



**MINNESOTA**  
HEALTH AND EDUCATION  
FACILITIES AUTHORITY





**Listing of Mailout Material  
November 19, 2025**

-  **Cover Memo**
-  **Meeting Agenda**

*I. Review and approve minutes of the meeting of October 15, 2025*

-  **Minutes of October 15, 2025**

*II. Coventry Seven/Target Holdings, Series 2025*

-  **Coventry Seven/Target Holdings Series 2025 Application**
-  **Application Review**
-  **Application Memorandum**
-  **Resolution Relating to the Application**

*III. Concordia University, St. Paul, Series 2025*

-  **Financing Plan Review**
-  **Series Resolution**

*IV. Old Business*

*V. New Business*

*VI. Other Business*

-  **October 2025 Budget vs Actual with Higher Ed and Healthcare P&L**




**MINNESOTA**  
HEALTH AND EDUCATION  
FACILITIES AUTHORITY

860 BLUE GENTIAN ROAD SUITE 145, EAGAN, MN 55121

Phone: 651.296.4690 Fax: 651.297.5751

Date: November 12, 2025

To: Minnesota Health and Education Facilities Authority Board Members

From: Barry W. Fick, Executive Director 

Subject: November 19, 2025 Authority Board Meeting Preview

Welcome to the November 2025 MHEFA Board meeting. This meeting brings the first financing request before the Board under our expanded issuance authority. We look forward to working with the applicant on their financing request.

We have a number of action items on the agenda this month. We will take final action on the Concordia University refinancing. We will hold a Public Hearing and Application Review for a consolidation refinancing for a group of senior living facilities in the Twin Cities area.

Prior to the Board meeting, we will also have a presentation on the current healthcare market for the Board with the opportunity to ask questions of healthcare and senior living investment bankers. This "pre-meeting" presentation is open to the public and will help you understand the new area of financing we are entering.

The meeting will be held at the Authority's Eagan office. Information on the meeting location, parking and other logistics included with your meeting information packet. The meeting may be attended in person, by video link, or teleconference.

This is an in-person meeting, but if you are not able to attend, we will use our video link system for this meeting. Instructions for accessing the video link are available in Board packet material included with this email. In addition, telephone access is available.

We look forward to your participation in the meeting.



**MINNESOTA**  
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**Board Meeting Agenda**  
**Wednesday, November 19, 2025**  
**2:00 PM**

Location: MHEFA Office Lower-Level Conference Room

*Individuals may request reasonable accommodation or modifications in order to participate in Authority programs by contacting the Authority at least 48 hours in advance of the event.*

- I. Review and approve minutes of the meeting of October 15, 2025
- II. Coventry Seven/Target Holdings, Series 2025
  - Public Hearing
  - Application Review, *Executive Director Barry Fick*
  - Application Memorandum, *Fryberger - Bond Counsel*
  - Resolution Relating to Application, *Fryberger - Bond Counsel*
- III. Concordia University, St. Paul Series 2025
  - Financing Plan Review, *Executive Director Barry Fick*
  - Series Resolution, *Fryberger - Bond Counsel*
- IV. Old Business
- V. New Business
- VI. Other Business
  - Executive Director's Report
  - October 2025 Budget vs Actual with Higher Education and Healthcare P&L

*General Public may attend in-person at the address below, via call-in number: 1-877-978-6969  
Access Code: 278-219-442# or through this link: <https://meeting.gomeet.com/278-219-442>*

MHEFA, 860 Blue Gentian Road, Lower-Level Conference Room, Eagan, MN 55121



## MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY

The Minnesota Health and Education Facilities Authority (the “Authority” or “MHEFA”) convened a Board meeting at 2:02 pm Central Standard Time, Wednesday, October 15, 2025.

The Board is conducting this meeting subject to the Open Meeting Law by in-person, telephone, and interactive technology as allowed by Minnesota Statutes. Members participating in the meeting can hear each other and all discussion; members of the public can hear all discussion and votes; and all votes are conducted by a roll call. The board has made provision for the public to monitor the meeting electronically from a remote location. The board has provided notice of the meeting location, the fact that some members may participate by interactive technology, and of the public’s right to monitor the meeting electronically from a remote location.

The Authority Board meeting was held in the lower-level conference room of Grand Oak I, 860 Blue Gentian Road, Eagan, MN 55121. Executive Director, Barry Fick, and Operations Manager, Amanda Lee, were physically present, as well as several Board Members. The location and time of the meeting was duly published and posted on the Authority website and at the entrance to the Authority office, located at 860 Blue Gentian Road, Suite 145, Eagan, MN 55121.

The public was able to attend the meeting in person, monitor the meeting by calling a toll-free number, and able to connect to the meeting using the video link.

Board members participated in the meeting in-person and by using a video link. The meeting link was sent to Board members prior to the meeting. The use of a video link as an allowable way to hold the Board meeting was confirmed by the State of Minnesota’s Data Practices Office staff prior to the meeting, following Minnesota Statute 13D.015.

**Executive Summary – Minnesota Health and Education Facilities Authority**

Meeting on October 15, 2025 Board Actions Taken:

<b>Motions:</b>	<b>Result:</b>	<b>Vote:</b>
Approve Meeting Minutes of July 16, 2025	Passed	Unanimous
Approve the FY2025 Financial Report Audit	Passed	Unanimous
Approve the Standard Rules of Operation, Bylaws and Mission Statement Revisions and Updates	Passed	Unanimous

<b>Resolutions</b>	<b>Result:</b>	<b>Vote:</b>
Application Review and Preliminary Plan Summary for Concordia University, Saint Paul, MN	Passed	Unanimous

The official meeting began with a roll call to establish a quorum. The following board members or their designees were participating and attending in-person (IP), by video link (“V”) or telephone (“T”):

Board Members:        Bonnie Anderson Rons -IP  
                                 David Rowland - V  
                                 Gary Benson - IP  
                                 Mary Ives – IP  
                                 Ken Westphal – IP  
                                 Erich Heppner – IP  
                                 Nancy Sampair – IP  
                                 Poawit Yang, OHE – V  
                                 Stacey Holland, MPCC - V

Absent:                    Mikey Griffin

Other Attendees:        Ryan Engelstad, BerganKDV / Creative Planning – IP  
                                 Mark LeMay, public – IP  
                                 Mia Thibodeau, Fryberger Law Firm – V  
                                 Michael Dorner, VP Finance Concordia Univ, St. Paul – IP  
                                 Eric LaMott, Ph.D., Provost & COO, Concordia Univ, St. Paul – IP

Terese Radford, SVP, Old National Bank - IP

Staff: Barry W. Fick, Executive Director, MHEFA – IP  
Amanda Lee, Operations Manager, MHEFA – IP

Bonnie Anderson Rons, Chair, called the meeting order at 2:02 pm CDT. Executive Director Fick confirmed that a quorum was present.

### **Agenda Item I – Minutes of the July 16, 2025, Board meeting**

The first item on the agenda was the review and consideration of the minutes of the most recent Authority Board meeting.

Chair Anderson Rons asked if there were any changes or edits to the minutes of the July 16, 2025 MHEFA Board meeting. There were no suggested edits to the minutes of the July 16, 2025 MHEFA Board meeting.

Chair Anderson Rons asked for a motion to accept and approve the July 16, 2025 Minutes. A motion was made by Nancy Sampair to approve the July 16, 2025 minutes. The motion was seconded by Mary Ives. Chair Anderson Rons asked if there were any questions, discussion, or changes to the minutes of the most recent prior Board meeting.

There were no other questions or proposed changes to the minutes from Board members.

Chair Anderson Rons called for a vote regarding the approval of the minutes. A roll call vote was conducted, and the Board members voted as follows:

Board Members:	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Gary Benson	Yes
	Mary Ives	Yes
	Ken Westphal	Yes
	Erich Heppner	Yes
	Nancy Sampair	Abstain
	Poawit Yang	Yes

There were no votes against the motion and the Minutes of the July 16, 2025, MHEFA Board meetings were approved.

To accommodate meeting participant schedules, the posted agenda order for Agenda items II and III were reversed.

### **Agenda Item II – Concordia University, Saint Paul, MN, Application for Financing**

This item is to consider the application of Concordia University, Saint Paul, MN for the refinancing of MHEFA Bonds, Series Six-Q. The Bonds were issued in the amount of \$15,155,000 in October 2007. They are outstanding in the amount of \$10,100,000. Chair Anderson Rons began by opening the Public Hearing on the bonds and introduced Michael Dorner, CFO and Eric LaMott, Provost and COO, both representing Concordia University, Saint Paul, MN.

Chair Anderson Rons opened the public hearing and asked the representatives from Concordia to describe the financing request. Mr. Dorner noted that the university is refinancing the outstanding debt for savings. The refinancing will be completed using the same bank (originally Bremer Bank, now merged with Old National Bank and known as Old National Bank) that provided financing for the original Bonds. The proceeds of the original financing were used to fund construction, furnishing and equipping of a student residence facility with approximately 86 units and approximately 300 beds. The facility has been used as a residence facility since the completion of construction. It is currently fully occupied.

The Series Six-Q Bonds were originally issued as variable rate bonds, supported by a Letter of Credit. The refinancing will convert the bonds to fixed rate bonds and remove the requirement to maintain the letter of credit. The university anticipates reduced administrative costs and lower overall interest costs from the refinancing.

Mr. Dorner concluded his presentation. Chair Anderson Rons asked if there were any questions. Board member Sampair asked the university representatives to describe how the university is doing from an operations and enrollment perspective. Dr. LaMott responded, noting that enrollment at the university is strong and has been improving over the recent past. He attributed this to the tuition reset that the university undertook and the expansion of programs that are in demand by students and employers. Dr. LaMott noted that the university has expanded its physical footprint by acquiring

existing buildings located near the main campus of the university. Those acquisitions have allowed the expansion of programs offered for study and helped drive enrollment increases.

He noted that financial performance of the university has been strong and continues to show positive trends.

Chair Anderson Rons asked if there were any other questions from Board members or the public. Hearing none, Chair Anderson Rons closed the Public Hearing.

Chair Anderson Rons asked Bond Counsel Mia Thibadeau of the Fryberger Law firm to describe the Bond Counsel Application Review Memorandum. Ms. Thibadeau reviewed the paragraphs of the Application Review Memorandum. She noted that from the perspective of Fryberger, the application is complete and satisfactory from a legal perspective, subject to a number of items remaining to be completed. She affirmed that those items are expected to be resolved in the normal course of the financing prior to the November Authority Board meeting.

Chair Anderson Rons asked if there were any questions from Board members about the Bond Counsel Application Review or Bond Counsel outline of the Application Review Memorandum. There were no questions.

Chair Anderson Rons asked Bond Counsel to review the Resolution relating to Application and Financing Terms for Concordia University, St. Paul. Bond Counsel outlined the terms of the Resolution, noting that it recites the purpose of the financing, the purpose of the original bonds and the structure of the bonds being refinanced.

The Resolution notes that the public hearing required by Section 147(f) of the Internal Revenue Code has been held and was properly noticed as required by law.

Additional items in the resolution recite that the Board followed appropriate procedures related to the financing request, reviewed appropriate documentation relating to the application of the university, noted the terms of the refinancing and outlined procedural steps that have been taken to date relating to the application of the university.



The Resolution further outlines the findings and compliance by the borrower with all applicable legal requirements. The Resolution notes that the Refinancing and issuance of revenue obligations appears feasible.

The Resolution authorizes the completion of financing documents and authorizes the issuance of revenue notes of the Authority for the purpose requested by the university. The Executive Director and Bond Counsel are authorized and directed to prepare and submit to the Authority for consideration and approval, the appropriate documents for private placement.

Ms. Thibadeau concluded her review of the Resolution. Chair Anderson Rons asked the Board if there were any questions about the Resolution. There were none.

Chair Anderson Rons asked for a motion to approve the Resolution Relating to Application and Financing Terms for Concordia University, Saint Paul. A motion was made by Gary Benson to approve the Resolution. The motion was seconded by Ken Westphal.

