW RENT PROGRAM-BRIDGE PARK

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
LOW RENT ADMINISTRATION						
<i>PERSONAL SERVICES</i>						
901-49500-101 ADMIN FULL-TIME EMPLOY-REGULAR	29,363.00	29,363.00	.00	(29,363.00)	.00	.00
901-49500-103 ADMIN PART-TIME - REGULAR	.00	.00	27,697.84	27,697.84	.00	33,186.92
901-49500-121 PERA (EMPLOYER)	2,202.00	2,202.00	2,077.34	(124.66)	94.34	390.92
901-49500-122 FICA/MEDICARE (EMPLOYER)	2,246.00	2,246.00	2,118.89	(127.11)	94.34	2,576.48
901-49500-151 WORKERS' COMPENSATION PREMIU	322.00	322.00	197.65	(124.35)	61.38	252.60
TOTAL PERSONAL SERVICES	34,133.00	34,133.00	32,091.72	(2,041.28)	94.02	36,406.92
<i>SUPPLIES</i>						
901-49500-201 OFFICE SUPPLY	1,500.00	1,500.00	1,346.80	(153.20)	89.79	733.98
TOTAL SUPPLIES	1,500.00	1,500.00	1,346.80	(153.20)	89.79	733.98
<i>OTHER SERVICES AND CHARGES</i>						
901-49500-304 LEGAL FEES	100.00	100.00	1,418.60	1,318.60	1,418.60	.00
901-49500-306 AUDITING	3,000.00	3,000.00	3,600.00	600.00	120.00	3,300.00
901-49500-313 IT MGMT & BACKUP	.00	.00	2,483.91	2,483.91	.00	.00
901-49500-321 TELEPHONE EXPENSE	6,600.00	6,600.00	7,486.97	886.97	113.44	7,602.32
901-49500-322 POSTAGE	250.00	250.00	.00	(250.00)	.00	94.00
901-49500-331 TRAVEL/MEALS/LODGING	100.00	100.00	281.13	181.13	281.13	441.48
901-49500-340 ADVERTISING	100.00	100.00	3.92	(96.08)	3.92	297.90
TOTAL OTHER SERVICES AND CHA	10,150.00	10,150.00	15,274.53	5,124.53	150.49	11,735.70
<i>MISCELLANEOUS</i>						
901-49500-409 LICENSE & SUPPORT CONTRACT	2,000.00	2,000.00	.00	(2,000.00)	.00	1,830.00
901-49500-413 RENTALS - OFFICE EQUIPMENT	400.00	400.00	165.44	(234.56)	41.36	341.07
901-49500-433 DUES AND SUBSCRIPTIONS	1,000.00	1,000.00	580.00	(420.00)	58.00	900.00
901-49500-440 STAFF TRAINING	1,000.00	1,000.00	455.00	(545.00)	45.50	39.95
TOTAL MISCELLANEOUS	4,400.00	4,400.00	1,200.44	(3,199.56)	27.28	3,111.02
TOTAL LOW RENT ADMINISTRATION	50,183.00	50,183.00	49,913.49	(269.51)	99.46	51,987.62

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

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FUND 901 - LOW RENT PROGRAM-BRIDGE PARK

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>LOW RENT TENANT SERVICES</u>						
<i>SUPPLIES</i>						
901-49600-210 REC, PUB & OTHER SERVICES	200.00	200.00	1,511.08	1,311.08	755.54	3,335.22
<i>TOTAL SUPPLIES</i>	200.00	200.00	1,511.08	1,311.08	755.54	3,335.22
TOTAL LOW RENT TENANT SERVICE	200.00	200.00	1,511.08	1,311.08	755.54	3,335.22

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

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FUND 901 - LOW RENT PROGRAM-BRIDGE PARK

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
LOW RENT MAINTENANCE						
<i>PERSONAL SERVICES</i>						
901-49700-103 MAINT PT EMPLOYEES - REGULAR	26,779.00	26,779.00	20,925.52	(5,853.48)	78.14	26,175.51
901-49700-121 PERA (EMPLOYER)	2,008.00	2,008.00	1,569.43	(438.57)	78.16	48.13
901-49700-122 FICA/MEDICARE (EMPLOYER)	2,049.00	2,049.00	1,600.76	(448.24)	78.12	2,040.04
901-49700-151 WORKERS' COMPENSATION PREMIU	1,767.00	1,767.00	1,077.80	(689.20)	61.00	1,478.19
TOTAL PERSONAL SERVICES	32,603.00	32,603.00	25,173.51	(7,429.49)	77.21	29,741.87
<i>SUPPLIES</i>						
901-49700-210 MATERIALS-OPER SUPPLIES	4,400.00	4,400.00	10,140.30	5,740.30	230.46	5,440.45
901-49700-212 FUEL PURCHASE	200.00	200.00	61.88	(138.12)	30.94	9.80
TOTAL SUPPLIES	4,600.00	4,600.00	10,202.18	5,602.18	221.79	5,450.25
<i>OTHER SERVICES AND CHARGES</i>						
901-49700-304 CONTRACT COSTS	20,000.00	20,000.00	22,251.11	2,251.11	111.26	29,105.63
901-49700-360 INSURANCE AND BONDS	12,500.00	12,500.00	9,555.00	(2,945.00)	76.44	9,534.00
901-49700-370 PAYMENT IN LIEU OF TAXES	13,000.00	13,000.00	13,776.00	776.00	105.97	13,336.00
901-49700-381 ELECTRIC UTILITIES	35,700.00	35,700.00	27,420.98	(8,279.02)	76.81	26,036.29
901-49700-382 WATER/WASTEWATER UTILITIES	10,000.00	10,000.00	8,025.79	(1,974.21)	80.26	8,503.32
901-49700-383 GAS UTILITIES	6,000.00	6,000.00	4,135.88	(1,864.12)	68.93	4,191.72
901-49700-384 REFUSE HAULING	2,100.00	2,100.00	2,867.19	767.19	136.53	1,915.97
TOTAL OTHER SERVICES AND CHA	99,300.00	99,300.00	88,031.95	(11,268.05)	88.65	92,622.93
<i>MISCELLANEOUS</i>						
901-49700-420 DEPRECIATION EXPENSE	70,000.00	70,000.00	45,487.02	(24,512.98)	64.98	46,481.84
901-49700-489 OTHER CONTRACTED SERVICES	.00	.00	.00	.00	.00	1,368.33
TOTAL MISCELLANEOUS	70,000.00	70,000.00	45,487.02	(24,512.98)	64.98	47,850.17
<i>IMPROVEMENTS/BETTERMENTS</i>						
901-49700-502 BETTERMENTS AND ADDITIONS	10,514.00	10,514.00	7,919.96	(2,594.04)	75.33	4,083.00
TOTAL IMPROVEMENTS/BETTERM	10,514.00	10,514.00	7,919.96	(2,594.04)	75.33	4,083.00
TOTAL LOW RENT MAINTENANCE	217,017.00	217,017.00	176,814.62	(40,202.38)	81.48	179,748.22

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

DRAFT

FUND 901 - LOW RENT PROGRAM-BRIDGE PARK

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>YTD ACTUAL</u>	<u>UNUSED/ UNEARNED</u>	<u>% OF BUDGET</u>	<u>PRIOR YR YTD ACTUAL</u>
TOTAL FUND EXPENDITURES	<u>267,400.00</u>	<u>267,400.00</u>	<u>228,239.19</u>			<u>235,071.06</u>
NET REVENUES OVER EXPENDITURE	<u>.00</u>	<u>.00</u>	<u>45,463.21</u>			<u>115,027.45</u>

CITY OF CAMBRIDGE
 BALANCE SHEET
 DECEMBER 31, 2017

SECTION 8 VOUCHERS PROGRAM

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<u>ASSETS</u>		
902-10200	EDA OPERATING ACCT-SECTION 8	98,048.74
902-16450	FURN, EQUIP, MACH-ADMIN	4,475.39
902-16460	ACCUM DEPREC-FURN,EQUIP- ADMIN	(4,475.39)
	TOTAL ASSETS	<u>98,048.74</u>
<u>LIABILITIES AND EQUITY</u>		
<u>LIABILITIES</u>		
902-20200	ACCOUNTS PAYABLE	<u>2,789.01</u>
	TOTAL LIABILITIES	2,789.01
<u>FUND EQUITY</u>		
902-27200	UNRESTRICTED NET ASSETS	76,999.36
	UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	<u>18,260.37</u>
	BALANCE - CURRENT DATE	<u>18,260.37</u>
	TOTAL FUND EQUITY	<u>95,259.73</u>
	TOTAL LIABILITIES AND EQUITY	<u>98,048.74</u>

CITY OF CAMBRIDGE
DETAIL REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

DRAFT

FUND 902 - SECTION 8 VOUCHERS PROGRAM

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>INTERGOVERNMENTAL REVENUES</u>						
902-33160 A.C. EARNED SECTION 8	50,000.00	50,000.00	61,158.00	(11,158.00)	122.32	54,286.00
TOTAL INTERGOVERNMENTAL REVE	50,000.00	50,000.00	61,158.00	(11,158.00)	122.32	54,286.00
<u>RENTAL INCOME</u>						
902-35000 PORTABLE ADMIN FEE	2,000.00	2,000.00	3,166.90	(1,166.90)	158.35	1,822.08
TOTAL RENTAL INCOME	2,000.00	2,000.00	3,166.90	(1,166.90)	158.35	1,822.08
<u>INTEREST</u>						
902-36210 INTEREST EARNINGS-ADMIN FUNDS	.00	.00	79.89	(79.89)	.00	75.81
TOTAL INTEREST	.00	.00	79.89	(79.89)	.00	75.81
TOTAL FUND REVENUE	52,000.00	52,000.00	64,404.79			56,183.89

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

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FUND 902 - SECTION 8 VOUCHERS PROGRAM

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>SECT 8 ADMINISTRATIVE</u>						
<i>OTHER SERVICES AND CHARGES</i>						
902-49500-306	AUDIT FEES	3,000.00	3,000.00	3,600.00	600.00	120.00 3,300.00
902-49500-307	CONTRACTED SECT 8 ADMIN	48,000.00	48,000.00	42,544.42	(5,455.58)	88.63 38,294.07
	<i>TOTAL OTHER SERVICES AND CHA</i>	<u>51,000.00</u>	<u>51,000.00</u>	<u>46,144.42</u>	<u>(4,855.58)</u>	<u>90.48 41,594.07</u>
<i>MISCELLANEOUS</i>						
902-49500-409	LICENSE & SUPPORT CONTRACT	1,000.00	1,000.00	.00	(1,000.00)	.00 .00
	<i>TOTAL MISCELLANEOUS</i>	<u>1,000.00</u>	<u>1,000.00</u>	<u>.00</u>	<u>(1,000.00)</u>	<u>.00 .00</u>
	TOTAL SECT 8 ADMINISTRATIVE	<u><u>52,000.00</u></u>	<u><u>52,000.00</u></u>	<u><u>46,144.42</u></u>	<u><u>(5,855.58)</u></u>	<u><u>88.74 41,594.07</u></u>

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

DRAFT

FUND 902 - SECTION 8 VOUCHERS PROGRAM

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>HAP OCCUPIED UNITS</u>						
<i>HAP EXPENDITURES</i>						
902-49775-373 HAP-PORTABLE RECEIVING	.00	.00	339,005.00	339,005.00	.00	293,654.00
902-49775-374 HAP-PORTABLE RECEIV REIMB	.00	.00	(339,005.00)	(339,005.00)	.00	(293,819.00)
902-49775-376 URP PORT REC	.00	.00	739.00	739.00	.00	165.00
902-49775-378 PORT REC URP REIMB	.00	.00	(739.00)	(739.00)	.00	.00
<i>TOTAL HAP EXPENDITURES</i>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>
TOTAL HAP OCCUPIED UNITS	<u><u>.00</u></u>	<u><u>.00</u></u>	<u><u>.00</u></u>	<u><u>.00</u></u>	<u><u>.00</u></u>	<u><u>.00</u></u>

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

FUND 902 - SECTION 8 VOUCHERS PROGRAM

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	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
TOTAL FUND EXPENDITURES	52,000.00	52,000.00	46,144.42			41,594.07
NET REVENUES OVER EXPENDITURE	.00	.00	18,260.37			14,589.82

CITY OF CAMBRIDGE
BALANCE SHEET
DECEMBER 31, 2017

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HOUSING-OTHER BUS ACTIVITIES

<u>ASSETS</u>			
903-10102	INVESTMENTS--PBC	264,441.36	
903-10200	EDA HOUSING DIV OPERATING CASH	<u>95,841.12</u>	
	TOTAL ASSETS		<u>360,282.48</u>
 <u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
903-20100	AP ALLOCATED TO OTHER FUNDS	<u>520.00</u>	
	TOTAL LIABILITIES		520.00
 <u>FUND EQUITY</u>			
903-27200	UNRESTRICTED NET ASSETS	344,333.95	
	UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	<u>15,428.53</u>	
	BALANCE - CURRENT DATE	<u>15,428.53</u>	
	TOTAL FUND EQUITY		<u>359,762.48</u>
	TOTAL LIABILITIES AND EQUITY		<u>360,282.48</u>

CITY OF CAMBRIDGE
DETAIL REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

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FUND 903 - HOUSING-OTHER BUS ACTIVITIES

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>INTEREST & MISC INCOME</u>						
903-36210 INTEREST EARNINGS	.00	.00	1,749.34	(1,749.34)	.00	1,662.56
TOTAL INTEREST & MISC INCOME	.00	.00	1,749.34	(1,749.34)	.00	1,662.56
<u>OTHER REVENUES</u>						
903-37220 TOWER TERRACE DISTRIBUTION	8,000.00	8,000.00	17,083.00	(9,083.00)	213.54	8,454.00
TOTAL OTHER REVENUES	8,000.00	8,000.00	17,083.00	(9,083.00)	213.54	8,454.00
TOTAL FUND REVENUE	8,000.00	8,000.00	18,832.34			10,116.56

