

**Lakes Area Economic Development Authority Meeting
Thursday August 21, 2025 at 4 pm**

Alexandria Area Economic Development Commission Conference Room

Agenda:

1. Call to order by Vice President Bowen
2. Resolution to issue Facilities Revenue Note for Solutions Behavioral Healthcare Professional, P.C. Project Series 2025
3. Approval of July 24, 2025 minutes
4. Approval of July 2025 Financials - available at the meeting
5. Resolution to adopt the LAEDA levy and accept the preliminary EDA 2026 budget
6. Board updates
7. Adjourn

APPLICATION FOR INDUSTRIAL DEVELOPMENT BONDS

APPLICANT

Business Name: Solutions Behavioral Healthcare Professionals, P.C.

Business Address: _____

Business Form:

- | | |
|--|---|
| <input type="checkbox"/> Sole Proprietorship
<input type="checkbox"/> Limited Partnership
<input type="checkbox"/> Cooperative Corporation | <input checked="" type="checkbox"/> Corporation
<input type="checkbox"/> General Partnership
<input type="checkbox"/> Limited Liability Company |
|--|---|

Applicants Representative: Joel Bakken

Title: Executive Director

Telephone Number: 218-287-4338

Email: joelbakken@solutionsinpractice.org

Financial Adviser and Company: None

Address: _____

State/Zip: _____

Telephone Number: _____

Email: _____

Applicants' Legal Representative: Ben Johnson, Ballard Saphr LLP

Address: _____

State/Zip: _____

Telephone Number: 612-371-6223

Email: johnsonbw@ballarspahr.com

PURPOSE OF REQUESTED FINANCING:

Location of Proposed Project: _____
 Refunding of Corporation's taxable construction loan which was used to finance the acquisition, construction and equipping of a 1-story, approximately 14,000 square foot office and clinic facility located at 2145 Nokomis Street, Alexandria, MN 56308

Legal Description (Include Parcel Number(s)): _____
South Nokomis Addn, SW'LP PT of Lot 3 Blk @ AC 1.35, Parcel ID 63-2963-610
South Nokomis Addn, NE'LY PT of Lot 3 Blk 2 AC 1.08, Parcel ID 63-2963-600

Nature of Proposed Business: _____
Non-profit mental health facility providing full range of mental health services

Principal Business or Product of the Company: _____
Mental Health Services

Provide a brief statement of the public purpose for the project and benefits to the citizens and community due to the proposed project:

Solutions Behavioral Healthcare Professionals, P.C. provides of full range of mental health services for underserved populations (e.g. children with autism, behavioral disorders, etc.) Solutions Behavioral Healthcare offers:

Outpatient therapy (mental health, dual diagnosis) ARMHS in-home rehabilitation for adults, Autism diagnostics and early intervention (EIDBI), and Children's Therapeutic Services and Supports (CTSS).

Solutions is a non-profit provider, ensuring inclusive, accessible, evidence-based behavioral health care tailored to individuals across all ages.

Please provide a brief statement of how the proposed project will further the goals of the

Comprehensive Plan for either city or township: _____
 Solutions has been providing mental health services for over 20 years in Alexandria and has collaborated with not only County Social Services, but many schools, in addressing the rising mental health needs in the area.

Is the Proposed Project:

- New Facility Expansion of Existing Facility
 Renovation of Existing Equipment Purchase Only

Is the Proposed Project:

- Industrial
 Commercial
 Housing

Construction start: 12/1/2024 Construction completion: 6/1/2025

Present Employment: 28

Estimated Number of Jobs Added by the project: 20

ESTIMATED PROJECT COSTS:

Land Acquisition	\$ 275000	-
Construction	\$ 3417876	-
Equipment Acquisition	\$	-
Equipment Installment	\$	-
Refinancing Amount	\$	-
Other:	\$ 162756	-
Total	\$ 3810179	-

INDEMNIFICATION AGREEMENT:

Applicant agrees as follows:

Applicant agrees to pay or reimburse the EDA for any and all costs and expenses which the EDA may incur in connection with its consideration of the project and the granting of tax exempt Development bond financing therefore, whether or not the project is preliminarily approved by the EDA, whether or not the project is approved by the State of Minnesota, whether or not development bond financing is finally approved by the EDA, whether or not the bonds are issued and sold, and whether or not the project is carried to completion.

Applicant agrees to indemnify and hold the EDA, its officers, employees and agents harmless against any and all losses, claims, damages, expenses or liabilities, including attorneys fees incurred in their defense, to which the EDA, its officers, employees and agents may become subject in connection with the EDA's consideration, issuance or sale of the bonds for Applicant's project and the carrying out of the transactions contemplated by this agreement and any resolutions adopted, or agreements executed by the EDA in connection with the issuance of its bonds for this project.

Applicant hereby releases the EDA, its officers, agents and employees from any claims, causes of action, losses, damages, or liabilities which it may have against the EDA, its officers, agents, and employees or which it may incur in connection with: the EDA's consideration of the application for industrial development bond financing for Applicant's project; the failure of the EDA, in its discretion, to issue tax-exempt development bonds for Applicant's project; the issuance and sale of the bonds; the construction of the project; or any other matter or thing of any type or nature whatsoever which may arise in connection with the foregoing.