Chair Anderson Rons then called for a vote regarding the Resolution Relating to Application and Financing Terms for Concordia University, Saint Paul. A roll call vote was conducted, and the Board members voted as follows:

Board Members:	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Gary Benson	Yes
	Mary Ives	Yes
	Ken Westphal	Yes
	Erich Heppner	Yes
	Nancy Sampair	Yes
	Poawit Yang	Yes

There were no votes against the Resolution and the Resolution Relating to Application and Financing Terms for Concordia University, Saint Paul, was approved.

### **Agenda Item III – FY25 Audit Results**

Chair Anderson Rons welcomed Mr. Ryan Engelstad, CPA from the Authority's audit firm, Bergan KDV, to the meeting and asked him to present the firm's findings and the results of their audit of the Authority's Fiscal Year 2025 operations.

Executive Director Fick noted that Mr. Engelstad's has served as the Audit partner for the MHEFA audit since 2024. Mr. Engelstad has extensive experience in the higher education accounting and auditing area. Executive Director Fick noted he has worked with Mr. Engelstad in the past on other higher education transactions and is pleased with the professionalism and background Mr. Engelstad brings to the Authority.

Mr. Engelstad outlined the scope of work that BerganKDV did in their audit of the Authority's accounting records. Mr. Engelstad noted that the audit was conducted virtually, with documents transferred electronically by the Authority to a secure site accessible by authorized BerganKDV staff. This process has proved to be a cost effective and thorough approach to conducting the audit of the Authority's financial records. The need for in-person review is limited as the Authority has no inventory and does not sell physical goods, eliminating the need for a visual inspection and count of inventory.

Mr. Engelstad observed that the audit staff received excellent cooperation from Authority staff. He noted that the preparation of financial statements for the Authority is the responsibility of the Authority and that BerganKDV does not prepare the financial statements of the Authority.

Mr. Engelstad reported that BerganKDV's responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion on the fair presentation of financial information.

Mr. Engelstad reported that in the opinion of BerganKDV, the financial statements of the Minnesota Higher Education Facilities Authority as of June 30, 2025, present fairly, in all material respects, the respective financial position of the Authority and the respective changes in financial position and its cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States.

Mr. Engelstad noted that the Authority continues to have a significant deficiency in internal controls, due to lack of segregation of accounting duties. This is the result of the small size of the staff of the Authority, which precludes greater segregation of duties. The Authority has taken steps to mitigate the risk that can result from the lack of segregation, including detailed transaction activity review by the Executive Director and significant oversight by Board Members of the Authority.

Mr. Engelstad discussed specific items in the financial statements, noting that operating performance was improved compared to FY24 due to the fees generated by a larger number of conduit bond sales and stable operating expenses. The operating income was offset by a nearly doubling of interest income as all the lower yielding Certificates of Deposit matured and were reinvested in higher yielding Certificates. The positive change in net position resulted in end-of-year unrestricted assets totaling approximately \$2.308 million, a \$165K increase over the prior year.

The Board requested to go into Executive Session with Mr. Engelstad to discuss the FY25 Audit. The board voted by voice vote to move to Executive Session. The in-person members of the public and Authority staff left the meeting room and any members of the public attending the meeting by video or telephone were placed on mute.

During the Executive Session, Board members discussed the FY25 audit with Mr. Engelstad.

The Board adjourned the Executive Session and returned to the regular meeting. Members of the public and staff rejoined the meeting in the conference room.. Authority staff verified there were no members of the public on video or telephone at any time during the board meeting.

Mr. Engelstad concluded his presentation. Chair Anderson Rons asked members of the Board if they had any questions for Mr. Engelstad. There were no further questions about the FY25 Audit or Communications Letter from Board members.

Chair Anderson Rons asked for a motion to accept and approve the FY2025 Audited Financial Statements and Communications letter from BerganKDV. A motion to approve the fiscal Year 2025 Audited Financial Statements and Communications letter was made by Erich Heppner. The motion was seconded by Ken Westphal.

Chair Anderson Rons called on the Executive Director to conduct a roll call vote to approve the Audit results. A roll call vote was conducted, and the Board members voted as follows:

Board Members:	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Gary Benson	Yes
	Mary Ives	Yes
	Ken Westphal	Yes
	Erich Heppner	Yes
	Ken Westphal	Yes
	Nancy Sampair	Yes

There were no abstentions or votes against the Motion and the FY2025 Audited Financial Statements and Communications Letter were accepted.

#### **Agenda Item IV – Healthcare Program Updates**

Chair Anderson Rons called on the Executive Director to update the Board on the Healthcare program. Executive Director Fick began by thanking the Board and especially the Healthcare Subcommittee for their advice and counsel regarding the Healthcare program. The Authority has developed a Healthcare Financing Application which will be distributed to the Board later. The Healthcare application is substantially similar to the Higher Education financing application, substituting healthcare financial information and statistical measures in place of tuition, enrollment, and other higher education financial and operating statistics.

The Authority has received multiple inquiries from parties to use the Authorities healthcare issuance power. We anticipate that we will have an application for consideration at the November meeting and are aware of at least two other potential projects for 2026.

#### **Agenda Item III – Policy Updates**

Chair Anderson Rons asked Operations Manager Amanda Lee to discuss and outline the proposed updates to the Standing Rules of Operation, Bylaws and Mission Statement. Ms. Lee noted that the Staff regularly reviews the Standing Rules of Operation and proposes updates to maintain

conformity with State of Minnesota Rules of Operation and any items specific to the Minnesota Health and Education Facilities Authority.

The Authority staff presents regular reviews of different sections of the Standing Rules of Operation to the Board every year. Staff have worked through other sections in prior years, updating them to match State Policy. This year the primary focus is on Authority Bylaws and Mission Statement; however all sections of the Standing Rules of Operation were reviewed, and many were presented with name and slight policy changes. The proposed policy updates are primarily to revise the language to include reference to the expanded powers of the Authority to provide financing for nonprofit healthcare institutions, including hospitals and senior living facilities. The update also removes outdated references and includes the new name of the Authority.

Chair Anderson Rons asked for a motion to accept the proposed updates and changes to the Standing Rules of Operation. Nancy Sampair motioned for approval, and Gary Benson seconded. Chair Anderson Rons called upon Executive Director Fick to conduct a Roll Call Vote to adopt the changes to the Standing Rules of Operation. A roll call vote was conducted, and the Board members voted as follows:

Board Members:	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Gary Benson	Yes
	Mary Ives	Yes
	Ken Westphal	Yes
	Erich Heppner	Yes
	Nancy Sampair	Yes

There were no abstentions or votes against the Motion and the updates to the Standing Rules of Operation were accepted.

#### **Agenda Item IV –Old Business**

Chair Anderson Rons asked if there were any Old Business items from Board members for discussion.

There were no Old Business items from staff or from Board members for discussion.

## **Agenda Item V – New Business**

There were no New Business items from Board members for discussion.

## **Agenda Item VII – Other Business**

Chair Anderson Rons called upon Operations Manager Amanda Lee to discuss upcoming MHEFA board meeting dates. Operations Manager Lee noted that there are actual (Concordia University) and potential financing requests pending and actions will need to be taken by the Board in November 2025. Based on this, Authority staff will hold the November and December 2025 board meetings. Authority staff will keep Board members informed about the meeting schedule for the remainder of 2025 and early 2026 as soon as we have additional information about the timing of financing requests.

Chair Anderson Rons called upon Executive Director Fick to discuss Other Business and present the Executive Directors Report:

MHEFA Hosted the Fall 2025 National Association of Health and Educational Facilities Authorities (NAHEFFA) Conference in Minnesota. The speaker lineup was well received, and we have received a number of unsolicited “thank you” notes from participants.

Executive Director Fick has been elected to the NAHEFFA Board of Directors, after a 1-year required absence. He has also been appointed the chair of the NAHEFFA Audit Committee.

Executive Director Fick has concluded his 2<sup>nd</sup> term on the GFOA Debt Management committee and is ineligible to join a committee for one year. He will be speaking at the Mini Muni virtual conference next week on disclosure.

Executive Director Fick moderated a panel discussion with representatives from Macalester, Carleton, and St. Thomas at the Society of Municipal Analysts in Minneapolis. It was well received and allowed him to communicate our expanded issue authority to a large audience.

Executive Director Fick attended the Wisconsin Health and Education Facilities Authority annual finance conference. He was able to connect with multiple health care bankers who are interested in using MHEFA for healthcare issues in 2025 and 2026.

The Authority successfully closed the St. Olaf refinancing, which resulted in gross savings of over \$200K / Year and \$1.660 K in present value savings, representing 5.4% debt service savings.

Executive Director Fick will be speaking at the Minnesota Hospital Association CFO Conference this Friday, discussing market access options for healthcare, including our expanded issuance authority.

The Authority has completed Moody's credit updates for St. Thomas and Macalester. They are the final updates for 2025. There will be additional updates in 2026. Moody's has added a rating analyst to the Minnesota team, to fill the vacancy left by the death of Melissa Nicandri. The new analyst is a veteran from the local government group at Moody's and has experience with Minnesota issuers.

The Authority is hosting a CFO Roundtable on November 12. Moody's will participate virtually and there will be a MPCC CFO meeting immediately prior to the CFO Roundtable.

The Authority continues to make progress with getting the DebtBook database ready. We are now fine-tuning some of the old bond issues, clarifying school names and adding identifiers to easily identify each bond issue.

Chair Anderson Rons asked if there was any Other Business to come before the Board. There was no Other Business for the Board to consider, and Chair Anderson Rons asked for a motion to suspend the Board Meeting and reconvene at the Pool and Yacht Club for the annual Board Appreciation Dinner. A motion to adjourn the meeting was made by Bonnie Anderson Rons. The second was made by Mary Ives.

Chair Anderson Rons called for a voice vote regarding the suspension of the meeting. A Voice vote was conducted, and the Board members voted to suspend the meeting and to reconvene the meeting at 5:00 pm at the Pool and Yacht club.

The Board meeting was reconvened at the St. Paul Pool and Yacht Club. During the reconvened meeting, Executive Director Fick outlined for the Board the progress that has been made with healthcare financing and outreach efforts. He noted that Authority staff expect to have a healthcare

financing application at the next Board meeting and that we expect to meet for the scheduled Board meetings in each month from November 2025 through February 2026.

After dinner, at 8:00 pm, the Board voted by voice to adjourn the meeting. The voice vote to adjourn the meeting was unanimous.

Respectfully submitted,

-----  
Assistant Secretary



# Application for Financing

## Healthcare



**MINNESOTA**  
HEALTH AND EDUCATION  
FACILITIES AUTHORITY

### Borrower Information

Name of Borrower:

Date:

### Borrower Primary Contact Information:

Name

Title

Email

Phone

### Purpose of Financing (Select all that apply)

Building acquisition, construction or renovation, site or equipment acquisition

Refinancing of one or more Authority bond issues

Refinancing of one or more indebtedness not issued by the Authority

Each of the following should be treated as a separate element and described separately, starting with "Project A." If not located on the main campus, please include the street address.

- each new building or complex of buildings (square footage, beds or floors)
- renovations associated with a particular building or site
- equipment that is not related to either the proposed new buildings or existing buildings that are to be renovated
- each Authority bond issue to be refinanced, specifying the series name
- each other indebtedness that is to be refinanced, specifying the date incurred, the lender and the capital project that was financed

Project A:

Project B:

Project C:

Project D:

Estimated Cost Summary

	Project A	Project B	Project C	Project D	Total
Construction cost					
Architectural, engineering and consultant costs					
Furnishings and equipment					
Site acquisition					
Principal amount of debt to be refinanced					
Other (excluding issuance costs and reserves)					
Total					

## Estimated Financing Summary

	Project A	Project B	Project C	Project D	Total
Amount of funds from other sources					
Amount of project cost (excluding issuance costs and reserves) to be financed with Authority bonds					
Principal amount of debt to be refinanced					
Total					

Please give the approximate dates of any of the following steps that have already been taken:

	Project A	Project B	Project C	Project D
Construction has started				
Construction contract has been awarded				
Purchase contract for materials or equipment has been awarded				

Is any part of the facilities, now or in the future, to be managed or otherwise used by any person other than the Borrower?

