MINNESOTA
HEALTH AND EDUCATION
FACILITIES AUTHORITY

Listing of Mailout Material
November 10, 2026

- Cover Memo
- Meeting Agenda

I. *Introduction of new healthcare ex-officio Authority Board Member: Joe Schindler*

II. *Review and approve the minutes of the meeting of October 8, 2026*
- Minutes of October 8, 2026

III. *Concordia College, Moorhead, Series 2026*
- Application excluding exhibits
- Application Review – North Slope, Municipal Advisor
- Application Memorandum – Kutak Rock, Bond Counsel
- Resolution Relating to the Application – Kutak Rock, Bond Counsel

IV. *Demographic Data on High School Graduates and College Enrollment MPCC Presentation*
- MPCC Presentation
- Star Tribune Article: "Minnesota colleges brace for an enrollment 'cliff.' Will it really happen?"

V. *Old Business*
- Private Placement Policy Update – Redlined and Clean Versions Included

VI. *New Business*

VII. *Other Business*
- Star Tribune Article: "Warning from Minnesota hospitals: The financial crisis is arriving"
- AcquiOS CEO LinkedIn Post on baby boomers and senior housing

MINNESOTA
HEALTH AND EDUCATION
FACILITIES AUTHORITY

860 BLUE GENTIAN ROAD SUITE 145, EAGAN, MN 55121

Phone: 651.296.4690 Fax: 651.297.5751

Date: November 3, 2026

To: Minnesota Health and Education Facilities Authority Board Members

From: Barry W. Fick, Executive Director

Subject: November 10, 2026 Authority Board Meeting Preview

Welcome to the November 2026 MHEFA Board meeting. This meeting is being held a day early to avoid a conflict with Veteran's Day, a Federal and State Holiday.

We have an important meeting agenda for the November 2026 MHEFA Board meeting. We will review the Application of Concordia College, Moorhead. We'll also review our updated Private Placement Policy.

The November meeting will be held in the lower-level conference room at the Board office location in Eagan.

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

Tuesday, November 10, 2026

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. Introduction of new healthcare ex-officio Authority Board Member: Joe Schindler

II. Review and approve the minutes of the meeting of October 8, 2026

III. Concordia College, Moorhead, Series 2026

- Conduct Public Hearing
- Application Review – North Slope
- Application Memorandum –Kutak Rock
- Resolution Relating to the Application – Kutak Rock

IV. Demographic Data on High School Graduates and College Enrollment MPCC Presentation

V. Old Business

- Higher Education/Healthcare Allocation
- Policy Updates – Private Placement Policy

VI. New Business

VII. Other Business

- Executive Director's Report

General Public may attend in-person at the address below, via call-in number: 1-877-978-6969
Access Code: 802-980-586# or through this link: https:// **meeting.gomeet.com/802-980-586**
MHEFA, Lower-Level Conference Room, 860 Blue Gentian Road, 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 2:00 pm Central Daylight Time, Wednesday, October 8, 2026.

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 the Authority Offices at Grand Oak I, 860 Blue Gentian Road, Suite 145, Eagan, MN 55121. Executive Director, Barry Fick, was physically present, as well as other Board Members and members of the public, all listed on the following page. 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 November 10, 2026 Board Actions Taken:

Motions:	Result:	Vote:
Approve the Meeting Minutes of October 8, 2026	Passed	Unanimous
Approve the FY2026 Financial Report Audit	Passed	Unanimous

Resolutions	Result:	Vote:
Series Resolution for Glenhaven Housing Foundation	Passed	Unanimous
Resolution approving Tax-Exempt Member substitution and renaming KingsPath/Target Housing to Rightpath Senior Care and Community Services Organization	Passed	Unanimous
Series Resolution for Integrated Senior Foundation	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: Ken Westphal – IP
Martha Earley – V
Tim Rice - V
David Rowland – T
Mary Ives - V
Michelle Scott, OHE – V
Paul Cerkvenik, MPCC – V

Absent: Gary Benson
Bonnie Anderson Rons
Erich Heppner

Other Attendees: Brett Edwards, HJ Sims – IP
Brock Bagelman, HJ Sims - V

Curtis King, HJ Sims - V
Mia Thibodeau, Fryberger – IP
Daniel Burns, Fryberger - IP
Tim O'Brien, Glenhaven Housing Foundation – V
Dana Dallum, Diamond Willow Management – V
Alex Dinkels, Marathon Capital - V
Jenny Bolton, Kutak Rock – V
Catherine Courtney, Taft – V
Greg Fawcett, JLL – V
Alanna Ellis, JLL – V
Bryan Ziebart, Integrated Senior Foundation – V
Ryan Engelstad, BerganKDV - IP

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

Acting Board Chair Ken Westphal, called the meeting order at 2:03 pm CDT. Executive Director Fick took roll and confirmed that a quorum was present. Except for Other Attendees noted above, there were no members of the public at the meeting location or on the video or telephone link.

Agenda Item I –Minutes from September 9, 2026, Board Meeting

The first action item on the agenda was the review and consideration of the minutes of the September 9, 2026 Authority Board meeting.

Acting Chair Westphal asked for a motion and second to the Minutes of the September 9, 2026 Board Meeting. Mary Ives moved to accept the meeting minutes. Martha Earley seconded the Motion. Acting Chair Westphal asked if there were any changes or edits to the minutes. There were no suggested edits or changes to the minutes.

Acting Chair Westphal called for a vote regarding the approval of the September 9, 2026, minutes. A roll call vote was conducted, and the Board members voted as follows:

Board Members:	Ken Westphal	Yes
	Martha Earley	Yes

Mary Ives	Yes
Michelle Scott	Yes
David Rowland	Yes
Tim Rice	Yes

There were no votes against the motion and the Minutes of the September 9, 2026, MHEFA Board meeting were approved.

Agenda Item II – Glenhaven Housing Foundation, Finance Plan and Series Resolution

Acting Chair Westphal called on Brett Edwards of HJ Sims and Alex Dinkels of Marathon Capital Strategies, LLC to discuss the financing structure for the Glenhaven transaction.
Mr. Edwards noted that the Preliminary Finance plan summary is the following:

Preliminary Financing Plan Summary (as of September 21, 2026)*	
Estimated Par Amount	$87,050,000* (not to exceed $102,300,000)
Series	Senior Series 2026A; Senior Subordinate Series 2026B; Seller Subordinate Series 2026C-1 and Taxable Series 2026C-2
Financing Type	New money: acquisition
New Money Project	Acquisition of nine (9) assisted living and memory care communities in Minnesota for an aggregate purchase price of $72,950,000
Refinancing	None
Capitalized Interest	$626,868* (portion of interest due January 1, 2027)
First Principal Payment Date	January 1, 2030 (sinking fund on Series 2026A and 2026B; interest-only before then)
Stated Final Maturity Date	January 1, 2056* (30 years)
Mandatory Tender Date	January 1, 2034* (all series); expected to be remarketed or refinanced at that date
Estimated All-In TIC	Series 2026A 6.36%; all series blended approx. 8.08%

Mr. Edwards next introduced Alex Dinkels, a Principal at Marathan Capital Strategies, LLC, the municipal advisor on the Glenhaven financing.

Mr. Dinkels noted that Marathon Capital Strategies, LLC ("Marathon"), as the independent registered municipal advisor to GHF MN, LLC (the "Borrower"), has prepared this Preliminary Financing Plan Summary for the Authority's consideration of the proposed issuance of the Authority's Senior Living Revenue Bonds (Glenhaven Housing Foundation – Minnesota Project), Series 2026 (the "Bonds"). The Borrower is a wholly owned subsidiary of Glenhaven Housing Foundation, Inc. (the "Parent").

Marathon reviewed the preliminary financing plan; the sizing and debt service schedules prepared by the Underwriter, Herbert J. Sims & Co., Inc., dated September 21, 2026, which Marathon independently validated; the HealthTrust appraisals supporting the acquisition; and the draft feasibility study prepared by CliftonLarsonAllen LLP (the "Feasibility Study"), which evaluates management's financial forecast and projected operating performance. Based on its review to date, Marathon believes the proposed financing structure provides a reasonable framework for accessing the capital required to complete the acquisition and that the Borrower is projected to support the resulting debt service obligations.

The appraisals support the proposed purchase price, and the draft Feasibility Study projects debt service coverage on the Senior and Senior Subordinate Bonds above the 1.20x coverage covenant throughout the forecast period, based on a modest improvement in occupancy from current levels. The financing structure also incorporates several credit features intended to support bondholder security, including funded debt service and operating reserves, a $2.75 million Seller-funded liquidity support fund, monthly revenues flowing through accounts controlled by the Master Trustee, and management fees that are subordinate to debt service on the Senior and Senior Subordinate Bonds.

Subject to satisfactory completion of due diligence, finalization of financing documents substantially consistent with this Summary, acceptable market execution, and receipt of all required approvals, Marathon believes the preliminary financing plan provides a reasonable basis for the Authority to consider proceeding with the issuance of the Bonds

Acting Chair Westphal asked if there were any questions for Mr. Dinkels. There were no questions and Acting Chair Westphal called on Mia Thibodeau and Daniel Burns of the Fryberger Law Firm to review the Series Resolution for Glenhaven.

Ms. Thibodeau directed the Board to the Series Resolution for Glenhaven, which was included in the Board packet. The Glenhaven Series Resolution includes 14 sections, which Ms. Thibodeau reviewed for the Board. The Series resolution defines the terms related to the bonds, including the parties to the financing. The Series Resolution includes a summary of the documents that define the financing terms and conditions.

The Series Resolution includes a recapitulation of the prior actions taken by the Board concerning the financing and affirms the borrower's compliance with all applicable rules for tax-exempt financing. The Series Resolution also recites the proceedings and findings made by the Board, based on representations from the borrower.

The Series Resolution discusses the structure of the financing, approves the form of the Bond documents, and authorizes the Authority to sign documents and certificates necessary to issue the bonds

Ms. Thibodeau concluded her presentation of the Series Resolution and asked if there were any questions from the Board. There were no questions.

Acting Chair Westphal asked for a motion and second to the Glenhaven Series Resolution. Mary Ives moved to approve the Series Resolution. Marth Earley seconded the Motion.

Acting Chair Westphal called for a vote regarding the approval of the Series Resolution for Glenhaven. A roll call vote was conducted, and the Board members voted as follows:

Board Members:	Ken Westphal	Yes
	Martha Earley	Yes
	Mary Ives	Yes
	Michelle Scott	Yes
	David Rowland	Yes
	Tim Rice	Yes

There were no votes against the Resolution, and the Glenhaven Series Resolution was approved.

Agenda Item III – Kingspath/Target Housing/Rightpath Series 2026 Update

Acting Chair Westphal called on Jenny Boulton from Kutak Rock to present the Resolution Approving the Member substitution for the KingsPath/Target Housing financing completed earlier in calendar 2026 through MHEFA. In the original transaction, the qualified 501(C)(3) selected to be the sole Member would hold their interest in the facilities on an interim basis. The application for tax-exempt status of the planned entity to serve as the permanent Membership Interest was in process at closing but was not yet fully approved by the IRS. Final approval was granted earlier in 2026.

The Resolution to be considered by the Board recognizes the transfer of the Membership interest from the interim to the permanent Member of the Obligated Group. In connection with this transfer, the name of the organization is changed to Rightpath Senior Care and Community Services Corporation, a Minnesota nonprofit corporation. No change to the composition of the properties or to the terms of the financing occurs as a result of this substitution.

Ms. Boulton reviewed the Resolution with the Board and at the conclusion of her review asked if there were questions from Board members. There were no questions.

Acting Chair Westphal asked for a motion and second to the Substitution Resolution. Martha Earley moved to approve the Substitution Resolution. David Rowland seconded the Motion.

Acting Chair Westphal called for a vote regarding the approval of the Substitution Resolution for Glenhaven. A roll call vote was conducted, and the Board members voted as follows:

Board Members:	Ken Westphal	Yes
	Martha Earley	Yes
	Mary Ives	Yes
	Michelle Scott	Yes
	David Rowland	Yes
	Tim Rice	Yes

There were no votes against the Resolution, and the Glenhaven Series Resolution was approved.

Agenda Item IV – Integrated Senior Foundation Finance Plan and Series Resolution

The next item on the agenda is consideration and action on the financing plan and Series Resolution for Integrated Senior Foundation ("ISF"). The required Public Hearing for the proposed financing was held at prior Authority board meeting.

Acting Chair Westphal called upon representatives of Integrated Senior Foundation, and the ISF Finance team members present to outline the finance plan.

Gregg Fawcett and Alanna Ellis (both with JLL Advisors) introduced themselves and described the Preliminary financing Plan as follows:

The Preliminary Financing Plan Summary (the "Summary") represents JLLD's independent review of the financing structure and is based upon current discussions with the Borrower, Issuer, Real Estate Advisor and Placement Agent. The Borrower has filed with the Issuer an application requesting the issuance of bonds under provisions of Minnesota Statutes, Chapter 15D, as amended (collectively the "Act") for the purposes of: (i) financing the costs of acquiring, improving, renovating, equipping, and furnishing, as applicable, certain assisted living facilities located in the State of Minnesota (collectively, the "Project"), funding working capital, and paying certain costs of issuing the Bonds.

The Borrower is requesting that the Authority issue revenue bonds in an aggregate principal amount not to exceed $370,000,000. As of the date of this summary, the Borrower anticipates issuing two (2) Series of Bonds, Series 2026A (senior lien) in the approximate amount of $311,250,000 and Series 2026B (subordinate lien) in the approximate amount of $46,445,000. The subordinate lien bonds will be credited to the Seller as part of the purchase price consideration for acquisition of the Portfolio Properties; however, no cash will be exchanged between the Issuer and Seller for the subordinate bonds (i.e., carryback financing). Interest due, but not otherwise paid current on the subordinate bonds will be added to the principal balance of outstanding Series 2026 Bonds (i.e. PIK Interest) and paid from free cashflow on subsequent interest payment dates (or such other time as provided for in the Bond Indenture), and in no instance shall an event of default result from any subordinate interest accruals. For initial 2-year period interest due on the subordinate bonds shall accrue without payment (i.e., standstill) to the Bondholders. All Principal and interest, including any accruals on the Subordinate Bonds, is anticipated to be paid in full prior to, or at the Stated Maturity

Date. Subject to market conditions, the Series 2026 Bonds will be structured applying the following assumptions

Upon completion of their review of the (i) preliminary plan of finance, (ii) pro-forma debt service, (iii) historical and pro-forma operating figures and (iv) financing documents, JLLD believes the proposed financing structure (2-year initial mandatory tender, subject to long-term remarketing/refinancing) is reasonable and not inconsistent with financing plans for similar project finance offerings. Further nothing has come to our attention that would cause JLLD to believe the Project cannot be supported applying the stated assumptions in Section III above and related covenants in the financing documents; however, we give no guarantee or warranty, express or implied, as to the completeness, accuracy, or achievement of the plan of finance and related assumptions. Actual results may differ materially from initial projections. This document is for informational purposes only and the reader or client assumes full responsibility for any decisions made based on the analysis and information herein. Acknowledging the express limitations on warranty of plan of finance and subject to satisfaction of traditional conditions precedent to issuance of conduit revenue bonds by the Authority; we recommend that the Authority proceed with issuing the Series 2026 Bonds to finance the Project.

Acting Chair Westphal asked Catherine Courtney of the Taft Law firm, who is serving as the Authority's Issuer Counsel for the Integrated Senior Foundation financing, to review the Financing Terms and Series Resolution with the Board.

Ms. Courtney reviewed the findings outlined in the Resolution. She noted that there are additional documents and information that will be required to be provided prior to final issuance of the bonds for the financing. The borrower and other finance team participants are aware of the additional documentation required and are already working on obtaining and submitting the needed information.

Ms. Courtney directed the Board to the Financing Terms and Series Resolution for Integrated Senior Foundation (ISF) that was included in the Board packet. The ISF Financing Terms and Series Resolution includes 14 sections, which Ms. Courtney reviewed for the Board. The Financing Plan and Series resolution defines the terms related to the bonds, including the parties to the financing. The Series Resolution includes a summary of the documents that define the financing terms and conditions.

