






-  **Forwarding Letter**
-  **Meeting Agenda**

I. Review and approve minutes of the meeting of November 18, 2020

-  **Minutes of November 18, 2020**

II. St. Olaf College

-  **St. Olaf 2021 Application Revision**
-  **Supplemental Application Review – North Slope Capital Advisors**
-  **Supplement to Application Memorandum – Fryberger**
-  **Original Application Memorandum - Fryberger**
-  **Amended and Restated Resolution Relating to Application - Fryberger**

III. 2021 Resolution Relating to Pursuit of Expanded Issue Authority

-  **Resolution Relating to Pursuit of Expanded Issue Authority**

IV. Voom Creative 50th Anniversary Proposal

-  **50th Anniversary Proposal**

V. Old Business

VI. New Business

VII. Other Business

-  **Executive Director Report Memo**

MEMORANDUM



380 JACKSON STREET, SUITE 450, ST. PAUL, MN 55101

Main Phone: 651.296.4690 Fax: 651.297.5751

Date: 30 December 2020

To: Minnesota Higher Education Facilities Authority Board Members

From: Barry W. Fick, Executive Director

Subject: January 6, 2021 Authority Board Meeting Preview

Greetings to the Minnesota Higher Education Facilities Authority January 6, 2021 video and teleconference Board meeting. The focus of the January 6, 2021 Board meeting will be the second Public Hearing for St. Olaf College. This Public Hearing is necessary to accommodate the additional projects to be included in the Financing Application.

We also ask for your consideration of a contract with Voom Creative to have them develop options for our 50th Anniversary logo and their assistance with updating the Authority website to include our 50th Anniversary logo and their assistance in identifying appropriate commemorative items for the anniversary.

We will also ask for your consideration of a Resolution supporting the expansion of our issuance power to include Healthcare and Senior Living. We discussed this in concept with you last November. If you approve the Resolution, we will submit our expansion legislation to the Revisor of Statutes for finalization and introduction to the legislative process.

We will again be using our new video link system for this meeting. It is a component of our upgraded communications system, which includes phones, conference calling, fax, and video, all integrated into a system that is accessible from anywhere.

We continue to work from home according to Executive Order issued by the Governor and endorsed by MMB, with occasional visits to the office.

We look forward to your participation by video conferencing or telephone for the meeting.

Wednesday, January 6, 2021

10:00 AM

Meeting to be held via electronic means due to pandemic emergency social distancing.

The public should utilize the call-in information provided below.

Individuals may request reasonable accommodation or modifications in order to participate in Authority programs by contacting the Authority at least 48 hours in advance of the event.

- I. Review and approve minutes of the meeting of November 18, 2020
- II. St. Olaf College
 - Public Hearing
 - Supplemental Application Review Letter – North Slope
 - Supplement to Application Memorandum - Fryberger
 - Amended and Restated Resolution Relating to Application – Fryberger
- III. 2021 Resolution Relating to Pursuit of Expanded Issue Authority
- IV. Voom Creative 50th Anniversary Proposal
- V. Old Business
 - 2021 Annual Conference Format and Timing
- VI. New Business
- VII. Other Business
 - Executive Director's Report

Meeting to be conducted via video conference – Board Members will receive a link to join the meeting

General Public may attend via call-in number: 1-877-978-6969 Access Code: 536-888-055#

The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a regular Board meeting at 2:00 PM CDT, Wednesday, November 18, 2020, in the Authority’s Conference Room, 380 Jackson Street, Suite 450, Saint Paul, Minnesota.

Following Emergency Executive Order 20-01, dated March 13, 2020, Declaration of Peacetime Emergency by Governor Walz; Emergency Executive Order 20-20, dated March 25, 2020; and Emergency Executive Order 20-33, dated April 8, 2020 (the foregoing and other Emergency Executive Orders of the Governor relating to COVID-19, as may be amended or superseded, collectively, the “Emergency Orders”), members of the Authority participated in and attend the meeting by telephone or other electronic means in accordance with Minnesota Statutes, Section 13D.021.

Authority Chair Ranum determined that an in-person meeting at the regular meeting location for the Authority, 380 Jackson Street, Suite 450, Saint Paul, Minnesota 55101, was not practical or prudent because of the health pandemic declared under the Emergency Orders and according to current guidance from the Minnesota Department of Health, the Centers for Disease Control and Prevention, and the U.S. Department of Homeland Security.

The chief administrative officer of the Authority, Executive Director Barry W. Fick, was physically present at the Authority’s offices, 380 Jackson Street, Suite 450, Saint Paul, Minnesota 55101.

Members of the public who plan to be present at the public hearing at the Authority’s offices in person will be required to observe social distancing and comply with other measures imposed by the Emergency Orders.

