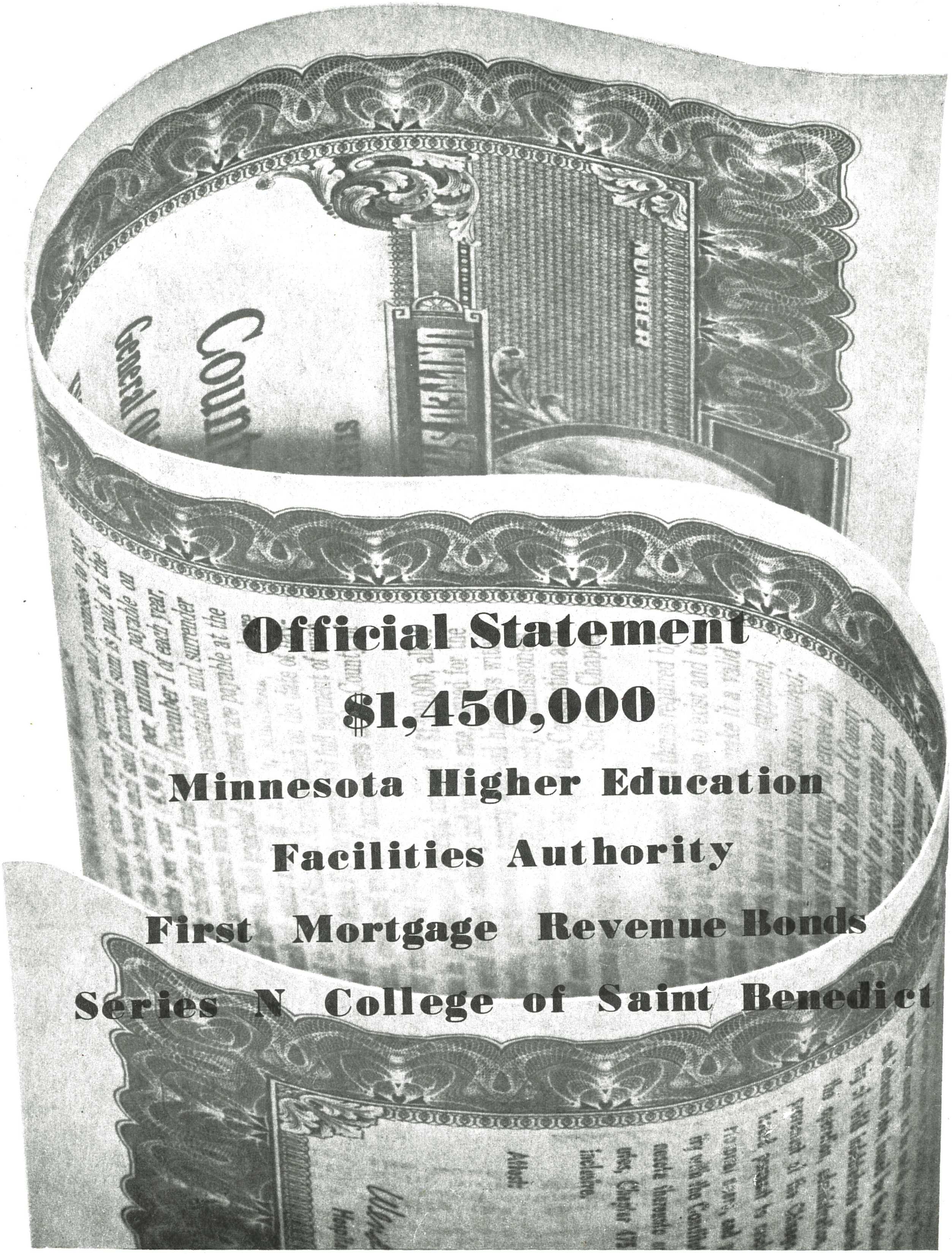

Official Statement

$1,450,000

Minnesota Higher Education Facilities Authority

First Mortgage Revenue Bonds

Series N College of Saint Benedict

SALE: April 8, 1975, at 11:00 A.M.
For Award at 3:00 P.M., of the same day.

SPRINGSTED INCORPORATED MUNICIPAL CONSULTANTS
SUITE 813 OSBORN BUILDING · SAINT PAUL, MINNESOTA 55102 · (612) 227-8318

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NOTE: Anyone wishing further information directly from the College may contact:

Mr. Michael Fritz, Finance Officer
612/363-5509

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Bernard P. Friel, Chairman
Member, Briggs and Morgan Professional Association, Lawyers, St. Paul

Robert W. Freson, Vice Chairman
City Administrator, Rochester

Richard C. Hawk, Secretary
Executive Director, Minnesota Higher Education Coordinating Commission

Earl R. Herring
Vice President for Administrative Affairs, Moorhead State College

James Schatz
Lawyer, Doherty, Rumble & Butler, St. Paul

There currently are two vacancies.

Dr. Joseph E. LaBelle, Executive Director

OFFICIAL NOTICE OF BOND SALE

$1,450,000
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
FIRST MORTGAGE REVENUE BONDS, SERIES N
(COLLEGE OF SAINT BENEDICT)

Bids will be received Tuesday, April 8, 1975, 11:00 A.M., at the Authority's Offices, Metro Square Building, St. Paul, Minnesota, for award at 3:00 P.M. of the same day on the following terms:

DATE OF INTEREST

The Bonds will be dated May 1, 1975. Interest will be payable November 1, 1975, and each May 1, and November 1, thereafter.

TYPE AND PURPOSE

The Bonds will be negotiable coupon, special obligations of the Authority, payable solely, and only, out of Project revenues and other income, charges and moneys to be produced and received, including rentals under the Lease between the Authority and the College relative to the ownership and operation of the Project for which the proceeds of this issue will be issued in denominations of $5,000 each and may be registrable as to principal, or principal and interest, according to the terms of the Mortgage Trust Indenture relative to the issue. The Bonds are being issued to construct, furnish and equip a new student residence facility for the College of Saint Benedict.

MATURITIES AND REDEMPTION

November 1, in the years and amounts as follows:

$35,000 in 1976,
$40,000 in 1977 and 1978,
$45,000 in 1979 and 1980,
$50,000 in 1981 and 1982,
$55,000 in 1983,
$60,000 in 1984,
$65,000 in 1985 and 1986,
$70,000 in 1987,
$75,000 in 1988,
$80,000 in 1989,
$85,000 in 1990,
$90,000 in 1991,
$95,000 in 1992,
$100,000 in 1993, and
$305,000 in 1994, all years inclusive.

At the option of the Issuer all Bonds maturing in the years 1988 to 1994 inclusive shall be subject to prior payment in direct order of serial numbers on November 1, 1987 and any interest payment date thereafter at a price of par and accrued interest, except that all Bonds are subject to redemption at par and accrued interest on any interest payment date, as a whole, but not in part, in case of damage, destruction or taking of the Project to the extent provided in the Mortgage Trust Indenture and in case of the Institution's exercise of its option of purchase pursuant to Section 10.02 of the Lease.

CUSIP NUMBERS

If, within three working days after the award of the Bonds, the Purchaser in writing requests that CUSIP identification numbers be printed on the Bonds and agrees to be responsible for the CUSIP Service Bureau charge for the assignment of said numbers, they will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds.

PAYING AGENT AND TRUSTEE

The Paying Agent may be named by the Successful Bidder, subject to the Authority's approval, which may be assumed unless the Bidder is notified to the contrary within 48 hours after the Authority has received notice of the Bidder's selection. The College will pay the charges of the paying agent customarily made by it to similar users of its services. An alternate paying agent may be named subject to the consent of the Authority and provided that there shall be no additional expense to the Authority or the College by reason thereof.

Prior to the receipt of bids the College, with the consent of the Authority, will name a Trustee with whom the Authority will enter into a Mortgage Trust Indenture relative to this issue. Upon request to the office of the Authority's Executive Director, the name of the Trustee will be available on or before April 1, 1975.

DELIVERY

Within 40 days after award, subject to the unqualified approving legal opinion of Messrs. Faegre & Benson of Minneapolis, Minnesota, and customary closing papers, including a statement of non-litigation. Bond printing and legal opinion will be paid for by the Issuer. Delivery will be at a place of the Purchaser's choice. Payment must be made in Federal Funds, or equivalent immediately available funds, on day of delivery. Legal opinion will be printed on the Bonds.

TYPE OF BID

Sealed bids for not less than $1,406,500 plus accrued interest on the entire principal amount of Bonds from the date of the Bonds to date of delivery must be filed with the undersigned prior to time of sale, together with a certified or cashier's check in the amount of $29,000, payable to the order of the Minnesota Higher Education Facilities Authority, to be retained as liquidated damages if the bidder fails to comply with the accepted bid.

RATES

All rates must be in integral multiples of 5/100th or 1/8th of 1%. All Bonds of the same maturity must bear a single rate from date of issue to maturity. No rate of any maturity may be more than 1/2% lower than the highest rate carried by any of the preceding maturities. Additional coupons may not be used. There is no rate limit.

AWARD

Award will be made on the basis of lowest dollar interest cost, determined by the addition of any discount or deduction of any premium from the total interest on all Bonds from their date to their stated maturity. The Issuer reserves the right to reject any and all bids, to waive informalities and to adjourn the sale.

Dated: February 25, 1975

BY ORDER OF THE MINNESOTA HIGHER
EDUCATION FACILITIES AUTHORITY

/s/ Richard C. Hawk
Secretary

NOTE: The Official Notice of Sale published in Commercial West March 8, 1975 incorrectly stated that "...Bids for not less than $1,249,300..." will be received. The correct amount is $1,406,500. Also, Bonds subject to prior payment will be in direct order of serial numbers.

YEAR	PRINCIPAL	BOND YEARS	CUMULATIVE BOND YEARS
1976	$ 35,000	52.5000	52.5000
1977	$ 40,000	100.0000	152.5000
1978	$ 40,000	140.0000	292.5000
1979	$ 45,000	202.5000	495.0000
1980	$ 45,000	247.5000	742.5000
1981	$ 50,000	325.0000	1067.5000
1982	$ 50,000	375.0000	1442.5000
1983	$ 55,000	467.5000	1910.0000
1984	$ 60,000	570.0000	2480.0000
1985	$ 65,000	682.5000	3162.5000
1986	$ 65,000	747.5000	3910.0000
1987	$ 70,000	875.0000	4785.0000
1988	$ 75,000	1012.5000	5797.5000
1989	$ 80,000	1160.0000	6957.5000
1990	$ 85,000	1317.5000	8275.0000
1991	$ 90,000	1485.0000	9760.0000
1992	$ 95,000	1662.5000	11422.5000
1993	$100,000	1850.0000	13272.5000
1994	$305,000	5947.5000	19220.0000

AVERAGE MATURITY: 13.26 Years

DATED: May 1, 1975

INTEREST: November 1, 1975, and each May 1, and November 1, thereafter.

