



**City of Moorhead  
Economic Development Authority**

**Meeting Agenda  
August 31, 2020 at 11:45 AM  
1st Floor, Council Chambers, Moorhead City Hall**

<u>ITEM</u>	<u>REMARKS</u>
1. Call meeting to Order / Roll Call	_____
2. Agenda Amendments	_____
3. Approve Minutes	_____
A    August 3, 2020	_____
4. Citizens Addressing the Board	_____
5. Commissioners' Reports	_____
6. Public Hearing for and Approve Resolution to Authorize the Issuance of Revenue Bonds to Solutions Behavioral Healthcare Professionals - John Shockley, City Attorney	_____
7. West Central Initiative - Rebecca Petersen, Director of Development	_____
8. Moorhead CARES Small Business Relief Grant Update - Derrick LaPoint	_____
9. Recommend 2020 Preliminary Budget and Tax Levy - Dan Mahli	_____
10. Information / Update	_____
A    Building & Permit Valuation Report - Sign up for "Building and Housing" e-Notifications at: <a href="https://www.ci.moorhead.mn.us/about-the-city/news/sign-up-for-e-notification">https://www.ci.moorhead.mn.us/about-the-city/news/sign-up-for-e-notification</a>	_____
11. Adjourn	_____

Upon request, accommodations for individuals with disabilities, language barriers, or other needs to allow participation in Economic Development Authority meetings will be provided. To arrange assistance, call the City Clerk's office at 218.299.5166 (voice) or 711 (TDD/TTY).





**City of Moorhead  
Economic Development Authority**

**Meeting Minutes  
August 03, 2020 at 11:45 AM  
1st Floor, Council Chambers, Moorhead City Hall**

Pursuant to due call and notice thereof, a regular meeting of the Economic Development Authority was held in the 1st Floor, Council Chambers, Moorhead City Hall, on August 03, 2020, at 11:45 AM.

**Roll call of the members was made as follows:**

**1. Call meeting to Order / Roll Call**

Board Member:	Nate Anderson	Absent
Board Member:	Michael Burns	Present
Board Member:	Chad Cota	Present
Board Member:	Alexandre Cyusa	Present
Board Member:	Pat Kovash	Present
Board Member:	Joel Paulsen	Absent
Board Member:	Jeff Schaumann	Absent
Council Member:	Larry Seljevold	Absent
Board Member:	Roberta Solien	Present
Council Member:	Deb White	Present
Board Member:	Vacancy	Absent

**Others Present:**

Derrick LaPoint, DMI / Economic Development  
Amy Thorpe, Economic Development Program Administrator  
John Shockley, City Attorney

**2. Agenda Amendments**

Minutes: Derrick LaPoint, DMI/Economic Development, reported that there are no agenda amendments. He announced that Board Member Zach Heuring resigned from serving on the EDA Board effective immediately and thanked him for his service.

**3. Approve Minutes**

June 29, 2020

**Motion to Approve made by Deb White and seconded by Chad Cota**

*Motion Passed: For: 5; Against: Cyusa – no response; Abstain: 0; Absent: 6 – Anderson, Paulsen, Schaumann, Seljevold, Vacancy*

**4. Citizens Addressing the Board**

Minutes: None

**5. Commissioners' Reports**

Minutes: Pat Kovash, MBA, reported on Drive Up and Tune In 4<sup>th</sup> of July Celebration and Fireworks, MBA's 5th Annual Golf Tournament, distribution of masks by the Chambers, Bridge Bash,

Diversity Job Fair, and Frostival.

**6. Resolution for Preliminary Approval to the Issuance of Facility Revenue Bond for Solutions Behavioral Healthcare Professionals located at 1547 30 Ave S**

Minutes: John Shockley, City Attorney, presented the request for the EDA to be a conduit issuer for a tax exempt bond on behalf of Jim Stuart of Solutions Behavioral Healthcare Professionals. A public hearing is scheduled for August 31, 2020.