The public were able to monitor the meeting by calling a toll-free number

Board members participated in the meeting using a video link. The meeting link was sent to Board members prior to the meeting. The use of a video link as an allowable way to hold the Board meeting was confirmed by the State of Minnesota’s Data Practices Office staff prior to the meeting, following Minnesota Statute 13D.021.

Executive Summary – Minnesota Higher Education Facilities Authority

Meeting on November 18, 2020

Board Actions Taken:

Motions:	Result:	Vote:
Approval of Meeting Minutes of October 21, 2020	Passed	Unanimous

Resolutions	Result:	Vote:
Approval of Resolution Relating to Application for St. Olaf College	Passed	Unanimous

The official meeting began with a roll call to determine who was attending the meeting. The following board members or their designees were participating and attending by video link or telephone:

Board Members: Gary Benson
Mary Ives
Michael Ranum
Bonnie Anderson Rons
David Rowland
Nancy Sampair
Poawit Yang
Stacey Holland, Minnesota Private College Council, ex officio without vote

Absent: Mark Misukanis
Ray Vin Zant

Other Attendees: Mark LeMay, Consultant
Janet Hanson, VP and CFO, St. Olaf College
Mark Gelle, AVP and Chief Investment Officer, St. Olaf College
Robert Toftey, Bond Counsel
Melanie Len, Director, Piper Sandler
Nick Taylor, Director, North Slope Capital Advisors

Laura Janke, Public

Also Present: Barry W. Fick (in-person) Executive Director MHEFA
Amanda Lee, Operations Manager, MHEFA

All participants attended the meeting by video link or telephone. Executive Director Fick participated by video link and was present at the Authority Office for the meeting.

Mike Ranum, Chair, called the meeting order at 2:00 pm CDT. Executive Director Fick confirmed that a quorum was present.

Agenda Item I – Minutes of the October 21, 2020 Board meeting.

The first item on the Agenda is the review and consideration of the minutes of the October 21, 2020 Authority Board meeting. Board member Bonnie Rons noted a change to page 8 of the October minutes. The change was for clarification and non-substantive. There were no other questions or proposed changes to the minutes from the Board members.

A motion was made by Gary Benson to approve the October 21, 2020 minutes. The motion was seconded by Mary Ives. Chair Ranum asked if there were any additional questions, discussion, or changes to the minutes of the October 21, 2020 Board meeting.

Chair Ranum called for a vote regarding the approval of the minutes. A voice vote was conducted, and the Board members unanimously voted to approve the October 21, 2020 Authority Board minutes as amended

Agenda Item II – St. Olaf College Application for Financing

Chair Ranum opened the Public Hearing for St. Olaf College. Executive Director Fick noted that Notice for the St. Olaf Public Hearing was published in the State Register and the Northfield in a timely manner and that there were no comments received by the Authority prior to the Public Hearing. Mr. Fick also noted that there were no members of the public at the Authority Office.

Chair Ranum called on Ms. Janet Hanson, Vice President and Chief Financial Officer at St. Olaf College to present the financing request of the College, describe the College and its operations, and outline the project to be financed. Ms. Hanson presented information about the background of the project, noting that the project consists of the construction of a residential tower for 300 students and the construction and furnishing of 10 townhome residences, housing approximately 140 students. The project will allow the college to realize its residential vision. The additional beds will allow the college to house more students on campus, decompress triple bed dorms to their originally intended double occupancy, and provide for more attractive residential options to engage students in their experience at St. Olaf.

Ms. Hanson noted that the college anticipates breaking ground in Spring/Summer 2021 with construction and furnishing of the projects complete to open for occupancy in Fall 2022. The project cost is expected to be approximately \$60 million. The college will fund the project costs, interest during the construction and issue costs with bond proceeds. The exact size and structure of the financing is under discussion and will be presented to the Authority Board at the December 2020 meeting.

Chair Ranum asked if Board members had any questions for Ms. Hanson. Board members asked questions about how St. Olaf has handled the COVID-19 crisis. Ms. Hanson and Mr. Gelle responded noting the testing regimen adopted by the College and the process and procedures the college has implemented to identify and mitigate any spread of the virus on campus. Ms. Hanson discussed the contingency plans the college has in place and outlined the learning options available to students for Fall 2020. Ms. Hanson and Mr. Gelle discussed college outreach efforts to students that were undertaken in summer 2020. Ms. Hanson discussed Fall 2020 enrollment and continuing efforts to communicate with students interested in future enrollment at the college. There were no other Board member questions.