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

DRAFT

FUND 903 - HOUSING-OTHER BUS ACTIVITIES

		ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>OTHER HOUSING BUS ACTIV-ADMIN</u>							
903-49500-112	BOARD PAY	2,100.00	2,100.00	1,750.00	(350.00)	83.33	2,275.00
903-49500-122	FICA/MEDICARE (EMPLOYER)	.00	.00	133.81	133.81	.00	174.06
	<i>TOTAL FUNCTION 1</i>	<u>2,100.00</u>	<u>2,100.00</u>	<u>1,883.81</u>	<u>(216.19)</u>	<u>89.71</u>	<u>2,449.06</u>
<u>OTHER SERVICES AND CHARGES</u>							
903-49500-304	LEGAL FEES	.00	.00	1,000.00	1,000.00	.00	.00
903-49500-305	ACCOUNTING FEES	.00	.00	520.00	520.00	.00	.00
903-49500-331	TRAVEL/MEALS/LODGING	500.00	500.00	.00	(500.00)	.00	130.88
	<i>TOTAL OTHER SERVICES AND CHA</i>	<u>500.00</u>	<u>500.00</u>	<u>1,520.00</u>	<u>1,020.00</u>	<u>304.00</u>	<u>130.88</u>
	TOTAL OTHER HOUSING BUS ACTIV	<u><u>2,600.00</u></u>	<u><u>2,600.00</u></u>	<u><u>3,403.81</u></u>	<u><u>803.81</u></u>	<u><u>130.92</u></u>	<u><u>2,579.94</u></u>

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

DRAFT

FUND 903 - HOUSING-OTHER BUS ACTIVITIES

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>YTD ACTUAL</u>	<u>UNUSED/ UNEARNED</u>	<u>% OF BUDGET</u>	<u>PRIOR YR YTD ACTUAL</u>
TOTAL FUND EXPENDITURES	2,600.00	2,600.00	3,403.81			2,579.94
NET REVENUES OVER EXPENDITURE	5,400.00	5,400.00	15,428.53			7,536.62

CITY OF CAMBRIDGE
DETAIL REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

DRAFT

FUND 904 - CAPITAL FUND PROGRAM-HUD

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>INTERGOVERNMENTAL REVENUES</u>						
904-33160 HUD CAPITAL GRANTS	36,000.00	36,000.00	21,654.69	14,345.31	60.15	64,023.77
TOTAL INTERGOVERNMENTAL REVE	36,000.00	36,000.00	21,654.69	14,345.31	60.15	64,023.77
 TOTAL FUND REVENUE	 36,000.00	 36,000.00	 21,654.69			 64,023.77

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

DRAFT

FUND 904 - CAPITAL FUND PROGRAM-HUD

		ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>OTHER FINANCING USES</u>							
904-49300-720	TRANSFERS OUT	36,000.00	36,000.00	21,654.69	(14,345.31)	60.15	92,883.77
	<i>TOTAL FUNCTION 7</i>	36,000.00	36,000.00	21,654.69	(14,345.31)	60.15	92,883.77
	TOTAL OTHER FINANCING USES	<u>36,000.00</u>	<u>36,000.00</u>	<u>21,654.69</u>	<u>(14,345.31)</u>	<u>60.15</u>	<u>92,883.77</u>

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

02/07/2018

FUND 904 - CAPITAL FUND PROGRAM-HUD

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
TOTAL FUND EXPENDITURES	36,000.00	36,000.00	21,654.69			92,883.77
NET REVENUES OVER EXPENDITURE	.00	.00	.00			(28,860.00)

CITY OF CAMBRIDGE
 BALANCE SHEET
 DECEMBER 31, 2017

HAP SECTION 8 VOUCHERS PROGRAM

ASSETS

905-10130	FSS-CASH WITH ESCROW AGENT	10,332.35	
905-10200	EDA OPERATING ACCT-SECTION 8	(15,204.47)	
	TOTAL ASSETS		(4,872.12)

LIABILITIES AND EQUITY

LIABILITIES

905-22000	FSS ESCROW	10,332.35	
	TOTAL LIABILITIES		10,332.35

FUND EQUITY

905-27200	RESTRICTED NET ASSETS-HAP	9,907.10	
	UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	(25,111.57)	
	BALANCE - CURRENT DATE	(25,111.57)	
	TOTAL FUND EQUITY		(15,204.47)
	TOTAL LIABILITIES AND EQUITY		(4,872.12)

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CITY OF CAMBRIDGE
DETAIL REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

DRAFT

FUND 905 - HAP SECTION 8 VOUCHERS PROGRAM

		ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>INTERGOVERNMENTAL REVENUES</u>							
905-33160	A.C. EARNED SECTION 8	346,216.00	346,216.00	396,525.00	(50,309.00)	114.53	369,516.00
	TOTAL INTERGOVERNMENTAL REVE	346,216.00	346,216.00	396,525.00	(50,309.00)	114.53	369,516.00
<u>INTEREST</u>							
905-36211	HAP INTEREST INCOME	.00	.00	31.27	(31.27)	.00	4.28
	TOTAL INTEREST	.00	.00	31.27	(31.27)	.00	4.28
	TOTAL FUND REVENUE	<u>346,216.00</u>	<u>346,216.00</u>	<u>396,556.27</u>			<u>369,520.28</u>

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

FUND 905 - HAP SECTION 8 VOUCHERS PROGRAM

DRAFT

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>HAP EXPENDITURES</u>						
<i>HAP EXPENDITURES</i>						
905-49775-370 HAP OCCUPIED UNITS	346,216.00	346,216.00	402,657.00	56,441.00	116.30	349,774.00
905-49775-371 HAP-UTILITY ALLOWANCES	.00	.00	145.00	145.00	.00	843.00
905-49775-372 HAP-PORTABLE PAYING OUT	.00	.00	13,347.00	13,347.00	.00	4,906.00
905-49775-375 FSS	.00	.00	4,332.00	4,332.00	.00	741.00
905-49775-377 PORT PAY OUT ADMIN FEE	.00	.00	1,186.84	1,186.84	.00	534.46
<i>TOTAL HAP EXPENDITURES</i>	346,216.00	346,216.00	421,667.84	75,451.84	121.79	356,798.46
TOTAL HAP EXPENDITURES	346,216.00	346,216.00	421,667.84	75,451.84	121.79	356,798.46

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

DRAFT

FUND 905 - HAP SECTION 8 VOUCHERS PROGRAM

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
TOTAL FUND EXPENDITURES	346,216.00	346,216.00	421,667.84			356,798.46
NET REVENUES OVER EXPENDITURE	.00	.00	(25,111.57)			12,721.82

CITY OF CAMBRIDGE
DETAIL REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

DRAFT

FUND 205 - EDA ADMIN FUND

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<u>SOURCE 33</u>						
205-33633 INIT FOUND DOWNTOWN REVITALIG	.00	.00	.00	.00	.00	5,000.00
TOTAL SOURCE 33	.00	.00	.00	.00	.00	5,000.00
<u>INTEREST</u>						
205-36210 INTEREST EARNINGS	100.00	100.00	2,954.05	(2,854.05)	2,954.05	3,937.99
TOTAL INTEREST	100.00	100.00	2,954.05	(2,854.05)	2,954.05	3,937.99
<u>MALL OPERATING REVENUES</u>						
205-37200 MISCELLANEOUS	.00	.00	.00	.00	.00	133.75
205-37220 RENTAL FEES	210,000.00	210,000.00	223,283.28	(13,283.28)	106.33	224,699.11
TOTAL MALL OPERATING REVENUES	210,000.00	210,000.00	223,283.28	(13,283.28)	106.33	224,832.86
<u>TRANSFERS FROM OTHER FUNDS</u>						
205-39203 TRANSFERS FROM OTHER FUNDS	75,000.00	75,000.00	275,000.00	(200,000.00)	366.67	.00
TOTAL TRANSFERS FROM OTHER FU	75,000.00	75,000.00	275,000.00	(200,000.00)	366.67	.00
TOTAL FUND REVENUE	285,100.00	285,100.00	501,237.33			233,770.85

** funded tax abatement agreements in advance.*

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

DRAFT

FUND 205 - EDA ADMIN FUND

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL	
EDA ADMINISTRATION							
<i>PERSONAL SERVICES</i>							
205-41930-101	FULL-TIME EMPLOYEES - REGULAR	87,796.00	87,796.00	89,728.80	1,932.80	102.20	.00
205-41930-112	EDA MEETING PAYMENTS	2,500.00	2,500.00	490.00	(2,010.00)	19.60	.00
205-41930-121	PERA (EMPLOYER)	6,730.00	6,730.00	6,729.66	(34)	99.99	.00
205-41930-122	FICA/MEDICARE (EMPLOYER)	7,055.00	7,055.00	6,695.96	(359.04)	94.91	.00
205-41930-131	MEDICAL/DENTAL/LIFE	15,368.00	15,368.00	15,303.60	(64.40)	99.58	.00
205-41930-132	LONGEVITY PAY	1,930.00	1,930.00	.00	(1,930.00)	.00	.00
205-41930-133	DEDUCTIBLE CONTRIBUTION	.00	.00	1,434.32	1,434.32	.00	.00
205-41930-151	WORKERS' COMPENSATION PREMIU	754.00	754.00	483.76	(270.24)	64.16	.00
205-41930-154	HRA/FLEX FEES	.00	.00	73.35	73.35	.00	.00
	TOTAL PERSONAL SERVICES	122,133.00	122,133.00	120,939.45	(1,193.55)	99.02	.00
<i>SUPPLIES</i>							
205-41930-201	OFFICE SUPPLIES	.00	.00	136.72	136.72	.00	19.24
205-41930-210	MISCELLANEOUS OPER SUPPLIES	.00	.00	215.30	215.30	.00	35.68
205-41930-221	REPAIR & MAINT VEH/EQUIPMENT	.00	.00	196.25	196.25	.00	.00
205-41930-240	SMALL TOOLS & MINOR EQUIPMENT	1,500.00	1,500.00	2,503.60	1,003.60	166.91	429.99
	TOTAL SUPPLIES	1,500.00	1,500.00	3,051.87	1,551.87	203.46	484.91
<i>OTHER SERVICES & CHARGES</i>							
205-41930-304	MISC PROFESSIONAL SERVICES	5,000.00	5,000.00	3,497.55	(1,502.45)	69.95	5,369.97
205-41930-313	IT MGMT & BACKUP	.00	.00	2,523.91	2,523.91	.00	.00
205-41930-321	TELEPHONE/CELLULAR	.00	.00	743.68	743.68	.00	.00
205-41930-331	TRAVEL/MEALS/LODGING	750.00	750.00	1,314.59	564.59	175.28	154.86
205-41930-334	MILEAGE REIMBURSEMENT	1,050.00	1,050.00	625.15	(424.85)	59.54	883.44
205-41930-351	LEGAL NOTICES/ORD PUB	200.00	200.00	138.00	(62.00)	69.00	38.33
205-41930-360	INSURANCE AND BONDS	2,000.00	2,000.00	1,086.87	(913.13)	54.34	1,059.91
205-41930-381	ELECTRIC UTILITIES	250.00	250.00	836.99	586.99	334.80	614.35
205-41930-382	WATER/SEWER/STORM PROPERTY A	.00	.00	731.32	731.32	.00	73.28
205-41930-383	GAS UTILITIES	250.00	250.00	118.44	(131.56)	47.38	51.36
	TOTAL OTHER SERVICES & CHARG	9,500.00	9,500.00	11,616.50	2,116.50	122.28	8,245.50

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

DRAFT

FUND 205 - EDA ADMIN FUND

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL
<i>MISCELLANEOUS</i>						
205-41930-404 REP & MAINT LABOR VEH/EQUIP	.00	.00	.00	.00	.00	1,208.67
205-41930-407 HWY 95 PROPERTY ACQ MAINT EXP	.00	.00	10,061.85	10,061.85	.00	.00
205-41930-430 MISCELLANEOUS	.00	.00	.00	.00	.00	24.66
205-41930-433 DUES AND SUBSCRIPTIONS	1,500.00	1,500.00	840.66	(659.34)	56.04	250.00
205-41930-440 SCHOOLS & MEETINGS	1,500.00	1,500.00	305.00	(1,195.00)	20.33	535.00
205-41930-450 TAX ABATEMENT-MAIN & 65 LLC	.00	.00	6,403.00	6,403.00	.00	.00
205-41930-451 TAX ABATEMENT-MOTEK/TEAM IND	.00	.00	32,875.84	32,875.84	.00	.00
205-41930-484 NLX ACTIVITIES	5,250.00	5,250.00	4,830.00	(420.00)	92.00	2,625.00
205-41930-485 PROPERTY TAXES	3,000.00	3,000.00	1,172.00	(1,828.00)	39.07	2,358.00
205-41930-486 COMMUNITY COLLABORATIONS PRO	.00	.00	5,475.88	5,475.88	.00	11,280.26
205-41930-487 MN DESIGN TEAM PROJECT	.00	.00	.00	.00	.00	10,091.91
205-41930-488 DOWNTOWN TASK FORCE	.00	.00	.00	.00	.00	750.00
205-41930-489 IND PARK MARKETING	10,500.00	10,500.00	9,457.11	(1,042.89)	90.07	8,290.83
205-41930-497 EDA ADM-WEB SITE MAINT	3,000.00	3,000.00	3,000.00	.00	100.00	3,000.00
TOTAL MISCELLANEOUS	24,750.00	24,750.00	74,421.34	49,671.34	300.69	40,414.33
TOTAL EDA ADMINISTRATION	157,883.00	157,883.00	210,029.16	52,146.16	133.03	49,144.74

