



MINNESOTA

HEALTH AND EDUCATION FACILITIES AUTHORITY

Listing of Mailout Material

December 17, 2025

- 🕒 Cover Memo
- 🕒 Meeting Agenda

- I. Review and approve minutes of the meeting of November 19, 2025
 - 🕒 Minutes of November 19, 2025
- II. Review and approve minutes of the emergency meeting of December 1, 2025 and special meeting of December 9, 2025 (a continuation of the December 1, 2025 meeting)
 - 🕒 Minutes of December 1, 2025, and December 9, 2025
- III. Macalester College, Series 2026
 - 🕒 Macalester College, Series 2026 Application
 - 🕒 Application Review
 - 🕒 Application Memorandum
 - 🕒 Resolution Relating to the Application
- IV. Coventry 7/Target Holdings Discussion (no action being taken)
 - 🕒 Presentation by D.A. Davidson
- V. Old Business
- VI. New Business
- VII. Other Business
 - 🕒 November 2025 Budget vs Actual with 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: December 10, 2025

To: Minnesota Health and Education Facilities Authority Board Members

From: Barry W. Fick, Executive Director

Subject: December 17, 2025 Authority Board Meeting Preview

Welcome to the December 2025 MHEFA Board meeting. This meeting brings the first portion of a financing request from Macalester College. We look forward to working with the college on their financing request.

We have an action item on the agenda this month. We will hold a Public Hearing and Application Review for a new money project and a refunding of outstanding Authority bonds for Macalester College.

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.



MINNESOTA
HEALTH AND EDUCATION
FACILITIES AUTHORITY

Board Meeting Agenda

Wednesday, December 17, 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 November 19, 2025
- II. Review and approve minutes of the emergency meeting of December 1, 2025 and special meeting of December 9, 2025 (a continuation of the December 1, 2025 meeting)
- III. Macalester College, Series 2026
 - Public Hearing
 - Application Review, *North Slope Capital Advisors*
 - Application Memorandum, *Kutak Rock - Bond Counsel*
 - Resolution Relating to Application, *Kutak Rock - Bond Counsel*
- IV. Coventry 7/Target Holdings Discussion (no action being taken)
 - Presentation by D.A. Davidson
- V. Old Business
- VI. New Business
- VII. Other Business
 - Executive Director's Report
 - November 2025 Budget vs Actual with P&L

*General Public may attend in-person at the address below, via call-in number: 1-877-978-6969
Access Code: 171-031-034# or through this link: <https://meeting.gomeet.com/171-031-034>*

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 2:04 pm Central Standard Time, Wednesday, November 19, 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.

Minnesota Health and Education Facilities Authority

Board Meeting Minutes of November 19, 2025

Page 2

Executive Summary – Minnesota Health and Education Facilities Authority

Meeting on November 19, 2025 Board Actions Taken:

Motions:	Result:	Vote:
Approve Meeting Minutes of October 15, 2025	Passed	Unanimous

Resolutions	Result:	Vote:
Application Review and Preliminary Plan Summary for Coventry Holdings of Minnesota, LLC, Series 2025	Passed	Unanimous
Series Resolution for Concordia University, Saint Paul, Minnesota Refunding Revenue Note, Series 2025	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 - IP
Gary Benson - IP
Mary Ives - IP
Nancy Sampair - IP
Poawit Yang, OHE - V
Stacey Holland, MPCC - V

Absent: Mikeya Griffin
Ken Westphal
Erich Heppner

Other Attendees: Mark LeMay, public – IP
Mia Thibodeau, Fryberger Law Firm – IP
Tim Eppler, Coventry - IP
Ogieva Guobadia, DA Davidson - IP
Romy McCarthy, DA Davidson - IP

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

Bonnie Anderson Rons, Chair, called the meeting order at 2:04 pm CST. Executive Director Fick confirmed that a quorum was present.

Agenda Item I – Minutes of the October 15, 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 October 15, 2025 MHEFA Board meeting. There were no suggested edits to the minutes of the October 15, 2025 MHEFA Board meeting.

Chair Anderson Rons asked for a motion to accept and approve the October 15, 2025 Minutes. A motion was made by Gary Benson to approve the October 15, 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:		
	Barbie Anderson Rons	Yes
	David Rowland	Yes
	Gary Benson	Yes
	Mary Ives	Yes
	Nancy Sampair	Yes
	Poawit Yang	Yes

There were no votes against the motion and the Minutes of the October 15, 2025, MHEFA Board meetings were approved.

Agenda Item II – Target Holdings of Minnesota, LLC, Application for Financing

This item is to consider the application of Target Holdings of Minnesota, LLC (Target Holdings) for the issuance of bonds to finance the acquisition of seven standalone assisted living/memory care communities and related expenses for facilities located in the Twin Cities metro area. Chair Anderson Rons began by opening the Public Hearing on the financing and introduced Timothy Eppler, Coventry / Target Holdings and Mr. Ogieva Guobadia, DA Davidson.

Chair Anderson Rons opened the public hearing and asked the representatives from Target Holdings and DA Davidson to describe the financing request. Mr. Eppler provided information about the operations of the company and information about the operation of the organization. He noted that the proposed financing has purchasers for the bonds in place. Mr. Eppler noted that the 7 facilities that are the subject of the financing are operating and generating positive cash flow.

Mr. Eppler concluded his presentation. Chair Anderson Rons asked if there were any questions. Board members asked multiple questions to Mr. Eppler and Mr. Guobadia about the project, the organization, and the financial operations of the company and the proposed financing.

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 called on Executive Director Fick to discuss the Authority's Application Review. Mr. Fick noted that this is the first Healthcare financing application to be received by the Authority. Mr. Fick outlined the structure of the proposed transaction, noting that much more detail on the structure, legal documents and the financing plan will be presented at a future Authority meeting. He discussed the overall financial performance of the parent organization, Coventry Holdings of Minnesota, noting that the organization has a strong track record of developing and operating Senior Living Facilities in the Twin Cities.

The information provided by the Applicant as a supplement to the Application was discussed, noting their breadth of management experience of the Applicant and their successful track record of financial operations of their other senior living facilities in the Twin Cities.

Executive Director Fick concluded his review of the Application and offered to take questions and comments from the audience. Board members asked a number of questions that will be researched and additional information provided to Board members.

Chair Anderson Rons next asked Issuer Counsel, Mia Thibadeau of the Fryberger Law firm, to describe the Issuer 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 future Authority Board meeting where the Financing Plan will be considered.

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

Chair Anderson Rons asked Issuer Counsel to review the Resolution relating to Application for Target Holdings of Minnesota, LLC. Issuer Counsel outlined the terms of the Resolution, noting that it recites the purpose of the financing, and related terms of the Application.

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 borrower.

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

The Resolution authorizes the preparation of financing documents and submission of recommendation as to the terms of the financing, along with appropriate documentation, to the Authority and the applicant for consideration and approval at a future meeting of the Authority . The

Executive Director and Issuer Counsel are authorized and directed to prepare and submit to the Authority, for consideration and approval, the appropriate documents for a limited Offering.

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 for Target Holdings. A motion was made by Gary Benson to approve the Resolution. The motion was seconded by David Rowland.

Chair Anderson Rons then called for a vote regarding the Resolution Relating to Application for Target Holdings. 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
	Nancy Sampair	Yes

There were no votes against the Resolution and the Resolution Relating to Application for Target Holdings, was approved.

Agenda Item III – Concordia University, St. Paul, MN

Chair Anderson Rons asked Executive Director Fick to present the Authority's Financing Plan review for Concordia University, St. Paul, MN. The Executive Director noted that documentation for the bank placement has been successfully completed, the fixed interest rate has been set, and an amortization schedule agreed to between the bank and Concordia University.

The terms of the refinancing of the outstanding debt achieves the purposes that the University wants to achieve, on terms and conditions that are acceptable to the University. Based on the review of actual terms and conditions for the Refunding Note, Series, 2025, the Authority recommends the Board approve the financing, Executive Director Fick asked if there were questions or concerns about the finance plan for the refinancing. There were no questions or concerns from Board members.

Chair Anderson Rons asked Bond Counsel, Mia Thibedeau to review the Series Resolution for the Concordia University Revenue Note, Series 2025. Ms. Thibodeau directed the Board to the Series Resolution. She outlined the terms and recitations in the Series Resolution, noting the sections of the Series Resolution that document the purpose of the financing, the actions taken by the Authority and finance team members to document the terms of the financing. She reviewed the paragraphs of the Series Resolution Findings of the Board related to the financing and that the documents comply with all applicable Federal and State of Minnesota laws, regulations, and policies of the Authority to authorize the Note.

Ms. Thibodeau concluded her review of the Series Resolution and Chair Anderson Rons asked if there were any questions about the Series Resolution. There were no questions and Chair Anderson Rons asked for a motion to adopt the Series Resolution for Concordia University, St. Paul, MN Refunding Revenue Note, Series 2025. Gary Benson moved for approval and Nancy Sampair seconded the motion. Chair Anderson Rons called upon Executive Director Fick to conduct a Roll Call Vote to adopt the Series Resolution for Concordia University, St. Paul Revenue and Refunding Note, Series 2025. 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
	Nancy Sampair	Yes

There were no abstentions or votes against the Motion and the Series Resolution for Concordia University, St. Paul was 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

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

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

Agenda Item VI – Other Business

Chair Anderson Rons called upon Operations Manager Amanda Lee to discuss upcoming MHEFA board meeting dates and the Authority budget report.

Operations Manager Lee noted that there are potential financing requests pending and actions will need to be taken by the Board in December 2025. Based on this, Authority staff will hold the December 2025, January, and February 2026 Board meetings. Authority staff will keep Board members informed about the meeting schedule and agendas as soon as we have additional information about the timing of financing requests.

The budget report now includes a column to show revenue and expenditures related to Healthcare as well as Higher Education. The allocation criteria for expenses between higher education and healthcare are in the process of being developed. The Authority will consult with the audit firm for assistance in accurately allocating expenditures between higher education and healthcare.

Chair Anderson Rons called upon Executive Director Fick to discuss Other Business and present the Executive Director's Report.

Executive Director Fick noted that he will be attending a Moody's Ratings Higher Education event in New York City prior to the December Board meeting. Moody's plans to conduct a mock Credit Committee meeting for a hypothetical credit rating at this event.

Authority staff are making strong progress on finding a location and obtaining speakers for the April 2026 Finance Conference. More information will be provided at the December Authority Board meeting.

We have scheduled additional credit rating update meetings for Minnesota Colleges in January 2026.

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 adjourn. A motion to adjourn the meeting was made by Nancy Sampair. The second was made by Mary Ives. A voice vote was taken and the motion to adjourn was approved. The meeting was adjourned at 4:08 pm Central Standard Time.

Respectfully submitted,

Assistant Secretary



MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY

The Minnesota Health and Education Facilities Authority (the “Authority” or “MHEFA”) convened a Board meeting at 10:00 am Central Standard Time, Monday, December 1, 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 Authority conference room of Grand Oak I, 860 Blue Gentian Road, Suite 145, Eagan, MN 55121. Executive Director, Barry Fick, was physically present, as well as Board Member Nancy Sampair. 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 December 1, 2025 Board Actions Taken:

Motions:	Result:	Vote:
None		

Resolutions	Result:	Vote:
None		

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 -V

 David Rowland - V

 Gary Benson - V

 Ken Westphal - V

 Mary Ives – V

 Mikeya Griffon - V

 Nancy Sampair – IP

 Poawit Yang, OHE – V

 Paul Cerkvenik, MPCC - V

Absent: Erich Heppner

Other Attendees: None

Staff: Barry W. Fick, Executive Director, MHEFA – IP

 Amanda Lee, Operations Manager, MHEFA – V

Nancy Sampair, Board Member Attending In-Person, called the meeting order at 10:00 am CST. Executive Director Fick confirmed that a quorum was present.

Agenda Item I – Discussion of Healthcare Financing process

The first item on the agenda was a discussion of healthcare financing and the role of the Board in the review and consideration of financing applications submitted to the Board. The format of the meeting is to provide for discussion between board members about questions related to healthcare financing.

The Board members discussed procedural issues and matters that are applicable to the Authority. Procedural issues discussed included how is a quorum determined, how are Board members selected, when will the new Board members authorized by the 2025 Authority legislation will be appointed and be able to take their place on the Board.

Board members discussed the role of Board members in reviewing financing requests and examined the issue of what the responsibilities of board members are, and how Board members exercise those responsibilities.

The Board members discussed a number of concepts that relate to the role of the Board in reviewing and approving financing requests.

No conclusion was drawn on these procedural matters. The Board agreed that additional information on these matters would be helpful and directed staff to research, review, and provide a summary of what information staff are able to identify. This information will be provided at a future Authority meeting.

The Board members discussed generally the healthcare financing that is under consideration by the Authority. They developed a number of questions and requests for additional information from the Applicant. The Executive Director will contact the Borrower to obtain the requested information.

After the discussion was concluded, Board Member Nancy Sampair asked if there were any additional items the Board wished to consider. There were no additional items for discussion. There were no other questions or proposed items for discussion from Board members.

Board Member Nancy Sampair noted that there is no action from the Board necessary regarding the discussion of Board procedures or the role of the Board in a financing. With no action being taken, there is no requirement or need to take a vote on the explanation of the procedural matters

Minnesota Health and Education Facilities Authority

Board Meeting Minutes of December 1, 2025

Page 4

discussion. There is no action taken on the financing application that is pending before the Authority, so there is no need to take a vote on anything relating to the pending application.

Board Member Nancy Sampair asked if there was any Other Business to come before the Board. There was no Other Business for the Board to consider, and Board Member Sampair asked for a motion to suspend the meeting and reconvene at 10:00 am CST on Tuesday, December 9, 2025. A motion to suspend the meeting was made by Mary Ives. The second was made by Bonnie Anderson Rons. A voice vote was taken and the motion to suspend the meeting was approved. The meeting was adjourned at 11:08 am CST.