The Financing Terms and Series Resolution includes a recapitulation of the prior actions taken by the Board concerning the financing and affirms the borrower's compliance with all applicable rules for tax-exempt financing. The Series Resolution also recites the proceedings and findings made by the Board, based on representations from the borrower.

The Financing Terms and Series Resolution discusses the structure of the financing, approves the form of the Bond documents, and authorizes the Authority to sign documents and certificates necessary to issue the bonds

Ms. Courtney concluded her presentation of the Financing Plan and Series Resolution and asked if there were any questions from the Board. There were no questions.

Acting Chair Westphal asked for a motion to approve the Financing plan and Series Resolution for Integrated Senior Foundation. A motion to approve the Resolution was made by Tim Rice. The motion was seconded by Mary Ives.

Acting Chair Westphal asked if there were any questions about the Integrated Senior Foundation Financing Terms and Series Resolution. There were no questions from the Board. Acting Chair Westphal called on Executive Director Fick to conduct a roll call vote on the approval of the Financing Terms and Series Resolution. A roll call vote was conducted, and Board members voted as follows:

Board Members:	Ken Westphal	Yes
	Martha Earley	Yes
	Mary Ives	Yes
	Michelle Scott	Yes
	David Rowland	Yes
	Tim Rice	Yes

There were no votes against the Resolution, and the Integrated Senior Federation Trident Financing Plan and Series Resolution was approved.

Agenda Item V – FY26 Audit Results

Acting Chair Westphal welcomed Mr. Ryan Engelstad, CPA from the Authority's audit firm, Bergan KDV, to the meeting and asked him to present the firm's findings and the results of their audit of the Authority's Fiscal Year 2026 operations.

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

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

Mr. Engelstad observed that the audit staff received excellent cooperation from Authority staff, with requested documents prepared in a timely fashion before and during the audit.

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

Mr. Engelstad reported that in the opinion of BerganKDV, the financial statements of the Minnesota Health and Education Facilities Authority as of June 30, 2026, present fairly, in all material respects, the respective financial position of the Authority and the respective changes in financial position and its cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States.

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

Mr. Engelstad noted that FY26 is the initial year where both higher education and healthcare financing are reported as separate lines of business. For FY26, the Authority completed one healthcare financing. Based on the allocation of operating expenses, the Health Care line of business showed a loss for FY26. The Higher Education line of business showed a gain for FY26. The combined lines of operation showed a net gain for FY26.

The Board requested to go into Executive Session with Mr. Engelstad to discuss the FY26 Audit. The board voted by voice vote to move to Executive Session. Authority staff left the meeting room. No members of the public were in the room during the Executive Session.

During the Executive Session, Board members discussed the FY26 audit with Mr. Engelstad.

The Board adjourned the Executive Session and returned to the regular meeting. Authority staff rejoined the meeting.

Mr. Engelstad concluded his presentation. Acting Chair Westphal asked members of the Board if they had any questions for Mr. Engelstad. There were no further questions about the FY26 Audit or Communications Letter from Board members.

Acting Chair Westphal asked for a motion to accept and approve the FY2026 Audited Financial Statements and Communications letter from BerganKDV. A motion to approve the fiscal Year 2026 Audited Financial Statements and Communications letter was made by David Rowland. The motion was seconded by Mary Ives.

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

Board Members:	David Rowland	Yes
	Mary Ives	Yes

Ken Westphal	Yes
Tim Rice	Yes
Martha Earley	Yes
Michelle Scott	Yes

There were no abstentions or votes against the Motion and the FY2026 Audited Financial Statements and Communications Letter were accepted.

Agenda Item VI – University of St. Thomas Series 2022AB Highland Bridge Update

As part of the 2022AB University of St. Thomas financing, the acquisition of certain parcels of real estate in the Highland Bridge development in St. Paul was completed with Series 2022AB proceeds. The University has not used the real estate and desires to sell a portion of the real estate to an unrelated party. Since the sale involves only a small amount of bond-financed property, no official action is required regarding the sale.

The University has worked with the Authority and Bond Counsel from the Series 2022AB bonds to confirm that the sale will not violate any Series 2022AB bond requirements and requires no official action by the Authority to approve the sale.

This discussion is presented as a courtesy information item to the Board.

Agenda Item VI – Old Business

Acting Chair Westphal 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 VII – New Business

Acting Chair Westphal asked if there were any New Business items from Board members for discussion.

There was discussion with staff and Board members regarding the methodology used to allocate operating expenses between higher education and healthcare financings. Staff noted that they use a combination of direct allocation for identifiable expenses and allocate general and overhead costs between higher education and healthcare based on a variety of criteria. The allocation is subject to change as the healthcare financing increases in frequency. The staff has consulted BerganKDV staff to gauge the appropriateness of the allocation criteria.

It was agreed that this is an area that merits further discussion and refinement as more experience is gained with healthcare financings. This topic will be reviewed at a future Board meeting.

Staff introduced an update to the Authority's Private Placement Financing Policy. This policy will be considered at the November meeting of the Authority.

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

Agenda VIII– Other Business

Acting Chair Westphal called upon Executive Director Fick to discuss Other Business and present the Executive Directors Report.

We have completed several Moody's credit rating and update calls (Concordia College, St. Scholastica). No results on St. Scholastica, but Concordia College moved form a negative to a stable outlook and maintained their Baa2 rating.

There are 5 schools (Augsburg, St. Benedict, St. John's, St. Catherine, and Gustavus) who will have rating agency update calls scheduled later in 2026.

Augsburg has a new CFO. The Augsburg CFO also serves as CFO to Luther Seminary. St. Catherine has a new CFO. Executive Director Fick will be meeting with them individually in the next 2 weeks. Hamline has appointed Tressa Ries as CFO, shared with Mitchell Hamline.

Macalester is searching for a new CFO to take the place of Patricia Langer, who has accepted the role of CFO at Bryn Mawr in Philadelphia.

Operations Manager Lee and Executive Director Fick attended the Central Association of College and University Business Officials (CACUBO) in Omaha.

Executive Director Fick attended the National Association of Health and Education Facilities Finance Authorities (NAHEFFA) Conference and the Bond Buyer Infrastructure Conference.

Planning for the CFO Roundtable (Nov 12, 2026) and the MHEFA Finance Conference (April 7, 20217) continues, with most speakers and presentations lined up (some through connections at CACUBO and NAHEFFA and Bond Buyer conferences).

Executive Director Fick meets with the Concordia College Board on Monday, Oct. 12, and CSBSJU on Tuesday, Oct. 13 for their rating call.

MHEFA will be exhibiting at the Minnesota Hospital Association ("MHA") Chief Financial Officer Annual meeting this fall. The goal of our participation is to inform MHA members of our Health Care financing ability, set up site visits with MHA members, as well as answer questions about MHEFA.

Acting Chair Westphal asked if there was any Other Business to come before the Board. There was no Other Business for the Board to consider, and Acting Chair Westphal asked for a motion to adjourn the regular Board meeting.

A motion to adjourn the regular board meeting was made by Mary Ives with a second provided by Tim Rice. The Board acted by voice vote to adjourn the meeting at 4:48 pm, CDT.

Respectfully submitted,

_____
Assistant Secretary

Application for Financing

Higher Education

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Borrower Information

Name of Borrower: The Concordia College Corporation

Date: 10/28/2026

Borrower Primary Contact Information:

Name Rachel Clarke

Title Vice President for Finance & Administration and Treasurer

Email rclarke@cord.edu Phone 218-299-3126

Purpose of Financing (Select all that apply)

- [x] Building acquisition, construction or renovation, site or equipment acquisition
- [ ] Refinancing of one or more Authority bond issues
- [x] 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: Pay, discharge and refund outstanding Series 2016 bonds to achieve covenant relief and flexibility.

Project B: Build the 8th Street Project consisting of a mixed-used residence hall on campus with a non-profit partner on the first floor.

Project C:

Project D:

Estimated Cost Summary

	Project A	Project B	Project C	Project D	Total
Construction cost		$ 18,281,740			$ 18,281,740
Architectural, engineering and consultant costs					$ 0
Furnishings and equipment					$ 0
Site acquisition					$ 0
Principal amount of debt to be refinanced	$ 16,320,000				$ 16,320,000
Other (excluding issuance costs and reserves)		$ 1,639,885			$ 1,639,885
Total	$ 16,320,000	$ 19,921,625	$ 0	$ 0	$ 36,241,625

Estimated Financing Summary

	Project A	Project B	Project C	Project D	Total
Amount of funds from other sources	$ 1,790,594				$ 1,790,594
Amount of project cost (excluding issuance costs and reserves) to be financed with Authority bonds		$ 19,921,625			$ 19,921,625
Principal amount of debt to be refinanced	$ 14,529,406				$ 14,529,406
Total	$ 16,320,000	$ 19,921,625	$ 0	$ 0	$ 36,241,625

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		1/31/2027		
Construction contract has been awarded		12/31/2026		
Purchase contract for materials or equipment has been awarded		12/31/2026		

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:

The bottom floor of the residence hall will be leased to a hospital for clinic use. This partner hospital is tax exempt under Section 501(c)(3) or the IRC.

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		1/1/2027		
Completion date		8/1/2028		
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
- [x] No later than: December 23, 2026
- [ ] Not sooner than:

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

- [x] Operating funds
- [x] 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:

The College's Residence Life department's portion is to be determined.

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: December 2028

Earliest month and earliest year for interest payments: June 2027

Are revenues available to pay interest during the construction period?

☐ Yes ☑ No, interest should be capitalized for 23 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: Refunding tax-exempt debt, with tax-exempt debt.

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 <u>not</u> 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	$ 20,000,000			
(b) Principal amount of any debt (other than Authority bonds) to be refinanced	$ 16,320,000			
(b) Accrued but unpaid interest on debt (other than Authority bonds) to be refinanced	$ 36,507			
(b) Prepayment premium (or discount) on debt (other than Authority bonds) to be refinanced	$ 1,529,211			
(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:

The Concordia College Corporation
901 8th St S
Moorhead, MN 56562

President of College or University:

Dr. Colin Irvine

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

Rachel Clarke, Vice President for Finance & Administration and Treasurer
901 8th St S, Moorhead, MN 56562, 218-299-3126, 218-299-4357, rclarke@cord.edu

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

Emily Gess, Financial Controller
901 8th St S, Moorhead, MN 56562, 218-299-4789, 218-299-4357, egess@cord.edu

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

Vogel Law Firm - Corey Elmer
215 30th St N, Moorhead, MN 56560, 218-236-6462, 218-236-9873, celmer@vogellaw.com

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

Baker Tilly - Rebekah Martin
225 S 6th St, Ste 2300, Minneapolis, MN 55402, 612-876-4869, Rebekah.Martin@bakertilly.com

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

Religious Affiliations

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

☐ Yes ☑ No

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

☐ Yes ☑ No

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

☐ Yes ☑ No

4. Are there any religious qualifications for faculty appointments?

☐ Yes ☑ No

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?

☐ Yes ☑ No

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?

☐ Yes ☑ No

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

☐ Yes ☑ No

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?

☑ Yes ☐ No

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?

☑ Yes ☐ No

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

☑ Yes ☐ No

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?

☐ Yes ☑ No

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

☐ Yes ☑ No

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

☐ Yes ☑ No

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

LIST OF EXHIBITS

(please number consecutively)

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 A

☐ not attached because project is for equipment only under lease program

Most recent published tuition, room and board fee schedule, and any supplemental charges.

☑ attached as Exhibit A

☐ not attached because project is for equipment only under lease program

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 ___

☐ not attached because project is for equipment only under lease program

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 ___

☐ not attached because project is for equipment only under lease program

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 B

☐ Website address:

Current operating budget.

☑ attached as Exhibit C

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: https://catalog.concordiacollege.edu/

Current faculty handbook. Please provide the website address, send electronically, or on a labeled CD (mailed or delivered).

☑ attached as Exhibit D

☐ Website address:

List of current board members and officers.

☑ attached as Exhibit E

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 F

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 F

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 G

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 H

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

☐ not attached because project is for equipment only under lease program

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.
- ☐ not attached because project is for equipment only under lease program

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 I
- ☐ 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 J
- ☐ not applicable because no construction or significant renovation is proposed

The following exhibits apply only to refinancing of debt that is <u>not</u> 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 K

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 TBD

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.

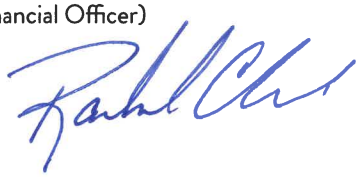
(Chief Executive Officer)

Signature: 

Title: President

And

(Chief Financial Officer)

Signature: 

Title: VP for Finance + Administration / Treasurer

Date of this Application: 10/28/26

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 Higher Education Facilities Authority
- Mail or Deliver check to:

  Minnesota Higher 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

November 10, 2026

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:

North Slope Capital Advisors, as the independent registered municipal advisor to the Authority, has prepared this *Application Review Letter* for the proposed issuance of its Revenue Refunding and Revenue Notes, Series 2026A&B (the "2026 Notes") on behalf of Concordia College as borrower (the "College"). The Authority intends to issue its 2026 Notes on behalf of the College, the proceeds of which will be used to:

(1) Fund the acquisition, design, site preparation, construction, improvement, and equipping of an approximately 81,853-square-foot mixed-use building that will add approximately 112 student beds to the campus inventory (the "Project");
(2) Prepay, discharge and refund, on a current basis, the outstanding principal amount of the City of Moorhead, Minnesota Educational Facilities Revenue Bonds, Series 2016 (the "Prior Bonds"), issued in the original aggregate principal amount of $38,440,000, to be redeemed in full on or around December 18, 2026 (the "Redemption Date");
(3) Fund capitalized interest through June 1, 2028; and
(4) Pay certain issuance costs.

The Project will be owned and operated by the College and located on or adjacent to the College's main campus in Moorhead, Minnesota. This letter first summarizes the financing, then reviews the College's credit profile, describes the Project and the refunding, and presents the preliminary financing structure.

Financing Summary (as of November 10, 2026)	
Par Amount	$34,845,000
Financing Type	Current Refunding and New Money
Project	Mixed-use building on campus
Prior MHEFA Bonds Outstanding	None (Series 2016 was issued through City of Moorhead, MN)
Current Underlying Rating	Baa2 (Stable) as of October 2026
Purchaser	Bell Bank
Bond Counsel	Kutak Rock
Issuance Date (Estimated)	December 18, 2026

Based on our review of the materials provided by the College, including the preliminary debt service schedules prepared by North Slope Capital Advisors, it is our opinion that the proposed borrowing is fiscally feasible and that an adequately secured structure can be achieved. North Slope will participate in the Authority's meeting on November 10, 2026, to present our review of the College's application and to answer any questions regarding the information contained in this letter.

Respectfully submitted,

NORTH SLOPE CAPITAL ADVISORS by
Stephanie M. Chichester, President

NORTH SLOPE CAPITAL ADVISORS by
Nick E. Taylor, Managing Director

cc: Ms. Rachel Clarke, Vice President for Finance & Administration/Treasurer (Concordia College)
Ms. Emily Gess, Financial Controller (Concordia College)
Kutak Rock, Bond Counsel

Concordia College

Founded in 1891 by Norwegian Lutheran settlers, Concordia College is a private, four-year liberal arts college affiliated with the Evangelical Lutheran Church in America. The College operates independently and relies on tuition revenues, philanthropic support, and endowment income to meet its operational needs. Concordia's educational philosophy is rooted in the Lutheran scholarly tradition, emphasizing the integration of faith and learning, global citizenship, and the development of the whole person through rigorous academic inquiry and purposeful engagement. The College is routinely recognized in national publications for academic quality and value, and is ranked among the top National Liberal Arts Colleges by U.S. News & World Report. Accredited by the Higher Learning Commission, Concordia offers more than 140 areas of study across its academic divisions, including nationally regarded programs in music, business, and the sciences. Headcount enrollment for the most recent academic year is approximately 1,900 students, the majority of whom are undergraduates pursuing bachelor's degrees in the liberal arts and professional fields.

