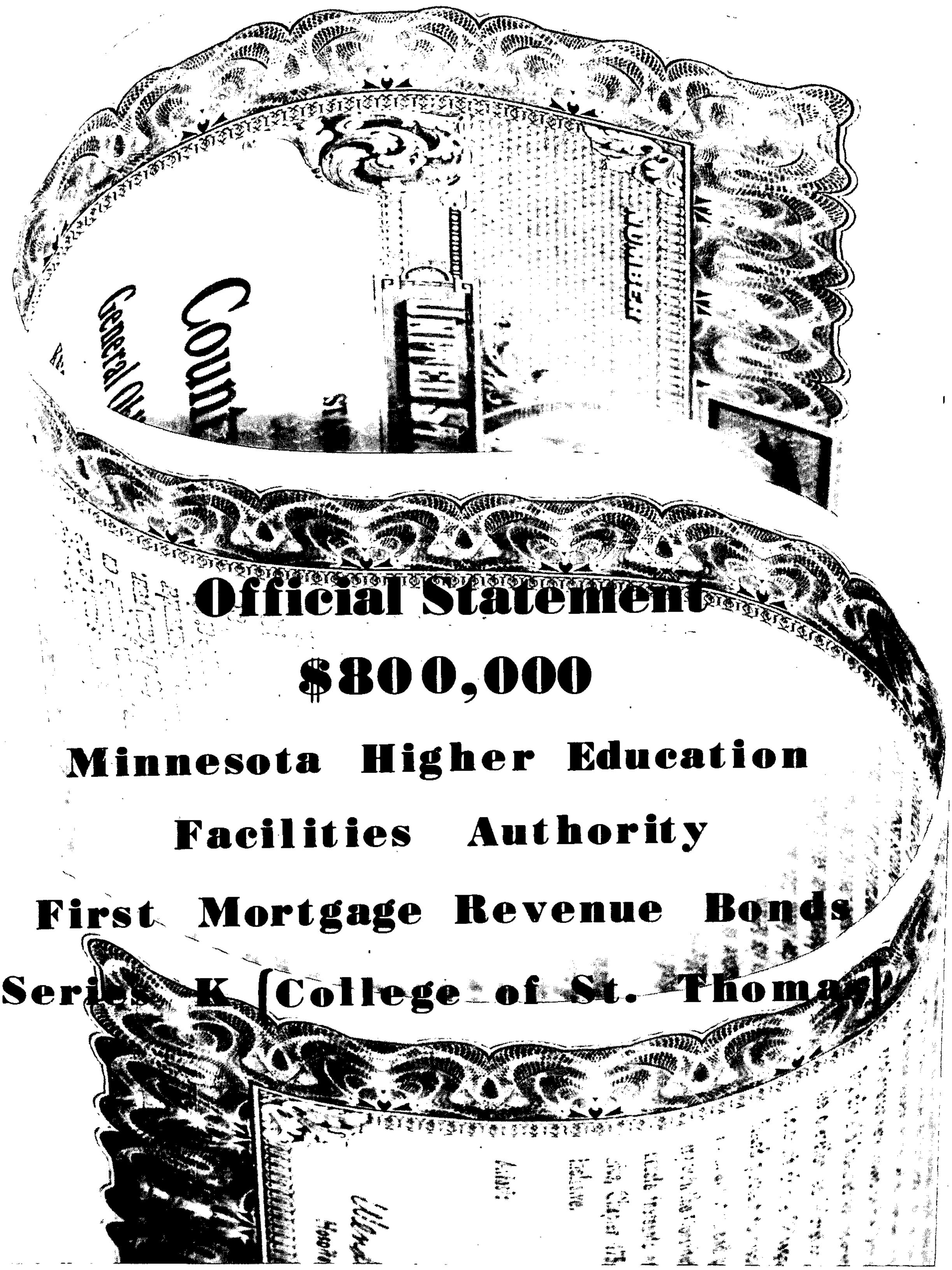

Official Statement

$800,000

Minnesota Higher Education Facilities Authority First Mortgage Revenue Bonds Series K (College of St. Thomas)

SALE: TUESDAY, NOVEMBER 29, 1974, AT 11:00 A.M., CST

AWARD: 3:00 P.M., CST, OF THE SAME DAY

SPRINGSTED INCORPORATED MUNICIPAL CONSULTANTS

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

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

$800,000
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
FIRST MORTGAGE REVENUE BONDS SERIES K (COLLEGE OF ST. THOMAS)

Bids will be received Tuesday, November 26, 1974, 11:00 A.M., CST, 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 December 1, 1974. Interest will be payable March 1, 1975, and each September 1, and March 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 and furnishing of a faculty residence, with 23 apartments, two guest rooms, a conference room, a lounge meeting room, an exercise room and five garage stalls at the College of Saint Thomas, in St. Paul, Minnesota.