Mr. Ranum closed the public hearing and asked Mr. Nick Taylor, Director and Chief Compliance Officer of North Slope Capital Advisors to provide the Board with an analysis of the financial effect of the application by the college. Mr. Taylor introduced himself and provided a brief introduction to North Slope Capital Advisors. Mr. Taylor proceeded to review the Application Analysis prepared by North Slope. Their analysis provided a trend line for asset growth, annual financial performance, and student demand. North Slope prepared an analysis of the college financial performance relative to Moody's Investors Service financial ratios and discussed the process of obtaining a credit rating.

Mr. Taylor noted that in the professional opinion of North Slope Capital Advisors, the project appears fiscally feasible and a bond with adequate security can be structured.

Mr. Taylor concluded his presentation and asked if Board members had questions. A Board member asked about how the proposed new debt would fit in with the outstanding debt of the college and if the college had plans for additional debt. Mr. Taylor provided an outline of how the proposed debt integrates with the outstanding debt and how the plan allows the college to provide for debt service payments with adequate security for bondholders. Ms. Hanson indicated that the college has no plans for additional debt in the next few years. Any capital projects in the near future will be funded from capital gifts or operations. There were no other questions from Board members.

Mr. Ranum next asked Mr. Robert Toftey, Esq. from the Fryberger law firm, serving as bond counsel for the St. Olaf financing, to review Bond Counsel's Application Memorandum. Mr. Toftey directed the Board's attention to the Application of St. Olaf College for MHEFEA Financing memorandum, dated November 9, 2020. Mr. Toftey reviewed the memo with the Board. The memo represents Bond Counsel's findings from their review of the St. Olaf Application for financing. It also notes items that are missing and need to be provided prior to issuing the bonds. It reviews representations made by St. Olaf in their Application and discusses IRS limitations on tax-exempt financed projects, noting how those limitations might affect the St. Olaf Project.

Mr. Toftey concluded his presentation and asked if there were questions from Board members. Board member Ives asked for clarification regarding private use of the dorm facilities. There were no further questions. Mr. Ranum then asked Mr. Toftey to review the Resolution Relating to the Application for St. Olaf College.

Mr. Toftey directed the Board's attention to the Resolution included in the Board information packet. The Resolution includes 9 findings, each of which Mr. Toftey briefly discussed with the Board. The Resolution terms recites the description of the project and the application from St. Olaf. It discusses publication of appropriate Notice for the Public Hearing and that the Public Hearing was duly held on November 18, 2020.

It discusses the review of the Application by qualified professionals retained by the Authority and notes the professionals recommend approval of the Application, subject to completion of some remaining items prior to the sale of the bonds.

The Resolution notes that the College is qualified to borrow through the Authority, the Project is a qualified Project under the Authority's authorizing legislation, that the Project fulfills the mission of the Authority, that the College is nonsectarian, does not engage in unlawful discrimination, that the project facilities are available to students of the college without unlawful discrimination and that the project and issuance of revenue obligations appear feasible.

The Resolution concludes with the statement that by approving the Resolution the Board authorizes the Executive Director and finance professionals to obtain additional information and directs the participants to prepare a financing plan and bond documents and bring those to the Board for consideration and approval. This concluded Bond Counsel's discussion of the Resolution. Mr. Ranum asked if there were questions related to the Resolution from Board members. There were none.

A motion was made by Bonnie Anderson Rons to approve and accept the Resolution Relating to the Application of St. Olaf. The motion was seconded by David Rowland. Chair Ranum asked if there were any questions, discussion, or changes for Mr. Toftey regarding the Resolution. There were no other questions for Mr. Toftey related to the Resolution Relating to the Application of St. Olaf College.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the Resolution Relating to the Application of St. Olaf College. A Roll Call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Mary Ives	Yes
	Michael Ranum	Yes
	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Nancy Sampair	Yes
	Poawit Yang	Yes

There were no votes against the motion and the Resolution Relating to the Application of St. Olaf College was approved.

Chair Ranum allowed St. Olaf College and other St. Olaf Financing team members participating in the Public Hearing and the Application Review process to leave the meeting if they would like.

Agenda Item III – Old Business

There were four (4) items of old business to come before the Board:

Municipal Advisor RFP Update: Proposals were received from five (5) firms for the full range of services and one (1) proposal for a limited range of services. Staff will evaluate the proposals received and work with the Board to schedule interviews with some or all of the Proposer Firms. Due to the volume of other Authority business in December, staff proposes to move interviews and a selection decision of Roster members to January 2021. This represents a delay of a month from the original schedule. The delay allows staff to focus on financing transaction for St. Olaf and complete work on preparing the Issuance Expansion request for the 2021 State of Minnesota Legislative Session.

