

Revolving Loan Request

Borrower: The Lux MedSpa P.L.L.C.

Address/County: Open at 528 Division St S, Northfield MN from 502 Division



Previous view



After renovation

Business Owner: Andrea Berube, 100% Owner/Medical Director, 798 credit score

Contact Information: andrea@theluxmedspa.com; cell 612-616-7731; 507-246-2328

Requested Amount and Purpose: \$150,000 for remodel expenses, equipment for furniture/fixtures for the new space, utility work.

Repayment terms: 2 years interest only; \$989.93/month for 20 years amort; for a note length of 22 years. No prepayment penalty.

Proposed repayment Terms: 5% interest, 20 years plus 2 years interest only

Note: Program policy cites WSJ prime rates. As of June 2026: avg. 6.75%; *SBA 504 loan interest as of April 16, 2026 for a 20 year loan is 5.98%. EDA typically undercuts interest rates by more than 1.5%-3% since COVID.

Underwriting and financial review was completed by City of Northfield Staff and partners at SMIF and CRB.

Proposed Sources and Amounts:

Funding Source	Amount	Rate	Collateral/Comments	Position	Payment	Amort	
City of Northfield*	150,000	5%	528 Division St S, Northfield MN	3rd	\$989.93	20 -30 year Amort	Proposed
SMIF	81,000	4.25%	528 Division St S, Northfield MN & ABA	2 nd and 1 st	\$829.74	10 year amort, 5 year balloon	Pending Approval
Community Resource Bank	732,000	6.75%	528 Division St S, Northfield MN & ABA	1 st & 2 nd	\$5,057.47	25 year amort, 5 year balloon	Loan Closed
SMIF/DEED Grant	150,000						Disbursed
City of Northfield: 30% matching grant for improving facade	10,000						Disbursed
The Lux	95,000						
Owner's Equity**	510,000						
Total	\$1,728,000				6,877.14		

**Owner's Equity is Andrea and her husband's personal input: \$260,000 from a HELOC and \$250,000 cash.

Other Funding Agencies: SMIF, Marcia Haley, 507-455-3215
Community Resource Bank, Peter Scheffert, 507-645-3129

Fees:

As per Northfield Revolving Loan Policy, fee is 1% of loan amount, minimum \$250.

Fee: \$1,500

Conditions for loan acceptance:

- Proof of other funding of \$732,000 from Community Resource Bank will be provided
- Proof of other funding of \$81,000 from SMIF (if approved) will be provided
- Borrower sign collateral agreement with EDA in third position
- Andrea Berube sign Personal Financial Statement
- Andrea Berube sign personal guarantee for EDA loan
- Borrower will provide annual copies of business and personal tax returns
- Borrower agrees to make payments via automatic debits to borrower's deposit account

- Borrower shall, at the request of EDA, provide a computation as to the number of employees working for the borrower at any time during the period of said loan
- Borrower shall give EDA permission to use the business name in its public relations materials as well as reproduce, copyright, publish, circulate or otherwise use photographic reproductions or likenesses of the business or principals
- If borrower moves the business, leases, sells, assigns, mortgages, or otherwise encumbers his ownership of business, the loan will be due and payable

Business Background: The Lux Medspa P.L.L.C. started as a spinoff from the gym owned by Andrea and her husband. Andrea obtained her certification to inject neurotoxins and fillers for the sole purpose of injecting herself and her mom. When gym members discovered she injected, they asked her to start injecting them. This business had been mobile-based, but quickly Andrea realized that a brick and mortar location would be a benefit. She opened a spot in the same building as the gym, taking a small part of the location for her business. It has grown to be a medspa providing advanced aesthetic and wellness services including injectables, medical weight loss, hormone therapy, laser treatments, restorative procedures, and thoughtfully curated skincare and some retail of product.

In 2023, The Lux Medspa moved to 502 Division St S, Northfield MN. In 2024 a location was added at 731 Main St, Owatonna.

They have currently outgrown the 502 Division St S location, and are moving down the street to 528 Division St S. They purchased this building and are renovating it to their needs, as well as making it much more energy efficient.

This building is located on Division St., is 2 stories not including a full-walkout basement. The gross building area (GBA) is approximately 3,432 square feet. The basement is not included in the GBA; however, it will be factored into the overall valuation. The property was originally built in 1900 and has operated as a dry cleaning establishment for an extended period of time. As of the appraisal, the property was in a shell state and rated to be in fair condition.

