

**EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE CITY OF FALCON HEIGHTS, MINNESOTA**

HELD: MARCH 10, 2021

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Falcon Heights, Minnesota was duly held in the City of Falcon Heights, Minnesota, on Wednesday, March 10, 2021, at 7:00 P.M.

The following members were present: *Gustafson, Miazga, Andrews,
Leehy, Wehyee*

and the following were absent:

During said meeting *Miazga* introduced the following resolution and moved its adoption:

**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

February 10, 2021

No. 21-13

**RESOLUTION APPROVING THE ISSUANCE AND SALE OF A
SENIOR HOUSING AND HEALTHCARE REVENUE NOTE, SERIES 2021C AND
AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING THERETO
(NEW HARMONY PROJECT)**

WHEREAS,

(a) Minnesota Statutes, Chapter 462C, as amended (the "Act"), particularly Section 462C.05, subdivision 7, authorizes cities to issue revenue obligations to finance or refinance a program for the purposes of planning, administering, making, or purchasing loans with respect to a combination of a multifamily housing development and health care facility as defined in Minnesota Statutes, Section 469.153;

(b) The City Council of the City of Falcon Heights, Minnesota (the "City") has received from New Harmony Care Center, Inc. (the "Borrower"), a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), the sole member of which is Elim Care, Inc. ("Elim"), a Minnesota nonprofit corporation, the sole member of which is Cassia ("Cassia"), a Minnesota nonprofit corporation, a proposal that the City, along with the

City of Hampton, Minnesota ("Hampton"), the City of Landfall Village, Minnesota ("Landfall Village"), and the City of Little Canada, Minnesota ("Little Canada" and, together with the City, Hampton, and Landfall Village, the "Issuers"), undertake a program to finance the Project (as defined below) through the issuance of revenue notes, revenue bonds, or other obligations, in one or more series pursuant to the Act and in connection therewith the following described notes are to be issued: (i) City of Hampton, Minnesota Senior Housing and Healthcare Revenue Note (New Harmony Project), Series 2021A (the "Hampton Note"), (ii) City of Landfall Village, Minnesota Senior Housing and Healthcare Revenue Note (New Harmony Project), Series 2021B (the "Landfall Village Note"), (iii) City of Falcon Heights, Minnesota Senior Housing and Healthcare Revenue Note (New Harmony Project), Series 2021C (the "Falcon Heights Note" and, together with the Hampton Note and the Landfall Village Note, the "Senior Notes"), and (iv) City of Little Canada, Minnesota Subordinate Senior Housing And Healthcare Revenue Bonds (New Harmony Project) , Series 2021D (the "Subordinate Bonds" and, together with the Senior Notes, the "Series 2021 Obligations"), with the Senior Notes to be issued in an aggregate principal amount not to exceed \$28,000,000 and the Subordinate Bonds to be issued in an aggregate principal amount not to exceed \$8,000,000;

(c) The City desires to facilitate the selective development of the community, retain and improve the tax base and help to provide the range of services and employment opportunities required by the population, including senior housing and healthcare facilities; and the Project will assist the City in achieving those objectives and will enhance the image and reputation of the community;

(d) The Project to be financed by the Series 2021 Obligations consists of (i) financing the acquisition, construction, and equipping of a new senior healthcare and housing facility, including approximately 48 skilled nursing beds, 16 transitional skilled nursing beds, 35 independent apartment units, 36 assisted living apartment units, 14 memory care apartment units, and 12 care suite apartment units (the "Facility"), to be located at 1534 County Road C East in the City of Maplewood, Minnesota (the "Host City"); (ii) funding any required reserve funds; and (iii) paying all or a portion of the costs of issuance (collectively, the "Project"). The Facility will be owned and operated by the Borrower;

(e) The City has been advised by representatives of the Borrower that, with the aid of municipal financing, and its resulting lower borrowing cost, the Project is economically more feasible;

(f) Based on representations of the Borrower and due inquiry by the City, no public official of the City has either a direct or indirect financial interest in the Project nor will any public official either directly or indirectly benefit financially from the Project; and

(g) In connection with the issuance of the Series 2021 Obligations, it is proposed that the Issuers and the Host City enter into a Joint Powers Agreement (the "Joint Powers Agreement") pursuant to Minnesota Statutes, Section 471.59, a proposed form of which has been presented to the City Council in connection with its consideration of this Resolution, and is currently on file in the offices of the City Administrator;

(h) The Series 2021 Obligations, as and when issued, will not constitute a charge, lien, or encumbrance upon any property of the Issuers or the Host City, and will not be a charge against the general credit or taxing powers of the Issuers or the Host City;

(i) A public hearing on the Project was held on March 10, 2021, after notice was published and materials made available for public inspection at the City Hall, all as required by the Act and Section 147(f) of the Code, at which public hearing all those appearing who desired to speak were heard and written comments were accepted.