Applicant is aware of the EDA's application and administrative fee structure for tax exempt financing and agrees and covenants that all such fees will be paid in the amount and at the times required.

APPLICATION CERTIFICATION:

I certify and affirm by my signature that the information provided above contains no misrepresentations, omissions or concealments of material facts and that the information given is true and complete to the best of my knowledge. I have been furnished a copy of the policy statement for the application to the Lakes Area Economic Development Authority for Industrial Development Bond Financing and am aware of its content and agree to be bound by its terms and the terms of the indemnification agreement.

Name: Joel Bakken

Title: Executive Director

Signature: 

Date: 6/30/2025

REQUIRED APPLICATION ATTACHMENTS:

- Letter from Financing or Bond Counsel supporting financial feasibility of Project
- Industrial Development Bond Application for the State of Minnesota (only for Manufacturing Companies)
- Schematic Drawing of Project (if applicable)
- Equipment List (specifically equipment purchased with bond)
- \$500 Application Fee (Payable to the Lakes Area Economic Development Authority)

**Application for Approval of Local Bond Financing -
Pursuant to Minn. Stat. 469.152 – 469.1655**

Please submit two copies of this form but only one copy of supporting documents requested on page 2.

Name of Issuer (Municipality or Redevelopment agency): Lakes Area Economic Development Authority

Contracting Party (Non-Profit or Business Name): Solutions Behavioral Healthcare Professionals, P.C., a Minnesota nonprofit corporation

Industry and Service/Product: Solutions Behavioral Healthcare Professionals, P.C. is engaged in providing mental health and human services

Project Location (street address, city/township, county – if outside city/township): 2145 Nokomis Street, Alexandria Minnesota 56308

Current Full-time and Part-time Jobs at Location: FT Jobs PT Jobs

New (not currently in Minnesota) Permanent Jobs Created by Project: FT Jobs PT Jobs

Expected Annual Wages of New Full-Time Jobs: \$ /yr _____

Project Type (check one): Education Health Care Waste/Green
 Other (please describe) _____

Description of Project Financed by Bond Proceeds: Refunding of Corporation's taxable construction loan which was used to finance the acquisition, construction and improvement of an approximately 13,900 square foot outpatient mental health and autism clinic located 2145 Nokomis Street, Alexandria Minnesota, 56308

Dates of Construction (if applicable): _____

Date Project Expected to be Operational: September 2025

Dollar Amount of Bonds Expected to be Issued: \$3,080,000

Expected Term: 20 years Expected Interest Rate: Variable rate

Bond Counsel: Ben Johnson, Ballard Spahr LLP Phone: 612-371-6223

E-mail: johnsonbw@ballardspahr.com

**Application for Approval of Local Bond Financing
Pursuant to Minn. Stat. 469.152 – 469.1655**

The following exhibits must be furnished with this application:

- An opinion of bond counsel that the proposal constitutes a project under Minn. Stat. 469.153, Subd. 2.
- A copy of the resolution by the governing body of the Issuer giving preliminary or final approval for the issuance of its revenue bonds and stating that the project, except for a project under Minn. Stat. 469.153, Subd. 2(g) or (j), furthers the purposes of Minn. Stat. 469.152 – 469.165.
- A letter of intent to purchase the bond issue or a letter confirming the feasibility of the project from a financial standpoint.
- A comprehensive statement by the municipality indicating how the project satisfies the purposes of Minn. Stat. 469.152 - 469.165.
- A statement signed by a representative of the Issuer that the project does not include any property to be sold or affixed to or consumed in the production of property for sale, and does not include any housing facility to be rented or used as a permanent residence.
- A statement signed by a representative of the Issuer that a public hearing was conducted pursuant to Minn. Stat. 469.154, Subd. 4. The statement shall include the date, time and place of the meeting and certify that a draft copy of this application with all attachments was available for public inspection and that all interested parties were afforded an opportunity to express their views.
- A statement signed by the principal representative of the issuing authority to the effect that upon entering into the revenue agreement, the information required by Minn. Stat. 469.154, Subd. 5 will be submitted to the Department (not applicable to projects under Minn. Stat. 469.153, Subd. 2(g) or (j)).
- A plan for encouraging the targeting of employment opportunities to economically disadvantaged or unemployed individuals. (See Minn. Stat. 469.154, Subd. 7.) **The plan must indicate one or more specific steps that may include using employment offices (e.g., Minnesota Workforce Centers) for recruitment and placement, among other actions.**
- Affidavit(s) of publication or copies of notice(s) as published which indicate the date(s) of publication and the newspaper(s) in which the notice(s) were published.

**Application for Approval of Local Bond Financing
Pursuant to Minn. Stat. 469.152 – 469.1655**

We, the undersigned, are principal officer(s) or representative(s) of the Issuer
and solicit DEED’s approval of this project.