The Board agreed with the extension as there are currently no financing Applications received for early 2021 action by the Board.

Minnesota Private College enrollments proved to be quite strong for Fall 2020. Most schools were at or slightly below budgeted levels of enrollment. Some schools were down on enrollment further than projected and at least one school, Concordia University in St. Paul, showed an increase in students.

Board members asked if there was additional information about COVID-19 cases at individual schools. Executive Director Fick noted that the Authority is not aware of any large outbreak and that most of the colleges and universities have a robust testing program in place and have adopted protocols to minimize the risk of spreading COVID on campuses.

A Board member asked how the State of Minnesota shutdown of certain business has affected the schools. The Governors emergency orders have not had an outsize effect on the schools. Schools will generally be moving to distance learning after the Thanksgiving break and not returning to on-campus learning until sometime in 2021, when the next academic session is scheduled to begin.

Authority staff had a discussion with our Legislative Advisor about how to approach the upcoming legislative session to seek authority to expand Authority issue authority. We will develop detailed plans through November and December. We will bring a resolution to the Board for consideration at the December meeting regarding the expansion efforts. The legislators who sponsored our bill in

2020 were all reelected (other than 1 who chose to retire). We will work to have them sponsor the bill in 2021 and obtain additional sponsors or supporters.

Operations Manager Amanda Lee updated the Board on the installation of the Authority's new communications system. The system includes new desk phones, a new conference phone, integration with our mobile phones, an electronic fax line and a video communications link. That link was used for the first time on this November 2020 Authority meeting. As part of the new system, Amanda has a new direct line number. The general number, fax number, and the Executive Director direct line numbers remain the same as they have been.

There were no other old business items from staff or Board members.

Agenda Item IV – New Business

Chair Ranum asked Mr. Fick and Ms. Lee to update the Board on any new business. Mr. Fick indicated there was an item under new business that he and Operations Manager Lee wished to update the Board about.

Operations Manager Lee discussed the Authority's FY2020 Annual Report. The Annual Report has been completed. It will be published after this meeting and a hard copy sent to the appropriate State of Minnesota Agencies according to state rules. The report will be placed on the Authority's web site and a link to the report will be sent to Board members and others on the Authority's mailing list.

Chair Ranum asked if there were any New Business items from Board members for discussion. There were no New Business items from Board members for discussion.

Agenda Item V – Other Business

Chair Ranum called upon Executive Director Fick to discuss Other Business. Mr. Fick presented his Executive Director's report. It included the following items regarding staff and Authority activity and events and personnel changes at the schools.

We continue to function in accord with State of Minnesota "if you can work from home you must work from home" mandate. We make separate occasional visits to the office, including for the

November 18, 2020 Board Meeting. This is the second meeting conducted using video conferencing, in addition to the regular conference call number. We appreciate your feedback on how the video conferencing access works for you and if you have additional thoughts, please share them with us so we can improve future meetings

New Authority laptop computers have been ordered and we expect to receive them this month. We were able to find the same brand of computers with more features and capacity at a materially lower price than quoted to us by DTS. The new computers will allow us to be well equipped for the future, especially as we anticipate continuing to work from home through June 30, 2021 as mandated by the State of Minnesota.

Moody's completed a number of credit reviews of Authority borrowers. We had a rating call on November 10, 2020 for Macalester College. We expect Moody's to have a credit committee and decision on Macalester's Credit Update by the first week of December.

Executive Director Fick has been appointed to the GFOA working group London Interbank Offering Rate ("LIBOR") Transition Sub-committee and the Environmental, Social and Government ("ESG") working Group sub-committee. His participation on these sub-committees will directly benefit a number of Authority school borrowers, especially as it relates to ESG disclosure matters for future financings.

Executive Director Fick will be applying for reappointment to the MSRB Compliance Advisory Group. Appointments to MSRB Committees are for a 1-year term. Since the work of the CAG Group was interrupted by COVID-19 during 2020, he would like to continue the work the Group began and bring some of the initiatives to a successful conclusion in 2021.

That concluded Mr. Fick's Executive Director's report for November 2020.

At the conclusion of the Executive Directors report, Chair Ranum entertained a motion to adjourn the general meeting. A motion to adjourn as made by Bonnie Anderson Rons and seconded by Nancy Sampair.

The Board then voted by voice vote to adjourn at 3:42 pm, Central Standard Time.