MATURITIES AND REDEMPTION

September 1, in the years and amounts as follows:

$20,000	1975	$45,000	1987-88
$25,000	1976-79	$50,000	1989
$30,000	1980-81	$55,000	1990-91
$35,000	1982-84	$60,000	1992
$40,000	1985-86	$65,000	1993
$60,000	1994		

All dates are inclusive.

At the option of the Issuer all Bonds maturing on or after September 1, 1988, shall be subject to prior payment in inverse order of serial numbers on September 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.

CUSIP NUMBERS

The Bonds will be printed with CUSIP numbers, if 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.

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 $782,167 and accrued interest on the principal sum of $800,000 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 $16,000, 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. 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 1% 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 September 24, 1974

BY ORDER OF THE MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
/s/ Richard C. Hawk
Secretary

NOTE: The net effective rate may exceed 7%, but in the opinion of Bond Counsel may not exceed 8%.

YEAR	PRINCIPAL	BOND YEARS	CUMULATIVE BOND YEARS
1975	$20,000	15.00	15.00
1976	$25,000	43.75	58.75
1977	$25,000	68.75	127.50
1978	$25,000	93.75	221.25
1979	$25,000	118.75	340.00
1980	$30,000	172.50	512.50
1981	$30,000	202.50	715.00
1982	$35,000	271.25	986.25
1983	$35,000	306.25	1292.50
1984	$35,000	341.25	1633.75
1985	$40,000	430.00	2063.75
1986	$40,000	470.00	2533.75
1987	$45,000	573.75	3107.50
1988	$45,000	618.75	3726.25
1989	$50,000	737.50	4463.75
1990	$55,000	866.25	5330.00
1991	$55,000	921.25	6251.25
1992	$60,000	1065.00	7316.25
1993	$65,000	1218.75	8535.00
1994	$60,000	1185.00	9720.00

AVERAGE MATURITY: 12.15 Years

DATED: December 1, 1974

INTEREST: March 1, 1975, and each September 1, and March 1, thereafter.

MATURE: September 1, 1975-94, inclusive.

REDEMPTION: At the option of the Issuer all Bonds maturing on or after September 1, 1988, shall be subject to prior payment in inverse order of serial numbers on September 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 St. Thomas 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. <u>They do not in any manner represent or constitute a debt or pledge of the faith and credit of the State of Minnesota.</u>

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 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 are being issued for the construction, equipping and furnishing of a faculty residence, with 23 apartments, two guest rooms, a conference room, a lounge meeting room, an exercise room and five garage stalls on the campus of the College. Construction is completed and the premises are occupied.

BOND PROCEEDS USE

Bond Proceeds are expected to be expended as follows:

Construction, Fees & Furnishings		$700,000
Reserve:		
Series	$ 56,000 [1]	
General	14,000 [2]	
		70,000
Discount		17,833
Fees:		
Authority	$ 3,667	
Bond Issuance	8,500	
		12,167
	Total:	$800,000

[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. Marys 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
	Sub Total:	$387,081.00
	Earnings:	33,841.27
	This Issue[11]:	14,000.00
	Total:	$434,922.27

[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.
[8]Final maturity 1995.
[9]Final maturity 1999.
[10]Final maturity 2002.
[11]Final maturity 1994.

COLLEGE OF ST. THOMAS

The College of St. Thomas was founded by Archbishop John Ireland in 1885. The first baccalaureate degrees were conferred in 1910. The College was officially accredited by the North Central Association of Colleges and Secondary Schools in 1916.

In 1950 a graduate program in education was added. The College now grants the Master of Arts and Education Specialist degrees. Concentrations are available in school administration, counseling, developmental and remedial reading, special education, teacher preparation and in curricular enrichment programs in elementary and secondary education.

The campus of the College of St. Thomas, comprising 45 acres, is situated on Summit Avenue in the City of St. Paul, midway between the downtown districts of the Twin Cities of St. Paul and Minneapolis. This metropolitan area provides St. Thomas students with an opportunity to share in the intellectual and cultural diversity of a major urban center.

The College is governed by a 25-member Board of Trustees, 19 of whom are laymen and laywomen. Present membership is:

Rev. Monsignor Terrence J. Murphy has served as president since 1966.

The College is a non-profit corporation and in the opinion of the Office of the Commissioner of Internal Revenue of the United States Treasury Department is ". . . exempt from federal income tax under the provisions of 101(6) of the Internal Revenue Code (of 1939) and corresponding provisions of prior revenue acts."

