

Extract of Minutes of Meeting
of the Board of Commissioners of the
Grand Rapids Economic Development Authority

Pursuant to due call and notice thereof, a regular meeting of the Board of Commissioners of the Grand Rapids Economic Development Authority was duly held at City Hall of the City of Grand Rapids, Minnesota on Thursday, June 11, 2026, commencing at 4:00 p.m.

The following commissioners were present:

and the following were absent:

The President announced that the next order of business was consideration of the sale of the Authority's Taxable Revenue Bond, Series 2026A, to be issued in the original aggregate principal amount of \$420,000.

Commissioner _____ then introduced the following resolution and moved its adoption:

RESOLUTION NO. _____

AUTHORIZING THE ISSUANCE OF A TAXABLE REVENUE BOND, SERIES 2026A, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$420,000, IN FAVOR OF THE DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT; PROVIDING FOR ITS ISSUANCE; AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS

BE IT RESOLVED By the Board of Commissioners (the “Board”) of the Grand Rapids Economic Development Authority (the “Authority”), as follows:

Section 1. Recitals.

(a) The Authority has applied for a loan from the Department of Employment and Economic Development, a department of the State of Minnesota (“DEED”), to finance costs of the demolition of an existing structure on property located at 900 NW Fourth Street (MN Hwy 2) in the City of Grand Rapids, Minnesota (the “City”) and owned by the Authority (the “Project”).

(b) Pursuant to Minnesota Statutes, Sections 116J.5761 through 116J.5765, as amended (the “DEED Act”), DEED is authorized to provide loans for demolition costs.

(c) DEED has committed to make a loan to the Authority in the principal amount of \$420,000 (the “Loan”) from DEED’s Demolition Loan Program (the “Program”), to be disbursed and repaid in accordance with the terms of a Loan Agreement for Loan No. RDLP-26-0001-o-FY26 Hwy. 2 West Redevelopment Project, effective as of March 13, 2026 or the date of execution (the “Loan Agreement”), between the Authority and DEED. The Loan Agreement, as executed, is incorporated herein by reference and was approved by the Board on May 14, 2026.

(d) In order to provide security for the repayment of the Loan, DEED has required that the Authority issue a revenue bond to DEED secured by the general obligation pledge of the City. On May 14, 2026, the Board adopted a resolution providing its intention to issue a revenue bond to DEED, as described further herein.

(e) To meet the requirements of DEED, the City has proposed to issue a general obligation bond payable from tax abatement revenues, which revenues will be used to make payments under the revenue bond to be issued by the Authority to secure the Authority’s obligations under the Loan Agreement and the Bond.

(f) Under Minnesota Statutes, Chapter 475, as amended, and Sections 469.1812 through 469.1815, as amended (collectively, the “Act”), the City is authorized to grant a property tax abatement on specified parcels in order to accomplish certain public purposes, including the redevelopment or renewal blighted areas, help preserve and increase the tax base, provide access to services for residents of the political subdivision, and help provide employment opportunities, including construction jobs.

(g) Pursuant to a resolution adopted by the City Council on May 26, 2026 (the “Abatement Resolution”), following a duly noticed public hearing, the City Council approved a property tax abatement (the “Abatements”) in the maximum amount of \$420,000 for certain

property in the City (the “Abatement Parcels”) over a period of 8 years, in an amount sufficient to pay the principal amount of bonds issued to help finance the Project.

(h) In the Abatement Resolution, the City found and determined that the Project benefits the Abatement Parcels and that the maximum principal amount of bonds to be secured by Abatements does not exceed the estimated sum of Abatements from the Abatement Parcels for the term authorized under the Abatement Resolution.

(i) Pursuant to a resolution adopted on June 8, 2026 (the “City Resolution”), the City Council authorized the issuance of its Taxable General Obligation Tax Abatement Bond, Series 2026A (the “City Bond”), in the original aggregate principal amount of \$420,000, pursuant to the Act, to help provide financing for the Project. The City Bond will be issued in favor of DEED for the benefit of the Authority, and the City will pledge the Abatement revenues and ad valorem taxes levied and collected to repay the Bond.

(j) The Authority has the powers set forth in Minnesota Statutes, Section 469.090 through 469.1082, as amended (the “EDA Act”), and Minnesota Statutes, Sections 469.001 through 469.047, as amended (the “HRA Act”), including but not limited to the power to borrow money from the state government in accordance with Section 469.011 of the HRA Act and to issue revenue bonds pursuant to Section 469.103 of the EDA Act.

