



SALE: April 23, 1974, at 11:00 A.M., CDST AWARD: 3:00 P.M., CDST, of the same day

SPRINGSTED INCORPORATED MUNICIPAL CONSULTANTS

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

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: April 12, 1974

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Gerald A. Rauenhorst, Chairman *President, Rauenhorst Corporation, Minneapolis*

Bernard P. Friel, Vice Chairman

Member, Briggs & Morgan, Lawyers, St. Paul

Richard C. Hawk, Secretary

Executive Director, Minnesota Higher Education Coordinating Commission

Robert W. Freson
City Administrator, St. Cloud

Earl R. Herring

Vice President for Administrative Affairs, Moorhead State College

Norman Perl

Member, Deparcq, Anderson, Perl & Hunegs, Lawyers, Minneapolis

James Schatz

Lawyer, Doherty, Rumble & Butler, St. Paul

Dr. Joseph E. LaBelle, Executive Director

OFFICIAL NOTICE OF BOND SALE

\$340,000

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY FIRST MORTGAGE REVENUE BONDS SERIES H (COLLEGE OF ST. SCHOLASTICA, INC.)

Bids will be received Tuesday, April 23, 1974, 11:00 A.M., CDST, 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 AND INTEREST

The Bonds will be dated June 1, 1974. Interest will be payable December 1, 1974, and each June 1, and December 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 used, and the Reserve Accounts established thereto. The Bonds 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 for the construction, equipping, financing and operation of a student housing facility of one three-story building with twelve apartments to accommodate 46 students and for the establishment of certain reserves relative to the issue.

MATURITIES AND REDEMPTION

June 1, in the years and amounts as follows:

\$ 5,000 1975-79 \$15,000 1988-92 \$10,000 1980-87 \$20,000 1993-95 \$25,000 1996-99 All dates are inclusive.

At the option of the Issuer all Bonds maturing on or after June 1, 1989, shall be subject to prior payment in inverse order of serial numbers on June 1, 1988, and any interest payment date thereafter, at a price of 101 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

CUSIP NUMBERS

The Bonds will be printed with CUSIP numbers, when available. In no event will the Issuer be responsible for the correctness of such numbers and incorrect numbers shall not be cause for refusal to accept delivery.

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 19, 1974.

DELIVERY

Within 40 days after award, subject to the unqualified approving legal opinion of Messrs. Faegre and 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 \$330,000 and accrued interest on the principal sum of \$340,000 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 \$8,780, 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. The interest rate for any maturity shall be not less than that of any prior maturity and no interest rate shall exceed any other interest rate by more than 2% per annum. Additional coupons may not be used.

AWARD

Award will be made on the basis of lowest dollar interest cost; determined by the addition of any discount to, and the 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 March 26, 1974

BY ORDER OF THE MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

/s/ Richard C. Hawk Secretary

YEAR	PRINCIPAL	BOND YEARS	CUMULATIVE BOND YEARS
1975	\$ 5,000	5.00	5.00
1976	\$ 5,000	10.00	15.00
1977	\$ 5,000	15.00	30.00
1978	\$ 5,000	20.00	50.00
1979	\$ 5,000	25.00	75.00
1980	\$10,000	60.00	135.00
1981	\$10,000	70.00	205.00
1982	\$10,000	80.00	285.00
1983	\$10,000	90.00	375.00
1984	\$10,000	100.00	475.00
1985	\$10,000	110.00	585.00
1986	\$10,000	120.00	705.00
1987	\$10,000	130.00	835.00
1988	\$15,000	210.00	1045.00
1989	\$15,000	225.00	1270.00
1990	\$15,000	240.00	1510.00
1991	\$15,000	255.00	1765.00
1992	\$15,000	270.00	2035.00
1993	\$20,000	380.00 400.00 420.00	2415.00
1994	\$20,000	¥ 400.00	2815.00
1995	\$20,000	420.00	3235.00
1996	\$25,000	ට 550.00	3785.00
1997	\$25,000	575.00	4360.00
1998	\$25,000	600.00	4960.00
1999	\$25,000	625.00	5585.00

AVERAGE MATURITY:

16.43 years

DATED:

June 1, 1974

INTEREST:

December 1, 1974, and each June 1, and

December 1, thereafter

MATURE:

June 1, 1975-99, inclusive

REDEMPTION:

See Official Notice of Bond Sale.