The Corporation of the College is an independent corporation not controlled by any other corporation or religious body. Neither the Archdiocese nor any other religious body guarantees the indebtedness of the College. In case of the demise of the College, its property does not automatically go to the Archdiocese. No church body controls the election of any trustees or officers of the College. These are all elected except two positions. The archbishop of the Archdiocese of St. Paul and Minneapolis and the president of the College are ex-officio members of the Board of Trustees. The vicar general of the Archdiocese is the vice president of the Corporation. The Board is a self-perpetuating board which elects its own membership.

St. Thomas participates in a cooperative course program with the College of St. Catherine, Macalaster College, Hamline University and Augsburg College which permits students of each of these colleges to enroll in courses of the other schools. The purpose of this program is to strengthen the total educational opportunity offered the students of these colleges.

Full time equivalent enrollments, including both undergraduate and graduate students, have been and are, as follows:

Year	Enrollments
1969/70	2,231
1970/71	2,200
1971/72	2,249
1972/73	2,158
1973/74	2,163
1974/75	2,243

Tuition this academic year is $2,000. Board is $650 and rooms are from $375 to $600. Other fees are $70. All of these are annual charges.

The following three pages are reproductions of the schedule of physical plant and equipment filed as "Exhibit G" by the College with its application of April 10, 1974 to the Authority.

VALUES*
PHYSICAL PLANT AND EQUIPMENT - COLLEGE OF ST. THOMAS

Facility	Use	Age**	Capacity	Book Value	Insurable Value	Contents
EDUCATIONAL						
1. Albertus Magnus Hall	Classes, Offices & Labs	1946	N.A.	$ 1,175,187	$ 3,652,966	$ 650,01[illegible]
2. Aquinas Hall	Classes & Offices	1931	N.A.	520,554	2,176,032	500,34[illegible]
3. O'Shaughnessy Library	Library & Audio Visual	1958	N.A.	1,547,939	2,793,096	1,194,04[illegible]
4. Music Building	Classes & Studios	1943***	N.A.	18,391	272,580	50,76[illegible]
5. O'Shaughnessy Educational Center	Learning Center & Classes	1969	N.A.	3,474,130	4,184,473	232,283
6. Catholic Digest Building	Editorial Offices	1905	N.A.	53,551	283,978	20,626
7. Alumni Office	Development Offices	1962***	N.A.	33,461	44,460	7,156
ACTIVITY						
8. Chapel	Religious Services	1917	N.A.	192,726	1,373,075	75,836
9. Stadium	Athletics	1946	N.A.	484,681	930,935	78,475
10. Armory-Auditorium	Theater, Classes & Gym	1914	N.A.	194,829	789,983	126,42[illegible]
11. O'Shaughnessy Hall	Athletics & Offices & Classes	1939	N.A.	$ 344,853	$ 1,863,005	$ 80,98[illegible]

Facility	Use	Age**	Capacity	Book Value	Insurable Value	Contents
AUXILIARY ENTERPRISE						
12. Dowling Hall	Student Residence	1957	300 stud. 4 suites	$ 1,176,212	$ 2,189,318	$ 93,916
13. Ireland Hall	Student Residence	1912	195 stud. 2 suites	339,176	1,707,077	76,597
14. Murray Hall	Student Center	1959	N.A.	1,866,534	3,306,836	277,569
15. Brady Hall	Student Residence Health Center Conference Rooms Offices	1967	157 stud. 4 suites	1,156,949	1,811,637	83,54[illegible]
GENERAL PLANT						
16. Heating Plant	Steam Generation	1939	N.A.	138,366	1,044,732	
17. Garages	Car & Equipment Storage	1917-1957-1965	N.A.	69,757	136,323	11,517
18. Paint Shop	Painting & Storage	1946	N.A.	3,000	5,110	5,57[illegible]
19. Utilities Distribution System	Distribution of Utilities	1946-1959	N.A.	315,720	732,657	
20. Grounds Improvement	Walks, Parking, etc.			221,120	221,120	
21. Other Plant Equipment	Maintenance					64,356
22. Shops Building	Shop & Office	1914		17,390	81,172	16,09[illegible]
				$ 13,344,526	$ 29,600,565	$ 3,646,131

Facility	Use	Age**	Capacity	Book Value	Insurable Value	Contents
LAND						
Main Campus (45.6 acres equal eight (8) city blocks lying between Cretin and Cleveland Avenues and Summit and Selby Avenues.)		1894				

* Does not include house owned in Washington, D.C.