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

DRAFT

FUND 205 - EDA ADMIN FUND

	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	UNUSED/ UNEARNED	% OF BUDGET	PRIOR YR YTD ACTUAL	
MALL OPERATING EXPENSES							
<i>PERSONAL SERVICES</i>							
205-47000-101	FULL-TIME EMPLOYEES - REGULAR	24,920.00	24,920.00	25,151.18	231.18	100.93	24,378.26
205-47000-102	FULL-TIME EMPLOYEES - OVERTIME	1,000.00	1,000.00	46.05	(953.95)	4.61	9.21
205-47000-103	TEMPORARY EMPLOYEE	3,000.00	3,000.00	6,121.58	3,121.58	204.05	1,485.88
205-47000-121	PERA (EMPLOYER)	1,961.00	1,961.00	1,886.34	(74.66)	96.19	1,799.76
205-47000-122	FICA/MEDICARE (EMPLOYER)	2,201.00	2,201.00	2,331.03	130.03	105.91	1,889.78
205-47000-131	MEDICAL/DENTAL/LIFE	7,684.00	7,684.00	7,643.76	(40.24)	99.48	7,129.14
205-47000-133	DEDUCTIBLE CONTRIBUTION	600.00	600.00	.00	(600.00)	.00	.00
205-47000-151	WORKERS' COMPENSATION PREMIU	1,568.00	1,568.00	1,454.40	(113.60)	92.76	1,131.50
205-47000-154	HRA/FLEX FEES	50.00	50.00	36.75	(13.25)	73.50	36.75
	TOTAL PERSONAL SERVICES	42,984.00	42,984.00	44,671.09	1,687.09	103.92	37,860.28
<i>SUPPLIES</i>							
205-47000-211	MISC OPERATING SERVICES	.00	.00	129.99	129.99	.00	138.64
205-47000-212	GASOLINE/FUEL	250.00	250.00	67.75	(182.25)	27.10	82.20
205-47000-221	REPAIRS & MAINTENANCE SUPPLIES	7,500.00	7,500.00	10,305.61	2,805.61	137.41	13,616.18
	TOTAL SUPPLIES	7,750.00	7,750.00	10,503.35	2,753.35	135.53	13,837.02
<i>OTHER SERVICES & CHARGES</i>							
205-47000-321	TELEPHONE/CELLULAR PHONES	1,800.00	1,800.00	289.54	(1,510.46)	16.09	208.87
205-47000-360	INSURANCE AND BONDS	7,000.00	7,000.00	4,388.00	(2,612.00)	62.69	4,289.25
205-47000-381	ELECTRIC UTILITIES	21,000.00	21,000.00	20,859.83	(140.17)	99.33	19,506.29
205-47000-382	WATER/WASTEWATER UTILITIES	5,700.00	5,700.00	4,733.14	(966.86)	83.04	5,130.22
205-47000-383	GAS UTILITIES	6,000.00	6,000.00	3,651.30	(2,348.70)	60.86	3,810.03
205-47000-384	REFUSE HAULING	4,500.00	4,500.00	3,727.53	(772.47)	82.83	4,088.50
	TOTAL OTHER SERVICES & CHARG	46,000.00	46,000.00	37,649.34	(8,350.66)	81.85	37,033.16
<i>MISCELLANEOUS</i>							
205-47000-401	REP & MAINT-BLDG/STRUCTURES	11,500.00	11,500.00	16,419.16	4,919.16	142.78	12,265.99
205-47000-413	BNSF PARKING LOT LEASE	800.00	800.00	1,036.80	236.80	129.60	2,269.42
205-47000-489	OTHER CONTRACTED SERVICES	12,000.00	12,000.00	(133.20)	(12,133.20)	(1.11)	77.85
205-47000-490	MALL CAP FUND CONTRIBUTION	.00	.00	2,350.00	2,350.00	.00	54,000.00
205-47000-496	MALL CAPITAL EQUIPMENT	.00	.00	11,290.00	11,290.00	.00	.00
	TOTAL MISCELLANEOUS	24,300.00	24,300.00	30,962.76	6,662.76	127.42	68,613.26
	TOTAL MALL OPERATING EXPENSE	121,034.00	121,034.00	123,786.54	2,752.54	102.27	157,343.72

CITY OF CAMBRIDGE
DETAIL EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2017

DRAFT

FUND 205 - EDA ADMIN FUND

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>YTD ACTUAL</u>	<u>UNUSED/ UNEARNED</u>	<u>% OF BUDGET</u>	<u>PRIOR YR YTD ACTUAL</u>
TOTAL FUND EXPENDITURES	<u>278,917.00</u>	<u>278,917.00</u>	<u>333,815.70</u>			<u>206,488.46</u>
NET REVENUES OVER EXPENDITURE	<u>6,183.00</u>	<u>6,183.00</u>	<u>167,421.63</u>			<u>27,282.39</u>

February 20, 2018

Author: Stan Gustafson

Request:

Just for Paws Grooming is requesting approval of a lease extension for unit # 140.

BACKGROUND

Just for Paws Grooming has leased unit #140 since February 2006. A three year extension reflects an increase in base rent of \$.25 per square foot, each year over the next 3 years. This would extend the lease from March 1, 2018 to February 28, 2021. This brings their rents in line with market rate rents.

The proposed lease is as follows:

MINIMUM RENT

The minimum rent during the term of this lease shall be at the following rates:

<u>Lease Year</u>	<u>Rate</u>	<u>Monthly</u>	<u>Annual</u>
1 st (March 1, 2018 to February 28, 2019)	\$10.75/s.f.	\$658.44	\$7,901.25
2 nd (March 1, 2019 to February 28, 2020)	\$11.00/s.f.	\$672.75	\$8,085.00
3 rd (March 1, 2020 to February 28, 2021)	\$11.25/s.f.	\$689.06	\$8,268.75

RECOMMENDATION

A motion from the EDA approving the lease extension for Just For Paws Unit 140 City Center Mall from March 1, 2018 to February 28, 2021 and authorize the Economic Development Authority President and Executive Director to sign the lease.

CAMBRIDGE CITY CENTER LEASE

THIS LEASE amendment is made this _____ day of February, 2018, between the Cambridge EDA, a public body corporate and politic (the "Landlord") and Just for Paws Grooming (the "Tenant").

In consideration of the payment of the rent and the performance of the covenants and agreements by the Landlord set forth below, the Landlord does hereby lease to the Tenant the following described property situated in the City of Cambridge, County of Isanti, in the State of Minnesota, the street address of which is 140 Buchanan Street North, Cambridge, Minnesota 55008. Suite #140 (735 square feet) of the Cambridge City Center is outlined in yellow on the attached Exhibit "A", which is by reference made a part hereof. (The premises outlined in yellow are hereinafter called the "Leased Premises"). Legal description of the Cambridge City Center is attached as Exhibit "B".

LEASE TERM

The Lease Term amendment and rent will commence March 1, 2018. The fixed annual minimum rent during the term of this lease shall be payable by Tenant in monthly installments, on or before the first day of each month, in advance, at the office of Landlord or at such other place as is designated by Landlord, without prior demand therefore, and without any deduction or setoff whatsoever. The Lease Term shall run from March 1, 2018 to February 28, 2021.

MINIMUM RENT

The minimum rent during the term of this lease shall be at the following rates:

<u>Lease Year</u>	<u>Rate</u>	<u>Monthly</u>	<u>Annual</u>
1st (March 1, 2018 to February 28, 2019)	\$10.75/s.f.	\$658.44	\$7,901.25
2nd (March 1, 2019 to February 28, 2020)	\$11.00/s.f.	\$672.75	\$8,085.00
3rd (March 1, 2020 to February 28, 2021)	\$11.25/s.f.	\$689.06	\$8,268.75

TENANT AGREEMENT

The Tenant, in considerations of the leasing of the premises agrees as follows:

1. To pay the rent for the premises above-described.
2. To keep the improvement upon the premises, including sewer connections, plumbing, wiring and glass in good repair, all at Tenant's expenses, and at the expiration of the Lease to surrender the premises in as good a condition as when the Tenant entered the premises, loss by fire, inevitable accident, and ordinary wear excepted.
3. That the Tenant shall not paint, wallpaper, nor make alterations to the property without the Landlord's prior written consent.

4. Tenant shall not erect or install any interior window or door signs, advertising media or window or door lettering or placards or other signs without Landlord's prior written consent. Tenant shall not erect or install any exterior signs at any time without Landlord's prior written consent. It is agreed by Tenant that all of Tenant's signs shall conform when installed to the Sign Criteria set forth as Exhibit "C" hereto and incorporated herein by reference or to the Sign Criteria then in effect with respect to the City Center at the time of installation of any sign by Tenant, which Sign Criteria Landlord reserves the right to modify.
5. To sublet no part of the premises, and not to assign the lease or any interest therein without the written consent of the Landlord.
6. To use the premises only as a pet grooming service business and to use the premises for no purposes prohibited by the laws of the United States or the State of Minnesota, or of the ordinances of the City of Cambridge, and for no improper or questionable purposes whatsoever, and to neither permit nor suffer any disorderly conduct, noise or nuisance having a tendency to annoy or disturb any persons occupying adjacent premises. Specifically, the tenant shall comply with all Federal, State and Local Animal Welfare and Protection regulations.
7. To comply with all reasonable rules or regulations posted on the premises or determined mutually between tenants and Landlord.
8. To neither hold nor attempt to hold the Landlord liable for any injury or damage, either proximate or remote, occurring through or caused by the repairs, alterations, injury or accident to the premises, or adjacent premises, or other parts of the above premises not herein demised, or by reason of the negligence or default of the owners or occupants thereof or any other person, nor to hold the Landlord liable for any injury or damage occasioned by defective electric wiring, or the breakage or stoppage of plumbing or sewerage upon said premises or upon adjacent premises, whether breakage or stoppage results from freezing or otherwise; to neither permit nor suffer said premise, or the walls or floors thereof, to be endangered by overloading, nor said premises to be used for any purpose which would render the insurance thereon void or the insurance risk more hazardous, nor make any alterations in or changes in, upon, or about said premises without first obtaining the written consent of the Landlord therefore, but to permit the Landlord to place a "For Lease" card or sign upon the leased premises at any time after sixty (60) days before the end of this lease. Tenant agrees to indemnify, hold harmless and defend Landlord, its agents, employees, and officers from any liability or damages arising out of Tenant's operations or any act or omission of Tenant, its agents, employees, invitees, or guests in either the Leased Premises or the City Center.
9. Tenant agrees to carry during the term hereof public liability insurance for the Premises, providing coverage in the minimum amount of Five Hundred Thousand Dollars (\$500,000) against liability for injury to or death of any one person and

One Million Five Hundred Thousand Dollars (\$1,500,000) against liability arising out of any one accident or occurrence, and also One Hundred Thousand Dollars (\$100,000) against liability arising out of any property damage; said insurance shall include Landlord, its agents, beneficiaries, and employees as assured parties and shall provide that a certificate provided to a third party must not provide for notice of cancellation that exceeds the statutory notice of cancellation provided to the policyholder. Tenant shall provide Landlord with copies of the policies or certificates evidencing that such insurance is in full force and effect and stating the terms thereof.

10. To allow the Landlord to enter upon the premises at any reasonable hour.
11. The leased premises are constructed to utilize individual heating and air conditioning systems. Landlord agrees to keep the air-conditioning and heating systems operating at levels sufficient to satisfy the requirements of the leased premises. Tenant shall pay for all heating, air conditioning, electricity, gas, telephone, water, and sewer charges used in the leased premises.

IT IS EXPRESSLY UNDERSTOOD AND AGREED BETWEEN LANDLORD AND TENANT AS FOLLOWS:

12. No assent, express or implied, to any breach of any one or more of the agreements hereof shall be deemed or taken to be a waiver of any succeeding or other breach. Any payment by Tenant, or acceptance by Landlord, of a lesser amount than due shall be treated only as a payment on account. Further, failure of the Landlord to timely bill for taxes, insurance or repairs, as required herein, shall not be deemed a waiver of the Tenant's liability to pay same.
13. If, after the expiration of this Lease, the tenant shall remain in possession of the premises and continue to pay rent without a written agreement as to such possession, then such tenancy shall be regarded as a month-to-month tenancy, at a monthly rental, payable in advance, equivalent to the last month's rent paid under this lease, and subject to all the terms and conditions of this lease.
14. If the premises are left vacant and any part of the rent reserved hereunder is not paid, then the Landlord may, without being obligated to do so, and without terminating this Lease, retake possession of the said premises and rent the same for such rent, and upon such conditions as the Landlord may think best, making such change and repairs/as may be required, giving credit for the amount of rent so received less all expenses of such changes and repairs, and the Tenants shall be liable for the balance of the rent herein reserved until the expiration of the term of this Lease.
15. Tenant hereby deposits with Landlord and shall maintain at all times on deposit with Landlord and keep whole and unencumbered the sum of six hundred twelve dollars and 50/100 (\$612.50), the receipt of which is hereby acknowledged as security for the faithful performance by Tenant of every term and condition of this

Lease. If there shall be a breach or default by Tenant in respect of any term or condition of this lease, Landlord may use all or any part of the security deposit to perform same for the account of Tenant. If Tenant shall fully and faithfully comply with all of the provisions of this lease then said security deposit or any balance thereof remaining shall be repaid to Tenant within a reasonable time after such removal, quitting, and surrender. It is understood that no interest on said security will be paid by Landlord to Tenant. In the event of any sale, transfer, or assignment of Landlord's interest under this lease, Landlord may transfer or assign said security deposit to the vendee, transferee or assignee, as the case may be, and Landlord thereupon shall be released from all liability for the repayment of said security deposit, and Tenant, in each instance, shall look solely to such vendee, transferee or assignee, as the case may be, for repayment of said security deposit. The provisions hereof shall apply to each such sale, transfer, or assignment and to each such transfer or assignment of such security deposit.

16. If any part of the rent provided to be paid herein is not paid when due, or if any default is made in any of the agreements by the Tenant contained herein, it shall be lawful for the Landlord to declare the term ended, and to enter into the premises, either with or without legal process, and to remove the Tenant or any other person occupying the premises, using such force as may be necessary, without being liable to prosecution, or in damages therefore, and to repossess the premises free and clear of any rights of the Tenant. If, at any time, this lease is terminated under this paragraph, the Tenant agrees to peacefully surrender the premises to the Landlord immediately upon termination, and if the Tenant remains in possession of the premises, the Tenant shall be deemed guilty of forcible entry and detainer of the premises, and, waiving notice, shall be subject to forcible eviction with or without process of law.
17. In the event of any dispute arising under the terms of this Lease, or in the event of non-payment of any sums arising under this lease and in the event the matter is turned over to an attorney, the party prevailing in such dispute shall be entitled, in addition to other damages or costs, to receive reasonable attorney's fees from the other party.
18. In the event any payment required hereunder is not made within five (5) days after the payment is due, a late charge in the amount of five percent (5%) of the payment will be paid by the Tenant.
19. In the event of a condemnation or other taking by any governmental agency, all proceeds shall be paid to the Landlord hereunder, the Tenant waiving all right to any such payments.
20. This lease is made with the express understanding and agreement that, in the event the Tenant becomes insolvent, or is declared bankrupt, then, in either event, the Landlord may declare this Lease ended, and all rights of the Tenant hereunder shall terminate and cease.