Jobs Created/Retained:

Number of existing employees:

- 3 Full-time (\$53 with commissions; \$33.75 before commissions)
- 6 part-time (\$29 with commissions; \$24 before commissions)

Number of new jobs created:

- 2 Full-time (\$30 before commissions)
- 4 part-time (\$20 before commissions)

Employee Benefits: None

Market: Her target market is Northfield and the Cannon Valley area. Her current clientele ranges from teens to 88 years old. It includes clients that want to improve their overall aesthetics, including scarring, acne, or people just on their wellness journey.

Marketing: To date, Andrea has used online ads – run by a gentleman from Germany. He now helps with the lead flow. She is heavily involved in chamber events and community events. To get the word out in Owatonna, she has been using KOWZ radio.

Competition:

- Revive MedSpa LLC – Owatonna
- Maeven Aesthetics – Owatonna
- Empower Wellness – Northfield
- Tareen Dermatology - Faribault

The Lux MedSpa has developed their own proprietary skincare line, allowing them to fully support and extend results beyond in-office treatments.

They are becoming known in the area not only for providing aesthetic services, but for truly transforming skin, healing scars, and delivering life-changing results. Their approach is rooted in outcomes, patient trust, and a commitment to long-term skin health rather than temporary improvements.

Management: Andrea Berube, the sole owner of The Lux MedSpa, is dual certified as both a CRNA and Nurse Practitioner. She has been performing injectables since 2017 and transitioned from primarily working in the operating room to running a highly successful medical spa in 2024. She prioritizes continued education and regularly attends advanced trainings throughout the year to stay at the forefront of aesthetic and wellness medicine. In addition, She brings nationally recognized trainers to Northfield to further support and evaluate The Lux MedSpa's team. With the new location, her vision is to establish The Lux MedSpa as a regional training hub, providing high-level education and hands-on training opportunities for injectors across the state.

See attached PFS – this was submitted without signature, will have signed at loan closing if approved.

Projections: See attached cashflow projection

Historical Financials: See attached P & L Statement and Balance Sheet for 2024 and 2025

Source of Repayment:

- Primary: Operating cash flow
- Secondary: Sale of collateral (building)
- Tertiary: Enforcement of guaranty

Strengths:

- Excellent credit score
- Outside Income

- Expanded due to growing too large for current location
- Will have 2 businesses on Division Street in Northfield with a strong commitment to the downtown area
- Known to be trustworthy

Weaknesses/Challenges:

- Andrea is currently the only provider and is stretched thin
 - She is in talks with a physician to come on board
- The Lux offers a lot of services, all kept in-house
 - This can also be a strength

Opportunities:

- The Lux hires nurses, which will supplement their income
 - The hospital will cut their hours without notice, The Lux will not, providing stability for employees

Pictures:



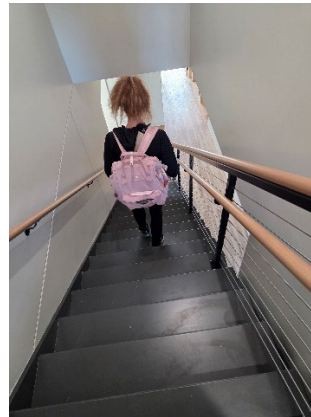
Lobby and Extra Room, Main Floor



Receptionist Desk and Lobby, Main Floor



1 of 3 Procedure Rooms on Main Floor



Stairwell from Main Floor to Second Floor



Staff Kitchen on Second Floor



Andrea's Office, Second Floor



Conference Room Second Floor with windows on 3 sides

Northfield Revolving Loan Fund Program

A financing opportunity from the Northfield Economic Development Authority

Overview

The Northfield Revolving Loan Fund provides assistance for businesses either located in, or relocating to, the city of Northfield. The purpose of this fund is to provide gap financing to supplement conventional bank loans for new and existing business expansion, to retain and/or create jobs, expand the local tax base and encourage new business investment in the community.

Loan Criteria

Use of Funds

The Northfield Revolving Loan Fund Program (RLF) may be used for assistance with financing:

- Land and building purchases
- Building construction
- Building renovation/expansion
- Machinery and Equipment
- Inventory
- Working capital (no more than 25% of loan)

Loan Application Considerations

To qualify for this program, the Business **must** be located in, or relocating to, the City of Northfield, as defined by corporate city limits.