(k) The Board finds it necessary and expedient to the sound financial management of the City and the Authority to issue its Taxable Revenue Bond, Series 2026A (the “Bond”), in the original aggregate principal amount of \$420,000, pursuant to Section 469.103 of the EDA Act, to DEED. The Bond will be payable from the Abatement revenues and ad valorem taxes levied and collected from the City and will be secured by the general obligation pledge of the City in accordance with the City Bond and the City Resolution.

Section 2. Acceptance of Offer; Payment.

(a) The Authority hereby agrees to issue the Bond to DEED in the original aggregate principal amount of \$420,000 at the rate of interest hereinafter set forth, and to repay the Bond as set forth below. The Bond will be provided as security for the payment of the Loan. The terms set forth in this resolution relating to the Bond are intended to be consistent with the provisions of the Loan Agreement, and to the extent that any provision in the Loan Agreement is in conflict with this resolution, the Loan Agreement shall control.

(b) The Bond is to be issued in the aggregate principal amount of \$420,000, originally and nominally dated as of the date of delivery as a fully registered Bond. The Bond will be in the denomination of the entire principal amount thereof, numbered R-1, and will bear interest at 2.00% per annum and be payable in the amounts specified in the form of the Bond attached hereto as EXHIBIT A subject to such changes as required by DEED and approved by the Authority.

(c) The Bond is subject to redemption and prior payment as provided in the Loan Agreement.

(d) Interest and principal in the installment amounts set out in the Bond are payable by wire transfer, or if by check or draft of the Authority or its designated Registrar, mailed no later than five (5) business days prior to the payment date to the registered holder thereof at the holder’s address as it appears on the bond register at the close of business on the fifteenth day (whether or not a business day) immediately preceding the interest payment date.

Section 3. Date; Denomination; Interest Rate. The Bond will be a fully registered negotiable obligation, dated as of date of delivery and issued forthwith. The Bond shall be issued in substantially the form attached hereto as EXHIBIT A subject to such changes as required by DEED and approved by the Authority.

Section 4. Registration of Bond. At the time of issuance and delivery of the Bond, the Executive Director shall register the Bond in the name of the payee in a note register which the Executive Director and the officer's successors in office shall maintain for the purpose of registering the ownership of the Bond. The Bond shall be prepared for execution with appropriate text and spaces for notation of registration. The force and effect of such registration shall be as stated in the form of Bond hereinafter set forth. Payment of principal installments and interest, whether upon redemption or otherwise, made with respect to the Bond, may be made to the registered holder thereof or to the registered holder's legal representative, without presentation or surrender of the Bond.

Section 5. Execution. The Bond is to be executed on behalf of the Authority by the manual or facsimile signatures of its President and Executive Director, and is to be authenticated by the manual signature of the Executive Director, acting as authenticating agent of the Authority. In the event of disability or resignation or other absence of any of such officers, the Bond may be signed by any officer who is authorized to act on behalf of such absent or disabled officer. If an officer whose signature will appear on the Bond ceases to be such officer before the delivery of the Bond, such officer's signature will nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

Section 6. Delivery; Application of Proceeds. The Bond when so prepared and executed will be delivered by the Executive Director to DEED prior to disbursement pursuant to the Loan Agreement and DEED is not obliged to see to the proper application thereof.

Section 7. Payment; Security; Pledges and Covenants.

(a) Debt Service Fund. The Bond will be payable from the debt service administered by the City for the City Bond in accordance with the City Resolution (the "Debt Service Fund"). The Abatements from the Abatement Parcels and proceeds of ad valorem taxes levied by the City in the the City Resolution for payment of the Bond (the "Taxes") will be deposited into the Debt Service Fund held by the City and will be transferred to the Authority to be used to repay the Bond in accordance with the Loan Agreement. Such amounts will be transferred to the Authority as described in subsection (f) below. There is also appropriated to the Debt Service Fund any other money which is properly available and appropriated by the Board or the City Council to the Debt Service Fund and to the repayment of the Loan.