Signature	Nicole Fernholz, Executive Director
2145 Nokomis Street	Alexandria Minnesota 56308
Nfernholz@alexmn.org	, 2025
E-Mail	Date

Signature	Print Name and Title
Street Address	City, State and Zip
E-Mail	Date

E-mail for the finance director of the issuer (municipality or redevelopment agency): _____

DEED Approval

Authorized Signature	Approval Date
<i>(Approval shall not be deemed to be an approval on the feasibility of the project or the terms of the revenue agreement to be executed or the bonds to be issued thereof.)</i>	

Send two copies of form and one copy of supporting documents noted on page 2 to:

Minnesota Department of Employment and Economic Development
Kevin McKinnon, Deputy Commissioner
1st National Bank Building
332 Minnesota Street, Suite E200
St. Paul, Minnesota 55101

E-mail: Kevin.McKinnon@state.mn.us

NOTE RESOLUTION

**LAKES AREA ECONOMIC DEVELOPMENT AUTHORITY
FACILITIES REVENUE NOTE
(SOLUTIONS BEHAVIORAL HEALTHCARE PROFESSIONALS, P.C. PROJECT)
SERIES 2025**

Adopted August 21, 2025

TABLE OF CONTENTS

	<u>Page</u>
RECITALS	1
ARTICLE ONE DEFINITIONS, LEGAL AUTHORIZATION AND FINDINGS	
1.1. Definitions	1
1.2. Legal Authorization	1
1.3. Findings	1
ARTICLE TWO NOTE	
2.1. Authorized Amount and Form of Note	2
2.2. The Note Terms	2
2.3. Execution	3
2.4. Delivery of Note	3
2.5. Disposition of Note Proceeds.....	3
2.6. Registration of Transfer	3
2.7. Mutilated, Lost or Destroyed Notes.....	3
2.8. Ownership of Note.....	3
2.9. Limitation on Note Transfers.....	3
2.10. Issuance of New Notes.....	3
2.11. Qualified Tax-Exempt Obligations.....	4
ARTICLE THREE GENERAL COVENANTS	
3.1. Payment of Principal and Interest	4
3.2. Performance of Authority Covenants	4
3.3. Enforcement and Performance of Covenants.....	4
3.4. Nature of Security	5
ARTICLE FOUR MISCELLANEOUS	
4.1. Severability	5
4.2. Authentication of Transcript.....	5
4.3. Authorization to Execute Agreements.....	5
4.4. Future Amendments.....	6
Certification	9
Exhibit A - Form of Series 2025 Note	A-1

NOTE RESOLUTION

RECITALS:

A. The Lakes Area Economic Development Authority (the “Authority”) is authorized pursuant to Minnesota Statutes, Sections 469.152 through 469.165, as amended (the “Act”) to issue its revenue notes and to loan the proceeds to a nonprofit corporation for the purpose of providing revenue-producing facilities.

B. Solutions Behavioral Healthcare Professionals, P.C., a Minnesota nonprofit corporation (the “Corporation”), has requested the Authority to issue its Facilities Revenue Note (Solutions Behavioral Healthcare Professionals, P.C. Project), Series 2025 (the “Note”), in an amount not exceeding \$3,200,000 for the purpose of current refunding the Corporation’s taxable construction loan in the original principal amount of \$2,880,000 (the “Construction Loan”), which was used to finance a portion of the costs of the acquisition, construction, improvement, installation and equipping of an approximately 13,900 square foot outpatient mental health and autism clinic, located at 2145 Nokomis Street, Alexandria, Minnesota (the “Project”).

C. The Board of Directors of the Authority (the “Board”) has, on the date hereof, held a public hearing following duly published notice thereof, at which all persons desiring to be heard were heard.

D. It is in the public interest, for public benefit and in furtherance of the public purposes of the Authority that the Board approve the issuance of the Note.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Authority, as follows:

ARTICLE ONE DEFINITIONS, LEGAL AUTHORIZATION AND FINDINGS

1.1. DEFINITIONS. The terms used herein shall have the meaning as assigned to them in the Loan Agreement, dated on or after September 1, 2025 (the “Loan Agreement”), between the Authority and the Corporation unless the context or use thereof indicates another or different meaning or intent.

All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Resolution as a whole not to any particular Article, Section or subdivision.

1.2. LEGAL AUTHORIZATION. The Authority is a public body duly organized under the laws of the State of Minnesota and is authorized under the Act to issue and sell the Note for the purpose, in the manner and upon the terms and conditions set forth in the Act and in this Resolution; provided, however, that the Authority has relied without independent investigation on written representations and opinions of the Corporation and Bond Counsel that the Project qualifies as a “project” within the meaning of the Act.