MATURE: November 1, 1976-94, inclusive.

REDEMPTION: At the option of the Issuer all Bonds maturing on or after November 1, 1988, shall be subject to prior payment in direct order of serial numbers on November 1, 1987, and any interest payment date thereafter, at a price of par and accrued interest, except that all Bonds are subject to redemption at par and accrued interest on any interest payment date, as a whole, but not in part, in case of damage, destruction or taking of the Project to the extent provided in Section 6.15 of the Mortgage Trust Indenture and in case of the Institution's exercise of its option of purchase pursuant to Section 10.02 of the Lease.

Throughout this Official Statement the Minnesota Higher Education Facilities Authority shall also be referred to as the "Authority" and the College of Saint Benedict shall also be referred to as the "College" or as the "Institution".

THE AUTHORITY

The Minnesota Higher Education Facilities Authority was created by Chapter 868, Laws of Minnesota, 1971 (Sections 136A.25 – 136A.42, Minnesota Statutes 1974), for the purpose of assisting institutions of higher education of the State in the construction and financing of projects. The Authority consists of six members appointed by the Governor with the advice and consent of the Senate and a seventh member who is the Executive Director of the Minnesota Higher Education Coordinating Commission and who is designated as the Secretary of the Authority.

Originally the Authority was given power to issue revenue bonds in a total amount not to exceed $45 million. The 1973 Legislature increased this limit to an aggregate of $62 million of principal outstanding at any time. Bonds issued by the Authority can be payable only from the rentals, revenues and other income, charges and moneys pledged for their payment. They do not in any manner represent or constitute a debt or pledge of the faith and credit of the State of Minnesota.

By the provisions of Chapter 868, Laws of Minnesota, 1971 ". . .neither the authority nor its agent shall be required to pay any taxes or assessments upon or in respect of a project or any property acquired or used by the authority or its agent under the provisions of this act or upon the income therefrom. . ."

Educational institutions of the State eligible for assistance by the Authority are non-profit educational institutions authorized to provide a program of education beyond the high school level. Sectarian institutions are not eligible for assistance; however, the fact that an institution is sponsored by a religious denomination does not of itself make the institution sectarian. Application to the Authority is voluntary.

The scope of projects for which the Authority may issue bonds is broad, including buildings or facilities for use as student housing, academic buildings, parking facilities and other structures or facilities required or useful for the instruction of students, or conducting of research, in the operation of an institution of higher education.

A project for which bonds are issued by the Authority becomes the property of the Authority — as long as bonds of the Authority issued for the project remain outstanding. Thereafter they may be subject to repurchase options. The project is leased by the Authority to the institution for operation. The revenues which are the primary security for the bonds are provided according to the terms of the lease between the Authority and the institution. Prior to delivery of an issue the Authority enters into a mortgage trust indenture with a trustee who administers the funds which are the security for the payment of the bonds, except the funds of the General Bond Reserve Account. These are under the supervision of the Authority.

While the Authority retains broad powers to oversee planning and construction, it is current policy to permit the institution almost complete discretion with respect to these matters.

The Authority is financed solely from fees paid by the institutions for whom bonds are issued. At the time of issuance, and usually from bond proceeds, the Authority is paid one-third of one percent of the principal amount of the issue. Thereafter, commencing as of the date of issue and payable in advance, the Authority receives an annual fee of one-eighth of one percent of the original principal amount of the bonds for their original term so long as any of the bonds are outstanding.

The staff of the Authority consists of its Executive Director, Dr. Joseph E. LaBelle and one secretary.

Bond issuance costs, including fees of bond counsel, the fiscal consultant and trustee are paid by the institution. The fees of bond counsel and the fiscal consultant also usually come from bond proceeds.

As a general policy the Authority requires that the proceeds of the bonds include a sum equal to approximately one year's debt service, after deduction of any interest subsidy grants, for the creation of debt service reserves. Of this sum 80% is deposited with the trustee in a series reserve account; the remaining 20% is deposited by the Authority in the General Bond Reserve Account pledged to the payment of all bonds issued by the Authority for which such a deposit has been made.

PURPOSE OF ISSUE

The proceeds of the Issue will be used for the construction, furnishing and equipment of a new student residence facility for the College. The new, apartment-type, facility will house 200 students and two faculty residents.

BOND PROCEEDS USE

Bond Proceeds are expected to be expended as follows:

Construction, Fees & Furnishings		$1,200,000
Reserve:		
Series	$112,000[1]	
General	28,000[2]	
		140,000
Discount		43,500
Fees:		
Authority	$ 6,645.83	
Bond Issuance	12,125	
		18,770.83
Capitalized Interest		47,729.17
	Total	$1,450,000

[1]This sum will be deposited in the Series Debt Reserve Account at closing and will be available for debt service of these Bonds only.

[2]This sum will be deposited by the Authority in the General Bond Reserve Account to be available for debt service of all Bonds of the Authority for which a contribution has been made to the General Bond Reserve Account. To date the following contributions have been made:

$2,200,000	First Mortgage Revenue Bonds, Series A (Augsburg College)[1]		$ 31,743.60
$1,935,000	First Mortgage Revenue Bonds, Series B (Bethel College)[2]		34,082.00
$ 595,000	First Mortgage Revenue Bonds, Series C (St. Mary's College)[3]		9,000.00
$ 520,000	First Mortgage Revenue Bonds, Series D (College of St. Scholastica, Inc.)[4]		8,643.40
$1,030,000	First Mortgage Revenue Bonds, Series E (Gustavus Adolphus College)[5]		19,308.00
$1,610,000	First Mortgage Revenue Bonds, Series F (College of Saint Benedict)[6]		21,304.00
$8,450,000	First Mortgage Revenue Bonds, Series G (The Minneapolis Society of Fine Arts)[7]		220,000.00
$1,600,000	First Mortgage Revenue Bonds, Series I (Augsburg College)[8]		30,000.00
$ 340,000	First Mortgage Revenue Bonds, Series H (College of St. Scholastica, Inc.)[9]		6,000.00
$ 370,000	First Mortgage Revenue Bonds, Series J (College of Saint Benedict)[10]		7,000.00
$ 800,000	First Mortgage Revenue Bonds, Series K (College of St. Thomas)[11]		14,000.00
$2,280,000	First Mortgage Revenue Bonds, Series L (St. Mary's Junior College)[12]		47,667.70*
		Sub-Total	$448,748.70
		Earnings: (as of 3-10-75)	47,637.20
$ 690,000	First Mortgage Revenue Bonds, Series M (The College of Saint Catherine)[13]		12,000.00**
		This Issue[14]	28,000.00
		Total	$536,385.90

*This Issue is not settled yet but is expected to be prior to April 8, 1975.
**This Issue is being offered at the same time as the Issue for the College of Saint Benedict.

[1]Final maturity 2012.
[2]Final maturity 1997.
[3]Final maturity 1998.
[4]Final maturity 1997.
[5]Final maturity 1993.
[6]Final maturity 1998.
[7]Final maturity 1984.
[5]Final maturity 1995.
[9]Final maturity 1999.
[10]Final maturity 2002.
[11]Final maturity 1994.
[12]Final maturity 1994.
[13]Final maturity 1996.
[14]Final maturity 1994.

ESTIMATED GENERAL RESERVE COMPARISON WITH TOTAL DEBT SERVICE REQUIREMENTS OF ALL AUTHORITY BONDS AND REMAINING PRINCIPAL

Calendar Year	Authority Estimated General Reserve[1]	Total Debt Service[2]	Coverage By Reserves		(000 Omitted) Remaining Principal[3]	Percentage that General Reserves are to Remaining Principal
1975	$ 539,137.48	$ 1,386,178.13	0.389	times	$23,815	2.26%
1976	571,485.72	2,490,030	0.230		23,690	2.41%
1977	605,774.86	2,619,570	0.231		22,680	2.67%
1978	642,121.40	2,597,940	0.247		21,475	2.99%
1979	680,648.67	2,544,110	0.268		20,215	3.37%
1980	721.487.60	2,493,672.50	0.289		18,930	3.81%
1981	764,776.87	2,481,590	0.308		17,615	4.34%
1982	810,663.47	2,489,165	0.326		16,230	4.99%
1983	859,303.10	3,511,432.50	0.245		14,750	5.83%
1984	493,235.59	1,286,290	0.384		12,155	4.06%
1985	522,829.74	1,292,762.50	0.404		11,620	4.50%
1986	554,199.51	1,281,737.50	0.432		11,045	5.02%
1987	587,451.48	1,283,622.50	0.458		10,445	5.62%
1988	622,698.56	1,292,296.25	0.482		9,805	6.35%
1989	660,060.49	1,302,563.75	0.507		9,115	7.24%
1990	699,664.11	1,308,985	0.535		8,370	8.36%
1991	741,643.94	1,291,772.50	0.574		7,570	9.80%
1992	786,142.57	1,300,940	0.604		6,735	11.67%
1993	833,311.11	1,315,160	0.634		5,835	14.28%
1994	817,670.95	1,580,000	0.518		4,860	16.82%
1995	576,463.05	845,995	0.681		3,550	16.24%
1996	502,944.72	692,180	0.727		2,895	17.37%
1997	489,878.97	588,845	0.832		2,360	20.76%
1998	327,110.41	329,010	0.994		1,895	17.26%
1999	208,873.62	209,320	0.998		1,670	12.51%
2000	194,109.05	183,257.50	1.059		1,555	12.48%
2001	205,755.59	182,720	1.126		1,460	14.09%
2002	218,100.93	211,820	1.030		1,360	16.04%
2003	193,258.26	153,600	1.258		1,225	15.78%
2004	204,853.76	158,840	1.290		1,140	17.97%
2005	217,144.99	158,520	1.370		1,045	20.78%
2006	230,173.70	157,920	1.458		945	24.36%
2007	243,984.12	162,040	1.506		840	29.05%
2008	258,623.17	165,600	1.562		725	35.67%
2009	274,140.56	168,600	1.626		600	45.69%
2010	290,588.99	171,040	1.699		465	62.49%
2011	308,024.33	172,920	1.781		320	96.26%
2012	326,505.80	174,240	1.874		165	197.88%
	$19,558,790.33	$42,036,285.63				

[1]The amount of the estimated reserve has been computed as follows:

The principal contributions to the General Reserve of each issue have been added to the total Reserve balance as of the year they were made. Interest at the rate of 6% per annum on the entire balance, including interest, has been then added as of the end of each calendar year to produce the amount shown for the respective years as the sum of the Reserve at the beginning of the year. As of the end of the year of the final principal payment date of each Issue the amount of the Reserve contributed for the Issue, plus 6% per annum compounded on that amount from the year of the Issue to the end of the year in which the final payment is to be made, has been deducted. Investments of the General Reserve have to date been short-term. The actual rate of return cannot be predicted; the 6% has only been assumed.