Jim Stuart was present to answer questions.

**Motion to Approve made by Chad Cota and seconded by Pat Kovash**

Resolution for Preliminary Approval to the Issuance of Facility Revenue Bond for Solutions Behavioral Healthcare Professionals located at 1547 30 Ave S

*Motion Passed: For: 6; Against: 0; Abstain: 0; Absent: 5 – Anderson, Paulsen, Schaumann, Seljevoll, Vacancy*

**7. Recommendation of the MCCARA Development Control Board for A-P Concrete Site Improvements and New Construction at 4125 32 Ave S**

Minutes: Derrick LaPoint, DMI/Economic Development, presented project details for the new construction and site improvements of 8,600 square foot building.

**Motion to Approve made by Pat Kovash and seconded by Deb White**

Approve New Improvements for A-P Concrete Site at 4125 32 Ave S upon the unanimous recommendation of the MCCARA Development Control Board.

*Motion Passed: For: 6; Against: 0; Abstain: 0; Absent: 5 – Anderson, Paulsen, Schaumann, Seljevoll, Vacancy*

**8. Moorhead's Coronavirus Relief Funding (CARES Act) Update**

Minutes: Derrick LaPoint, DMI/Economic Development, provided an update on CARES Funding. Various amounts have been set aside for City programs, and Moorhead has designated \$2 million to distribute to local businesses. Staff are working to set up a program that is similar to the State of Minnesota's CARES grant program but criteria which makes more sense for a border city. Commissioners had a detailed discussion.

**9. Budget Report: 2020 Year to Date and 2021 Preliminary Budget and Levy**

Minutes: Derrick LaPoint, DMI/Economic Development, stated that a preliminary budget report was included in the packet for their review. He stated that a motion to recommend a preliminary budget and levy would be needed at the next EDA meeting which is scheduled for August 31, 2020.

**10. Economic Development Report**

Minutes: Derrick LaPoint, DMI/Economic Development, provided the latest business updates related to the Coronavirus (COVID-19) pandemic as it related to local, State, and Federal programs available to support local businesses effected by COVID-19 shutdowns. He stated that the State of Minnesota has distributed masks to area Chambers of Commerce and will be available for Moorhead businesses soon.

**11. Information / Update**

Building & Permit Valuation Report - Sign up for "Building and Housing" e-Notifications at:  
<https://www.ci.moorhead.mn.us/about-the-city/news/sign-up-for-e-notification>

**12. Adjourn**

Minutes: Adjourned approximately 12:15 pm.

APPROVED BY:

ATTEST:



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Michael Burns  
Chair

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Roberta Solien  
Secretary

The proceedings of this meeting are digitally recorded and are available for public review.

*Respectfully submitted by:*  
*Betty Hartley, Office Specialist*

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**NOTE RESOLUTION**

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**\$5,000,000**  
**MOORHEAD ECONOMIC DEVELOPMENT AUTHORITY**  
**FACILITIES REVENUE NOTES**  
**(SOLUTIONS BEHAVIORAL HEALTHCARE PROFESSIONALS, P.C. PROJECT)**  
**SERIES 2020**

**Adopted August 31, 2020**

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## NOTE RESOLUTION

### RECITALS:

**A.** Moorhead Economic Development Authority, Moorhead, Minnesota (the “Issuer”) 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 Issuer to issue its Facilities Revenue Notes (Solutions Behavioral Healthcare Professionals, P.C. Project), Series 2020 (the “Notes”) in an amount not exceeding \$5,000,000 for the purpose of financing the construction of a two-story office and clinical facility and adjacent parking located at 1547 30<sup>th</sup> Avenue South, Moorhead, Minnesota.