1.3. FINDINGS. The Authority does hereby determine, as follows:

(a) the Authority is authorized by the Act to enter into the Loan Agreement for the public purposes expressed in the Act;

(b) the Authority has made the necessary arrangements with the Corporation for the financing of the Project as more fully described in the Loan Agreement and which will be of the

character and accomplish the purposes provided by the Act, and the Authority hereby authorizes the financing of the Project and execution of the Loan Agreement, the Assignment of Loan Agreement, and the Note, which documents specify the terms and conditions for financing the Project;

(c) the financing provided under the Note is intended to, and will in the judgment of the Board, promote the public welfare by providing improved facilities for mental health and human services for individuals and families in the City of Alexandria, Minnesota and surrounding areas;

(d) the amount estimated to be necessary to current refund the Construction Loan will require the issuance of the Note in the principal amount not exceeding \$3,200,000 as hereinafter provided;

(e) it is desirable, feasible and consistent with the objects and purposes of the Act to issue the Note for the purpose of current refunding the Construction Loan;

(f) the Note and the interest accruing thereon do not constitute an indebtedness of the Authority within the meaning of any constitutional or statutory limitation of indebtedness and do not constitute or give rise to a pecuniary liability or a charge against the general credit or taxing powers of the Authority and neither the full faith and credit nor the taxing powers of the Authority, is pledged for the payment of the Note or interest thereon; and

(g) in accordance with the Act, after due notice and publication thereof, a public hearing was conducted on the Project and the financing thereof, and persons in attendance wishing to speak regarding the Project and financing thereof were given an opportunity to do so at the hearing.

ARTICLE TWO NOTE

2.1. AUTHORIZED AMOUNT AND FORM OF NOTE. The Note issued pursuant to this Note Resolution shall be in substantially the form set forth on Exhibit A attached hereto, with such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by Bond Counsel and the Corporation prior to the execution thereof. The total principal amount of the Note that may be outstanding hereunder is expressly limited to \$3,200,000, unless a duplicate Note is issued pursuant to Section 2.7 hereof. The Corporation has accepted the proposal of Gate City Bank (the “Lender”) to purchase the Note upon the terms and conditions set forth herein. Pursuant to the Loan Agreement, the purchase price of the Note will be loaned by the Authority to the Corporation to provide funds to current refund the Construction Loan.

2.2. THE NOTE TERMS. The Note shall be issued as a single series, dated as of the date of delivery, shall be payable at the times and in the manner, shall bear interest at the rates, and shall be subject to redemption and such other terms and conditions as are set forth therein. The Note shall be denominated “Facilities Revenue Note (Solutions Behavioral Healthcare Professionals, P.C. Project), Series 2025” and shall be in the aggregate principal amount not exceeding \$3,200,000. After the adoption of this Resolution, but prior to the issuance and delivery of the Note to the Lender, the original aggregate principal amount of the Note, the maturity date of the Note, the principal amount of the Note due on each payment date, the interest rate of the Note, the date of the documents referenced in this Resolution and the Note, and the terms of redemption of the Note may be established or modified with the approval of the Executive Director and the President; provided that the aggregate principal amount of the Note and the initial interest rate of the Note may not be increased from the amounts set forth in this Resolution.

2.3. EXECUTION. The Note shall be executed on behalf of the Authority by the manual or facsimile signatures of the Executive Director and President. In case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if had remained in office until delivery. In the event of the absence or disability of the Executive Director or President such officers of the Authority as may act in their behalf, shall without further act or authorization of the Board execute and deliver the Note.

2.4. DELIVERY OF NOTE. Before delivery of the Note there shall be filed with the Lender (except to the extent waived by the Lender) the items required by Section 3.10 of the Loan Agreement. In addition, the Note shall not be issued and delivered to the Lender until the Authority has received approval of the Project from the Commissioner of the Department of Employment and Economic Development as required by Section 469.154 of the Act.

2.5. DISPOSITION OF NOTE PROCEEDS. Upon delivery of the Note, the Lender shall, on behalf of the Authority, advance the proceeds of the Note to current refund the Construction Loan upon compliance with the provisions of the Loan Agreement.

2.6. REGISTRATION OF TRANSFER. The Authority will cause to be kept at the office of the Lender a Note Register in which, subject to such reasonable regulations as it may prescribe, shall provide for the registration of transfers of ownership of the Note. The Note shall be initially registered in the name of the Lender and shall be transferable upon the Note Register by the registered owner in person or by its agent duly authorized in writing, upon surrender of the Note together with a written instrument of transfer satisfactory to the Lender, duly executed by the registered owner or its duly authorized agent. Upon such transfer the Lender shall note the date of registration and the name and address of the new owner in the Note Register and in the registration blank appearing on the Note.

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

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

2.9. LIMITATION ON NOTE TRANSFERS. The Note has been issued without registration under state or other securities laws, pursuant to an exemption for such issuance; and accordingly the Note may not be assigned or transferred in whole or part, nor may a participation interest in the Note be given pursuant to any participation agreement, except in accordance with an applicable exemption from such registration requirements.

2.10. ISSUANCE OF NEW NOTES. Subject to the provisions of Section 2.9 hereof, the Authority shall, at the request and expense of the Lender, issue new Notes in aggregate outstanding principal amount

equal to that of the Note surrendered, and of like tenor except as to number and principal amount, and registered in the name of the Lender or such transferee as may be designated by the Lender.