[2]It has been assumed that the Issue of the Minneapolis Society of Fine Arts will be retired on the schedule of $800,000—1976; $900,000—1977-80; $950,000—1981; $1,000,000—1982, and $2,100,000—1983, although the Issue is not due until August 1, 1984. The foregoing schedule is that required if funds are available. No other prepayments of any Issues have been assumed. The debt shown is that which will fall due for all issues January 1, or after, of each calendar year. The $1,450,000 Series N Issue for the College of Saint Benedict and the $690,000, Series M Issue for The College of Saint Catherine have been included in these computations.

[3]The amount of principal remaining is the amount outstanding as of January 1, of each year, assuming no prepayments and the schedule of payments described in note 2 above for the bonds of the Minneapolis Society of Fine Arts.

In addition to the pledge of the General Reserve as security for all outstanding Authority Bonds each issue has its own series reserve approximating 80% of its average annual debt service.

COLLEGE OF SAINT BENEDICT

"Situated on an expansive, wooded campus, the College of Saint Benedict is seven miles from Saint Cloud. Since its foundation Saint Benedict's has grown as a religious community and a school. Today it is a convent with eight hundred sisters in education, health service and missions in the Bahamas, Puerto Rico, Japan and Taiwan; and a college with 1,250 women. In 1863, the Sisters of Saint Benedict transferred their Saint Cloud School for Girls to Saint Benedict's Academy in Saint Joseph.

"The institution expanded its program to college courses in 1913. The College adopted its present official name, The College of Saint Benedict in 1927, and obtained accreditation with the North Central Association of Colleges six years later.

"The College is separately incorporated; its affairs are placed under the Board of Trustees, comprised of laymen as well as Benedictine Sisters. Dr. Beverly W. Miller became the first lay woman president in the history of the College in 1974. Today the President's Council and the Parent's Council, made up primarily of lay men and women, advise and assist the president in matters of policy and development.

"Now with the growing enrollment at Saint Benedict's, Dr. Miller reasserts our shared purposes, 'We hope to make prominent in our daily lives our concerns for each other, our desire to respect and preserve the uniqueness of each individual who makes up this community dedicated in a special way to the Benedictine tradition. We live and work in joy as we share the goals, the successes, and the failures inherent in our mutual struggle for excellence of self and of institution. As we grow in openness and wisdom, we seek the humility that allows us truly to value the contributions of all.'

"The College of Saint Benedict is an academic community for undergraduate women. It maintains close cooperation with Saint John's University, a college for men. We are committed to providing an educational content and process in an environment that fosters liberal, Christian, Catholic education in a Benedictine setting. . .

"The increasingly close cooperation between Saint John's and Saint Benedict's has been one of the more interesting, significant and complicated features of academic life at either school in several years.

"There has always been cooperation among students of the two Colleges to some extent. But today in the students' eyes Saint John's and Saint Benedict's are coeducational. Last term, more than 1,000 attended classes on both campuses. Progressive coordination between the two schools is becoming not only logical, but imperative. The demands of lay faculty salaries and the rising cost of higher education have dictated that the two schools work closer together.

"The combined faculties now have greater scope and flexibility; the same applies to physical facilities.

"Students enjoy the advantages of both Colleges: the publication of a joint catalog; adoption of a joint 4-1-4 calendar; one Registrar's Office for both schools; unified library services; inter-campus shuttle bus service; cross-registration; and coordinated academic departments and programs." (Taken from 1974-75 Joint Catalog of College of Saint Benedict and St. John's University).

The College, accredited by the North Central Association of Colleges and Secondary Schools, offers the degrees of:

Bachelor of Arts
Bachelor of Science
Associate of Arts Degree
Bachelor of Arts in Liberal Studies
Bachelor of Arts without a designated major

Dr. Beverly Miller became president of the College in 1974. Dr. Miller obtained her B.A. degree at Western Reserve University, Cleveland, Ohio; her M. A. degree from Michigan State University and her Ph.D. from the University of Toledo. Prior to coming to Saint Benedict she was vice president of Mary Manse College at Toledo, Ohio, taught at the University of Toledo and was academic dean at Salve Regina College, Newport, R.I. She is the author of several publications including New Trends for Science Education published by the National Association for Research in Science Teaching, Silver Spring, Maryland, 1971. She is listed in the Who's Who – American Men of Science, the Who's Who of American Women and the International Who's Who In Community Service.

Dr. Miller in a letter dated January 10, 1975 to Dr. Joseph E. LaBelle, Executive Director of the Minnesota Higher Education Facilities Authority, wrote:

> "The College of Saint Benedict is an example of an independent college that has not only weathered the lean years of the 60's, but has been outstandingly successful in increasing student enrollment and building its endowment since then. The College has moved from a FTE student body of 533 in 1967 to a FTE population of 1,462 currently. This growth has been encouraged through sound admission counseling and true adherence to the philosophy of education and value system publicized in the Mission Statement of the institution.
>
> "Today those colleges that have been and have chosen to remain women's colleges have an increasing opportunity to serve their student bodies as the role of women in society becomes more active. While the number of 18 year olds graduating each year from secondary schools will soon start to decline sharply as the falling birth rate alters the population outlook, it is true that an increasing percent of women continues to seek higher education. We believe our additional programs in career counseling and education, our

growing Continuing Education Division geared to preparing older women to enter or re-enter the job market, and our emphasis on the development of general education competencies and flexibility for all graduates will serve women well as they prepare for more active public roles.

"Last summer the College was classified by HEW as an Advanced Developing Institution. This allowed us to compete successfully to be one of 36 colleges in the country to receive federal assistance to help us move faster and do more effectively those things we had previously determined were essential for our continued progress. The grant of 1.1 million dollars will be spent over the next five years to build a competency-based general education program, internships, and to establish a management information system for highly developed decision making function and long range planning. In addition, trustees and administrators will receive training in management skills, programmed budgeting, and objective delineation."

The membership of the Board of Trustees of the College of Saint Benedict is:

Carl D'Aquila
Executive Vice President
Mesabi Tire Company
Hibbing, Minnesota

Robert Colbert
Vice President, Trust Department
Northwestern National Bank
of Minneapolis, Minnesota

Sister Madonna Kuebelbeck
Psychiatric Mental Health Nursing
St. Cloud Hospital

Mrs. B. Howard Flanagan
Housewife
St. Cloud

Dr. Joseph B. Gaida, M.D.
Ophthalmologist,
St. Cloud

Philip Helland
Chancellor, Minnesota State
Junior Colleges
St. Paul

Sister Katherine Kraft
Director, Neuman Center
St. Cloud, Minnesota State College

Sister Jameen Mape
Administrator
Queen of Peace Hospital
New Prague, Minnesota

Donald McKay
Retired Contractor
Burnsville, Minnesota

Joseph G. Mulheran
Agency Manager
Great-West Life Assurance
Minneapolis

Sister Ruth Nierengarten
Director of Novices
The Sisters of the Order of Saint Benedict

Sister Henrita Osendorf
Former Prioress of the Sisters of the Order of Saint Benedict

Joseph L. Shiely, Jr.
Chairman of the Board,
J. L. Shiely Company
St. Paul

Sister Rosalinda Wagner
Sisters of Saint Benedict
Convent Business Office

The students of the College predominantly come from rural Minnesota and North and South Dakota (80% are from Minnesota). However, there are students from 17 foreign countries. The enrollment of the College is exclusively female, but, there are program exchanges with adjoining St. John's University which is an all men's institution. Approximately 85% of the students profess the Catholic faith.

Enrollments for the College have been, and are projected to be, by the College administration as follows:

	Year	Full-Time	Full-Time Equivalent
	1970	714	—
	1971	927	—
	1972	1,104	—
	1973	1,232	1,319*
	1974	1,280	1,462**
Projected	1975	1,310	1,475**
	1976	1,320	1,480**
	1977	1,330	1,480**
	1978	1,330	1,480**
	1979	1,330	1,480**

*Includes St. Cloud School of Nursing
**Includes St. Cloud School of Nursing and Continuing Education

A full-time student is defined as one who carries 12 or more semester credit hours per semester.

A full-time equivalent is defined as an accumulation of credits by a number of students to equal 12 semester credit hours.

In the Fall of 1975 the College will initiate an intergenerational living-learning center. The program will be an integrated life experience in an academic setting presupposing mutually stimulating and beneficial opportunities for youthful and aging students as they interact intellectually and socially in a collegiate atmosphere. Initially the older students of this program will be women 55 years or older. At the commencement of the program there will be a limit of 10 women in this category. They have been selected from 300 applications in response to a questionnaire by the College. Students in this two-year program will pay full tuition. The College anticipates that the program will be expanded and will become an important part of the College's academic offering.

Also commencing this fall will be an early childhood development program in which 35 children will be initially enrolled. This program is being financed by a Title III Grant from the Federal Department of Health Education and Welfare.

Tuition at Saint Benedict's for the current year is $1,980. This will be increased to $2,140 for the academic year 1975-76. Full board is currently $425 per year; this will be increased to $500 for the academic year 1975-76. See page 30 for room rates.

The College of Saint Benedict was incorporated as a Minnesota nonprofit corporation under the name "The College of St. Benedict" on October 9, 1961. On March 26, 1966 the name of the College was changed to "College of Saint Benedict". On May 5, 1969 the Articles of Incorporation were again amended at which time Article II of the Articles of Incorporation was restated to read as follows:

> "The College of Saint Benedict, founded by the Sisters of the Order of St. Benedict and conducted under their auspices, is a Catholic nonprofit institution of higher learning established and conducted to further the education of young people and adults without regard to race, creed or national origin, and to further the encouragement of learning and the extension of the means of education generally through teaching, research and community service."
>
> The bylaws of the College, adopted May 5, 1969, provide that "The property, affairs and business of the College shall be managed by its Board of Trustees." The bylaws further provide that at least one-half, plus one, of the members of the Board of Trustees shall at all times be members of the Sisters of the Order of Saint Benedict and of these members one shall at all times be the Prioress or her designate.