**C.** The Board of Directors 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 Issuer that the Board of Directors approve the issuance of the Notes.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Moorhead Economic Development Authority, Moorhead, Minnesota, 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 (the “Loan Agreement”), between the Issuer 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 Issuer is a public body, corporate and politic, 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 Issuer 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 Issuer does hereby determine, as follows:

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

(b) the Issuer 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 Issuer hereby authorizes the financing of the Project and execution of the Loan Agreement, the Assignment of Loan Agreement, and the Notes, which documents specify the terms and conditions for financing the Project;

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

(d) the amount estimated to be necessary to finance the Project will require the issuance of the Notes in the principal amount not exceeding \$5,000,000 as hereinafter provided;

(e) it is desirable, feasible and consistent with the objects and purposes of the Act to issue the Notes for the purpose of financing the Project;

(f) the Notes and the interest accruing thereon do not constitute an indebtedness of the Issuer 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 Issuer and neither the full faith and credit nor the taxing powers of the Issuer, is pledged for the payment of the Notes 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  
NOTES**

**2.1. AUTHORIZED AMOUNT AND FORM OF NOTES.** The Notes 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 Notes

that may be outstanding hereunder is expressly limited to \$5,000,000, unless a duplicate Note is issued pursuant to Section 2.7 hereof. The Corporation has accepted the proposal of Bremer Bank, National Association, Fargo, North Dakota (the “Lender”) to purchase the Notes upon the terms and conditions set forth herein. Pursuant to the Loan Agreement, the purchase price of the Notes will be loaned by the Issuer to the Corporation to provide funds to finance the Project.

**2.2. THE NOTE TERMS.** The Notes 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, provided the initial interest rate shall not exceed 4.00% per annum. The Notes shall be denominated “Facilities Revenue Notes (Solutions Behavioral Healthcare Professionals, P.C. Project), Series 2020” and shall be in the aggregate principal amount not exceeding \$5,000,000. 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 Chair and the Secretary; 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 Notes shall be executed on behalf of the Issuer by the manual or facsimile signatures of the Chair and Secretary. In case any officer whose signature shall appear on the Notes shall cease to be such officer before the delivery of the Notes, 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 Chair or Secretary such officers of the Issuer as may act in their behalf, shall without further act or authorization of the Board of Directors execute and deliver the Notes.

**2.4. DELIVERY OF NOTES.** Before delivery of the Notes 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 Issuer 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 Notes, the Lender shall, on behalf of the Issuer, advance the proceeds of the Notes to construct the Project and pay the costs of issuance upon compliance with the provisions of the Loan Agreement.

**2.6. REGISTRATION OF TRANSFER.** The Issuer 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 Notes. The Notes 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 Notes

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 Notes Register and in the registration blank appearing on the Notes.

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

**2.8. OWNERSHIP OF NOTES.** The Issuer 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 Issuer shall not be affected by any notice to the contrary.

**2.9. LIMITATION ON NOTE TRANSFERS.** The Notes have been issued without registration under state or other securities laws, pursuant to an exemption for such issuance; and accordingly the Notes may not be assigned or transferred in whole or part, nor may a participation interest in the Notes 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 Issuer shall, at the request and expense of the Lender, issue new Notes in aggregate outstanding principal amount equal to that of the Notes 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 OBLIGATIONS.** In order to qualify the Notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer hereby makes the following factual statements and representations:

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

(b) the Issuer hereby designates the Notes as "qualified tax-exempt obligations" 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 Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during calendar year 2020 are not expected to exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations issued by the Issuer during calendar year 2020 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 Issuer covenants that it will promptly pay or cause to be paid the principal of and interest on the Notes at the place and on the dates required, but solely from the source and in the manner provided herein and in the Notes. 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 Notes, the Loan Agreement and the Assignment of Loan Agreement, and nothing in the Notes 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 Issuer.