(b) Construction Fund. Proceeds of the Loan from DEED together with any other funds appropriated for the Project, will be deposited in the Taxable Revenue Bond, Series 2026A Construction Fund (the "Construction Fund") hereby created and held by the Authority, to be used solely to defray expenses of the Project. Amounts will be drawn by the Authority from proceeds of the Loan in accordance with the Loan Agreement and deposited into the Construction Fund. It is recognized that the sale proceeds of the Bond are received in reimbursement for costs expended on the Project or in direct payment of such costs, and that accordingly the money need not be placed in the Construction Fund upon receipt but may be applied immediately to reimburse the source from which the expenditure was made. Money in the Construction Fund is to be used solely for the purpose of paying for the cost of the Project by the Authority, including all costs enumerated in the DEED Act and authorized by the Abatement Resolution, provided that such money may only be expended by the Authority for costs and expenses which are permitted under the Loan Agreement.

(c) General Obligation Pledge of the City as Security for the Bond. Pursuant to the City Bond Resolution, the City pledged the full faith, credit and taxing powers of the City to the payment of the City Bond as security for the payment by the Authority of the Bond and, therefore, the repayment of the Loan.

(d) Special, Limited Obligation of the Authority. The Bond is a special, limited obligation of the Authority and is not a general obligation of the Authority. The Bond is secured solely by the Taxes and Abatements pledged in accordance with the City Bond and the City Resolution. The City shall transfer Abatements and Taxes to the Authority for the payment of the Bond.

(e) Certification to County Auditor/Treasurer as to Debt Service Fund Amount. It is hereby determined that the estimated collections of Abatements and Taxes to be transferred by the City to the Authority will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bond.

(f) Pledge of Abatements to Bond. The Abatements and Taxes collected by the City will be transferred to the Authority to be used to repay the Bond which evidences the Loan from DEED. The Authority hereby pledges such payments from the City to the Bond.

Section 8. Certificate of Registration. The Executive Director is authorized and directed to file a certified copy of this resolution with the County Auditor/Treasurer of Itasca County, Minnesota (the "County Auditor/Treasurer"), together with such other information as the County Auditor/Treasurer may require, and to obtain the certificate of the County Auditor/Treasurer that the Bond has been entered in the Bond Register of the County Auditor/Treasurer.

Section 9. Loan Agreement. The Board previously approved the execution and delivery of the Loan Agreement by the President and Executive Director of the Authority, and the executed form is incorporated by reference and made a part of this resolution. The provisions of this resolution relating to the Bond are intended to be consistent with the provisions of the Loan Agreement, and to the extent that any provision in the Loan Agreement is in conflict with this resolution as it relates to the Bond, that provision controls. The execution of the Loan Agreement by the President and Executive Director is conclusive evidence of the approval of the Loan Agreement in accordance with the terms hereof. The Loan Agreement may be attached to the Bond and shall be attached to the Bond if the holder of the Bond is anyone other than DEED.

Section 10. Records and Certificates. The officers of the Authority are hereby authorized and directed to prepare and furnish to DEED, and to the attorneys approving the legality of the issuance of the Bond, certified copies of all proceedings and records of the Authority relating to the Bond and to the financial condition and affairs of the Authority, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Bond as the same appear from the books and records under their custody and control, or as otherwise known to them, and all such certified copies, certificates and affidavits including any heretofore furnished, are to be deemed representations of the Authority as to the facts recited therein.

Section 11. Electronic Signatures. The electronic signature of the President, the Executive Director, and/or the Secretary of the Board to this resolution and to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the Authority thereto. For purposes hereof, (i) "electronic signature" means (a) a manually signed original signature that is then transmitted by electronic means or (b) a signature obtained through DocuSign or Adobe or a similarly digitally auditable signature gathering process; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.

Section 12. Severability. If any section, paragraph or provision of this resolution is held to be invalid or unenforceable for any reason, the validity or unenforceability of such section, paragraph or provision will not affect any of the remaining provisions of this resolution.

Section 13. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and do not limit or define the meaning of any provision hereof.

(The remainder of this page is intentionally left blank.)

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

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Approved by the Board of Commissioners of the Grand Rapids Economic Development Authority this June 11, 2026.

President

Attest:

Secretary

property located at 900 NW Fourth Street (MN Hwy 2) in the City and owned by the Authority. The principal hereof and interest hereon are payable in part from abatements collected from certain property in the City and in part from ad valorem taxes, as pledged by the City to the payment of this Bond pursuant to the City's Taxable General Obligation Tax Abatement Bond, Series 2026A (the "City Bond"), as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. This Bond is a special, limited obligation of the Authority.