Enrollment

The table below shows the College's full-time and head count enrollment for the fall semester of each of the 2020/21 through 2024/25 academic years. Head count enrollment declined from 1,923 in 2020/21 to a low of 1,770 in 2023/24 before rebounding to 1,850 in 2024/25, which is 3.8 percent below the 2020/21 level. Full-time enrollment followed a similar pattern, ending at 1,935 in 2024/25, or 1.9 percent below 2020/21.

Academic Year	Full-time Students	Head Count Students
2020/21	1,973	1,923
2021/22	1,919	1,869
2022/23	1,903	1,822
2023/24	1,868	1,770
2024/25	1,935	1,850

A total of 35 states and 62 foreign countries are represented in the 2024/25 student population and 64 percent of the students reside in Minnesota.

Source: Exhibit A – EMMA Filing 4.30.2025 - MHEFA Application for Concordia College (October 28, 2026).

Summary of Financial Operations

Provided on the following page are *Statements of Activities and Change in Net Assets* for the College's five prior audited fiscal years ending April 30, 2026, through 2022, which presents information about the College's operating activities derived from the audited financial statements.

[remainder of page intentionally left blank]

Statements of Activities ($000)					
REVENUES	2026	2025	2024	2023	2022
Net Tuition and Fee Revenues	$ 26,827	$ 26,113	$ 25,844	$ 27,286	$ 28,548
Grant and Contract Revenues	49	45	46	47	49
Sales and Services Revenues Adjusted	27,275	27,272	25,153	24,233	20,728
Endowments and Gifts	2,652	6,216	5,172	1,231	2,882
Investment Income Operating	3,423	3,105	1,912	991	280
Net Assets Released from Restrictions	24,972	31,583	25,115	16,285	24,451
Other Revenue	4,127	2,810	2,414	1,930	1,051
Total Operating Revenues	89,325	97,144	85,657	72,002	77,989
EXPENSES					
Instructional Expenses	24,937	24,720	24,025	22,692	23,103
Institutional Support Expenses	14,027	14,038	13,790	13,914	13,220
Academic Support Expenses	5,980	5,859	5,659	5,954	5,534
Educational Research Expenses	-	-	45	202	338
Student Services Expenses	13,798	13,479	13,092	12,278	13,272
Auxiliary Enterprise Expenses	17,188	16,915	15,683	15,162	14,159
Public Service Expenses	140	150	173	180	65
Depreciation Expenses	5,871	5,761	5,688	5,618	6,172
Interest Expenses Operating	361	513	658	792	1,167
Other Operating Expenses	3,654	6,141	6,104	5,758	1,835
Total Operating Expenses	85,956	87,575	84,915	82,550	78,866
Change in Net Assets without donor restrictions	3,369	9,570	742	(10,548)	(877)
Net Assets With Donor Restrictions					
Total Restricted Contributions & Grants	32,108	21,449	22,607	15,376	19,349
Tot Restrctd Net Assets Released from Restrictions	(24,972)	(31,583)	(25,115)	(16,285)	(24,451)
Total Restricted Investment Income	(40,985)	18,433	17,792	1,626	2,093
Total Restricted Other Income	2,766	494	2,042	664	35
Other (Rounding)	82,055	83	78	74	(8,518)
Change in Net Assets with donor restrictions	50,973	8,875	17,403	1,455	(11,494)
Change in net assets	54,341	18,445	18,144	(9,093)	(12,370)
Net Assets beginning of year	351,785	333,340	315,196	324,289	336,659
Net Assets end of year	$ 406,126	$ 351,785	$ 333,340	$ 315,196	$ 324,289

Source: Concordia College Audits

Summary of Financial Position

Provided on the following page are *Statements of Financial Position* for the College's five prior audited fiscal years ending April 30, 2026, through 2022, which presents information about the College's balance sheet derived from the audited financial statements.

[remainder of page intentionally left blank]

Statements of Financial Position ($000)					
ASSETS	2026	2025	2024	2023	2022
Cash and Cash Equivalents	$ 21,378	$ 6,024	$ 13,080	$ 5,108	$ 11,504
Accounts & Notes Receivable	1,231	1,208	1,060	1,102	1,132
Inventories	907	837	797	794	743
Prepaid Expenses	280	177	508	674	1,083
Other Current Assets	1,040	1,295	1,830	2,652	3,543
Long Term Unrestricted Investments	283,228	238,593	216,825	212,096	220,593
Long Term Receivables	1,143	1,544	2,102	2,860	3,821
Restricted Cash	303	95	83	64	18
Other Restricted Assets	1,490	3,020	2,857	2,858	2,885
Total Net Capital Assets	141,576	146,529	145,681	143,618	140,748
Total Assets	$ 452,576	$ 399,320	$ 384,822	$ 371,823	$ 386,070
LIABILITIES					
Accounts Payable	$ 1,284.200	$ 822	$ 1,736	$ 2,484	$ 1,060
Accrued Liabilities	19,059	18,305	18,200	19,187	21,564
Unearned Revenue	3,902	3,090	2,794	1,827	1,928
Miscellaneous Short Term Liabilities	2,799	2,402	2,191	2,407	2,802
Current Portion of LT Debt	850	2,570	2,440	2,310	2,190
Long Term Debt	17,827	19,190	22,246	25,146	27,891
Other LT Liabilities	729	1,157	1,875	3,266	4,347
Total Liabilities	46,450	47,535	51,482	56,628	61,781
NET ASSETS					
Without donor restrictions	140,527	137,159	127,589	126,847	137,396
With donor restrictions	265,599	214,627	205,751	188,349	186,894
Total Net Assets	406,126	351,785	333,340	315,196	324,289
TOTAL LIABILITIES AND NET ASSETS	$ 452,576	$ 399,320	$ 384,822	$ 371,824	$ 386,070

Source: Concordia College Audits

Summary of Outstanding Debt

As of November 10, 2026, the College has $16.320 million of bonds outstanding issued by the City of Moorhead, Minnesota for the College's benefit as summarized below:

Outstanding Long-Term Debt				
Series	**Issue Date**	**Outstanding Principal**	**Mode**	**Use of Proceeds**
2016	3/1/2016	16,320,000	Fixed	Financed Ivers and Jones Halls; refund Series 2001, 2003, 2004, and 2005A, and DSRF
Total		**$ 16,320,000**		

Source: Series 2016 Official Statement.

The proposed 2026 Notes (new money only) would increase outstanding debt by approximately 124%. The College's capital ratios are expected to moderate with draft fiscal year end 2026 total cash and investments of $306.1 million providing 8.4x coverage of proposed new debt. The College's outstanding debt service 'skyline' has been provided in Appendix A.

The Project



Concordia College intends to use the new money proceeds from the Series 2026 Notes to fund the construction of a new mixed-use campus building. The project is an 81,853-square-foot, four-story development featuring 19,850 square feet of ground-floor retail space occupied by a single tenant, with three floors of student housing above. The residential component is designed to serve upperclassmen (juniors and seniors) and will include 53 two-bedroom, two-bathroom apartments and two three-bedroom, two-bathroom units. All units will have air conditioning, in-unit laundry, and an all-inclusive rental rate that covers utilities. Planned amenities include a fitness facility, lobby, lounge, and clubhouse space connected to an outdoor patio along Eighth Street.

The Project will redevelop the site of existing buildings at 801 10th Ave. S., 1022 8th St. S., and 1102 8th St. S. The buildings include the Boe-Olsen Apartments, the Advancement Center, and units that formerly housed international students. The Welcome Center at the corner of 12th Avenue will not be affected. Construction, including demolition of the existing buildings, is slated to begin in January 2027. The apartments are planned to open in August 2028. The commercial space is expected to open the following year.

The Financing

The College anticipates issuing two notes to finance the Project, refund the outstanding Series 2016 Bonds, fund capitalized interest, and pay costs of issuance. The estimated par amount of the 2026 Notes is approximately $34,845,000. The first principal payment on Series 2026A is estimated to be June 1, 2027, with a final stated maturity of December 1, 2039 (13-year amortization). The first principal payment on Series 2026B is estimated to be June 1, 2028, with a final stated maturity of December 1, 2051 (25-year amortization). Debt service on the 2026 Notes is expected to be structured using a mortgage-style amortization structure with principal and interest payable semi-annually.

The College has determined to place the 2026 Notes with Bell Bank (the "Purchaser") and plans to execute a Rate Lock Agreement with the Purchaser after the Authority meeting on December 9, 2026. The rate will remain fixed for an initial period of ten years (through December 1, 2036), although the 2026 Notes will amortize over periods of up to 25 years as described above. The 2026 Notes will be subject to mandatory tender by the Purchaser to the College on that date. A debt service 'skyline' for the College's outstanding and pro forma debt service, based on debt service pro formas prepared by North Slope on November 10, 2026, is provided in Appendix A.

Sources and Uses (as of November 10, 2026)
A preliminary estimate of sources and uses is provided below:

SOURCES	Series 2026A	Series 2026B	Total
Par amount	$14,800,000	$20,045,000	$34,845,000
Funds on Hand	1,661,879	0	1,661,879
Total Sources	**$16,461,879**	**$20,045,000**	**$36,506,879**
USES			
Project Fund	0	$18,275,516	$18,275,516
Refund Series 2016	$16,358,842	0	16,358,842
Capitalized Interest Fund	0	1,630,530	1,630,530
Costs of issuance	103,037	138,954	241,991
Total Uses	**$16,461,879**	**$20,045,000**	**$36,506,879**

Source: Structure Dated (11-01-2026). All the assumptions are subject to change.

Security for the Bonds
The 2026 Notes will be issued by the Authority and secured by loan repayments made by the College pursuant to a *Loan and Note Purchase Agreement* between the Authority, the College, and the Purchaser. The Notes 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
The College is subject to financial covenants contained in the Loan Agreement for the Series 2016 Bonds, including an annual debt service coverage calculation required whether or not the College is issuing additional debt. Separate requirements apply when the College incurs additional indebtedness, as summarized below:

Series 2016 Bonds
1. Debt Service Coverage Ratio – Annual
Coverage Ratio ≥ 1.10x (last two fiscal years)
2. Additional Bonds Test (Capital Projects)
Coverage Ratio ≥ 1.10x (last two fiscal years)

As of October 28, 2026, the College met the annual financial covenant (DSCR) associated with the Series 2016 Bonds. Before issuing the Series 2026B Notes, the College will need to comply with both the DSCR and the Additional Bonds Test associated with the Series 2016 Bonds. As indicated below, the College has calculated both tests and the College meets the requirements of the Series 2016 Bonds to incur the additional debt:

	Audited Financial	Audtied Financial	Projection
Covenant / Calculation	**FY2025**	**FY2026**	**FY2026 + New Money Notes**
CONTINUING COVENANT AGREEMENT			
Net Income Available for Debt Service	14,641,461	12,506,322	12,506,322
Debt Service Requirements **(MADS)**	3,463,150	3,471,500	3,211,622
Debt Service Coverage Ratio	**4.23**	**3.60**	**3.89**
Covenant requirement	≥ 1.10x	≥ 1.10x	≥ 1.10x
Status	PASS	PASS	PASS

If the refunding of Series 2016 Bonds is completed, the College will no longer be subject to these covenants. However, in connection with the proposed Series 2026 Notes, the College will be subject to covenants imposed by Bell Bank, subject to final credit approval and executed loan documentation.

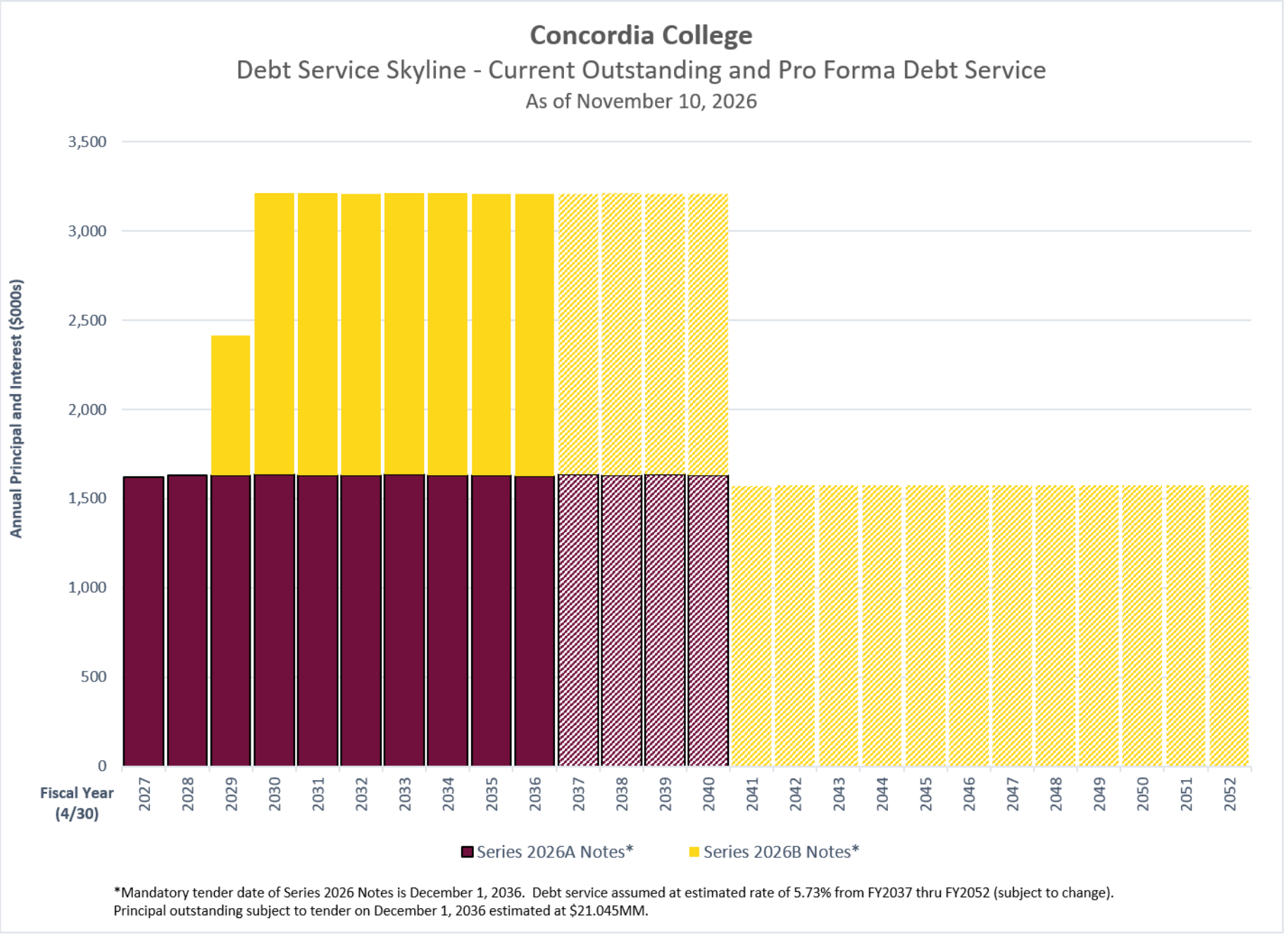
Bell Bank's term sheet calls for annual testing of a debt service coverage ratio of at least 1.10x, a total liabilities-to-adjusted total net assets ratio not exceeding 0.25x, and a current ratio (current assets divided by current liabilities) greater than 1.50x, using the Bank's specified definitions. Additional borrowing exceeding $1 million in aggregate, other than ordinary-course trade debt and the contemplated Bank financing, and specified asset transfers, liens and sales of receivables with recourse would require Bank approval, subject to permitted exceptions; such approval is not to be unreasonably withheld. As indicated below, the College has calculated the tests and the College meets the requirements of the Bell Bank term sheet:

	Audited Financial	Audtied Financial	Projection
BELL BANK PROPOSED COVENANTS			
Bell DSCR numerator	15,843,099	9,600,905	9,600,905
Debt Service Requirements **(MADS)**	3,463,150	3,471,500	3,211,622
Bell Debt Service Coverage Ratio	**4.57**	**2.77**	**2.99**
Bell requirement	≥ 1.10x	≥ 1.10x	≥ 1.10x
Status	PASS	PASS	PASS
Total Liabilities	47,534,911	46,449,962	66,449,962
Adjusted Total Net Assets	351,785,032	406,126,056	406,126,056
Total Liabilities / Total Net Assets	**0.135**	**0.114**	**0.164**
Bell maximum	≤ 0.25x	≤ 0.25x	≤ 0.25x
Status	PASS	PASS	PASS
Illustrative Bell Current Assets	11,084,000	25,979,000	20,980,000
Illustrative Bell Current Liabilities	9,923,000	10,701,000	10,701,000
Illustrative Bell Current Ratio	**1.12**	**2.43**	**1.96**
Bell requirement	> 1.50x	> 1.50x	> 1.50x
Status	FAIL	PASS	PASS

Ratings

The College currently has a long-term rating of "Baa2" with a stable outlook from Moody's Ratings which was affirmed on October 8, 2026 and a copy of which is provided in Appendix B. The College will not seek a rating in conjunction with the 2026 Notes. If the refunding of the Series 2016 Bonds is completed, the College will no longer seek to have a Moody's credit rating.