2.11. QUALIFIED TAX-EXEMPT OBLIGATION. In order to qualify the Note as “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), the Authority hereby makes the following factual statements and representations:

(a) based entirely upon representations of the Corporation and Bond Counsel, the Note, when issued, will be “qualified 501(c)(3) bonds” under Section 145 of the Code;

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

(c) the reasonably anticipated amount of tax-exempt obligations (other than obligations described in clause (ii) of Section 265(b)(3)(C) of the Code) which have been or will be issued by the Authority (and all entities whose obligations will be aggregated with those of the Authority) during calendar year 2025 are not expected to exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations (including the Note) issued by the Authority during calendar year 2025 have been designated for purposes of Section 265(b)(3) of the Code.

ARTICLE THREE GENERAL COVENANTS

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

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

3.3. ENFORCEMENT AND PERFORMANCE OF COVENANTS. The Authority agrees to enforce all covenants and obligations of the Corporation under the Loan Agreement upon request of the Lender and being indemnified to the satisfaction of the Authority for all expenses and claims arising therefrom, and to perform all covenants and other provisions pertaining to the Authority contained herein and in the Note, the Loan Agreement and the Assignment of Loan Agreement, subject to Section 3.4 hereof.

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

ARTICLE FOUR MISCELLANEOUS

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

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

4.3. AUTHORIZATION TO EXECUTE AGREEMENTS. The forms of the proposed Loan Agreement and the Assignment of Loan Agreement are hereby approved in the form heretofore presented to the Board together with such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by Bond Counsel prior to the execution of the documents, and the Executive Director and President of the Authority or any other officer of the Authority in their absence (collectively, the "Authority Officers"), are authorized to execute the Loan Agreement and the Assignment of Loan Agreement in the name of and on behalf of the Authority and such other documents as Bond Counsel consider appropriate in connection with the issuance of the Note. In the event of the absence of or any disability of any of the Authority Officers such officers of the Authority as, in the opinion of the Authority attorney, may act in their behalf, shall without further act or authorization of the Board do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers. The execution of any

instrument (including the Note) by the appropriate officer or officers of the Authority herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof.

4.4. FUTURE AMENDMENTS. The authority to approve, execute and deliver, on behalf of the Authority, future amendments to financing documents entered into by the Authority in connection with the issuance of the Note is hereby delegated to the Executive Director and President, subject to the following conditions: (a) such amendments do not materially adversely affect the interests of the Authority as the Authority of the Note; (b) such amendments do not contravene or violate any policy of the Authority; (c) such amendments are acceptable in form and substance to the Authority Attorney or other counsel retained by the Authority to review such amendments; and (d) the Authority has received an opinion of Bond Counsel to the effect that the amendments will not adversely affect the tax-exempt character of interest on the Note. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Note Resolution. The execution of any instrument by the Executive Director and President, shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Executive Director and President, any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the Authority authorized to act in their place and stead.

(The remainder of this page is intentionally left blank)

PASSED by the Board of Directors of the Lakes Area Economic Development Authority, this 21st day of August, 2025.

APPROVED BY:

Executive Director

ATTEST:

President

The motion for the adoption of the foregoing resolution was duly made by Member _____, seconded by Member _____, and upon vote being taken thereon, the following voted in favor: _____;
the following voted against the same: _____;
and the following were absent: _____;
whereupon the resolution was declared duly passed and adopted and was signed by the Executive Director and attested by the President.

STATE OF MINNESOTA

COUNTY OF DOUGLAS

The undersigned, being the duly qualified and acting _____ of the Lakes Area Economic Development Authority, **DOES HEREBY CERTIFY** that the foregoing Note Resolution is a full, true and complete copy of the Note Resolution adopted at a meeting of the Board of Directors of the Lakes Area Economic Development Authority duly called and held on the date therein indicated and such Note Resolution has not been amended, modified or supplemented by the Board and that such Note Resolution remains in full force and effect as of the date hereof.

WITNESS my hand and the seal of said Authority this 21st day of August, 2025.

Authority and the Corporation (the “Loan Agreement”). The Note has been designated as a “qualified tax-exempt obligation” by the Authority for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Additional provisions of this Note are contained on the reverse hereof and such provisions shall for all purposes have the same effect as though fully set forth at this place.

(The remainder of this page is intentionally left blank)

IN WITNESS WHEREOF, the Lakes Area Economic Development Authority, has caused this Note to be signed in its name by the manual signatures of its Executive Director and President.

**LAKES AREA ECONOMIC
DEVELOPMENT AUTHORITY**

By _____
Executive Director

ATTEST:

President

(form of reverse of Note)

The Corporation has agreed under the Loan Agreement to repay the Loan, together with interest thereon, in amounts and at times sufficient to pay the principal of and interest on the Note as the same shall become due and payable (the “Basic Payments”). Pursuant to the Assignment of Loan Agreement, the Authority has assigned and pledged to the Lender, the Basic Payments due under said Loan Agreement and all other assets and revenues held pursuant to the Resolution and Loan Agreement from time to time. Payments under the Loan Agreement are secured by a Mortgage, dated as of _____, 2025 (the “Mortgage”), from the Corporation to the Lender.

Reference is hereby made to the Loan Agreement, the Mortgage and the Assignment of Loan Agreement for a description of the properties and rights encumbered and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights of the Lender, and the rights, duties and obligations of the Corporation and the terms upon which the Note is issued and secured.