Yes                      No

If you checked "YES," please describe briefly the location and extent of the use and whether the user is an exempt organization under Section 501(c)(3) of the Internal Revenue Code:

Will any of the following actions violate any provisions of the articles of incorporation, the bylaws or constitution of the Borrower or of any affiliated organization, any existing mortgage, deed, contract or other agreement, or any state, local or federal law, rule, regulation or ordinance?

Entering into a loan agreement with the Authority for the repayment of bond proceeds?

Yes                      No

Completing the proposed project or prepaying the Authority bonds or other debt that will be refinanced?

Yes                      No

Entering into a mortgage or security agreement to secure repayment to the Authority?

Yes                      No

#### Proposed Timing Summary

	Project A	Project B	Project C	Project D
Start date				
Completion date				
Acquisition date if the project is only for equipment				
Optional redemption date for refinancings				

How will this bond issue be sold?

Competitive public sale

Negotiated public offering

Private placement

Undecided

When do you wish to close on the bond issue?

As soon as practical

No later than:

Not sooner than:

What is the expected source of funds to repay the loan of bond proceeds? (check all that apply)

☐ Operating funds

☐ Additional revenue from the project

☐ Gifts from private donors

☐ Grants from governmental sources

☐ Other

If repayment is not expected to be entirely from operating funds, state the approximate amount from the other sources and whether such funds are temporarily or permanently restricted in any way as to use:

Is credit or liquidity enhancement expected? (check all that may apply)

☐ Bond insurance

☐ Letter of credit

☐ Standby bond purchase agreement for tendered bonds

☐ Guaranty

What is the status of any application for the foregoing?

What are the preferred scheduled payment dates?

Month and earliest year for annual principal payments:

Earliest month and earliest year for interest payments:

Are revenues available to pay interest during the construction period?

Yes

No, interest should be capitalized for \_\_\_\_\_ months

Not Applicable

*The following two questions apply to all refinancings. Please select "Not Applicable" if this does not apply.*

Not Applicable

1. Has the original project been completed substantially in accordance with the plans and specifications?

Yes

No

2. Has there been a default by the institution or by any other party, in the performance of the covenants and conditions relating to the Authority bonds or other debt to be refinanced?

Yes

No

*The following four questions apply to refinancing debt that is not Authority issued bonds. Please select "Not Applicable" if this does not apply.*

Not Applicable

1. Will the proposed refinancing enhance and preserve the Borrower and the facilities being refinanced or utilization thereof for educational purposes?

Yes

No, because:

2. Will the proposed refinancing extend or adjust maturities to correspond to the resources available for their payment?

Yes

No, because:

3. Will the proposed refinancing reduce the tuition charges or fees imposed on students for the use of such facilities or costs met by state or federal funds?

Yes

No, because:

4. Will the proposed refinancing enhance or preserve educational programs and research or other facilities eligible to be a project or part thereof?

Yes

No, because:

The table below applies to refinancing debt that is not Authority issued bonds. Please check "Not Applicable" if this does not apply.

Not Applicable

**Statutory Maximum to Refinance Debt Other Than Authority Bonds**

	Project A	Project B	Project C	Project D
(a) Original project costs				
(b) Principal amount of any debt (other than Authority bonds) to be refinanced				
(b) Accrued but unpaid interest on debt (other than Authority bonds) to be refinanced				
(b) Prepayment premium (or discount) on debt (other than Authority bonds) to be refinanced				
(c) Appraised value of project				
(c) Depreciated equipment				
Maximum allowable: the lesser of (a) original cost, (b) principal, interest and premium and (c) present value				

Check below if any of the projects are located in or involve any of the following:

Riparian frontage

Shoreland area

Delineated flood plain

State or Federally designated wild and scenic rivers district

Minnesota River Project Riverbend area

Mississippi River headwaters area

If there are any potential environmental issues, please summarize the major environmental issues:

## Governmental Approval Summary

	Project A	Project B	Project C	Project D
<b>Zoning variance or change</b>	not applicable received pending	not applicable received pending	not applicable received pending	not applicable received pending
<b>Building permit</b>	not applicable received pending	not applicable received pending	not applicable received pending	not applicable received pending
<b>Other governmental approval</b>	not applicable received pending	not applicable received pending	not applicable received pending	not applicable received pending
<b>Environmental Assessment Worksheet</b>	not applicable received pending	not applicable received pending	not applicable received pending	not applicable received pending
<b>Environmental Impact Statement</b>	not applicable received pending	not applicable received pending	not applicable received pending	not applicable received pending

If one or more governmental approvals are pending, please describe the status of the application process and whether approval is expected before the bond closing:



Borrower Contact Information:

*Legal name of corporate Borrower and street address:*

*Chief Executive Officer:*

*Chief Financial Officer (please give name, title, preferred mailing address, telephone, fax and email address):*

*Additional staff assisting with the project (please give name, title, preferred mailing address, telephone, fax and email address):*

*Attorney (please give name of firm and the responsible individual as well as preferred mailing address, telephone, fax and email address)*

*Independent Auditor (please give name of firm and the responsible individual as well as preferred mailing address, telephone, fax and email address)*

Description of Healthcare Services provided:

## Religious Affiliations

1. Does the institution receive support from any church body?

Yes

No

2. Does a church body or religious order control the election of any trustees or officers?

Yes

No

3. Is the consent of any religious order or any other corporation necessary before the institution may sell or mortgage its property or borrow money?

Yes

No

4. Are there any religious qualifications for staff appointments?

Yes

No

Please explain if you have answered "YES" to any of the foregoing four questions:

### No Discriminatory Practices

1. Does the institution unlawfully discriminate in any manner in the full utilization or benefit of the institution or its services because of gender, race, color, creed, national origin or other basis?

Yes

No

2. Does the institution expel, limit or otherwise unlawfully discriminate against patients because of gender, race, color, creed, national origin or other basis?

Yes

No

3. Does the institution unlawfully discriminate in hiring, promotion, salary, and assignments or in any other matter in its employment practices, because of gender, race, color, creed, national origin or other basis?

Yes

No

Please explain if you have answered "Yes" to any of the foregoing three questions:

**LIST OF EXHIBITS**  
**(please number consecutively)**

Please provide (A) Admissions, (B) Average length of stay, (C) Payer Mix, (D) Average days cash on hand  
attached as Exhibit \_\_\_\_

Most recent published fee schedule, and any supplemental charges.  
attached as Exhibit \_\_\_\_

List of all outstanding indebtedness (excluding debt that will be refinanced with new Authority bonds), including interest rates, amounts, repayment schedule and description of the mortgage or other collateral securing payment.  
attached as Exhibit \_\_\_\_

Description of any debt limitation, covenant or restriction to which the institution is subject, with a statement by the Chief Financial Officer and supporting calculations as to compliance with such debt limitation, covenant or restriction.  
attached as Exhibit \_\_\_\_

Audited financial statements for each of the past five fiscal years. May be provided by reference to your website (please state specific website address below), sent electronically, or on a labeled CD (mailed or delivered).  
attached as Exhibit \_\_\_\_  
Website address:

Current operating budget.  
attached as Exhibit \_\_\_\_

List of current board members and officers.

attached as Exhibit \_\_\_\_

Copy of the current articles of incorporation. If the institution was incorporated under a special act, a copy of the special act with all amendments should be provided. Please include any amendments that are expected to be proposed for approval.

attached as Exhibit \_\_\_\_

Copy of the current bylaws of the corporation. Please include any amendments that are expected to be proposed for approval. Please include any other similar corporate guidelines such as a "constitution".

attached as Exhibit \_\_\_\_

Copy of the articles of incorporation and bylaws of any affiliated religious or other organization that must approve any action by the institution to sell or mortgage its property or to borrow money.

attached as Exhibit \_\_\_\_

not applicable

Copy of the most recent ruling or letter from the Internal Revenue Service confirming that the institution is an organization described in Section 501(c)(3) of the Internal Revenue Code.

attached as Exhibit \_\_\_\_

Copy of the most recent Minnesota Department of Health Licensure

attached as Exhibit \_\_\_\_

Description of any pending litigation that is uninsured and would have a material adverse financial impact if resolved against the institution. In addition, please describe any charge filed against the institution by a state or federal agency or any individual or group alleging unlawful discrimination by the institution.

attached as Exhibit \_\_\_\_

no pending litigation

Either (A) a copy of a survey of the site (as built, if this is a refinancing) of the project, including the related legal description or (B) a plat map or other depiction of the project site that clearly shows the location of existing and proposed buildings and the relationship to a legal description. If a mortgage is necessary for this financing, a survey will be required and it must show any right-of-way necessary for access by the mortgagee or new owner to a public street or highway and all easements and other legal encumbrances.

attached as Exhibit \_\_\_\_

arrangements for a survey or plat map will be made before bonds are offered for sale

Either (A) a commitment to issue a title insurance policy in an owner's or mortgagee's form or (b) a preliminary opinion of title based upon an examination of real estate records covering the project site and certified to within approximately 30 days of the date of the opinion. All exceptions, liens and encumbrances should be noted on the commitment or opinion. The evidence should indicate that title or suitable ownership interest is held by the institution or a seller of any real estate to be acquired with this financing.

attached as Exhibit \_\_\_\_

arrangements for evidence of ownership will be made before bonds are offered for sale.

Copy of the resolution of the governing board (or the executive committee) of the institution in a form similar to Attachment A declaring official intent to reimburse itself from bond proceeds and authorizing submission of the Application.

attached (showing the effective date) as Exhibit \_\_\_\_

not attached but will be adopted on \_\_\_\_\_ (must be before public hearing)

not applicable because this application is solely for refunding Authority bonds.

Copy of the resolution of the governing board (or the executive committee) of the institution in a form similar to Attachment B authorizing submission of this Application.

attached (showing the effective date) as Exhibit \_\_\_\_

not applicable because a resolution similar to Attachment A is submitted

Certification by the architect in a form similar to Attachment C that the estimated costs of the items comprising the total structure costs are considered to be realistic and have been made according to accepted architectural practices for developing preliminary estimates.

attached as Exhibit \_\_\_\_

not applicable because no construction or significant renovation is proposed

*The following exhibits apply only to refinancing of debt that is not Authority bonds. Please select "Not Applicable" if this does not apply.*

Not Applicable

Copy of all loan agreements, promissory notes, financing agreements, indentures, mortgages or other documents relating to the debt (that is not Authority bonds) to be refinanced, together with all amendments or modifications. May be provided on a labeled CD.

attached as Exhibit \_\_\_\_

Copy of all leases, management agreements, use agreements or other documents relating to the capital project originally financed by the debt (that is not Authority bonds) to be refinanced, together with all amendments or modifications. May be sent electronically or provided on a labeled CD (mailed or delivered).

attached as Exhibit \_\_\_\_

Copy of current appraisal of capital project originally financed by the debt (that is not Authority bonds) to be refinanced prepared by an appraiser with the MAI designation or the equivalent.

attached as Exhibit \_\_\_\_


### Signature and Certifications

The undersigned officers of the Borrower hereby certify that the Application, including the enclosed exhibits are complete and correct. We have reviewed and hereby accept the terms of the Indemnity Agreement as set forth in Attachment D.

(Chief Executive Officer)

Signature:

Title:

  
CEO / Manager Tim C Epple

And

(Chief Financial Officer)

Signature:

Title:

  
Interim CFO

Date of this Application:

### Delivery Instructions

The following two items must be received by the Authority in order to proceed with the financing:



Signed Application, together with exhibits, for the Authority

- Email to bwf@mnhefa.org (cc: agl@mnhefa.org)
- Signed Application, together with exhibits, will be forwarded by the Authority to Bond Counsel and the Financial Advisor



\$1,000 Application Fee

- *Electronic payment is available. Please contact the Authority for ACH information.*
- Checks should be made payable to: Minnesota Health and Education Facilities Authority
- Mail or Deliver check to:

Minnesota Health and Education Facilities  
Authority 860 Blue Gentian Road, Suite 145  
Eagan, MN 55121  
651-296-4690

October 2025


  
MHEFA Application - Page 15



**MINNESOTA**  
HEALTH AND EDUCATION  
FACILITIES AUTHORITY

November 19, 2025

To: Minnesota Health and Education Facilities Authority Board

From: Barry W. Fick, Executive Director 

Re: Target Holdings of Minnesota, LLC  
MHEFA Financing Application

The Minnesota Health and Education Facilities Authority ("MHEFA" or "Authority") has received an application for Financing assistance from Target Holdings of Minnesota, LLC. The application is to fund the transfer of seven existing retirement facilities from a for-profit developer/seller to a not-for-profit owner/buyer. The seven facilities are in various locations in the north, west, and southern suburbs. A full list of facilities that are the subject of the financing is included in the supplemental information on the transaction that is included with this Application memorandum.