Minnesota Health and Education Facilities Authority
Application Review Letter from North Slope Capital Advisors
Concordia College (Series 2026)
Date: November 10, 2026
Appendix A



*Mandatory tender date of Series 2026 Notes is December 1, 2036. Debt service assumed at estimated rate of 5.73% from FY2037 thru FY2052 (subject to change).
Principal outstanding subject to tender on December 1, 2036 estimated at $21.045MM.

CREDIT OPINION
8 October 2026

Send Your Feedback

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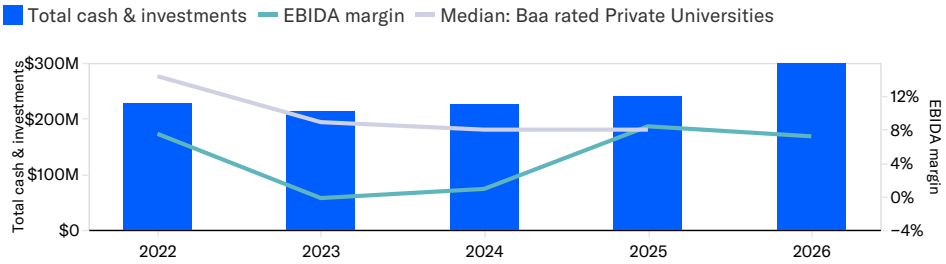
Concordia College, MN

Update to credit analysis following outlook revision to stable

Summary

Concordia College's (Baa2 stable) credit profile benefits from disciplined expense control, improved operating performance, substantial wealth, and low leverage, all of which provide resilience as the college pursues program renewal and enrollment partnerships. Fiscal 2026 results included a 7% EBIDA margin, $298.5 million of total cash and investments and 17.3x coverage of adjusted debt. These strengths are tempered by modest scale, intense regional competition, declining net tuition per student and a 55% tuition discount rate, which will constrain revenue growth. Other credit considerations include strong donor support and improved debt service coverage, offset by an aging campus and the possible need for debt for capital investment.

Exhibit 1
Growing financial resources provides EBIDA margins in-line with Baa-rated peers



Source: Moody's Ratings

Credit strengths

» Solid wealth profile, with total cash and investments of $299 million providing a 3.5x cushion for operations

» Modest leverage with moderate debt plans, with total cash and investments covering total adjusted debt by 17x, and all debt fixed rate and amortizing

» Favorable program mix with recently opened school of health professions

» Favorable donor support with total gift revenue of $34.6 million in fiscal 2026

Credit challenges

» High reliance on tuition revenue, which comprised 61% of total operating revenues in fiscal 2026

» Enrollment fluctuations influenced by regional demographic trends

» Thin liquidity compared to peers, with 191 monthly days cash on hand in fiscal 2026

» Relatively high age of plant at 21 years in fiscal 2026

Rating outlook

The stable outlook reflects the expectation that fiscal 2027 operating performance will be stable or better than 2026.

Factors that could lead to an upgrade

» Consistently stronger operating performance with EBIDA margins that support at least 2x debt service coverage over multiple years

» Substantial growth in liquidity, exceeding historical monthly days cash on hand and outpacing peers

» Strengthening of student demand reflected by enrollment and net tuition revenue growth

Factors that could lead to a downgrade

» Inability to maintain positive operating performance over the course of fiscal 2027 and 2028

» Decline in liquidity, absent improvement in operating performance

» Inability to maintain stable enrollment and net tuition revenue in fall 2026 and beyond

» Increase in leverage that results in debt service coverage less than 2x

Key indicators

Exhibit 2

CONCORDIA COLLEGE, MN

	2022	2023	2024	2025	2026	Median: Baa Rated Private Universities
Total FTE Enrollment	1,840	1,767	1,871	1,952	1,890	2,726
Operating Revenue ($000)	77,285	75,962	79,281	88,398	86,135	110,700
Annual Change in Operating Revenue (%)	12.7	-1.7	4.4	11.5	-2.6	2.0
Total Cash & Investments ($000)	226,969	212,507	224,918	239,449	298,522	258,582
Total Adjusted Debt ($000)	27,516	25,004	22,474	20,013	17,276	96,780
Total Cash & Investments to Total Adjusted Debt (x)	8.2	8.5	10.0	12.0	17.3	2.5
Total Cash & Investments to Operating Expenses (x)	2.9	2.6	2.6	2.7	3.5	2.1
Monthly Days Cash on Hand (x)	162	123	131	113	191	293
EBIDA Margin (%)	7.5	-0.2	0.9	8.4	7.2	8.0
Total Debt to EBIDA (x)	4.8	-140.9	31.6	2.7	2.8	9.6
Annual Debt Service Coverage (x)	1.7	-0.1	0.2	2.4	2.0	1.4

Source: Moody's Ratings

Profile

Concordia College is a private not-for-profit college located in Moorhead, Minnesota. In fiscal 2026, Concordia generated operating revenue of $86 million and in fall 2026, enrolled 1,890 full-time equivalent students.

Detailed credit considerations

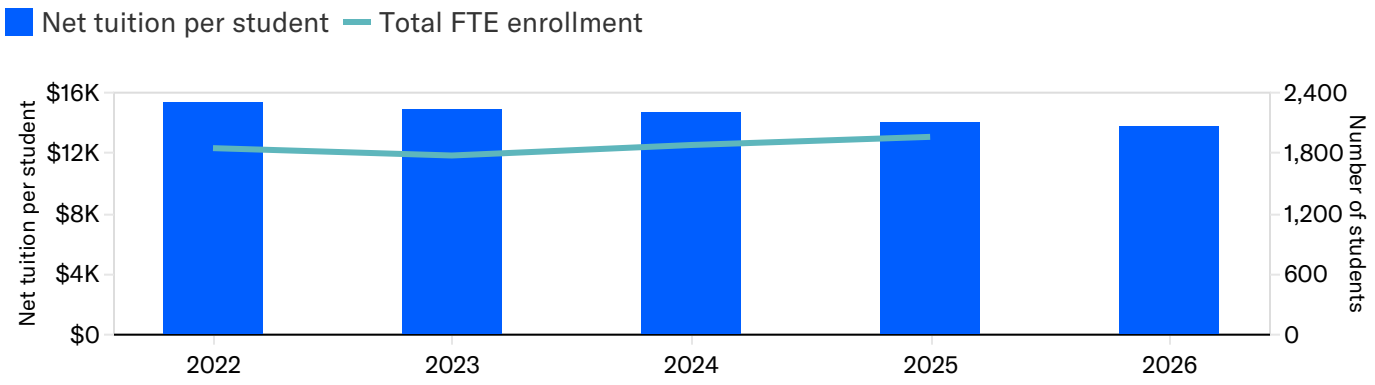
Market position

Concordia will continue facing enrollment management challenges due to increased competition for students, especially in the Minnesota private college market. The college is undertaking strategic initiatives to maximize enrollment and net tuition revenue in the

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future, and expects some turnaround. While 2026 enrollment saw some slight decline, enrollment over the last three years saw a 10% increase, reflecting some gains from the college's enrollment strategy. A declining trend in net tuition per student is partially explained by an increase in the tuition discount. Increasing focus on STEM-related majors, online delivery and partnerships with MState, ASU and Rize, and the recent opening of the college's school of health professions could aid future student demand and broaden demand without significant fixed costs.

Exhibit 3
Net tuition per student has been declining

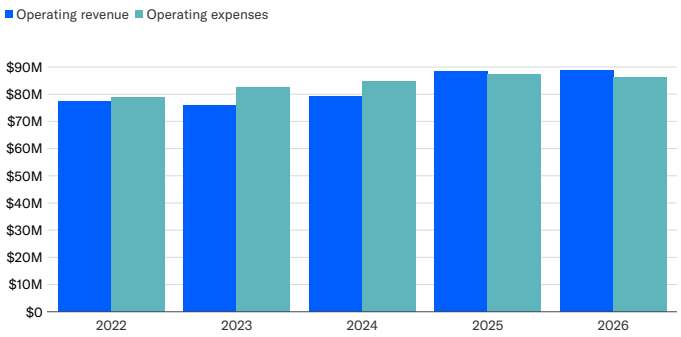


Source: Moody's Ratings

Operating performance

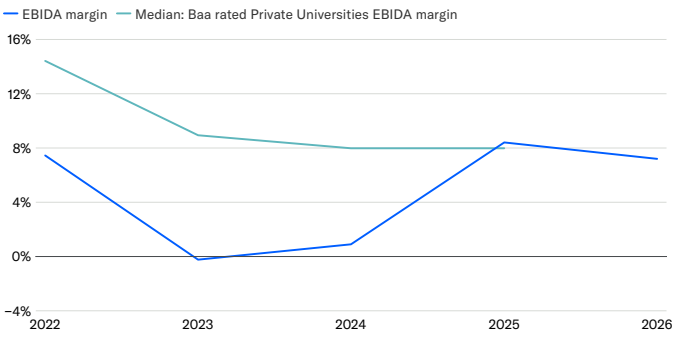
Concordia's operating performance strengthened in fiscal 2026, supported by expense discipline, net tuition revenue growth and philanthropy. EBIDA margins remained relatively stable at 7% though expenses declined 1%. Management reduced faculty costs, reallocated resources toward growing programs, and avoided an additional endowment draw. Sustaining these results will depend on preserving expense alignment and converting enrollment initiatives into recurring student revenue because the operating margin excluding gifts remains deeply negative.

Exhibit 4
Expense discipline in 2026 contributed to materially stronger operating performance



Source: Moody's Ratings

Exhibit 5
Improved cost alignment has driven a recovery in profitability



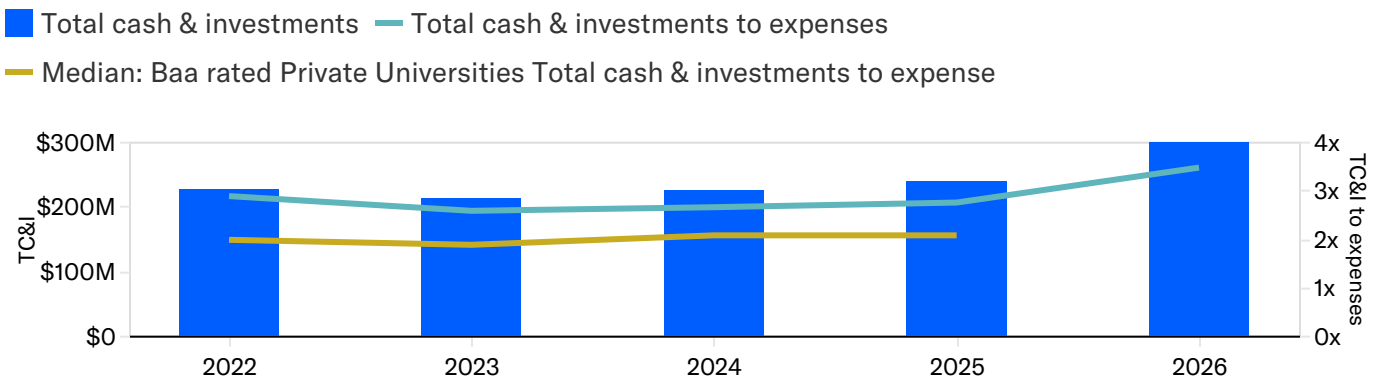
Source: Moody's Ratings

Financial resources and liquidity

Concordia's substantial financial resources will provide a buffer against potential future enrollment and operating volatility. Total cash and investments increased to $298.5 million in fiscal 2026 and covered expenses by 3.5x, strengthened by investment gains and fundraising. The comprehensive campaign and a large restricted gift should support scholarships, facilities and debt reduction. Fiscal 2025 liquidity was comparatively thin at 113 days cash, though grew to 191 days in fiscal 2026. The composition and accessibility

of recent wealth growth remains important, particularly because much of the endowment supports scholarships or carries donor restrictions.

Exhibit 6
Growing financial resources support expense coverage well above peer medians

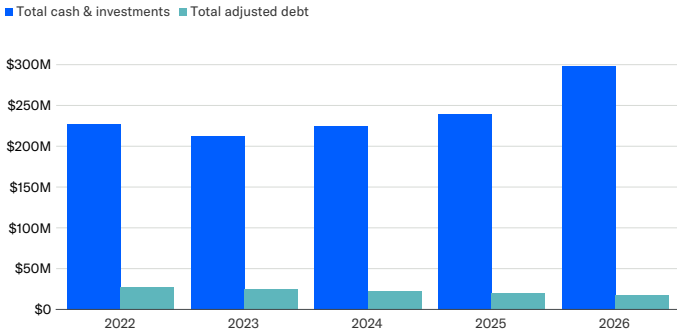


Source: Moody's Ratings

Leverage and coverage

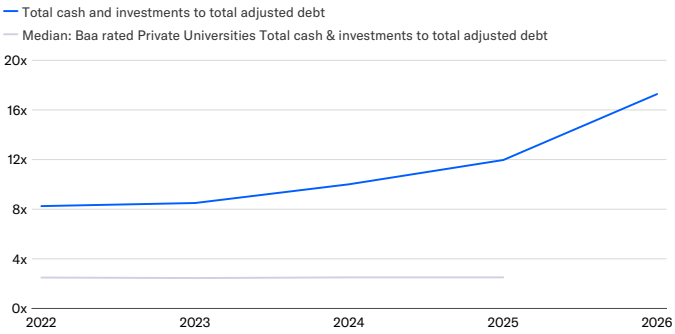
Concordia's leverage is very low, supported by rapid amortization, improved cash flow and an entirely fixed rate debt structure. Total adjusted debt declined 14% to $17.3 million in fiscal 2026, while total cash and investments covered debt by 17.3x and annual debt service coverage remained stable at 2.0x. These strengths provide substantial capacity, but capital needs remain significant because the age of plant is 21 years. The college is considering a multiuse residence project, potentially funded with about $15 million of new debt. New borrowing would materially increase leverage and could put pressure on the rating, although fundraising and improved earnings would partly protect debt affordability.