Respectfully submitted,

Assistant Secretary

QUESTIONNAIRE

1. Name of Borrower: **St. Olaf College**
2. Proposed financing is for the following (check all that apply):
 - building acquisition, construction or renovation, site or equipment acquisition
 - refinancing of one or more Authority bond issues
 - refinancing of one or more indebtedness not issued by the Authority
3. Each of the following should be treated as a separate element and described separately, starting with "Project A". If not located on the main campus, please include the street address.
 - a) each new building or complex of buildings (square footage, beds or floors)
 - b) renovations associated with a particular building or site
 - c) equipment that is not related to either the proposed new buildings or existing buildings that are to be renovated
 - d) each Authority bond issue to be refinanced, specifying the series name
 - e) each other indebtedness that is to be refinanced, specifying the date incurred, the lender and the capital project that was financed

Project A:

"Ole Avenue" Student Housing Project: New 300-bed Residence Hall and 14 New 10-bed Townhouses (140 beds)

Project B:

Renovations of a Select Existing Residence Hall

Project C:

Project D:

4. Estimated Cost Summary

	Project A	Project B	Project C	Project D	Total
Construction cost	47,600,000	4,700,000	0		52,300,000
Architectural, engineering and consultant costs	5,800,000	300,000	0		6,100,000
Furnishings and equipment	2,600,000	1,000,000	0		3,600,000
Site acquisition	0	0	0		0
Principal amount of debt to be refinanced	0	0	0		0
Other (excluding issuance costs and reserves)	0	0	0		0
Total	56,000,000	6,000,000	0		62,000,000

5. Estimated Financing Summary

	Project A	Project B	Project C	Project D	Total
Amount of funds from other sources	0	2,000,000	0		2,000,000
Amount of project cost (excluding issuance costs and reserves) to be financed with Authority bonds	56,000,000	4,000,000	0		60,000,000
Principal amount of debt to be refinanced	0	0	0		0
Total	56,000,000	6,000,000	0		62,000,000

6. Have any of these steps been taken? (check all that may apply)

- Construction has started
- Construction contract has been awarded
- Purchase contract for materials or equipment has been awarded



North Slope Capital Advisors

1630 Welton Street, Suite 802

Denver, CO 80202

303-953-4101

December 28, 2020

Minnesota Higher Education Facilities Authority
c/o Mr. Michael D. Ranum, Board Chair
and Mr. Barry W. Fick, Executive Director
380 Jackson Street, Suite 450
Saint Paul, MN 55101

Dear Mr. Ranum, Mr. Fick, & Authority Board Members:

We reviewed the Application of St. Olaf College (the "College"), dated March 17, 2020, as amended in October 2020, and provided an Application Review Letter to the Authority's Board dated November 18, 2020 for its November meeting. As of the date of completing this Supplemental Application Review Letter, we understand that the College has further amended its Application by adding to the definition of the Project "the renovation of a select residence hall." Based on our review of the revised definition of the Project, North Slope believes the use of bond proceeds can now be expanded to provide more flexibility for the College to fund additional improvements without increasing the par amount of the bond issuance or the proposed 30-year repayment structure. Therefore, North Slope has no changes to its analysis or Application Review Letter dated November 18, 2020 due to the project definition change.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steph M. Chichester".

NORTH SLOPE CAPITAL ADVISORS by
Steph M. Chichester, President

A handwritten signature in black ink, appearing to read "Nick E. Taylor".

NORTH SLOPE CAPITAL ADVISORS by
Nick E. Taylor, Managing Director

cc: Ms. Janet K. Hanson, Vice President and Chief Financial Officer
Mr. Mark Gelle, Assistant Vice President & Chief Investment Officer

SUPPLEMENT TO MEMORANDUM

TO: Barry W. Fick
Minnesota Higher Education Facilities Authority

FROM: Fryberger, Buchanan, Smith & Frederick, P.A.

DATE: December 28, 2020

RE: Application of St. Olaf College for MHEFA Financing

We reviewed the Application of St. Olaf College (the “College”), dated March 17, 2020, as amended in October, 2020, and provided a Memorandum regarding such Application dated November 9, 2020, and reviewed the Memorandum at a meeting of the members of the Authority on November 18, 2020. The College has further amended its Application by adding to the definition of the Project “the renovation of a select residence hall.”

The purpose of this Supplement to Memorandum is to affirm that the additional project described above does not change our Memorandum, other than providing for the additional element of the defined Project.

MEMORANDUM

TO: Barry W. Fick
Minnesota Higher Education Facilities Authority

FROM: Fryberger, Buchanan, Smith & Frederick, P.A.

DATE: November 9, 2020

RE: Application of St. Olaf College for MHEFA Financing

We have reviewed the Application of St. Olaf College (the “College”), dated March 17, 2020, as amended in October, 2020, and found it to be complete and satisfactory from a legal standpoint, subject to the following:

1. Purpose. The Application relates to financing the costs of the acquisition, construction, equipping and furnishing of a new student housing project consisting of a 300-bed residence hall and 14 new townhouses, each townhouse containing 10 beds (the “Project”). (The project facilities described in the Project are collectively referred to as the “Project Facilities.”) The Project Facilities are owned and operated by the College and located on the Institution’s campus, the principal street address of which is 1520 St. Olaf Avenue, Northfield, Minnesota.