**3.2. PERFORMANCE OF ISSUER COVENANTS.** The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Note Resolution, in the Notes executed, authenticated and delivered hereunder and in all proceedings of the Board of Directors 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 Notes authorized hereby, pledge the revenues and assign the Loan Agreement in the manner and to the extent set forth in this Note Resolution, the Notes, the Loan Agreement and the Assignment of Loan Agreement; that all action on its part for the issuance of the Notes and for the execution and delivery thereof has been duly and effectively taken; and that the Notes in the hands of the Lender are and will be a valid and enforceable special limited obligation of the Issuer according to the terms thereof.

**3.3. ENFORCEMENT AND PERFORMANCE OF COVENANTS.** The Issuer agrees to enforce all covenants and obligations of the Corporation under the Loan Agreement upon request of the Lender and being indemnified to the satisfaction of the Issuer for all expenses and claims arising therefrom, and to perform all covenants and other provisions pertaining to the Issuer contained herein and in the Notes, 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 Notes, the Loan Agreement or the Assignment of Loan Agreement to the contrary, under the provisions of the Act the Notes may not be payable from or be a charge upon any funds of the Issuer other than the revenues and proceeds pledged to the payment thereof, nor shall the Issuer be subject to any liability

thereon, nor shall the Notes otherwise contribute or give rise to a pecuniary liability of the Issuer or, to the extent permitted by law, any of the Issuer's officers, employees and agents. No holder of the Notes shall ever have the right to compel any exercise of the taxing power of the Issuer to pay the Notes or the interest thereon, or to enforce payment thereof against any property of the Issuer other than the revenues pledged under the Assignment of Loan Agreement; and the Notes shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Issuer, other than payments under the Loan Agreement which have been assigned to the Lender; and the Notes shall not constitute a debt of the Issuer 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 Issuer has made the covenants and agreements herein for the benefit of the Lender; provided that in any event, the agreement of the Issuer to perform or enforce the covenants and other provisions contained herein and in the Notes, 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 Issuer 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 Issuer 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 Notes. All such certified copies, certificates and affidavits, including any heretofore furnished shall constitute recitals of the Issuer as to the correctness of all statements contained therein.

**4.3. 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 Economic Development Program Administrator 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 Chair and Secretary of the Issuer (collectively, the “Issuer Officers”), are authorized to execute the Loan Agreement and the Assignment of Loan Agreement in the name of and on behalf of the Issuer and such other documents as Bond Counsel consider appropriate in connection with the issuance of the Notes. In the event of the absence or any disability of any of the Issuer Officers such officers of the Issuer as, in the opinion of the Issuer attorney, may act in their behalf, shall without further act or authorization of the Board of Directors 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 Notes) by the appropriate officer or officers of the Issuer herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof.

**4.4. FUTURE AMENDMENTS.** The authority to approve, execute and deliver, on behalf of the Issuer, future amendments to financing documents entered into by the Issuer in connection with the issuance of the Notes is hereby delegated to the Chair and Secretary, subject to the following conditions: (a) such amendments do not materially adversely affect the interests of the Issuer as the issuer of the Notes; (b) such amendments do not contravene or violate any policy of the Issuer; (c) such amendments are acceptable in form and substance to the Issuer Attorney or other counsel retained by the Issuer to review such amendments; and (d) the Issuer 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 Notes. 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 Chair and Secretary, shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Chair and Secretary, any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the Issuer authorized to act in their place and stead.

*(Remainder of this page intentionally left blank.)*

**PASSED** by the Board of Directors of Moorhead Economic Development Authority, Minnesota, this 31<sup>st</sup> day of August, 2020.

APPROVED BY:

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

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 Chair and attested by the Secretary.

**STATE OF MINNESOTA**

**COUNTY OF CLAY**

The undersigned, being the duly qualified and acting Secretary of Moorhead Economic Development Authority, Moorhead, Minnesota, **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 duly called and held on the date therein indicated and such Note Resolution has not been amended, modified or supplemented by the Board of Directors and that such Note Resolution remains in full force and effect as of the date hereof.