BE IT RESOLVED by the City Council of the City as follows:

SECTION 1. LEGAL AUTHORIZATION AND FINDINGS.

1.1 Findings. The City hereby finds, determines and declares as follows:

(a) The City is a municipal corporation and a political subdivision of the State of Minnesota and is authorized under the Act to assist the Project and to issue and sell the Falcon Heights Note, as hereinafter defined, for the purpose, in the manner and upon the terms and conditions set forth in the Act and in this Resolution.

(b) The issuance and sale of the Falcon Heights Note by the City, pursuant to the Act, is in the best interest of the City, and the City hereby determines to issue the Falcon Heights Note and to sell the Falcon Heights Note to Bremer Bank, National Association, a national banking association, or another banking institution with one or more locations in Minnesota (the "Lender"), as provided in an Agreement to Purchase (the "Purchase Agreement") to be entered into between the Borrower, the City, and the Lender. A draft of the Purchase Agreement has been submitted to the City Council. The City will loan the proceeds of the Falcon Heights Note (the "Loan") to the Borrower in order to finance the Project.

(c) Pursuant to a Loan Agreement (the "Loan Agreement") to be entered into between the City and the Borrower, the Borrower has agreed to repay the Falcon Heights Note in specified amounts and at specified times sufficient to pay in full when due the principal of, premium, if any, and interest on the Falcon Heights Note. In addition, the Loan Agreement contains provisions relating to the maintenance and operation of the Project, indemnification, insurance, and other

agreements and covenants which are required or permitted by the Act and which the City and the Borrower deem necessary or desirable for the financing of the Project. A draft of the Loan Agreement has been submitted to the City Council.

(d) Pursuant to a Pledge Agreement (the "Pledge Agreement") to be entered into between the City and the Lender, the City has pledged and granted a security interest in all of its rights, title, and interest in the Loan Agreement to the Lender (except for certain rights of indemnification and to reimbursement for certain costs and expenses). A draft of the Pledge Agreement has been submitted to the City Council.

(e) Pursuant to a Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Financing Statement (the "Mortgage") to be executed by the Borrower in favor of the Lender, the Borrower has secured payment of amounts due under the Loan Agreement and Falcon Heights Note by granting to the Lender a mortgage and security interest in the property described therein. A draft of the Mortgage has been submitted to the City Council. The City is not a party to the Mortgage.

(f) Pursuant to a Subordination and Intercreditor Agreement (the "Subordination Agreement") to be executed by the trustee for the Subordinate Bonds and the Lender, as purchaser of the Senior Notes, the liens held by the Lender as security for each of the Senior Notes are considered to be in parity with each other and the trustee for the Subordinate Bonds has agreed to subordinate all of the Borrower's obligations to the trustee and all security therefor to the rights of the Lender. A draft of the Subordination Agreement has been submitted to the City Council. The City is not a party to the Subordination Agreement.

(g) Pursuant to a Guaranty Agreement (the "Guaranty") to be executed by Elim, as guarantor (the "Guarantor"), in favor of the Lender, the Guarantor will guaranty repayment of the Senior Notes and amounts due by the Borrower under the related loan agreements (including the Loan Agreement). A draft of the Guaranty has been submitted to the City Council. The City is not a party to the Guaranty.

(h) Pursuant to a Disbursement Agreement (the "Disbursement Agreement") to be entered into between the Lender, the trustee for the Subordinate Bonds, a disbursing agent named therein, and the Borrower, the proceeds of the Series 2021 Obligations will be disbursed to or on behalf of the Borrower for the Project. A draft of the Disbursing Agreement has been submitted to the City Council. The City is not a party to the Disbursing Agreement.