2. Incomplete Items. The following items required by the Application are missing or incomplete:

A. Evidence of Title. No title insurance commitment or title opinion was provided. The College should provide recent title evidence in the form of a title commitment or attorney’s title opinion prior to the bond closing, showing that the College has title (or other suitable interest) in the land necessary for the Project and the Project Facilities.

B. Survey. The College will need to provide a survey or site diagram identifying the Project Facilities and legal descriptions on which the Project Facilities are located.

C. Building Permits and Other Governmental Approvals. The College has indicated in the Application that a zoning change is needed for the student housing project. An environmental worksheet and environmental impact statement are pending for the student housing project. We will confer with the College and its counsel to confirm that required governmental approvals for the Project are obtained.

D. Financial Covenants. The Authority’s Series Eight-G Bonds and Series Eight-N Bonds contain financial covenant tests regarding the College’s authority to incur additional funded debt which must be reviewed taking into account the debt service schedule for the proposed revenue obligations. The Application, in Exhibit 4, addresses such covenants. Prior to issuance of the proposed revenue obligations, the College and

its accountants and counsel should reexamine the financial covenants and the proposed debt service on the proposed revenue obligations to demonstrate compliance with such covenants.

E. Prior Pledge of Certain Moneys. The notes to the financial statements indicate that the College has an unsecured bank line of credit which may contain certain financial covenants. The College should provide a copy of such loan documents to determine if there are restrictions on additional funded debt or a pledge of College assets.

3. \$150 Million Limit on Tax-Exempt Non-Hospital Bonds Under Section 145(b) of Internal Revenue Code. In the Application, the College has stated that the College receives an annual allocation (about \$32,000) from the Evangelical Lutheran Church in American (“ELCA”) Foundation. The By-laws of the College provide that (i) the Board of Regents must maintain a composition in which a majority of Regents are members of the ELCA or another denomination with which the ELCA or its successors has established full communion, and at least 40% shall be members of the ELCA; and (ii) at least one member of the Board of Regents shall be a bishop of the ELCA or a person who is widely recognized as a thought or practice leader of the ELCA.

These facts would be significant due to the limitation set forth in Internal Revenue Code Section 145(b) prior to 1997, of the aggregate amount of outstanding qualified 501(c)(3) non-hospital bonds from which any 501(c)(3) organization may benefit to \$150 million. For purposes of this rule, two or more organizations under common management or control are treated as one organization.

The 1997 amendment to Section 145(b) excludes from the \$150 million limit tax-exempt non-hospital bonds issued after August 5, 1997, as part of an issue 95% or more of the net proceeds of which (including issuance costs) are to be used to finance capital expenditures incurred after that date. The proposed bonds will finance capital expenditures originally incurred after August 5, 1997. The proposed bonds will therefore not be subject to the \$150 million aggregate limit.

It appears that the College and the ELCA are not under common control and management, but we will verify such determination with the College and its attorney, and we will verify that no other organizations are controlling, controlled by or under common management or control with the College.

4. Establishment of Religion. We have reviewed the legal analysis provided to the Authority by bond counsel of prior bond issues and do not disagree with their conclusion that the College is sufficiently nonsectarian to avoid Establishment of Religion problems, despite the link between the College’s governing body and the ELCA.

A description of the relationship between the College and the ELCA is set forth above.

The Application materials contain a number of statements in support of a conclusion that the College is not a sectarian institution. In particular, the relevant organizational documents, general statements contained in official College publications, admissions standards, and faculty hiring and tenure requirements support the conclusion that the College does in fact follow academic freedom in the classroom and non-discrimination practices in faculty and student

recruitment, retention and promotion. Under the Supreme Court's guidelines as established by the relevant decisions, the focus on actual practices is as important as the focus on institutional documents. Therefore, the members of the Authority should themselves be satisfied that the College does in fact follow academic freedom in the classroom and non-discrimination practices in faculty and student recruitment, retention and promotion.

On these facts, and under existing judicial interpretation of the Establishment of Religion Clause, we conclude that the Project as proposed by the College violates no Constitutional limitation.

We note that the most recent United States Supreme Court decision in this area, while not directly on point, does appear to broaden the permitted scope of public assistance to religious-affiliated educational institutions. Financing such as that provided by the Authority falls well within the permitted limits.

