

\$17,070,000 City of Red Wing, Minnesota Senior Housing Facility Revenue Bonds (Benedictine Living Community of Northfield LLC Project) Series 2018A	\$725,000 City of Red Wing, Minnesota Taxable Senior Housing Facility Revenue Bonds (Benedictine Living Community of Northfield LLC Project) Series 2018A-T
\$2,500,000 City of Red Wing, Minnesota Subordinate Senior Housing Facility Revenue Bonds (Benedictine Living Community of Northfield LLC Project) Series 2018B	

COOPERATIVE AGREEMENT

THIS COOPERATIVE AGREEMENT, dated June __, 2018 (the “Cooperative Agreement”), is made and entered into by and between the CITY OF NORTHFIELD, MINNESOTA, a municipal corporation organized under the laws of the State of Minnesota (the “Host City”), and the CITY OF RED WING, MINNESOTA, a municipal corporation organized under the laws of the State of Minnesota (the “Issuer City”).

RECITALS

WHEREAS, Benedictine Living Community of Northfield LLC, a Minnesota nonprofit limited liability company (the “Borrower”), whose sole member is Benedictine Health System, a Minnesota nonprofit and tax-exempt organization (“BHS”), has proposed that the Issuer City issue one or more series of revenue obligations to finance the acquisition and construction of a 97 unit independent living, assisted living and memory care facility to be located adjacent to and immediately to the west of Northfield Hospital and Clinics located at 2000 North Avenue, Northfield, Minnesota, which will be operated by the Borrower (the “Project”); and

WHEREAS, pursuant to Minnesota Statutes, Section 471.656, as amended, a municipality may issue obligations to finance the acquisition or improvement of property located outside of the corporate boundaries of such municipality if the obligations are issued under a joint powers agreement in which one or more of the parties to the joint powers agreement issue such obligations and the property is located entirely within the boundaries of one or more of the parties to the joint powers agreement; and

WHEREAS, pursuant to Minnesota Statutes, Section 471.59, as amended, by the terms of a joint powers agreement entered into through action of their governing bodies, two municipalities may jointly or cooperatively exercise any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised. The joint powers agreement may provide for the exercise of such powers by one or more of the participating governmental units on behalf of the other participating units; and

WHEREAS, the Host City and the Issuer City are authorized by Minnesota Statutes, Chapter 462C, as amended (the “Act”), the Issuer is authorized to issue revenue bonds financing and refinancing

the acquisition, construction, rehabilitation, and equipping of land, buildings and other improvements that are suitable for residential rental property for dwelling units; and

WHEREAS, the Host City and the Issuer City are proposing to enter into this Cooperative Agreement pursuant to which the Host City will consent to the issuance of such revenue obligations and the financing of the Project by the Issuer City, and the Issuer City will agree to issue such revenue obligations to finance the Project; and

WHEREAS, the revenue obligations proposed to be issued by the Issuer City for the benefit of the Borrower shall not constitute general or moral obligations of, or pledge the full faith and credit or taxing powers of, the Host City, the Issuer City, the State of Minnesota, or any other agency or political subdivision thereof, but shall be payable solely from the revenues pledged and assigned thereto pursuant to one or more agreements between the Issuer City and the Borrower; and

WHEREAS, the governing body of the Host City and the governing body of the Issuer City have authorized the execution and delivery of this Cooperative Agreement; and

NOW, THEREFORE, the Host City and the Issuer City hereby agree as follows:

1. The Issuer City shall issue its Senior Housing Facilities Revenue Bonds (Benedictine Living Community of Northfield LLC Project Project), Series 2018A (the “Series 2018A Bonds”), in the original aggregate principal amount of \$17,070,000, its Taxable Senior Housing Facility Revenue Bonds (Benedictine Living Community of Northfield LLC Project Project), Series 2018A-T (the “Series 2018A-T Bonds”), in the original aggregate principal amount of \$725,000, and its Subordinate Senior Housing Facilities Revenue Bonds (Benedictine Living Community of Northfield LLC Project Project), Series 2018B (the “Series 2018B Bonds”), in the original aggregate principal amount of \$2,500,000 (the “Series 2018B Bonds” together with the “Series 2018A Bonds” and the “Series 2018A-T Bonds, the “Series 2018 Bonds”). The Bonds are to be issued under the terms of a resolution adopted by the City Council of the Issuer City on May 14, 2018 (the “Resolution”). Proceeds of the Bonds, along with equity of the Borrower, will be used to (i) finance the acquisition of the Project; (ii) fund capitalized interest during the construction of the Project; (iii) fund one or more reserve funds for the Bonds; and (iv) pay the costs of issuance of the Bonds.

2. The Host City and the Issuer City have each conducted a public hearing with respect to the Project. In accordance with the Act, on May 14, 2018 the Issuer City held a duly noticed public hearing and adopted a housing program for the Project (the “Housing Program”) and the Host City and the Issuer City agree that the Housing Program is the Housing Program for the Project.

3. The Host City and the Issuer City have each adopted a resolution approving this Cooperative Agreement and authorizing its execution and delivery.

4. The Host City hereby consents to and approves (i) the issuance of the Bonds by the Issuer City; and (ii) the financing of the Project by the Issuer City with the proceeds of the Bonds to be issued by the Issuer City.

5. Except to the extent specifically provided herein, the Host City and the Issuer City shall not incur any obligations or liabilities to each other as a result of the issuance of the Bonds. The Bonds shall be a special, limited obligation of the Issuer City payable solely from proceeds, revenues, and other amounts specifically pledged to the payment of the Bonds. The Bonds and the interest thereon shall not constitute or give rise to a pecuniary liability, general or moral obligation, or a pledge of the full faith and

credit or taxing powers of the Host City, the Issuer City, the State of Minnesota, or any political subdivision of the above, within the meaning of any constitutional or statutory provisions.

6. All costs incurred by the Host City and the Issuer City in the authorization, execution, delivery, and performance of this Cooperative Agreement and all related transactions shall be paid by the Borrower.

7. This Cooperative Agreement may not be terminated by any party so long as the Bonds are outstanding.

8. This Cooperative Agreement may be amended by the Host City and the Issuer City at any time. No amendment may impair the rights of the Borrower or the holders of the Bonds.

9. This Cooperative Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same agreement.

IN WITNESS WHEREOF, duly authorized officers of the Host City and the Issuer City have executed this Cooperative Agreement as of the date and year first written above.

CITY OF NORTHFIELD, MINNESOTA,
as Host City

By _____
Its Mayor

By _____
Its City Administrator

Execution page of the Issuer City to the Cooperative Agreement, dated as of the date and year first written above.

CITY OF RED WING, MINNESOTA,
as Issuer City

By _____
Its Mayor

By _____
Its City Clerk