In a letter dated July 22, 1968 from Mr. George O. Lethert, District Director, Internal Revenue Service, the College was informed that:

> "Our records indicate that a group ruling was addressed to the National Catholic Welfare Conference (now the United States Catholic Conference) 1312 Massachusetts Avenue N.W., Washington, D.C. 20005 wherein it held (1) that the agencies and instrumentalities and the educational, charitable and religious organizations operated, supervised or controlled by or in connection with the Roman Catholic Church in the United States, its territories and possessions, whose names appear in the United States Edition of the Official Catholic Directory are entitled to exemption from Federal income tax as organizations described in section 501 (c)(3) of the Code;. . .
>
> "Your organization has been listed in the United States Edition of The Official Catholic Directory for a number of years, the most recent being the 1968 edition, page 715. Therefore, you are covered by the aforementioned group ruling addressed to the United States Catholic Conference and are exempt from Federal income tax under the provisions of section 501 (c)(3) of the Internal Revenue Code of 1954."

An important part of the fiscal structure of the College is the matter of "contributed services" furnished by the Sisters of the Order of St. Benedict. Although the College maintains bookkeeping entries which reflect salaries paid to the Sisters, commensurate with salaries which it might expect to pay to lay persons performing the same services, a substantial part of these salaries are in fact returned to the College as "contributed services".

As of December 10, 1974 the College administration reported the following data relative to the Sisters of the Order of Saint Benedict serving on the faculty or in the administration of the College:

	No.	Full-Time Equivalent	Avg. Age	Low Age	High Age	Total Salary	Contributed Services
Faculty:							
Professor Emeritus	5	1-2/7	75.6	72	84	$ 14,000	$ 9,449
Professors	6	5	58.3	50	66	95,532	78,372
Associate Professors	10	9-6/7	53.5	44	70	139,406	105,592
Assistant Professors	9	9	44.2	36	62	109,680	79,440
Instructors	11	10-4/7	42.3	33	50	102,128	65,785
Special	2	1-3/7	35.5	32	39	7,833	3,316
Sub-Total	43	37-1/7				$468,579	$341,954
Administration	16	14.43	51.1	37	70	177,468	127,466
Other	7	2.61	48.1	32	62	23,399	15,780
Total	66	54-1/7				$669,446	$485,200
Average Age of all except Professor Emeritus			48.7				

AGE GROUPING OF SISTER FACULTY AND STAFF, 1974-75

Age Group	Administration	Faculty	Other
31-35	-	3	2
36-40	3	5	1
41-45	1	11	-
46-50	5	6	1
51-55	1	4	-
56-60	4	3	1
61-65	1	4	2
66-70	1	2	-
71-75	-	4	-
84	-	1	-
Total	16	43	7

There are approximately 800 Sisters in the Order, 232 of whom currently reside in the Convent on the campus of the College. Last year 12 individuals became Sisters in the Order. In addition to the College the Sisters operate: (1) a hospital at Ogden, Utah; (2) a hospital, two nursing homes and an elementary and secondary school at St. Cloud, Minnesota; (3) St. Anastasia's School at Hutchinson, Minnesota; (4) Queen of Peace Hospital at New Prague, Minnesota; (5) nursing homes at Cold Spring, Albany and Staples, all in Minnesota; and (6) educational facilities in Japan, Taiwan, the Bahamas and Puerto Rico.

The Sisters of the Order of Saint Benedict are in no manner, directly or indirectly, responsible for the payment of these Bonds.

The College staff has prepared the following building and equipment evaluation showing June 30, 1974 book value and August, 1973 insurable value:

Description	Age	Use	Capacity	Book Value	Replaceable Value	Depreciated Insurance Value
St. Gertrude Hall	Pre-1900	Administration and Educational	Not Applicable	$ 870,005.00	$1,350,448.00	$ 963,121.00
St. Teresa's Hall	1913	Library and Residence	59	576,196.00	1,789,505.00	1,226,516.00
Mary Hall	1955-69	Residence	538	3,085,524.00	4,881,813.00	4,437,410.00
Gymnasium	1961	Educational	Not Applicable	170,953.00	287,792.00	255,897.00
Benedicta Art Center	1963	Educational	Not Applicable	3,169,091.00	5,085,992.00	4,660,178.00
Mobile Homes (A)	1971-72	Residence	99	198,289.00	-------	-------
Richarda Hall (B)	1961	Residence	111	15,440.00	15,440.00	15,440.00
Student Center (D)	1974	Auxiliary Enterprise	Not Applicable	250,638.00	250,638.00	250,638.00
Henrita Academic Building (B)	1961	Educational	Not Applicable	7,543.00	7,543.00	7,543.00
Apartments (D)	1971-72	Residence	270	1,330,948.00	1,293,009.00	1,280,433.00
Houses (two)	1931-50	Residence	14	34,535.00	34,535.00	34,535.00

Description	Age	Use	Capacity	Book Value	Replaceable Value	Depreciated Insurance Value
Pool	1973	Educational	Not Applicable	$ 530,794.00	$ 577,230.00	$ 577,230.00
Equestrian Facilities	1972	Educational	Not Applicable	$ 76,819.00	53,109.00	52,305.00
St. Ceceilia's Hall (C)	Pre-1900	Administrative	Not Applicable	86,539.00	86,539.00	86,539.00
Bookstore (Old) (C)	Pre-1900	Auxiliary Enterprise	Not Applicable	9,770.00	9,770.00	9,770.00
Education Building (C)	Pre-1900	Educational	Not Applicable	1,521.00	1,521.00	1,521.00
				$10,436,730.00	$15,747,009.00	$13,881,201.00

(A) To be removed from campus by August 1975; not included in evaluation.
(B) Leased from the Convent of Saint Benedict; only college expenditures for capital improvement shown under book value.
(C) Building owned by Convent of Saint Benedict, insurable values included in total building.
(D) Not shown in audit under Buildings; included in Construction in Progress.

Since the compilation of the foregoing lists, the College has constructed a Campus Center at a cost of $336,234,26.

NOTE: Mary Hall is also known as the "Mary Hall Complex" including Auora Hall, Regina Hall, Corona Hall and Mary Hall Commons. The capacities shown for the residences in the foregoing tabulation do not correspond to those shown at page 27 of this Official Statement. The College Administration explains the difference as being the result of changes made since the tabulation was prepared. The current capacities are as shown at page 27 . The College reports that approximately 5.5% of its total number of class hours are held in the Henrita Academic Building owned by the Sisters. (See page 27 of this Official Statement for a description of the lease.

SCHEDULE OF FI

1 July — 30 June		HUD Series A[1] $576,000 1972 Principal	HUD Series A[1] $576,000 1972 Interest	HUD Series B[1] $1,075,000 1972 Principal	HUD Series B[1] $1,075,000 1972 Interest	HUD Series C[1] $565,000 Principal	HUD Series C[1] $565,000 Interest	Authority[2] $1,610,000 1973 Principal	Authority[2] $1,610,000 1973 Interest	P
1974	1975	$ 12,000	$ 19,320	$ 10,000	$ 31,650	$ 10,000	$ 16,950	$ 25,000	$ 87,410	$
1975	1976	12,000	18,900	10,000	31,350	10,000	16,650	25,000	86,185	
1976	1977	12,000	18,480	10,000	31,050	10,000	16,350	25,000	84,935	
1977	1978	14,000	18,060	10,000	30,750	10,000	16,050	30,000	83,685	
1978	1979	14,000	17,570	15,000	30,450	10,000	15,750	40,000	82,185	
1979	1980	14,000	17,080	15,000	30,000	10,000	15,450	45,000	80,185	
1980	1981	14,000	16,590	15,000	29,550	10,000	15,150	45,000	77,935	
1981	1982	16,000	16,100	15,000	29,100	10,000	14,850	50,000	75,640	
1982	1983	16,000	15,540	15,000	28,650	10,000	14,550	50,000	73,090	
1983	1984	16,000	14,980	15,000	28,200	10,000	14,250	55,000	70,540	
1984	1985	16,000	14,420	15,000	27,750	10,000	13,950	60,000	67,735	
1985	1986	18,000	13,860	15,000	27,300	10,000	13,650	60,000	64,615	
1986	1987	18,000	13,230	15,000	26,850	10,000	13,350	65,000	61,435	
1987	1988	18,000	12,600	15,000	26,400	10,000	13,050	70,000	57,925	
1988	1989	20,000	11,970	15,000	25,950	10,000	12,750	75,000	54,075	
1989	1990	20,000	11,270	20,000	25,500	15,000	12,450	80,000	49,950	
1990	1991	20,000	10,570	20,000	24,900	15,000	12,000	85,000	45,470	
1991	1992	22,000	9,870	20,000	24,300	15,000	11,550	85,000	40,710	
1992	1993	22,000	9,100	20,000	23,700	15,000	11,100	95,000	35,865	
1993	1994	22,000	8,330	20,000	23,100	15,000	10,650	100,000	30,450	
1994	1995	24,000	7,560	20,000	22,500	15,000	10,200	105,000	24,650	
1995	1996	24,000	6,720	20,000	21,900	15,000	9,750	110,000	18,560	
1996	1997	26,000	5,880	20,000	21,300	15,000	9,300	120,000	12,180	
1997	1998	26,000	4,970	20,000	20,700	15,000	8,850	90,000	5,220	
1998	1999	28,000	4,060	25,000	20,100	15,000	8,400			
1999	2000	28,000	3,080	25,000	19,350	15,000	7,950			
2000	2001	30,000	2,100	25,000	18,600	20,000	7,500			
2001	2002	30,000	1,050	25,000	17,850	20,000	6,900			
2002	2003			25,000	17,100	20,000	6,300			
2003	2004			25,000	16,350	20,000	5,700			
2004	2005			30,000	15,600	20,000	5,100			
2005	2006			30,000	14,700	20,000	4,500			
2006	2007			30,000	13,800	20,000	3,900			
2007	2008			30,000	12,900	20,000	3,300			
2008	2009			30,000	12,000	20,000	2,700			
2009	2010			30,000	11,100	20,000	2,100			
2010	2011			35,000	10,200	25,000	1,500			
2011	2012			35,000	9,150	25,000	750			
2012	2013			35,000	8,100					
2013	2014			35,000	7,050					
2014	2015			40,000	6,000					
2015	2016			40,000	4,800					
2016	2017			40,000	3,600					
2017	2018			40,000	2,400					
2018	2019			40,000	1,200					
		$552,000	$323,260	$1,055,000	$884,850	$565,000	$385,200	$1,590,000	$1,370,630	$3