The transaction will be structured as a limited offering, with a Senior Series of tax-exempt and taxable bonds to be purchased by Barclay's Capital Inc. The tax-exempt bonds will primarily fund the transfer of the seven facilities, and the taxable bonds will fund some of the transaction issue costs and provide working capital to the not-for-profit owner. An additional, Subordinate Series of tax-exempt bonds is to be purchased by the parent developer/seller.

The Senior / Subordinate structure is utilized to provide additional security to the holder of the Senior Bonds. The subordinate bonds will be purchased by the developer/seller of the properties.

The developer Coventry Holdings of Minnesota, LLC has a strong track record of developing and operating Senior Living facilities in the Minneapolis / Saint Paul suburbs. Since developing its first community in 2017, the developer currently owns and operates twenty-one high acuity senior care communities. The Coventry portfolio runs at a 90% occupancy rate on its stabilized communities.

The following information about integrated manager of the Senior Communities, Suite Living Senior Care, Inc. is included in the Limited Offering Memorandum that is being prepared in association with the issuance of the Bonds.





**MINNESOTA**  
HEALTH AND EDUCATION  
FACILITIES AUTHORITY

Suite Living Senior Care Inc (the “*Suite Living*” or the “*Manager*”) manages all Suite Living Communities throughout the Minneapolis/St. Paul submarkets. Suite Living provides care management through a fully integrated care and support platform that includes three fully integrated care divisions: Suite Living Senior Care, Suite Living Hospice Care, and Suite Living Spiritual Care. The Manager will continue to manage the Communities following the acquisition pursuant to new management contracts.

The following table sets forth the facilities managed by the Manager as October 31, 2025, and related information:

**TABLE 1**  
**MANAGEMENT EXPERIENCE**

Name	Location	Communities Type <sup>(1)</sup>	Number of Units	Occupancy Year to Date <sup>(2)</sup>	Community Tax Status
Suite Living of Brooklyn Park <sup>(3)</sup>	Brooklyn Park, MN	AL/MC	32	84.4%	Nonprofit
Suite Living of Burnsville <sup>(3)</sup>	Burnsville, MN	AL/MC	32	100.0%	Nonprofit
Suite Living of Crystal <sup>(3)</sup>	Crystal, MN	AL/MC	32	93.8%	Nonprofit
Suite Living of Lakeville <sup>(3)</sup>	Lakeville, MN	AL/MC	32	100.0%	Nonprofit
Suite Living of Maple Grove <sup>(3)</sup>	Maple Grove, MN	AL/MC	32	90.6%	Nonprofit
Suite Living of Ramsey <sup>(3)</sup>	Ramsey, MN	AL/MC	32	87.5%	Nonprofit
Suite Living of West St. Paul <sup>(3)</sup>	West St. Paul, MN	AL/MC	32	87.5%	Nonprofit
Suite Living of Vadnais Heights	Vadnais Heights, MN	AL/MC	32	84.4%	Nonprofit
Suite Living of Roseville	Roseville, MN	AL/MC	25	84.0%	Nonprofit
Suite Living of Little Canada	Little Canada, MN	AL/MC	32	84.4%	Nonprofit
Suite Living of North St Paul	North St. Paul, MN	AL/MC	32	90.6%	Nonprofit
Suite Living of Inver Grove Heights	Inver Grove Heights, MN	AL/MC	32	96.9%	Nonprofit
Suite Living of Prior Lake	Prior Lake, MN	AL/MC	32	96.9%	For-Profit
Suite Living of Spring Lake Park	Spring Lake Park, MN	AL/MC	32	84.4%	For-Profit
Suite Living of Shakopee	Shakopee, MN	AL/MC	32	93.8%	For-Profit
Suite Living of Forest Lake	Forest Lake, MN	AL/MC	32	93.8%	For-Profit
Suite Living of Eden Prairie	Eden Prairie, MN	AL/MC	32	90.6%	For-Profit
Suite Living of Rosemount	Rosemount, MN	AL/MC	32	96.9%	For-Profit
Suite Living of Anoka	Anoka, MN	AL/MC	32	59.4%	For-Profit
Suite Living of Eagan <sup>(4)</sup>	Eagan, MN	AL/MC	32	n/a	For-Profit
Suite Living of Plymouth <sup>(4)</sup>	Plymouth, MN	AL/MC	32	n/a	For-Profit
<b>Totals</b>			<b>665</b>		

(1) Assisted Living (“AL”); Memory Care (“MC”).

(2) Occupancy for the period January 1, 2025 through October 31, 2025.

(3) Community is being acquired in connection with the issuance of the Series 2026 Bonds.

(4) Community is anticipated to admit its first residents in December 2025/January 2026.

An Executive Summary of Coventry Holdings of Minnesota is included as an attachment with this memorandum. This attachment provides additional information we have considered in our analysis of the Application for Financing.

We have held discussions with the management team of the borrower and the parent organization to gain additional insight into the operating strategy of the company and to review the financial operations of the existing projects, with a focus on the seven facilities to be transferred to Target Holdings of Minnesota, LLC. Our discussions and the written information



**MINNESOTA**  
HEALTH AND EDUCATION  
FACILITIES AUTHORITY

provided, along with our independent due diligence on the organization, show us that the company has a demonstrated track record of successfully operating senior care communities.

Based on our review of the Application, the Exhibits to the Application, additional supplemental information provided, discussions with the management team of the borrower and the parent organization, along with our independent due diligence of the borrower and affiliates, Authority staff believes that a borrowing in the requested amount required to achieve the acquisition of the seven senior living properties is fiscally feasible and a transaction (?) with adequate security can be structured.

Representatives of the borrower and the underwriter plan to attend the November 19, 2025, Board meeting in person to provide additional information about the requested financing and respond to questions from the Board.

Attachment: Coventry Holdings of Minnesota Executive Summary



## Coventry Holdings of Minnesota Executive Summary

### Overview

- Coventry Holdings of Minnesota (“Coventry”) currently owns and operates 18 high acuity senior care communities located throughout the Minneapolis / St Paul submarket. Coventry has an additional 9 new locations scheduled to open and/or break ground through 2025. Coventry opened its first Suite Living community in 2017 and has since added another 17 communities.
- The Suite Living communities are developed in 4 regional quadrants with 6-8 communities developed in each quadrant. This strategy creates maximum operational efficiencies in each quadrant and facilitates the cross-pollination of both care staff and residents between communities (based on in-place occupancy).
- The floor plan for each Suite Living community is identical, offering a 21,500-sf single story open floor plan residence that provides 32 individual care units serving both Assisted Living and Memory Care needs. This continuity of floor plan ensures a consistent care offering for the residents across all communities.
- All communities are operated by Coventry’s wholly owned management company, Suite Living Senior Care (Suite Living”), and are marketed under the Suite Living moniker.
- Suite Living focuses on the high acuity care sector. It delivers this care offering through 3 fully integrated care divisions: Suite Living Senior Care / Suite Living Hospice Care / Suite Living Spiritual Care.

### Financial Results

- The Coventry portfolio runs at a 90% occupancy rate on stabilized communities.
- The 18 existing communities generated gross revenues of \$44MM in 2024 with resulting EBITDA of \$13MM (operating margin of 29%). These 2024 results are skewed as Coventry had 4 new communities coming online during Q1/Q2 of 2024. Cumulative results for the month of Dec 2024 for these same 18 communities equated to \$4.3MM in gross revenues with resulting EBITDA of \$1.5MM (operating margin of 34%).
- The forecasted 2025 financial results for these same 18 communities is \$63M in gross revenues with resulting EBITDA of \$26MM (operating margin of 42%).
- The current portfolio is valued at approx. \$300MM with total cumulative debt of \$185MM (61% LTV).
- In place EBITDA provides debt-service coverage of 1.60X on total debt.

## Market Focus / Care Continuum

Coventry focuses on the high acuity sector of the Care Continuum while operating under a Minnesota Comprehensive Home Care with Dementia license, which is the same licensing as a Continuing Care Retirement Community (“CCRC”).

Coventry’s care offering is much higher than the CCRC but also slightly lower than a Skilled Nursing Facility (“SNF”). As a result, the top-line revenues for Coventry are only slightly less than a comparable SNF while its overall operating expenses are comparable to a CCRC. This allows Coventry to achieve financial results which are significantly better than either the CCRC or SNF sectors.

### Care Continuum



## Community Operations and Management

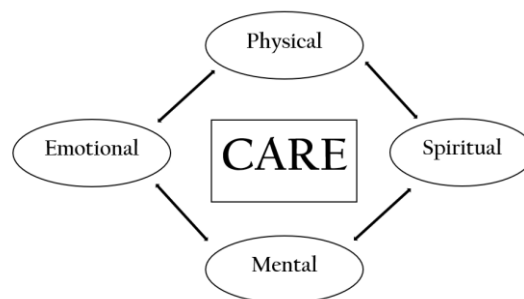
All of the communities within the Coventry portfolio are managed by Suite Living. The management team of Suite Living have managed over 1,250 units within the high acuity senior care sector.

The typical Coventry resident has an assessment level of D or higher (based on the industry “A – K” assessment model). The 32-bed configuration allows the care staff to provide a highly customized care package to each resident based on his/her specific care needs. The Coventry care model incorporates an “on-call” doctor model which ensures that each resident receives doctor assistance without having to leave a community, which significantly reduces the risk of outside viruses being brought into a community.

Coventry provides care management through a fully integrated care and support platform that includes 3 fully integrated care divisions

- Suite Living Senior Care
- Suite Living Hospice Care
- Suite Living Spiritual Care

These integrated divisions allow Coventry to provide a comprehensive and highly customized care solution for its residents that includes physical, mental, emotional, and spiritual care.



## **Community Overview**

A Coventry community offers 32 single-bed units which includes an in-floor heating system along with an open concept with vaulted ceilings in the entrance and all common areas, wide hallways, fireplaces, fish tanks, and indoor / outdoor activity spaces. Each community is designed in either a straight line or L-shaped configuration depending on site layout. The configuration does not impact the overall square footage of the community or unit count.

The completed community provides an intimate setting where residents are encouraged to interact with one another in a homelike environment. Community amenities include dining facilities, sitting rooms, beauty shop, outdoor living areas, visiting physicians, and home cooked meals. The open floor plan ensures ongoing care staff / resident interaction and monitoring.

The A/L residents enjoy a home-like atmosphere in a setting that allows them the freedom to participate in many activities that not only help assist them in their daily care needs but also provides them with a higher quality of life. Each A/L unit is a single-bed configuration providing approx. 300 sf which includes a microwave, small fridge, resident-controlled thermostat for in-room ductless HVAC system (mini-split), and a bathroom with walk-in shower.

The M/C residents are provided with their own code-locked secure area of the building that provides a congregate dining room, activity/craft area and a secure garden/patio area. These residents benefit from life enrichment programs that are specially designed for residents with Alzheimer's and Dementia. Each M/C unit is a single-bed configuration providing approx. 280 sf which includes a care provider-controlled thermostat for in-room ductless HVAC system (mini-split), and a showerless bathroom.

## **Lead Generation / Occupancy**

100% of Coventry residents come from within 8 miles of a community location. Coventry has 5 main channels (sources) for new resident lead generation. Results from Sept – Dec 2024 are outlined below:

Referral Source	4 Month Total	As a %
Referrals / Paid	68	39%
Drive By	34	19%
Case Workers	26	15%
Referrals / Friends + Family	31	18%
Website / Social Media	<u>17</u>	<u>10%</u>
<b>Total</b>	<b>176</b>	<b>100%</b>

Given its focus on high acuity care, Coventry has a tour-to-residency pull through ratio of 74%. Further, Coventry's tour-to-residency is 28 days, which is driven by the immediacy of care needed by the new resident.