Exhibit 7
Declining debt and growing reserves have strengthened the leverage profile



Source: Moody's Ratings

Exhibit 8
Sustained deleveraging has lifted cash-to-debt coverage well above peers

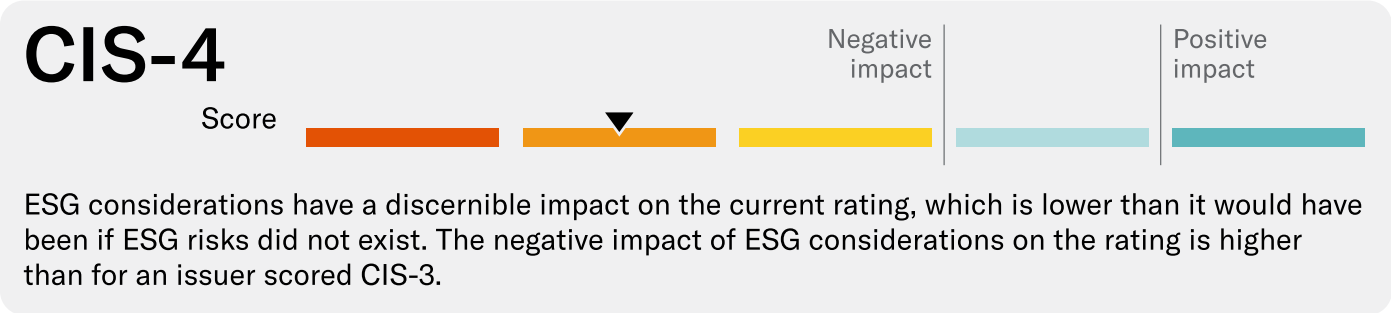


Source: Moody's Ratings

ESG considerations

Concordia College, MN's ESG credit impact score is CIS-4

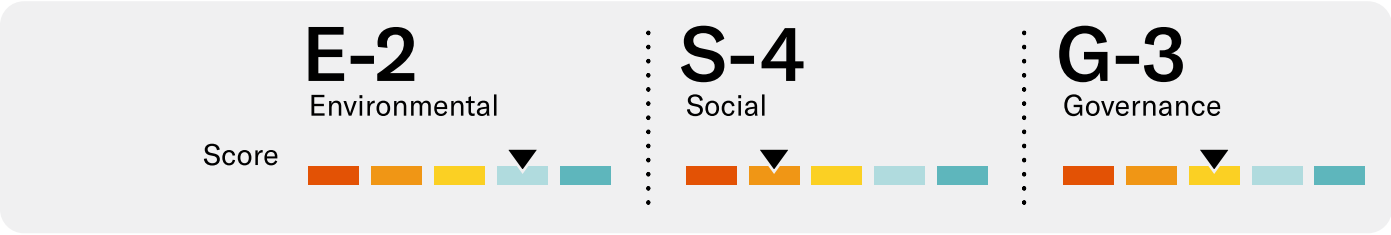
Exhibit 9
ESG credit impact score



Source: Moody's Ratings

Concordia College's ESG Credit Impact Score (**CIS-4**) reflects significant exposure to social risks from demographic and societal trends, partially offset by more favorable governance.

Exhibit 10
ESG issuer profile scores



Source: Moody's Ratings

Environmental

Concordia College's exposure to environmental credit risks (**E-2**) reflects the college's location in Moorhead, MN, which has some exposure to manageable risks associated with rising temperatures and water stress.

Social

Concordia College's social risks (**S-4**) are similar to many other colleges and universities, driven by exposure to changing demographic and social trends and as well as human capital and customer relations risks. The college faces a very challenging environment for recruiting students given regional and state demographics, as well as very high market competition given the number of in-state competitors. Customer relations risks are evidenced by declining student charges, increased tuition discounting, and overall enrollment losses. A mitigating factor is an engaged donor base and good donor relations.

Governance

Concordia College's exposure to governance credit risks (**G-3**) reflects the college's sound track record while acknowledging emergent operational erosion. The college's plans for cost containment provide some prospects for restoring balanced operations over time though there is uncertainty. Program and course realignment demonstrates the college's commitment to meeting market demand and improving revenue prospects. Like a majority of the sector, the large composition of the board, including alumni and key donors, introduces moderately negative board structure risk.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Rating methodology and scorecard factors

The Higher Education rating methodology includes a scorecards that summarizes the factors that are generally most important to higher education credit profiles. Because the scorecard is a summary and may not include every consideration in the credit analysis for a specific issuer, a scorecard indicated outcome may or may not match an assigned rating. We assess brand and strategic positioning, operating environment, and financial policy and strategy on a qualitative basis, as described in the methodology.

The assigned rating differs from the scorecard-indicated outcome because the scorecard reflects the most recent metrics, which show improvement for one year only and have not yet demonstrated sustainability.

Exhibit 11

Scorecard Factors and Sub-factors		Value	Score
Factor 1:	**Scale (15%)**		
	Adjusted Operating Revenue (USD Million)	86	Baa
Factor 2:	**Market Profile (20%)**		
	Brand and Strategic Positioning	Ba	Ba
	Operating Environment	Baa	Baa
Factor 3:	**Operating Performance (10%)**		
	EBIDA Margin	7%	Baa
Factor 4:	**Financial Resources and Liquidity (25%)**		
	Total Cash and Investments (USD Million)	299	A
	Total Cash and Investments to Operating Expenses	3.5	Aa
Factor 5:	**Leverage and coverage (20%)**		
	Total Cash and Investments to Total Adjusted Debt	17.3	Aaa
	Annual Debt Service Coverage	2.0	Baa
Factor 6:	**Financial Policy and Strategy (10%)**		
	Financial Policy and Strategy	Baa	Baa
	Scorecard-Indicated Outcome		A3
	Assigned Rating		Baa2

Data is based on most recent fiscal year available. Debt may include pro forma data for new debt issued or proposed to be issued after the close of the fiscal year.

For non-US issuers, nominal figures are in US dollars consistent with the Higher Education Methodology.

Source: Moody's Ratings

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REPORT NUMBER 1488619

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

MEMORANDUM

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

DATE: November 3, 2026

FROM: David Murphy
Kutak Rock LLP

RE: Application of The Concordia College Corporation for MHEFA Financing

We have reviewed the Application of The Concordia College Corporation (the "College"), dated October 28, 2026 (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 principal amount of the City of Moorhead, Minnesota Educational Facilities Revenue Bonds (The Concordia College Corporation Project), Series 2016 (the "Prior Bonds"), issued in the original aggregate principal amount of $38,440,000; and (b) the construction of a new mixed-use campus building including demolition of existing facilities and construction of student residences, related amenities and a commercial space (sometimes referred to in this Memorandum as the "New Money Project").

The proceeds of the Prior Bonds were applied by the College to (i) finance the construction, equipping and renovation of certain of the College's educational facilities, including Ivers Hall and Jones Hall, into a new integrated science complex (the "Prior Project"), all located at the College's campus, the main address of which is 901 South Eighth Street, Moorhead, Minnesota (the "Campus"), (ii) (A) refund the outstanding principal amount of the $3,300,000 Clay County, Minnesota Educational Facilities Revenue Bond (The Concordia College Corporation Project), Series 2001, (B) refund the outstanding principal amount of the $2,300,000 Clay County, Minnesota Educational Facilities Revenue Bond (The Concordia College Corporation Project), Series 2003, (C) refund the outstanding principal amount of the $7,000,000 Clay County, Minnesota Educational Facilities Revenue Bond (The Concordia College Corporation Project), Series 2004, and (D) refund the outstanding principal amount of the $19,145,000 City of Moorhead, Minnesota Educational Facilities Revenue Bonds (The Concordia College Corporation Project), Series 2005A, the proceeds of which were used to finance and refinance the acquisition, construction, equipping and improvements of certain educational facilities all located at the Campus, (iii) fund a debt service reserve fund securing the Prior Bonds and (iv) finance the costs of issuing the Prior Bonds.

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 901 South Eighth Street, Moorhead, 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.

3. Prior Commitments. The notes to the College's most recent financial statements (audited for fiscal year ended April 30, 2026) indicate that, other than the Prior Bonds to be refunded, the College has no other long term debt outstanding.

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 Evangelical Lutheran Church in America, 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 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. Rebate: 24-Month, 18-Month, and 6-Month Spend-Down Exceptions. The Application indicates that the work on the New Money Project will commence on January 1, 2027 and be substantially completed by August 1, 2028. 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 October 12, 2026 (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 developer'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 refinanced 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 described certain space in the New Money Project will be leased by a non-profit partner; 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 a hospital will lease space within the Project Facilities for clinic use. This hospital is a 501(c)(3) organization. We will need to examine the intended "use" of the Project Facilities to determine the applicable restrictions. If there is private use within the New Money Project, the College will be able to allocate any equity contributed to the New Money Project 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. 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 April 30, 2026, 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 Prior Bonds, to be refunded by the proposed issue, may be called for optional redemption on any date on or after December 1, 2025, pursuant to the indenture for the Prior Bonds. The funds necessary to redeem and prepay the Prior Bonds will be deposited in an account established under the indenture for the Prior Bonds and will be escrowed. We will work with the College and the trustee for the Prior Bonds to effectuate the redemption on the earliest practicable date.

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 Prior 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 a current 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 CONCORDIA 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 October 28, 2026, of The Concordia College Corporation, a Minnesota nonprofit corporation (the "College"), as owner and operator of Concordia 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 outstanding principal amount of the City of Moorhead, Minnesota Educational Facilities Revenue Bonds (The Concordia College Corporation Project), Series 2016 (the "Series 2016 Bonds"), dated March 1, 2016, which were issued in the original aggregate principal amount of $38,440,000, and (b) the construction of a new mixed-use campus building including demolition of existing facilities and construction of student residences, related amenities and a commercial space.

The Series 2016 Bonds were issued by the City of Moorhead, Minnesota to (i) finance the construction, equipping and renovation of certain of the College's educational facilities, including Ivers Hall and Jones Hall, into a new integrated science complex (the "2016 Project"), all located at the College's campus, the main address of which is 901 South Eighth Street, Moorhead, Minnesota (the "Campus"), (ii) (A) refund the outstanding principal amount of the $3,300,000 Clay County, Minnesota Educational Facilities Revenue Bond (The Concordia College Corporation Project), Series 2001, (B) refund the outstanding principal amount of the $2,300,000 Clay County, Minnesota Educational Facilities Revenue Bond (The Concordia College Corporation Project), Series 2003, (C) refund the outstanding principal amount of the $7,000,000 Clay County, Minnesota Educational Facilities Revenue Bond (The Concordia College Corporation Project), Series 2004, and (D) refund the outstanding principal amount of the $19,145,000 City of Moorhead, Minnesota Educational Facilities Revenue Bonds (The Concordia College Corporation Project), Series 2005A, the proceeds of which were used to finance and refinance the acquisition, construction, equipping and improvements of certain educational facilities all located at the Campus, (iii) fund a debt service reserve fund securing the Series 2016 Bonds and (iv) finance the costs of issuing the Series 2016 Bonds.

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 Campus, the principal street address of which is 901 South Eighth Street, Moorhead, Minnesota 56562.

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 the notice to be posted on the Authority's website and at the Authority's offices located at 860 Blue Gentian Road, Suite 145, Eagan, Minnesota 55121 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 November 10, 2026, 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 Notes 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 notes 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 December 9, 2026 (or another date selected by staff of the Authority), the Board will consider a resolution approving a financing plan (the "Financing Plan") for the issuance of the Authority's Series 2026 Notes (Concordia College Project) (the "Notes"), in the maximum aggregate principal amount of $40,000,000, 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 Notes, setting the terms of the Notes, 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 Notes shall be purchased by Bell Bank (the "Purchaser").

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 Purchaser all necessary documents, including a Loan and Note Purchase Agreement, and all other documents deemed necessary or desirable consistent with the provisions of the Financing Plan and substantially similar to the documents for revenue notes most recently issued and sold by the Authority, but with appropriate changes.

12. Notwithstanding the foregoing provisions, the Notes shall not be issued and delivered and the Loan and Note Purchase Agreement shall not be executed and delivered without the further action and approval and adoption of a series resolution with respect to the Notes by the Authority.

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

Adopted: November 10, 2026

MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY

By _____
Bonnie M. Anderson Rons, Chair

By _____
Kenneth Westphal, Secretary

Approved: _____
Governor, State of Minnesota

Date Approved: _____

MINNESOTA PRIVATE COLLEGE COUNCIL

Demographic Data on High School Graduates and College Enrollment

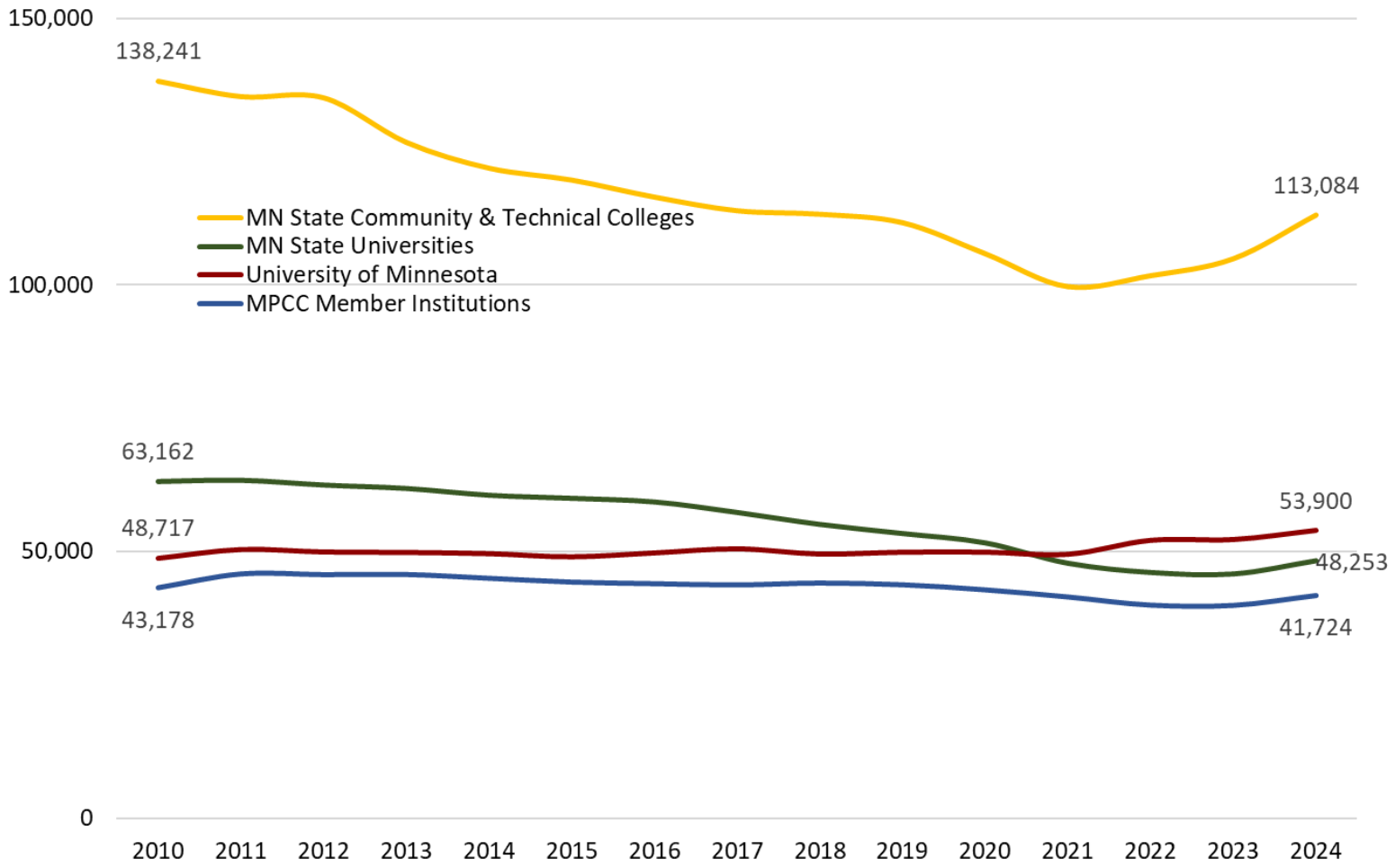
October 2026

Key Takeaways

- Between 2015-16 and 2035-36, the number of high school graduates in Minnesota is relatively flat -- fluctuating between 64,000 and 67,000 students.
  - The number of high school graduates in Minnesota is projected to peak this year (2025-26).
  - The decline in the number Minnesota high school graduates between now and 2035-36 is small in terms of numbers and is a smaller share than the national decline.
  - A larger decline in Minnesota high school graduates (10.5%) is projected to occur between 2035-36 and 2040-41.
- Minnesota's bigger challenges are:
  - Continuing to increase the share of high school graduates enrolling in college after graduation.
  - Reducing the net export of high school graduates to higher education institutions in other states.
- The diversity of Minnesota's student population will continue to increase.