(i) A copy of the proposed form of Joint Powers Agreement has been presented to the City Council in connection with its consideration of this Resolution, and has been submitted to the City Council.

(j) The Falcon Heights Note will be a special, limited obligation of the City. The Falcon Heights Note shall not be payable from or charged upon any funds other than the revenues pledged to the payment thereof, nor shall the City be subject to any liability thereon. No holder of the Falcon Heights Note shall ever have the right to compel any exercise of the taxing power of the City to pay the Falcon Heights Note or the interest thereon, nor to enforce payment thereof against any property of the City. The Falcon Heights Note shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation.

(k) Nothing in this resolution or the documents prepared pursuant hereto shall authorize the expenditure of any municipal funds on the Project other than the revenues derived from the Project or otherwise granted to the City for this purpose. The Falcon Heights Note shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property or funds of the City except the revenue and proceeds pledged to the payment thereof, nor shall the City be subject to any liability thereon. The holder of the Falcon Heights Note shall never have the right to compel any exercise of the taxing power of the City to pay the outstanding principal on the Falcon Heights Note or the interest thereon, or to enforce payment thereon against any property of the City, except such property as may be expressly pledged for the security of the Falcon Heights Note. The Falcon Heights Note shall recite in substance that the Falcon Heights Note, including the interest thereon, is payable solely from the revenue derived from the Project and pledged to the payment thereof.

(l) On the basis of information available to the City it appears, and the City hereby finds, that the Project constitutes properties, real and personal, used or useful in connection with a multifamily housing and healthcare facility for the elderly within the meaning of the Act; that the Project furthers the purposes stated in the Act; that the availability of the financing under the Act and the willingness of the City to furnish such financing will be a substantial inducement to the Borrower to undertake the Project, and that the effect of the Project, if undertaken, will be to assist in the prevention of the emergence of blighted and marginal land, to help prevent chronic unemployment, to help the surrounding area retain and eventually improve the tax base, to provide the range of service and employment opportunities required by the population, to help prevent the movement of talented and educated persons out of the state and to areas within the State where their services may not be as effectively used, and to promote more intensive development and use of land within the City and surrounding communities, and to provide available adequate senior housing and healthcare facilities to residents of the State at a reasonable cost.

(m) It is desirable, feasible, and consistent with the objects and purposes of the Act to issue the Falcon Heights Note for the purpose of financing the costs of the Project.

SECTION 2. THE FALCON HEIGHTS NOTE.

2.1 Authorized Amount and Form of Falcon Heights Note. The Falcon Heights Note is hereby approved and shall be issued pursuant to this Resolution in substantially the form submitted to the City Council with such appropriate variations, omissions and insertions as are necessary and appropriate and are permitted or required by this Resolution, and in accordance with the further provisions hereof; and the total aggregate principal amount of the Falcon Heights Note that may be outstanding hereunder is expressly limited to \$8,000,000, unless a duplicate Note is issued pursuant to Section 2.7. The Falcon Heights Note shall bear interest at a variable rate as set forth therein.

2.2 The Falcon Heights Note. The Falcon Heights Note shall be dated as of the date of delivery to the Lender and shall be payable at the times and in the manner, shall bear interest at the rate, and shall be subject to such other terms and conditions as are set forth therein.

2.3 Execution. The Falcon Heights Note shall be executed on behalf of the City by the signatures of its Mayor and the City Administrator and shall be sealed with the seal of the City; provided that the seal may be intentionally omitted as provided by law. In case any officer whose signature shall appear on the Falcon Heights Note shall cease to be such officer before the delivery of the Falcon Heights Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if had remained in office until delivery. In the event of the absence or disability of the Mayor or the City Administrator such officers of the City as, in the opinion of the City Attorney, may act in their behalf, shall without further act or authorization of the City Council execute and deliver the Falcon Heights Note.