Throughout this Official Statement the Minnesota Higher Education Facilities Authority shall also be referred to as the "Authority" and the College of St. Scholastica, Inc. 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 1971), 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, but not from bond proceeds or funds of the issue, the Authority receives an annual fee of one-eighth of one percent of the original principal amount of the bonds for their life.

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 Bonds will be issued to pay for the Project, which is a three-story, brick, apartment-type, student residence with twelve apartments, eleven of which will accommodate four students each and one of which will be for two students, it will also have laundry facilities for both the Project and a neighboring 96-student housing facility.

The Project is completed and fully occupied. It was constructed by interim financing with Duluth banks.

-8- BOND PROCEEDS USE

Bond Proceeds are expected to be expended as follows:

Construction, Fees & Fu	igs	\$285,000	
Reserve:	-		
Series	\$	24,000 ¹	
General		6,000 ²	
			30,000
Discount			10,000
Capitalized Interest			5,881.67 ³
Fees:			
Authority	\$	1,558.33	
Bond Issuance	<u> </u>	7,560.00	
			9,118.33
		Total:	\$340,000.00

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

²This 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, (Augsburg College) ¹	Series A	\$ 31,743.60
\$1,935,000	First Mortgage Revenue Bonds, (Bethel College) ²	Series B	34,082.00
\$ 595,000	First Mortgage Revenue Bonds, (St. Marys College) ³	Series C	9,000.00
\$ 520,000	First Mortgage Revenue Bonds, (College of St. Scholastica, Inc.		8,643.40
\$1,030,000	First Mortgage Revenue Bonds, (Gustavus Adolphus College) ⁵	Series E	19,308.00
\$1,610,000	First Mortgage Revenue Bonds, (College of Saint Benedict) ⁶	Series F	21,304.00
\$8,450,000	First Mortgage Revenue Bonds, (The Minneapolis Society of Fi		220,000.00
\$1,600,000	First Mortgage Revenue Bonds, (Augsburg College) ⁸	Series I	30,000.00
		Sub Total:	\$374,081.00
		Earnings:	10,799.22
		This Issue ⁹ :	6,000.00
		Total:	\$390,880.22
nal maturity 201	2.		6 Final maturity 1998.
nal maturity 199	7.		7 Final maturity 1984.
nal maturity 199	8.		⁸ Final maturity 1995.
nal maturity 199	7.		⁹ Final maturity 1999.
nal maturity 199	3.		

³This amount will be placed in the Bond and Interest Sinking Fund Account at closing. The sum is not precise as related to a period of time or interest rate.

THE COLLEGE OF SAINT SCHOLASTICA

The College of St. Scholastica, Inc. was founded by the Benedictine Sisters Benevolent Association. It was incorporated as a separate entity in 1962. Formerly a girl's school, it became co-educational six years ago.

St. Scholastica is accredited by the North Central Association of Colleges and Secondary schools. The College offers the Bachelor of Arts Degree. Its four divisions are Behavioral Arts and Sciences, Health Sciences, Natural Sciences, and Humanities, which offer 26 majors and 20 minors.

Father F. X. Shea, formerly Executive Vice President of Boston College, a Jesuit College of 10,000 students, became President in July, 1971.