Minnesota Undergraduate Enrollment Trends by Sector

Fall 2010 to Fall 2024



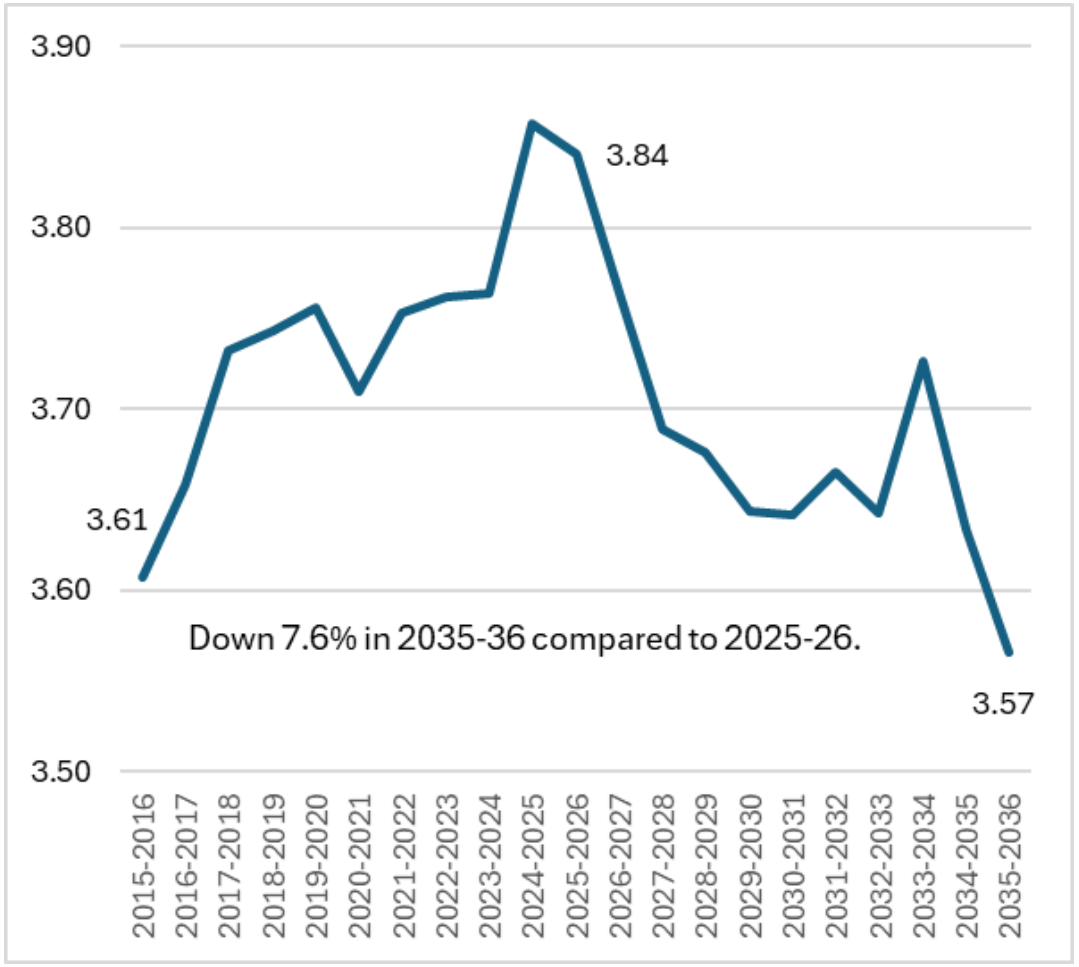
Source: IPEDS fall undergraduate headcount enrollment 2010 to 2024.

Enrollment Trends in Minnesota Since Fall 2023

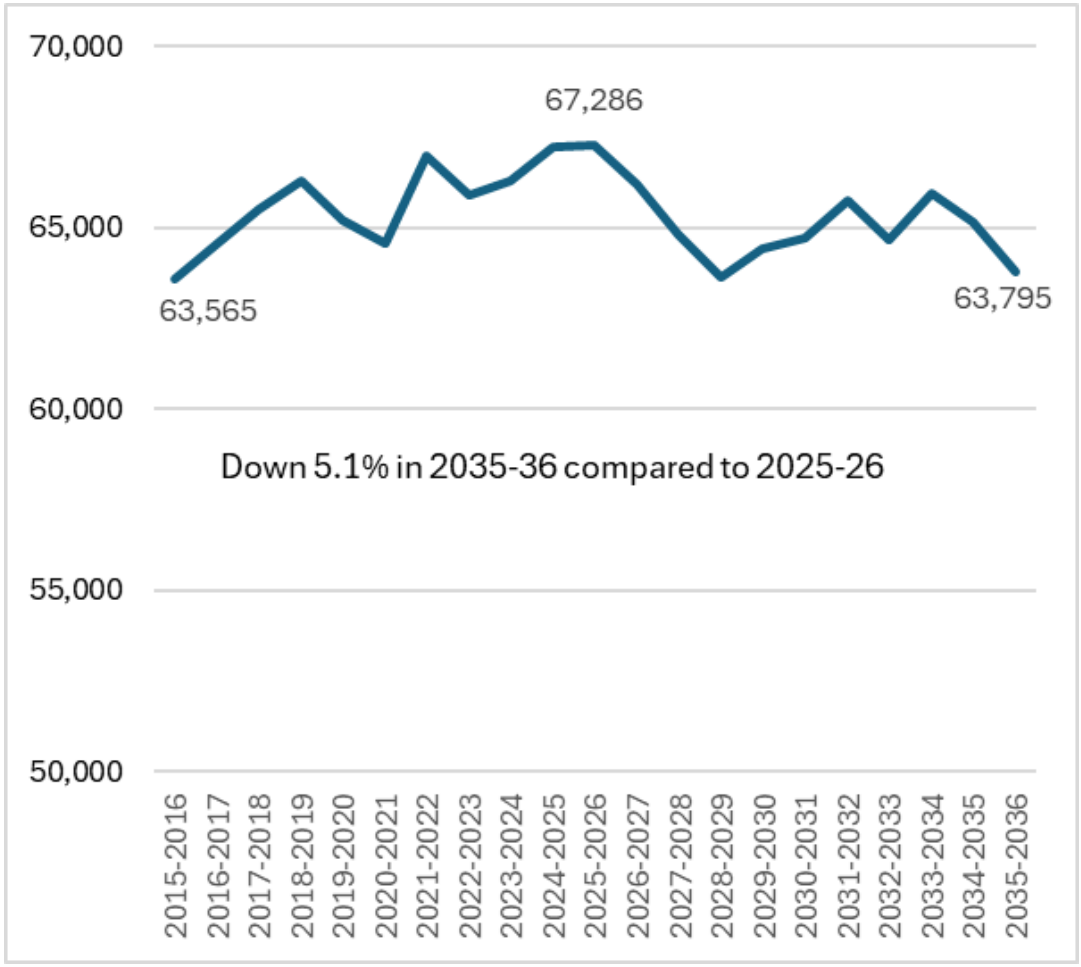
- Undergraduate enrollment stalled in fall 2026 after three years of increases.
  - Minnesota Private Colleges:
    - Undergraduate enrollment is up 0.1% in fall 2026 compared to fall 2025.
    - This follows a 2.3% increase in fall 2025 and a 4.6% increase in fall 2024.
  - University of Minnesota:
    - Degree-seeking undergraduate enrollment is down 1.1% in fall 2026 compared to fall 2025
    - This follows a 2.7% increase in fall 2025 and a 3.2% increase in fall 2024.
  - Minnesota State:
    - MN State University enrollment is down 2.1% in fall 2026, following increases of 2.3% and 5.4% in fall 2025 and fall 2024, respectively.
    - MN State Colleges enrollment is up 1.5% in fall 2026, following increases of 5.2% and 7.8% in fall 2025 and fall 2024, respectively.

Projected U.S. & MN High School Graduates

U.S (in millions)