2.4 Delivery of Initial Note. Before delivery of the Falcon Heights Note there shall be filed with the Lender (except to the extent waived by the Lender) the following items:

- (1) an executed copy of each of the following documents:
 - (a) the Purchase Agreement;
 - (b) the Loan Agreement;
 - (c) the Pledge Agreement;
 - (d) the Mortgage;

- (e) the Guaranty;
 - (f) the Disbursement Agreement;
 - (g) the Joint Powers Agreement; and
 - (h) the Subordination Agreement;
- (2) an opinion of Counsel for the Borrower and Guarantor as prescribed by the Lender and Bond Counsel;
- (3) the opinion of Bond Counsel as to the validity and tax exempt status of the Falcon Heights Note;
- (4) 501(c)(3) determination letters from the Internal Revenue Service evidencing that the Borrower is exempt from income taxation under Section 501(c)(3) of the Code; and
- (5) such other documents and opinions as Bond Counsel may reasonably require for purposes of rendering its opinion required in subsection (3) above or that the Lender may reasonably require for the closing.

2.5 Disposition of Proceeds of the Falcon Heights Note. Upon delivery of the Falcon Heights Note to Lender, the Lender shall, on behalf of the City, disburse the proceeds of the Falcon Heights Note for payment of Project Costs in accordance with the terms of the Loan Agreement and the Disbursement Agreement.

2.6 Registration of Transfer. The City will cause to be kept at the office of the City Administrator a Note Register in which, subject to such reasonable regulations as it may prescribe, the City shall provide for the registration of transfers of ownership of the Falcon Heights Note. The Falcon Heights Note shall be initially registered in the name of the Lender and shall be transferable upon the Note Register by the Lender in person or by its agent duly authorized in writing, upon surrender of the Note together with a written instrument of transfer satisfactory to the City Administrator, duly executed by the Lender or its duly authorized agent. The following form of assignment shall be sufficient for said purpose.

For value received _____ hereby sells, assigns and transfers unto _____ the within Note of the City of Falcon Heights, Minnesota, and does hereby irrevocably constitute and appoint _____ attorney to transfer said Note on the books of said City with full power of substitution in the premises. The undersigned certifies that the transfer is made in accordance with the provisions of Section 2.9 of the Resolution authorizing the issuance of the Note.

Dated: _____

Registered Owner

Upon such transfer the City Administrator shall note the date of registration and the name and address of the new Lender in the applicable Note Register and in the registration blank appearing on the Note.

2.7 Mutilated, Lost or Destroyed Note. In case the Falcon Heights Note issued hereunder shall become mutilated or be destroyed or lost, the City shall, if not then prohibited by law, cause to be executed and delivered, a new Note of like outstanding principal amount, number and tenor in exchange and substitution for and upon cancellation of such mutilated Note, or in lieu of and in substitution for such Note destroyed or lost, upon the Lender's paying the reasonable expenses and charges of the City in connection therewith, and in the case of a Note destroyed or lost, the filing with the City of evidence satisfactory to the City with indemnity satisfactory to it. If the mutilated, destroyed or lost Note has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Note prior to payment.

2.8 Ownership of Falcon Heights Note. The City may deem and treat the person in whose name the Falcon Heights Note is last registered in the Note Register and by notation on the Falcon Heights Note whether or not such Note shall be overdue, as the absolute owner of such Note for the purpose of receiving payment of or on account of the Principal Balance, redemption price or interest and for all other purposes whatsoever, and the City shall not be affected by any notice to the contrary.

2.9 Limitation on Note Transfers. The Falcon Heights Note will be issued to an "accredited investor" and without registration under state or other securities laws, pursuant to an exemption for such issuance; and accordingly the Falcon Heights Note may not be assigned or transferred in whole or part, nor may a participation interest in the Falcon Heights Note be given pursuant to any participation agreement, except to another "accredited investor" or "financial institution" in accordance with an applicable exemption from such registration requirements and with full and accurate disclosure of all material facts to the prospective purchaser(s) or transferee(s).

2.10 Issuance of a New Note. Subject to the provisions of Section 2.9, the City shall, at the request and expense of the Lender, issue a new note, in aggregate outstanding principal amount equal to that of the Falcon Heights Note surrendered, and of like tenor except as to number, principal amount, and the amount of the periodic installments payable thereunder, and registered in the name of the Lender or such transferee as may be designated by the Lender.

SECTION 3. GENERAL COVENANTS.