Respectfully submitted,

Assistant Secretary



MINNESOTA

HEALTH AND EDUCATION FACILITIES AUTHORITY

The Minnesota Health and Education Facilities Authority (the "Authority" or "MHEFA") convened a Board meeting at 10:00 am Central Standard Time, Tuesday, December 9, 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 Authority conference room of Grand Oak I, 860 Blue Gentian Road, Suite 145, Eagan, MN 55121. Executive Director, Barry Fick, and Operations Manager, Amanda Lee, were physically present, as well as Board Member Nancy Sampair and Board Chair Bonnie Anderson Rons. 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 December 9, 2025 Board Actions Taken:

Motions:	Result:	Vote:
None		

Resolutions	Result:	Vote:
None		

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 - V
 Ken Westphal - V
 Mary Ives – V
 Erich Heppner - V
 Nancy Sampair – IP
 Poawit Yang, OHE – V
 Paul Cerkvenik, MPCC - V

Absent: Mikeya Griffin

Other Attendees: None

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

Bonnie Anderson Rons, Chair and Board Member Attending In-Person, called the meeting order at 10:03 am CST. Executive Director Fick confirmed that a quorum was present.

Agenda Item I – Continued Discussion of Healthcare Financing

The first item on the agenda was a recap and summary of the December 1, 2025, discussion of healthcare financing and the role of the Board in the review and consideration of financing applications submitted to the Board.

The Board members continued the discussion of procedural issues and matters that pertain to the Authority.

Board members engaged in additional discussion of the role of Board members in reviewing financing requests and examined the issue of what the responsibilities of board members are, and how Board members exercise those responsibilities.

The Board members requested Authority staff consult with the MN Attorney General's office to obtain additional and possible guidance on the role of Board members in reviewing matters brought to the Board.

The Board noted that additional input from the Attorney General's office, as well as other outside experts, including Authority Bond Counsel firms on these matters would be helpful and directed staff to research, review, and provide a summary of what information staff are able to identify. This information will be provided at a future Authority meeting which will be scheduled for January 14, 2026. The time for that meeting will be determined at the December 2025 regular Authority Board meeting.

After the discussion was concluded, Board Chair Bonnie Anderson Rons asked if there were any additional items the Board wished to consider at this meeting. There were no additional items for discussion. There were no other questions or proposed items for discussion from Board members.

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 adjourn the meeting. A motion to adjourn the meeting was made by Gary Benson. The second was provided by Nancy Sampair. A voice vote was taken, and the meeting was adjourned by unanimous voice vote. The meeting was adjourned at 11:15 am CST.

Minnesota Health and Education Facilities Authority

Board Meeting Minutes of December 9, 2025

Page 4

Respectfully submitted,

Assistant Secretary

Application for Financing

Higher Education



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
Zoning variance or change	not applicable received pending	not applicable received pending	not applicable received pending	not applicable received pending
Building permit	not applicable received pending	not applicable received pending	not applicable received pending	not applicable received pending
Other governmental approval	not applicable received pending	not applicable received pending	not applicable received pending	not applicable received pending
Environmental Assessment Worksheet	not applicable received pending	not applicable received pending	not applicable received pending	not applicable received pending
Environmental Impact Statement	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:

President of College or University:

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 Accreditation and Degrees:

If the principal institutional accreditation is not North Central Association of Colleges and Secondary Schools, please state the principal accreditor:

Degrees conferred are:

Associate of Arts	Master of Business Administration	Doctor of Public Administration
Associate of Applied Science	Master of Education	Doctor of Psychology
Associate of Science	Master of Fine Arts	Juris Doctor
Bachelor of Arts	Master of Science	Others:
Bachelor of Fine Arts	Master of Social Work	
Bachelor of Music	Master of Physical Therapy	
Bachelor of Music Education	Doctor of Chiropractic Medicine	
Bachelor of Science	Doctor of Education	
Master of Arts	Doctor of Philosophy	

Religious Affiliations

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

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

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?

4. Are there any religious qualifications for faculty appointments?

5. If the institution teaches courses in religion or theology, does the institution confer a theology degree or otherwise prepare students for a religious vocation?

6. If the institution teaches courses in religion or theology, does the institution teach the distinctive doctrines, creeds or tenets of any particular religious sect?

7. Are the students required to attend chapel or other religious service?

Please explain if you have answered “YES” to any of the foregoing seven questions:

Teaching and Admission Standards

1. Does the institution and its faculty subscribe to the Statement of Principles of Academic Freedom promulgated by the American Association of University Professors and the Association of American Colleges?

2. Are all courses of study, including any religion and theology courses, at the institution taught according to the academic requirements of the subject matter and the individual instructor's concept of professional standards?

3. Does the institution admit students without regard to race, color, religion or national origin?

Please explain if you have answered “No” to any of the foregoing three 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?

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

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?

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

LIST OF EXHIBITS

(please number consecutively)

For traditional undergraduate and graduate programs and any nontraditional programs that provide substantial revenue: (A) Enrollment information (head count and full-time equivalent) submitted to the Office of Higher Education for the five-year period immediately preceding this application, (B) Projected head count and full-time equivalent enrollment for the five-year period following this application and (C) Applications, acceptances and matriculations for first year students during the past five fall terms.

attached as Exhibit ____

Most recent published tuition, room and board 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 ____

Current college catalog for undergraduate and graduate programs. 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 faculty handbook. Please provide the website address, send electronically, or on a labeled CD (mailed or delivered).

attached as Exhibit ____

Website address:

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 letter from the Office of Higher Education confirming registration under Minnesota Statutes, Section 136A.61 to 136A.71.

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:

And

(Chief Financial Officer)

Signature:

Title:

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



North Slope Capital Advisors
2000 S. Colorado Blvd.
Bldg. 1 - 2000
Denver, CO 80222
303-953-4101

December 17, 2025

Minnesota Health and Education Facilities Authority
c/o Ms. Bonnie Anderson Rons, Board Chair and Mr. Barry W. Fick, Executive Director
860 Blue Gentian Road, Suite 145
Eagan, MN 55121

Dear Ms. Anderson Rons, Mr. Fick, and Members of the Authority Board:

As the independent registered municipal advisor for the Authority, we are pleased to provide the following review of the financing application submitted by Macalester College (the "College"). The Authority intends to issue its Series 2026 Revenue and Revenue Refunding Bonds (the "Series 2026 Bonds") on behalf of the College, the proceeds of which will be used for:

- (1) the acquisition, design, site preparation, construction, improvement, and equipping of an approximately 108,000 square-foot residence hall and welcome center building, adding approximately 224 student beds to the campus inventory (the "Project");
- (2) funding capitalized interest through December 1, 2026 (new money portion only);
- (3) the current refunding of the Authority's outstanding Series Eight-J Revenue Bonds (2015) which were issued on behalf of the College; and
- (4) funding costs of issuance.

The Projects will be owned and operated by the College and located on or adjacent to the College's main campus in Saint Paul, Minnesota. Provided below is a summary of the financing followed by a summary review of the College's credit profile, a description of the Projects and the refunding, and the preliminary financing structure.

<i>Financing Summary (as of December 10, 2025)</i>	
Par Amount	\$57,630,000
Financing Type	New Money and Current Refunding
New Money Project	Mixed-use building on campus
Refinancing	Eight-J Revenue Bonds (2015)
Prior MHEFA Bonds Outstanding	Series 2021, 2017, Eight-J (2015), Five-Q (2003)
Current Underlying Rating	Aa3 (Stable) as of October 2025
Underwriter	Piper Sandler
Bond Counsel	Kutak Rock
Issuance Date (Estimated)	February 2026

Based on our review of the materials provided by the College, including the preliminary debt service schedules provided by the Underwriter, North Slope's opinion is that the proposed borrowing is fiscally feasible, and an adequately secured bond structure can be achieved. Accordingly, North Slope will be participating in the Authority's meeting on December 17, 2025, to present our review of the College's application and answer any questions regarding the information contained in this letter.

Respectfully submitted,
NORTH SLOPE CAPITAL ADVISORS

A handwritten signature in black ink, appearing to read "Stephanie M. Chichester".

Stephanie M. Chichester, President

A handwritten signature in black ink, appearing to read "Nick E. Taylor".

Nick E. Taylor, Managing Director

cc: Ms. Patricia Langer, Vice President of Administration and Finance (Macalester College)
Kutak Rock, Bond Counsel

Macalester College

Macalester College (the "College") is a four-year, co-educational liberal arts college located in Saint Paul, Minnesota. The College was founded in 1874 by Rev. Edward Duffield Neill, who had previously served as the first chancellor of the University of Minnesota and as a Civil War chaplain. Classes began in 1885, and the first class graduated in 1887. From its earliest years, the College emphasized internationalism and service, values that remain central to its mission today. While the College was originally established with Presbyterian roots, it is now nonsectarian and operates independently, though it continues to embrace a tradition of civic engagement and global citizenship.

Today, the College offers more than 65 majors, minors, and concentrations across the arts, humanities, sciences, and social sciences. Among the most popular majors are economics, political science, biology, psychology, and international studies. The College follows a traditional two-semester academic calendar, with each semester lasting approximately 15 weeks, and also offers summer study opportunities. Macalester is accredited by the Higher Learning Commission and maintains recognition from appropriate professional organizations. The College is registered with the Minnesota Office of Higher Education in accordance with Minnesota statutes.

Enrollment

The College's full-time and head count enrollments are reflected in the table below. These figures reflect enrollments for the fall semester for each year.

<u>Fall</u>	<u>Actual Headcount</u>	<u>FTE</u>
2021	2,244	2,219
2022	2,175	2,154
2023	2,143	2,121
2024	2,138	2,117
2025	2,068	2,053

Enrollment has declined approximately 8% from Fall 2021 to Fall 2025 and the College projects stable enrollment of 2,055 (headcount) and 2,025 (FTE) students over the next several years.

Source: Exhibit 1 -Enrollment Statistics - MHEFA Application for Macalester College (2025).

Summary of Financial Operations

The following page presents *Statements of Financial Position (Without Donor Restrictions)* for the College's five prior audited fiscal years ending May 31, 2025 through 2021, which presents information about the College's operating activities derived from the audited financial statements.

[remainder of page intentionally left blank]

Minnesota Higher Education Facilities Authority
 Application Review Letter from North Slope Capital Advisors
 for Financing from Macalester College (Series 2026)

Date: December 17, 2025

Page: 2

Statements of Activities (Without Donor Restrictions) (\$000)					
	2025	2024	2023	2022	2021
REVENUES AND OTHER ADDITIONS					
Tuition and fees, net of student aid and scholarships	\$ 62,773	\$ 58,878	\$ 58,134	\$ 57,977	\$ 51,935
Federal and state grants and contracts	1,908	1,439	1,603	1,451	1,104
Private gifts and grants	4,553	3,795	5,805	3,941	3,799
Sales and service of auxiliary enterprises	20,755	18,821	17,922	18,313	8,812
Other sources	1,489	1,718	1,392	1,108	444
Net investment return	2,427	2,811	1,178	(410)	187
Investment return appropriated by the governing board for operations	6,098	5,962	5,761	5,576	5,368
Net assets released from restrictions	48,874	44,956	43,058	43,560	42,001
Total Operating Revenues and Other Additions	148,877	138,380	134,853	131,516	113,650
EXPENSES					
Instruction	57,598	54,922	53,917	51,678	44,308
Research	2,393	2,079	1,993	1,757	1,306
Academic support	14,925	15,170	14,240	13,008	11,844
Student services	28,843	27,594	25,863	24,767	21,808
Auxiliary enterprises	13,907	11,879	11,831	11,760	11,200
Institutional support	28,945	27,894	25,930	29,144	26,564
Total Operating Expenses	146,611	139,538	133,774	132,114	117,030
Change in Net Assets from Operating Activities	2,266	(1,158)	1,079	(598)	(3,380)
NONOPERATING ACTIVITIES					
Investment-related:					
Net investment return	7,270	10,486	260	5,292	19,944
Investment return appropriated by the governing board for operations	(6,098)	(5,962)	(5,761)	(5,576)	(5,368)
Change in beneficial interest in perpetual trust	-	-	-	-	-
Change in value of planned giving agreements	92	78	(96)	(128)	361
Gift-related:					
Private gifts and grants restricted for long-term investment	44	27	15	27	9
Private gifts and grants restricted for capital projects	-	276	9	36	245
Other:					
Change in value of interest rate swap	(379)	356	535	1,262	985
Net assets released from restrictions	248	23	2,690	286	27
Change in Net Assets from Nonoperating Activities	1,177	5,284	(2,348)	1,199	16,203
Change in net assets	3,443	4,126	(1,269)	601	12,823
Net Assets beginning of year	222,459	218,333	219,602	219,001	206,178
Net Assets end of year	\$ 225,902	\$ 222,459	\$ 218,333	\$ 219,602	\$ 219,001

Source: Macalester College Audits

Summary of Financial Position

The following page presents *Statements of Financial Position* for the College's five prior audited fiscal years ending May 31, 2025 through 2021, which presents information about the College's balance sheet derived from the audited financial statements.

