

**CITY OF ST. FRANCIS, MINNESOTA  
CITY OF NOWTHEN, MINNESOTA  
CITY OF HAM LAKE, MINNESOTA**

**JOINT HOUSING PROGRAM FOR A  
MULTIFAMILY HOUSING DEVELOPMENT**

**VISTA PRAIRIE AT EAGLE POINTE, LLC**

Section A. The Project, the Issuers, and the Notes. Pursuant to the Constitution and laws of the State of Minnesota, particularly Minnesota Statutes, Chapter 462C, as amended (the “Act”), cities and other political subdivisions of the State of Minnesota are authorized to carry out the public purposes described therein and contemplated thereby in the financing of multifamily housing developments by issuing revenue bonds or obligations to defray, in whole or in part, the development costs of a multifamily housing development, and by entering into any agreements made in connection therewith and by pledging any such agreements as security for the payment of the principal of and interest on any such revenue bonds or obligations.

A multifamily housing development financed under the Act may consist of a multifamily housing development combined with a new or existing health care facility if: (i) the multifamily housing development is designed and intended to be used for rental occupancy; (ii) the multifamily housing development is designed and intended to be used primarily by elderly or physically handicapped persons; and (iii) nursing, medical, personal care, and other health-related, assisted-living services are available to the residents on a twenty-four (24) hour basis in the multifamily housing development.

Cities and other political subdivisions of the State of Minnesota are authorized to issue obligations to finance the acquisition or improvement of real property located outside of the corporate boundaries of such cities or other political subdivisions if the obligations are issued under a joint powers agreement, whether issued by a joint powers board or by one or more of the parties to the joint powers agreement, and the property is located entirely within the boundaries of one or more of the parties to the joint powers agreement.

Vista Prairie at Eagle Pointe, LLC, a Minnesota limited liability company, or any of its affiliates (collectively, the “Borrower”), the sole member of which is Governmental and Educational Assistance Corporation, an Arkansas nonprofit corporation doing business as Vista Prairie Communities, has requested the participation of the City of St. Francis, Minnesota (the “City of St. Francis”), the City of Nowthen, Minnesota (the “City of Nowthen”), and the City of Ham Lake, Minnesota (the “City of Ham Lake,” and collectively with the City of St. Francis and the City of Nowthen, the “Issuers”) in financing the acquisition, construction, and equipping of an approximately 134-unit senior living community, including approximately 59 independent living units and one guest suite for visitors, 43 assisted living units, 8 assisted living care suites, and 24 memory care units, to be located at 23440 Ambassador Boulevard NW in the City of St. Francis (the “Project”).

The Issuers are authorized and empowered, pursuant to the Act, to carry out the public purposes described in the Act to finance, in whole or in part, the Project. At the request of the Borrower, the Issuers propose to enter into a Cooperative Agreement (the “Cooperative Agreement”), pursuant to the provisions and conditions of Minnesota Statutes, Sections 471.59 and 471.656, as amended. Under the terms of the Cooperative Agreement, the City of St. Francis will consent to the issuance of revenue bonds by the City of Nowthen and the City of Ham Lake to finance a portion of the costs of the Project.

In accordance with the requirements of Section 462C.04 of the Act, as a condition to the issuance of revenue bonds or obligations under the Act to finance the Project, a housing program must be prepared and approved with respect to the Project and the revenue bonds or obligations proposed to be issued to undertake such activities, and the housing program must be submitted to Metropolitan Council for review and comment.

Pursuant to Section 462C.04, subdivision 2 of the Act, each of the Issuers must (i) establish a date for a public hearing with respect to the housing program and the proposal to issue revenue bonds or obligations pursuant to the terms of the housing program; (ii) publish a notice of a public hearing in a newspaper of general circulation in the jurisdiction of the Issuer at least fifteen (15) days prior to the date established by each Issuer for the public hearing; and (iii) conduct the public hearing with respect to the housing program and the proposal of each Issuer to issue revenue bonds or obligations pursuant to the terms of the housing program and the Act to finance a portion of the Project.

This Joint Housing Program for a Multifamily Housing Development (the “Housing Program”) is proposed to be undertaken by the Issuers at the request of the Borrower with respect to the Project in accordance with the terms of the Act. The Project will be owned by the Borrower. The representations herein are based entirely on representations or other information provided to the Issuers by or on behalf of the Borrower. The Issuers have not independently investigated the accuracy of the representations of the Borrower.

