

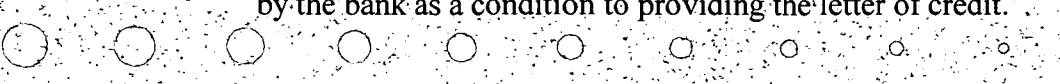


# CAPITAL COMMENTARY

from MN Higher Education Facilities Authority

Vol. 5 No. 3

*Brief reviews of financings recently completed by the Minnesota Higher Education Facilities Authority.*

- Borrower/Issue:** University of St. Thomas, *Series Five-L*
- Financing Vehicle:** Revenue Bonds
- Project:** The bonds, together with approximately \$12 million of University funds, will finance the construction of a four-story building to house the law school at the Minneapolis campus. The bonds will also be used to refund the 2016 term bond representing the entire outstanding principal of the Series Three-C Bonds originally issued in 1991 to finance Terrence Murphy Hall at the Minneapolis campus.
- Issue Amount:** \$25,845,000
- Placement Method:** Public sale, on a negotiated basis, underwritten by RBC Dain Rauscher Inc. and Wells Fargo Brokerage Services, LLC as co-managing underwriters.
- Term of Financing:** 25 years
- Structure:** Term bond maturing in 2027. Interest only payments to bondholders until maturity.
- Interest Rate:** Variable interest rate, reset weekly, with interest payable to bond holders monthly. The University has the one-time option to convert to fixed interest rates.
- Rating:** Moody's A2 with a stable outlook for the University's existing rated debt. Bonds rated VMIG1 (short term) and Aaa (long term) on the combined strength of the letter of credit and the University.
- Date of Settlement:** April 25, 2002
- Highlights:** The issue was structured as a variable rate issue secured by a letter of credit of Allied Irish Bank p.l.c. New York Branch. Bondholders may tender their bonds for purchase by the University on any business day. If any tendered bonds cannot be remarketed, then the bank as the third party liquidity provider will purchase the bonds. The University has agreed to prepay the principal in annual installments according to a schedule approved by the bank as a condition to providing the letter of credit.
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