XED DEBT

Authority[3] $370,000 1975		Authority[4] $1,450,000 1975		Sisters[5] $1,288,000 1966		Sisters[6] $7,600 1972			Remaining Principal At End Of Year
rincipal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total	
	$ 24,275	$	$	$ 82,500	$ 39,658	$1,520	$334	$ 360,617	$6,272,060
5,000	24,275		108,750	82,500	35,533	1,520	251	467,914	6,126,040
5,000	23,960	35,000	107,438	82,500	31,408	1,520	167	494,808	5,945,020
5,000	23,645	40,000	104,625	82,500	27,283	1,520	84	497,202	5,752,000
5,000	23,330	40,000	101,625	82,500	23,158			500,568	5,545,500
5,000	23,015	45,000	98,438	82,500	19,033			499,701	5,329,000
5,000	22,400	45,000	95,063	82,500	14,908			488,396	5,112,500
5,000	22,385	50,000	91,500	82,500	10,783			488,858	4,884,000
5,000	22,070	50,000	87,750	82,500	6,658			476,808	4,655,500
10,000	21,755	55,000	83,813	82,500	2,533			479,571	4,412,000
10,000	21,125	60,000	79,500					395,480	4,241,000
10,000	20,495	65,000	74,813					392,733	4,063,000
10,000	19,865	65,000	69,940					387,670	3,880 000
10,000	19,235	70,000	64,875					387,085	3,687,000
10,000	18,605	75,000	59,438					387,788	3,482,000
10,000	17,975	80,000	53,625					395,770	3,257,000
15,000	17,345	85,000	47,438					397,723	3,017,000
15,000	16,385	90,000	40,875					390,690	2,770,000
15,000	15,425	95,000	33,938					391,128	2,508,000
15,000	14,450	100,000	26,625					385,605	2,236,000
15,000	13,475	305,000	11,438					573,823	1,752,000
15,000	12,485							253,415	1,568,000
20,000	11,495							261,155	1,367,000
20,000	10,155							220,895	1,196,000
25,000	8,815							134,375	1,103,000
25,000	7,128							130,508	1,010,000
25,000	5,440							133,640	910,000
55,000	3,740							159,540	780,000
								68,400	735,000
								67,050	690,000
								70,700	640,000
								69,200	590,000
								67,700	540,000
								66,200	490,000
								64,700	440,000
								63,200	390,000
								71,700	330,000
								69,900	270,000
								43,100	235,000
								42,050	200,000
								46,000	160,000
								44,800	120,000
								43,600	80,000
								42,400	40,000
								41,200	
70,000	$485,048	$1,450,000	$1,441,507	$825,000	$210,955	$6,080	$836	$11,515,366	
370,000									

[1]The HUD issues in addition to being a general obligation of the College are a first lien on the net revenues of the housing facilities of Aurora Hall, Regina Hall and Corona Hall, all part of the Mary Hall Complex. Series A carries 3.5% while B and C are 3%.

[2]The 1973 $1,610,000 Series F issue of the Authority also is a general obligation of the College, secondary in lien as to the net revenues pledged for the HUD obligations (see footnote 1 above) but a first lien on the gross revenues of the 30 two-bedroom apartment units constructed in 1972 which for the fiscal year ending June 30, 1974 produced gross revenues of $66,045. HUD and the Department of Health, Education and Welfare have each agreed to make annual interest subsidy payments, totaling approximately $31,215 for both, for the interest of this issue.* Also the College has pledged the first 8% of all general tuition fees received to the debt service of these obligations* to the extent needed. Commencing as of March 4, 1974 the College is pledged to annually deposit $10,000, until a total of $50,000 has been reached, to a Repair and Replacement Account for the facilities constructed with the proceeds of this issue.* This Repair and Replacement Account is also pledged to debt service as needed. Extraordinary repair and replacement is a secondary priority. These bonds* carry interest rates of: 4.90% 1974-75; 5.00% 1976-80; 5.10% 1981-84; 5.20% 1985; 5.30% 1986; 5.40% 1987; 5.50% 1988-89; 5.60% 1990-91; 5.70% 1992-93, and 5.80% 1994-98.

*Refers to the 1973 $1,610,000 Series F Issue of the Authority.

[3]The $370,000, Series J, Authority Bonds of 1975 too are a general obligation of the Institution. In addition, debt service of these obligations* is a first lien on the gross revenues of the Campus Center of the College which the College Administration reports to have been $208,050 from July 1, 1974 to February 28, 1975. The interest rates of this issue* are: 6.30% 1976-90; 6.40% 1991-92; 6.50% 1993-94; 6.60% 1995-96; 6.70% 1997-98; 6.70% 1999-2000; and 6.80% 2001-02. The debt service shown for this issue* includes the July 1, principal and interest, of the fiscal year following that shown.

*Refers to the $370,000, Series J, Authority Bonds of 1975.

[4]This Issue computed at a coupon rate of 7½%.

The College has these debt service reserves for the foregoing obligations:

$1,610,000 MHEFA of March 1, 1973			
	Series	$85,216	
	General	21,304*	$106,520
$340,000 MHEFA of June 1, 1974			
	Series	$24,000	
	General	6,000	$ 30,000
This Issue			
	Series	$112,000	
	General	28,000	$140,000
			$276,520

NOTE: The General Reserves are pledged as security for all outstanding Authority bonds.

[5]The 1966, 5½% note to the Sisters of the Order of Saint Benedict is due July 1, 1983, however the College has scheduled annual principal payments of $82,500 through 1982 with a final payment in 1983 of $50,660. This unsecured note is for the College's one-half share of the cost of Benedicta Art Center. (The Sisters paid the other half). The Sisters in turn have a note to Penn Mutual Life Insurance Company.

[6]The note of October 1, 1972 to the Sisters of the Order of St. Benedict is a general obligation of the College, but is otherwise unsecured. It carries interest at a rate of 5½% per annum.

THE PROJECT

The College is presently using 23 mobile homes, housing approximately 100 students. The College is also leasing three privately owned apartment units in which it is housing 16 students. It is to replace the mobile homes and private apartments and to meet the existing inability to meet the demand for College housing that the College is now constructing the facility to be funded by this issue.

The College student housing capacity as reported by the College, March 10, 1975 is:

Facility	Student Capacity
Mary Hall Complex	
Aurora Hall	190
Regina Hall	150
Corona Hall	186
	526
Apartments	
Schumacher	32
Smith	32
Sohler	32
Gable	36
Girgen	40
Westkaemper	36
	208
Richarda Hall	92*
St. Teresa Hall	55
Katherine House	1
Marcaret House	8
New Apartments (This Project)	200
	1,090

* Leased from the Sisters of the Order of Saint Benedict. The College in March entered into a new lease to run from July 1, 1975 to June 30, 1978 without a renewal option. The lease covers both Richarda Hall and Henrita Hall (an academic building) and is a net lease of $2,625 per month for the buildings, plus $244.08 per month for furnishings, equipment and fixtures. A copy of the lease will be furnished upon request.

Currently the College is using 23 mobile homes with a capacity of 100 students. The use of these homes will be discontinued June 1, 1975. Also the College will discontinue leasing three apartment units which now house 16 students. Thus, the net increase of beds by reason of the project will be 84.

The Project is already under construction by Conlon Construction of St. Cloud. It was designed by Hammel Green and Abrahamson, Inc. of St. Paul. It is anticipated that the buildings will be ready for occupancy by September 1, 1975.

In its Application for Loan Assistance Under the Minnesota Higher Education Facilities Authority Act of 1975 the College submitted its construction budget for the project as follows:

Construction:		
General	$794,955	
Heating	120,719	
Electrical	55,000	
Contingencies	21,396	
		$992,070
Architectural and Engineering Services	$ 75,000	
Surveys	$ 600	
		$ 75,600
		$1,067,670
Furnishings	$126,380	
Site	5,950	
Administrative and Inspection	27,000	
		$159,330
Total		$1,227,000

The Project is being constructed on College-owned property on College Avenue west of County Road 121 in the Town of St. Joseph. It will house 200 students and two faculty residents.

The four two-story, frame, brick-faced, buildings will have a total of 40 apartments consisting of:

14 two-bedroom units, four students each
24 three-bedroom units, six students each
2 one-bedroom units, one faculty resident each

In addition there will be a common laundry facility in which there will be coin-operated washers and dryers.

The two-bedroom units will be approximately 980 square feet each, while the three-bedroom units will have apprxoimately 1,120 square feet each.

The three-bedroom apartments will have 1½ baths, a living room and an efficiency kitchen-dinette area.

The two-bedroom units will have a bath, a living room and a full kitchen-dining area.

All bedrooms will be approximately 11.5 x 14 feet. The living rooms of the three-bedroom units will be about 12x17.5 feet while the two-bedroom apartments will have living rooms about 14x13 feet.

The 8x8 feet full-baths will each be equipped with a combination tub-shower unit.

Air-conditioning will not be installed but provision will be made for individual units.

Landscaping is included in the construction cost.

Heating will be forced air using natural gas which the College has been advised will be on an uninterrupted basis. Electrical energy will be provided by the College-owned and operated power plant.

Although initially there will not be individual utility billing (utilities will be included in the rental rate) meter panels will be installed which will make individual electrical energy billing possible in the future if the College should make the decision to do so.

All units will be furnished with basic furniture and refrigerators. All except the two one-bedroom apartments will have a four-unit electric stove with an oven. The one-bedroom apartments will each have an electric stove without an oven.

The College budgets College residential furniture on the basis of seven years. This does not mean though a complete replacement every seven years. Replacement is as it is needed.

Students occupying College residences are required to deposit only $10 for breakage but are held responsible for all damage for which they are responsible.

It is reported that units similar to those of the Project are currently renting in nearby St. Cloud for about $260 monthly for three bedrooms and $240 for two bedrooms.

The College does not require its students to live in College residences. However, its enrollment is predominantly from outside the immediate area and there are very few other residential facilities available.

Currently the College is making these annual, per student, room charges:

Aurora Hall, Regina Hall, Corona Hall, Richarda Hall	
Private Room	$525.00
Double Room	475.00
Triple Room	450.00
Rooms with Four or More	425.00
Saint Teresa Hall	
Single Room	475.00
Double Room	425.00
Triple Room	400.00
Apartment	650.00

As of now no increases of these rates has been planned for the school term of 1975/76.

The Report on Audit Year Ended June 30, 1974 for the College, prepared by Fitzgerald, Sydejko, Certified Public Accountants, Minneapolis, of which a copy is enclosed with this Official Statement, at C-30 shows an excess of expenditures over revenues of College residential facilities for the year ending June 30, 1974 of $41,674 after deduction of $17,159 for capital improvement and $32,060 for principal payments. The College staff reports that this condition is at least in part due to the fact that items, such as administration, have been charged as operating expenses to the operation of the residences. The Institution's staff has submitted the following budget for the school year 1975-76 for operation of its housing facilities:

RESIDENCE HALLS
BUDGETS 1975-76

	Expenditures		Revenue
Apartments	$143,017		$149,325
Mary Hall*	271,460		260,000
College Houses	3,335		7,775
Richarda Hall	35,909		41,975
Saint Teresa Hall	19,874		24,275
New Apartments	36,857		129,200**
	$510,452		$612,550
Excess		$101,898	

*Mary Hall is also known as the "Mary Hall Complex" including Aurora Hall, Regina Hall, Corona Hall and Mary Hall Commons
**This is $800 less than shown in footnote 1 at page 32.