5. Rebate, Two-Year, 18-Month and Six-Month Spend-Down Exceptions. The requirements to pay arbitrage rebate for the proposed revenue obligations have three exceptions which are related to the speed in which the proceeds of the proposed revenue obligations are spent.

The exceptions potentially available for the Project are the 18-month exception and the 24-month exception. Under the 24-month exception, the proceeds of the revenue obligations must be expended within 24 months as determined at the time of closing. The cost of equipment included for the Project may not exceed 25% of the proceeds. If equipment will constitute more than 25% of the proceeds (and if the six or 18-month exceptions are not applicable), another category of proceeds can be established which should include proceeds to be spent on equipment within six months of the closing date. Depending on the draw schedule for the Project, the 18-month exception may also be available.

Bond counsel and the municipal advisor will work with the College regarding the timing of the proposed revenue obligations and the construction schedules for each element of the Project to determine which exception, if any, will be possible.

You should note that the proposed revenue obligations are not expected to be secured by a reserve fund, but if a reserve fund is required, such reserve fund will be subject to rebate.

The following is a summary of each exception:

a. The Revenue Reconciliation Act of 1989 (the "1989 Act"), as amended by a technical corrections act in 1990, created a two-year exception (the "two year spend-down exception") from the requirement to pay arbitrage rebate for governmental and 501(c)(3) bonds which meet the definition of a "construction issue" – that is, a bond issue for which at least 75% of net proceeds will be expended for "construction expenditures." "Construction expenditures" are costs of construction chargeable to the capital account (other than expenditures for land or existing real property). Construction expenditures include costs of fixtures such as heating, ventilating and air conditioning and costs of equipment depreciated over a period of a year. To comply with this exception, all available construction proceeds of the issue must be spent within two years from the date

of closing on the bond issue: 10% within six months, 45% within one year, 75% within 18 months, and 95% to 100% within two years with an extension to three years for up to five percent retained from contractors. For the purposes of the proposed revenue obligations, “available construction proceeds” which must be spent on schedule generally includes investment earnings, but excludes the amounts used to fund a reserve fund and issuance costs. Investment earnings on the reserve fund during the construction period must be spent on schedule for project costs, including interest but not principal on the revenue obligations or, if the College so elects, must be rebated. Rebate would still be payable on reserve fund investment (to the extent the yield of the investments exceeds the bond yield) after the construction period, but the two year spend-down exception offers potential significant savings.

b. The 1989 Act also created an exception for proceeds (whether for refunding, equipment or construction) which is spent in six months.

c. Under Treasury Department Regulations, a third exception was created for proceeds, including reasonably expected investment earnings as determined at closing, which are spent within 18 months (six months – 15%, 12 months – 60% and 18 months – 100%), except for a de minimis amount or a reasonable retainage which must be spent within 30 months of the bond closing date. This exception is not limited to construction purposes.

6. Reimbursement Regulations. The College has indicated in its Application that the work on the Project is to begin in February 2021; consequently, the proposed revenue obligations may be issued after the start of construction. The Internal Revenue Service has adopted regulations providing rules for determining when an issuer may use bond proceeds to reimburse expenditures made before the revenue obligations are issued. The College can be reimbursed for expenditures paid for the Project (as opposed to incurred but not paid) up to 60 days prior to the bond closing, or an earlier declaration of official intent, if applicable. The reimbursement resolution attached to the Application as Exhibit 11 provides a declaration of official intent to finance the Project on October 11, 2019. In addition, the College may be reimbursed for certain preliminary expenditures and amounts considered to be de minimis. We will work with the College to identify reimbursable costs and to protect the College’s ability to finance expenditures made before the revenue obligations are issued.

The College must use proceeds from a bond issue to reimburse itself for prior expenditures within 18 months from the later of (i) the date that the original expenditure is paid or (ii) the date that an element of the Project is placed in service (but in no event more than three years after the original expenditure is paid). “Placed in service” means the date on which the Project or facility has reached a degree of completion which would permit its operation at substantially its design level and is in operation at such level. The College should expect to be reimbursed from bond proceeds shortly after the closing.

7. Construction Contract. At the time of bond closing, the College must be in a position to commit to construct the Project and to provide a reliable cost estimate or a fixed price or guaranteed maximum price contracts. The Application indicates that construction contracts for all or a portion of the Project have been awarded.

8. Use of Project Facilities by Business Enterprises. If the College has or will have a contract with a for-profit private enterprise to provide services in any of the financed facilities, we will need to review the use and/or contract to ensure compliance with guidelines relating to private use established in the Internal Revenue Code and related regulations and in Revenue Procedures 2001-39, 2007-47 and 2016-44 (together, “Private Use Rules”). The College has not described any such activity to be carried on in a financed facility, but we think some further inquiry would be prudent to determine whether there is any “private use.” Discovery of “private use” may necessitate that the College use its own funds to finance the private use facility (and allocated common areas) and to follow the guidelines in the Private Use Rules to preserve tax-exempt financing for the rest of the financed facilities.