21. Landlord promises to keep the structural elements (i.e. walls and roof) and the parking lot and sidewalks of the Cambridge City Center in reasonable repair except when the damage is caused by the intentional or negligent action of Tenant or Tenant's agents, employees or guests. For purposes of this Lease, structural elements shall mean the foundation, floor, exterior and load bearing walls and the roof. Maintenance of the parking lot and sidewalks shall include snow removal.
22. If the Leased Premises is destroyed or damaged not due to the fault of Tenants or Tenant's guests, and the Leased Premises is unfit for Tenant's use, Tenant shall not be required to pay rent for the time the Leased Premises cannot be used. If part of the Leased Premises cannot be used, Tenant must only pay rent for the usable part. If the Leased Premises is substantially damaged or destroyed (meaning 50% or more of the Leased Premises is unusable), either Landlord or Tenant may terminate this Lease by written notice to the other within 30 days of the event causing such damage or destruction, and the Landlord shall have no obligation to Tenant to rebuild or repair the Premises.
23. Tenant expressly understands that the location of the property may be situated in a future redevelopment area. At the present time there is not a plan for redevelopment that would affect the term of this lease but a concept of a Cambridge Depot for Passenger rail service has been presented. However, should a redevelopment plan come to fruition during the term of the lease, Landlord will give the Tenant a minimum of 180 days notice to vacate the subject property. If notice is given, Tenant shall vacate the subject property 180 days thereafter, or at a later time as agreed upon by the Landlord. Tenant hereby expressly waives any right to damages that may arise from any redevelopment action or eminent domain action of the City of Cambridge or any claim for relocation assistance. Tenant understands that the possibility of redevelopment is reflected in the lease rate.
24. Tenant is responsible for cleaning and general maintenance of the premises. Tenant is responsible for, including but not limited to, interior cleaning of the unit and glass doors; light bulb replacement and disposal; general maintenance and repair of any tenant build out items in the suite; moving/set-up of tenant items; garbage removal (all tenant garbage shall be brought out to the dumpsters in the rear of the mall).
25. Landlord is not responsible for any items displayed by tenant in the common area of the mall outside of tenant's individual suite(s). All such items must be removed upon request of the Landlord in order for the common area mall floors to be cleaned or when a special event is being held in the common area of the mall. This lease only grants use by the tenant for the suite as outlined on Exhibit A.
26. In the event the Tenant or Landlord wish to terminate the lease for any reason, the Landlord shall provide Tenant with a six-month early termination notice and Tenant shall provide the Landlord with a 3-month early termination notice. The

Tenant shall agree to pay the rent through the end of the early termination notice period.

ADDITIONAL PROVISIONS:

1. Tenant hereby agrees that there shall be no offensive odor or excessive humidity or noise produced by the operation of the proposed use. Should the Landlord find that there is any offensive odor or excessive humidity or noise associated with the use of the space it shall be immediately eliminated. Possible solutions shall include but not limited to installation of a dehumidifier, and/or installation of an exhaust/air exchange system and/or other solutions. All costs associated with these improvements shall be the sole responsibility of the tenant. Failure to immediately address and eliminate these issues shall be grounds for termination of this lease by the Landlord upon 30 days written notice.

2. Tenant hereby agrees to clean excess animal hair or feces in the common areas of the mall associated with the use of the leased space.

3. Landlord is not responsible for any items displayed by tenant in the common area of the mall outside of tenant's individual suite(s). All such items must be removed upon request of the Landlord in order for the common area mall floors to be cleaned or when a special event is being held in the common area of the mall. This lease only grants use by tenant for the suite as outlined on Exhibit A.

THIS LEASE shall be binding on the parties, their personal representatives, successors and assigns.

IN WITNESS WHEREOF, Landlord and Tenant have signed this Lease as of the date set forth above.

Cambridge EDA

By: _____

Its: _____

By: _____

Its: _____

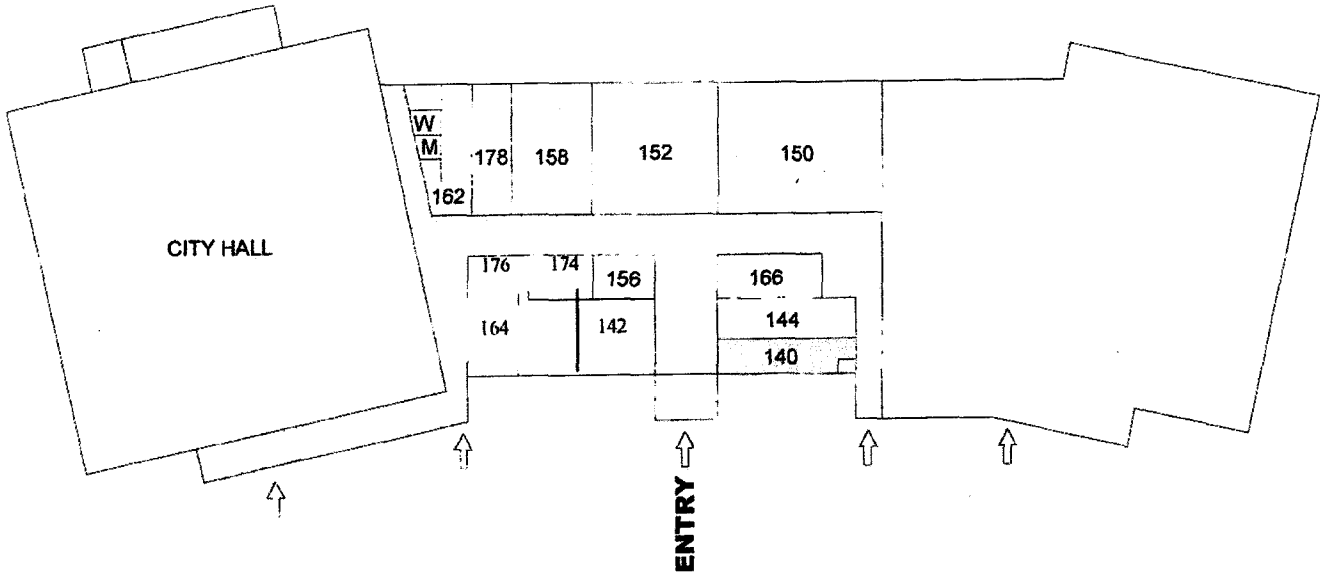
Just for Paws Grooming

By: _____

Its: _____

EXHIBIT A

Cambridge City Center



Legal Description of Cambridge City Center Property

Lot 1, Block 1, Outlot A and Outlot B, all of Downtown Commercial 2nd Plat, according to the plat thereof on file or of record in the Office of the Isanti County Recorder, Isanti County, Minnesota.

EXCEPTING THEREFROM the following described parcel: That part of Lot 1, Block 1 of the recorded plat of Downtown Commercial 2nd Plat, Isanti County, Minnesota, described as follows:

Beginning at the Southeast corner of said Lot 1, Block 1; thence North 15 degrees 49 minutes 25 seconds East, along the Easterly line of said Lot 1, a distance of 109.62 feet; thence North 89 degrees 58 minutes 30 seconds West, a distance of 200.03 feet; thence North 0 degrees 01 minutes 30 seconds East, a distance of 64.78 feet; thence North 89 degrees 58 minutes 30 seconds West, a distance of 116.48 feet to the Westerly line of said Lot 1; thence South 15 degrees 37 minutes 20 seconds West, along said Westerly line, a distance of 84.46 feet to the Southwesterly corner of said Lot 1; thence South 73 degrees 56 minutes 30 seconds East, along the Southerly line of said Lot 1, a distance of 321.91 feet to the point of beginning.

Together with easements for driveways, sidewalks, parking, utilities and support as set forth in that certain Reciprocal Easement and Operating Agreement, dated September 20, 1990 and recorded October 8, 1990 as Document No. 196595 in the office of the Isanti County Recorder, Isanti County, Minnesota, as amended by that certain First Amendment to Reciprocal Easement and Operating Agreement, dated June 22, 1993, and recorded July 2, 1993, as Document No. 214331, in the office of the Isanti County Recorder, Isanti County, Minnesota.

Abstract Property.

EXHIBIT C

SIGN CRITERIA

I. GENERAL

1. Tenant shall be required to identify the premises with an illuminated sign. All such signs shall be subject to the requirements and limitations as outlined hereafter.
2. Tenant's sign shall be store identity sign only and shall be placed in the storefront area in an area designated by Landlord as to location and size.
3. Sign letters or components shall not have exposed neon or other lamps. All light sources shall be concealed by translucent material. Sign letters or components may be back illuminated with lamps contained fully within the depth of the letter. In no event shall lighted signs exceed 100 foot lamberts.

II. PROHIBITED SIGNS

The following types of signs or sign components shall be PROHIBITED:

1. Signs employing moving or flashing lights.
2. Signs employing exposed raceways, ballast boxes or transformers.
3. Sign manufacturer's names, stamps or decals.
4. Signs of a box or cabinet type.
5. Signs employing unetched or uncapped plastic letters or letters with no returns or exposed fastenings.
6. Paper or cardboard signs hung around, on or behind storefront (including glass doors and/or windows).
7. Signs placed at right angles to any storefront.
8. Signs purporting to identify leased departments or concessionaires contained within the premises.

III. PROCEDURE

Tenant shall submit two (2) drawings of its proposed signage to the Landlord for Landlord's approval prior to installation of any signage. Tenant must receive Landlord's or (Landlord's manager's) written approval prior to installation of any signage.

IV. SIGN REGULATIONS

- a. Signs shall be composed of individual letters that shall not exceed 24" in height. Lettering is not restricted to any particular style.
- b. Signs may be internally illuminated or non-illuminated. Lighting fixtures attached to the storefront for the purpose of illuminating a non-illuminated sign are prohibited.

- c. Signs may have one (1) line of copy above another line but the combined height of both lines shall not exceed 24".
- d. There are no restrictions as to color.
- e. Signs shall not cover more than eighty percent (80%) of the width of the storefront to which they are attached. However, all signs shall be set-in at least eighteen inches (18") from the borders of the tenants lease area.

Signs must be centered in front of each store.

- f. Signs shall be vertically centered on the sign soffit.
- g. Logos may be used in the allocated sign area but are subject to the size limitation, stated above. There shall not be more than one (1) logo per storefront.

ACH Transaction Report

Batch #: 000152
Created On: 12/26/2017

Name	Amount
Bungalows of Chisago L	\$1,361.00
Calhoun Apartments	\$1,079.00
Cambridge Square Assoc	\$1,543.00
Cambridge Town Square	\$990.00
PG Companies Redwing A	\$738.00
DJ Properties of Stanc	\$516.00
Erlandson - Nelson Con	\$542.00
Hanson Properties	\$269.00
Haven Properties	\$336.00
New Challenges, Inc.	\$6,133.00
Isanti Village Apartme	\$909.00
Kaizen Property Soluti	\$1,196.00
Kestrel Meadows Townho	\$3,829.00
Legacy Townhomes	\$4,512.00
Lindstrom Parkview Ass	\$409.00
Minneapolis Public Hou	\$663.26
Allen Moulton	\$531.00
Normandy Townhomes	\$4,768.00
North Branch Senior Ho	\$873.00
Oakhurst Apartments	\$363.00
Oakview Terrace Townho	\$1,491.00
Northern Management	\$452.00
Pleasant Knoll Apartme	\$725.00
Rush Oaks Apartments	\$367.00
Sunrise Court Apartmen	\$1,116.00
Sunset Assets LLC	\$739.00
Taylor Falls Villas	\$573.00
Tower Terrace Limited	\$4,043.00
Washington County HRA	\$574.46
Wyoming Limited Partne	\$2,602.00
Wyoming Limited Partne	\$1,120.00
Cambridge EDA	\$-45,362.72

Batch Total: \$0.00

①

*Σ = +63,717.72
Total ACH
Jan 2018*

Date: 12/26/2017

Peoples Bank of Commerce / Cambridge EDA

Page: 1

ACH Transaction Report

Batch #: 000153
Created On: 12/26/2017

<u>Name</u>	<u>Amount</u>
Aaron Jordan	\$524.00
Aishya R. Blackwell	\$13.00
Bohmer, John	\$1,004.00
Dean & Jennifer Bondes	\$995.00
Charles Satak	\$586.00
Chen Liu	\$5,983.00
Christine LeCuyer	\$357.00
David Findell	\$555.00
Leeanna M. Dudley	\$87.00
Elmer D. Harp	\$572.00
Jenell King	\$554.00
John Maher	\$370.00
Kathryn Dahlberg	\$498.00
Kristine Yerigan	\$94.00
Brian Leet	\$365.00
Michael Doran	\$558.00
Loral Myers	\$242.00
Ordeen Splittstoser	\$806.00
Randall Propp	\$508.00
Richard Berget	\$265.00
Robert Blaisdell-Blais	\$405.00
Robert Mattson	\$538.00
Sharon Johnson	\$322.00
Steve Baker	\$798.00
Paul & Bethany Stiles	\$656.00
Thomas Moody	\$396.00
Thomas Olin	\$304.00
Cambridge EDA	\$-18,355.00

①

Batch Total: \$0.00

<p>CAMBRIDGE EDA MEETING February 20, 2018 BILLS LIST</p>

Disbursement Type:	Date:	Check Numbers:	Submitted For <u>Approval</u>
Prepaid Checks	1/10/2018	108024 - 108069	3,059.20
Prepaid Checks	1/18/2018	108090 - 108134	43,810.09
Prepaid Checks	1/24/2018	108143 - 108174	4,387.28
Prepaid Checks	2/1/2018	108220 - 108255	818.22
Prepaid Checks	2/7/2018	108272 - 108311	14,226.21
	Prepaid Totals		66,301.00

TOTAL SUBMITTED FOR APPROVAL

\$66,301.00

Vendor	Vendor Name	Description	Net Invoice Amount
1506	Deputy Registrar #90	License Tabs - 00 GMC - Plate 906342	16.00
	Total 1506:		16.00
1701	EDAM	2108 EDAM Winter Conference - S. Gustafson	150.00
	Total 1701:		150.00
1716	Ehlers & Associates, Inc.	Public Finance Seminar - S. Gustafson	290.00
	Total 1716:		290.00
2046	G & K Services, Inc.	Uniform Rental - Maintenance	2.50
	Total 2046:		2.50
3056	Lake Superior Laundry Inc.	Mall Rugs	106.20
3056	Lake Superior Laundry Inc.	Mall Rugs	120.50
	Total 3056:		226.70
3086	Landworks Construction, Inc.	Snow Removal - Bridge Park	35.50
3086	Landworks Construction, Inc.	Snow Removal & Salt/De-Icer - Bridge Park	150.00
	Total 3086:		185.50
5191	SPEW Health Plan	Health Insurance Premium - February	1,459.00
5191	SPEW Health Plan	Health Insurance Premium - February	729.50
	Total 5191:		2,188.50
	Grand Totals:		3,059.20