[remainder of page intentionally left blank]

Minnesota Higher Education Facilities Authority
 Application Review Letter from North Slope Capital Advisors
 for Financing from Macalester College (Series 2026)

Date: December 17, 2025

Page: 3

Statements of Financial Position (\$000)						
	2025	2024	2023	2022	2021	
ASSETS						
Cash and cash equivalents	\$ 17,196	\$ 8,495	\$ 14,867	\$ 13,691	\$ 12,469	
Accrued investment income, prepaid expenses and other assets	8,385	8,982	6,701	6,073	6,575	
Notes and accounts receivable	9,291	9,443	11,457	9,164	9,833	
Contributions receivable, net	6,850	3,807	3,286	2,403	1,947	
Interest rate swap agreement	357	736	380	-	-	
Short term investments	38,908	46,598	44,608	44,086	41,420	
Long term investments	878,760	862,966	814,759	846,607	851,745	
Real estate	22,140	19,043	18,688	16,360	16,360	
Land, buildings and equipment, net of accumulated depreciation	189,198	190,132	190,485	197,820	206,088	
Beneficial interest in perpetual trust	33,563	33,141	31,385	34,128	36,894	
Total Assets	\$ 1,204,648	\$ 1,183,343	\$ 1,136,616	\$ 1,170,332	\$ 1,183,331	
LIABILITIES						
Accounts payable and accrued expenses	\$ 15,324	\$ 14,752	\$ 14,598	\$ 13,666	\$ 13,927	
Deferred revenue and deposits	2,466	1,927	1,662	1,298	2,788	
Interest rate swap agreement	-	-	-	155	1,416	
Liabilities under planned giving agreements	6,995	7,083	6,812	7,323	8,314	
Government grants refundable	679	937	1,183	1,821	2,645	
Bonds payable	67,643	70,308	80,394	83,719	88,511	
Total Liabilities	93,107	95,007	104,649	107,982	117,601	
NET ASSETS						
Without donor restrictions	225,902	222,459	218,332	219,602	219,001	
With donor restrictions	885,639	865,877	813,635	842,748	846,729	
Total Net Assets	1,111,541	1,088,336	1,031,967	1,062,350	1,065,730	
TOTAL LIABILITIES AND NET ASSETS	\$ 1,204,648	\$ 1,183,343	\$ 1,136,616	\$ 1,170,332	\$ 1,183,331	

Source: Macalester College Audits

Summary of Outstanding Debt

As of May 31, 2025, the College had \$62.415 million of outstanding bonds, which have been issued by the Authority for the benefit of the College as summarized below:

Outstanding Long-Term Debt					
Series	Issue Date	Outstanding Principal	Mode	Use of Proceeds	
Five-Q (2003)	2/20/2003	\$ 15,300,000	Variable ¹	Dorms (Turck, Wallace, Sprinkler)	
Eight-J (2015)	10/1/2015	9,340,000	Fixed	Partial refinance (Six-P Bonds) and renovate/improve several buildings on campus	
2017	11/8/2017	26,575,000	Fixed	Refinance remaining (Six-P and Seven-I Bonds) and theatre	
2021	3/5/2021	11,200,000	Fixed	Refinance remaining (Seven-S Bonds) and roof replacements	
Total		\$ 62,415,000			

The proposed Series 2026 Bonds (new money par amount only) would increase outstanding debt by approximately 79%. The College's capital ratios are expected to moderate with draft fiscal year end 2025 total cash and investments of \$934.6 million providing 8.4x coverage of total outstanding and proposed new debt, compared to 14x coverage prior to the Series 2026 issuance. The College's outstanding debt service 'skyline' has been provided in Appendix A.

The Project

Macalester College intends to use the new money proceeds from the Series 2026 Bonds to fund the construction of a new mixed-use campus building, including demolition of existing facilities and parking, and construction of a welcome center, offices, student residences, café, geothermal wells, rooftop solar, and new parking facilities on its campus in St Paul, MN. The building will be five stories totaling 108,000 square feet of space and will add 224 student beds to the campus inventory. Project costs are estimated to be ~\$90 million with \$40 million of the costs to be funded by other sources and \$50 million to be funded with proceeds from the Series 2026 Bonds. The College started construction in June 2025 with targeted opening in Fall 2027.

The Financing

The Authority anticipates issuing one series of fixed rate, tax-exempt bonds to finance the Project, refinance the remaining outstanding Series 8J Bonds (2015) for savings and pay costs of issuance. The estimated par amount of the Series 2026 Bonds as of December 10, 2025, is approximately \$57,630,000 with capitalized interest on the new money portion through December 1, 2026. The first principal payment estimated to be March 1, 2033 and a final maturity estimated to be March 1, 2066 (new money portion). The College has adopted a "reimbursement resolution", allowing tax-exempt financing of eligible construction costs incurred prior to issuance of the Series 2026 Bonds.

A portion of the Series 2026 proceeds will be used to current refund select maturities of the outstanding Series 8J Bonds (2015) for debt service savings. The par amount to be refunded is \$8.175 million with a remaining average coupon of 3.55%. The proposed refunding structure will match the existing maturity of 2032 and while current market conditions reflect 1.43% net present value savings as a percentage of refunded par, the College has set a minimum threshold of 3.0%, and will proceed only if this is achieved.

The College has determined to issue the Bonds as a negotiated sale and has selected Piper Sandler & Co. ("Piper") to act as sole managing underwriter. Piper is experienced in negotiating sales of tax-exempt bonds not only for issuers in Minnesota but also across the country and has direct experience with Macalester, acting as sole managing underwriter for the College's Series 2021 Bonds, Series 2017 Bonds, Series Eight-J Bonds (2015), and Series Seven-S Bonds (2012), each issued by the Authority for the benefit of the College. Provided in Appendix C is a debt service 'skyline' for the College's outstanding and pro forma debt service based on schedules provided by the Underwriter on December 10, 2025.

Sources and Uses (as of December 10, 2025)

A preliminary estimate of sources and uses is provided below:

SOURCES	Series 2026
Par amount	\$57,630,000
Reoffering Premium	2,982,256
Total Sources	\$60,612,256
USES	
Project Fund	\$50,000,000
Escrow Fund	8,183,701
Capitalized Interest Fund	2,067,765
Costs of issuance	360,790
Total Uses	\$60,612,256

Source: Piper Sandler Financing Structure Dated (12-08-2025) which assumes all fixed rate debt. All the assumptions are subject to change.

Security for the Bonds

The Series 2026 Bonds will be issued by the Authority and secured by loan repayments made by the College pursuant to a *Loan Agreement* between the Authority and the College, or from other amounts pledged pursuant to a *Trust Indenture*. The Bonds will be payable solely as a general obligation of the College from the general funds or any other moneys legally available to the College. No mortgage lien or security interest is anticipated, and no debt service reserve fund will be established.

Financial Covenants

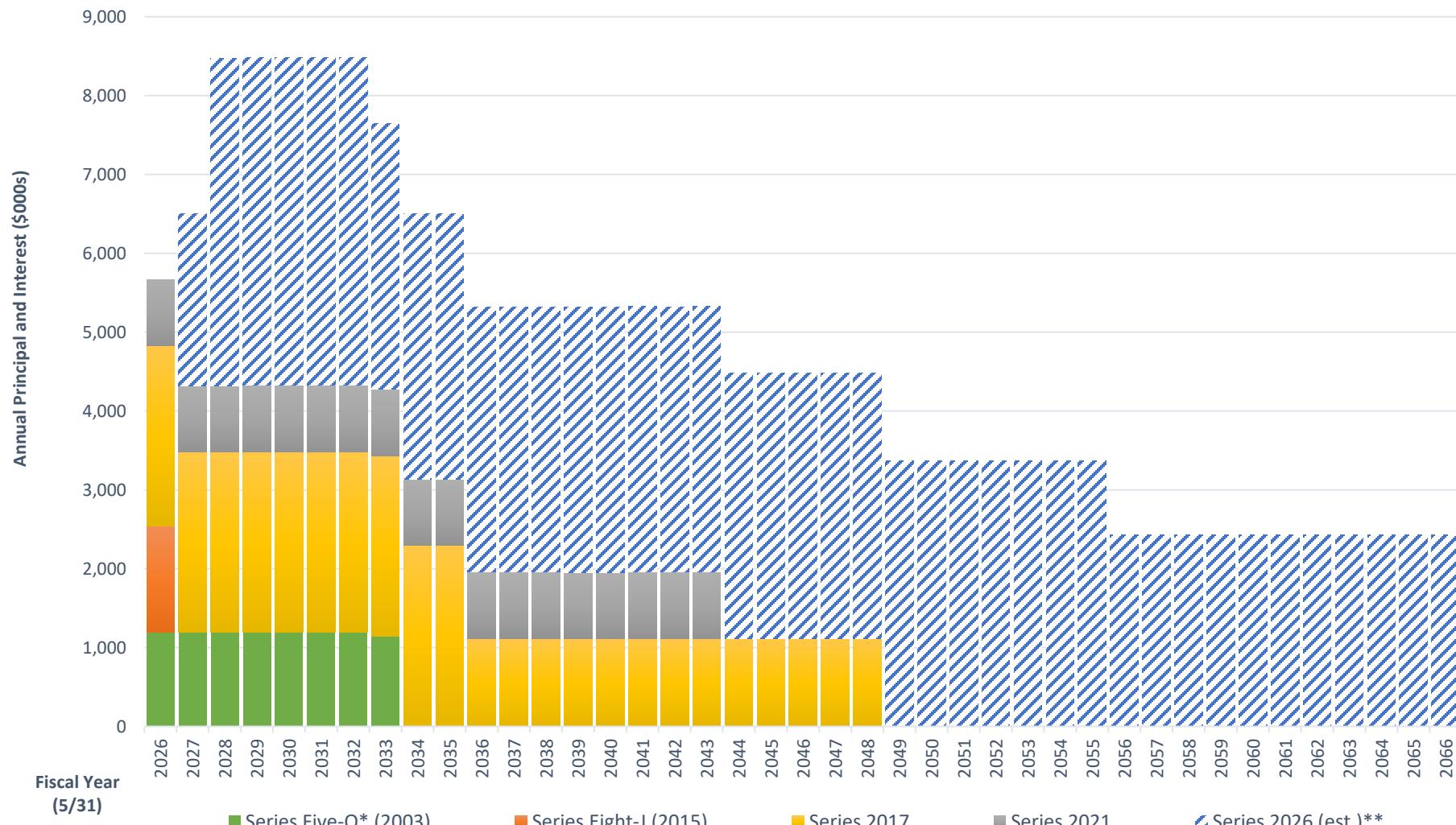
Macalester College is not subject to any debt limitations, restrictions, or covenants (other than to provide the College's audited financial statements). The Series 2026 Bonds will be marketed without any financial covenants.

Rating

The College currently has a long-term rating of "Aa3" with a stable outlook, and a "Aa3/VMIG1" rating with a stable outlook on variable rate demand bonds supported by the College's self-liquidity from Moody's Investors Service ("Moody's"). The ratings were affirmed by Moody's on October 7, 2025 in conjunction with Moody's annual surveillance and a copy of the Credit Opinion has been provided in Appendix D. The College has a follow-up rating request call scheduled with Moody's on January 7, 2026 and while the proposed borrowing was referenced and incorporated in Moody's Credit Opinion issued on October 7, 2025, Moody's has not assigned a rating on the Series 2026 Bonds as of the date of this Application Review Letter. The rating for the Series 2026 Bonds will be published before posting the Preliminary Official Statement.

[remainder of page intentionally left blank]

Macalester College Debt Service Skyline
Current Outstanding and Pro Forma Debt Service
 As of December 10, 2025



*Assumed level debt service at the current swap rate of 2.07% through 2030; average SIFMA rate of 3.00% through final maturity of 2033

**Includes capitalized interest for 12 months.

MEMORANDUM

TO: Barry W. Fick
Executive Director, Minnesota Health and Education Facilities Authority

DATE: December 15, 2025

FROM: Julie Eddington
Kutak Rock LLP

RE: Application of Macalester College for MHEFA Financing

We have reviewed the Application of Macalester College (the “College”), dated November 21, 2025 (the “Application”), and have found it to be complete and satisfactory from a legal standpoint, subject to the following:

1. Purpose. The Application relates to financing for a project (the “Project”) consisting of (a) the refunding of the outstanding Revenue Bonds, Series Eight-J (Macalester College) (the “Series Eight-J Bonds”), dated October 1, 2015, which were issued by the Minnesota Health and Education Facilities Authority (the “Authority”) (formerly known as the Minnesota Higher Education Facilities Authority) in the original aggregate principal amount of \$22,660,000; and (b) the financing of the construction of a new mixed-use campus building including demolition of existing facilities and parking lot and construction of a welcome center, offices, student residences, a café, geothermal wells, rooftop solar, and parking lot; a Core System Modernization project from Banner to Workday and PowerFAIDS; and construction and renovation of other capital projects on the College’s campus (sometimes referred to in this Memorandum as the “New Money Project”).

The Series Eight-J Bonds were issued by the Authority (formerly the Minnesota Higher Education Facilities Authority) to (a) finance the acquisition, construction, renovation, remodeling, furnishing, and equipping of various buildings and facilities of the College, including the stadium, roof replacement for the Science Building, replacement of windows for Old Main, Carnegie Hall, and Lampert Building, demolition and construction of two language-themed houses, and replacement of the indoor running track and football field turf; and (b) advance refund a portion of the Authority’s Revenue Bonds, Series Six-P (Macalester College) (the “Series Six-P Bonds”), dated as of March 1, 2007, which were issued in the original aggregate principal amount of \$39,490,000.

The Series Six-P Bonds were issued to (a) finance the acquisition, construction and equipping of a new athletic complex including a field house, gymnasium, pool, exercise areas, locker rooms and athletic department administrative offices, constituting, approximately 178,000 square feet, together with other improvements including new or relocated athletic fields related to or necessitated by the development of the athletic complex; and (b) refund (i) the Authority’s outstanding Revenue Bonds, Series Four-U1 (Macalester College), dated as of July 1, 1998, which were issued in the original principal amount of \$7,145,000 to finance the acquisition, construction and equipping of the Ruth Stricker Dayton Campus Center including related site improvements, and (ii) the Authority’s outstanding Revenue Bonds, Series Four-U2 (Macalester College), dated as of July 1, 1998, which were issued in the original principal amount of \$15,200,000 to refund the Authority’s Revenue Bonds, Series Three-J (Macalester College), dated as of June 1, 1992, originally issued to finance the acquisition, construction, renovation, remodeling, furnishing and equipping of various buildings and facilities, including gymnasium facilities, the student union, the natatorium, track and field facilities, the humanities wing of the Fine Arts Center,

Old Main, and installation of a telecommunications network and a keyless identification system. The portion of the Series Six-P Bonds not refunded by the Series Eight-J Bonds was refunded by the Authority's Revenue and Refunding Bonds, Series 2017 (Macalester College), dated November 8, 2017.