**WITNESS** my hand and the seal of said Issuer this \_\_\_\_\_ day of September, 2020.

\_\_\_\_\_  
Secretary





unpaid principal and interest due on this Note shall be paid. Monthly payments of principal and interest shall be recomputed as of each Rate Adjustment Date.

This Note is one of an authorized issue of Notes in the aggregate principal amount of \$5,000,000 to be issued for the purpose of financing the construction of an office and clinical facility (the "Project") located at 1547 30<sup>th</sup> Avenue South, Moorhead, Minnesota and owned and operated by Solutions Behavioral Healthcare Professionals, P.C., a Minnesota nonprofit corporation (the "Corporation"). Proceeds of the Notes will be loaned to the Corporation under the provisions of a Loan Agreement dated as of September 1, 2020, by and between the Issuer and the Corporation (the "Loan Agreement"). The Notes have been designated as "qualified tax-exempt obligations" by the Corporation 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.

**IN WITNESS WHEREOF**, Moorhead Economic Development Authority, Moorhead, Minnesota, has caused this Note to be signed in its name by the manual signatures of its Chair and Secretary.

**MOORHEAD ECONOMIC  
DEVELOPMENT AUTHORITY**

( s i g n a t u r e )  
Chair

ATTEST:  
( s i g n a t u r e )  
Secretary

(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 Notes as the same shall become due and payable (the "Basic Payments"). Pursuant to the Assignment of Loan Agreement, the Issuer 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, Security Agreement, Assignment of Leases and Rents, and Fixture Financing Statement (the "Mortgage"), dated as of September 1, 2020, 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 Notes are 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 on August 31, 2020. This Note is a limited obligation of the Issuer and is payable solely out of the revenues and other amounts derived from the Loan Agreement or sale or other disposition of the Project financed through the issuance of the Notes. The Notes do not now and shall never constitute an indebtedness of the Issuer within the meaning of any State constitutional provision or statutory limitation and shall not constitute nor give rise to a pecuniary liability of the Issuer nor a charge against the general credit or taxing powers of the Issuer. Basic Payments sufficient for the prompt payment when due of the interest on and principal of said Notes are to be paid directly to the Lender by the Corporation for the account of the Issuer.

This Note is transferable, but only upon registration books of the Issuer at the office of the Issuer, 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 Notes are subject to prepayment and redemption as follows:

**Optional Redemption.** The Notes 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 Notes are 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 Issuer 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 Notes 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 Notes or portions thereof thus called and accrued interest thereon to the redemption date. Upon the happening of the above conditions, the Notes 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 Notes may not be assigned or transferred in whole or part, nor may a participation interest in the Notes 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 Moorhead Economic Development Authority, Moorhead, Minnesota 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>Bremer Bank, N.A., Fargo, ND</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 Notes are held by joint account).

**PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE** \_\_\_\_\_



August 18, 2020

PO Box 318  
Fergus Falls, MN 56538-0318  
218 739-2239 • 800 735-2239  
Fax: 218 739-5381  
wcif.org

Dan Mahli  
Moorhead City Manager  
Moorhead EDA  
500 Center Avenue  
Moorhead, MN 56561

Dear Mr. Mahli, EDA Commissioners, and City Staff;

It's August and it's another year and it's REALLY another very different year. New challenges and, dare I/we say, new opportunities. Here at West Central Initiative we've been doing our best to adjust to the new way of life, a new work environment (working mostly from home) all while trying to meet the needs of our region – not unlike your work, no doubt.

Last year we approached you with our new 3-year strategic framework and a commitment to more work in promoting our region through our Live Wide Open Program. This program continues to flourish even amidst challenging times and we continue to raise awareness around the opportunities to live and work in our region. Thus, we are moving forward with our Live Wide Open Summit (virtually) the week of September 14 for the entire week – but only for a small slice of the day (noon to 1:15 p.m. Monday–Fri). Please check our website ([www.wcif.org](http://www.wcif.org)) for more information. We hope you can join us!