Dated: 1/10/18City Treasurer: Caroline [Signature]

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
01/18	01/10/2018	108024	1506	Deputy Registrar #90	205-20100	16.00
01/18	01/10/2018	108025	1701	EDAM	205-20100	150.00
01/18	01/10/2018	108026	1716	Ehlers & Associates, Inc.	205-20100	290.00
01/18	01/10/2018	108030	2046	G & K Services, Inc.	205-20100	2.50
01/18	01/10/2018	108039	3056	Lake Superior Laundry Inc.	205-20100	226.70
01/18	01/10/2018	108040	3086	Landworks Construction, Inc.	901-20100	185.50
01/18	01/10/2018	108069	5191	SPEW Health Plan	205-20100	2,188.50
Grand Totals:						<u>3,059.20</u>

Vendor	Vendor Name	Description	Net Invoice Amount
1686	Ecolab Pest Elimination Div.	Pest Control - Bridge Park	1,700.00
1686	Ecolab Pest Elimination Div.	Pest Control - Bridge Park	150.00
Total 1686:			1,850.00
1809	Erickson, Timothy M	Bridge Park - Carpet Tiles	325.00
Total 1809:			325.00
2046	G & K Services, Inc.	Uniform Rental - Maintenance	2.50
Total 2046:			2.50
2631	Isanti County Auditor-Treasurer	Payment in Lieu of Taxes 2017 - Bridge Park A	13,776.00
Total 2631:			13,776.00
3006	Kramer Mechanical Plumbing & H	Repairs - Bridge Park Apt	226.23
Total 3006:			226.23
3076	Lakes Telecom Inc.	Door Strike and Installation - Bridge Park	829.00
Total 3076:			829.00
3264	Lockstar Locksmith Service	Cylinder Re-Key and Keys - Bridge Park	3,985.00
Total 3264:			3,985.00
5528	Tight Miter Carpentry, LLC	Proposal #0045 - Bridge Park	21,930.00
Total 5528:			21,930.00
5687	U.S. Treasury	1099 Fees	520.00
Total 5687:			520.00
5861	Walmart Community Card	Tenant Services - Bridge Park	331.39
Total 5861:			331.39
5965	White Bear IT Solutions LLC	Hardware - EDA	34.97
Total 5965:			34.97
Grand Totals:			43,810.09

Vendor	Vendor Name	Description	Net Invoice Amount
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Dated: 1/18/18

City Treasurer: Caroline More

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
01/18	01/18/2018	108090	1686	Ecolab Pest Elimination Div.	901-20100	1,850.00
01/18	01/18/2018	108091	1809	Timothy M Erickson	901-20100	325.00
01/18	01/18/2018	108093	2046	G & K Services, Inc.	205-20100	2.50
01/18	01/18/2018	108098	2631	Isanti County Auditor-Treasurer	901-20100	13,776.00
01/18	01/18/2018	108101	3006	Kramer Mechanical Plumbing & Heating Inc	901-20100	226.23
01/18	01/18/2018	108102	3076	Lakes Telecom Inc.	901-20100	829.00
01/18	01/18/2018	108104	3264	Lockstar Locksmith Service	901-20100	3,985.00
01/18	01/18/2018	108128	5528	Tight Miter Carpentry, LLC	901-20100	21,930.00
01/18	01/18/2018	108129	5687	U.S. Treasury	903-20100	520.00
01/18	01/18/2018	108132	5861	Walmart Business/SYNCB	901-20100	331.39
01/18	01/18/2018	108134	5965	White Bear IT Solutions LLC	205-20100	34.97
Grand Totals:						<u>43,810.09</u>

Vendor	Vendor Name	Description	Net Invoice Amount
555	Business Essentials	Maintenance Supplies - Mall	45.91
Total 555:			45.91
969	Cardmember Service	Repair & Maint Supplies - EDA	4.28
969	Cardmember Service	Small Tools & Equipment - Mall	69.50
Total 969:			73.78
2046	G & K Services, Inc.	Uniform Rental - Maintenance	2.50
Total 2046:			2.50
2350	HD Supply Facilities Maintenance	Materials - Operating Supplies - Bridge Park	139.91
2350	HD Supply Facilities Maintenance	Materials - Operating Supplies - Bridge Park	223.96
2350	HD Supply Facilities Maintenance	Credit Materials - Operating Supplies - Bridge P	43.96-
2350	HD Supply Facilities Maintenance	Credit Materials - Operating Supplies - Bridge P	47.99-
2350	HD Supply Facilities Maintenance	Materials - Operating Supplies - Bridge Park	43.96
2350	HD Supply Facilities Maintenance	Materials - Operating Supplies - Bridge Park	47.99
Total 2350:			363.87
3056	Lake Superior Laundry Inc.	Mall Rugs	120.50
Total 3056:			120.50
3086	Landworks Construction, Inc.	Snow Removal & Salt/De-Icer - Bridge Park	290.00
Total 3086:			290.00
3521	Menards	Materials - Bridge Park	128.75
Total 3521:			128.75
3543	Metro Sales, Inc.	Ricoh MP C2004 Color Copier Contract Base R	12.29
Total 3543:			12.29
3933	Mora HRA	January Contracted Section 8 Administration	3,349.68
Total 3933:			3,349.68
Grand Totals:			4,387.28

Dated: 1/24/18

City Treasurer: Caroline [Signature]

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
01/18	01/24/2018	108143	555	Business Essentials	205-20100	45.91
01/18	01/24/2018	108146	969	Cardmember Service	205-20100	73.78
01/18	01/24/2018	108155	2046	G & K Services, Inc.	205-20100	2.50
01/18	01/24/2018	108158	2350	HD Supply Facilities Maintenance Ltd	901-20100	363.87
01/18	01/24/2018	108166	3056	Lake Superior Laundry Inc.	205-20100	120.50
01/18	01/24/2018	108167	3086	Landworks Construction, Inc.	901-20100	290.00
01/18	01/24/2018	108171	3521	Menards	901-20100	128.75
01/18	01/24/2018	108172	3543	Metro Sales, Inc.	901-20100	12.29
01/18	01/24/2018	108174	3933	Mora HRA	902-20100	3,349.68
Grand Totals:						<u>4,387.28</u>

Vendor	Vendor Name	Description	Net Invoice Amount
2046	G & K Services, Inc.	Uniform Rental - Maintenance	2.50
Total 2046:			2.50
3086	Landworks Construction, Inc.	Snow Removal & Salt/De-Icer - Bridge Park	165.00
Total 3086:			165.00
3521	Menards	Materials - Bridge Park	51.97
Total 3521:			51.97
5801	Verizon Wireless	wireless phone service - Economic Developmen	69.76
5801	Verizon Wireless	wireless phone service - Maintenance Dept	25.79
5801	Verizon Wireless	wireless phone service - Bridge Park	51.58
Total 5801:			147.13
5965	White Bear IT Solutions LLC	Monthly Service Agreement	225.81
5965	White Bear IT Solutions LLC	Monthly Service Agreement	225.81
Total 5965:			451.62
Grand Totals:			818.22

Dated: 2/1/18

City Treasurer: Caroline Moe

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
02/18	02/01/2018	108220	2046	G & K Services, Inc.	205-20100	2.50
02/18	02/01/2018	108226	3086	Landworks Construction, Inc.	901-20100	165.00
02/18	02/01/2018	108231	3521	Menards	901-20100	51.97
02/18	02/01/2018	108250	5801	Verizon Wireless	901-20100	147.13
02/18	02/01/2018	108255	5965	White Bear IT Solutions LLC	901-20100	451.62
Grand Totals:						<u>818.22</u>

Vendor	Vendor Name	Description	Net Invoice Amount
2046	G & K Services, Inc.	Uniform Rental - Maintenance	2.49
	Total 2046:		2.49
2233	Grimebusters Deep Surface Clea	Strip and Wax - Mall	3,633.20
	Total 2233:		3,633.20
2456	Housing Data Systems	MTCS Transmittal Service 01/01/18-03/31/18	120.00
	Total 2456:		120.00
3056	Lake Superior Laundry Inc.	Mall Rugs	120.50
	Total 3056:		120.50
3501	MEI Total Elevator Solutions	February Monthly Service - Bridge Park	234.03
	Total 3501:		234.03
3521	Menards	Maintenance Supplies - Mall	86.91
3521	Menards	Credit Maintenance Supplies - Mall	86.91
3521	Menards	Materials - Bridge Park	39.94
	Total 3521:		39.94
4179	Northern Lights Express NLX	Passenger Rail Alliance 2018	6,650.00
	Total 4179:		6,650.00
4329	Orkin	Treatment Service - Bridge Park Apts	600.00
	Total 4329:		600.00
5191	St. Paul Electrical Workers Health	Health Insurance Premium - March	1,459.00
5191	St. Paul Electrical Workers Health	Health Insurance Premium - March	729.50
	Total 5191:		2,188.50
5878	Waste Management	Dumpster Service & Recycle - Bridge Park Apts	313.23
5878	Waste Management	Dumpster Service & Recycle - 180 Buchanan St	324.32
	Total 5878:		637.55
	Grand Totals:		14,226.21

Vendor	Vendor Name	Description	Net Invoice Amount
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Dated: 2/7/2018

City Treasurer: Caroline Mue

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
02/18	02/07/2018	108272	2046	G & K Services, Inc.	205-20100	2.49
02/18	02/07/2018	108275	2233	Grimebusters Deep Surface Cleaning LLC	205-20100	3,633.20
02/18	02/07/2018	108276	2456	Housing Data Systems	901-20100	120.00
02/18	02/07/2018	108281	3056	Lake Superior Laundry Inc.	205-20100	120.50
02/18	02/07/2018	108284	3501	Minnesota Elevator, Inc	901-20100	234.03
02/18	02/07/2018	108285	3521	Menards	901-20100	39.94
02/18	02/07/2018	108294	4179	Northern Lights Express NLX	205-20100	6,650.00
02/18	02/07/2018	108295	4329	Orkin	901-20100	600.00
02/18	02/07/2018	108302	5191	SPEW Health Plan	205-20100	2,188.50
02/18	02/07/2018	108311	5878	Waste Management of WI-MN	205-20100	637.55
Grand Totals:						14,226.21

Prepared by: Caroline Moe

Background:

As we have discussed with the EDA board at previous meetings, the proposed asbestos abatement project at Bridge Park will be a significant project and will have significant complexities to it. In order to make sure that we minimize disruption to tenants, ensure quality of work and have the appropriate sequencing of activities, staff believes it will be necessary to hire a project manager. We do not have adequate internal staff resources to oversee a project of this nature and complexity.

Due to our positive experience with BJ Baas Builders on our Northbound Liquor expansion project and based on our general knowledge of other projects done by this company, City Administrator Woulfe and Finance Director Moe met with Brian Baas to determine if his firm has the technical resources to help with this project. Based on our initial meeting with Brian, it appears that his firm has the appropriate technical skills to provide project management for our project. At our request, Brian prepared a service proposal for us so that the Board would have something to consider as we move forward with this project.

Staff would like to board to discuss and give us on direction on the following:

1. Does the board agree that we need a hire a project manager for this firm?
2. If yes to #1, does the board want to consider the proposal from BJ Baas Builders or do you want us to solicit other project management firm? If the goal is to do the work in September and October 2018, we need to be writing project specifications soon so we can bid in late spring.

Recommendation

Board to provide direction on construction management services for asbestos abatement at Bridge Park Apartments.

SERVICE PROPOSAL



February 13, 2018

Ms. Lynda Woulfe
Ms. Caroline Moe
City of Cambridge
300 3rd Ave. NE
Cambridge, MN 55008

Project: Construction Management Services for Bridge Park Apartments- Cambridge, MN

Dear Ms. Moe & Ms. Woulfe:

We appreciate the opportunity to provide this service proposal for construction management and facilitation services for the Bridge Park Apartments in 2018. Our proposal details are as follows:

Scope:

1. Provide overall preliminary project schedule and phasing plan.
2. Develop bidding specifications for asbestos remediation & disposal, flooring, drywall patching and repairs, and painting.
3. Facilitate bidding process and bid evaluation services which will end with recommendations on contractors to hire.
4. Initiate all contracts to be held directly between contractors and City.
5. Provide construction coordination and oversight through daily, or as-needed on-site supervision.
6. Enforce hazardous material removal, disposal and tracking requirements as set forth by City consultant, and MPCA.
7. Daily communication with contractors as required.
8. Review and make recommendation on all payment requests received from contractors.
9. Interaction with on-site management for phasing and timing of work flow and relocation as required.
10. Provide on-site quality control.
11. Act as liason and construction representative of City of Cambridge and direct all work in their best interest to achieve best-value results.

Assumed Project Details:

1. Specification writing and bidding process will be in March-April, 2018.

380 Garfield St. South
Cambridge, MN 55008
P. 763.691.0444
F. 763.691.0555
www.bjbaas.com

2. All contracts to be held directly by City.
3. BJ Baas will not be general contractor, or hold responsibilities and liabilities as such.
4. All work assumed to be during normal business hours.
5. Work to be performed in Fall of 2018.
6. Work duration assumed to be no longer than 10 weeks in overall duration.
7. All construction-related costs shall be borne directly by City.

Compensation:

We recommended an hourly rate for compensation due to the varying levels of involvement over the life of this project. Some weeks it will require many hours, and others, not as many.

Hourly Rates:

Pre-Construction Phase-

Specification writing, scope review, and contract initiation: \$95.00/hr

Construction Phase-

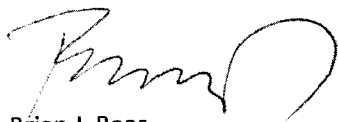
Scheduling, coordination and construction management: \$75.00/hr

Not-To-Exceed Maximum: \$33,500.00

Should you have any questions related to this proposal, or wish to proceed with an agreement for this work, please don't hesitate to contact me. Thanks again for this opportunity!

Respectfully,

BJ Baas Builders, Inc.