## **Length of Residency / Continued Care**

Attrition is an unfortunate but natural part of the business. Current average length of residency is approx. 23 months. Having both high acuity and hospice care divisions ensures that Coventry is able to care for its residents through the entirety of their residency. A resident remains in their same room throughout their residency, including receiving hospice care.

## **Resident Mix and 2024 Pay Rates**

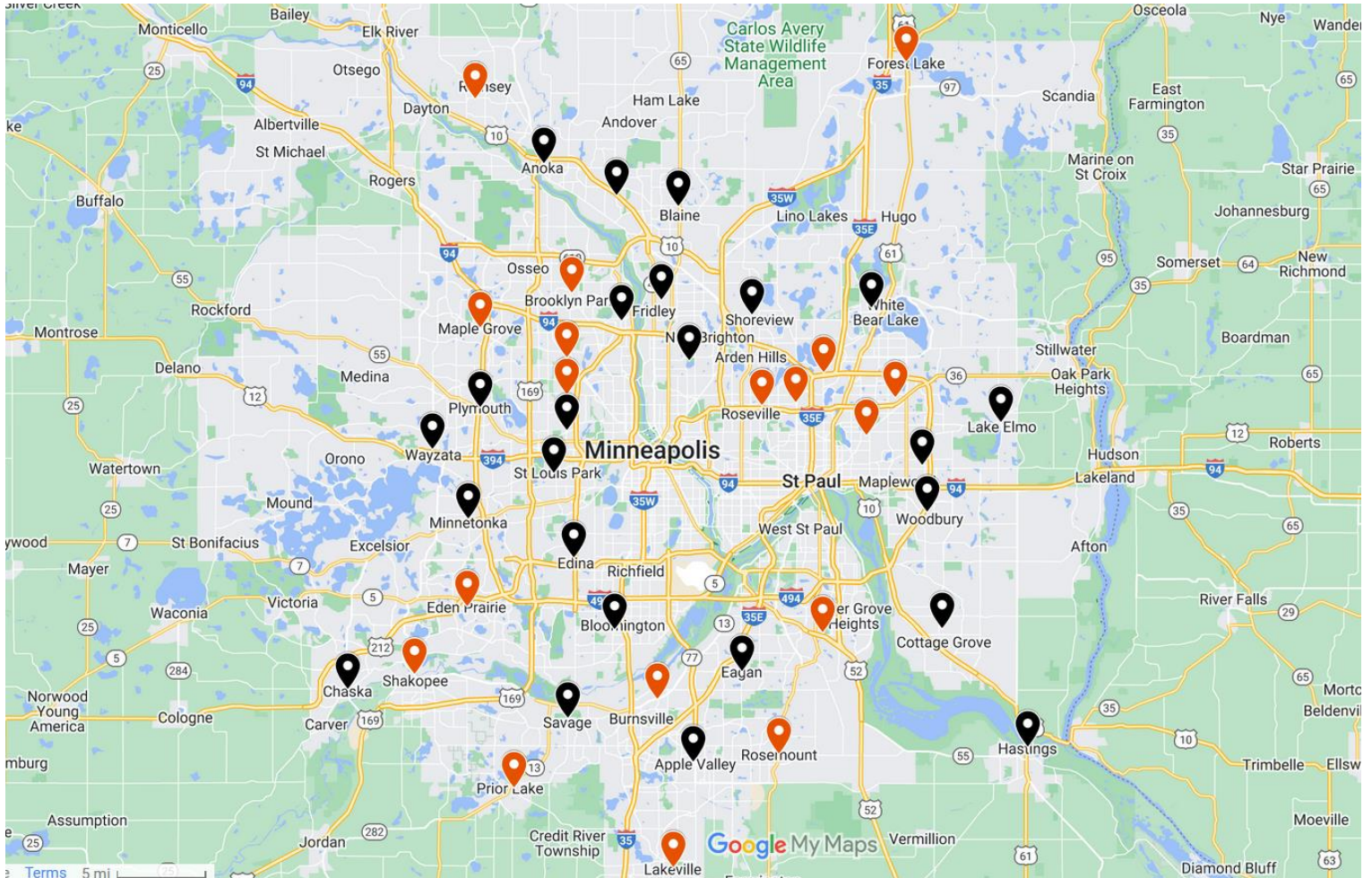
### **Resident Mix**

Historically, the resident mix at a Coventry community has been Private Pay (60%), CADI (20%) and Elderly Waiver (20%). The inclusion of EW residents as part of the overall resident mix has been driven by the mandate (by the various cities) that Coventry offers no less than 20% of its units as affordable. This EW resident mix was also driven by the historic lower pay rate for EW residents. In conjunction with the increased pay rate for EW that rolled out on Jan 1/24, the overall percentage of EW residents is forecasted to increase by approx. 10% (to 30% overall) with a resulting forecasted resident mix of Private Pay (50%), CADI (20%) and Elderly Waiver (30%).



## Coventry Locations Map – Existing and Future Communities

All Coventry communities are located in highly visible suburban locations that benefit from onsite signage.



Existing Suite Living Communities



Future Suite Living Communities Under Development



## Example of a Coventry Community

### Exterior - Front



## Community Amenities

### Entrance / Lobby / Activities Area









## Dining Area (Assisted Living Residents)



Commercial Kitchen



Beauty Salon





Nurse Office



Community Bathroom (In Both Assisted Living and Memory Care Wings)





## Assisted Living

### Assisted Living – Living Area





## Assisted Living- Bedroom



Assisted Living – Bathroom and Shower





## Memory Care

### Memory Care – Living and Dining Area



Memory Care – In Suite Bathroom



Memory Care – Community Shower Room





### **Service Providers – Construcion**

Below is a list of providers used for construction

- |                        |  |
|------------------------|--|
| - Soils / Phase I      | Haugo Geotechnical Services                          |
| - Market Analysis      | Viewpoint Consulting Group                           |
| - Architect            | Rosa Architectural Group                             |
| - Engineer             | Civil Site Group                                     |
| - Plumbing Engineer    | Streen Engineering                                   |
| - Structural Engineer  | Stroh Engineering                                    |
| - Title / Survey       | Custom Home Builders Title                           |
| - Capital Markets      | PCG Capital Partners                                 |
| - Construction         | Hampton Companies                                    |
| - Community Operations | Suite Living Senior Care / Suite Living Hospice Care |

### **Service Providers – General Serivces**

Below is a list of providers used for ongoing opertions and reporting

- |                            |   |
|----------------------------|---|
| - Advisory Services        | Clifton Larson Allen / Maxwell & Associates |
| - Licensing / Compliance   | Klegon Law Group                            |
| - Legal Services           | Multiple Firms                              |
| - Operartions / Accounting | Administrative Support Services (Internal)  |

### **Sponsor Contact Info**

Please direct questions to

Tim C. Eppler, Partner

Coventry Holdings of Minnesota

E: [tim@coventry-holdings.com](mailto:tim@coventry-holdings.com)

C: 916-390-0016

## MEMORANDUM

**TO:** Barry W. Fick  
Minnesota Health and Education Facilities Authority

**FROM:** Fryberger, Buchanan, Smith & Frederick, P.A.

**DATE:** November 13, 2025

**RE:** Application of Target Holdings of Minnesota, LLC for MHEFA Financing

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We have reviewed the Application of Target Holdings of Minnesota, LLC (the “Company”) dated October 27, 2025, and have found it to be satisfactory from a legal standpoint, subject to the following:

1. Purpose. The Application relates to the financing of the acquisition of seven standalone assisted living/memory care communities and related expenses for facilities located at (i) 8500 Regent Avenue North, Brooklyn Park, Minnesota (Suite Living Senior Care of Brooklyn Park); (ii) 1880 East 134<sup>th</sup> Street East, Burnsville, Minnesota (Suite Living Senior Care of Burnsville); (iii) 3501 Douglas Drive North, Crystal, Minnesota (Suite Living Senior Care of Crystal); (iv) 20949 Keokuk Avenue, Lakeville, Minnesota (Suite Living Senior Care of Lakeville); (v) 7010 Alvarado Lane North, Maple Grove (Suite Living Senior Care of Maple Grove), Minnesota, (vi) 7007 139<sup>th</sup> Lane, Ramsey, Minnesota (Suite Living Senior Care of Ramsey); and (vii) 938 S. Robert Street, West St. Paul, Minnesota (Suite Living Senior Care of West St. Paul), which collectively consist of 224 rental single occupancy assisted living or memory care units (the “Project”). Under the Application, the Authority would issue its revenue bonds or other obligations, in one or more series, whether taxable or tax exempt, in a maximum aggregate original principal amount not to exceed \$130,000,000 (the “Obligations”) to finance the acquisition of the Project.

2. Incomplete Items. The following items required by the Application are missing or incomplete:

(i) Financial Information. The Company has indicated that a Feasibility Study will be prepared and will address items such as predicted average occupancy, payor mix, rates, and financial covenant requirements related to the financing. The Feasibility Study will be finalized prior to sale of the Obligations.

(ii) Articles of Organization and Operating Agreement. The Company has provided its Articles of Organization; however, we do not have a copy of the Operating Agreement. It is anticipated that the Company’s sole member is or will be Target Housing and Community Services Corporation, a California nonprofit public benefit corporation (the “Parent Entity”).

(iii) IRS Determination Letter. The Parent Entity has submitted a 1023 Application to the Internal Revenue Service to be recognized as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended; however, the application has not yet been processed by the IRS. It is anticipated that the financing will not close until the determination letter is received.

(iv) Licensure. A copy of the license for each of the locations described above has not been received.

(v) Survey & Title. The Company has indicated that arrangements for a survey or plat map and evidence of ownership will be provided before the financing is closed.

(vi) Resolutions. The Company has not yet adopted a resolution declaring its official intent to reimburse and authorizing submission of the Application.

(vii) Indebtedness. The Company is a new entity and therefore does not have existing indebtedness; the proceeds of the financing will be used to acquire the Project and thereby refinance existing construction loans used to construct the Project.

3. \$150 Million Limit on Tax-Exempt Non-Hospital Bonds Under Section 145(b) of the Internal Revenue Code. Internal Revenue Code Section 145(b) limits the aggregate amount of outstanding qualified 501(c)(3) non-hospital bonds from which any 501(c)(3) organization may benefit to \$150 million; provided that the 1997 amendment to Section 145(b) excludes from the \$150 million limit tax-exempt nonhospital bonds issued after August 5, 1997, as part of an issue 95% or more of the net proceeds of which (including issuance costs) are to be used to finance capital expenditures incurred after that date. For purposes of this rule, two or more organizations under common management or control are to be treated as one organization. The Company will be asked to submit a statement certifying that the outstanding amount of all qualified 501(c)(3) non-hospital bonds which have been issued for any organization directly or indirectly managed or controlled by or under common management or control with the Company does not exceed the \$150 million limitation.

4. Establishment of Religion Concerns. The Application indicates that the Company has no Religious affiliations, does not receive support from any church body, no church body or religious order controls the election of any members or officers, no consent of any religious order or other corporation is needed prior to mortgaging its property or borrowing money and there are not religious qualifications for staff.

5. Rebate, Two-Year, 18-Month and Six-Month Spend-Down Exceptions. Based on the date of acquisition of the Project set out in the Application, it is anticipated that a rebate exception will apply to the expenditure of proceeds.

The following is a summary of each exception:

a. The Revenue Reconciliation Act of 1989 (the “1989 Act”), as amended by a technical corrections act in 1990, created a two-year exception (the “two year spend-down exception”) from the requirement to pay arbitrage rebate for governmental and

501(c)(3) bonds which meet the definition of a “construction issue” – that is, a bond issue for which at least 75% of net proceeds will be expended for “construction expenditures.” “Construction expenditures” are costs of construction chargeable to the capital account (other than expenditures for land or existing real property). Construction expenditures include costs of fixtures such as heating, ventilating and air conditioning and costs of equipment depreciated over a period of a year. To comply with this exception, all available construction proceeds of the issue must be spent within two years from the date of closing on the bond issue: 10% within six months, 45% within one year, 75% within 18 months and 95% to 100% within two years with an extension to three years for up to five percent retained from contractors. For the purposes of the proposed bond issue, “available construction proceeds” which must be spent on schedule generally includes investment earnings, but excludes the amounts used to fund a reserve fund and issuance costs. Investment earnings on the reserve fund during the construction period must be spent on schedule for project costs, including interest but not principal on the bonds or, if the Company so elects, must be rebated. Rebate would still be payable on reserve fund investment (to the extent the yield of the investments exceeds the bond yield) after the construction period, but the two year spend-down exception offers potential significant savings. The two-year exception appears to be available for this issue.

b. The 1989 Act also created an exception for proceeds (whether for refunding, equipment or construction) which is spent in six months.

c. Under Treasury Department Regulations, a third exception was created for proceeds, including reasonably expected investment earnings as determined at closing, which are spent within 18 months (six months – 15 percent, 12 months – 60% and 18 months – 100%), except for a de minimus amount or a reasonable retainage which must be spent within 30 months of the bond closing date. This exception is not limited to construction purposes.