The land, buildings, equipment, facilities and improvements described above and proposed to be financed or refinanced are sometimes collectively referred to in this Memorandum as the "Project Facilities." All the Project Facilities are or will be owned and operated by the College and located on the College's campus, the principal street address of which is 1600 Grand Avenue, Saint Paul, Minnesota.

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

Governmental Approval Summary. The College has indicated in the Application that building permits for the Project are pending.

Evidence of Title to Property. A commitment to issue a title insurance policy in an owner's or mortgagee's form or 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 was not submitted with the Application, but the College has noted that it would make arrangements for evidence of ownership before the bonds will be offered for sale. We will work with the College and its counsel to determine appropriate evidence of title.

Reimbursement Resolution. As described herein, an unexecuted copy of the Reimbursement Resolution (hereinafter defined) was included in the Application. An executed copy will need to be provided prior to closing.

3. Prior Commitments. The notes to the College's most recent financial statements (audited for fiscal year ended May 31, 2025) indicate that, other than the Series Eight-J Bonds to be refunded, the College has three series of the Authority's revenue bonds outstanding, including one variable rate demand obligation. The Authority should be aware of these prior commitments in the context of the College's pledge of its full faith and credit.

4. \$150 Million Limit on Tax Exempt Non-Hospital Bonds Under Section 145(b) of Internal Revenue Code. Section 145(b) Internal Revenue Code 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. The proposed bonds will finance the New Money Project and refund bonds which were issued after August 5, 1997, and which refinanced capital expenditures originally incurred after that date. The proposed bonds therefore will be excluded from the \$150 million limitation.

5. Establishment of Religion. Historically the College has been affiliated with the Presbyterian Church (USA) but operates as a nonsectarian institution. In the Application, the College has stated that the College does not receive support from a church body. The College states in the Application that no church body controls the election of trustees and the consent of a religious body is not required in order for the College to mortgage its property or borrow money. There are no religious qualifications for faculty and students are not required to attend religious services. Based on these facts, and under existing judicial interpretation of the Establishment of Religion clause, we conclude that Authority financing and refinancing of the Project Facilities proposed by the College will not violate Establishment of Religion clause limitations. Financing such as that provided by the Authority falls well within the permitted limits.

6. Rebate: 24-Month, 18-Month, and 6-Month Spend-Down Exceptions. The Application indicates that the work on the New Money Project commenced on June 1, 2025 and be substantially completed by August 1, 2027. We will work with the College and its counsel to determine a date when all proceeds of the bonds proposed to be issued and allocated to the New Money Project are expected to be fully expended. The requirement to pay arbitrage rebate for the bonds has three exceptions which are related to the speed in which the proceeds of the bonds are spent: the 24-month exception, the 18-month exception, and the 6-month exception.

We will need to determine whether any spending exception to rebate will be applicable to the New Money Project. If the New Money Project qualifies for the 24-month spending exception, the proceeds of the bonds must be applied to construction expenditures within 24 months as determined at the time of closing. The 24-month spend-down exception allows the College to retain up to 5% of the proceeds of the bonds allocated to a construction project after the 24-month period. We will work with the municipal advisor and the College regarding the timing of the proposed bond issue and the construction schedule to determine whether the 24-month exception will be possible.

The following is a summary of each exception:

a. Section 148(f)(4)(C) of the Internal Revenue Code provides a 24-month exception (the “24-month 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, costs of equipment depreciated over a period of a year, and certain computer software.

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 6 months, 45% within one year, 75% within 18 months, and 95% to 100% within 2 years with an extension to three years for up to 5% 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 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 College so elects, must be rebated. Rebate would still be payable on reserve fund investment income, if any (to the extent the yield of the investments exceeds the bond yield) after the construction period, but the 24-month exception offers potentially significant savings.

b. Section 1.148-7(d) of the Treasury Regulations provides for a second exception for proceeds, including reasonably expected investment earnings as determined at closing, which are spent within 18 months (6 months, 15%; 12 months, 60%; and 18 months, 100%), except for a *de minimis* amount or a reasonable retainage which must be spent within 30 months of the bond closing date. This exception is not limited to proceeds expended for construction purposes.

c. Section 1.148-7(c) of the Treasury Regulations provides for a third exception for proceeds (whether for refunding, equipment or construction) which are spent within 6 months.

In the event that the New Money Project does not qualify for a spending exception to rebate described above, then the College will be responsible for making rebate payments to the United States.

7. Reimbursement Regulations. The Internal Revenue Service has adopted rules for determining when an issuer may use bond proceeds to reimburse expenditures made before the bonds are issued. The governing board of the College adopted a resolution on May 16, 2025 (the “Reimbursement Resolution”), declaring the College’s official intent to reimburse, and therefore, the College can be reimbursed for New Money Project expenditures paid (as opposed to incurred but not paid) up to 60 days prior to the adoption of the reimbursement resolution. In addition, the College may be reimbursed for certain preliminary expenditures and in amounts considered to be *de minimis*. We will work with the College to identify reimbursable costs and to protect the College’s ability to finance expenditures made before the bonds are issued. The Reimbursement Resolution included in the Application was not executed, but we will work with the College and its counsel to obtain an executed copy of the Reimbursement Resolution.

The College 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 New Money 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 it is in operation at such level. The College should expect to be reimbursed from bond proceeds shortly after the closing.

8. Project Contracts. The College has not yet finalized the construction contract for the New Money Project. The College has provided an architect’s certification as to the estimated total structure costs are considered to be realistic. At the time of bond closing, the College must be able to demonstrate that it is or will be in a position to commence construction of the remainder of the New Money Project and to confirm the cost estimates therefor which were provided in the Application. The College should provide copies of any construction and architect’s contracts to the Authority and bond counsel.

9. Building Permits; Governmental Approvals. The College has indicated in the Application that building permits are pending. No other governmental approvals are necessary.

10. Use of Project Facilities by Business Enterprises. If the College has or will have use by a private party of the financed 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, we will need to review the contract to ensure compliance with guidelines relating to private use established in the Internal Revenue Code and related regulations in Revenue Procedure 97-13, 1997-1 C.B. 632, issued January 10, 1997, as amended by Revenue Procedure 2001-39, 2001-2 C.B. 38, issued June 20, 2001, as amplified by Notice 2014-67, 2014-46 I.R.B. 822, issued November 10, 2014, as amplified by Revenue Procedure 2016-44, 2016-36 I.R.B. 316, issued October 31, 2016, and as further modified and amplified by Revenue Procedure 2017-13, 2017-6 I.R.B., issued March 21, 2017 (collectively, the “Private Use Rules”). “Private use” could arise from agreements with a food service contractor, from use with respect to parking or skyway connections, or the leasing of theater space to private parties. The College has not described any such activity to be carried on in the New Money Project, but further inquiry would be prudent to determine whether there is any “private use.” Discovery of “private use” may necessitate that the College use its own funds to finance 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 5% 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 College. Even if a food service or other

management contract, or use of parking, or other use of the Project Facilities, does not generate unrelated business income for the College, such agreements may constitute “use” of facilities of the College 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 2% payable from bond proceeds) be counted against the 5% limit of private use, leaving only 3% 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. The College has indicated in the Application that Bon Appetit Management Company will manage a coffee shop and small convenience store within the Project Facilities. This company is not a 501(c)(3) organization. We will need to examine the intended “use” of the Project Facilities to determine the applicable restrictions. The College will be contributing a significant amount of equity to the New Money Project, so if there is private use within the New Money Project, the College will be able to allocate equity to any private use.

Any change in use or ownership of the Project Facilities or any portion thereof should be undertaken only with advice of bond counsel and, in some cases, advance arrangement of a “remedial action” under Section 1.141-12 of the Treasury Regulations.

11. Litigation. The College has indicated that there is no pending litigation that would have a material adverse financial impact on the College. If litigation or claims, threatened or pending, should arise prior to closing, the College should promptly notify the Authority, the municipal advisor and bond counsel and provide a description of such claims or litigation.

12. Sinking Fund Proceeds; Replacement Proceeds. The Application states that the funds to pay debt service on the proposed bonds will be derived from the College’s operating funds. No pledge of collateral is proposed (though a negative pledge with respect to the New Money Project may be required). While this financial structure is similar to other recent Authority financings, it will nonetheless be necessary to analyze “replacement proceeds” concerns and whether any amounts are subject to yield limitations under Section 148 of the Internal Revenue Code.

The notes to the College’s financial statements indicate that, as of the fiscal year ending May 31, 2025, the College had substantial assets with and without donor restrictions available for various purposes. The arbitrage regulations adopted by the Internal Revenue Service impose limits on the yield on investments of “gross proceeds” of tax-exempt bonds. “Gross proceeds” include not only the actual proceeds received from the issuance and sale of bonds but also other monies characterized as “replacement proceeds.” Amounts are “replacement proceeds” under the regulations if it is concluded that such amounts would have been used for the governmental purpose for which the bonds were issued (here, financing of the New Money Project and refinancing of the other Project Facilities) had proceeds of the bonds not been used for that governmental purpose. Amounts also may be replacement proceeds if they are held or expected to be used to pay debt service on bonds, or are subject to a negative pledge or maintenance covenant. The mere availability or preliminary earmarking of funds for such purposes does not, in itself, necessarily lead to the conclusion that such funds would have been used for the governmental purpose of the bonds and thus are replacement proceeds. We will confer with the College and its counsel to confirm compliance with the replacement proceeds rules.

13. Yield Restrictions. The Series Eight-J Bonds, if refunded by the proposed issue, can be called for optional redemption on or after March 1, 2025. The funds necessary to redeem and prepay the Series Eight-J Bonds will be deposited in an account established under the Trust Indenture for the proposed issue and will be escrowed. If the College is unable to meet the 24-month spend-down

exception described above, a portion of the proceeds of the bonds allocated to the construction project may need to be yield restricted.

14. Multipurpose Issue. All of the proposed bonds will be issued at the same time, will be payable from the same source of funds and generally under the Treasury Regulations would be deemed all one issue of bonds. But the proposed bonds will provide funding for two separate purposes, namely, financing the New Money Project and refunding the Series Eight-J Bonds. Under Section 1.150-1(c)(3) of the Treasury Regulations, tax-exempt bonds may be treated as part of separate issues if they finance separate purposes (for example, capital costs of acquisition and construction and an advance refunding of a separate prior issue, as here) and if the aggregate proceeds, investments, and bonds in such a transaction are allocated between each of the separate issues using a reasonable, consistently applied allocation method. In addition, more specific allocation rules are imposed for refundings. To facilitate the proper allocation of bond proceeds, investments and other funds, and expenditures as between the purposes to be financed by the proposed bonds, the Authority should make the allocation into separate issues as permitted by the Treasury Regulations. The allocation must be made in writing on or before the date of the bond closing.

RESOLUTION RELATING TO APPLICATION FOR MACALESTER COLLEGE

BE IT RESOLVED by the Minnesota Health and Education Facilities Authority (the “Authority”) as follows:

1. The Authority acknowledges receipt of the Application, dated November 21, 2025, of Macalester College, a Minnesota nonprofit corporation (the “College”), as owner and operator of Macalester College (the “Institution”), and the exhibits thereto, including an Indemnity Agreement and an application fee in the amount of \$1,000, for a proposal relating to a project (the “Project”) consisting of (a) the refunding of the Authority’s outstanding Revenue Bonds, Series Eight-J (Macalester College) (the “Series Eight-J Bonds”), dated October 1, 2015, which were issued in the original aggregate principal amount of \$22,660,000; and (b) the financing of the construction of a new mixed-use campus building including demolition of existing facilities and parking lot and construction of a welcome center, offices, student residences, a café, geothermal wells, rooftop solar, and parking lot; a Core System Modernization project from Banner to Workday and PowerFAIDS; and construction and renovation of other capital projects on the College’s campus.

The Series Eight-J Bonds were issued by the Authority (formerly the Minnesota Higher Education Facilities Authority) to (a) finance the acquisition, construction, renovation, remodeling, furnishing, and equipping of various buildings and facilities of the College, including the stadium, roof replacement for the Science Building, replacement of windows for Old Main, Carnegie Hall, and Lampert Building, demolition and construction of two language-themed houses, and replacement of the indoor running track and football field turf; and (b) advance refund a portion of the Authority’s Revenue Bonds, Series Six-P (Macalester College) (the “Series Six-P Bonds”), dated as of March 1, 2007, which were issued in the original aggregate principal amount of \$39,490,000.

The Series Six-P Bonds were issued to (a) finance the acquisition, construction and equipping of a new athletic complex including a field house, gymnasium, pool, exercise areas, locker rooms and athletic department administrative offices, constituting, approximately 178,000 square feet, together with other improvements including new or relocated athletic fields related to or necessitated by the development of the athletic complex; and (b) refund (i) the Authority’s outstanding Revenue Bonds, Series Four-U1 (Macalester College), dated as of July 1, 1998, which were issued in the original principal amount of \$7,145,000 to finance the acquisition, construction and equipping of the Ruth Stricker Dayton Campus Center including related site improvements, and (ii) the Authority’s outstanding Revenue Bonds, Series Four-U2 (Macalester College), dated as of July 1, 1998, which were issued in the original principal amount of \$15,200,000 to refund the Authority’s Revenue Bonds, Series Three-J (Macalester College), dated as of June 1, 1992, originally issued to finance the acquisition, construction, renovation, remodeling, furnishing and equipping of various buildings and facilities, including gymnasium facilities, the student union, the natatorium, track and field facilities, the humanities wing of the Fine Arts Center, Old Main, and installation of a telecommunications network and a keyless identification system. The portion of the Series Six-P Bonds not refunded by the Series Eight-J Bonds was refunded by the Authority’s Revenue and Refunding Bonds, Series 2017 (Macalester College), dated November 8, 2017.