In its current Catalog the College is described as follows:

"Scholastica is a relatively small, coeducational Benedictine liberal arts college that intends to remain that way because of the nature of its commitment. Ground was broken for Scholastica in 1906. The new school, commanding a superb view of Lake Superior with Chester Creek running through the land, was called Villa Sancta Scholastica. From 1924 to 1942 a monumental building program included the erection of Stanbrook Hall, Rockhurst Auditorium, Our Lady Queen of Peace Chapel, the Victor Ridder Memorial Library, and two connecting cloisters between Tower Hall and Stanbrook Hall, in 1967 Somers Residence Hall was completed, and the \$2.2-million Science Building was completed in 1969.

Proximity to national forests and parks, ski areas, lakes and rivers enables Scholastica students to enjoy the out-of-doors. While the nation swelters in summer heat, Duluth has earned the label of the air-conditioned city. Lake Superior beaches are lined from the end of May to the beginning of October with students acquiring suntans. If big-city night life is necessary for a student's happiness, he would perhaps be happier elsewhere. But if the student values tranquillity, the outdoor life, a highly cultural community where extracurricular activities abound and many relate to college studies, he will be happy at Scholastica. Music students take part in the Duluth Symphony; speech and theatre arts students feel at home in a splendid community theatre. Sports enthusiasts can play tennis, badminton, and golf, may ice skate, ski, snowmobile, fish, hunt, ice-boat and sail in Scholastica's back yard. Chester Park ski slides and slopes are adjacent to the campus.

The private nature of Scholastica is emphasized rather than the parochial: however, through theology, philosophy courses and religious services provided (though not required) for Catholics and non-Catholics, the educational system speaks to the total person, equipping him to make sound decisions."

Of the 160 acre campus, the Benedictine Sisters Benevolent Association owns all but 34 acres and their members constitute about 40% of the teaching staff. Currently the College pays maintenance costs of \$105 per month for each of the Sisters on its staff. For book-keeping purposes it charges the services of the teaching Sisters to the respective Departments at rates comparable to ordinary salaries for comparable positions and then posts the total of

these charges as "Contributed Services" to Current Revenue. For the last fiscal year, this net item was \$402,107.47. It is the goal of the College to actually pay full salaries of the Sisters to the Benedictine Sisters Benevolent Association when enrollment and the annual tuition are brought up to the desired goals. One of the basic reasons for recent increase of tuition is to help accomplish this goal.

The College has a goal of 1,600 students for which it now has satisfactory facilities except for additional library space, which will be needed in the next five to ten years, and also it will need some additional student housing.

Enrollments have been, are, and are projected to be, as follows:

Academic Year	Students
1967-68	509
1968-69	487
1969-70	569
1970-71	640
1971-72	730
1972-73	877
1973-74	959
Projected	d*
1974-75	1,059
1975-76	1,159
1976-77	1,259
1977-78	1,359

^{*}The projected enrollments are lower than those projected by the College in the Official Statement relative to the \$520,000 First Mortgage Revenue Bonds, Series D of 1973 issued by the Authority on behalf of the College. Applications for next year are 24-30% over what they were this same time a year ago.

A year's tuition is currently \$1,795 and will be \$2,000 for 1974/75. Room and board now is \$1,003 and will be \$1,290 next year. Thus, the total this year is \$2,800 and will be \$3,290 next school term. However, students who have been enrolled full-time during any quarter of the 1973/74 9-month academic year, for 1974/75 will be charged the present tuition of \$1,795.

The College owns or has the use of these facilities:

Building	Constructed	Ori	iginal Cost
Chapel and Library**	1938	\$	785,000
Tower Hall*			
Classrooms,			
Offices,	•		
Administration,			
Residence of Nuns	1910/1926	1	,842,866

Science Building	1969	2,882,300
Gymnasium*	1925	47,000
Home Management House*	1950	7,000
Somers Hall Dormitory,		
Food Service,		
305 Beds	1964	2,197,158
Student Apartments	1973	445,973
Student Apartments**	1974	285,000
Total:		\$8,492,297

^{*}Owned by the Benedictine Sisters Benevolent Association.