Payments on this Bond shall be made from payments of abatements and transferred from the City in accordance with the City Bond and a resolution adopted by the City Council of the City adopted on June 8, 2026.

Registration: Transfer. This Bond must be registered in the name of the payee on the books of the Authority by presenting this Bond for registration to the Executive Director, who will endorse the Executive Director's name and note the date of registration opposite the name of the payee in the certificate of registration attached hereto. Thereafter this Bond may be transferred to a bona fide purchaser only by delivery with an assignment duly executed by the registered owner or owner's legal representative, and the Authority may treat the registered owner as the person exclusively entitled to exercise all the rights and powers of an owner until this Bond is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Executive Director.

Fees Upon Transfer or Loss. The Executive Director may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer of this Bond and any legal or unusual costs regarding transfers and lost notes.

Loan Agreement. The terms and conditions of the Loan Agreement are incorporated herein by reference and made a part hereof.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the Grand Rapids Economic Development Authority has caused this Bond to be executed with the manual or facsimile signatures of its President and Executive Director, both as of the nominal date of original issue specified above.

Dated: July ____, 2026

**GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY**

(Facsimile)
President

(Facsimile)
Executive Director

**CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This is the Bond described above and has been registered as to the principal and interest in the name of the Registered Owner identified below on the registration books of the Executive Director of the Authority.

EXHIBIT A

AMORTIZATION SCHEDULE

Grand Rapids EDA	scheduled closing date:	07/02/26	Amount:	420,000.00
RDLP-26-0001-O-FY26	interest accrual date:	07/03/28	Rate:	2.00%
Hwy. 2 West Redevelopment Project	maturity date:	07/02/36	adj maturity dt:	08/15/36

Date	Effective	Disbursement	Repayment	Interest	Principal	Loan Balance
estimated	07/02/26	420,000.00				420,000.00
accrual date	07/03/28					420,000.00
	07/03/28					420,000.00
	02/15/29		5,180.00	5,180.00		420,000.00
	08/15/29		56,700.00	4,200.00	52,500.00	367,500.00
	02/15/30		3,675.00	3,675.00		367,500.00
	08/15/30		56,175.00	3,675.00	52,500.00	315,000.00
	02/15/31		3,150.00	3,150.00		315,000.00
	08/15/31		55,650.00	3,150.00	52,500.00	262,500.00
	02/15/32		2,625.00	2,625.00		262,500.00
	08/15/32		55,125.00	2,625.00	52,500.00	210,000.00
	02/15/33		2,100.00	2,100.00		210,000.00
	08/15/33		54,600.00	2,100.00	52,500.00	157,500.00
	02/15/34		1,575.00	1,575.00		157,500.00
	08/15/34		54,075.00	1,575.00	52,500.00	105,000.00
	02/15/35		1,050.00	1,050.00		105,000.00
	08/15/35		53,550.00	1,050.00	52,500.00	52,500.00
	02/15/36		525.00	525.00		52,500.00
	08/15/36		53,025.00	525.00	52,500.00	-
totals		420,000.00	458,780.00	38,780.00	420,000.00	

Notes:

Interest will accrue on the outstanding loan balance on a 30/360 basis, beginning on the interest accrual date. Final payment, for the outstanding principal balance and all unpaid accrued interest is due on the maturity date.

Semi-annual repayments will be due each February 15th and August 15th, beginning February 15, 2029 and continuing until the maturity date.

The draft schedule above reflects projected timing and amounts of loan disbursements, and is subject to change as provided in the Loan Agreement.

STATE OF MINNESOTA)
)
COUNTY OF ITASCA)
)
CITY OF GRAND RAPIDS)

I, the undersigned, being the duly qualified and acting Executive Director of the Grand Rapids Economic Development Authority (the “Authority”), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a **[regular]** **[special]** meeting of the Board of Commissioners of said Authority held on June 11, 2026, with the original thereof on file in my office and the same is a full, true and correct copy thereof, insofar as the same relates to the issuance and sale of the Authority’s Taxable Revenue Bond, Series 2026A, in the original aggregate principal amount of \$420,000.

WITNESS my hand as such Executive Director this ____ day of May, 2026.

Executive Director
Grand Rapids Economic Development Authority