Last year we also asked for a slight increase over the next three years from your previous commitment of \$15,000. (\$15,500 in 2020 and \$16,500 in 2021 and 2022). You did approve the 2020 increase with a hold on 2021 and 2022. At this time, during these uncertain and unprecedented times, we should probably hold off on an increase and hold steady at the current amount of your contribution of \$15,500 if that is amenable to you.

In the meantime, WCI is in the process of hiring two addition staff members for our Planning Team with the intention that in the next two year we can make our partnerships with cities and counties even stronger and more beneficial for everyone going forward.

We value our partnership with the Moorhead EDA, the Mayor, City Council and Staff. We want to be of even greater value to YOU!

Sincerely,  
Anna Wasescha  
President & CEO, West Central Initiative

Rebecca Lynn Petersen  
Director of Development



**ECONOMIC DEVELOPMENT DEPARTMENT**

**EDA TAX LEVY**

**2021 BUDGET WORKSHEET**

**Preliminary**

Account Number	Description	Actual 2018	Actual 2019	Year to date 7.29.2020	Budget 2020	% Used	Budget 2021
	Maximum Levy	\$ 567,000	\$ 567,000		\$ 546,137		\$ 598,658
	Levy Rate	0.0185	0.0185		0.0183		0.0183
	~Gross Market Value (Billions)	3.069	3.183		3.012		3.012
	Approved Tax Levy	\$ 400,000	\$ 438,000		\$ 506,137		
<b>REVENUES: EDA TAX LEVY</b>							
231-465-50-31010	AD VALOREM TAXES	\$ 320,011	\$ 353,376	\$ 209,160	\$ 506,137	41%	\$ 506,137
231-465-50-31040	DISPARITY CREDIT	\$ 77,608	\$ 84,694		\$ -		
231-465-50-33402	MARKET VALUE HOMESTEAD CREDIT	\$ 6	\$ 5		\$ -		
231-465-50-36210	INTEREST EARNINGS	\$ 13,057	\$ 30,956		\$ 10,000	0%	\$ 30,000
231-465-50-36230	GRANTS & AIDS	\$ -	\$ -	\$ 4,300	\$ 4,300	100%	
231-465-50-36290	SALE OF REAL PROPERTY	\$ -	\$ 5		\$ -		
231-465-50-39201	TRANSFER - GENERAL	\$ -	\$ -		\$ -		
231-465-50-39999	FROM RESERVES				\$ 40,000	0%	
	<b>SUBTOTAL EDA TAX LEVY</b>	<b>\$ 410,683</b>	<b>\$ 469,037</b>	<b>\$ 213,460</b>	<b>\$ 560,437</b>		<b>\$ 536,137</b>
<b>EXPENDITURES: EDA TAX LEVY</b>							
231-465-50-41010	FULL-TIME EMPLOYEES-REGULAR	\$ 91,524	\$ 84,328	\$ 43,113	\$ 95,620	45.1%	\$ 100,500
231-465-50-41040	TEMPORARY EMPLOYEES-REGULAR	\$ 1,613	\$ 5,303	\$ -	\$ 13,000	0.0%	\$ 13,000
231-465-50-41210	PERA CONTRIBUTIONS	\$ 3,161	\$ 6,272	\$ 3,233	\$ 8,148	39.7%	\$ 8,512