Since its inception, the College of St. Scholastica, Inc. has made use either exclusively or on a joint basis, of certain facilities owned and operated by the Benedictine Sisters Benevolent Association. On March 15, 1974, this arrangement was reduced to a written, binding contractual arrangement pursuant to which the College will have the right to the exclusive use of certain classroom and administration offices used by it during the term of this bond issue and, at any time after December 31, 1984, will have the right to lease the classroom and administration facilities pursuant to a 99-year lease, renewable at the end of each successive 99-year term, under certain conditions, the primary one of which is the continued operation of the College. Pursuant to this agreement, the College is obligated to pay its share of maintenance, repair and other operating costs relative to these facilities. In addition, the College now has contractual rights to continue to use certain facilities owned by the BSBA which are presently used by both the BSBA and the College on a shared basis. In the opinion of the College Board and administration, the arrangement makes no material change in any presently existing relationship, but does enhance the College's ability to operate in the facilities which it has traditionally used.

The members of the Board of Trustees are:

Mrs. Royal D. Alworth, Jr. Duluth, Minnesota

Peter J. Bartzen, M.D. CHAIRMAN OF THE BOARD Obstetrician, Duluth Clinic, Ltd. Duluth, Minnesota

Helen Delich Bentley

Federal Maritime Commission Washington, D.C.

Congressman John A. Blatnik U.S. House of Representatives Washington, D.C.

Sr. Verda Clare Eichner, O.S.B. Director, Nursing Service St. Mary's Hospital Duluth, Minnesota Sr. Mary Patrick Klauck, O.S.B.

Administrator Children's Hospital Minneapolis, Minnesota

Sr. Verona LaBud, O.S.B.

President

Benedictine Sisters Benevolent Assn.

Duluth, Minnesota

Mrs. Max H. Lavine

President

Lavine Newspaper Group Superior, Wisconsin

Sr. Marybelle Leick, O.S.B. Administrator

St. Mary's Hospital Duluth, Minnesota

^{**}This project.

Eugene R. Firmine

Vice President

Marsh & McLennan, Inc.

Sr. Maureen Harney, O.S.B.

Vice President

Benedictine Sisters Benevolent Assn.

Duluth, Minnesota

Bardon Higgins

Blyth Eastman Dillon & Co., Inc.

Duluth, Minnesota

Thomas E. Holloran

Executive Vice President

Medtronic, Inc.

Minneapolis, Minnesota

Sr. Mary Horgan, O.S.B.

Gerard High School

Phoenix, Arizona

Charles E. Johnson

Vice President for Metropolitan Affairs Attorney-at-law

University of Cincinnati

Cincinnati, Ohio

Sr. Mary Paul Ludwig, O.S.B.

St. Scholastica Priory

Duluth, Minnesota

Robert S. Mars, Jr.

Vice President

W. P. & R. S. Mars, Co.

Duluth, Minnesota

Sr. Mary Daniel O'Neill, O.S.B.

Work Incentive Program

Duluth, Minnesota

F. X. Shea, S. J.

President of Scholastica

Duluth, Minnesota

John R. Silver

President

Boston University

Boston, Massachusetts

Walter N. Trenerry

St. Paul, Minnesota

THE PROJECT

The proceeds of the Issuer will be used to fund the Pine Apartment Building, which is completed and occupied. It was financed during construction by interim financing arranged with local banks.

The three-story brick and spancrete building will house 46 students. It will have 11 four-student apartments. Each 800 square foot apartment will have its own kitchen, bathroom, two bedrooms, living room and balcony area. An additional unit will accommodate two students. The building will also house laundry facilities for 142 students; the forty-six in the new facility and 96 from the adjoining Grove Apartments.

Without modification the building could be converted to private rental.

The College has these housing facilities for its students:

Units	<u>Built</u>	Cost	Number of Students
Sommers Hall	1964	\$2,195,795.24	305
Grove Apartments	1973	419,182.34	96
Pine Apartments*	1974	285,000.00	46
Total:		\$2,899,977.58	447**

^{*}This project.