3.1 Payment of Principal and Interest. The City covenants that it will promptly pay or cause to be paid the principal of and interest on the Falcon Heights Note at the place, on the dates, solely from the source and in the manner provided herein and in the Falcon Heights Note. The principal and interest are payable solely from and secured by revenues and proceeds derived from the Loan Agreement, the Pledge Agreement and the Mortgage, which revenues and proceeds are hereby specifically pledged to the payment thereof in the manner and to the extent specified in the Falcon Heights Note, the Loan Agreement, the Pledge Agreement and the Mortgage; and nothing in the Falcon Heights Note or in this Resolution shall be considered as assigning, pledging or otherwise encumbering any other funds or assets of the City.

3.2 Performance of and Authority for Covenants. The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Resolution, the Loan Agreement, and the Falcon Heights Note executed, authenticated and delivered hereunder and in all proceedings of the City Council pertaining thereto; that it is duly authorized under the Constitution and laws of the State of Minnesota including particularly and without limitation the Act, to issue the Falcon Heights Note authorized hereby, pledge the revenues and assign the Loan Agreement in the manner and to the extent set forth in this Resolution, the Falcon Heights Note, the Loan Agreement, the Pledge Agreement, and the Mortgage; that all action on its part for the issuance of the Falcon Heights Note and for the execution and delivery thereof has been duly and effectively taken; and that the Falcon Heights Note in the hands of the Lender is and will be a valid and enforceable special limited obligation of the City according to the terms thereof.

3.3 Enforcement and Performance of Covenants. The City agrees to enforce all covenants and obligations of the Borrower under the Loan Agreement, upon request of the Lender and being indemnified to the satisfaction of the City for all expenses and claims arising therefrom, and to perform all covenants and other provisions pertaining to the City contained in the Falcon Heights Note and the Loan Agreement and subject to Section 3.4.

3.4 Nature of Security. Notwithstanding anything contained in the Falcon Heights Note, the Loan Agreement, the Pledge Agreement, the Mortgage, or any other document referred to in Section 2.4 to the contrary, under the provisions of the Act the Falcon Heights Note may not be payable from or be a charge upon any funds of the City other than the revenues and proceeds pledged to the payment thereof, nor shall the City be subject to any liability thereon, nor shall the Falcon Heights Note otherwise contribute or give rise to a pecuniary liability of the City or, to the extent permitted by law, any of the City's officers, employees and agents. No holder of the Falcon Heights Note shall ever have the right to compel any exercise of the taxing power of the City to pay the Falcon Heights Note or the interest thereon, or to enforce payment thereof against any property of the City other than the revenues pledged under the Pledge Agreement; and the Falcon Heights Note shall not constitute a charge, lien or encumbrance, legal or

equitable, upon any property of the City; and the Falcon Heights Note shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation; but nothing in the Act impairs the rights of the Lender to enforce the covenants made for the security thereof as provided in this Resolution, the Loan Agreement, the Pledge Agreement, and the Mortgage, and in the Act, and by authority of the Act the City has made the covenants and agreements herein for the benefit of the Lender; provided that in any event, the agreement of the City to perform or enforce the covenants and other provisions contained in the Falcon Heights Note, the Loan Agreement, the Pledge Agreement, and the Mortgage, shall be subject at all times to the availability of revenues under the Loan Agreement sufficient to pay all costs of such performance or the enforcement thereof, and the City shall not be subject to any personal or pecuniary liability thereon.

3.5 Qualified Tax Exempt Obligation. In order to qualify the Falcon Heights Note as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations;

(a) the Falcon Heights Note is not treated as a “private activity bond” under Section 265(b)(3) of the Code;

(b) the City hereby designates the Falcon Heights Note as a qualified tax-exempt obligation for purposes of Section 265(b)(3) of the Code;

(c) the reasonably anticipated amount of tax-exempt obligations (other than obligations described in clause (ii) of Section 265(b)(3)(C) of the Code) which will be issued by the City (and all entities whose obligations will be aggregated with those of the City) during the calendar year 2021 will not exceed \$10,000,000;

(d) not more than \$10,000,000 of obligations issued by the City during the calendar year 2021 have been designated for purposes of Section 265(b)(3) of the Code; and

(e) the aggregate face amount of the Falcon Heights Note does not exceed \$10,000,000.

SECTION 4. MISCELLANEOUS.

4.1 Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or

paragraphs in this Resolution contained shall not affect the remaining portions of this Resolution or any part thereof.