Brian J. Baas
President

6A

Date: February 20, 2018
To: EDA Board of Commissioners
From: Deb Barrett, Housing Supervisor
Re: Report on EDA Housing Operations

Public Housing:

- Held Resident Meeting on Feb. 17th and handed out Annual Recertification packets to residents.
- Working on HUD reports
- State Inspector was out on Wednesday, February 7th, 2018 for inspection on the elevator. See Report attached. Anthony has already made some repairs and has been work with Minnesota Elevator to make all other needed repairs.
- Submitted MTCS Report (Vacancy report). No vacancies at this time and no Notice of Intent to Vacate have been received.
- Attended Safety Training on Jan. 30th.
- Anthony and I attend a Webinar on Pest Management Control
- BDS—Contracted Laundry Service update: Other than having to request that BDS collect coins at least every two weeks, the change to contracted laundry service has been going well. No problems with the machines being down and residents are happy.

mn DEPARTMENT OF
LABOR AND INDUSTRY

2/7/2018

Cambridge EDA
121 Fern St S
CAMBRIDGE, MN 55008

RE: HYDRAULIC PASSENGER
Site: Bridge Park Apts
121 Fern St S
CAMBRIDGE, MN 55008

Elevator ID# ELV-1000292

Dear Sir or Madam:

I performed an inspection on the elevator-related device at the above site. The required corrections, which were identified during the inspection, are listed on the following page.

Within 60 days from the date on this letter you must complete the listed corrections and call the number below for a follow-up inspection – or – for items that cannot be completed within 60 days, submit a compliance plan to my attention at the address listed at the top of this letter or to the email address listed below. Compliance plans must include the anticipated completion date for items not yet corrected.

Failure to make these corrections or submit a compliance plan could result in your elevator-related device being placed **out of service**.

If you have any questions regarding this letter, please contact me.

Sincerely,

John Bennett | Elevator Code Rep
Construction Codes and Licensing | Elevator Inspections
443 Lafayette Rd. N.
St Paul MN. 55155
john.r.bennett@state.mn.us | 763-263-3036

443 Lafayette Road N., St. Paul, MN 55155 • (651) 284-5005 • www.dli.mn.gov

An Equal Opportunity Employer

ELEVATOR INSPECTION REPORT

The following items were identified as being non-compliant with the adopted rules, standards or statutes that regulated elevator related devices.

CORRECTION ITEMS:

LOBBY

MR 1307.0095 Subp.1 3002.3: Install Emergency signs at Hall Stations.

ASME A17.1-8.6.11.1: Repair Phase I firefighters recall to operate properly. (Phase 1 buzzer and light stay on and will not let car go on Phase 2)

MACHINE ROOM

ASME A17.3- 3.10.5(a): Repair or replace main line disconnect. (1 ½" knock out plug need for top of box)

ASME A17.3- 2.2.2: Install self-locking lockset for Machine Room or Machinery space door. (Cannot be made to unlocked)

INSIDE ELEVATOR CAR

ASME A17.1- 8.6.1.1.2: Maintenance, repairs, replacements. (Inside space of elevator floor must be maintained for useable square footage) (Remove long setting bench)

ASMEA17.3- 3.11.1(2)&(3)&(b): Repair or replace telephone in elevator. (Permit work) (Alteration on phone to 2004 ASME A17.1- 2.27.1.1.3(b): A push button to actuate the two-way communication means shall be provided in or adjacent to a car operating panel. (New phone installed on 2-29-12)

ASME A17.1- 8.6.11.1: Repair Phase II firefighters service to operate properly. (Could not test do to car stuck on Phase 1. **FULL fire system test including smoke heads** do to state does not know when the modernization was done) (Only have records from 5-28-2010 when new jack was installed no previous information on building or elevator work) **ASAP LIFE SAFETY**)

CAR TOP & HOISTWAY

ASME A17.3- 2.7.5: Repair car door restrictor to make operational. (Fix ASAP Life Safety)

ASME A17.1- 8.6.4.13.1: Maintain car and hoistway door equipment. (Up trust on fast speed car door)

CAR BOTTOM & PIT

MR 1307.0090 Subp.2: Repair or replace car bottom light

ASME A17.3- 3.3.2: Provide platform guards (Toe Guards 21" vertical face in length min.)

NOTES:

We do not send copies of reports to elevator companies.

ASME A17.1- 8.6.1.3: Maintenance Personnel; Maintenance, repairs, and replacements shall be performed only by elevator personnel.

ASME A17.1- 8.6.11.4.1: The evacuation of passengers from stalled elevators shall be performed only by authorized, elevator and emergency personnel.

ASME A17.1- 8.6.1.3: When a defective part directly affecting the safety of the operation will be taken out of service.

Resident Meeting: Wednesday, January 17, 2018 at 10:0 a.m.

- Handed out recertification packets to residents that attended the meeting. Not many residents at meeting. Packets have to be turned into the office before February 21, 2018.
- Complaints from other residents regarding dogs peeing outside of the back door and around their parked vehicles.
- Thank the residents for all their hard work in preparing for the keys/cylinders and the replacement of the counter tops that have been done.
- Flat rate rent will go into effect on May 1, 2018 to \$691.00.

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6C EDA is Recommending to the City Council to Approve Loan Agreement and Promissory Note with Ritz Machine Works USA, LLC

February 20, 2018

Author: Stan Gustafson

Request

Staff is requesting the EDA to review the following information and recommend to the City Council to approve the Loan Agreement and Promissory Note with Ritz Machine Works USA, LLC.

BACKGROUND

Staff has been working with Ritz Machine Works, Inc from Dauphin MB Canada that will be starting there U.S. operation located at 315 Garfield St S, Cambridge, MN in the SE Industrial Park.

Ritz Machine Works Inc. is a supplier of custom fabricated and machined products to original equipment manufacturers (OEM). The company was established in Dauphin Manitoba in 1998 by Rick Ilnisky and Tom Zaporzan and has grown to serve customers in Canada and United States.

Ritz specialty is tube bending and tubular assembly and it has developed strong, relationships with several customers, who rely on Ritz to engineer and manufacture key bent tube components for their finished products, and supply them in a timely manner. A partial list of products includes bus frames, air intakes, pollution converter devices, engine compartments and exhaust assemblies. Ritz manufacturers over 1,200 parts, and stocks most of them.

Ritz has key customers in the US that accounts for a good percentage of Ritz revenue, in early 2017 one of their customers approach Ritz and indicated that to continue supplying to them, Ritz would have to comply with new build America provisions. Facing losing an important customer, Ritz determined that it needed to examine the market and financial feasibility of establishing a business in the U.S. They commissioned a research study of the US market and expansion strategy for them in the spring of 2017.

This study was broken down into three phases. Phase 1 was to determine a target market, Phase 2 was to determine prospective manufactures location and that was narrowed down to 8 states and after reviewing the data they narrow that to two states MN and ND. Phase 3 was to research that data even further that looked into manufactures sectors, target markets, employment conditions and competitors and created a financial for each state.

Their search started looking in the US from the West Coast to New York, adjusted their search from Fargo to Minneapolis. Through their research found out about the closing of

Nelson Global and contacted City staff and staff share the 315 Garfield St S building with them as a possible building site. Their initial search was for a 10,000 to 15,000 sq. ft building and this building offered approximately 26,000 sq. ft. One benefit to this location was the specialized work force they needed and the possibility of hiring these workers.

Phase 1 brings Ritz to the US with work in hand and is not here searching for work, but through their process they have found additional business that will expedite phase 2. Phase 2 was planned for but in the next two to five years but with what they have found in available work brings phase 2 to a much faster pace of 1 to 2 years

Their Phase 1 operation consists of needed financing for real estate real estate, equipment and working capital available by (March 1, 2018) for them to bring the workforce on line before they find other employment, receiving equipment in a timely fashion in order to test and have product available and ready to ship by June 1, 2018.

Staff has received and reviewed the application and financial information from Ritz Machine Works USA, LLC on their project and has shared that with a variety of other lending partners within the area. Staff arranged a conference call with these entities and listen to a presentation from Adam Teeter Director of US Expansion and Michael Weeden Director of Finance on their project and what is needed in the forms of financing. The City of Cambridge will be one of several partners in phase 1 of this operation and will have a shared collateral position on equipment.

Staff will continue to work with the other financial partners and will include them in the agreement prior to final signatures.

Loan

\$50,000.00 loan

7-year amortization

3% interest

\$668.92 Monthly principle and interest payment starting August 1, 2018

The EDA will be asked to recommend to the City Council.

1. The EDA will be asked to recommend to the City Council to approve a loan agreement and promissory note of \$50,000 to Ritz Machine Works USA, LLC for working capital with an interest rate of 3% amortized over seven years. The loan funds would be distributed on March 1, 2018 and the first payment would be August 1 of 2018. Interest would accumulate from the time funds are disbursed up to the point of the first payment where principal and interest payments will then be made until the loan is paid in full.
2. The City of Cambridge would take a shared second or third position and will agree to subordinate to the lead lenders

Benefits to the City of Cambridge

- Vacant building will be occupied
- Wages range from \$16.00 to \$38.00
- Create 7 new jobs in phase 1

PROPOSED ACTION

A motion from the EDA recommending the City Council approval of the Loan Agreement and Promissory Note for \$50,000.00 to Ritz Machine Works USA, LLC.

Attachments:

- Loan Agreement
- Promissory Note
- Amortization schedule
- Equipment list

CITY OF CAMBRIDGE
Community Development
Revolving Loan Fund

Date: January 25, 2018

1. General Business Information

Business Name - Ritz Machine Works Inc.

Address – Box 888, 507 1st Avenue S.E.

City - Dauphin State - Manitoba Country – Canada Zip – R7N 3J5

Contact Person – Rick Ilnisky

Telephone – (204) 638-1633 Fax – (204) 638-7461

2. The Business Organization is a:

Corporation (List Type) – Canadian Controlled Private Corporation

Sole Owner _____ Partnership _____ Other _____

3. The Business is a: New Business or Startup _____
Existing Business _____ x _____

If Business is existing, how many years in business? _____ 19 _____

4. The Business is primarily:

Manufacturing/Construction _____ x _____

Retail Sales _____

Wholesale Sales _____

Service Establishment _____

Professional Establishment _____

Farm/Agri-processing _____

Other _____

5. How many employees does the business currently employ:

Full Time _____ 59 _____ and Part Time _____ 4 _____

6. Project information: Please briefly describe the proposed project.

We are establishing a manufacturing facility at 315 Garfield Street S. in Cambridge.

7. The proposed project will:

Create 7 new jobs.
Retain existing jobs .

We plan to hire employees that were working for Nelson Global in Cambridge.

8. Describe the required financing:

Project Costs:

Fixed Assets

Land	\$ _____
Buildings	\$ <u>680,000</u>
Building Remodeling	\$ <u>18,000</u>
Equipment	\$ <u>662,000</u>
Fixed Assets Total	\$ <u>1,360,000</u>
Working Capital	\$ <u>200,000</u>
Inventory	\$ _____
Operating Capital	\$ _____
Working Capital Total	\$ <u>200,000</u>
Total Project Costs	\$ <u>1,560,000</u>

Sources of Funds

Equity	\$	312,000
Bank	\$	888,000
City Loan Amount	\$	50,000
ECRDC	\$	60,000
Gap Needed	\$	250,000
Total Funds	\$	1,560,000

Describe Sources of Equity:

The equity would come from Ritz Machine Works Inc., which is the Canadian parent company.

Describe Available Collateral:

The collateral would be the building at 315 Garfield Street S., as well as manufacturing equipment.

Proposed Project Start Date: February 15, 2018

Signature of Company Official CEO
Position

__January 25, 2018__
Date

Please return the completed form to:

Stan Gustafson
CITY OF CAMBRIDGE
Economic Development Director
300 3rd Avenue NE
Cambridge, MN 55008

ADDITIONAL INFORMATION

- **JOBS:** The project plan is to retain 7 full time manufacturing jobs at a cost of \$54,000 per job.
- **JOB QUALITY:** These jobs are full time high quality manufacturing jobs with the following wage information:

Foreman	\$38.46/hr
Maintenance	\$26.50/hr
Welding Supervisor	\$28.75/hr
Tube Bender Operator	\$22.50/hr
Press Break Operator	\$21.50/hr
Shipper/Receiver	\$16.00/hr
Welder	\$20.00/hr

We expect that these jobs will be permanent and there will be opportunities for advancement. We are planning to offer a comprehensive benefits package for these staff. Our future plans are to expand production at this facility, which will result in new jobs.

- **AREA IMPACT:** We expect to spend over \$550,000 per year in wages and operating costs, which will contribute over \$1 million per year to the area economy (\$1.89 added to the economy for each \$1.00 spent in manufacturing as per the National Association of Manufacturers).
- **FINANCING:** The Canadian company plans to contribute \$156,000 in equity financing. We will also obtain \$1,248,000 in debt financing.
- **FINANCIAL STRENGTH:** The Canadian parent has an excellent history of earnings and cash flows, along with a strong balance sheet.
- **SUCCESS:** We expect that the revenue projections will be more than adequate to repay the debt.
- **NEED:** We require financial assistance in order to purchase the building at 315 Garfield Street, as well as manufacturing equipment.
- **MANAGEMENT:** The principal owners have over 30 years of manufacturing experience.
- **FORMAL PLAN:** The U.S. Market Expansion Plan is attached.

LOAN AGREEMENT

THIS AGREEMENT is made and entered into as the ___ day of February, 2018, by and between the City of Cambridge, (the "City") and Ritz Machine Works USA, LLC, a MN Limited Liability Corporation (the "Developer");

It is agreed by and between the parties hereto as follows:

ARTICLE 1

Definitions

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

"City" means the City of Cambridge, Minnesota 55008

"Developer" means Ritz Machine Works USA, LLC, a Minnesota Limited Liability Corporation

"Development Property" means the real property described at Exhibit A hereto.

"Loan" means the funds loaned by the City to the Developer pursuant to this Agreement.

"Loan Proceeds" means the funds disbursed to the Developer pursuant to this Agreement and any proceeds thereof.

"Project" means the Developer's manufacturing facility and equipment on the Property located at 315 Garfield St S, Cambridge, MN 55008.

"Property" means land and equipment located at 315 Garfield St S, Cambridge, Mn 55008.

"Equipment" means equipment used as collateral for the loan provided described as Exhibit B hereto.