^{**}This is 46% of the total current enrollment.

Occupancy of the two apartment buildings is reported by the College to be 100%. However, principably due to some curriculm changes, occupancy in the dormitory is down so that presently, overall occupancy of college-owned housing is about 87%.

The net operating profit of housing for the year 1972/73 before debt service, equipment renewal, replacement and repair was \$36,050.63. This included operation of the Grove Apartments for only two quarters.

The College has projected these annual operating revenues and expenses for the Project:

Income:

46 students, \$70 each per month		
for 9 months	\$28,980	
Laundry	550	
Summer Rentals	2,000	
Total:		\$31,530
Expenses:		
Maintenance	\$ 1,000	
Insurance	800	
Total:		\$ 1,800
NET:		\$29,730

NOTE: The students will be charged for utilities.

Assuming an annual interest rate of 6% the debt service of this Issue and its coverage on the basis of the net operating profit shown above will be:

Year	Total Debt Service	Net Operating Income	Annual Coverage
1975	\$ 25,400	\$ 35,611.67*	1.40
1976	25,100	29,730.00	1.18
1977	24,800	29,730.00	1.20
1978	24,500	29,730.00	1.21
1979	24,500	29,730.00	1.23
1980	28,900	29,730.00	1.03
1981	28,300	29,730.00	1.05
1982	27,700	29,730.00	1.07
1983	27,100	29,730.00	1.10
1984	26,500	29,730.00	1.12
1985	25,900	29,730.00	1.15
1986	25,300	29,730.00	1.18
1987	24,700	29,730.00	1.20
1988	29,100	29,730.00	1.02
			Continued.

Total:	\$675,100	\$798,881.67	1.18
1999	26,500	79,480.00* *	3.00
1998	28,000	29,730.00	1.06
1997	29,500	29,730.00	1.01
1996	31,000	29,730.00	.96
1995	27,200	29,730.00	1.09
1994	28,400	29,730.00	1.05
1993	29,600	29,730.00	1.00
1992	25,500	29,730.00	1.17
1991	26,400	29,730.00	1.13
1990	27,300	29,730.00	1.09
1989	\$ 28,200	\$ 29,730.00	1.05

^{*}Includes \$5,881.67 of capitalized interest.

^{**}Includes \$25,750 from the General Reserve and \$24,000 from the Series Reserve. The College expects to invest the Series Reserve of \$24,000 which at 6% will annually yield \$1,440. This should substantially cover its fees for the Authority and Trustee. The Authority's annual fee will be \$425. In addition, the Authority expects to invest the General Reserve contribution of \$6,000. Assuming that this is not used for a delinquency and is invested at 6%, compounded, the College will have \$25,750 available to it for the last payment from the General Reserve and \$24,000 from the General Reserve. It is reasonable to assume that the 1999 payment will be prepaid in 1998 if not called sooner.

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 \$24,000.
- 5. The General Reserve of the Authority which with this Issue, will total \$390,880.22 (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 December 1, 1974 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 Twenty-Four Thousand Dollars (\$24,000), the Institution will pay as Base Rent such sum as may be necessary and sufficient to restore the Debt Service Reserve of Twenty-Four Thousand Dollars (\$24,000); 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 Project 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 times provided by this Lease. The Institution covenants and agrees 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: (i) to pay such rentals and payments required by this Lease, and (ii) 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 Boncs, (b) the required reserve therefor, (c) Current Expenses of the Project, (d) the required reserve for Current Expenses, and (e) 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 \$25,000,000

Securities issued by the following agencies of the United 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 Reserve 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. The sum of at least \$294,118.33 from Bond proceeds will be deposited at 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 monthly in this Account. In the event of a deficiency of month-Iv Project deposits, the Institution will pay the amount of the deficiency at least five business days prior to the interest payment dates of the Bonds. At the time of closing \$5,881.67 of capitalized interest (including accrued interest) from the Bond proceeds will be deposited in this Account.