The business must have a completed business plan with financial projections that show reasonable revenue, expenses, and growth potential. Interest rates are determined on an annual basis by the EDA Board based off of current lending rates and the local economy. The EDA reserves the right to change this rate. The rate for 2013 is Prime, as reported in the Wall Street Journal on date of loan closing.

Loan Amounts

Loan amounts range from a minimum of \$5,000 to a maximum of \$50,000. The EDA may approve loan amounts more or less than the amount requested at their discretion.

Fees:

- 1% of loan amount, with a minimum of \$250

Equity and Collateral Requirements:

- The borrower must provide a minimum of 20% of total project costs as equity;
- Personal guarantees for the RLF are required of all persons with ownership in the business;
- The EDA Loan Subcommittee and EDA Board will review and take into consideration loan collateral coverage;
- The EDA prefers to be in first collateral position, but may take a subordinate collateral position to other lenders;
- The RLF can be no more than 25% of total project cost. The percent of EDA funding compared to the entire project may affect the loan amount.

Financial Status/Repayment Ability:

- Applicants must demonstrate adequate historical or feasible projected cash flow that shows repayment capabilities

Other Policies:

- The EDA may include late penalties for loan payments made after their due date;
- The EDA may place restrictions on the disbursement of loan funds.

Procedures

EDA Staff or its agent will accept the completed loan application form and all supporting documents. The EDA will verify all information on the project and on the business. Once all required information has been provided and/or obtained, the EDA staff or its agent will make a report to the EDA Loan Subcommittee. The applicant is strongly encouraged to attend this meeting to provide additional information on the project and to answer any questions the Loan Subcommittee may have. The Subcommittee then will review all information and make a recommendation to the EDA Board to either approve or reject the loan application. The EDA board will meet at its regular scheduled monthly meeting to review all information provided by the Loan Subcommittee, along with the terms of the loan. No loan shall be made prior to authorization of the EDA Board.

Loan Approval and Collateral Recording

Upon final approval by the EDA, a promissory note, personal guarantees, and/or mortgage will be prepared for loan closing. Fees will be due at the loan closing. All mortgages, UCC filings, and personal guarantees will be recorded at loan closing.

Ongoing Monitoring

EDA staff or its agent shall monitor each loan to ensure compliance with loans terms and conditions and to monitor the financial health of the business to ensure continued repayment of the loan. The monitoring shall also ensure that all recordkeeping requirements are met particularly with regard to job creation and the expenditure of matching funds. If requested, documentation shall be provided to EDA Staff or its agent on the use of funds, including but not limited to: invoices, receipts, letters from lenders, final bills of sale, and or canceled checks.

Default

In the event the business is in default on any of the terms and conditions of the loan agreement (including but not limited to moving outside of the City of Northfield), except for failure to make payment, the promissory note, or any other loan document, all sums due and owing to the EDA, including the full unpaid principle balance and all unpaid accrued interest, shall, at the option of the EDA, become immediately due and payable. To exercise this option, the EDA Attorney shall provide a written notice to the business that specifies the following: the loan is in default, the action required to cure the default, and the date, not less than 30 days

from the date of the notice, by which the default shall be cured to avoid foreclosure or other collection action.

Failure to Make Payment: If the borrower fails to make any payment or principle or interest when due, the default continues for 10 days, all sums due and owing to the EDA, including the full unpaid principle balance and all unpaid accrued interest, shall, at the option of the EDA, become due and payable immediately, without notice or demand.

A complete application will include:

- EDA Application;
- Current/Updated Business Plan;
- Current Financial Statements- Income Statement, Balance Sheet, Cash Flow;
- Three (3) Year Projected Financials- (Monthly and Annual basis);
- Personal Financial Statement;
- Commitment Letters from other funding sources;
- Previous two years of business and personal income tax filing;
- Independent Appraisal for real estate;
- Existing or proposed lease(s).

Applicant Agrees to the Following:

- Immediate repayment of the entire outstanding balance (principle plus interest) will be made if the business relocates outside of the corporate limits of the City of Northfield
- Annual Income and Balance Sheet will be submitted for review by the EDA or its agent.

Authorized Signature/Title

Date