** Start of construction

*** Year of purchase

THE PROJECT:

The College has constructed on its campus a faculty residence which is completed and occupied. The facility has 23 apartments, two guest rooms and other supporting facilities which will be leased primarily to single men faculty members. However, the apartments are adaptable to use by family units. The facility currently is almost fully occupied. The current rent is $540 for the president's apartment, $270 for furnished units and $150 for unfurnished. The College estimates that its annual operating costs will be $45,981 which includes utilities, maid service, laundry, security, and administrative overhead. The rentals are not expected to be wholly sufficient for debt service. The deficiency will be supplied by the College from other revenues.

Following is a reproduction of the Statement of Outstanding Indebtedness filed by the College with its Application to the Minnesota Higher Education Facilities Authority dated April 10, 1974. For balance as of June 30, 1974 see "Liabilities", Schedule A-1, page 20, of Report on Audit Year Ended June 30, 1974 for the College which accompanies this statement.

COLLEGE OF ST. THOMAS
STATEMENT OF OUTSTANDING INDEBTEDNESS
JUNE 30, 1973

Description	Date of Obligation	Amount Issued	Amount Retired	Amount Outstanding	Annual* Debt Service
Dormitory Bonds of 1957 Due 1997 Interest - 2-7/8%	12-1-57	$1,200,000	$280,000	$ 920,000	$ 51,091
Student Union Bonds of 1959 Due 1989 Interest - 3%	1-1-59	1,300,000	425,000	875,000	71,250
Dormitory Bonds of 1967 Due 2017 Interest - 3%	4-1-67	1,050,000	40,000	1,010,000	40,300
Academic Building Bonds of 1969 Due 2009 Interest - 3 %	6-1-69	1,346,000	20,000	1,326,000	60,000
Mortgage on Music Building and Butler House Due 1980 Interest - 6% Held by Catholic Aid Association	12-10-69	100,000	40,000	60,000	13,600
Totals		$4,996,000	$805,000	$4,191,000	$236,241

* Annual debt service shown is that for the 1973-74 fiscal year

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 $56,000.

5. The General Reserve of the Authority which with this Issue will total $434,922.27 (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 March 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 Fifty-Six Thousand Dollars ($56,000), the Institution will pay as Base Rent such sum as may be necessary and sufficient to restore the Debt Service Reserve of Fifty-Six Thousand Dollars ($56,000); 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 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 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 $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. All Bond proceeds, except the sum of $70,000 and accrued interest, 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 monthly in this Account. In the event of a deficiency of monthly 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 accrued interest 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 $56,000 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 $14,000 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 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 6.09), 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). 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 $14,000 Bond proceeds to be deposited with the Authority in the General Bond Reserve Account and with the Trustee accrued interest in the Bond and Interest Sinking Fund Account and $56,000 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 St. Thomas.

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 "Condensed Report on Audit, Year Ended June 30, 1974" for the College of St. Thomas is enclosed as a separate document.*

B I D F O R M

Bids delivered to Springsted Incorporated by 9:00 A. M., the day of the sale, will be carried to the sale.

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
7th and Robert Streets
St. Paul, Minnesota 55101

Date: November 26, 1974

Re: $800,000 First Mortgage Revenue Bonds Series K (College of St. Thomas)

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

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

OFFICIAL NOTICE OF BOND SALE

$800,000
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
FIRST MORTGAGE REVENUE BONDS SERIES K (COLLEGE OF ST. THOMAS)

Bids will be received Tuesday, November 26, 1974, 11:00 A.M., CST, 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 December 1, 1974. Interest will be payable March 1, 1975, and each September 1, and March 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 and furnishing of a faculty residence, with 23 apartments, two guest rooms, a conference room, a lounge meeting room, an exercise room and five garage stalls at the College of Saint Thomas, in St. Paul, Minnesota.

MATURITIES AND REDEMPTION

September 1, in the years and amounts as follows:

$20,000	1975	$45,000	1987-88
$25,000	1976-79	$50,000	1989
$30,000	1980-81	$55,000	1990-91
$35,000	1982-84	$60,000	1992
$40,000	1985-86	$65,000	1993
$60,000	1994		

All dates are inclusive.

At the option of the Issuer all Bonds maturing on or after September 1, 1988, shall be subject to prior payment in inverse order of serial numbers on September 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.

CUSIP NUMBERS

The Bonds will be printed with CUSIP numbers, if 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.

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 $782,167 and accrued interest on the principal sum of $800,000 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 $16,000, 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. 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 1% 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 September 24, 1974

BY ORDER OF THE MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
/s/ Richard C. Hawk
Secretary

NOTE: The net effective rate may exceed 7%, but in the opinion of Bond Counsel may not exceed 8%.