4.2 Authentication of Transcript. The officers of the City are directed to furnish to Bond Counsel certified copies of this Resolution and all documents referred to herein, and affidavits or certificates as to all other matters which are reasonably necessary to evidence the validity of the Falcon Heights Note. All such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute recitals of the City as to the correctness of all statements contained therein.

4.3 Authorization to Execute Agreements. The forms of the proposed Joint Powers Agreement, Purchase Agreement, Loan Agreement, and the Pledge Agreement are hereby approved in substantially the form presented to the City Council, together with such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by Bond Counsel prior to the execution of the documents. The Mayor and the City Administrator of the City are authorized to execute the Purchase Agreement, Joint Powers Agreement, the Loan Agreement, the Pledge Agreement, and such other documents as Bond Counsel consider appropriate in connection with the issuance of the Falcon Heights Note, in the name of and on behalf of the City. In the event of the absence or disability of the Mayor or the City Administrator such officers of the City as, in the opinion of the City Attorney, may act on their behalf, shall without further act or authorization of the City Council do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers. The execution of any instrument by the appropriate officer or officers of the City herein authorized may be by electronic signature if such an option is available and shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. For purposes of this paragraph: (i) "electronic signature" means a manually signed original signature, an electronic image of a handwritten signature, or a digital signature provided by DocuSign, Adobe Sign, or any other electronic signature provider acceptable to the parties, which in each case is transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a PDF (i.e. portable document format) or other replicating image attached to an electronic mail or internet message.

4.4 Housing Program. The City Council hereby approves the housing program with respect to the Project, in the form attached hereto as Exhibit A.

Adopted by the City Council of the City of Falcon Heights, Minnesota, this 10th day of March, 2021.


The motion for adoption of the foregoing resolution was duly seconded by member _____ and, after full discussion thereof, and upon a vote being taken thereof, the following voted in favor thereof:

and the following voted against same:

Moved by:

Miazga

Approved by:


Randall C. Gustafson
Mayor

GUSTAFSON	<u>5</u>	In Favor
MIAZGA		
ANDREWS	<u>Ø</u>	Against
LEEHY		
WEHYEE		

Attested by:


Sack Thongvanh
City Administrator

STATE OF MINNESOTA
COUNTY OF RAMSEY
CITY OF FALCON HEIGHTS

I, the undersigned, being the duly qualified and acting City Administrator of the City of Falcon Heights, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council duly called and held on the date therein indicated, insofar as such minutes relate to a resolution authorizing the issuance of a revenue note.

WITNESS my hand this 11 day of March, 2021.



City Administrator

EXHIBIT A

CITY OF HAMPTON, MINNESOTA
CITY OF LANDFALL VILLAGE, MINNESOTA
CITY OF FALCON HEIGHTS, MINNESOTA
CITY OF LITTLE CANADA, MINNESOTA

HOUSING FINANCE PROGRAM
NEW HARMONY PROJECT

This housing finance program is undertaken by the City of Hampton, Minnesota, the City of Landfall Village, Minnesota, the City of Falcon Heights, Minnesota, and the City of Little Canada, Minnesota, with or without the assistance of another Minnesota municipality and pursuant to a joint powers agreement (collectively, the "Cities"), for a Project, hereinafter described, to be located within the City of Maplewood, Minnesota (the "Host City"). The Project will be financed, in part, by the issuance of one or more series of revenue notes or other obligations (the "Notes") and one or more series of subordinate bonds or other obligations (the "Bonds" and, together with the Notes, the "Obligations") pursuant to Minnesota Statutes, Chapter 462C, as amended (the "Act"), by the Cities and in accordance with separate loan agreements (the "Loan Agreements") between each of the Cities and New Harmony Care Center, Inc. (the "Borrower"), a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), the sole member of which is Elim Care, Inc., a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Code, the sole member of which is Cassia, a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Code.

The project will consist of (i) financing the acquisition, construction, and equipping of a new senior healthcare and housing facility, including approximately 48 skilled nursing beds, 16 transitional skilled nursing beds, 35 independent apartment units, 36 assisted living apartment units, 14 memory care apartment units, and 12 care suite apartment units, to be located at 1534 County Road C East (the "New Harmony Facilities") in the Host City, (ii) funding any required reserve funds, and (iii) paying all or a portion of the costs of issuance (collectively, the "Project"). The New Harmony Facilities are and will be owned and operated by the Borrower.