2. The facilities and improvements to be financed or refinanced by the Project are hereinafter referred to as the “Project Facilities.” The Project Facilities are or will be owned and operated by the College and located on the College’s campus, the principal street address of which is 1600 Grand Avenue, Saint Paul, Minnesota 55105.

3. The Executive Director, in consultation with the Chair of the Authority, has selected a date for a public hearing to be held with respect to the Application in conjunction with a meeting of the Authority and has caused notice of the public hearing to be published at least seven (7) days prior to the date of the

hearing in a newspaper of general circulation available to residents of the locality where the Project Facilities are located. In addition, the Authority has caused the notice to be posted on the Authority's website at least seven (7) days prior to the date of the hearing.

4. As required by Section 147(f) of the Internal Revenue Code of 1986, as amended, this Authority conducted a public hearing on December 17, 2025, on the proposal to finance the Project, 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.

5. Officers of the College have presented to this Authority information concerning the Project, the feasibility of the Project, the Project Facilities, the financing schedule for the Project, and responded to other matters concerning the Project, the Project Facilities, the Institution, and the College.

6. The Executive Director of the Authority, bond counsel, and the municipal advisor to the Authority, 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.

7. On the basis of the information contained in the Application and its exhibits and presented orally to the Authority, its Executive Director, bond counsel, and municipal advisor, and on the basis of the recommendations made, the Authority hereby finds and determines that:

(a) The College is a nonprofit corporation and the Institution is an institution of higher education in the state, eligible to be a participating institution of higher education under Minnesota Statutes, Chapter 15D, as amended (the "Act").

(b) The Project as described in the Application is eligible for financing by the Authority and is a "project" under the Act.

(c) The Project Facilities and the financing and refinancing thereof are intended for and will provide for additional educational opportunity to the current and future generations of youth of the state in nonprofit institutions of higher education and will otherwise carry out the purposes and policies of the Act.

(d) The Institution is nonsectarian and does not require or forbid attendance by students or any other persons at religious worship or acceptance of any religious creed and does not promulgate the distinctive doctrines, creeds or tenets of any particular religious sect and all courses of study, including any religion and theology courses, are taught according to the academic requirements of the subject matter and the instructor's concept of professional standards.

(e) The Institution admits students without unlawful discrimination, and does not exclude, expel, limit or otherwise unlawfully discriminate against enrolled students, in accordance with Minnesota Statutes, Section 363A.13.

(f) The Project Facilities are available to the students of the Institution without unlawful discrimination, in accordance with Minnesota Statutes, Section 363A.13.

(g) Issuance of the bonds by the Authority will not have the primary purpose or effect of advancing religion or interfering with the free exercise of religion and will not provide financing for a facility used or to be used for sectarian instruction or as a place of religious worship or a facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

(h) The Project and the issuance of revenue bonds appear feasible.

8. Since the date of the Application, there has not been disclosed to the Authority any material adverse change in the financial condition, operation or status of the College or in the Project Facilities or otherwise relating to the Application that would affect the financing contemplated herein.

9. At a meeting to be held by the Board of the Authority on January 21, 2026 (or another date selected by staff of the Authority), the Board will consider a resolution approving a financing plan for the issuance of the Authority's Revenue and Refunding Bonds, Series 2026 (Macalester College) (the "Bonds"), in the maximum aggregate principal amount of \$70,000,000, to provide financing for the Project. At this meeting, the Board will also consider a series resolution approving the Project, authorizing the issuance of the Bonds, setting the terms of the Bonds, and approving the execution and delivery of financing documents in connection therewith.

10. Upon the recommendation of the Authority's municipal advisor and approval by the College, the Executive Director is authorized to select an underwriter for the Bonds (the "Underwriter").

11. The Executive Director shall direct bond counsel to the Authority or other legal counsel to prepare for review by the Executive Director, the College, and the Underwriter all necessary bond documents, including a Loan Agreement, a Trust Indenture, a Bond Purchase Agreement, a Continuing Disclosure Certificate, and all other documents deemed necessary or desirable consistent with the provisions of the Financing Plan and substantially similar to the bond documents for revenue bonds most recently issued and sold by the Authority, but with appropriate changes.

12. The Authority's disclosure consultant shall prepare an Official Statement and any Preliminary Official Statement in consultation with the Underwriter, the College, the Executive Director, and bond counsel setting forth all material facts with respect to the Bonds, the Project, the Project Facilities, the Authority, the College, and the Institution. Upon recommendation of the municipal advisor and bond counsel, such Official Statement or any Preliminary Official Statement shall be deemed by the Executive Director (or with his or her approval, the College) to be the final official statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The Authority hereby consents to the preparation of the Official Statement in such deemed final form and the distribution by the Underwriter in offering the Bonds for sale to the public and to any changes to the Official Statement to reflect the final terms of the Bonds and the related bond documents. Notwithstanding such consent, the Authority takes no responsibility for, and makes no representations or warranties as to, the accuracy, sufficiency or completeness of the Official Statement (other than information relating to the Authority).

13. The Underwriter is authorized to distribute the Official Statement and any Preliminary Official Statement for pricing purposes, provided that prior to the distribution, if recommended by bond counsel, an application for registration of the Bonds shall be filed under the Minnesota Securities Act, Minnesota Statutes, Chapter 80A, as amended. Prior to the execution of the Bond Purchase Agreement, bond counsel shall advise the Executive Director that such registration shall have been made effective by the Minnesota Department of Commerce or that registration is not required for offer and sale of the Bonds in Minnesota.

14. Notwithstanding the foregoing provisions, the Bonds shall not be issued and delivered and the bond documents (other than the Bond Purchase Agreement) shall not be executed and delivered without the further action and approval and adoption of a series resolution with respect to the Bonds by the Authority.

15. Upon the recommendation of the College and the Authority's municipal advisor, the Executive Director is authorized to select a trustee for the Bonds, which shall also act as paying agent and registrar.

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

Adopted: December 17, 2025

**MINNESOTA HEALTH AND EDUCATION
FACILITIES AUTHORITY**

By _____
Bonnie M. Anderson Rons, Chair

By _____
Kenneth Westphal, Secretary

Approved: _____
Governor, State of Minnesota

Date Approved: _____

D|A|DAVIDSON



\$118,400,000*

**MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY
SENIOR LIVING REVENUE BONDS, (TARGET HOLDINGS OF MINNESOTA PROJECT)
SERIES 2026**

ISSUER PRESENTATION



Ogieva Guobadia, CFA
MANAGING DIRECTOR
Tel: +1 (832) 421-1905
Email: oguobadia@dadco.com

Richard Lohr
MANAGING DIRECTOR / GROUP HEAD
Tel: +1 (832) 421-2225
Email: rlohr@dadco.com

MK Harris
ASSOCIATE VICE PRESIDENT
Tel: +1 (901) 425-7388
Email: mharris@dadco.com



ADDITIONAL INFORMATION

Please direct all questions regarding the Borrower or the Transaction to:

Ogieva Guobadia

Managing Director

832-421-1905

oguobadia@dadco.com

Rick Lohr

Managing Director

Head of Senior Living and Structured Housing

832-421-2225

rlohr@dadco.com

MK Harris

Associate Vice President

901-425-7388

mharris@dadco.com

TABLE OF CONTENTS

I. Executive Summary

II. Key Parties

III. Portfolio Overview

IV. Next Steps



SECTION I



Executive Summary



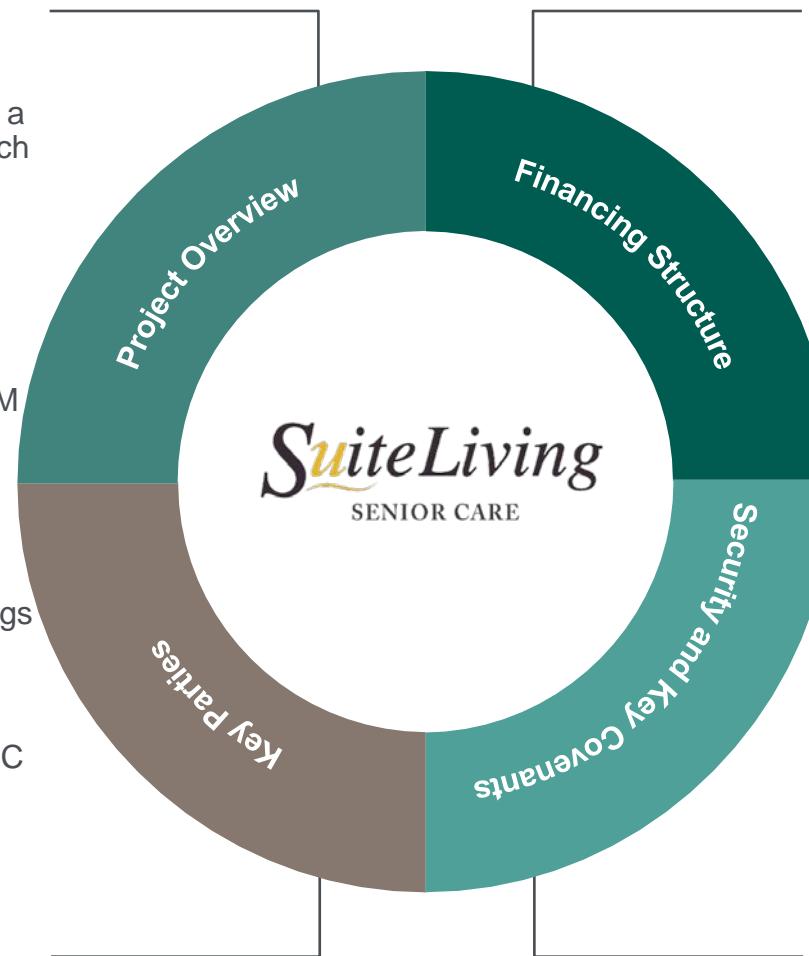
Transaction Summary

PROJECT OVERVIEW

- Long-term Strategic Portfolio Transfer
- For-Profit to Non-Profit Acquisition
- Properties:
 - Seven communities consisting of a total of 224 market-rate units (each a 32-unit AL/MC community).
- Existing manager to remain after acquisition
- Purchase Price* - \$105.090MM
- Portfolio Appraised Value - \$118.4MM

KEY PARTIES

- **Issuer:** Minnesota Health and Education Facilities Authority
- **Master Developer:** Coventry Holdings of Minnesota, LLC
- **Buyer/Borrower:**
 - Target Holdings of Minnesota, LLC
 - Membership Interest Purchase
- **Seller:** Coventry Holdings of Minnesota, LLC
- **Manager:** Suite Living Senior Care
 - For-profit, regionally focused manager with 20+ communities under management
- **Investor:** Barclays Capital Inc



FINANCING STRUCTURE

- Senior Series - \$92,970,000* – Direct Purchase by Barclay Capital Inc
- Subordinate Series - \$25,430,000* – Subordinate Tax-Exempt Bonds placed directly to Seller
- Seller Participation/Alignment
- 35-year amortization
- Call protection: 10 years

SECURITY AND KEY COVENANTS

- Security:
 - Gross Revenue Pledge
 - First Mortgage
 - Debt Service Reserve Fund (Series A)
- Covenants:
 - DSC - 1.20x coverage
 - DCOH:
 - 30 days cash on hand (thru 12/31/2026)
 - 60 days cash on hand (thru 12/31/2027)
 - 75 days cash on hand (thereafter)
 - Occupancy – 80%
 - Additional Debt Provision – 1.20x

* Preliminary, subject to change.



Portfolio Properties

	Year Built	AL	Memory Care	Total Units	% of Total Portfolio	Occupancy (October 2025)	Appraised Value
Suite Living of Brooklyn Park 8500 Regent Avenue North Brooklyn Park, MN 55443	Dec-20	18	14	32	14.29%	84.4%	\$16,200,000
Suite Living of Burnsville 1880 East 134th Street East Burnsville, MN 55337	Apr-20	20	12	32	14.29%	100.0%	\$17,900,000
Suite Living of Crystal 3501 Douglas Drive North Crystal, MN 55422	Aug-22	20	12	32	14.29%	93.8%	\$15,900,000
Suite Living of Lakeville 20949 Keikuk Avenue Lakeville, MN 55044	Jul-23	20	12	32	14.29%	100.0%	\$18,300,000
Suite Living of Maple Grove 7010 Alvarado Ln. N. Maple Grove, MN 55311	Mar-24	20	12	32	14.29%	90.6%	\$16,300,000
Suite Living of Ramsey 7007 139th Lane Anoka, MN 55303	Jan-21	20	12	32	14.29%	87.5%	\$16,500,000
Suite Living of West St. Paul 938 S. Robert St. West Saint Paul, MN 55118	Jun-22	20	12	32	14.29%	87.5%	\$17,300,000
TOTAL		138	86	224	100%	91.96%	\$118,400,000
Percentage of Total Portfolio		61.6%	38.4%	100%			



Transaction Summary

	<u>Series 2026A-1</u>	<u>Series 2026A-2</u>	<u>Series 2026B</u>	<u>Total</u>
Sources:				
Par Amount*	\$88,810,000	\$4,160,000	\$25,430,000	\$118,400,000
Original Issue Discount	(\$249,118)	-	-	(\$249,118)
Capital Contribution	-	-	700,000	\$700,000
Total Sources	\$88,560,882	\$4,160,000	\$26,130,000	\$118,850,882
Uses:				
Transfer Price*	\$79,664,409	-	\$25,425,591	\$105,090,000
Working Capital	-	\$2,100,000	700,000	2,800,000
Debt Service Reserve Fund	6,613,893	-	-	6,613,893
Costs of Issuance/Rounding	2,282,581	2,060,000	4,409	4,346,990
Total Uses	\$88,560,882	\$4,160,000	\$26,130,000	\$118,850,882