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 \$24,000 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 any Bonds of the Authority for which a deposit has been made in the Account. The amount of \$6,000 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

Agreement

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 non-profit 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 deliver 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 5.04). 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 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 capitalized 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 6.09), to establish rental rates and regulations for Project operations (Section 6.11), to maintain insurance (Sections 6.12, 6.13), to repair and reconstruct 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 its 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 otherwise 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). Bondholder 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 5.08, 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 \$6,000 Bond proceeds to be deposited with the Authority in the General Bond Reserve Account and with the Trustee \$5,881.67 (including accrued interest) in the Bond and Interest Sinking Fund Account and \$24,000 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.

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 deliver 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: A reproduction of the complete "Report on Examination With Supplementary Information, Year Ended June 30, 1973" for College of St. Scholastica, Inc. is enclosed as a separate document. Attached to it is the reproduction of a letter, and its attachments, dated November 23, 1973 from the College to the Authority relative to the report.

NOTES

	letivered to Sprin	ngsted Incorporated by 9:00	A.M., the day o	i tile sale, wi	if the carried to the sale.
PLI	EASE SUBMIT	BID IN DUPLICATE. It is prefe	erred, but not ma	andatory, tha	t this form be used.
To:			Date: Ap	ril 23, 1974	
Re:	\$340,000 First	Mortgage Revenue Bonds Seri	es H (College of	St. Scholastic	ca, Inc.)
For the		issue which shall mature and b			e, as follows, we offer a
	—— % 1975	% 1980 %	1985 ——	— % 1990	% 1995
	—— % 1976	% 1981 %	1986 ——	— % 1991	——— % 1996
	—— % 1977	% 1982 %	1987 ——	 % 1992	% 1997
	—— % 1978	% 1983 %	1988 ——	— % 1 9 93	——— % 1998
,	—— % 1979	% 1984 %	1989 ——	— % 1994	 % 1999
	e request that Co	JSIP numbers be printed on the		will pay all co	sts related thereto.
	Account Member	(Strike if not		will pay all co	ests related thereto.
		(Strike if not		will pay all co	ests related thereto.
		(Strike if not		will pay all co	ests related thereto.
		(Strike if not		will pay all co	
		(Strike if not		Account Mar	
Not as a	Account Member	(Strike if not	applicable)	Account Mar	nager
Not as a	Account Member	(Strike if not	applicable)	Account Mar	nager
Not as a	Account Member	(Strike if not see show a quoted prices being controlling,	applicable)	Account Mar	nager

Secretary

B I D

F O R M

Chairman

OFFICIAL NOTICE OF BOND SALE

\$340,000

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY FIRST MORTGAGE REVENUE BONDS SERIES H (COLLEGE OF ST. SCHOLASTICA, INC.)

Bids will be received Tuesday, April 23, 1974, 11:00 A.M., CDST, 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 AND INTEREST

The Bonds will be dated June 1, 1974. Interest will be payable December 1, 1974, and each June 1, and December 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 used, and the Reserve Accounts established thereto. The Bonds 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 for the construction, equipping, financing and operation of a student housing facility of one three-story building with twelve apartments to accommodate 46 students and for the establishment of certain reserves relative to the issue.

MATURITIES AND REDEMPTION

June 1, in the years and amounts as follows:

\$ 5,000 1975-79 \$15,000 1988-92 \$10,000 1980-87 \$20,000 1993-95 \$25,000 1996-99 All dates are inclusive.

At the option of the Issuer all Bonds maturing on or after June 1, 1989, shall be subject to prior payment in inverse order of serial numbers on June 1, 1988, and any interest payment date thereafter, at a price of 101 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

CUSIP NUMBERS

The Bonds will be printed with CUSIP numbers, when available. In no event will the Issuer be responsible for the correctness of such numbers and incorrect numbers shall not be cause for refusal to accept delivery.

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 19, 1974.