NOTE: The principal of and interest on the Bonds of this Issue are a first lien on the Gross revenues of the "new apartments".

COMPARISON OF ESTIMATED DEBT SERVICE WITH GROSS REVENUES OF THE PROJECT

Fiscal Year Ending June 30;	Principal	Interest 7.50% Coupon	Total	Gross Income[1]	Coverage	Series Reserve	Total	Coverage
1976	$	$108,750	$108,750	$130,000	1.2 times	$112,000	$242,000	2.23 times
1977	35,000	108,750	143,750	130,000	.90	112,000	242,000	1.68
1978	40,000	106,125	146,125	130,000	.89	112,000	242,000	1.66
1979	40,000	103,125	143,125	130,000	.90	112,000	242,000	1.69
1980	45,000	100,125	145,125	130,000	.90	112,000	242,000	1.67
1981	45,000	96,750	141,750	130,000	.92	112,000	242,000	1.71
1982	50,000	93,775	143,375	130,000	.91	112,000	242,000	1.69
1983	50,000	89,625	139,625	130,000	.93	112,000	242,000	1.73
1984	55,000	85,875	140,875	130,000	.92	112,000	242,000	1.72
1985	60,000	81,750	141,750	130,000	.92	112,000	242,000	1.71
1986	65,000	77,250	142,250	130,000	.91	112,000	242,000	1.70
1987	65,000	72,375	137,375	130,000	.95	112,000	242,000	1.76
1988	70,000	67,500	137,500	130,000	.95	112,000	242,000	1.76
1989	75,000	62,250	137,250	130,000	.95	112,000	242,000	1.76
1990	80,000	56,625	136,625	130,000	.95	112,000	242,000	1.77
1991	85,000	50,625	135,625	130,000	.96	112,000	242,000	1.78
1992	90,000	44,250	134,250	130,000	.97	112,000	242,000	1.80
1993	95,000	37,500	132,500	130,000	.98	112,000	242,000	1.83
1994	100,000	30,375	130,375	130,000	1.00	112,000	242,000	1.86
1995	305,000	22,875	327,875	331,799[2]	1.01	112,000	331,799[2]	1.01

[1] 200 Students $650 @

[2] General Reserve of $28,000 compounded at 6% per annum for 20 years	$ 89,799
Gross Income	130,000
Series Reserve	112,000
	$331,799

The College staff has prepared the following budget for the first year's operation of the Project:

Income		$129,000*
Expenditures:		
Salaries	$6,700	
Travel	50	
Office Expense	422	
Equipment Repair and Replacement	100	
Capital Acquisitions	100	
Miscellaneous	25	
Laundry	200	
Trucking	2,100	
Insurance	9,000	
Utilities	15,000	
Advertising	2,500	
Supplies	660	$ 36,857
Excess of Income over Expenditures		$ 92,143

*This is less than amounts shown at page 31 and footnote 1 at page 32. Debt service of this Issue is a first lien on the gross revenues of the Project.

SECURITY

The Bonds shall be secured by:

1. The full faith and credit of the College.

2. A first mortgage lien upon the land and building of the Project to be constructed with the proceeds of the Bonds.

3. A first lien on the base rents and other income payable pursuant to the Lease.

4. A Series Reserve of $112,000

5. The General Reserve of the Authority which with this Issue will total $536,385.90 (see page 10). This General Reserve is pledged for all outstanding bonds of the Authority.

6. A pledge by the College to charge tuition fees, other fees, rentals and charges sufficient to provide moneys required by the Lease.

The Bonds do not represent a debt or pledge of the faith or credit of the State of Minnesota.

Article IV, Section 4.01 of the Lease to be entered into with the Authority prior to delivery of the Bonds will provide in part as follows:

"At least five business days before each semiannual interest payment date (commencing with the interest payment date of November 1, 1975 and continuing thereafter until the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture), the Institution agrees to pay and shall pay as Base Rent for the use of the Project:

(a) A sum equal to the amount payable as principal of (whether at maturity or by redemption or acceleration of maturity in event of default) and premium, if any, and interest on the Bonds on such semiannual interest payment date; and

(b) In the event the Institution shall have made payments of Base Rent with respect to a semiannual interest payment date, but the funds on deposit in the Bond and Interest Sinking Fund Account (after crediting thereto any funds on deposit in the Debt Service Reserve Account) are nevertheless insufficient to pay such principal, premium (if any) and interest on the Bonds then due or to become due on such semiannual interest payment date, the Institution will pay as Base Rent the amount of the deficiency; and

(c) Unless the funds and investments in the Debt Service Reserve Account equal the sum of One Hundred Twelve Thousand Dollars ($112,000), the Institution will pay as Base Rent such sum as may be necessary and sufficient to restore the Debt Service Reserve of One Hundred Twelve Thousand Dollars ($112,000); and

(d) . . . .

In order to assure the full and timely payment of Base Rent, the Institution agrees to deposit in the name and on behalf of the Authority the gross Revenues and Income of the Project with the Trustee each month, promptly when received and no later than the last day of the month, to the extent required to create or restore and to maintain the required balance in the Bond and Interest Sinking Fund Account (as defined in Section 5.02 of the Indenture) and the Debt Service Reserve Account; provided that any advances by the Authority for payment of the Bonds from the General Bond Reserve Account shall be reimbursed from such Revenues and Income ahead of deposits to create or restore the required balances in the Debt Service Reserve Account. If the Institution fails to pay any Base Rent under this Section when due, resulting in a default in payment of any Bond or coupon, the Institution agrees to pay interest on the amount in default at the rate provided in the Bond or represented by the coupon."

The payment of Base Rent is a general obligation of the College which has agreed by the Lease: (Section 4.05)

". . .to pay the rentals and payments required by this Lease from the general funds or any other moneys legally available to the Institution in the manner and at the time provided by this Lease. The Institution covenants and agrees (i) to establish and maintain rental rates and charges for the use of the Project sufficient to provide gross revenues available for principal and interest payments on the Bonds not less than One Hundred Thirty Thousand Five Hundred Dollars ($130,500) annually and (ii) to charge tuition fees, other fees, rentals and charges which, together with the general funds or any other moneys legally available to the Institution, shall provide moneys sufficient at all times to meet current expenses of operation and maintenance of the Project and all other obligations and payments required by this Lease and to pay all other obligations of the Institution as the same become due and payable."

In addition Section 6.11 of the Mortgage Trust Indenture provides in part that the Authority:

". . .will establish and maintain, so long as any of the Bonds are outstanding, such parietal rules, rental rates and charges for the use of the Project facilities as may be necessary:

(1) To assure maximum occupancy and use of the Project; and

(2) To provide for (a) debt service on the Bonds, (b) Current Expenses of the Project, (c) the required reserve for Current Expenses, and (d) the Debt Service Reserve; . . ."

The Bonds are a first lien mortgage on the land on which the Project is located with all buildings, additions and improvements now or hereafter located therein or thereon, as well as on Leased Equipment, including furniture, furnishings and equipment acquired as part of the Project, and also are a first lien on all of the right, title and interest of the Authority as Lessor under the Lease and all Base Rent.
(Granting Clause, Mortgage Trust Indenture)

INVESTMENT OF BOND ACCOUNTS

By the provisions of Section 5.06 of the Mortgage Trust Indenture the Trustee shall, upon request by the Authorized Institution Representative or the Authority, invest moneys on deposit in the:

Bond and Interest Sinking Fund Account
Debt Service Reserve Account
Redemption Account

Investments for these Accounts may be in any of these:

Direct obligations of or obligations fully guaranteed by the United States of America
Certificates of Deposit of banks or trust companies having a combined capital and surplus of at least $10,000,000
Securities issued by the following agencies of the Unites States:

Federal Home Loan Banks
Federal Intermediate Credit Banks
Federal Land Banks
Banks for Cooperatives
Federal National Mortgage Association

Paragraph 2c of the General Bond Resolution permits the Authority to invest moneys in the General Bond Reserve Account in:

Direct Obligations of the United States of America
Certificates of Deposit or Time Deposits secured by direct obligations of the United States of America
Such other securities as are eligible for investment of public funds of the State of Minnesota or of municipalities of the State

All investments are limited by arbitrage provisions of the Internal Revenue Code and regulations thereunder.

Yields from funds invested by the Trustee may be used for abatement of Base Rent payments, but those from investment of the General Bond Reserve Account may not. The latter will remain in the General Bond Reserve Account, except that at such time as the Bonds for an Institution have been fully retired and all amounts required to be paid by the Institution have been paid, the Authority will rebate to the Institution its proportionate share of both its original contribution and earnings of the General Bond Reserve Account in proportion to its contribution less a proportionate charge for unrecovered advances. In the event that the amount in the General Bond Reserve Account at any time exceeds the total sum of all debt service, for which the funds of the Account are pledged, in each subsequent year such excess may also be rebated proportionately.

CASH FLOW

As Required:

First: To the Bond and Interest Sinking Fund Account

Second: To the General Bond Reserve Account

Third: To the Series Debt Reserve Account

Fourth: To the Redemption Account

Except, that in the event the Authority or Trustee takes possession of the Project by reason of the Institution's default the second priority will be to an Operation and Maintenance Account for payment of current expenses of the Project. In this event the priority of each of the other Accounts except that of the Bond and Interest Sinking Fund Account will be one step lower than stated above.

ACCOUNTS

1. Construction Account –	The Trustee will pay the costs of the Project from it. All Bond proceeds, except the sum of $140,000 and $47,729.17 from accrued interest and bond proceeds will be deposited into this account at the time of the Bond closing.
2. Revenue Fund Account –	All pledged revenues will be deposited in this account.
a. Bond and Interest Sinking Fund Account	Base Rent payments pursuant to Section 4.01 of the Lease will be deposited at least five business days prior to the interest payment dates of the Bonds. At the time of closing accrued interest will be deposited in this Account, plus such additional amount as may be necessary to make a deposit of $47,729.17 for capitalized interest.
b. Operation and Maintenance Account	No payments will be made to this Account so long as the Institution shall not be in default. But in the event the Authority or Trustee assumes operation of the Project, revenues remaining after debt service will be paid into it to meet operational costs.

c. Debt Service Reserve Account	For payment of principal and interest the sum of $112,000 will be placed in this Account from Bond proceeds at closing.
d. Redemption Account	Any revenues received which are not otherwise committed will be paid into this Account. Funds in it will be available to maintain required balances in other Accounts and to redeem Bonds. No specific amounts are required.
3. General Bond Reserve Account	This Account will be maintained by the Authority for debt service, if needed, for <u>any</u> Bonds of the Authority for which a deposit has been made in the Account. The amount of $28,000 will be placed in this Account at closing from Bond proceeds. No Institution is responsible for replenishment of this Account except for withdrawals on its behalf.