Series 2026A-1/A-2 SENIOR BONDS	Series 2026B SUBORDINATE BONDS
Tax Status: Tax-exempt / Taxable	Tax Status: Tax-Exempt
Par Amount*: \$88,810,000 / \$4,160,000	Par Amount*: \$25,430,000
Historical Coverage (T-12): 1.32x	Historical Coverage (T-12): n/a
2026 Series A Coverage: 1.64x	2026 Series A/B Coverage: 1.25x
DSRF: Equal to MADS	DSRF: None
Final Maturity: 2061	Final Maturity: 2061
Distribution: Fully-Committed / Purchased by Barclays Capital Inc	Distribution: Fully-Committed / Purchased by Coventry Holdings
Security: First mortgage and gross revenue pledge, etc	Security: Second Mortgage and subordinate to senior bonds in all respects



Historical Financial Performance Summary (T12 - October 2025)

	Trailing 12 Months (October 2025)								
	Brooklyn Park	Burnsville	Crystal	Lakeville	Maple Grove	Ramsey	West St. Paul	Total	
Occupancy (October 2025)	84.38%	100.00%	93.75%	100.00%	90.63%	87.50%	87.50%	91.96%	
Revenues Rev/Month	3,049,650 254,137	3,759,203 313,267	3,162,989 263,582	3,481,341 290,112	2,834,622 236,219	3,001,180 250,098	2,935,819 244,652	22,224,804 1,852,067	
Expenses									
Payroll and Related	1,308,734	1,380,465	1,407,478	1,363,714	1,443,515	1,393,306	1,224,460	9,521,672	
Marketing and Advertising	9,898	9,959	9,933	11,824	9,947	15,375	11,398	78,333	
Office Expense	93,624	95,698	98,998	101,735	94,531	98,918	96,100	679,604	
Compliance and Licensing	23,166	28,007	21,959	25,380	27,699	26,389	21,207	173,807	
Facilities	127,417	159,262	149,072	125,040	137,174	128,312	153,787	980,064	
Resident Care Services	157,303	120,023	140,124	130,114	129,763	161,999	117,841	957,167	
IT	29,891	32,399	28,900	26,994	24,375	29,215	29,126	200,899	
Other Expenses	259,452	281,328	281,261	270,853	240,242	253,739	248,911	1,835,785	
Real Estate Taxes	103,630	48,345	90,598	50,912	47,523	40,798	59,365	441,171	
	2,113,116	2,155,485	2,228,321	2,106,566	2,154,768	2,148,051	1,962,195	14,868,501	
Net Operating Income Operating Margin	936,534 30.71%	1,603,719 42.66%	934,668 29.55%	1,374,775 39.49%	679,854 23.98%	853,129 28.43%	973,624 33.16%	7,356,303 33.10%	

Sources:

Management – Unaudited Internal Financials



Projected Performance (Debt Service Coverage Ratio)

Debt Service Coverage Ratio - MADS	2026	2027	2028	2029	2030
Change in Net Assets without Donor Restrictions	(3,566)	(2,918)	(2,345)	(1,985)	(1,608)
Add:					
Interest Expense Series 2026 Bonds	5,691	5,928	5,857	5,741	5,574
Interest Expense on Subordinated Debt	1,524	1,589	1,589	1,629	1,714
Goodwill Amortization	1,309	1,309	1,309	1,309	1,309
Depreciation	3,089	3,112	3,136	3,149	3,161
Income Available for Debt Service	8,047	9,020	9,546	9,843	10,150
Annual Debt Service Requirements - Senior Bonds	4,918	6,612	6,610	6,609	6,613
Debt Service Coverage Ratio - Senior Bonds	1.64	1.36	1.44	1.49	1.53
Annual Debt Service Requirements - Senior/Subordinate Bonds	6,442	7,962	8,329	9,601	9,801
Debt Service Coverage Ratio - Senior/Subordinate	1.25	1.13	1.15	1.03	1.04

Sources:

Projected Financial Information: CliftonLarsonAllen LLP Draft Financial Feasibility Study

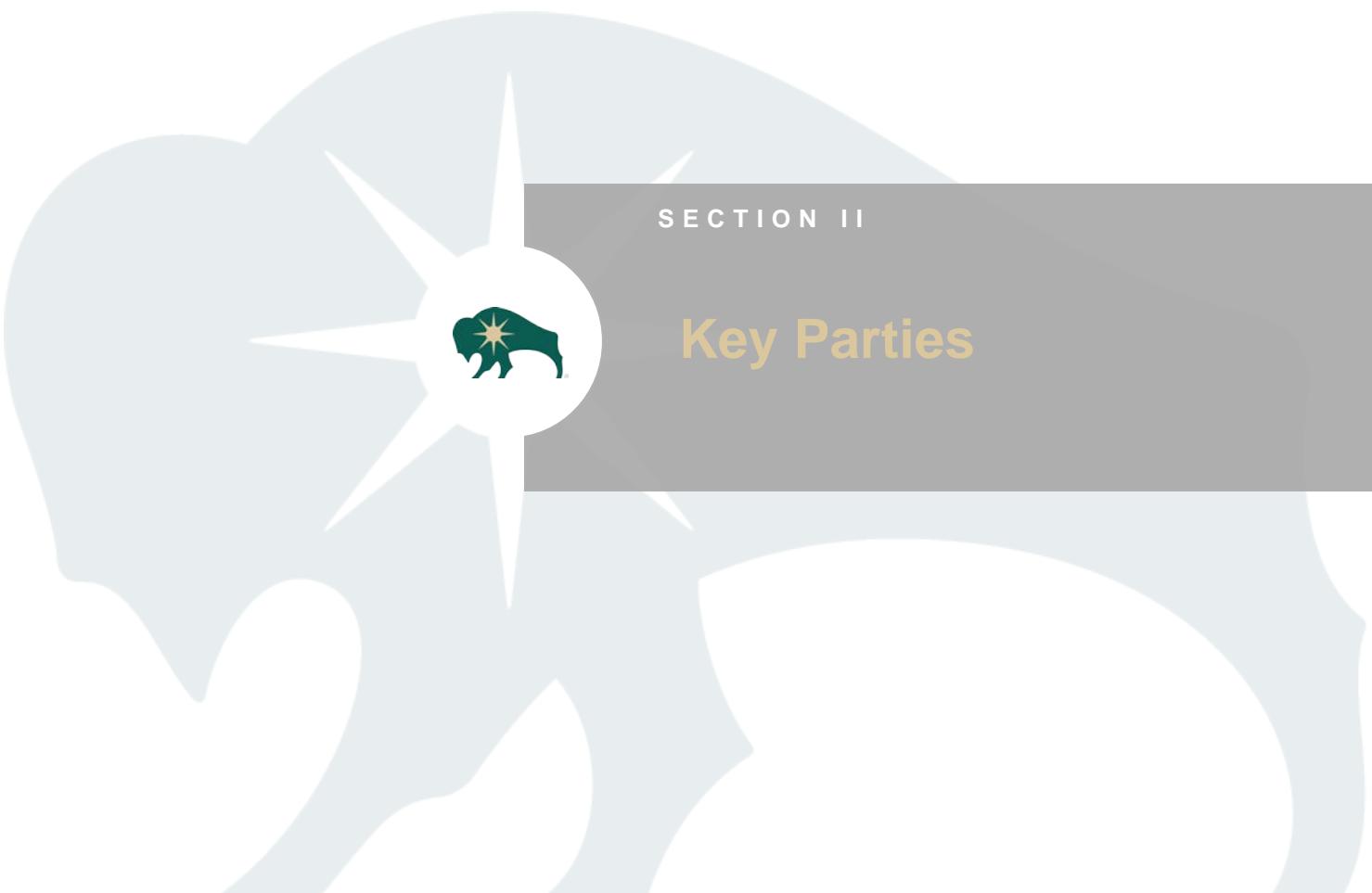


Projected Performance (Days Cash on Hand)

Days Cash on Hand	2026	2027	2028	2029	2030
Total Cash and Investments	2,988	3,772	4,898	4,975	5,043
Total Operating Expenses	27,024	27,719	28,125	28,531	28,943
Less: Unpaid Accrued Interest on the Subordinated Debt	-	(239)	130	109	-
Less: Depreciation	(3,089)	(3,112)	(3,136)	(3,149)	(3,161)
Less: Amortization of Goodwill	(1,309)	(1,309)	(1,309)	(1,309)	(1,309)
Less: Amortization of Deferred Financing Fees	(27)	(27)	(27)	(27)	(27)
Less: Amortization of Original Issue Discount	(8)	(8)	(8)	(8)	(8)
Adjusted Operating Expenses	<u>22,591</u>	<u>23,024</u>	<u>23,775</u>	<u>24,147</u>	<u>24,438</u>
Daily Operating Expenses	<u>62</u>	<u>63</u>	<u>65</u>	<u>66</u>	<u>67</u>
Days' Cash on Hand	48	60	75	75	75

Sources:

Projected Financial Information: CliftonLarsonAllen LLP Draft Financial Feasibility Study

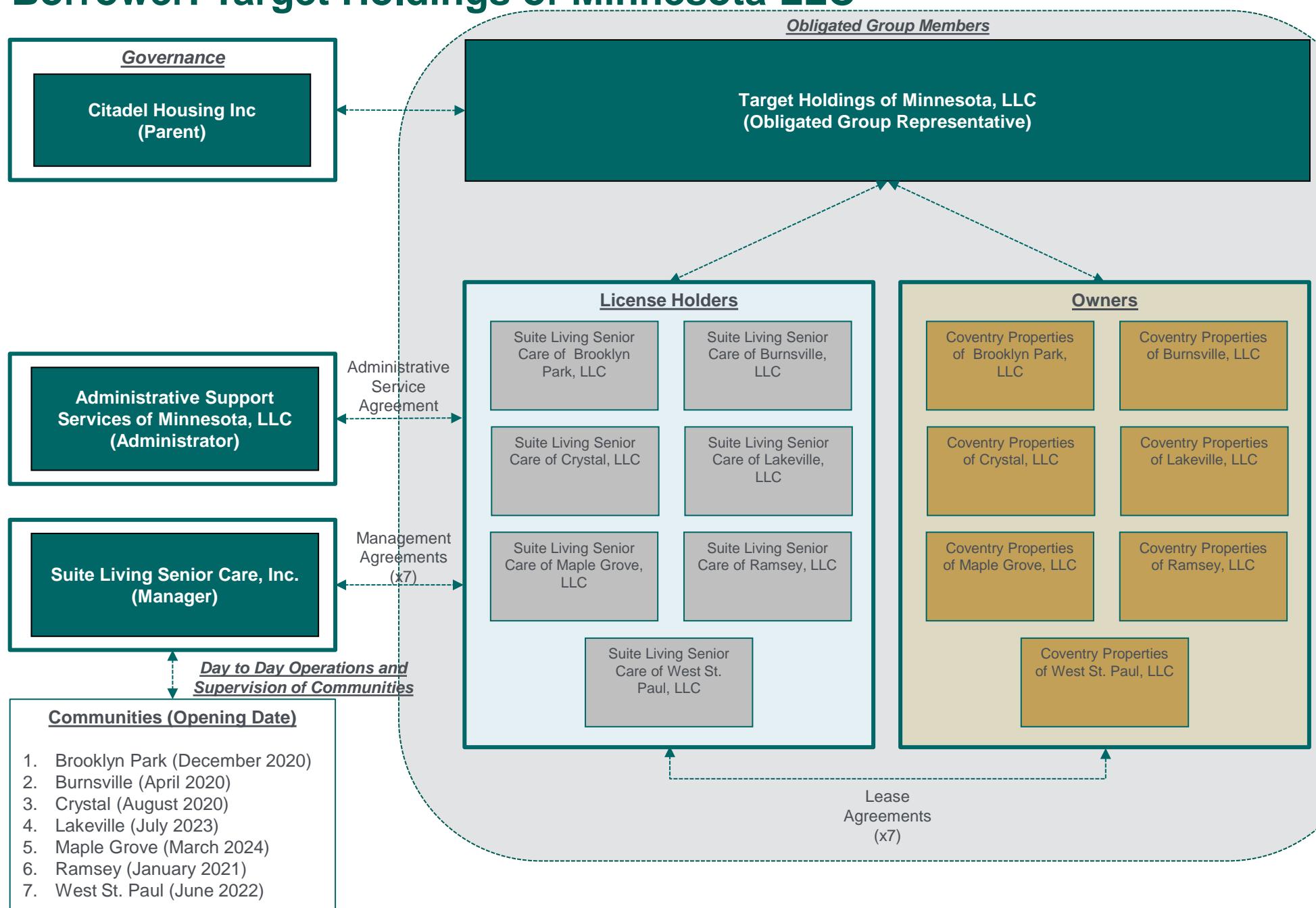


SECTION II

Key Parties



Borrower: Target Holdings of Minnesota LLC





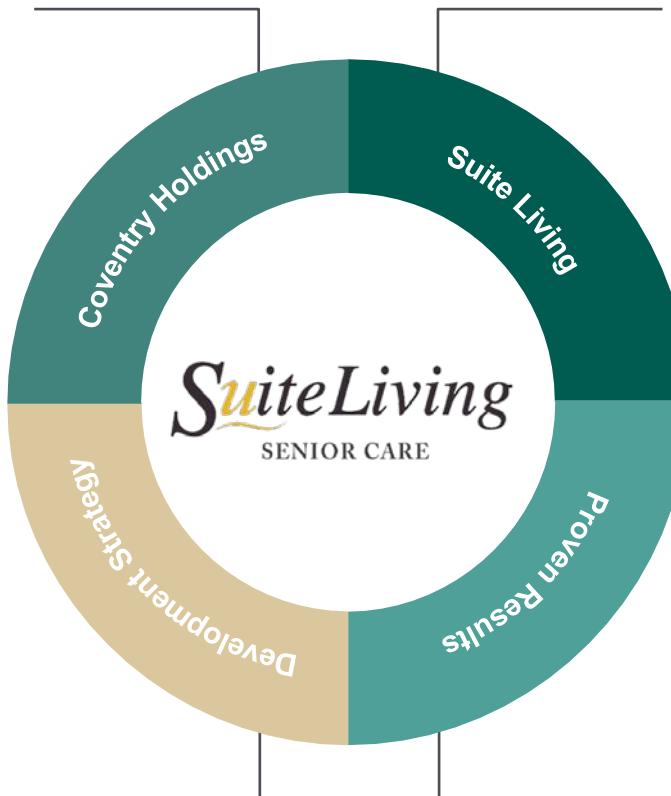
Master Developer: Coventry Holdings of Minnesota, LLC