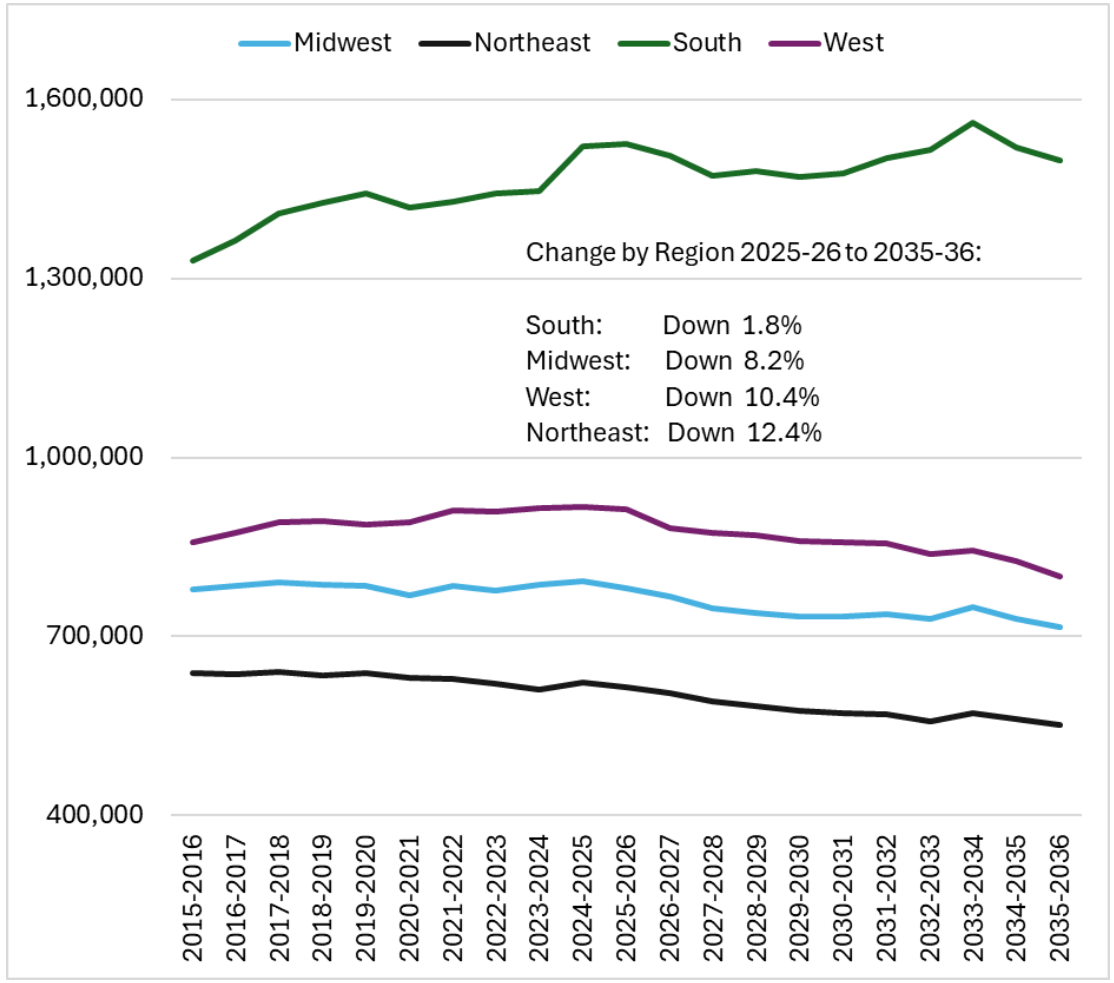


Minnesota

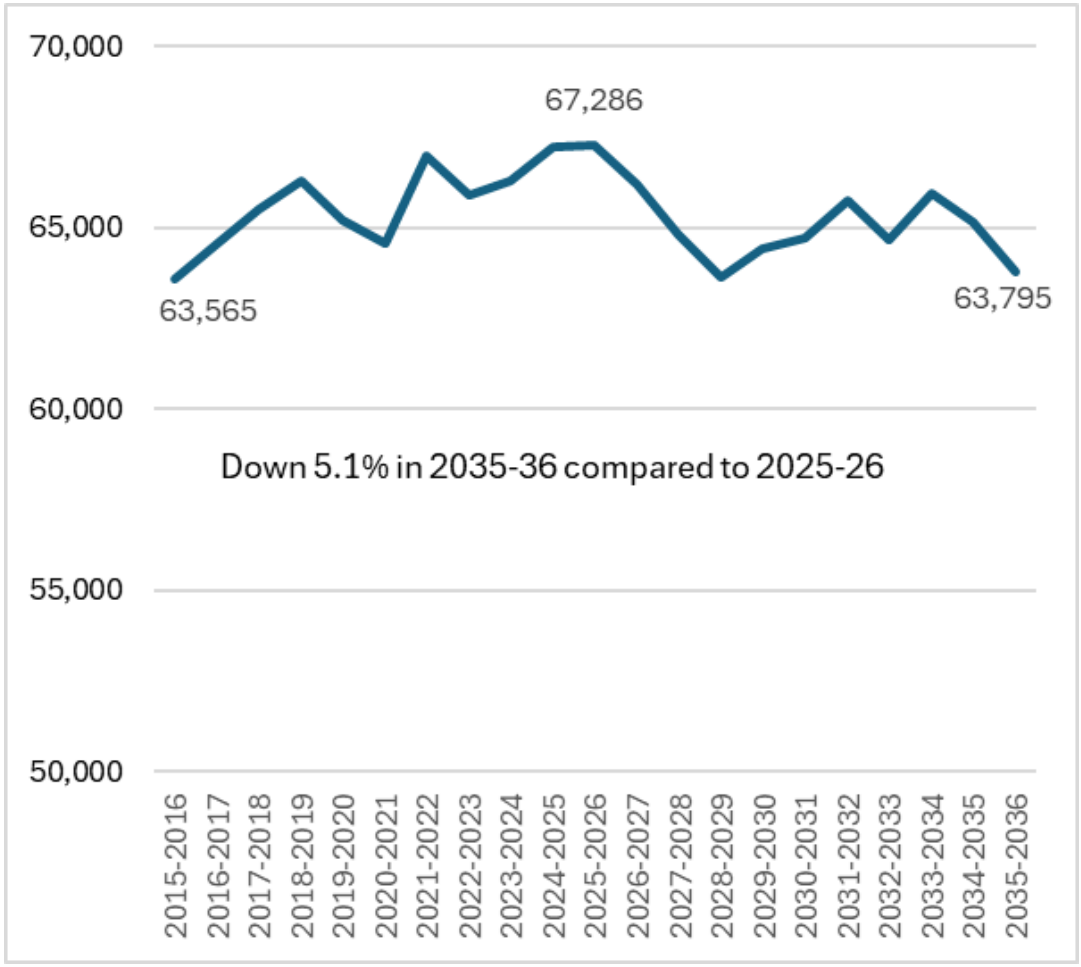


Projected Regional & MN High School Graduates

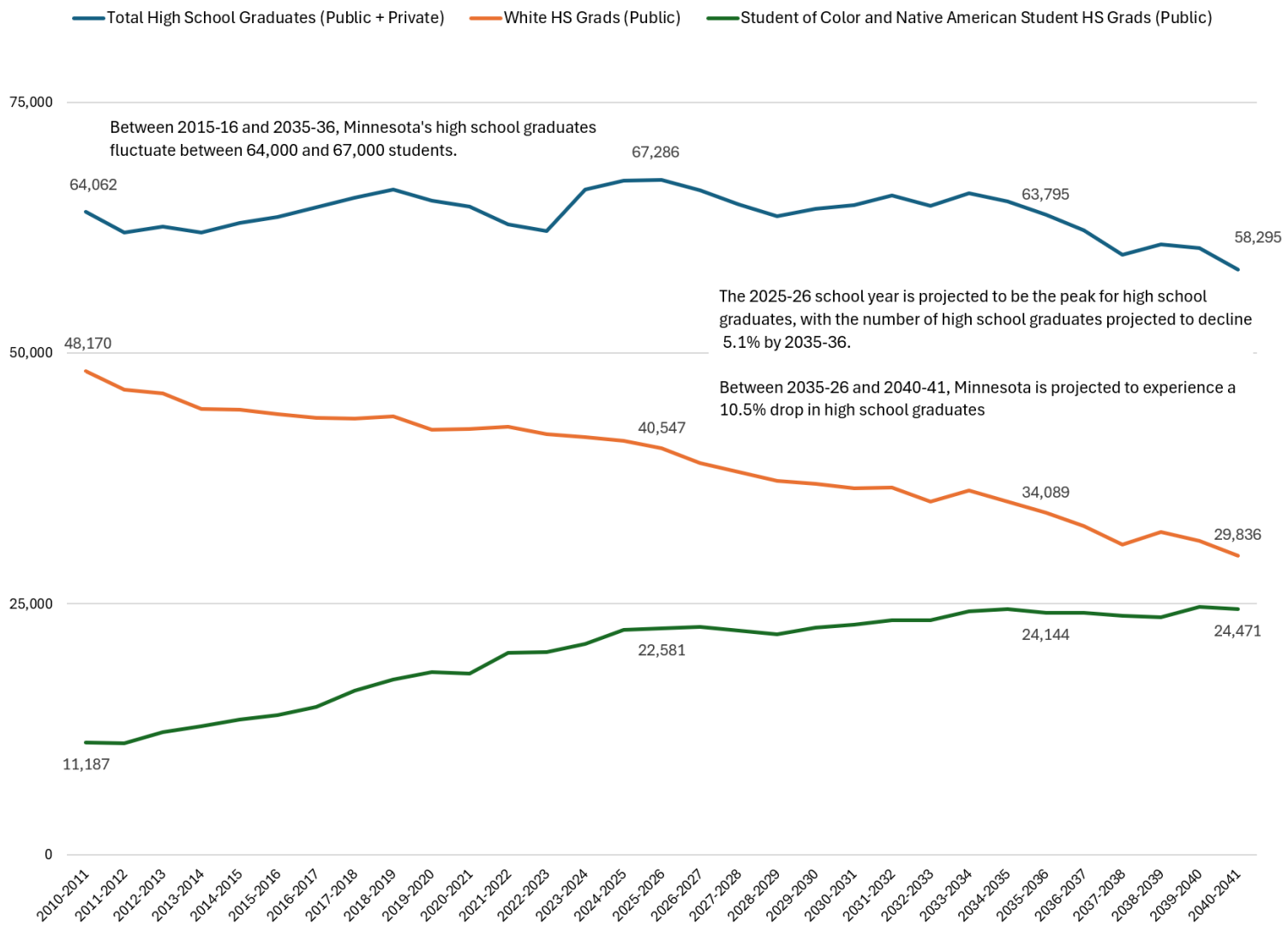
U.S. Regions



Minnesota



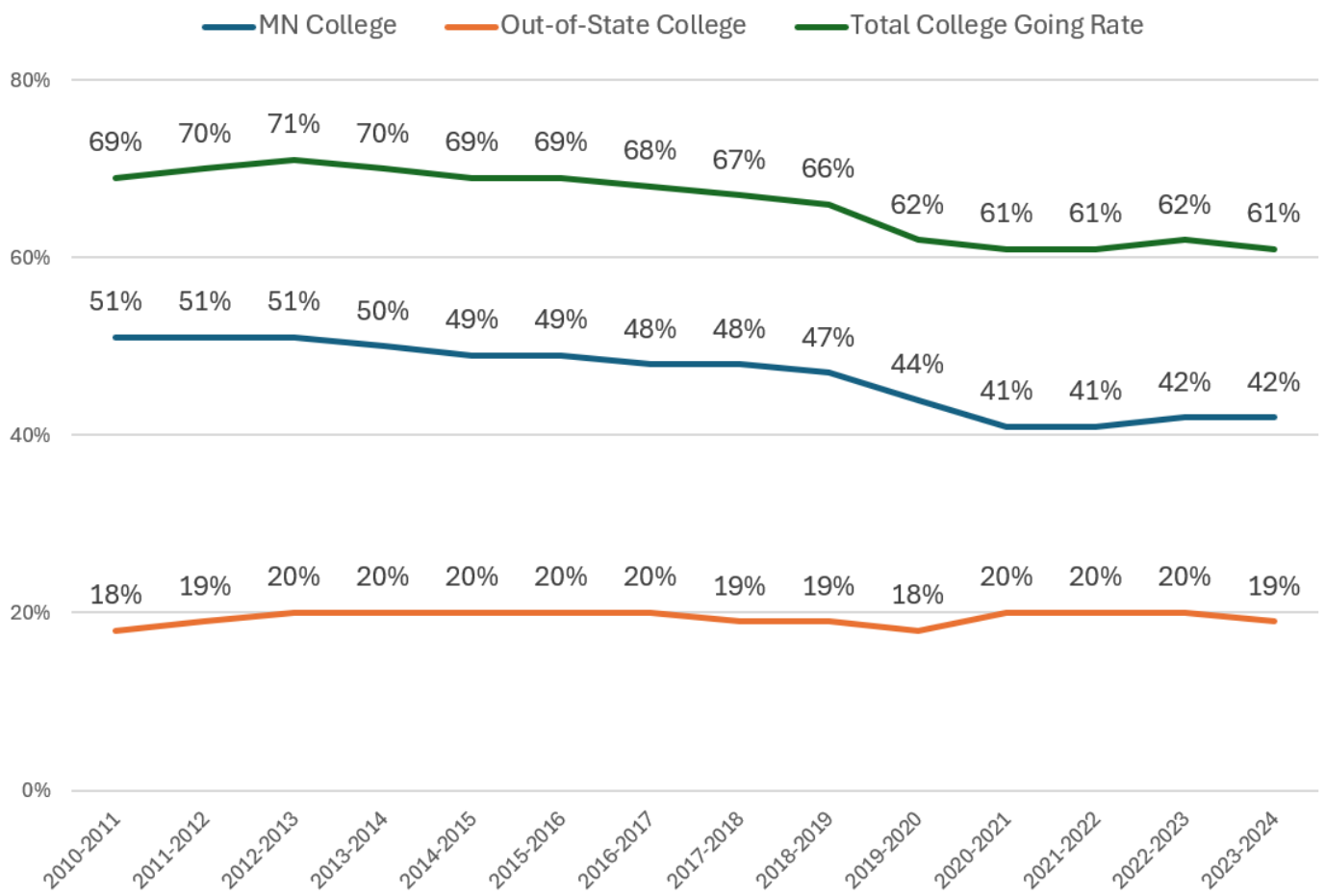
MN High School Graduates: Historical Trends & Projections



Source: WICHE *Knocking at the College Door: Projections of High School Graduates, 2024*

College Going Rate for MN High School Graduates:

Share of MN High School Grads Enrolling in College the Following Fall



Note: College going rate includes Minnesota high school graduates enrolling in any post-secondary institution the fall after high school graduation. Students may be non-degree seeking or enrolled in certificate, associate or bachelor's degree programs.
Source: Minnesota SLEDS

The Wider College and Workforce Picture in Minnesota

- Research shows that Minnesota ranks second in the nation for the number of jobs that will require postsecondary education by 2031, and 6th in the nation for jobs that will require a bachelor's degree.
- The state has invested in programs that led to enrollment increases from fall 2023 through fall 2025 after decades of enrollment decline. These programs can also help stem the loss of high school graduates who enroll in college in other states.
- Programs like Direct Admissions and College Knowledge Month have had the intended impact of increasing college enrollment of traditionally underserved students: low-income students, students of color and Native American students, and rural students.
- The State Grant is central to college affordability and increases college access, retention and degree completion. The State Grant was rationed significantly this year, with thousands of students seeing their grants cut by an average of 30% and thousands more losing their grants entirely (potentially contributing to the flat or declining enrollment this fall).

NEWS & POLITICS

Minnesota colleges brace for an enrollment 'cliff.' Will it really happen?

Some colleges and universities are worried about a decline in the number of college-age students. But experts are divided on whether the decline is real and how bad it could be.

By Erin Adler
The Minnesota Star Tribune

NOVEMBER 2, 2026 AT 9:24AM



Blaine High School students participate in their graduation ceremony on June 1, 2025. (Richard Tsong-Taatarii/The Minnesota Star Tribune)

The idea that there will be a sharp, menacing dropoff in high school graduates that will have dramatic effects on college and university enrollment has often been repeated in higher education circles in recent years.

But will there be an actual "demographic cliff" over the next 15 years, and should leaders make big changes to prepare for it? The answer depends on how "cliff" is defined, whom you ask and what data is used. And Minnesota's fate, many experts agreed, will be different than the national picture.

The demographic cliff narrative says that, because the number of babies born in the U.S. declined starting in 2008 due to the Great Recession, there are fewer 18-year-olds graduating from high school now and in the years to come.

Some say the college enrollment decline has already begun, others say 2026 is the first year and still others claim it hasn't started yet. Regardless, it is supposed to continue through 2041, when the count of high school grads will have fallen by around 13% nationally, the Chronicle of Higher Education said.

But some experts say the change won't be nearly as bad as predicted and others don't think it will take place at all.

"To experience a double-digit enrollment decline would be highly disruptive," said Nathan Grawe, a Carleton College economics professor, citing Minnesota's projected loss of 12%. "If institutions ... think, oh, we can just continue doing exactly what we've been doing and it's going to be a comfortable path for us in the next 20 years, I would say I strongly doubt that."

This prediction has caused considerable concern, with some school leaders saying it's why they must make various cuts and changes. Other times, it's mentioned in a long list of factors officials say are contributing to an impending crisis, such as AI's influence, declining

funding, rising tuition costs, ballooning student debt and public doubt about a college degree's value.

Recently, leaders from both Minnesota State Colleges and Universities and the University of Minnesota have said either that they need to "right-size" their system, likely closing campuses, or reduce annual budgets by at least $225 million over two years.

Both the U and Minnesota State systems, along with 18 private schools, saw flat enrollment this fall after several years of increases.

Dan Currell, a Gustavus Adolphus College trustee who once worked for the U.S. Department of Education, calls the cliff "hogwash."

"There's definitely no cliff projected – there's ups and downs," Currell said. "It's a monster in the closet that doesn't exist."

Many people objected to the ominous word "cliff," saying the problem is partly semantics.

"It's kind of more of a gentle slope, downward slope, than a cliff," said Susan Brower, the state demographer, adding that "cliff" may be too dramatic.

Colleges confront enrollment decline

Experts who say there's an enrollment cliff also believe that many institutions will need to transform to survive.

Grawe, who said the cliff isn't quite here yet, said a 16.5% dip nationally in births starting 18 years ago will soon cause struggles.

A study of northeastern U.S. colleges showed that, if net revenue from students declined by 10%, then one-third of the campuses would run out of money in 10 years.

"[Cuts] just get tougher and tougher unless you can figure out, OK, so how do we recruit a larger share of these students or how do we retain the students we bring to college the first time?" Grawe said.

Expanding college access is key, he said. Different kinds of colleges will see varying effects, he said, with flagship public universities and selective private liberal arts colleges faring best.

“[Colleges] will not just walk off the cliff,” Grawe said. “They will change how they teach, how they recruit, who they serve.”

While there’s time to adjust, it’s an unprecedented challenge for the country, he said.

At the U, Jack Miner, the vice president for strategic enrollment management, said Minnesota will be better off than elsewhere in the Midwest, which will also see a 16% decline overall.

Minnesota is already doing what it should to prepare by aiming to get more high school graduates to attend college and adults with some college to finish their degree, helping the state’s workforce and their own job prospects.

“Close to 40% of high school graduates right now are not going to college, so we have … graduates available,” Miner said.

The state’s investment in financial aid and “dual enrollment” programs, where students can try out college while in high school, will create more affordable pathways to college for more Minnesotans, he said.

Plans are underway to better promote the U’s five campuses, encouraging Minnesotans to go to school locally. The U is also creating an online hub so adult learners have more opportunity to take online classes, Miner said.

Fewer high school graduates

Others said the enrollment outlook won’t be as detrimental as forecasted, that things could still change and schools can, or will, adapt.

Brower believes there will be enrollment losses at colleges in the U.S. and Minnesota but thinks they're not as alarming as some others do.

A shrinking pool of high school graduates will exert pressure on colleges, she said.

State projections show that numbers of 18- and 19-year-olds will stay steady through 2032, decline between 2033 and 2037 and remain about 10,000 people short of current totals until 2040. Migration from other states and nations has helped offset the effects of declining births so far, but maintaining the young adult population would require ongoing migration.

Colleges do need to face the reality of declining enrollment, she said, and "shifting out of a growth mindset is what we can be doing now." But she said factors used in enrollment projections could change between now and 2040.

International immigration could increase and help colleges, and climate change could create new U.S. migration patterns, she said.

Colleges will have to reorganize to attract a broader group, including perhaps more older adults or international students, she said.

"Can you find a pool of people who need education and meet them where they're at?" she said.

Paul Cerkvenik, president of the Minnesota Private College Council, said there's a small decline in college enrollment coming for Minnesota, but numbers will dwindle less here than anywhere in the U.S. except the South between now and 2035. For the five years after that, the state will see a 10.5% shrinkage in college students.

Minnesota's thriving economy means the state will fare better than elsewhere, he said.

But Cerkvenik said higher ed faces other challenges that are more significant than any enrollment decline. The state saw a 10% decline in the percentage of high schoolers headed to college between 2013

and 2023. And the number of students leaving Minnesota for college is consistently between 18% to 20%. Those trendlines could improve, he said, and colleges can work on them.

He said he's confident that Minnesota's private schools will adjust.

"Small nonprofit colleges … have to adapt to the changing environment all the time and they can be nimble and responsive," he said. "They've been through ups and downs for 150 years."

A made-up crisis?

Several education experts said they don't believe a cliff will occur at all.

Neil Kraus, a University of Wisconsin-River Falls political science professor, says doomsday predictions are overblown. Projections often cited to support it, like birth rates or high school graduates' numbers, have so many variables that they're difficult to predict beyond a few years out, he said.

He said only predictions of college enrollment, like those from the National Center for Education Statistics, are relevant, since people attend college at different ages, not just right after high school.

Kraus also said the cliff is part of a larger manufactured crisis in higher ed. The theory is perpetuated by Republicans, he said, who want to cut funding and programs and companies who hope to sell new products and consulting services to colleges.

Currell said that nationally, high school graduates hit a high point in 2026, but that by 2036, numbers will decline back to 2018 levels. Looking at the trajectory as a whole means there's no cliff, he said.

"The cliff hyperbole only looked at the downside and ignored the rise," he said. "There will be fewer 18-year-olds slightly, year over year, into the future but … it's projected to level out in the 2040s and 2050s."

Conditions could also change. If an unexpected recession occurs, a higher enrollment rate could single-handedly spike college attendance quickly, since people usually go to school during those times, he said.

“This is just kind of another twist in demographics that honestly isn’t nearly the change that people think it is,” Currell said.