This Note is issued pursuant to and in full compliance with the Constitution and laws of the State of Minnesota particularly Minnesota Statutes, Sections 469.152 through 469.165, as amended, and pursuant to a resolution adopted and approved by the board of directors of the Authority on August 21, 2025. This Note is a limited obligation of the Authority and is payable solely out of the revenues and other amounts derived from the Loan Agreement or sale or other disposition of the Project. The Note does not now and shall never constitute an indebtedness of the Authority within the meaning of any State constitutional provision or statutory limitation and shall not constitute nor give rise to a pecuniary liability of the Authority nor a charge against the general credit or taxing powers of the Authority. Basic Payments sufficient for the prompt payment when due of the interest on and principal of said Note are to be paid directly to the Lender by the Corporation for the account of the Authority.

This Note is transferable, but only upon registration books of the Authority at the office of the Authority, as Note Registrar, by the registered holder hereof in person or by his attorney duly authorized in writing, upon the surrender of this Note, together with a written instrument of transfer satisfactory to the Note Registrar duly executed by the registered owner or his attorney duly authorized in writing and thereupon, Note or Notes, in registered form, in the same aggregate principal amount, maturity and interest rate shall be issued to the transferee in exchange therefor.

The registration, registration of transfer, and exchange of this Note is subject to a charge by the Note Registrar sufficient to cover any governmental tax or fee in connection therewith. No registration,

registration of transfer, or exchange shall be made by the Note Registrar during the period beginning on the first day of the month and ending on such Interest Payment Date, during the period of ten (10) days preceding the giving of notice of redemption or after this Note shall be called for redemption in whole or in part.

The Note is subject to prepayment and redemption as follows:

Optional Redemption. The Note shall be subject to redemption and prepayment prior to maturity, in whole or in part on any Business Day at the option of the Corporation, at a redemption price equal to [one hundred two percent (102%)] of the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption.

Extraordinary Redemption. The Note is also subject to redemption at a redemption price of one hundred percent (100%) of the principal amount thereof, plus accrued interest in whole or in part on any date for which proper notice can be given upon certain events of damage to, or condemnation of the Project or any portion thereof.

Determination of Taxability. Upon the occurrence of a Determination of Taxability (as defined in the Loan Agreement) the Authority shall redeem all outstanding Notes with funds derived from a mandatory prepayment of the Loan Agreement by the Corporation. In such event, this Note is subject to redemption prior to maturity, on any date for which proper notice of call can be given after the Determination of Taxability, at a redemption price of one hundred three percent (103%) of the principal amount hereof being redeemed plus accrued interest to the date fixed for redemption.

In addition to the foregoing, if under certain circumstances, an Event of Default as defined in the Loan Agreement shall occur, the principal of all Notes and all interest accrued thereon shall, without prior notice to the Noteholders, be declared due and payable.

Notice of the call for any such redemption, which shall identify the Note to be redeemed, shall be given by the Note Registrar by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the redemption date to the registered owner of each Note to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein shall not affect the validity of any proceedings for the redemption of Notes.

On or prior to the redemption date, funds shall be deposited with the Lender to pay on the redemption date the Note or portions thereof thus called and accrued interest thereon to the redemption date. Upon the happening of the above conditions, the Note or portions thereof thus called shall not bear interest after the redemption date and shall not be deemed to be outstanding under the provisions of the Note Resolution.

This Note has been issued without registration under state or federal or other securities laws, pursuant to an exemption for such issuance; and accordingly the Note may not be assigned or transferred in whole or part, nor may a participation interest in the Note be given pursuant to any participation agreement, except in accordance with an applicable exemption from such registration requirements.

PROVISIONS AS TO REGISTRATION

The ownership of this Note and the interest accruing thereon is registered on the books of Authority in the name of the holder last listed below.

<u>Date of Registration</u>	<u>Name and Address of Registered Owner</u>	<u>Signature of Secretary</u>
_____	<u>Gate City Bank, Alexandria, MN</u>	_____
_____	_____	_____
_____	_____	_____

FORM OF ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto

_____ the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: the assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or any change whatever.

Signature: _____

The Note Registrar will not effect transfer of this Note unless the information concerning the assignee requested below is provided.

Name and address: _____

(include information for all joint owners if the Note is held by joint account).

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE _____

**Lakes Area Economic Development Authority Meeting
July 24, 2025**

Members Present: Jason Uhde, Greg Bowen, Joel Dahlheimer, Bobbie Osterberg

Members Absent:

Staff Present: Nicole Fernholz, AAEDC

Call to Order: The meeting of the LAEDA Board of Commissioners was brought to order at 4:00 pm by President Dahlheimer. Introduction of board members.

May 1, 2025 Minutes: Minutes were reviewed

A motion by Uhde, seconded by Bowen, to approve minutes as presented, motion carried.

June 2025 Financials: Fernholz reviewed the financials through June 2025.

A motion by Osterberg, seconded by Bowen, to approve financials as presented, motion carried.

Resolution #25-06 Calling a Public Hearing for Solutions Behavioral Healthcare for August 21, 2025 a 4 pm Fernholz briefly reviewed an application for issuing a revenue note in support of a healthcare project.