Coventry Holdings of Minnesota, LLC

- Coventry Holdings of Minnesota ("Coventry") acts as the master developer for each community and manages all aspects of real estate development, project financing, and construction management

Development Strategy

- Communities are developed on a quadrant basis (4 quadrants: N/W, N/E, S/W, S/E)
- Each quadrant has a 15 mile radius with 6-8 communities developed in each quadrant
- Quadrants provide operational economies of scale
 - **Employees:** Suite Living can move care staff to their communities within the quadrant (based on occupancy – flex staffing)
 - **Residents:** Cross-pollinate potential residents to another Suite Living community (which is within close proximity), if a community is full



Suite Living Senior Care

- Provides comprehensive property management and senior care services through 3 integrated divisions
 - Suite Living Senior Care
 - Suite Living Hospice Care
 - Suite Living Spiritual Care
- All communities are operated by Coventry's wholly owned management company, Suite Living Senior Care

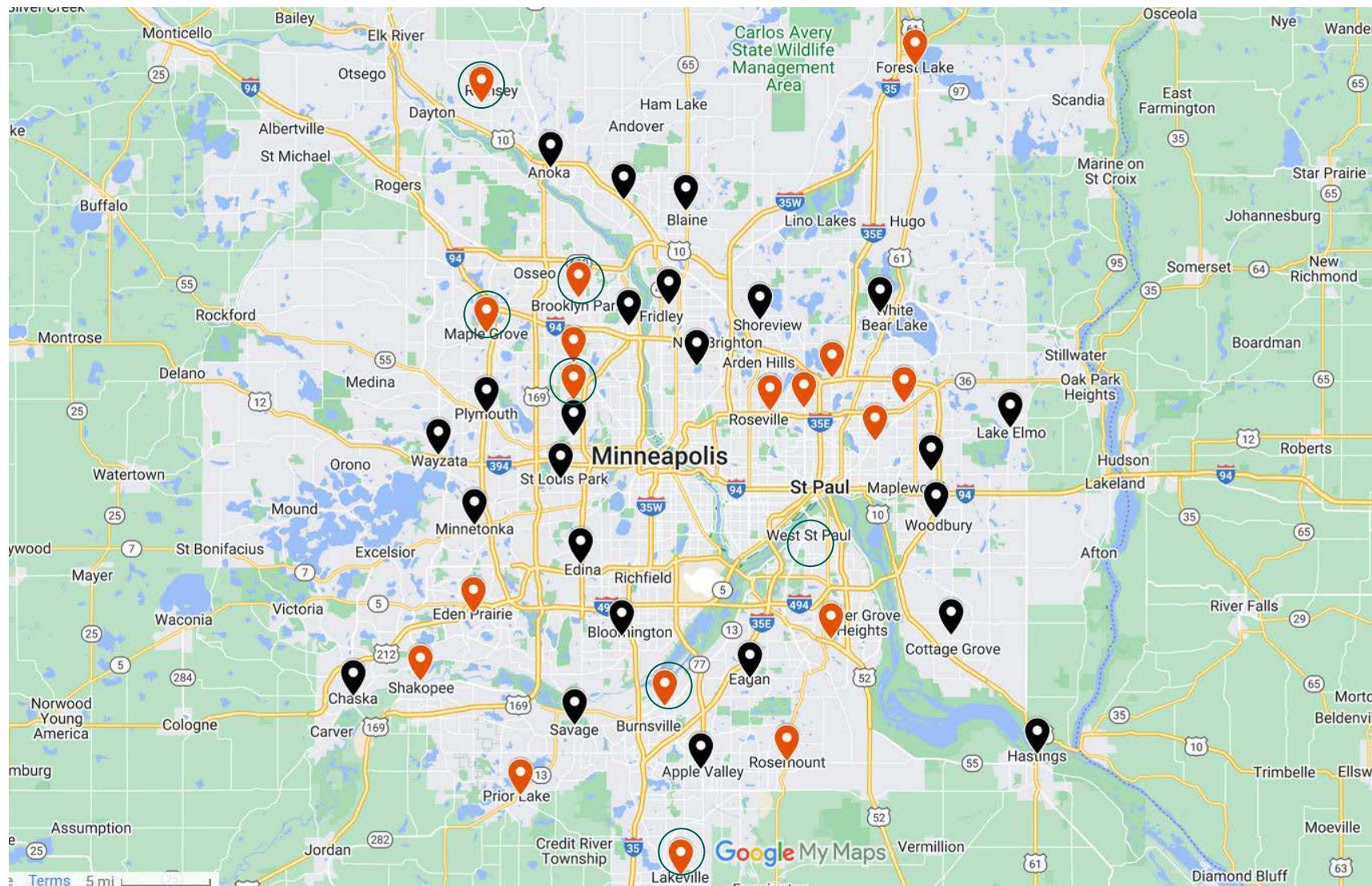
Proven Results

- Since 2017, Coventry has developed 21 senior care communities located throughout the Minneapolis-St Paul submarket.
- Coventry has several new locations scheduled to break ground in 2025 / 2026.





The Suite Living Brand and Locations



○ Coventry – Series 2026 Communities

● Suite Living – Existing Communities

● Suite Living – Future Communities



Parent: Citadel Housing



Keith Seeloff, CPA	Alan Wells	Kenneth Ogden
Chairman and CEO	Director	Director
<ul style="list-style-type: none">Retired Partner of the Forvis Mazars Healthcare Consulting and led the senior living strategy and finance practice for 20 years.He has more than 40 years of as a consultant in the healthcare industry providing business advisory services such as:<ul style="list-style-type: none">Strategic planning,Financial forecasting,Market demand analysis,Third-party reimbursement,Operational audits and systems reviewKey participant in more than 200 life plan communities' development projects, including startup communities, existing campus repositioning, and obligated group financings.	<ul style="list-style-type: none">Co-founder and previous President of Eventus Strategic Partners, a planning and development management company specializing in Senior LivingHe brings over 40 years of healthcare and senior living industry experience to his role.He served as Partner-in-Charge of KPMG's Senior Living Services Practice, where he was involved in numerous planning and development projects throughout the country, and provided a broad scope of consulting services to the Healthcare Industry, primarily in the senior living sector.Mr. Wells was also an investment banker with Wheat First Securities for six years, involved in the underwriting of healthcare tax-exempt bond issues.	<ul style="list-style-type: none">Ken Ogden is the current President of Pike Residential ConstructionHe has been serving not for profit senior and affordable housing clients for 35 years.At Pike, Mr. Ogden directs the day-to-day operations of the company, formulating plans and policies to achieve overall corporate objectives, ensuring profitable growth and fulfilling the company's commitment to the community.



Manager: Suite Living Senior Care

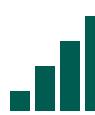


Coventry Holdings of Minnesota (“Coventry”) currently operates 21 high acuity senior care communities located throughout the Minneapolis / St Paul submarket. Coventry has an additional 9 new locations scheduled to open and/or break ground through 2025 and 2026



Range

All of the communities within the Coventry portfolio are managed by Suite Living Senior Care



Community Occupancy

The Coventry portfolio runs at a 90% occupancy rate on stabilized communities.



Management Agreement

Management Agreement is 5.0% of gross monthly operating revenues. Management fee will be 100% subordinate to debt service.

KEY LEADERSHIP



Joel Larson, Chief Executive Officer, (63), serves as the CEO for the Manager and the other Suite Living management companies. Mr. Larson has over 35 years' experience in the real estate industry, including the management, development and construction of quality housing in various communities in Minnesota, Wisconsin, Iowa, Michigan and Illinois. During the past 20 years, Mr. Larson has specialized in developing senior housing rental projects, creating hundreds of for sale and rental senior housing units. He has extensive charitable involvement and also serves on the Minnesota State Housing Board.

Larry Mattson, Chief Operating Officer, (55), currently serves as the COO and manages all operations of Coventry Holdings, State Holdings and Suite Living management companies. Mr. Mattson is a graduate of North Dakota State University with a degree in Accountancy. Mr. Mattson served in the US Army stationed overseas for 4 years before completing his studies at NDSU. He has over 25 years of professional experience in Accounting relating to Financial Reporting, Budgeting, GAAP, Internal and External Audits. Mr. Mattson has 10 years' experience as Controller, managing the Accounting Cycle, AP, AR and Human Resources. Mr. Mattson has 3 years of COO experience creating and overseeing all operations; Finance, HR, Marketing, Recruiting, and Operations for Suite Living.

Audrey McElwain, Executive Director of Operations (41), serves as the Executive Director of Operations for the Manager and the other Suite Living management companies. Ms. McElwain is a graduate of St. Cloud State University with a degree in Advertising/Marketing and Business Management. She has over 20 years of experience in the senior housing industry with extensive experience in operations, staff training, nursing, dietary, marketing, assisted living and memory care facilities. During this period, Ms. McElwain actively managed nineteen senior care facilities that provides a total of over 601 units. She is a Licensed Assisted Living Director and is active with industry associations including local Chambers of Commerce, Assisted Living Federation of America (ALFA), Alzheimer's Association, Care Options and Leading Age.



Manager: Suite Living Senior Care



Brooklyn Park
Opened – Dec 2020
Occ. – 84.38%



Ramsey
Opened – Jan 2021
Occ. – 100.00%



Burnsville
Opened – April 2022
Occ. – 100.00%



Crystal
Opened – Aug 2022
Occ. – 93.75%



Lakeville
Opened – July 2023
Occ. – 100.00%



Maple Grove
Opened – Mar 2024
Occ. – 90.63%



West St. Paul
Opened – June 2022
Occ. – 87.50%



Vadnais Heights
Opened – Sept 2017
Occ. – 87.50%



Roseville
Opened – July 2018
Occ. – 88.00%



Little Canada
Opened – July 2019
Occ. – 81.25%



North St. Paul
Opened – May 2020
Occ. – 87.50%



Inver Grove Heights
Opened – Sept 2020
Occ. – 93.75%



Shakopee
Opened – Feb 2023
Occ. – 87.50%



Spring Lake Park
Opened – Dec 2022
Occ. – 84.38%



Forest Lake
Opened – Oct 2024
Occ. – 96.88%



Eden Prairie
Opened – Dec 2023
Occ. – 93.75%



Rosemount
Opened – Feb 2024
Occ. – 93.75%



Prior Lake
Opened – Nov 2022
Occ. – 93.75%

Series 2026 – Transfer to Target Housing (224 units) – Portfolio Occupancy – 91.96% (October 2025)

Series 2020 – Transferred to State Housing (153 units) – Portfolio Occupancy – 87.58% (October 2025)



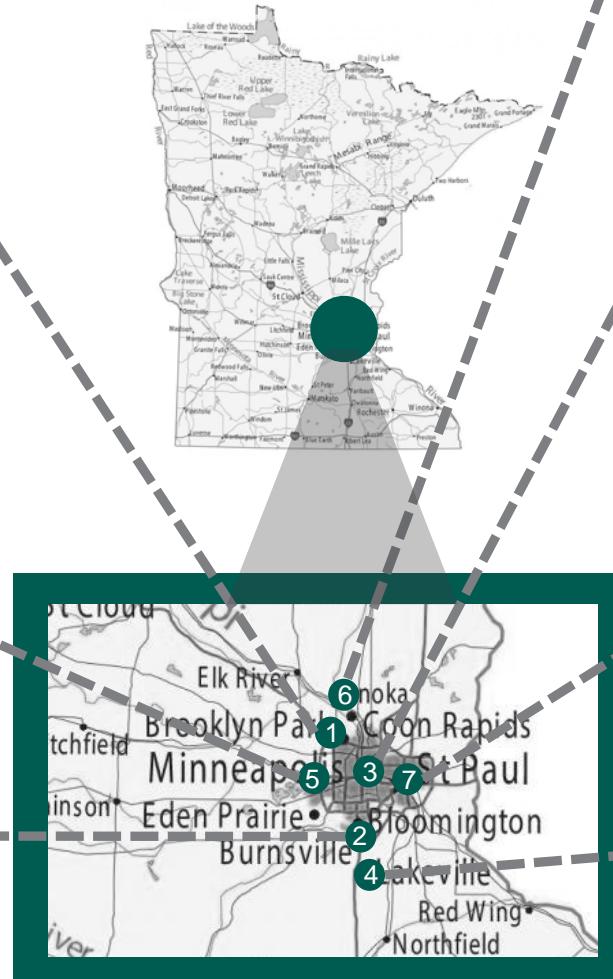
SECTION III

Portfolio Overview (Series 2026)



Portfolio Communities (Series 2026)

Community	Location (City)	Location (County)
1 Suite Living of Brooklyn Park	Brooklyn Park, Minnesota	Hennepin County
2 Suite Living of Burnsville	Burnsville, Minnesota	Dakota County
3 Suite Living of Crystal	Crystal, Minnesota	Hennepin County
4 Suite Living of Lakeville	Lakeville, Minnesota	Dakota County
5 Suite Living of Maple Grove	Maple Grove, Minnesota	Hennepin County
6 Suite Living of Ramsey	Anoka, Minnesota	Anoka County
7 Suite Living of West St. Paul	West St. Paul, Minnesota	Dakota County





Portfolio Communities (Series 2026)

Portfolio Composition					
<u>The Communities</u>	<u>IL Units</u>	<u>AL Units</u>	<u>MC Units</u>	<u>Total Units</u>	<u>% of Portfolio¹</u>
Brooklyn Park	-	18	14	32	14.29%
Burnsville	-	20	12	32	14.29%
Crystal	-	20	12	32	14.29%
Lakeville	-	20	12	32	14.29%
Maple Grove	-	20	12	32	14.29%
Ramsey	-	20	12	32	14.29%
West St. Paul	-	20	12	32	14.29%
Total	-	138	86	224	100.00%
Percentage of Total Portfolio	-	61.60%	38.40%	100.00%	

Source: The Manager.