DELIVERY

Within 40 days after award, subject to the unqualified approving legal opinion of Messrs. Faegre and 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 \$330,000 and accrued interest on the principal sum of \$340,000 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 \$8,780. 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. The interest rate for any maturity shall be not less than that of any prior maturity and no interest rate shall exceed any other interest rate by more than 2% per annum. Additional coupons may not be used.

AWARD

Award will be made on the basis of lowest dollar interest cost; determined by the addition of any discount to, and the 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 March 26, 1974

BY ORDER OF THE MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

/s/ Richard C. Hawk Secretary

Bids o	delivered to Springsted Incorporated byg	9:00 A.M., t	he day of the sale, wi	II be carried to the sale.
PL	EASE SUBMIT BID IN DUPLICATE. It is	preferred, bu	it not mandatory, the	at this form be used.
To:	Mr. Richard C. Hawk, Secretary Suite 278, Metro Square Building 7th and Robert Streets St. Paul, Minnesota 55101	D	ate: April 23, 1974	
Re:	\$340,000 First Mortgage Revenue Bonds	Series H (Co	llege of St. Scholasti	ca, Inc.)
For the price	he bonds of this issue which shall mature a of \$ and accrued in	and bear inte	rest at the annual rat e date of delivery.	e, as follows, we offer a
		— % 1985	 % 1990	% 1995
	% 1976	% 1986	% 1991	% 1996
		— % 1987	% 1992	——— % 1997
		 % 1988	% 1993	——— % 1998
	% 1979	% 198 9	% 1994	% 1999
	le request that CUSIP numbers be printed o (Strike i Account Members	n the Bonds f not applica	• •	osts related thereto.
			Account Ma	nager
		Ву:		
Not as following	a part of our offer, the above quoted prices being controlling computations:	olling, but only a	s an aid for the verification	of the offer, we have made the
	NET INTEREST COST	\$		
	NET EFFECTIVE RAT	ΓΕ	%	
The fo	oregoing offer is hereby accepted by the acauthorized and empowered to make such ac			oy its following officers

Secretary

B I D

F

O R M

Chairman

OFFICIAL NOTICE OF BOND SALE

\$340,000

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY FIRST MORTGAGE REVENUE BONDS SERIES H (COLLEGE OF ST. SCHOLASTICA, INC.)

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DATE AND INTEREST

The Bonds will be dated June 1, 1974. Interest will be payable December 1, 1974, and each June 1, and December 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 used, and the Reserve Accounts established thereto. The Bonds 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 for the construction, equipping, financing and operation of a student housing facility of one three-story building with twelve apartments to accommodate 46 students and for the establishment of certain reserves relative to the issue.

MATURITIES AND REDEMPTION

June 1, in the years and amounts as follows:

\$ 5,000 1975-79 \$15,000 1988-92 \$10,000 1980-87 \$20,000 1993-95 \$25,000 1996-99 All dates are inclusive.

At the option of the Issuer all Bonds maturing on or after June 1, 1989, shall be subject to prior payment in inverse order of serial numbers on June 1, 1988, and any interest payment date thereafter, at a price of 101 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

CUSIP NUMBERS

The Bonds will be printed with CUSIP numbers, when available. In no event will the Issuer be responsible for the correctness of such numbers and incorrect numbers shall not be cause for refusal to accept delivery.

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 19, 1974.

DELIVERY

Within 40 days after award, subject to the unqualified approving legal opinion of Messrs. Faegre and 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 \$330,000 and accrued interest on the principal sum of \$340,000 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 \$8,780, 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. The interest rate for any maturity shall be not less than that of any prior maturity and no interest rate shall exceed any other interest rate by more than 2% per annum. Additional coupons may not be used.

AWARD

Award will be made on the basis of lowest dollar interest cost; determined by the addition of any discount to, and the 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 March 26, 1974

BY ORDER OF THE MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

/s/ Richard C. Hawk Secretary