6. Reimbursement Regulations. The Internal Revenue Service has adopted regulations providing rules for determining when an issuer may use bond proceeds to reimburse expenditures made before the bonds are issued. The Company can be reimbursed for expenditures paid for a project (as opposed to incurred but not paid) up to 60 days prior to the bond closing, or an earlier declaration of official intent.

The Company must use proceeds from a bond issue to reimburse itself for prior expenditures within 18 months from the later of (i) the date that the original expenditure is paid or (ii) the date that an element of the project is placed in service (but in no event more than three years after the original expenditure is paid). “Placed in service” means the date on which the project or facility has reached a degree of completion which would permit its operation at substantially its design level and is in operation at such level. The Company should expect to be reimbursed from bond proceeds at or shortly after the closing.

7. Use of Facilities by Business Enterprises. If the Company has or will have use by a private party of its facilities in a trade or business, including a contract with a for-profit private enterprise to provide services in connection with any of the financed facilities, bond counsel to the Authority, Kutak Rock LLP (“Bond Counsel”) will need to review the use and/or the contract

to ensure compliance with guidelines relating to private use established in the Internal Revenue Code and the regulations promulgated thereunder and in Revenue Procedures 2001-39, 2007-47, 2016-44 and 2017-13 (together, "Private Use Rules"). The Company will respond to a request for due diligence questionnaire and document production and verbal interviews, which bond counsel will utilize to determine whether there is any "private use." Discovery of "private use" may necessitate that the Company use its own funds to acquire the private use facility (and allocated common areas) and to follow the guidelines in the Private Use Rules to preserve tax-exempt financing for the rest of the financed facilities.

Section 145(a) of the Internal Revenue Code provides that no more than five percent of the net proceeds of an issue may be used by any person other than a 501(c)(3) organization or governmental unit, or in a trade or business unrelated to the exempt purposes of the Company. Even if a service or other management contract, or use of financed facilities, does not generate unrelated business income for the Company, such agreements may constitute "use" of facilities of the Company by a private (and nonexempt) entity which could render the bonds used to finance the facilities taxable. The Private Use Rules are lengthy and complex and will require careful review and application. The Private Use Rules require that the costs of issuance (a maximum of two percent payable from bond proceeds) to be counted against the five percent limit of private use, leaving only three percent available for other private use.

Subject to certain restrictions, the Private Use Rules would permit parts of the Project facilities which are "used" by a private entity to be financed by tax-exempt bonds. We will need to examine the intended "use" of the Project facilities to determine the applicable restrictions.

Any change in use or ownership of the Project or any portion thereof should be undertaken only with advice of Bond Counsel and, in some cases, advance arrangement of "remedial action" under Treasury Regulations Section 1.141-12.

8. Litigation. The Company has indicated there is no pending litigation that is uninsured and would have a material adverse financial impact if resolved against the Company. If litigation or discrimination charges are hereafter threatened or pending, the Company should promptly notify the Authority, the municipal advisor and bond counsel and provide a description of such litigation or charge.

9. Tax Matters. Bond Counsel will confer with the Company and its counsel to confirm compliance with the requirements of the Internal Revenue Code and U.S. Treasury Regulations applicable to tax-exempt obligations, such as the Obligations.

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**RESOLUTION RELATING TO APPLICATION  
FOR TARGET HOLDINGS OF MINNESOTA, LLC**

BE IT RESOLVED by the Minnesota Health and Education Facilities Authority as follows:

1. The Authority acknowledges receipt of the Application of Target Holdings of Minnesota, LLC, a Minnesota limited liability company (the “Company”) and exhibits thereto, including an Indemnity Agreement and an application fee in the amount of \$1,000 (the “Application”), for a proposal relating to the financing of the acquisition of seven standalone assisted living/memory care communities and related expenses for facilities located at (i) 8500 Regent Avenue North, Brooklyn Park, Hennepin County, Minnesota 55443, owned by Coventry Properties of Brooklyn Park, LLC and operated by Suite Living Senior Care of Brooklyn Park, LLC; (ii) 1880 East 134th Street East, Burnsville, Dakota County, Minnesota 55337 owned by Coventry Properties of Burnsville, LLC, and operated by Suite Living Senior Care of Burnsville, LLC; (iii) 3501 Douglas Drive North, Crystal, Minnesota 55422 owned by Coventry Properties of Crystal, LLC and operated by Suite Living Senior Care of Crystal, LLC; (iv) 20949 Keokuk Avenue, Lakeville, Minnesota 55044 owned by Coventry Properties of Lakeville, LLC and operated by Suite Living Senior Care of Lakeville, LLC; (v) 7010 Alvarado Ln. N., Maple Grove, Hennepin County, Minnesota 55311 owned by Coventry Properties of Maple Grove, LLC and operated by Suite Living Senior Care of Maple Grove, LLC, (vi) 7007 139th Ln., Ramsey, Anoka County, Minnesota 55303 owned by Coventry Properties of Ramsey, LLC and operated by Suite Living Senior Care of Ramsey, LLC; and (vii) 938 S. Robert St., West Saint Paul, Dakota County, Minnesota 55118 owned by Coventry Properties of West, LLC and operated by Suite Living Senior Care of West St. Paul, LLC (together, the “Project”). The sole member of each of the entities listed in (i) through (vii) above will be owned by the Company at the time of closing of the acquisition of the Project.

2. As required by Section 147(f) of the Internal Revenue Code, on November 19, 2025, this Authority conducted a public hearing on the proposal to issue tax exempt bonds to finance the acquisition of the Project following notice which was posted electronically at least 7 days prior to the date of the hearing on the Authority’s primary public website, at which public hearing all parties who appeared or who submitted written comments were given an opportunity to express their views with respect to the proposal.

3. Officers of the Company have presented to this Authority information concerning the Project, the feasibility of the Project and the financing schedule for the Project and have responded to other matters concerning the Project and the Company.

4. The Executive Director of the Authority and Fryberger, Buchanan, Smith & Frederick, P.A., Authority Counsel, have reviewed the Application and the exhibits thereto, and recommend that the Authority approve the Application as submitted, subject to the conditions herein set forth.

5. On the basis of the information contained in the Application and its exhibits and presented orally to the Authority, its Executive Director and Authority Counsel, and on the basis of the recommendations made, the Authority hereby finds and determines that:

(a) The Company is a limited liability company and is a health care organization authorized to operate a health care facility in the state, eligible to be a participating health care facility under Sections 15D.01 to 15D.18, Minnesota Statutes, as amended (the “Act”).

(b) The Project as described in the Application is eligible for financing by the Authority and is a “project” under Section 15D.04, subdivision 3 of the Act.

(c) The Project is intended for the benefit of the people of the state, the increase of their commerce, welfare and property and the improvement of their health and living conditions is essential that health care organizations in Minnesota be provided with appropriate additional means to establish, acquire, construct, improve and expand health care facilities in furtherance of their purpose and will otherwise carry out the purposes and policies of the Act.

(d) It is purpose of the Act to provide a measure of assistance and an alternative method to enable health care organizations to provide the facilities and structures which are sorely needed to accomplish the purposes of the Act, all to the public benefit and good, to the extent and manner provided.

(e) The Project is not used or to be used for: (i) sectarian instruction or as a place of religious worship; (ii) primarily in connection with a program of divinity for any religious denomination; and (iii) does not include any supplies, medicine, medical supplies, or other items, the cost of which are customarily deemed to result in a current operating charge.

(f) The Project and issuance of revenue obligations appear feasible.

6. The Project and the issuance of revenue obligations of the Authority in the maximum aggregate principal amount of \$130,000,000, in one or more series, whether taxable or tax-exempt, are therefore approved, provided that the Company shall furnish any items which are needed to complete the Application or which are reasonably required by Authority Counsel or Bond Counsel in order to deliver an unqualified opinion as to the validity of the revenue obligations and tax status of the interest on the revenue obligations.

7. The Executive Director and Authority Counsel prepare and submit recommendations as to the terms of financing and the forms of documents appropriate for a public offering or private placement, as the case may be, and resolutions to the Authority and to the Company for consideration and approval.

8. The Authority and the Company each respectively reserves its right to terminate the Project and the financing thereof under the Act as provided in the Indemnity Agreement.

Adopted: November 19, 2025.

MINNESOTA HEALTH AND  
EDUCATION FACILITIES AUTHORITY

By \_\_\_\_\_  
Bonnie M. Anderson, Chair

By \_\_\_\_\_  
Kenneth C. Westphal, Secretary

Approved: \_\_\_\_\_  
Governor, State of Minnesota

Date Approved: \_\_\_\_\_

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**MINNESOTA**  
HEALTH AND EDUCATION  
FACILITIES AUTHORITY

November 19, 2025

To: Minnesota Health and Education Facilities Authority Board

From: Barry W. Fick, Executive Director 

Re: Concordia University Saint Paul, Minnesota  
Preliminary Finance Plan Review - MHEFA

The Minnesota Health and Education Facilities Authority ("MHEFA" or "Authority") has received an application for Financing assistance from Concordia Saint Paul, MN to refinance Series Six-Q Variable Rate Revenue Bonds, issued in October 2007. The application by the University was considered at the October 2025 Authority meeting.

This month, the Authority Board will review the proposed financial structure of the financing request from Concordia University, Saint Paul. This memorandum reviews the current terms of the financing. The bank has fully committed to providing funding for the refinancing which is the purpose of the financing request.

The size of the borrowing will equal the amount of outstanding principal plus interest through the date of repayment. Since the debt is to be refinanced is calculated at a variable rate, the interest accrued from the most recent interest payment to the date of loan repayment is an estimate. The bank allows the cost of issue for the refinancing to be included in the amount to be borrowed. In discussions with the University, the University anticipates payment of some or all of the costs of issue from University funds. The maximum amount of the bank financing will not exceed \$10,750,000. The estimated borrowing will be less than \$10,750,000.