The New Harmony Facilities were designed and are intended for residency solely by elderly and disabled persons, and consequently, no income limits apply under the Act or other state law. The New Harmony Facilities consist of the following beds and units:

Skilled Nursing:

<u>Number of Beds</u>	<u>Square Footage</u>	<u>Estimated Rents/Fees</u>
48	381-690 ft	Varies based on each resident's acuity

<u>Number of Beds</u>	<u>Square Footage</u>	<u>Estimated Rents/Fees</u>
16	381-621 ft	Varies based on each resident's acuity

Independent:

<u>Types of Units</u>	<u>Square Footage</u>	<u>Estimated Rents/Fees</u>
1 BR/1 BA (18 units)	714 ft	\$2,350
1 BR + den/1 BA (11 units)	724-770 ft	\$2,550
2 BR/1-2 BA (6 units)	997-1,248 ft	\$3,350

Assisted Living:

<u>Types of Units</u>	<u>Square Footage</u>	<u>Estimated Rents/Fees</u>
Studio (20 units)	419-490 ft	\$3,500
1 BR /1 BA (16 units)	701-714 ft	\$4,250

Memory Care:

<u>Types of Units</u>	<u>Square Footage</u>	<u>Estimated Rents/Fees</u>
Studio (13 units)	419-464 ft	\$6,400
Studio (1 unit)	570 ft	\$6,500

Care Suites

<u>Types of Units</u>	<u>Square Footage</u>	<u>Estimated Rents/Fees</u>
Studio (12 units)	419-598 ft	\$6,500

The Cities will issue the Obligations in one or more series of tax-exempt and/or taxable obligations to finance the Project in an aggregate principal amount of Obligations not to exceed \$36,000,000, with the principal amounts of Notes to be issued by the City of Hampton, Minnesota and the City of Landfall Village, Minnesota each expected not to exceed \$10,000,000, the principal amount of Notes to be issued by the City of Falcon Heights, Minnesota expected not to exceed \$8,000,000, and the aggregate principal amount of Bonds to be issued by the City of Little Canada, Minnesota expected not to exceed \$8,000,000. The Borrower will be required, pursuant to the Loan Agreements, to make payments sufficient to pay when due the principal of, premium, if any, and interest on the Obligations. The Obligations may be structured so as to take advantage of whatever means are available or necessary and are permitted by law to enhance the security for and marketability of the Obligations. Substantially all of the net proceeds of the Obligations (the initial principal amount thereof, less amounts deposited in reasonably required reserves or paid out as costs of issuance of the Obligations) will be used to pay the costs of the Project, including any functionally related and subordinate facilities.

Because the Borrower is an organization described in Section 501(c)(3) of the Code, no allocation of authority to issue tax-exempt bonds is required pursuant to Minnesota Statutes, Chapter 474A. The Obligations will be issued pursuant to Section 462C.05, subdivision 7 of the Act because the New Harmony Facilities will consist of a combined multifamily housing development and health care facility as defined in Minnesota Statutes, Section 469.153, and will be payable primarily from revenues of the New Harmony Facilities. The multifamily housing development is designed and used for rental occupancy primarily by the elderly.

Issuance of the Obligations is anticipated to occur in the spring of 2021.

The Project will be carried out in accordance with applicable land use and development restrictions, and any new construction is subject to applicable state and local building codes. The Project is not inconsistent with any Housing Plan adopted by the Cities under Minnesota Statutes, Chapter 462C. The Borrower will be required to operate the New Harmony Facilities in accordance with state and local anti-discrimination laws and ordinances.

The Cities have adequate existing capacity to administer, monitor, and supervise the Project, although the Cities have reserved the right to contract with other public agencies or private parties for these purposes.

The costs of the Project and the program of financing the Project, including specifically the costs of the Cities, generally will be paid or reimbursed by the Borrower.

Adopted by the City of Falcon Heights, March 10, 2021

Adopted by the City of Landfall Village, _____, 2021

Adopted by the City of Hampton, _____, 2021

Adopted by the City of Little Canada, _____, 2021