A motion by Osterberg, seconded by Uhde, to approve resolution #25-06, Call a Public Hearing for August 21, 2025 at 4 pm to consider issuing conduit revenue bonds for Solutions Behavioral Healthcare Professionals, P.C. Project, motion carried unanimously.

Liability Coverage Waiver: The decision to waive or not waive the statutory tort limits must be made annually by the LAEDA as they obtain liability coverage through the League of MN Cities Insurance Trust..

A motion by Bowen, seconded by Osterberg, to Not Waive the monetary limits on municipal tort liability, motion carried.

OTHER Business:

Avionics and Lakes Country Service Cooperative Partnership: Fernholz provided a brief update on the building.

Adjourn: Hearing no additional business, a motion by Uhde to adjourn the meeting at 4:30 pm.

ACTION REQUESTED Motion to adopt Resolution 2025-07 approving the 2026 LAEDA Property Tax Levy in the amount of \$227,258.

REFERENCE AND BACKGROUND The EDA is asked to consider Resolution 2025-07 authorizing the 2026 LAEDA property tax levy in the amount of \$227,258. The proposed tax levy has a decrease from the 2025 certified levy amount of \$246,717.

The schedule allows the LAEDA property tax levy to be certified by September 30, 2025 with the Douglas County Auditor.

Setting the annual levy is a policy decision for the LAEDA. The maximum 2026 allowed LAEDA levy is 0.000185 of the property valuation which equals \$777,144.

In the table below, the amount of the maximum allowed property tax levy along with the EDA's actual certified levy is shown over a timeframe that spans 2021 to 2025. The table also shows the projected payable 2026 taxable market value. LAEDA's total taxable property valuation increased by \$249,674,518 from the previous year.

Year	Taxable Mrkt Value	Allowed Levy by Statute	Actual Levy
2026	\$4,286,507,896	\$777,144	
2025	\$4,036,833,378	\$731,878	\$246,717
2024	\$4,010,375,446	\$717,081	\$253,217
2023	\$3,171,144,976	\$574,929	\$206,449
2022	\$2,650,977,413	\$480,622	\$191,506
2021	\$2,420,198,308	\$438,782	\$184,760

Most of the LAEDA levy goes to support the work of the AAEDC. Their work focuses on:

1. Business Retention and Attraction
2. Workforce Development
3. Entrepreneurship
4. Promotion (Marketing) and Partnerships

Attachments:

1. 2026 AAEDC preliminary budget
2. Levy Certification

2026 LAEDA Budget

2026 Maximum Allowable Levy

Taxable Market Value of 2 Cities & 2 Townships 4,286,507,896
 State Cap on EDA Levy 0.01813%

2026 Total Allowable Levy \$ 777,144

	2026 Assumption	2025 Budget	2024 Budget	PERCENTAGE CHANGE FROM 2025
Revenue				
LAEDA Levy/EDC Budget	\$ 227,258.00	\$ 245,443.00	\$ 246,717.00	-7.41% Decrease in Levy Amount
Other Revenue Avionics Interest	\$ 16,579.00	\$ 22,000.00		
Other Revenue Interest (GSB)	\$ 5,208.00			
Other Revenue (2025 Bonding Fee)	\$ 12,500.00			
Total	\$ 261,545.00	\$ 267,443.00	\$ 246,717.00	
Expenditure				
Contract with Alexandria Area Economic Development Commission	\$ 246,405.00	\$ 245,443.00	\$ 246,717.00	
Outside Contract Services (Alex Tax & Biz)	\$ 1,500.00	\$ 1,500.00		
Insurance	\$ 3,300.00	\$ 3,300.00	\$ 2,000.00	
Accounting and Legal Fees	\$ 8,000.00	\$ 8,000.00	\$ 3,000.00	
Mileage Reimbursement	\$ 300.00	\$ 300.00	\$ 500.00	
Board Member Per Diem	\$ 2,040.00	\$ 2,040.00	\$ 1,000.00	
Total Revenue Needed	\$ 261,545.00	\$ 260,583.00	\$ 253,217.00	0.37% Increase of Revenue Needed
Tax Rate Calculation				
Total Expenditure /Levy	\$ 227,258.00	\$ 246,717.00	\$ 246,717.00	
Total Tax Capacity	51,018,542	47,891,545	43,937,243	
Total EDA Tax Rate	0.4454%	0.5152%	0.5615%	
Impact on \$300,000 Home	\$ 13.36	\$ 16.32	\$ 16.85	

2026 Tax Capacity of the Area	2026 Total Tax Capacity	2026 Levy Amount	Percent Of Levy
City of Alexandria	32,075,830	\$ 142,879	63%
City of Garfield	377,342	\$ 1,681	1%
Alexandria Township	7,029,376	\$ 31,312	14%
LaGrand Township	11,535,994	\$ 51,386	23%
Total	51,018,542	\$ 227,258	100%