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105 Policy on Private Placement Financing

Policy Review Schedule: *Annual*
Created: May 20, 2009
Most Recent Policy Review: October ~~15~~8, 202~~6~~5

The Authority will entertain proposals to finance projects by means of a direct or private placement of debt obligations where that option is deemed to be more cost-effective than a public offering of bonds. Eligible projects include any project within the Authority's legislative authorization. The program is expected to be cost-effective based on prevailing investor interest, applicable covenants, and market conditions. ~~This policy supersedes the 105 Policy Statement on Small Project~~Private Placement ~~Financing originally approved on May 20, 2009.as Resolution No. 1-90-2 and revised by Resolution 5-02-4 The Policy is being updated to better reflect current industry practices.~~

The following general guidelines shall apply to financings under this program:

1. The debt obligation will be in the form of a revenue note or notes issues and sold in a private placement to a financial institution or qualified institutional buyer (including an individual who has the knowledge and means to be an "accredited investor") as an exempt transaction under the Minnesota Securities Act, Section 80A.46(13) and regulations. A private placement of notes or interests therein to accredited investors or qualified institutional buyers is permitted in denominations of $100,000 or more. Upon request from the institution, lower denominations will be considered, but no lower than $25,000.
2. The revenue note will be secured by the general obligation of the borrowing institution ("Borrower") and, unless required by the purchaser of the note, no security interest in or mortgage lien on facilities is expected to be granted by the ~~institution~~Borrower to secure the note. A Negative Pledge may be used if agreed to by the ~~b~~Borrower. Unless required by the purchaser of the note, no debt service reserve or credit enhancement is expected to be pledged to the note. Standard provisions will be included in the loan documents, including representations and covenants relating to insurance and tax covenants.
3. No official statement or private placement memorandum or limited offering memorandum will be required~~issued or approved~~ by the Authority for a direct bank placement. A private placement memorandum (PPM) or limited offering memorandum (LOM) may be issued and approved by the Authority for financings marketed to a limited number of investors or subject to SEC Rule 144A. The borrowing institution may prepare a private placement or limited offering memorandum or other disclosure materials. The purchaser will be required to furnish an investment letter acknowledging receipt of information necessary for an investment decision and representing that the purchaser has purchased the note for ~~investment and~~investment without a view to distribution thereof.
4. No rating of the private placement or limited offering financing or revenue note is required.

5. The Authority will assign its interest in the loan agreement (except for its rights to fees, reimbursement and indemnity) to the trustee, or the purchasers ~~o~~from the placement agent on its behalf, who shall be responsible for administration of loan repayments and covenants and for keeping the bond registry. No trustee will be appointed by the Authority for a direct placement with a financial institution or bank.
6. Bond ~~counsel~~ Counsel for the Authority will prepare and make available standard financing documents, including the loan agreement, revenue note, assignment, and note purchase agreement. Any variations will be subject to the approval of the Authority. The form of application and the review and public hearing process are to be the same as for a standard bond financing. Upon submission of the application, the Authority's ~~bond~~ Bond ~~counsel~~ Counsel shall report on the eligibility of the Institution, the project, and other legal matters. The Authority or the Authority's ~~financial~~municipal advisor or the borrower's independent municipal advisor shall provide a financial report and a plan of finance to the effect that:
    A. The proposed financing appears to be feasible within the available resources of the institution.
    B. The proposed finance does not appear to violate existing covenants of prior debt financings of the institution.
    C. The proposed interest rates for the financial are not unreasonable, taking into account the current bond market and the private placement nature of the transaction.
7. The institution shall be responsible for payment of all fees, including fees of the placement agent, the institution's attorney, the Authority, and the Authority's financial advisor and bond counsel. Legal fees of attorneys representing the purchaser or the placement agent, if any, shall be paid by the institution, the purchaser or the placement agent, as they may agree. The Authority's fee will be consistent with the fee applicable to all Authority bonds, subject to any fee reductions approved by the Authority from time to time. The fee of the Authority's bond counsel shall be as established by the Attorney General from time to time. The fee of the Authority's financial advisor shall be established in the general agreement between the Authority and its financial advisor.

10-2022-01 Resolution Delegating Powers and Authority Relating to Private Placement Issues:



(2022) 10-2022-01 Resolution Delegati

105 Policy on Private Placement Financing

Policy Review Schedule: *Annual*
Created: May 20, 2009
Most Recent Policy Review: October 8, 2026

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2. The revenue note will be secured by the general obligation of the borrowing institution ("Borrower") and, unless required by the purchaser of the note, no security interest in or mortgage lien on facilities is expected to be granted by the Borrower to secure the note. A Negative Pledge may be used if agreed to by the Borrower. Unless required by the purchaser of the note, no debt service reserve or credit enhancement is expected to be pledged to the note. Standard provisions will be included in the loan documents, including representations and covenants relating to insurance and tax covenants.
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4. No rating of the private placement or limited offering financing or revenue note is required.
5. The Authority will assign its interest in the loan agreement (except for its rights to fees, reimbursement and indemnity) to the trustee, or the purchasers from the placement agent on its behalf, who shall be

responsible for administration of loan repayments and covenants and for keeping the bond registry. No trustee will be appointed by the Authority for a direct placement with a financial institution or bank.

6. Bond Counsel for the Authority will prepare and make available standard financing documents, including the loan agreement, revenue note, assignment, and note purchase agreement. Any variations will be subject to the approval of the Authority. The form of application and the review and public hearing process are to be the same as for a standard bond financing. Upon submission of the application, the Authority's Bond Counsel shall report on the eligibility of the Institution, the project, and other legal matters. The Authority or the Authority's municipal advisor or the borrower's independent municipal advisor shall provide a financial report and a plan of finance to the effect that:
    A. The proposed financing appears to be feasible within the available resources of the institution.
    B. The proposed finance does not appear to violate existing covenants of prior debt financings of the institution.
    C. The proposed interest rates for the financial are not unreasonable, taking into account the current bond market and the private placement nature of the transaction.
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10-2022-01 Resolution Delegating Powers and Authority Relating to Private Placement Issues:



(2022) 10-2022-01 Resolution Delegati

The Minnesota Star Tribune

HEALTH CARE

Warning from Minnesota hospitals: The financial crisis is arriving

The effects of last year's One Big Beautiful Bill are expected to show in 2027, when uninsured patients could push Minnesota hospitals deeper into the red and reduce rural health care access.

By Jeremy Olson
The Minnesota Star Tribune

OCTOBER 20, 2026 AT 3:54PM



Dr. Jia-Shyuan Su talks to nurses at a nursing station at United Hospital District in Blue Earth, which has relied on a family-medicine physician model to keep childbirth services there. (Elizabeth Flores/The Minnesota Star Tribune)

Minnesota hospital leaders fear 2027 will be the year when a crisis becomes an emergency, as federal budget cuts push small-town facilities to close.

Hospital leaders gathered at the State Capitol on Tuesday, ahead of the midterm elections and the next legislative session, to warn that state or federal policy changes are needed to preserve access

to hospital care across rural Minnesota.

“By the time a hospital closes, it’s already way too late,” said Dr. Rahul Koranne, chief executive of the Minnesota Hospital Association.

Onamia’s hospital almost ran out of money this year because of a federal payment glitch, while Madelia’s hospital leaned on lines of credit from local banks to make payroll. Faribault’s hospital stopped scheduling childbirths in a cost-cutting move, meaning for the first time that the majority of Minnesota’s rural hospitals don’t provide this service.

The old tricks to stay afloat won’t work in 2027, when federal cuts begin to remove thousands of Minnesotans from government-subsidized health plans and leave them uninsured, Koranne said. Hospitals’ financial reserves will be drained if they absorb the cost of more uninsured patients, he said.

By the numbers. Minnesota has not yet seen the hospital closure crisis that has hit other states in part because it uses the federal critical-access program to boost government reimbursements to its smallest, most vulnerable hospitals. Minnesota, with 76 critical-access hospitals, ranks fourth behind Texas, Iowa and Kansas.

Only St. Joseph’s Hospital in St. Paul and Mayo Clinic Springfield have closed outright recently, although others such as Regina Hospital in Hastings have surrendered their licenses and become freestanding campuses of larger hospitals.

The latest state financial data shows 31 Minnesota hospitals are financially distressed, meaning they lost money on operations in four of the last eight years. That means a quarter of the state’s hospitals are closure risks.

Hospital leaders are concerned about the growing prevalence of patients with low-paying, government-subsidized insurance programs, which cover two-thirds of people seeking emergency or inpatient care.

Hospitals had relied on patients covered by private insurance to generate enough money to offset losses from Medicaid, the government health program for people with disabilities or low incomes that pays well below what it costs to treat patients. Now, there are fewer privately insured patients to offset those losses.

Our reporting shows. Hospital leaders celebrated Minnesota’s $705 million bailout of HCMC in Minneapolis that preserved the state’s largest trauma center. Other than that, they have endured a string of disappointments.

They beat a deadline last year to apply for a tax-financing system that would boost federal payments to hospitals, only for President Donald Trump’s One Big Beautiful Bill to negate much of the projected benefit.

That law created grants for rural hospitals to invest in new technologies and programs, including $193 million for Minnesota this year. But the grants have yet to be awarded, and many hospitals hesitated over the opportunity because it requires them to spend money they don’t have up-front, and be reimbursed later.

Lobbyists also failed this year to convince state lawmakers to preserve a program that allows hospitals to purchase drugs at a discount and pocket the profits by billing insurers full price when the prescriptions are filled at participating pharmacies. Hospital leaders still have a chance to convince lawmakers next year to preserve the so-called 340B program, which nets them more than $1 billion per year.

What it means. Tuesday's gathering highlighted four hospitals experiencing different levels of strain.

Winona Health Services is a midsize hospital that is too big for critical-access benefits and suffered double-digit percentage operating losses in 2023 and 2024. Community Memorial Hospital in Cloquet is financially distressed as well, and has suspended childbirth services because of staffing shortages despite providing simulation training to the rest of the state.

On the other hand, United Hospital District in Blue Earth has relied on a family-medicine physician model to draw patients and increase the number of women giving birth at the hospital. Lakewood Health System in Staples gained local financing to expand its cancer center with the expectation of growing need.

The messages from leaders of the four hospitals were the same, though.

"The formula isn't working anymore," said Rick Ash, United's chief executive.



Rick Ash, chief executive of United Hospital District in Blue Earth, at the podium, joined with colleagues from three other rural Minnesota hospitals on Oct. 20 to raise concerns about cost pressures threatening their viability. (Jeremy Olson)

What's next. Lawmakers must weigh hospitals' warnings against already rising costs, and the reality that medical bills are paid by Minnesotans through their tax dollars or health insurance premiums and copays.

Small hospitals were ripe for mergers 20 years ago with health systems such as Mayo, which was eager to broaden its network across southeast Minnesota and drive patients to its flagship hospital in Rochester for specialty care.

But large health systems aren't eager to acquire small hospitals now. Three proposed or completed mergers in Minnesota reflect the urgency instead for large hospitals to band together to strengthen their financial positions ahead of federal cuts.

The pressure on hospitals is "unlike anything I've ever seen," said Rick Breuer, chief executive of Community Memorial, which recently stopped providing home care, cardiology and other services.

Winona is facing the closure next March of its money-losing dialysis unit, which stayed open for the past three years only because of a $3 million donation to save it, said Rachelle Schultz, Winona's chief executive.

"A gift from a neighbor is not a stable financing system," she said.

The Minnesota Star Tribune
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David Fields • 3rd+
CEO, AcquiOS | AI-powered CRE underwriting | Ex-Eisner Family ...
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Oct 14

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The first baby boomers turned 80 this year. Senior housing has barely any new supply coming to meet them.

The demand side is a sure thing. Census projects the 80+ population will grow from 14.7m in 2025 to nearly 23m by 2035, and to 29.4m by 2045. Everyone who'll be 80 in 2045 has already been born.

Very few forecasts in CRE are that safe.

The supply side:

→ Senior housing inventory grew 0.4% over the past year, the fifth straight quarter under 1%. Assisted living has historically grown more than 3% a year.

→ Units under construction across the top 99 metros have dropped below 24,000, their lowest since 2012.

→ It takes about two years to go from breaking ground to opening a location, and starts haven't picked up. Real new supply can't arrive before 2030.

And occupancy is already responding. It just crossed 90% for the first time since 2007, and asking rents are up 4.6% year over year.

Run it forward to 2030. The 80+ population is projected to grow about 28% by then. If the share of 80+ seniors living in senior housing holds steady, the 31 largest markets need roughly 180,000 more occupied units.

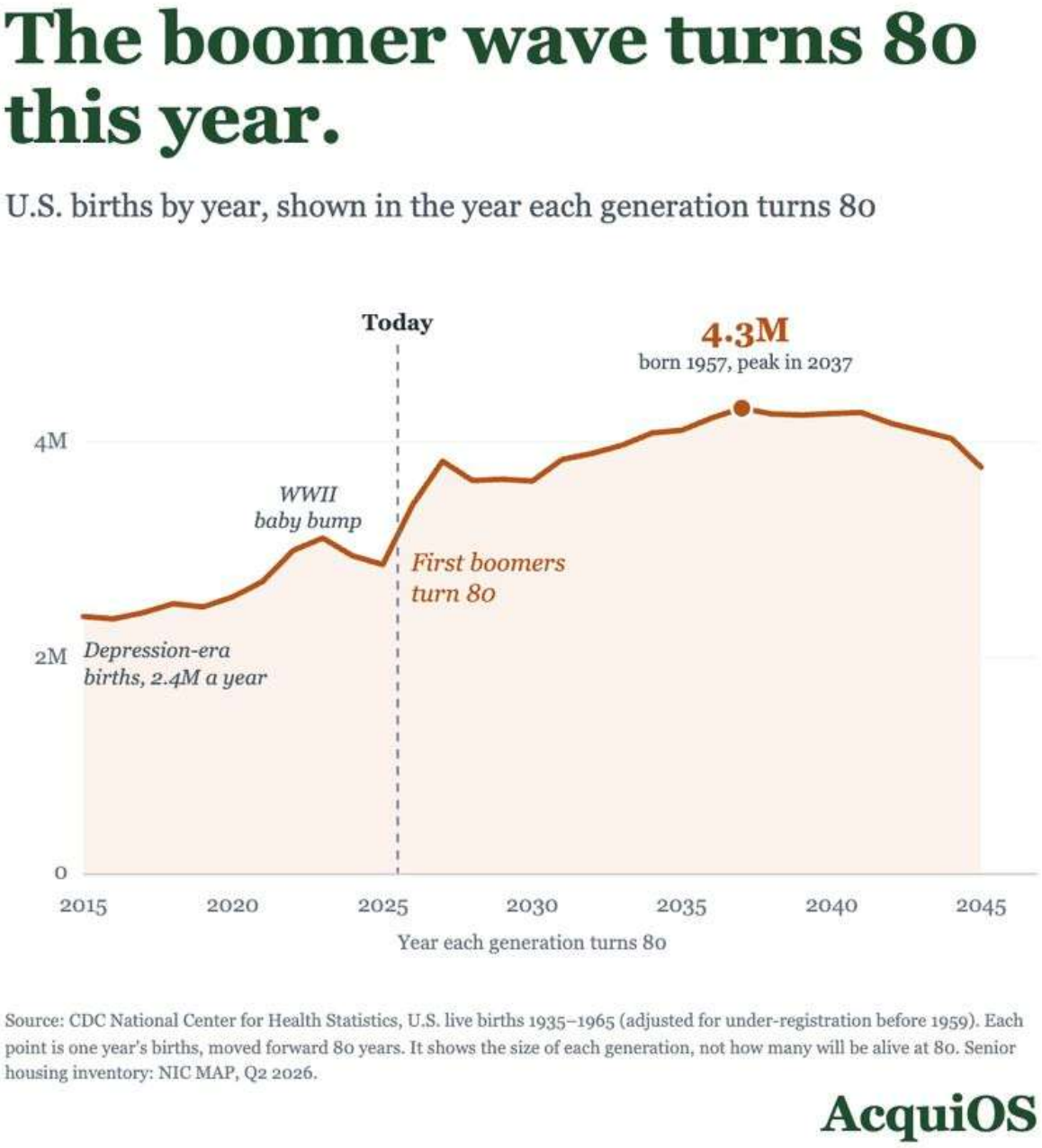
Fewer than 24,000 are under construction. So demand up and supply steady, which means values up.

A lot of that is already baked in. Per-unit transaction prices are at or near record highs, so you're not getting the demographic thesis for free.

Which is more reason to underwrite the area, not the national headline.

1. How fast is the 80+ population growing within a few miles of the site?
2. What's under construction or entitled in that same radius?
3. Can local incomes, or the adult children helping pay, carry rents that rise 4–5% a year?

Is your senior housing model riding the wave, or just paying for it?



October 14, 2026 David Fields, AcquiOS CEO LinkedIn post link:

https://www.linkedin.com/posts/davidrfields_shared-image-share-7516219950601261056-7eVm/?utm_source=social_share_send&utm_medium=ios_app&rcm=ACoAAANRL74Br0UaWjCzZbAYZiXXhhGJvk2zy0M