*Based on our review of the proposed financial structure, discussions with the commercial bank, various legal counsels, and the University, the Authority staff believe that a marketable finance plan can be agreed upon between the borrower and the funding bank. Further, the terms of the financing should result in the University being able to fund the debt service associated with the financing.*

The terms of the proposed financing for Concordia University, Saint Paul, are as follows:

**Issuer:** Minnesota Health and Education Facilities Authority  
**Borrower:** Concordia University, Saint Paul, Minnesota



# MINNESOTA

HEALTH AND EDUCATION  
FACILITIES AUTHORITY

<b>Lender:</b>	Old National Bank (successor to Bremer Bank)
<b>Loan Amount:</b>	Not to exceed \$10,750,000
<b>Loan Type:</b>	Tax-exempt, non-bank qualified
<b>Purpose:</b>	Refund existing Variable Demand Revenue Bonds, retire Letter of Credit, fund Issue Costs
<b>Benefits:</b>	Reduce admin costs, remove LOC Fees, remove variable rate risk, simplify repayment schedule, enhance budget planning
<b>Term &amp; Amort:</b>	Twelve years, monthly interest payment, annual principal payment of \$900,000 payable each January 31, any remaining balance due at maturity
<b>Interest Rate:</b>	Fixed for 5 years using formula (FHLB 5-Yr rate + 1.50%)*0.8 (tax-exempt factor) Rate resets on 5 <sup>th</sup> anniversary at (FHLB 3-year rate + 1.50%)*0.8 Rate resets on 9 <sup>th</sup> anniversary at (FHLB 3-year rate + 1.50%)*0.8
<b>Prepayment:</b>	Declining Repayment fee of 3% for first year, 2% for year 2, 1% in year 3, par in year 4 and later
<b>Bank Fee:</b>	One-time fee of 20 basis points (0.0020) of loan amount
<b>Collateral:</b>	Gross Revenue Pledge and Mortgage on Main Saint Paul, MN Campus
<b>Covenants:</b>	Debt Service Coverage ratio of 1.20 times or higher, measured at FYE Minimum total net assets of \$85,000,000, measured semi-annually Minimum of 90 Days Cash of Hand, measured at end of third quarter of Fiscal Year
<b>Financial Reporting:</b>	Audited Financial statements within 150 days of FYE Annual student enrollment statement Quarterly financial statements within 45 days of quarter end Monthly Brokerage Statements and A/R aging report within 45 days of month end
<b>Additional Terms:</b>	Concordia University to maintain operating account with Old National for the term of the loan

SERIES RESOLUTION  
MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY  
REVENUE NOTE, SERIES 2025  
(CONCORDIA UNIVERSITY, ST. PAUL)

PRIVATE PLACEMENT PROGRAM

BE IT RESOLVED by the Minnesota Health and Education Facilities Authority, as follows:

1. Authority. This Authority is, by the Constitution and Laws of the State of Minnesota, including Sections 15D.01 to 15D.18, Minnesota Statutes, as amended (the “Act”), authorized to issue and sell its revenue bonds and notes for the purpose of financing the cost of acquisition of authorized projects and to enter into contracts necessary or convenient in the exercise of the powers granted by the Act and to pledge revenues of the project and otherwise secure the bonds and notes.

2. Authorization of Note. The Authority has determined that it is necessary and expedient to authorize, and the Authority does hereby authorize, the issuance and sale of the Authority’s Revenue Refunding Note, Series 2025 (Concordia University, St. Paul) (the “Note”) pursuant to the Act to provide money to be loaned to the Concordia University, St. Paul, a Minnesota nonprofit corporation (the “University”) as owner and operator of an institution of higher education (the “Institution”) in the aggregate principal amount not to exceed \$10,750,000 to refinance (the “Refinancing”) the Authority’s Variable Rate Demand Revenue Bonds, Series Six-Q (Concordia University, St. Paul), dated October 18, 2007 (the “Refunded Bonds”), in the original principal amount of \$18,155,000 issued to provide funds to the University to provide financing for the acquisition, construction, furnishing and equipping of a student residence facility consisting of a four-story building containing approximately 102,500 square feet with approximately 86 units and approximately 300 beds (including resident manager and resident advisors’ units), including appurtenant demolition of existing structures and site improvements (the “Project”).

Payment of the Refunded Bonds was secured by a direct pay letter of credit in favor of the trustee for the Refunded Bonds (the “Letter of Credit”). The process of the Refinancing consists of a draw on the Letter of Credit in an amount sufficient to pay principal of and interest on the Refunded Bonds on or about December 3, 2025. The proceeds of the Note approved herein will be used to repay the provider of the Letter of Credit for the draw thereon applied to payment in full of the Refunded Bonds.

3. Finance Plan. The plan of finance for the Note, in the aggregate principal amount of not to exceed \$10,750,000, is to provide financing to refinance the Refunded Bonds as follows:

The Note shall be issued as a single promissory note in the maximum principal amount of \$10,750,000. The Note shall be dated the Closing Date (as defined in the Agreement hereinafter referred to, estimated to be December 3, 2025), and shall be payable in monthly installments of interest on the first day of each month commencing January 1, 2026, as provided in the Note.

Principal payments on the Note shall be payable on each January 31<sup>st</sup> commencing on January 31, 2026, in the amount specified in the Note, and with the remaining principal due on the maturity date of the Note. Interest on the Note shall be payable at a fixed rate to be established prior to the Closing Date based on the following formula: (Ten-Year Treasury rate plus .79%) multiplied by a tax-exempt factor of 80%, all as set forth in the Note. The Note shall be subject to optional prepayment or redemption on any date, with a prepayment premium set forth in the Agreement.

The Chair and Secretary may approve: (i) the final principal amount of the Note provided that the aggregate principal amount of the Note may not exceed \$10,750,000, and (ii) the fixed interest rate for the Note pursuant to the formula set forth above, which such approvals shall be evidenced by the execution and delivery of the Note.

In the event of a Determination of Taxability (as defined in the Agreement), the Note shall bear additional interest at the rate of two percent per annum for an aggregate interest rate two percent above the fixed interest rate from the Date of Taxability (as defined in the Agreement).

The Authority hereby approves the plan of finance.

4. Documents Presented. Forms of the following documents relating to the Note and the Project have been prepared or reviewed by Fryberger, Buchanan, Smith & Frederick, P.A., as bond counsel, and submitted to the Authority and are now on file in the office of the Authority:

(a) Loan and Note Purchase Agreement (the “Agreement”), to be dated as of the date of issue of the Note, by and among the Authority, the University and Old National Bank (the “Purchaser”) whereby, among other things, the Authority agrees to sell and the Purchaser agrees to purchase the Note, the Authority agrees to make a loan to the University of the proceeds of the sale of the Note, and the University covenants to complete the acquisition of the Project and to pay amounts sufficient to provide for the prompt payment of the principal of and interest on the Note.

(b) Assignment of Loan Repayments and Rights (the “Assignment”) to be dated as of the date of issue of the Note, whereby the Authority assigns to the Purchaser all of its interest in the Loan Repayments of the University under the Agreement and all of its interest in the Agreement, for the purpose of securing the Note, with certain exceptions as set forth therein.

(c) Second Amended and Restated Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents (the “Mortgage”) from the University to the Purchaser to secure the Note.

(d) Amended and Restated Security Agreement between the University and the Purchaser regarding the Debt Service Reserve Fund and related pledged securities.

5. Findings. It is hereby found, determined and declared that:

(a) The Project is an authorized project under the Constitution and laws of the United States of America and the State of Minnesota, including the Act, the Institution is a

nonprofit institution of higher education under the Act, and the Authority has authority and the jurisdiction to issue and sell the Note to refinance the Project for the University.

(b) The Authority held a public hearing on October 15, 2025, relating to the Project and the Application filed by the University after due notice of hearing published in accordance with the requirements of Section 147(f) of the Internal Revenue Code, and in the opinion of bond counsel, based on representations of the University, the Note will be qualified Section 501(c)(3) bonds within the meaning of Section 145 of the Internal Revenue Code, the interest on which will be exempt from Federal income tax.

(c) On May 20, 2009, the Authority adopted the Policy on Private Placement Financing. The proposed Agreement and the issuance and sale of the Note substantially comply with the general guidelines of the Policy, and the University wishes the Authority to sell the Note in a private placement as permitted by the Policy.

(d) The Purchaser has presented a proposal to purchase the Note at a price equal to the principal amount of the Note, on the terms and conditions set forth in the Agreement, this Series Resolution (the “Note Resolution”) and the Note. The Purchaser will also act as paying agent and registrar (the “Paying Agent and Registrar”) with respect to the Note.

(e) Under the Agreement and the Purchaser Letter, the Purchaser represents that it has not sold and agrees that it will not sell the Note except to a “financial institution” and sell or assign an interest in the Note through a participation agreement in an amount less than \$100,000. The Purchaser has agreed to execute and to cause any purchaser of the Note to execute a Purchaser Letter substantially in the form of Exhibit B-1 to the Agreement, representing among other things that the Purchaser or holder is purchasing the Note and not with a view to redistribution thereof and that such purchaser is a financial institution and has received all information deemed by it necessary and relevant to its decision to purchase the Note. Accordingly, no official statement or offering memorandum is deemed necessary under SEC Rule 15c2-12, and the issuance and sale of the Note by the Authority pursuant to the Agreement is exempt from the registration requirements of the Minnesota Securities Act, Chapter 80A, Minnesota Statutes.

(f) The refinanced Project consists of the acquisition and related expenses of property located on the University’s main campus at 1282 Concordia Avenue, St. Paul, Minnesota, used for student housing and related operational purposes for the University. The University has provided to bond counsel evidence of title to the Project and title to the pledged property under the Mortgage.

(g) The representations of the Authority in Section 2.01 of the Agreement are true and correct.

(h) As required by the Act, the officers of the Authority authorized to sign checks or otherwise handle funds of the Authority shall furnish a surety bond, executed by a surety company authorized to transact business in the State of Minnesota as surety and file the same in the office of the Secretary of State of Minnesota, subject to approval of the Attorney General, prior to delivery of the Note, which officers and the amount of the surety

bond shall be as set forth in the separate resolution adopted by the Authority on November 28, 1972.

(i) The Agreement provides for payments by the University to the Purchaser for the account of the Authority of such amounts as will be sufficient to pay the principal of and interest on the Note when due. The Agreement obligates the University to provide for the operation and maintenance of the Project Facilities, including adequate insurance, taxes and special assessments. The Agreement further provides for the payment of a fee to the Authority at the Note Closing, and on each anniversary thereof, an amount equal to 1/8 of 1% per annum of the then outstanding amount of the Note (or such lesser amount as may be billed to the University) and for the University to pay all costs of issuance of the Note in excess of two percent of the proceeds of the Note from sources other than proceeds of the Note.

(j) The University has approved and requested that the Authority accept the proposal of the Purchaser to purchase the Note on the terms set forth herein and in the Agreement, and the proposal appears feasible and reasonable.

6. Approval and Execution of Documents. The forms of Agreement and the Assignment referred to in paragraph 4 are approved and shall be executed in the name and on behalf of the Authority by the Chair and Secretary, or the officers authorized to act for the foregoing officers, in substantially the form on file, but with all such changes therein, not inconsistent with the Act or other law, as may be approved by the officers executing the same, which approval shall be conclusively evidenced by the execution thereof.

7. Approval of Terms and Sale of Note. The Authority shall proceed forthwith to issue its Note, in the amount, maturing, bearing interest, payable in the installments and otherwise containing the provisions set forth and established pursuant to paragraph 3 hereof and in the form of Note attached as an exhibit to the Agreement, which terms and provisions are hereby approved and incorporated in this Note Resolution and made a part hereof. The Note, substantially in the form of Exhibit A-1 to the Agreement, shall be issued and delivered to the Purchaser, and as authorized by the Act, principal of and interest on the Note shall be payable at the office of the Paying Agent and Registrar in St. Paul, Minnesota.

8. Execution, Registration and Delivery of Note. The Note may be in typewritten or printed form and shall be executed by the facsimile signatures of the Chair and Secretary and the manual signature of the Assistant Secretary or the officers authorized to act for the foregoing officers and the official seal of the Authority shall be affixed thereto. When so prepared and executed, the Note shall be delivered to the Paying Agent and Registrar for registration and payment of the purchase price, upon satisfaction of the conditions specified in the Agreement, including receipt of the signed legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., of Duluth, Minnesota, bond counsel.

9. Registration Records. The Paying Agent and Registrar shall keep a register which shall provide for the registration of the Note and for transfers of the Note. The principal of and interest on the Note shall be paid to the Purchaser for the account of the Holders entitled thereto in Federal or other immediately available funds.

10. Mutilated, Lost Stolen or Destroyed Note. If the Note are mutilated, lost, stolen or destroyed, the Authority may execute and deliver and the Paying Agent and Registrar may authenticate and deliver to the person in whose name the Note are registered (the "Holder") a new Note of like amount, date, unpaid principal amount and tenor as that mutilated, lost, stolen or destroyed; provided that, in the case of mutilation, the mutilated Note shall first be surrendered to the Authority, and in the case of a lost, stolen or destroyed Note, there shall be first furnished to the Authority, the University and the Purchaser evidence of such loss, theft or destruction satisfactory to them, together with indemnity satisfactory to them. The Authority, the University and the Paying Agent and Registrar may charge the Holder with their reasonable fees and expenses in replacing any mutilated, lost, stolen or destroyed Note.