Historical Levy	2021	2022	2023	2024	2025	2026	2021 Change
Total Dollars	\$ 184,760	\$ 191,506	\$ 206,449	\$ 253,217	\$ 246,717	\$ 227,258	\$ 61,957
Total EDA Tax Rate	0.5926%	0.6668%	0.6271%	0.5615%	0.5152%	0.4454%	-13%
Impact on \$300,000 Home	\$ 17.78	\$ 20.00	\$ 18.81	\$ 16.85	\$ 16.32	\$ 13.36	-25%
Change from previous year	4%	4%	8%	23%	-3%	-8%	

Revenues					Percent Change	Amount Change
	2024	2025	2026	2025-26	2025-26	
LAEDA	\$ 246,717	\$ 245,443	\$ 246,405	0.39%	\$ 962	
City of Alexandria	\$ 163,262	\$ 162,419	\$ 162,945	0.32%	\$ 526	
City of Garfield	\$ 3,787	\$ 3,767	\$ 3,759	-0.22%	\$ (8)	
Alexandria Township	\$ 33,149	\$ 32,978	\$ 33,425	1.36%	\$ 447	
LaGrand Township	\$ 46,519	\$ 46,279	\$ 46,276	-0.01%	\$ (3)	
Carlos Township	\$ 18,975	\$ 19,924	\$ 19,924	0.00%	\$ 0	
Hudson Township	\$ 6,600	\$ 6,930	\$ 6,930	0.00%	\$ -	
Lake Mary Township	\$ 4,180	\$ 4,389	\$ 4,389	0.00%	\$ -	
Brandon Township	\$ 2,530	\$ 2,657	\$ 2,657	0.02%	\$ -	
Douglas County	\$ 55,000	\$ 57,750	\$ 57,750	0.00%	\$ -	
Misc	\$ 66,100	\$ 75,205	\$ 77,000	2.39%	\$ 1,795	
Total	\$ 400,102	\$ 412,297	\$ 415,055	0.67%	\$ 12,195	
Miscellaneous Revenue by Source						
	2024	2025	2026			
Interest Income	\$ 2,000	\$ 2,300	\$ 3,000			
RLF Interest Income	\$ 600	\$ 3,100	\$ 3,500			
DEED RLF Interest	\$ 11,000	\$ 14,000	\$ 14,000			
Advertising	\$ 1,000	\$ 4,305	\$ 4,500			
Events	\$ 2,500	\$ 2,500	\$ 2,000			
Reserve	\$ -	\$ -	\$ -			
Program Administration	\$ 49,000	\$ 49,000	\$ 50,000			
	\$ 66,100	\$ 75,205	\$ 77,000			
Expenses						
Administration	\$ 228,328	\$ 213,391	\$ 221,005			
Operational	\$ 68,451	\$ 80,265	\$ 83,094			
Marketing/Strategic Planning Initiatives	\$ 101,824	\$ 98,641	\$ 108,457			
Capital Improvements	\$ 1,500	\$ 20,000	\$ 2,500			
Total Estimated Expenses	\$ 400,102	\$ 412,297	\$ 415,055			

LAEDA Members	Projected	Percent of	Budget
	2024 Population*	Population Served	Amount
City of Alexandria	15,000	66%	\$ 162,945
City of Garfield	346	2%	\$ 3,759
Alexandria Township	3,077	14%	\$ 33,425
LaGrand Township	4,260	19%	\$ 46,276
Total	22,683	100%	\$ 246,405
Proposed Budget Request			
Douglas County	39,953		\$ 57,750
Lake Mary Township	1,167		\$ 4,389
Brandon Township	760		\$ 2,657
Carlos Township	2,206		\$ 19,924
Hudson Township	973		\$ 6,930
Other Revenue			\$ 77,000

*All data provided by MN State Demographer January 2025.

Resolution # 25-07

A RESOLUTION ESTABLISHING THE TAX LEVY FOR THE LAKES AREA ECONOMIC DEVELOPMENT AUTHORITY

WHEREAS, the Cities of Alexandria and Garfield and the Townships Alexandria and LaGrand have all passed resolutions becoming members of the Lakes Area Economic Development Authority, and

WHEREAS, Pursuant to the 2003 Minnesota Session Laws, Chapter 127, Article 12, Section 38, Subdivision A, the Lakes Area Economic Development Authority is authorized to levy an amount not to exceed .01813 percent of the taxable market value of its members, and

WHEREAS, the tax is, for each member, a pro rata portion of the total amount of tax requested by the authority based on the taxable market value within a member’s jurisdiction, and

WHEREAS, Lakes Area Economic Development will adopt and approve its budget and will certify the levy to the Douglas County Auditor pursuant to 2003 Minnesota Session Laws, Chapter 127, Article 12, Section 38, and

NOW, THEREFORE BE IT RESOLVED, the Lakes Area Economic Development Authority is certifying a levy total of \$ _____ to the Douglas County Auditor for 2026.

The motion for the adoption of the foregoing resolution was made by _____, seconded by _____, and upon vote being taken thereon the following voted in favor thereof:

Yes:

No:

Absent:

ADOPTED by the Board of Commissioners of the Lakes Area Economic Development Authority, this 21st day of August, 2025.

President, LAEDA

ATTEST: _____
Executive Director, LAEDA