231-465-50-41220	FICA CONTRIBUTIONS	\$ 7,346	\$ 6,521	\$ 2,987	\$ 8,310	35.9%	\$ 8,682
231-465-50-41310	HEALTH INSURANCE	\$ 9,324	\$ 11,952	\$ 6,965	\$ 14,515	48.0%	\$ 16,922
231-465-50-41330	LIFE INSURANCE	\$ 84	\$ 50	\$ 24	\$ 55	43.6%	\$ 55
231-465-50-41510	WORKER'S COMPENSATION	\$ 166	\$ 407	\$ 242	\$ 504	48.0%	\$ 644
231-465-50-42020	DUPLICATING & COPYING	\$ -	\$ -	\$ 91	\$ 950	9.6%	\$ 950
231-465-50-42080	OFFICE SUPPLIES	\$ -	\$ 141	\$ -	\$ 200	0.0%	\$ 200
231-465-50-42190	OPERATING SUPPLIES	\$ 789	\$ 1,116	\$ 354	\$ 3,000	11.8%	\$ 3,000
231-465-50-43090	ELECTRONIC DATA PROCESSING	\$ 7,407	\$ -	\$ 3,020	\$ 7,500	40.3%	\$ 7,500
231-465-50-43100	PROFESSIONAL SERVICES	\$ 91,001	\$ 164,018	\$ 136,292	\$ 210,982	64.6%	\$ 117,775
231-465-50-43210	TELEPHONE SERVICES	\$ 463	\$ 70	\$ 41	\$ 1,260	3.3%	\$ 1,260
231-465-50-43220	POSTAGE	\$ -	\$ -	\$ 54	\$ 500	10.8%	\$ 500
231-465-50-43340	SOFTWARE	\$ -	\$ -	\$ 529	\$ -		\$ 550
231-465-50-43344	AUTOMOBILE ALLOWANCE	\$ 2,400	\$ -	\$ -	\$ -		\$ -
231-465-50-43420	MARKETING	\$ 53,105	\$ 54,148	\$ 4,890	\$ 100,000	4.9%	\$ 100,000
231-465-50-43540	PRINTING	\$ -	\$ -	\$ 774	\$ 1,500	51.6%	\$ 1,500
231-465-50-43610	GENERAL LIABILITY	\$ 377	\$ 537	\$ 417	\$ 400	104.3%	\$ 450
231-465-50-44330	DUES AND SUBSCRIPTIONS	\$ 815	\$ 3,865	\$ 8,631	\$ 11,433	75.5%	\$ 12,500
231-465-50-44370	TRAVEL, TRAINING, CONFERENCES	\$ 5,920	\$ 3,622	\$ 1,821	\$ 10,000	18.2%	\$ 10,000
231-465-50-44381	LOBBYING	\$ 65,340	\$ 65,644	\$ 65,000	\$ 67,000	97.0%	\$ 67,000
231-465-50-44384	GREATER MN PARTNERSHIP		\$ 5,000	\$ 5,000	\$ 5,000	100.0%	\$ 5,000
231-465-50-44385	WEST CENTRAL INITIATIVE FUND	\$ 15,000	\$ 15,000	\$ -	\$ 15,500	0.0%	\$ 15,500
231-465-50-44386	DOWNTOWN MOORHEAD INC	\$ 15,000	\$ -	\$ -	\$ -		\$ -
231-465-50-44387	GREATER F M ECON DEVELOP C		\$ 25,000	\$ 25,000	\$ 25,000	100.0%	\$ 25,000
231-465-50-44388	MOORHEAD BUSINESS ASSOCIATION		\$ 10,000	\$ -	\$ 10,000	0.0%	\$ 10,000
231-465-50-44389	WEST CENTRAL MN S B D C		\$ 1,000	\$ -	\$ 2,000	0.0%	\$ 2,000
231-465-50-45400	MACHINERY AND EQUIPMENT	\$ 14,445					\$ -
231-465-50-47201	TRANSFER - MUNICIPAL AIRPORT	\$ 226,034					\$ -
231-465-50-49999	TO RESERVES				\$ 43,675		\$ 7,173
	<b>SUBTOTAL EDA TAX LEVY</b>	<b>\$ 611,334</b>	<b>\$ 463,994</b>	<b>\$ 308,478</b>	<b>\$ 656,052</b>		<b>\$ 536,173</b>