11. Transfer of the Note; Person Treated as Holder. Subject to the restrictions in this Resolution, the Note shall be transferable by the Holder on the note register maintained by the Registrar, upon presentation of the Note for notation of such transfer thereon at the office of the Paying Agent and Registrar, accompanied by a written instrument of transfer in form satisfactory to the Paying Agent and Registrar, duly executed by the Holder or its attorney duly authorized in writing. The Note shall continue to be subject to successive transfers at the option of the Holder of the Note. No service charge shall be made for any such transfer, but the Paying Agent and Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. The person in whose name the Note shall be issued or, if transferred, shall be registered from time to time shall be deemed and regarded as the absolute Holder thereof for all purposes, and payment of or on account of the principal of and interest on the Note shall be made only to the Holder thereof, or to the Purchaser for the account of the Holder, and neither the Authority, the University nor the Paying Agent and Registrar shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid. The Note shall be initially registered in the name of the Purchaser.

12. Amendments, Changes and Modifications to Agreement, Assignment and Note Resolution. Except pursuant to Section 9.05 of the Agreement, the Authority shall not enter into or make any change, modification, alteration or termination of the Agreement, the Assignment or this Note Resolution.

13. Pledge to Holder. Pursuant to the Assignment, the Authority shall pledge and assign to the Purchaser and its successor Holders of the Note all interest of the Authority in the Agreement, including all Loan Repayments to be made by the University under the Agreement and moneys derived from enforcement of the Agreement other than moneys received by the Authority as fees, indemnity or reimbursement of advances by the Authority. Other than such fees, indemnity and advance reimbursement payments, all collections of moneys by the Authority in any proceeding for enforcement of the obligations of the University under the Agreement shall be received, held and applied by the Authority for the benefit of the Holders of the Note.

14. Covenants with Holders; Enforceability. All provisions of the Note and of this Note Resolution and all representations and undertakings by the Authority in the Agreement are hereby declared to be covenants between the Authority and the Purchaser and its successor Holders of the Note and shall be enforceable by the Purchaser or any Holder in a proceeding brought for that purpose.

15. Proceeds of the Note. The proceeds of the Note shall be advanced to provide for the Refinancing and payment of costs of issuance of the Note, as provided in the Agreement.

16. Prior Action Ratified. The terms and provisions of the Agreement, the Assignment and each resolution of the Authority heretofore adopted by the Authority relating to the Note or the Refinancing or the Project and the application relating thereto are all hereby incorporated by reference and adopted, ratified and confirmed; and the officers of the Authority and Fryberger, Buchanan, Smith & Frederick, P.A. as bond counsel are hereby authorized and directed to execute and deliver all closing documents and do every other thing necessary or convenient to carry out the terms and provisions of the Agreement and each exhibit thereto (including this Note Resolution) to the end that the Note shall be delivered, secured and serviced and to carry out the purposes and provisions of the Act with respect thereto without further resolution or other action by this Authority.

17. Definitions and Note Interpretation. Terms not otherwise defined in this Note Resolution but defined in the Agreement shall have the same meanings in this Note Resolution and shall be interpreted herein as provided therein. Notices may be given as provided in Section 9.03 of the Agreement.

18. Certifications. The Chair, Vice Chair, Secretary, Assistant Secretary and Recording Secretary of the Authority are authorized and directed to prepare and furnish to Fryberger, Buchanan, Smith & Frederick, P.A., bond counsel, to the University, to the Purchaser and to counsel for the University and the Purchaser, certified copies of all proceedings and records of the Authority relating to the Project and the Note, and such other affidavits and certificates as may be required to show the facts appearing from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the Authority as to the truth of all statements contained therein.



Adopted: November 19, 2025

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Bonnie M. Anderson Rons, Chair

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Kenneth Westphal, Secretary

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# MN Health and Education Facilities Authority

## Budget vs. Actuals: FY2026 Budget (July 2025)

July 2025 - June 2026

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
Income				
4010 Annual Fee Income	122,005.30	550,000.00	427,994.70	77.82 %
4020 Application Fee Income	1,000.00	2,000.00	1,000.00	50.00 %
4030 Miscellaneous Income	2,200.00		-2,200.00	
<b>Total Income</b>	<b>\$125,205.30</b>	<b>\$552,000.00</b>	<b>\$426,794.70</b>	<b>77.32 %</b>
GROSS PROFIT	<b>\$125,205.30</b>	<b>\$552,000.00</b>	<b>\$426,794.70</b>	<b>77.32 %</b>
Expenses				
6000 Stipends	1,265.00	4,400.00	3,135.00	71.25 %
6001 Board Travel	1,693.46	5,000.00	3,306.54	66.13 %
6002 Communications				
6002.01 Communications - Phones	760.79	5,000.00	4,239.21	84.78 %
6002.02 Communications - Internet	483.66	3,000.00	2,516.34	83.88 %
6002.03 Communications - Software	48.00	1,500.00	1,452.00	96.80 %
6002.04 Communications - Website	34,620.11	30,000.00	-4,620.11	-15.40 %
6002.05 Communications - Misc		15,000.00	15,000.00	100.00 %
<b>Total 6002 Communications</b>	<b>35,912.56</b>	<b>54,500.00</b>	<b>18,587.44</b>	<b>34.11 %</b>
6003 Staff Travel		25,000.00	25,000.00	100.00 %
6003.01 Staff Travel - General	2,438.81		-2,438.81	
6003.02 Staff Travel - Department Head Expenses	75.00		-75.00	
<b>Total 6003 Staff Travel</b>	<b>2,513.81</b>	<b>25,000.00</b>	<b>22,486.19</b>	<b>89.94 %</b>
6004 Office Rent	16,730.76	54,000.00	37,269.24	69.02 %
6005 Office Supplies	167.62	2,000.00	1,832.38	91.62 %
6006 Repairs	138.00	2,000.00	1,862.00	93.10 %
6007 Printing Expense		25,000.00	25,000.00	100.00 %
6008 Periodicals/Memberships	5,677.00	13,000.00	7,323.00	56.33 %
6009 Fiscal Consultant Fees		25,000.00	25,000.00	100.00 %
6010 Audit Fees	21,900.00	21,900.00	0.00	0.00 %
6012 Legal & Legislative Fees	8,200.00	20,000.00	11,800.00	59.00 %
6013 Insurance Expense		2,500.00	2,500.00	100.00 %
6015 Miscellaneous Expense	201.09	5,000.00	4,798.91	95.98 %
6016 Bank Service Charges	437.25	2,000.00	1,562.75	78.14 %
6017 Conference Expenses		40,000.00	40,000.00	100.00 %
6017.10 NAHEFFA Fall 2025 Conference	1,780.58		-1,780.58	
<b>Total 6017 Conference Expenses</b>	<b>1,780.58</b>	<b>40,000.00</b>	<b>38,219.42</b>	<b>95.55 %</b>
6018 Professional Development-Board		2,500.00	2,500.00	100.00 %
6020 Professional Development-STAFF	3,443.00	3,500.00	57.00	1.63 %
6021 IT				
6021.01 IT - Managed IT Services	2,852.06	9,000.00	6,147.94	68.31 %
6021.02 IT - Software	18,897.89	45,000.00	26,102.11	58.00 %
6021.03 IT - Consulting and Training		5,000.00	5,000.00	100.00 %
6021.04 IT - Misc		1,000.00	1,000.00	100.00 %
<b>Total 6021 IT</b>	<b>21,749.95</b>	<b>60,000.00</b>	<b>38,250.05</b>	<b>63.75 %</b>

# MN Health and Education Facilities Authority

## Budget vs. Actuals: FY2026 Budget (July 2025)

July 2025 - June 2026

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
6023 Postage/Delivery Expense	91.48	200.00	108.52	54.26 %
6100 Salaries	80,760.58	275,000.00	194,239.42	70.63 %
6101 Fringe Benefits	27,380.99	93,000.00	65,619.01	70.56 %
6104 Worker's Compensation	170.00	170.00	0.00	0.00 %
<b>Total Expenses</b>	<b>\$230,213.13</b>	<b>\$735,670.00</b>	<b>\$505,456.87</b>	<b>68.71 %</b>
NET OPERATING INCOME	<b>\$ -105,007.83</b>	<b>\$ -183,670.00</b>	<b>\$ -78,662.17</b>	<b>42.83 %</b>
Other Income				
4000 Interest Income	41,387.56	80,000.00	38,612.44	48.27 %
4050 Unrealized Gain/Loss Adjustment on Sale	140.22		-140.22	
<b>Total Other Income</b>	<b>\$41,527.78</b>	<b>\$80,000.00</b>	<b>\$38,472.22</b>	<b>48.09 %</b>
NET OTHER INCOME	<b>\$41,527.78</b>	<b>\$80,000.00</b>	<b>\$38,472.22</b>	<b>48.09 %</b>
NET INCOME	<b>\$ -63,480.05</b>	<b>\$ -103,670.00</b>	<b>\$ -40,189.95</b>	<b>38.77 %</b>

# Profit and Loss by Class

## MN Health and Education Facilities Authority

July 1-October 31, 2025

DISTRIBUTION ACCOUNT	EDUCATION	HEALTH CARE	TOTAL
Income			
4010 Annual Fee Income	122,005.30		122,005.30
4020 Application Fee Income	1,000.00		1,000.00
4030 Miscellaneous Income	2,200.00		2,200.00
<b>Total for Income</b>	<b>125,205.30</b>		<b>\$125,205.30</b>
Cost of Goods Sold			
<b>Gross Profit</b>	<b>125,205.30</b>		<b>\$125,205.30</b>
Expenses			
6000 Stipends	1,155.00		1,155.00
6001 Board Travel	1,679.88		1,679.88
6002 Communications			
6002.01 Communications - Phones	760.79		760.79
6002.02 Communications - Internet	483.66		483.66
6002.03 Communications - Software	48.00		48.00
6002.04 Communications - Website	6,220.11	28,400.00	34,620.11
<b>Total for 6002 Communications</b>	<b>7,512.56</b>	<b>28,400.00</b>	<b>\$35,912.56</b>
6003 Staff Travel			
6003.01 Staff Travel - General	2,438.81		2,438.81
6003.02 Staff Travel - Department Head Expenses	75.00		75.00
<b>Total for 6003 Staff Travel</b>	<b>2,513.81</b>		<b>\$2,513.81</b>
6004 Office Rent	16,730.76		16,730.76
6005 Office Supplies	167.62		167.62
6006 Repairs		138.00	138.00
6008 Periodicals/Memberships	4,927.00	750.00	5,677.00
6010 Audit Fees	21,900.00		21,900.00
6012 Legal & Legislative Fees		8,200.00	8,200.00
6015 Miscellaneous Expense	201.09		201.09
6016 Bank Service Charges	437.25		437.25
6017 Conference Expenses			
6017.10 NAHEFFA Fall 2025 Conference	1,780.58		1,780.58
<b>Total for 6017 Conference Expenses</b>	<b>1,780.58</b>		<b>\$1,780.58</b>
6020 Professional Development-STAFF	3,405.00		3,405.00
6021 IT			
6021.01 IT - Managed IT Services	2,852.06		2,852.06
6021.02 IT - Software	18,897.89		18,897.89
<b>Total for 6021 IT</b>	<b>21,749.95</b>		<b>\$21,749.95</b>
6023 Postage/Delivery Expense	91.48		91.48
6100 Salaries	80,760.58		80,760.58
6101 Fringe Benefits	27,380.99		27,380.99

## Profit and Loss by Class

### MN Health and Education Facilities Authority

July 1-October 31, 2025

DISTRIBUTION ACCOUNT	EDUCATION	HEALTH CARE	TOTAL
6104 Worker's Compensation	170.00		170.00
<b>Total for Expenses</b>	<b>192,563.55</b>	<b>37,488.00</b>	<b>\$230,051.55</b>
<b>Net Operating Income</b>	<b>-67,358.25</b>	<b>-37,488.00</b>	<b>-\$104,846.25</b>
Other Income			
4000 Interest Income	41,387.56		41,387.56
4050 Unrealized Gain/Loss Adjustment on Sale	140.22		140.22
<b>Total for Other Income</b>	<b>41,527.78</b>		<b>\$41,527.78</b>
Other Expenses			
<b>Net Other Income</b>	<b>41,527.78</b>		<b>\$41,527.78</b>
<b>Net Income</b>	<b>-25,830.47</b>	<b>-37,488.00</b>	<b>-\$63,318.47</b>