



Northland Foundation Invests in Northeastern Minnesota's Economic Future with \$1 Million Commitment to Granite Equity Partners

(January 14, 2008)

The Northland Foundation announces it has made a \$1 million investment in Granite Equity Partners, a Minnesota-based private equity firm.

Northland Foundation's Board of Trustees recently approved the investment, which addresses the Foundation's mission of wealth creation and economic diversification, and compliments its Business Finance Program and other regional economic development initiatives. Since 1988, Northland Foundation has provided approximately \$40 million in business loans and loan guarantees in the seven-county Arrowhead Region.

"Although there are a number of resources that provide capital to new or expanding businesses, including the Northland Foundation," said Tom Renier, the Foundation's President, "equity funds have long been a missing piece in northeastern Minnesota's economic development toolbox."

"And, importantly, Granite's values—which emphasize strong partnerships, good employee wages and benefits, and sustainable profitability—align closely with ours," added Renier.

Granite Equity Partners (Granite) is led by partners Rick Bauerly, Pat Edeburn, and Art Monaghan. Granite invests financial and human resources in growing and profitable companies with revenues of \$10-\$100 million. Their portfolio companies also must be located "within drive time" of Granite's St. Cloud offices. The firm focuses on management buyouts, recapitalizations, and growth equity achieved through the sale or purchase of a business, generational transfers, or business expansions.

"We have identified 1,500 companies that fit our investment and geographic criteria, and about one-third of them are facing imminent owner retirement," stated Bauerly. "With

limited sources of organized capital available to them, numerous opportunities exist for us to partner with and grow some of these businesses, to the benefit of all stakeholders including owners, employees, and their communities.”

Granite utilizes an Advisory Board comprised of Limited Partner representatives who bring industry and business perspective to the firm and its portfolio companies. Northland Foundation, and northeastern Minnesota, will be represented on the Advisory Board by Nancy Norr, a Northland Foundation Trustee and the Manager of Regional Development for Minnesota Power, an ALLETE Company.

“Granite Equity specializes in working with businesses facing ownership succession. We want to support companies that are looking to move on to a new generation of ownership while retaining that business in the region,” said Norr. “The return on our investment will be to retain and create wealth and assets in our communities vital to securing northeastern Minnesota’s future.”

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Building a Strong Foundation for the Future of Our Region

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