1 Based on total units in portfolio.



Portfolio Communities (Series 2026)

	Sq Ft	Monthly Fee⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾
Assisted Living Units	238 - 401	\$8,900
Memory Care Units	280 - 385	\$9,550

(1) Residents are required to pay a community fee \$1,500 for private pay and \$750 for EW/CADI non-refundable.

(2) Three additional levels of care are available in the assisted living units for the following monthly fees: Level I is \$350, Level II is \$1,150 and Level III is \$1,750.

(3) Three additional levels of care are available in the memory care units for the following monthly fees: Level I is \$300, Level II is \$850 and Level III is \$1,400.

(4) Three additional levels of medication management are available for the following monthly fees: Level I is \$125, Level II is \$145 and Level III is \$250

MONTHLY FEE INCLUDES:

- Three daily meals plus snacks
- All utilities except telephone
- Wall-Mounted Smart Television
- Wi-Fi Connectivity
- Housekeeping service
- Daily tidying and bed making
- Weekly deep cleaning
- Laundry services (2x/week)
- Life Enrichment Programs
- 24 Hour on-site care staff
- 24 Hour on-call nursing staff
- Personal Urgent Call system



Appraised Value

Community	Real Estate	FF&E	Intangible	Appraised Value
Brooklyn Park	\$12,300,000	\$280,000	\$3,620,000	\$16,200,000
Burnsville	\$13,620,000	\$300,000	\$3,980,000	\$17,900,000
Crystal	\$12,040,000	\$320,000	\$3,540,000	\$15,900,000
Lakeville	\$13,900,000	\$320,000	\$4,080,000	\$18,300,000
Maple Grove	\$12,380,000	\$280,000	\$3,640,000	\$16,300,000
Ramsey	\$12,530,000	\$280,000	\$3,690,000	\$16,500,000
West St. Paul	\$13,170,000	\$280,000	\$3,850,000	\$17,300,000
Total	\$89,940,000	\$2,060,000	\$26,400,000	\$118,400,000

Community	Purchase Price*	Capitalization Rate	Appraised Value	Investment Value
Brooklyn Park	\$15,012,857	7.75%	\$16,200,000	\$17,600,000
Burnsville	\$15,012,857	7.75%	\$17,900,000	\$18,600,000
Crystal	\$15,012,857	7.75%	\$15,900,000	\$17,200,000
Lakeville	\$15,012,857	7.75%	\$18,300,000	\$19,100,000
Maple Grove	\$15,012,857	7.75%	\$16,300,000	\$17,000,000
Ramsey	\$15,012,857	7.75%	\$16,500,000	\$17,000,000
West St. Paul	\$15,012,857	7.75%	\$17,300,000	\$18,200,000
Total	\$105,090,000		\$118,400,000	\$124,700,000

Source:

IRR – Dated 10/31/2025

* Preliminary, subject to change.



SECTION IV

Next Steps



Next Steps

November						
Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

December						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

January						
Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

- **December/January:** Bond Documentation
- **December 17th:** Issuer Meeting
- **January 21st:** Issuer Meeting / Final Approval
- **January 27th:** Price Bonds and Ticket
- **January 28th:** Close and Settle



Financing Participants

ISSUER
<i>Minnesota Health and Education Facilities Authority</i>
Eagan, MN

PARENT*
<i>Citadel Housing</i>
Atlanta, GA

BORROWER
<i>Target Holdings of Minnesota, LLC</i>
White Bear Lake, MN

BOND COUNSEL*
<i>Fryberger Law Firm</i>
Duluth, MN

MANAGER
<i>Suite Living Senior Care</i>
White Bear Lake, MN

FEASIBILITY CONSULTANT
<i>CliftonLarsonAllen</i>
Minneapolis, MN

BORROWER'S COUNSEL*
<i>Butler Snow</i>
Atlanta, GA

TRUSTEE
<i>UMB Bank, N.A.</i>
Dallas, TX

TRUSTEE COUNSEL
<i>McCall, Parkhurst & Horton LLP</i>
San Antonio, TX

SELLER/MANAGER COUNSEL
<i>Clark Hill LLP</i>
Los Angeles, CA

UNDERWRITER
<i>D.A. Davidson & Co.</i>
The Woodlands, TX

UNDERWRITER'S COUNSEL
<i>Frost Brown Todd LLP</i>
Charleston, WV



D. A. Davidson Disclosures

The contents of this presentation and any subsequent discussions between us, including any and all information, recommendations, opinions, indicative pricing, quotations and analysis with respect to any municipal financial product or issuance of municipal securities, are provided to you in reliance upon the exemption provided for responses to requests for proposals or qualifications under the municipal advisor rules (the “Rules”) of the Securities and Exchange Commission (Rule 15Ba1-1 et seq.).

In submitting this presentation, we are not undertaking to act as a “municipal advisor” to you or any other person within the meaning of Section 15B of the Securities Exchange Act of 1934 and the Rules. In connection with this proposal and the transactions described herein, we are not acting as a financial advisor or municipal advisor to you or any other person, and are not subject to any fiduciary duty to you or to any other person. We understand that you will consult with and rely on the advice of your own municipal, financial, tax, legal and other advisors in connection with your evaluation of this proposal and the transactions described herein.

Neither this material nor any of its contents may be disclosed, sold, or redistributed, electronically or otherwise, without prior written consent of D.A. Davidson Companies. The information presented herein is based on public information we believe to be reliable, prevailing market conditions, as well as our views at this point in time. We make no representation or warranty with respect to the accuracy or completeness of this material. Past performance is not necessarily indicative of future results. D.A. Davidson Companies does not assume any liability for any loss which may result from the reliance by any person upon such material. We make no representations regarding the legal, tax, regulatory, or accounting implications of entering into a Transaction.

Required Disclosure Pursuant to MSRB Rule G-23: An underwriter’s primary role will be to purchase as principal, or arrange for the placement of the securities in a commercial arm’s length transaction with the issuer, and may have financial and other interests that differ from those of the issuer.

D.A. Davidson & Co. is providing the information contained herein for informational purposes only in anticipation of being engaged as underwriter. The primary role of an underwriter is to purchase securities with a view to distribution in an arm’s-length, commercial transaction with the issuer.

MN Health and Education Facilities Authority

Budget vs. Actuals: FY2026 Budget (July 2025)

July 2025 - June 2026

	ACTUAL	BUDGET	REMAINING	TOTAL	% REMAINING
Income					
4010 Annual Fee Income	176,824.04	550,000.00	373,175.96		67.85 %
4020 Application Fee Income	3,000.00	2,000.00	-1,000.00		-50.00 %
4030 Miscellaneous Income	2,200.00		-2,200.00		
Total Income	\$182,024.04	\$552,000.00	\$369,975.96		67.02 %
GROSS PROFIT	\$182,024.04	\$552,000.00	\$369,975.96		67.02 %
Expenses					
6000 Stipends	1,650.00	4,400.00	2,750.00		62.50 %
6001 Board Travel	3,921.18	5,000.00	1,078.82		21.58 %
6002 Communications					
6002.01 Communications - Phones	1,016.20	5,000.00	3,983.80		79.68 %
6002.02 Communications - Internet	730.49	3,000.00	2,269.51		75.65 %
6002.03 Communications - Software	64.00	1,500.00	1,436.00		95.73 %
6002.04 Communications - Website	34,620.11	30,000.00	-4,620.11		-15.40 %
6002.05 Communications - Misc	148.92	15,000.00	14,851.08		99.01 %
Total 6002 Communications	36,579.72	54,500.00	17,920.28		32.88 %
6003 Staff Travel	3,883.15	25,000.00	21,116.85		84.47 %
6004 Office Rent	20,913.45	54,000.00	33,086.55		61.27 %
6005 Office Supplies	1,137.56	2,000.00	862.44		43.12 %
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	5,731.00	13,000.00	7,269.00		55.92 %
6009 Fiscal Consultant Fees	300.00	25,000.00	24,700.00		98.80 %
6010 Audit Fees	21,900.00	21,900.00	0.00		0.00 %
6012 Legal & Legislative Fees	10,300.00	20,000.00	9,700.00		48.50 %
6013 Insurance Expense		2,500.00	2,500.00		100.00 %
6015 Miscellaneous Expense	228.12	5,000.00	4,771.88		95.44 %
6016 Bank Service Charges	602.07	2,000.00	1,397.93		69.90 %
6017 Conference Expenses		40,000.00	40,000.00		100.00 %
6017.10 NAHEFFA Fall 2025 Conference	5,460.15		-5,460.15		
Total 6017 Conference Expenses	5,460.15	40,000.00	34,539.85		86.35 %
6018 Professional Development-Board		2,500.00	2,500.00		100.00 %
6020 Professional Development-STAFF	2,028.00	3,500.00	1,472.00		42.06 %
6021 IT					
6021.01 IT - Managed IT Services	3,541.92	9,000.00	5,458.08		60.65 %
6021.02 IT - Software	18,950.61	45,000.00	26,049.39		57.89 %
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 %
Total 6021 IT	22,492.53	60,000.00	37,507.47		62.51 %
6023 Postage/Delivery Expense	107.60	200.00	92.40		46.20 %
6100 Salaries	99,874.18	275,000.00	175,125.82		63.68 %
6101 Fringe Benefits	34,603.01	93,000.00	58,396.99		62.79 %

MN Health and Education Facilities Authority

Budget vs. Actuals: FY2026 Budget (July 2025)

July 2025 - June 2026

	ACTUAL	BUDGET	REMAINING	TOTAL	% REMAINING
6104 Worker's Compensation	170.00	170.00	0.00		0.00 %
Total Expenses	\$272,019.72	\$735,670.00	\$463,650.28		63.02 %
NET OPERATING INCOME	\$ -89,995.68	\$ -183,670.00	\$ -93,674.32		51.00 %
Other Income					
4000 Interest Income	45,074.60	80,000.00	34,925.40		43.66 %
4050 Unrealized Gain/Loss Adjustment on Sale	140.22		-140.22		
Total Other Income	\$45,214.82	\$80,000.00	\$34,785.18		43.48 %
NET OTHER INCOME	\$45,214.82	\$80,000.00	\$34,785.18		43.48 %
NET INCOME	\$ -44,780.86	\$ -103,670.00	\$ -58,889.14		56.80 %

Profit and Loss by Class

MN Health and Education Facilities Authority

July, 2025-June, 2026

DISTRIBUTION ACCOUNT	ADMINISTRATION	EDUCATION	HEALTH CARE	TOTAL
Income				
4010 Annual Fee Income		176,824.04		176,824.04
4020 Application Fee Income		2,000.00	1,000.00	3,000.00
4030 Miscellaneous Income	2,200.00			2,200.00
Total for Income	2,200.00	178,824.04	1,000.00	\$182,024.04
Cost of Sales				
Gross Profit	2,200.00	178,824.04	1,000.00	\$182,024.04
Expenses				
6000 Stipends	770.00	385.00	495.00	1,650.00
6001 Board Travel	3,532.16	389.02		3,921.18
6002 Communications				
6002.01 Communications - Phones	927.19	89.01		1,016.20
6002.02 Communications - Internet	730.49	0.00		730.49
6002.03 Communications - Software	64.00			64.00
6002.04 Communications - Website	2,410.11	3,810.00	28,400.00	34,620.11
6002.05 Communications - Misc	148.92			148.92
Total for 6002 Communications	4,280.71	3,899.01	28,400.00	\$36,579.72
6003 Staff Travel				
6003.01 Staff Travel - General	3,084.28	520.42	121.80	3,726.50
6003.02 Staff Travel - Department Head Expenses	81.65	75.00		156.65
Total for 6003 Staff Travel	3,165.93	595.42	121.80	\$3,883.15
6004 Office Rent	16,730.76	4,182.69		20,913.45
6005 Office Supplies	1,137.56			1,137.56
6006 Repairs			138.00	138.00
6008 Periodicals/Memberships	4,967.00	14.00	750.00	5,731.00
6009 Fiscal Consultant Fees		300.00		300.00
6010 Audit Fees		21,900.00		21,900.00
6012 Legal & Legislative Fees		3,150.00	7,150.00	10,300.00
6015 Miscellaneous Expense	108.12	120.00		228.12
6016 Bank Service Charges	483.65	118.42		602.07
6017 Conference Expenses				
6017.10 NAHEFFA Fall 2025 Conference	5,460.15			5,460.15
Total for 6017 Conference Expenses	5,460.15			\$5,460.15
6020 Professional Development-STAFF	2,028.00			2,028.00
6021 IT				
6021.01 IT - Managed IT Services	2,893.33	648.59		3,541.92
6021.02 IT - Software	18,950.61			18,950.61
Total for 6021 IT	21,843.94	648.59		\$22,492.53
6023 Postage/Delivery Expense	16.12	91.48		107.60
6100 Salaries	99,874.18			99,874.18
6101 Fringe Benefits	34,603.01			34,603.01

Profit and Loss by Class

MN Health and Education Facilities Authority

July, 2025-June, 2026

DISTRIBUTION ACCOUNT	ADMINISTRATION	EDUCATION	HEALTH CARE	TOTAL
6104 Worker's Compensation	170.00			170.00
Total for Expenses	199,171.29	35,793.63	37,054.80	\$272,019.72
Net Operating Income	-196,971.29	143,030.41	-36,054.80	-\$89,995.68
Other Income				
4000 Interest Income		45,074.60		45,074.60
4050 Unrealized Gain/Loss Adjustment on Sale		140.22		140.22
Total for Other Income		45,214.82		\$45,214.82
Other Expenses				
Net Other Income		45,214.82		\$45,214.82
Net Income	-196,971.29	188,245.23	-36,054.80	-\$44,780.86