Following is a summary of certain provisions of the Agreement, Deed, Lease, Mortgage Trust Indenture and the General and Series Bond Resolutions. Reference is made to the specific Sections of the respective documents. Copies of the full text of these documents will be furnished upon request.

AGREEMENTS AND SECURITY

<u>Agreement</u>

The Authority and the Institution will enter into an Agreement attached to which as exhibits will be the forms, subject to completion, of the Deed, the Lease, the Indenture, the General Bond Resolution and the Series Resolution described below, as well as the Official Statement, a Financing Statement for filing under the Uniform Commercial Code and a Schedule of Closing Documents. By the Agreement, the College represents among other things that the Application previously filed by the College and approved by the Authority is true and complete in all respects. In the Application materials and in the Lease, the College represents, and the Authority has found, that the College is a nonprofit institution of higher education eligible for financial assistance under Chapter 868, Minnesota Laws of 1971, as amended, that the project is eligible for financing under the Act, and that the College is nonsectarian and does not discriminate in its admission policies or programs on account of religion, race, color, creed or national origin.

The Agreement provides for the award of sale of the Project Bonds by the Authority, in its discretion, provided the Institution concurs or does not object before the award is made; the execution of the closing documents; the issuance and sale of additional parity lien bonds, in the discretion of the Authority, if necessary to pay additional Project costs; for the completion of Project construction pursuant to construction contracts previously made by the Institution as agent of the Authority, with approved changes, and for operation of the Project by the Institution under the Lease and as agent of the Authority pursuant to the Act. Under the Agreement, the Institution agrees to register or qualify the Bonds under the securities act of any state other than Minnesota, or to cooperate in the registration or qualification, at the request and expense of the underwriters. By the Agreement, the Institution assigns to the Authority its interest in and proceeds of the Project construction contracts, Project gross revenues, and the Leased Equipment.

Deed

At or prior to closing, the Institution will execute, deliver and record a warranty deed conveying the Project and site thereof, and appurtenant easements, to the Authority. At closing, the Institution shall procure and delivery to the Authority and Bond Counsel a title insurance binder (or unless otherwise required by the Authority an opinion of counsel as to title) satisfactory to the Authority and Bond Counsel covering the Project site and any easements specified in the Deed or Indenture.

Lease

At or prior to closing, the Authority as lessor and the College as lessee will execute and deliver a Lease for a lease term expiring at the last Bond maturity date. The Lease is intended to be a net lease of the Project, including the Project building, site, and Leased Equipment, under which the Institution will pay as Base Rent (Section 4.01) at the office of the Trustee a sum equal to principal and interest on the Bonds plus amounts required to restore the Debt Service Reserve. The Institution has also agreed to pay, as Additional Rent (Section 4.03) the annual fee of the Authority, fees and expenses of the Trustee and Paying Agent, and any taxes, special assessments or other governmental charges against the Project.

At the conclusion of the Lease Term (Section 10.03), the Institution has the option to repurchase the Project for a consideration provided that full payment of the Bonds or provision for payment has been made as well as Additional Rent. During the Lease Term, the Institution has the option to purchase unimproved parts of the Leased Premises at the per acre value determined by an independent appraiser and upon the further conditions provided by the Lease (Section 10.04), to remove or make substitutions for Leased Equipment (Section 5.07), and to make Building improvements upon certain conditions (Section 5.02). In the event of damage or destruction to the Building by fire, or other casualty, the Institution has agreed to rebuild or repair the Building unless it exercises its option not to repair or rebuild (if more than six months is required to complete the restoration and return the Project to normal use or if cost of restoration exceeds by more than $100,000 the Net Proceeds of insurance) and to retire all the Bonds (Sections 6.01, 10.02) and similarly to replace or restore the Building in cases of partial condemnation by eminent domain or to retire all the Bonds if all or substantially all the Project (as that term is defined) or temporary use for more than six months is taken in the Proceeding (Sections 6.02, 10.02), or if it cannot rebuild or repair. If as a result of change of law or certain legal actions, the Lease becomes void or unenforceable or impossible of performance, or if unreasonable burdens or excessive liabilities (including new taxes) are imposed, the College is given the right to repurchase the Project by retiring all the Bonds (Section 10.02). In such cases where the Institution has the right to retire the Bonds during the Lease Term, and repurchase the Project, it must also pay all unpaid Additional Rent plus the specified option price (Section 10.02). Upon repurchase, the conveyance to the Institution will reserve a covenant and condition that the Institution shall not use the property for sectarian purposes or discriminate on account of race or religion in the use of the property (Section 10.05). If the Net Proceeds of insurance exceeds $100,000, the Net Proceeds must be deposited with the Trustee to be used for restoration or to retire the Bonds, as appropriate (Section 6.01).

In the Lease, the Institution makes further covenants and agreements as indicated by the following Section headings:

(Article III Construction of the Project; Issuance of the Bonds)

3.01 Agreement to Construct and Equip the Building on the Leased Premises

3.03 Disbursements from the Construction Account

3.06 Institution Required to Pay Construction and Equipment Costs in Event Construction Account Insufficient

3.08 Remedies to be Pursued Against Contractors and Subcontractors and Their Sureties

(Article IV Rent, Prepayment)

4.05 Rent a General Obligation; Security Therefor

(Article V Use, Maintenance, Charges and Insurance)

5.01 Use of Leased Premises

5.03 Maintenance of Project by Institution

5.05 Liens

5.09 Fire and Extended Coverage Insurance

5.10 Boiler Insurance

5.11 Use and Occupancy Insurance

5.13 Public Liability Insurance

5.14 Workmen's Compensation Coverage

5.15 Performance Payment Bonds

(Article VII Special Covenants)

7.02 Institution to Maintain its Existence and Accreditation; Conditions Under Which Exceptions Permitted

7.05 Annual Statement

7.08 Federal Income Tax Status

7.09 Institution to Maintain Furnishings and Movable Equipment

7.11 Against Discrimination

7.12 Institution to be Nonsectarian

7.13 Observe Regulations of the Authority and the State

7.15 Maintain List of Bondholders

7.16 Observance of Indenture Covenants and Terms

7.17 Observe Federal Regulations

In the event of default by the Institution, the Authority and Trustee may accelerate the due date of all installments of Base Rent, may repossess the Project, may terminate the Lease and operate and relet, holding the Institution liable for any deficiency, or pursue any other legal remedies available (Sections 9.01, 9.02). The security interest in Leased Equipment is subject to foreclosure under applicable provisions of the Uniform Commercial Code (Section 9.07). In the event of default, among other things, the Institution agrees to pay attorney's fees and expenses (Section 9.04), to waive appraisement and similar rights (Section 9.06), and to continue furnishing heat and utilities not otherwise available (Section 9.09).

Upon written request by either party a short form of Lease shall, within 30 days from the date of such request, be executed and delivered for recording purposes which shall describe the property, length of term and the Institution's purchase options, incorporating by reference other provisions of the Lease (Section 11.09). The full Lease will be kept on file at the offices of the Authority and Trustee, available for inspection.

Mortgage Trust Indenture

At or prior to closing the Authority will execute, deliver and record a Mortgage Trust Indenture to the Trustee to secure the Bonds. By the Granting Clauses, the Authority will mortgage, pledge and assign to the Trustee a first lien on the Project land and buildings, Leased Equipment, the Lease (except for the Authority's rights to Additional Rent), Project net revenues, Accounts, funds and investments. Under the Indenture and corresponding provisions of the Lease, except for accrued interest and debt service reserves, all Bond proceeds are to be deposited in the Construction Account (Section 4.01), to be disbursed by the Trustee for Project cost payments or reimbursements (Section 4.02), pursuant to certification of the Authorized Authority Representative, Authorized Institution Representative, and/or Project Supervisor, as specified (Section 4.03).

All revenues and income of the Project realized by the Authority must be deposited in the Revenue Fund Account (Section 5.01) and applied in order to the Bond and Interest Sinking Fund Account for Bond principal and interest (Section 5.02), to the Operation and Maintenance Account to pay operating expenses if the College is in default under the Lease (Section 5.03), to the Debt Service Reserve Account if necessary to restore the Debt Service Reserve (Section 5.04) and to the Redemption Account to redeem or purchase outstanding Bonds if all other Account balances are in the required amounts (Section 5.05). Funds in the Debt Service Reserve Account and Redemption Account are required to be used, if necessary, to pay Bond principal and interest when due. Funds in those Accounts and the Bond and Interest Sinking Fund Account may be invested (Section 5.06). All investments will be limited as necessary as to amount or yield under the arbitrage provisions of Section 103 (d) (1) of the Internal Revenue Code of 1954 and regulations thereunder.

In the Indenture, the Authority covenants to pay the Bonds from Project Revenues and Income (Section 6.01), to pay lawful charges imposed on the Project (Section 6.05), to complete and operate and maintain the Project (Sections 6.06, 6.07), not to sell or encumber the Project (Section 6.11), to maintain insurance (Sections 6.12, 6.13), to repair and re-construct in event of damage or condemnation (Section 6.15), to maintain proper books and records and submit an annual report to the Trustee (Section 6.17), and to observe those and all other covenants and terms set forth in the Indenture and Bonds (Section 6.19). Under the Act, however, and in the Indenture, it is agreed that the Authority has no obligation to make any advance or payment or incur any expense or liability from its general funds in performing any of the conditions, covenants or requirements of the Indenture, from any funds other than Revenues and Income of the Project or Bond proceeds or (to the extent provided in the General Bond Resolution) from the General Bond Reserve Account, and the Authority shall incur no liability for failure to perform any such conditions, covenants and requirements for lack of funds provided the Authority shall have furnished the Trustee a Certificate and an Opinion of Counsel (Section 6.19).

In event of default, as defined (Section 7.01), the Trustee is authorized to accelerate the maturity of the Bonds (Section 7.02), sue to enforce the Indenture's covenants in its discretion or at direction of holders of 25% of the outstanding Bonds (Section 7.03), enter and operate the Project (Sections 7.04, 7.05), obtain appointment of a receiver (Section 7.06) and apply for a court order to hold a mortgage foreclosure sale (Section 7.07). Holders of a majority in amount of outstanding Bonds have the right to direct the proceedings by the Trustee, in accordance with law and the Indenture (Section 7.18) upon indemnifying the Trustee (Sections 7.02, 7.19, 8.06), suits by Bondholders being limited unless the Trustee has been requested and has failed to act (Section 7.19). Defaults (except payment of Bond principal) may be waived, if all interest in arrears has been paid, upon approval of holders of 51% of outstanding Bonds (Section 7.20).