The revenue bonds or obligations proposed to be issued by the City of St. Francis under the Act (the “St. Francis Notes”) are expected to be issued in one or more series of tax-exempt or taxable obligations in the estimated principal amount not to exceed \$11,000,000. The revenue bonds or obligations proposed to be issued by the City of Nowthen under the Act (the “Nowthen Notes”) are expected to be issued in one or more series of tax-exempt or taxable obligations in the estimated principal amount not to exceed \$10,000,000. The revenue bonds or obligations proposed to be issued by the City of Ham Lake under the Act (the “Ham Lake Notes,” and collectively with the St. Francis Notes and the Nowthen Notes, the “Notes”) are expected to be issued in one or more series of tax-exempt or taxable obligations in the estimated principal amount not to exceed \$10,000,000. Each of the Issuers will conduct a public hearing with respect to the proposed issuance of its respective Note or Notes to finance a portion of the Project. The Notes are expected to be issued by the Issuers in spring of 2024. The proceeds derived from the sale of the Notes are proposed to be loaned to the Borrower pursuant to the terms of a loan agreement with each of the Issuers, the proceeds of which will be applied to (i) finance the costs of the Project; (ii) fund any required reserves; (iv) finance capitalized interest if necessary; and (iv) pay certain costs of issuance of the Notes. The Borrower will agree in each of the loan agreements to make loan repayments in amounts sufficient to pay the principal of, premium, if any, and interest on the Notes when due. The estimated cost of the activities described in items (i) through (iv) hereof may change between the date of approval of this Housing Program and the date of issuance of the Notes but will not exceed \$31,000,000.

In determining to undertake the financing of the Project, the Issuers have each considered the information available, including information concerning the population, housing stock and economic climate of the Twin Cities metropolitan area, and the Issuers have determined that the issuance of the Notes by the Issuers and the financing of the Project are in the best interests of the public health, safety, and welfare of the people of the State of Minnesota.

Section B. Housing Program. The Issuers are establishing this Housing Program to assist in financing the Project at a cost and upon such other terms and conditions as may be determined by the Issuers in accordance with the Act.

The Notes will be secured by the loan repayments to be made by the Borrower under the terms of the loan agreements, and the obligation of the Borrower to make the loan repayments will be secured by a mortgage lien on the land and buildings comprising the Project and other facilities owned and operated by the Borrower, a pledge of the leases and rents to be derived from the Project, a security interest in the fixtures and equipment financed as a part of the Project, or such security as may be required by the owner of the Notes. If agreed to by the original purchaser of the Notes and the Borrower, the loan repayments may also be secured by a guaranty agreements of the Borrower or a related party. In the event the revenues and other security pledged to the payment of the loan repayments are not sufficient to pay the principal of, premium, if any, and interest on the Notes when due, the owners of the Notes will bear the loss.

The Notes will not constitute a general or moral obligation of the Issuers or the City of Bloomington, will not be secured by the taxing powers of the Issuers, will not be secured by any property of the Issuers, and will not be secured by any property of the Issuers except the interests of the Issuers in the loan agreements. The St. Francis Notes will be special, limited obligations of the City of St. Francis payable solely from the Borrower's revenues. The Nowthen Notes will be special, limited obligations of the City of Nowthen payable solely from the Borrower's revenues. The Ham Lake Notes will be a special, limited obligations of the City of Ham Lake payable solely from the Borrower's revenues.

Section C. Local Contributions to the Housing Program. The issuance of the Notes for the Project is expected to allow the Issuers to finance the Project at a lower interest cost than is otherwise available.

Section D. Standards and Requirements Relating to the Project Pursuant to the Housing Program. The following standards and requirements shall apply with respect to the operation of the Project:

(1) Substantially all of the proceeds of the Notes will be applied to the financing of the costs of the Project, the funding of any required reserves, the financing of capitalized interest, if necessary, and the payment of the costs of issuance of the Notes. The resolutions authorizing the issuance of the Notes and the loan agreement pursuant to which the proceeds of the Notes are to be loaned to the Borrower will include certain covenants to be made by the Issuers and the Borrower regarding the use of proceeds and by the Borrower regarding the character and use of the Project.

(2) The Borrower will covenant that it will not arbitrarily reject an application from a proposed tenant because of race, color, creed, religion, national origin, sex, marital status, or status with regard to public assistance or disability.

(3) The dwelling units of the Project will be occupied by, or held for occupancy by, elderly persons.

The Borrower will enter into agreements requiring compliance throughout the term of the Notes (or for such longer period as may be required by law) with the requirements of state law. The Project is consistent with the Issuers' plans for housing development. The Borrower will be required to operate the Project in accordance with state and local anti-discrimination laws and ordinances.

Section E. Severability. The provisions of this Housing Program are severable, and if any of its provisions, sentences, clauses, or paragraphs shall be held unconstitutional, contrary to statute, exceeding the authority of the Issuers, or otherwise illegal or inoperative by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions.

Section F. Amendment. While the Notes are outstanding, the Issuers shall not amend this Housing Program to the detriment of the holders of such obligations. The Issuers may amend this Housing Program,

to the extent authorized by law and the contractual obligations of the Issuers to the extent the Issuers deem such amendment to be in the best interests of the Issuers, the Project, and the owner of the Notes.

Section G. State Ceiling. All or a portion of the Notes (the “Tax-Exempt Notes”) shall be issued as “qualified 501(c)(3) notes” pursuant to Section 145 of the Internal Revenue Code of 1986, as amended, the interest on which is not includable in gross income for federal income tax purposes and which is not includable in taxable net income for individuals, estates, and trusts for State of Minnesota income tax purposes (subject to certain qualifications). None of the state ceiling for private activity bonds is required to be allocated to the Tax-Exempt Notes.