"State" means the state of Minnesota.

ARTICLE 2

Financing for Project

Section 2.1. Project Financing. The Developer has secured a commitment for the primary financing necessary to complete the Project, in a form and under conditions satisfactory to Developer's Bank and the Developer.

Section 2.2. Developer's Equity and Other Financing. The Developer requires the conveyance of land for the Project at a cost below market value in order to make it economically feasible.

Section 2.3. Loan. The Developer has agreed to allow a shared UCC filing on equipment and all business assets filing as collateral for this loan as indicated as Exhibit B.

Section 2.4. Subordination. City will execute a subordination agreement on equipment and have a share position on all equipment described in Exhibit B.

ARTICLE 3

Loan Terms and Conditions

Section 3.1. Basic Loan Terms. The principal amount of the Loan shall be \$50,000. The Loan shall bear interest at a rate of three percent (3%) per annum. The Loan shall be used exclusively for the Project. The term of the Loan is as follows: The loan funds will bear an interest rate of Three percent (3%) when funds are disbursed and the first payment of principal and accumulated interest shall commence August 1, 2018, and continue on the first day of each and every month thereafter in the amount of \$668.92 until paid in full. Such payments shall fully amortize the Loan over eighty-nine (89) months.

Section 3.2. Prepayment. Prepayment of the Loan may occur at any time during the Loan without penalty.

Section 3.3. Assignment. If, prior to the Termination Date, the Developer sells, conveys, transfers, further mortgages or encumbers, or disposes of the Development Property, or any part thereof or interest therein, or enters into an agreement to do any of the foregoing, the Developer shall immediately repay all amounts then outstanding on the Loan. This shall be in addition to any other remedies at law or equity available to the City.

Section 3.4. Termination. This Agreement shall automatically terminate without any notice to Developer if the Developer fails to pay its debts as they become due, makes an assignment for the benefit of its creditors, admits in writing its inability to pay its debts as they become due, files a petition under any chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter existing, becomes "insolvent" as that term is generally defined under the Federal Bankruptcy Code, files an answer admitting insolvency or inability to pay its debts as they become due in any involuntary bankruptcy case commenced against it, or fails to obtain a dismissal of such case within sixty (60) days after its commencement or convert the case from one chapter of the Federal Bankruptcy Code to another chapter, or is the subject of an order for relief in such bankruptcy case, or is adjudged a bankrupt or insolvent, or has a custodian, trustee, or receiver appointed for it, or has any court take jurisdiction of its property, or any part thereof, in any proceeding for the purpose of reorganization, arrangement, dissolution, or liquidation, and such custodian, trustee, or receiver is not discharged, or such jurisdiction is not relinquished, vacated, or stayed within sixty (60) days of the appointment.

Section 3.5. Promissory Note. The Developer shall execute the Promissory Note attached hereto.

Section 3.6. UCC and business asset filing. The Developer shall allow the City to File a UCC on equipment as described in Section 2.3 and all business assets filing.

Section 3.7. Annual Financial Statements. For the term of the loan, the Developer will make available to the City, for review, its most recent annual financial statement prepared in accordance with generally accepted accounting principals if requested by the City subject to the City and the Developer agreeing to the terms of a non-disclosure agreement acceptable to both parties. The annual financial statements of the Developer or the controlled group of corporations, of which it is a member, shall include a profit and loss statement, balance sheet, statement of cash flows; notes and an opinion from the accountants of such statements acceptable to the City. Review shall be conducted in Developer's premises.

ARTICLE 4

Default and Collateral

Section 4.1. Default. The Developer shall be in default under this Agreement upon the happening of any one or more of the following events:

(a) The Developer fails to pay when due any amount payable on the Loan and such nonpayment is not remedied within ten (10) business days after written notice thereof to the Developer by the City;

(b) The Developer is in breach of any material respect of any obligation or agreement under this Agreement (other than nonpayment of any amount payable on the Loan) and remains in breach in any material respect for thirty (30) business days after written notice thereof to the Developer by the City; provided, however, that if such breach shall reasonably be incapable of being cured within such thirty (30) business days after notice, and if the Developer commences and diligently prosecutes the appropriate steps to cure such breach, no default shall exist so long as the Developer is proceeding diligently to cure such breach;

(c) If any material covenant, warranty, or representation of the Developer shall prove to be untrue in any material respect, provided such covenant, warranty or representation of the Developer remains untrue in any material respect for thirty (30) business days after written notice thereof to the Developer by the City; provided, however, that if such untruth shall reasonably be incapable of being corrected within such thirty (30) business days after notice, and if the Developer commences and diligently prosecutes the appropriate steps to correct such untruth, no default shall exist so long as the Developer is diligently proceeding to correct such untruth;

(d) The Developer, on or after the date of this Agreement, fails to pay its debts as they become due, makes an assignment for the benefit of its creditors, admits in writing its inability to pay its debts as they become due, files a petition under any chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter existing, becomes "insolvent" as that term is generally defined under the Federal Bankruptcy Code, files an answer admitting insolvency or inability to pay its debts as they become due in any involuntary bankruptcy case commenced against it, or fails to obtain a dismissal of such case within sixty (60) days after its commencement or convert the case from one chapter of the Federal Bankruptcy Code to another chapter, or be the subject of an order for relief in such bankruptcy case, or be adjudged a bankrupt or insolvent, or has a custodian, trustee, or receiver appointed for it, or has any court take jurisdiction of its property, or any part thereof, in any proceeding for the purpose of reorganization, arrangement, dissolution, or liquidation, and such custodian, trustee, or receiver is not discharged, or such jurisdiction is not relinquished, vacated, or stayed within sixty (60) days of the appointment;

(e) A final judgment is entered against the Developer that the City deems in its sole discretion will have a material, adverse impact on the Developer's ability to comply with the Developer's obligations under this Agreement;

(f) The Developer sells, conveys, transfers, encumbers, or otherwise disposes of all or any part of the equipment on the Development Property without the prior written approval of the City, provided, however, Developer may encumber the Development

Property with a first mortgage for private bank financing and a second mortgage for with a subordinate lender in the amount specified in 4.3 thereof;

(g) The Developer merges or consolidates with any other entity without the prior written approval of the City, provided, however, Developer may merge with another Manufacturing Company, provided this entity assumes in writing all Developer's obligations hereunder, or

(h) There is a loss, theft, substantial damage, or destruction of all or any part of the Development Property that is not remedied through restoration of the Development Property to its prior state within one hundred twenty (120) business days after written notice thereof by the City to the Developer.

Section 4.2. Remedies Upon Default.

(a) In the event of a default, the City shall have the right as its option upon demand and written notice, to declare all or any part of the Loan immediately due and payable subject to a thirty (30) day right of cure for Developer, and in addition to the rights and remedies granted hereby, the City shall have all of the rights and remedies available under the Uniform Commercial Code and any other applicable law.

(b) The Developer agrees in the event of a default to make the Collateral, as is identified in Section 4.3 hereof, available to the City. The Developer agrees to pay the costs and expenses incurred by the City in enforcing its rights under this Agreement, including but not limited to the City's reasonable attorney's fees upon entry of a judgment in a court of competent jurisdiction. If any notice of sale, disposition or other intended action by the City is required by law to be given to the Developer, such notice shall be deemed reasonable and properly given if mailed to the Developer at the Development Property or at such other address of the Developer as may be shown herein, at least fifteen (15) days before such sale, disposition or other intended action.

Section 4.3. Collateral. The Developer shall grant to the City a UCC Filing on specific equipment as indicated on Exhibit A and an all business assets filing less receivable's. However the City will consider a shared position with other lenders.

ARTICLE 5

Nondiscrimination

Section 5.1. Nondiscrimination. The provisions of Minnesota Statutes, Section 181.59, which relate to civil rights and discrimination, shall be considered a part of this Agreement as though wholly set forth herein and the Developer shall comply with each such provision throughout the term of this Agreement.

ARTICLE 6

Developer's Representations and Warranties

Section 6.2. Representations and Warranties. The Developer warrants and represents, for the benefit of the City, that:

(a) Representations, statements, and other matters provided by the Developer relating to those activities of the Project to be completed by the Developer, were true and complete in all material respects as of the date of submission to the City and that such representations, statements, and other matters are true as of the date of this Agreement and that there are no adverse material changes in the financial condition of the Developer's business.

(b) To the best of the Developer's knowledge, no member, officer, or employee of the City, or its officers, employees, designees, or agents, no consultant, member of the governing body of the City, and no other public official of the City, who exercises or has exercised any functions or responsibilities with respect to the Project during his or her tenure shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the Project or in any activity, or benefit there from, which is part of the Project.

(c) The Developer acknowledges that the City has relied in material part upon the assured completion of the Project to be carried out by the Developer, and the Developer warrants that said Project will be carried out by the Developer.

(d) The Developer warrants that it has obtained or will obtain all federal, state, and local governmental approvals, reviews, and permits required by law to be obtained in connection with the Project and has undertaken and completed all actions necessary for it to lawfully execute this Agreement as binding upon it.

(e) The Developer warrants that it shall keep and maintain books, records, and other documents relating directly to the Loan Funds, and that any duly authorized representative of the City shall, at all reasonable times, have access to and the right to inspect, copy, audit, and examine all such books, records, and other documents of the Developer pertinent to the loan until such time that the City has determined that all issues, requirements, and close-out procedures relating to or arising out of the Loan have been settled and completed.

(f) The Developer warrants that it has fully complied with all applicable local, state, and federal laws pertaining to its business and will continue such compliance throughout the term of this Agreement. If at any time notice of noncompliance is

received by the Developer, the Developer agrees to take any necessary action to comply with the local, state, or federal law in question.

ARTICLE 7

Other Special Conditions

Section 7.1. Workers Compensation Insurance. The Developer has obtained workers compensation insurance as required by Minnesota Statutes, Section 176.181, subd. 2. The Developer's workers compensation insurance information is as follows:

- (a) Company Name: [insert]
- (b) Policy Number: [insert]
- (c) Local Agent: [insert]

Section 7.2. Business with the State of Minnesota/State Tax Laws. The Developer is required by Minnesota Law to provide its Minnesota tax identification number if it does business with the State of Minnesota. This information may be used in the enforcement of Federal and State tax laws. Supplying these numbers could result in an action to require the Developer to file State tax returns and pay delinquent State tax liabilities. This Agreement will not be approved unless these numbers are provided. These numbers will be available to Federal and State tax authorities and State personnel involved in the payment of State obligations.

Minnesota Tax ID:

Federal Employer ID:

Section 7.3. Review of Documents. The Developer shall not be entitled to any disbursement of Loan Proceeds until the City's legal counsel has reviewed and approved this Agreement and the exhibits attached hereto.

Section 7.4. Effect on Other Agreements. Nothing in this Agreement shall be construed to modify any term of any other agreement to which the City and the Developer are parties.

Section 7.5. Release and Indemnification Covenants. Except for any breach of the representations and warranties of the City or the negligence or other wrongful act or omission of the following named parties, the Developer agrees to defend, indemnify, and hold harmless the City and the governing body members, officers, agents, servants,

consultants, and employees thereof now and forever from any claim, demand, suit, action, or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the acquisition, construction, installation, ownership, maintenance, and operation of the Project and the Developer's activities on the Development Property.

Section 7.6. Modifications. This Agreement may be modified solely through written amendments hereto executed by the Developer and the City and approved by the Grantor Agency.

Section 7.7. Notices and Demands. Any notice, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered only if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally:

- (a) as to the City: City of Cambridge
ATTN: City Administrator
300 3rd Avenue NE
Cambridge, MN 55008
- (b) as to the Developer: Ritz Machine Works USA, LLC
507 1st Ave S.E.
Dauphin, MN Canada

or at such other address with respect to any party as that party may, from time to time, designate in writing and forward to the others as provided in this Section 7.7.

Section 7.8. Conflict of Interests; Representatives Not Individually Liable. No officer or employee of the City may acquire any financial interest, direct or indirect, in this Agreement, the Projector in any contract related to the Project. No officer, agent, or employee of the City shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the City or for any amount that may become due to the Developer or on any obligation or term of this Agreement.

Section 7.9. Binding Effect. The covenants and agreements in this Agreement shall bind and benefit the heirs, executors, administrators, successors, and assigns of the parties to this Agreement.

Section 7.10. Provisions Not Merged With Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Development Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 7.11. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of this Agreement are inserted only for convenience of reference and shall be disregarded in construing or interpreting any of its provisions.

Section 7.12. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 7.13. Choice of Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of laws provisions. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

Section 7.14. Waiver. The failure or delay of any party to take any action or assert any right or remedy, or the partial exercise by any party of any right or remedy shall not be deemed to be a waiver of such action, right, or remedy if the circumstances creating such action, right, or remedy continue or repeat.

Section 7.15. Entire Agreement. This Agreement, with the exhibits hereto, constitutes the entire agreement between the parties pertaining to its subject matter and it supersedes all prior contemporaneous agreements, representations, and understandings of the parties pertaining to the subject matter of this Agreement.

Section 7.16. Separability. Wherever possible, each provision of this Agreement and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Agreement or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdiction, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or any other related document.

Section 7.17. Immunity. Nothing in this Agreement shall be construed as a waiver by the City of any immunities, defenses, or other limitations on liability to which the City is entitled by law, including but not limited to the maximum monetary limits on liability established by Minnesota Statutes, Chapter 466.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf and the Developer has caused this Agreement to be duly executed in its name and behalf as of the date first above written.