The Trustee has no responsibility to use it own funds under the Indenture (Sections 8.01, 8.04) but it and the Authority may make advances, at 8% (Section 8.12, Lease Section 9.05), which are given priority of payment. The responsibilities of the Trustee prior to a known event of default are limited to express provisions of the Indenture, and at all times the Trustee shall not be liable unless it acts negligently or in bad faith (Sections 8.01, 8.07). The Trustee and its officers and directors are authorized to acquire and hold Bonds and other-wise deal with the Authority or the Institution to the same extent as if it were not Trustee (Section 8.15). Provision is made for succession or replacement of the Trustee by another corporate Trustee with a place of business in Minnesota and minimum capital and surplus of $1,000,000 (Section 8.16), in event of merger (Section 8.17), resignation or removal by holders of a majority of outstanding Bonds (Section 8.18) or, in event of disability, by the Authority or a court (Section 8.19).

Provisions are made for technical amendments of the Lease and the Indenture with the consent of the Trustee (Sections 6.08, 11.01) and in other cases with the consent of the holders of 65% of outstanding Bonds (Section 6.08, 11.04), provided that the maturity dates, rates of interest, lien priority and equality cannot be changed without the consent of all Bondholders. Additional Bonds can be issued, on a parity with the Bonds, if necessary to complete the Project or, with the consent of the holders of 65% of outstanding Bonds, to provide for Project improvements, alterations, repair or replacement (Section 2.10). Bond holder approval or action may be given in writing (Section 9.01) or at a meeting (Section 9.04). Amendments to the General Bond Resolution are permitted without the consent of Bondholders if necessary to comply with Treasury arbitrage regulations (Section 11.06).

General Bond Resolution; Series Resolution

The Authority has adopted a General Bond Resolution establishing a General Bond Reserve Account in a qualified bank or banks (par. 2a) to provide additional security for the Authority's bonds to be issued, from time to time, including the Bonds (par. 1). Under the General Bond Resolution there must be deposited into the General Bond Reserve Account 20% of the probable net average annual debt service requirements of each issue of bonds to be secured by the General Bond Reserve Account (after deducting amounts of annual debt service to be paid by the Government under the Grant Agreement, if any), together with the moneys received by the Authority as consideration for the exercise of lease options, as other net proceeds of sale of Project facilities, or as excess net revenues of Project operations and certain other funds except to the extent such moneys and funds are pledged to the Trustee under a particular indenture or are otherwise restricted (par. 2b). Such moneys may be invested in authorized securities, but limited as to amount and yield of investment so that none of the outstanding bonds of the Authority shall be deemed "arbitrage bonds" under the Internal Revenue Code (par. 2c). When an Institution has provided for the payment of its Bonds, it is entitled to a rebate of its contributions to the General Bond Reserve Account from Bond proceeds, together with its share of investment earnings, less a proportionate charge for unrecovered advances made to pay principal or interest on any bonds secured by the General Bond Reserve Account (par. 2e). In the event the funds and investments in the General Bond Reserve Account exceed the amount of principal and interest secured by the Account to come due in any year, the excess may be withdrawn and rebated to the Authority and the Institutions (par. 2f).

Whenever the principal of or interest on any bonds secured by the General Bond Reserve Account (including the Bonds) shall become due, the Authority pledges to the several trustees for the bondholders (including the Trustee) that it will advance from the General Bond Reserve Account amounts sufficient to pay such principal and interest (par. 2d). For such purpose, principal becomes due only at its stated maturity date, whether or not accelerated by call for redemption or event of default, unless the Authority determines, in its discretion, to make the advance prior to the scheduled maturity date. All advances bear interest and are given priority of payment (par. 2d, Indenture Section 5.07, Lease Section 4.01). Neither the Trustee nor the Bondholders have any right to possession or to direct investment or to foreclose any security interest in the General Bond Reserve Account, but only to require advances and observance of the covenants of the General Bond Resolution (par. 2d). Accounting and other determinations by the Authority are binding on the institution, Trustee and each Bondholder unless made unreasonably or in bad faith or as a result of mistake of fact or mathematical error (par. 2g), including determinations made in a Series Resolution as to the meeting of conditions precedent for the ratable pledge of the General Bond Reserve Account to a series of Authority Bonds (par. 3).

The General Bond Resolution may be amended to cure ambiguities or formal defects or with the consent of the holders of 65% in amount of each series of Authority bonds outstanding and secured by the Account (par. 4). Special series Bonds may be issued by the Authority, in its discretion, not secured or governed by the provisions of the General Bond Resolution (par. 5).

The Series Resolution, to be adopted when the sale of the Bonds is awarded, will provide for the award, the execution and delivery of the Bonds and closing documents, for the amount of $28,000 Bond proceeds to be deposited with the Authority in the General Bond Reserve Account and with the Trustee accrued interest plus an additional amount needed to make a deposit of $47,729.17 for capitalized interest in the Bond and Interest Sinking Fund Account and $112,000 in the Debt Service Reserve Account. It will specifically pledge the General Bond Reserve Account to the Bonds ratably with other bonds issued or which may be issued and will make the findings required by the General Bond Resolution.

LITIGATION

The College has no litigation pending or threatened against it of which it is aware.

A test case is pending to enable the Authority to issue bonds to refund financing undertaken by certain colleges before the Authority was established. This test case does not concern the present financing of the College of Saint Benedict.

PARITY BONDS

The Authority may issue additional Bonds to provide funds to complete the Project which will be on a parity with this issue. In the event of such issuance additional Base Rentals and related provisions will be required. Additional parity Bonds may also be issued to provide for improvement, alteration, repair or replacement of the Project with the consent of the holders of 65% of outstanding Bonds.

LEGAL OPINION

The issuance and sale of the Project Bonds shall be subject to the delivery of the approving legal opinion of Messrs. Faegre & Benson as Bond Counsel to the Authority, the Institution, the Trustee and the purchaser of the Project Bonds to the effects that (i) the Authority has authority under the Act to issue the Project Bonds, to acquire and lease the Project to the Institution and to execute and delivery the Indenture to secure the Project Bonds, (ii) the Project Bonds, the Deed, the Lease and the Indenture have been duly authorized by all necessary proceedings and duly executed and delivered, (iii) the Project Bonds, the Lease and the Indenture are valid and binding instruments in accordance with their terms, (iv) the Indenture provides a valid and direct first mortgage lien on the Project subject only to the Lease and encumbrances permitted by the Indenture, (v) the Project Bonds are further secured by the General Bond Reserve Account on a parity with bonds of other series as provided in the General Bond Resolution, and (vi) the interest on the Project Bonds is exempt from federal and Minnesota state income taxes (other than Minnesota corporate franchise taxes measured by income) under present laws and rulings.

NOTE: *An exact reproduction of the Report on Audit Year Ended June 30, 1974 from Fitzgerald and Sydejko Certified Public Accountants to the Board of Trustees of The College of Saint Benedict, dated October 8, 1974, is enclosed as a separate document. Appended to it at the front are explanatory comments.*

No dealer, broker, salesman or other person has been authorized by the Issuer to give any information or to make any representations with respect to the Bonds of this offering other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Issuer. Certain information contained herein has been obtained from sources believed to be reliable, but it is not guaranteed as to completeness and is not to be construed as representation of said Issuer. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

DATE OF OFFICIAL STATEMENT: March 25, 1975

Bids delivered to Springsted Incorporated by 9:00 a.m.C.T., the day of the sale, will be carried to the sale.
Telephone: 612/227-8318 Telecopier: 612/227-3145

BID FORM

PLEASE SUBMIT BID IN DUPLICATE. It is preferred, but not mandatory, that this form be used.

To: Mr. Richard C. Hawk, Secretary
Suite 278, Metro Square Building
7 th and Robert Streets
St. Paul, Minnesota 55101

Date: April 8, 1975

Re: $1,450,000 First Mortgage Revenue Bonds Series N (College of Saint Benedict)

For the bonds of this issue which shall mature and bear interest at the annual rate, as follows, we offer a price of $ ______________ and accrued interest to the date of delivery.

_____% 1975	_____% 1981	_____% 1987	_____% 1993
_____% 1976	_____% 1982	_____% 1988	_____% 1994
_____% 1977	_____% 1983	_____% 1989	_____
_____% 1978	_____% 1984	_____% 1990	
_____% 1979	_____% 1985	_____% 1991	
_____% 1980	_____% 1986	_____% 1992	

This offer, unless extended by us, shall expire within four (4) hours of the time set for its opening. In the event of failure to deliver these bonds in accordance with the Official Notice of Sale as printed in the Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

We request that CUSIP numbers be printed on the Bonds and we will pay CUSIP charges related thereto.
(Strike if not applicable)

Account Members

____
Account Manager

By: ______________________________

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST $ ______________

NET EFFECTIVE RATE ______________%

The foregoing offer is hereby accepted by the addressee on the date of the offer by its following officers duly authorized and empowered to make such acceptance.

____
Secretary

____
Chairman

Bids delivered to Springsted Incorporated by 9:00 a.m.C.T., the day of the sale, will be carried to the sale.
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Date: April 8, 1975

Re: $1,450,000 First Mortgage Revenue Bonds Series N (College of Saint Benedict)

For the bonds of this issue which shall mature and bear interest at the annual rate, as follows, we offer a price of $ ______________ and accrued interest to the date of delivery.

_____% 1975	_____% 1981	_____% 1987	_____% 1993
_____% 1976	_____% 1982	_____% 1988	_____% 1994
_____% 1977	_____% 1983	_____% 1989	_____
_____% 1978	_____% 1984	_____% 1990	
_____% 1979	_____% 1985	_____% 1991	
_____% 1980	_____% 1986	_____% 1992	

This offer, unless extended by us, shall expire within four (4) hours of the time set for its opening. In the event of failure to deliver these bonds in accordance with the Official Notice of Sale as printed in the Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

We request that CUSIP numbers be printed on the Bonds and we will pay CUSIP charges related thereto.
(Strike if not applicable)

Account Members

____
Account Manager

By: ______________________________

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST $ ______________

NET EFFECTIVE RATE ______________%

The foregoing offer is hereby accepted by the addressee on the date of the offer by its following officers duly authorized and empowered to make such acceptance.

______________________ ______________________
Secretary Chairman