THE CITY OF CAMBRIDGE

RITZ Machine works USA, LLC

By _____
Lynda Woulfe

By _____
Rick Ilnisky

Its City Administrator _____

Its CEO _____

By _____
Marlys A. Palmer

By _____
Tom Zaporzan

Its Mayor _____

Its VP of Sales _____

EXHIBIT A
PROPERTY

LEGAL DESCRIPTION

Lot 1 Block 1 of Garfield Business Center

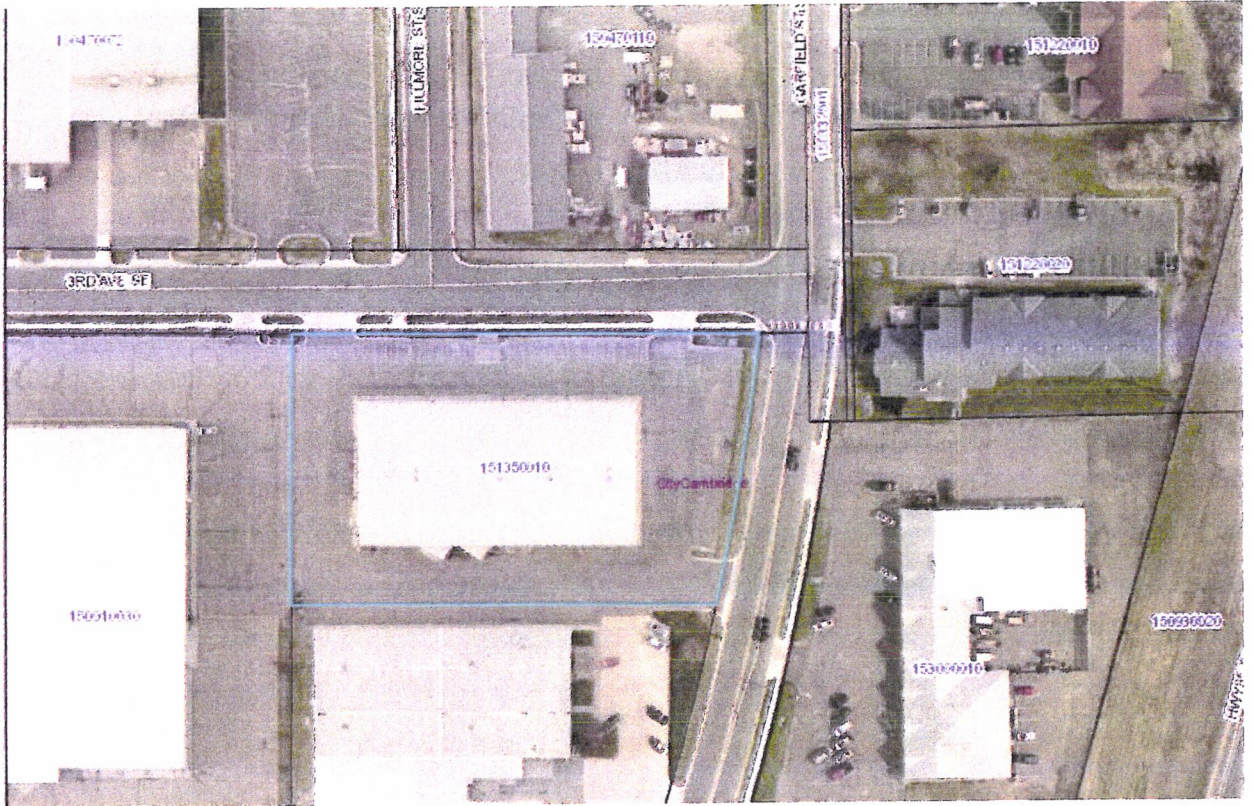


Exhibit B
Equipment located at 315 Garfield St S, Cambridge, Mn 55008

PROMISSORY NOTE

\$50,000.00

_____, 2018

Ritz Machine Works USA, LLC, a Minnesota Limited liability Corporation (the "Maker"), for value received, hereby promises to pay to the City of Cambridge (the "City") or its assigns (the City and any assigns are hereinafter referred to as the "Holder"), at its designated principal office or such other place as the Holder may designate in writing, the principal sum of fifty thousand and No/100 Dollars (\$50,000) or so much thereof as may be advanced under this Note, with interest as hereinafter provided, in any coin or currency which at the time or times of payment is legal tender for the payment of private debts in the United States of America. The principal of this Note is payable in installments due as follows:

1. The Loan shall bear interest at a rate of three percent (3%) per annum and the interest begins to accrue when the funds are disbursed to the maker.

2. The loan funds will bear an interest rate of Three percent (3%) when funds are disbursed and the first payment of principal and accumulated interest shall commence August 1, 2018, and continue on the first day of each and every month thereafter in the amount of \$668.90 until paid in full. Such payments shall fully amortize the Loan over eighty-nine (89) months.

3. The Maker shall have the right to prepay the principal of this Note, in whole or in part, without prepayment penalty.

4. This Note is given pursuant to the Loan Agreement dated _____, 2018, and is secured by a UCC Filing on equipment and all business assets less receivable's shared with other lenders covering certain equipment located in Isanti County, Minnesota. In the event any such security is found to be invalid for whatever reason, such invalidity shall constitute an event of default hereunder.

All of the agreements, conditions, covenants, provisions, and stipulations contained in the Loan Agreement, or any instrument securing this Note are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If a default occurs under the Loan Agreement, or any instrument securing this Note, then the Holder of this Note may at its right and option, without notice, declare immediately due and payable the principal balance of this Note, together

with any costs of collection including attorney fees incurred by the Holder of this Note in collecting or enforcing payment hereof, whether suit be brought or not, and all other sums due hereunder, or under any instrument securing this Note. The Maker agrees that the Holder of this Note may, without notice to the Maker of this Note and without affecting the liability of the Maker of this Note, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

5. The remedies of the Holder of this Note as provided herein, and in the Loan Agreement, or any other instrument securing this Note, shall be cumulative and concurrent and may be pursued singly, successively, or together, and, at the sole discretion of the Holder of this Note, may be exercised as often as occasion therefore shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The Holder of this Note 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 Holder of this Note 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. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

6. This Note shall be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of laws provisions. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

7. The headings used in this Note are solely for convenience of reference, are no part of this Note, and are not to be considered in construing or interpreting this Note.

8. This Note, with the other Loan Documents, constitutes the entire Note between the parties pertaining to its subject matter and it supercedes all prior contemporaneous Notes, representations, and understandings of the parties pertaining to the subject matter of this Note.

9. Separability. Wherever possible, each provision of this Note and each related document shall be interpreted so that it is valid under applicable law.

If any provision of this Agreement or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdiction, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note or any other related document.

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

IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed as of the ___ day of _____, 2018.

THE CITY OF CAMBRIDGE

RITZ Machine works USA, LLC

By _____
Lynda Woulfe

By _____
Rick Ilnisky

Its City Administrator

Its CEO

By _____
Marlys A. Palmer

By _____
Tom Zaporzan

Its Mayor

Its VP of Sales

RRM: 152285/lmj

Ritz Tubing								
Repayable to City of Cambridge								Principal
Interest Rate	3%							Interest
				(\$668.92)	Monthly Payment			
	Payment	Principal	Interest	Balance				
				50000.00				
3/1/2018				50000.00				
4/1/2018				50000.00				
5/1/2018				50000.00				
6/1/2018				50000.00				
7/1/2018				50000.00		Additional	625	
Add additional int				50625.00		Interest for 5 months		
8/1/2018	668.92	542.36	126.56	50082.64				
9/1/2018	668.92	543.71	125.21	49538.93				
10/1/2018	668.92	545.07	123.85	48993.86				
11/1/2018	668.92	546.44	122.48	48447.42				
12/1/2018	668.92	547.80	121.12	47899.62				
1/1/2019	668.92	549.17	119.75	47350.45				
2/1/2019	668.92	550.54	118.38	46799.91				
3/1/2019	668.92	551.92	117.00	46247.99				
4/1/2019	668.92	553.30	115.62	45694.69				
5/1/2019	668.92	554.68	114.24	45140.01				
6/1/2019	668.92	556.07	112.85	44583.94				
7/1/2019	668.92	557.46	111.46	44026.48				
8/1/2019	668.92	558.85	110.07	43467.63				
9/1/2019	668.92	560.25	108.67	42907.38				
10/1/2019	668.92	561.65	107.27	42345.73				
11/1/2019	668.92	563.06	105.86	41782.67				
12/1/2019	668.92	564.46	104.46	41218.21				
1/1/2020	668.92	565.87	103.05	40652.34				
2/1/2020	668.92	567.29	101.63	40085.05				
3/1/2020	668.92	568.71	100.21	39516.34				
4/1/2020	668.92	570.13	98.79	38946.21				
5/1/2020	668.92	571.55	97.37	38374.66				
6/1/2020	668.92	572.98	95.94	37801.68				
7/1/2020	668.92	574.42	94.50	37227.26				
8/1/2020	668.92	575.85	93.07	36651.41				
9/1/2020	668.92	577.29	91.63	36074.12				
10/1/2020	668.92	578.73	90.19	35495.39				
11/1/2020	668.92	580.18	88.74	34915.21				
12/1/2020	668.92	581.63	87.29	34333.58				
1/1/2021	668.92	583.09	85.83	33750.49				
2/1/2021	668.92	584.54	84.38	33165.95				
3/1/2021	668.92	586.01	82.91	32579.94				
4/1/2021	668.92	587.47	81.45	31992.47				
5/1/2021	668.92	588.94	79.98	31403.53				
6/1/2021	668.92	590.41	78.51	30813.12				
7/1/2021	668.92	591.89	77.03	30221.23				
8/1/2021	668.92	593.37	75.55	29627.86				

9/1/2021	668.92	594.85	74.07	29033.01			
10/1/2021	668.92	596.34	72.58	28436.67			
11/1/2021	668.92	597.83	71.09	27838.84			
12/1/2021	668.92	599.32	69.60	27239.52			
1/1/2022	668.92	600.82	68.10	26638.70			
2/1/2022	668.92	602.32	66.60	26036.38			
3/1/2022	668.92	603.83	65.09	25432.55			
4/1/2022	668.92	605.34	63.58	24827.21			
5/1/2022	668.92	606.85	62.07	24220.36			
6/1/2022	668.92	608.37	60.55	23611.99			
7/1/2022	668.92	609.89	59.03	23002.10			
8/1/2022	668.92	611.41	57.51	22390.69			
9/1/2022	668.92	612.94	55.98	21777.75			
10/1/2022	668.92	614.48	54.44	21163.27			
11/1/2022	668.92	616.01	52.91	20547.26			
12/1/2022	668.92	617.55	51.37	19929.71			
1/1/2023	668.92	619.10	49.82	19310.61			
2/1/2023	668.92	620.64	48.28	18689.97			
3/1/2023	668.92	622.20	46.72	18067.77			
4/1/2023	668.92	623.75	45.17	17444.02			
5/1/2023	668.92	625.31	43.61	16818.71			
6/1/2023	668.92	626.87	42.05	16191.84			
7/1/2023	668.92	628.44	40.48	15563.40			
8/1/2023	668.92	630.01	38.91	14933.39			
9/1/2023	668.92	631.59	37.33	14301.80			
10/1/2023	668.92	633.17	35.75	13668.63			
11/1/2023	668.92	634.75	34.17	13033.88			
12/1/2023	668.92	636.34	32.58	12397.54			
1/1/2024	668.92	637.93	30.99	11759.61			
2/1/2024	668.92	639.52	29.40	11120.09			
3/1/2024	668.92	641.12	27.80	10478.97			
4/1/2024	668.92	642.72	26.20	9836.25			
5/1/2024	668.92	644.33	24.59	9191.92			
6/1/2024	668.92	645.94	22.98	8545.98			
7/1/2024	668.92	647.56	21.36	7898.42			
8/1/2024	668.92	649.17	19.75	7249.25			
9/1/2024	668.92	650.80	18.12	6598.45			
10/1/2024	668.92	652.42	16.50	5946.03			
11/1/2024	668.92	654.05	14.87	5291.98			
12/1/2024	668.92	655.69	13.23	4636.29			
1/1/2025	668.92	657.33	11.59	3978.96			
2/1/2025	668.92	658.97	9.95	3319.99			
3/1/2025	668.92	660.62	8.30	2659.37			
4/1/2025	668.92	662.27	6.65	1997.10			
5/1/2025	668.92	663.93	4.99	1333.17			
6/1/2025	668.92	665.59	3.33	667.58			
7/1/2025	669.25	667.58	1.67	0.00			
Total	56189.61	50625.00	5564.61				

RITZ U.S. Facility Required Equipment

EQUIPMENT	qty required	\$ (U.S. Funds)	TOTALS	Amortization (years)	
Forklift	1	20000	20,000.00 \$	5	
Horn TBRE 80	1	300000	300,000.00 \$	7	added \$ 20k for installation expenses
TBRE 50					
Bender tooling	5	7500	37,500.00 \$	5	
Proto End Finishing	1	96000	96,000.00 \$	7	RFM6.2-DH-A02 - RFM-6.2 Double Head Assembly
Proto tooling	4	6800	27,200.00 \$	5	
Work Station tool box	3	1200	3,600.00 \$	1	
9" Metal cutting Bad Saw	2	1600	3,200.00 \$	3	SKU: 8045518
RITZ (Bead Knurl Machine)	1	6000	6,000.00 \$	3	
Huth Expander	1	6000	6,000.00 \$	5	Dual-Head Expander (Model 1674V)
Huth tooling	1	3000	3,000.00 \$	3	Huth 074 tooling pack
Weld Machine TIG	1	2400	2,400.00 \$	5	Lincoln 225 Precision TIG
Weld Machine MIG	2	1300	2,600.00 \$	5	Miller Matic 211
Pedastel grinder	1	300	300.00 \$	3	
5" Angle Grinder	3	100	300.00 \$	1	
WashBay station	1	10000	10,000.00 \$	5	
75 Ton Shop Press	1	3500	3,500.00 \$	3	
Vertical Band Saw	1	7500	7,500.00 \$	5	
180 Grit Polish Cell	1	4000	4,000.00 \$	3	
Air compressor	1	7500	7,500.00 \$	7	
Walter weld Cleaning	1	3500	3,500.00 \$	3	
Parrallel Saw Stations	2	1750	3,500.00 \$	3	Dewalt circular saws
Shop flat Deck Truck	1	25000	25,000.00 \$	5	Yearly operating costs to be estimated seperately
Part fixtures	125	200	25,000.00 \$	5	
CMM / VMM Scanning	1	25000	25,000.00 \$	7	
Manual Mill	1	10000	10,000.00 \$	5	
Manual Lathe	1	10000	10,000.00 \$	5	
OFFICE					
Office Furnature (Lump)	1	3000	3,000.00 \$	3	
computer work station	2	1000	2,000.00 \$	3	
Computer Server Station (Backup / printer	1	1500	1,500.00 \$	3	
printer	1	850	850.00 \$	2	Brother MFC 8950DW
software (Excel / Word/ Adobe/ an	2	300	600.00 \$	1	
Genius mfg. software liscense	2	2900	5,800.00 \$	3	
Office IT setup expenses	1	5500	5,500.00 \$	3	
		TOTAL	661,850.00 \$		

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