Section 145(a) of the Internal Revenue Code provides that no more than five percent of the net proceeds of an issue may be used by any person other than a 501(c)(3) organization or governmental unit, or in a trade or business unrelated to the exempt purposes of the College. Even if a service or other management contract, or use of parking or other proposed facilities, does not generate unrelated business income for the College, such agreements may constitute “use” of facilities of the College by a private (and nonexempt) entity which could render the bonds used to finance the facilities taxable. The Private Use Rules are lengthy and complex and will require careful review and application. The Private Use Rules require that the costs of issuance (a maximum of two percent payable from bond proceeds) to be counted against the five percent limit of private use, leaving only three percent available for other private use.

Subject to certain restrictions, the Private Use Rules would permit parts of the Project Facilities which are “used” by a private entity to be financed by tax-exempt bonds. We will need to examine the intended “use” of the Project Facilities to determine the applicable restrictions.

Any change in use or ownership of the Project Facilities or any portion thereof should be undertaken only with advice of bond counsel and, in some cases, advance arrangement of “remedial action” under Treasury Regulations Section 1.141-12.

9. Litigation. The College has indicated there is no pending litigation that is uninsured and would have a material adverse financial impact if resolved against the College. If there is any change in the status of these matters, or if other litigation or claims, threatened or pending, should arise prior to closing, the College should promptly notify the Authority, the municipal advisor and bond counsel and provide a description of such litigation.

10. Sinking Fund Proceeds; Replacement Proceeds. The Application states that the funds to pay debt service on the proposed revenue obligations will be derived from the College’s general operations, increase in revenues from students living in College owned housing, and change of unrestricted endowments from reinvesting to spending. While this financing structure is similar to other recent Authority financings and does not appear to raise “sinking fund” concerns, it will nonetheless be necessary to analyze whether any such change in unrestricted endowments are subject to rebate or yield limitations under Section 148 of the Internal Revenue Code.

The notes to the College’s financial statements indicate that the College, as of May 31, 2020, had substantial unrestricted assets, temporarily-restricted assets and restricted assets

available for various purposes. The arbitrage regulations adopted by the Internal Revenue Service impose limits on the yield on investments of “gross proceeds” of tax-exempt bonds. “Gross proceeds” include not only the actual proceeds received from the issuance and sale of bonds but also other monies characterized as “replacement proceeds.” Amounts are “replacement proceeds” under the regulations if it is concluded that such amounts would have been used for the governmental purposes for which the bonds were issued (here, the Project) had proceeds of the revenue obligations not been used for that governmental purpose. Amounts also may be replacement proceeds if they are held or expected to be used to pay debt service on revenue obligations, such as restricted gifts or pledges for the Project. The mere availability or preliminary earmarking of funds for such purposes does not, in itself, necessarily lead to the conclusion that such funds would have been used for the governmental purpose of the bonds and thus are replacement proceeds. We will confer with the College and its counsel to confirm compliance with the replacement proceeds rules including fundraising for the Project and endowment funds.

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AMENDED AND RESTATED
RESOLUTION RELATING TO APPLICATION FOR
ST. OLAF COLLEGE

Be It Resolved by the Minnesota Higher Education Facilities Authority as follows:

1. The Authority acknowledges receipt of the Application, dated March 17, 2020, as amended in October, 2020, and as further amended in December, 2020, of St. Olaf College, a Minnesota nonprofit corporation (the “College”), as owner and operator of St. Olaf College (the “Institution”) and exhibits thereto, including an Indemnity Agreement and an application fee in the amount of \$1,000 (the “Application”), for a proposal relating to financing the costs of (i) the acquisition, construction, equipping and furnishing of a new student housing project consisting of a 300-bed residence hall and 14 new townhouses, each townhouse containing 10 beds; and (ii) renovations, equipping and furnishing of an existing residence hall (the “Project”). (The project facilities described in the Project are collectively referred to as the “Project Facilities.”) The Project Facilities will be owned and operated by the College and located at its campus, the principal street address of which is 1520 St. Olaf Avenue, Northfield, Minnesota.

2. On November 18, 2020, the Board adopted a Resolution Relating to Application for St. Olaf College. The College amended the Application by adding to the Project to be finance the renovation of a select residence hall. For purposes of this Amended and Restated Resolution, the defined Project is as set forth in paragraph 1 above.

3. The Executive Director, in consultation with the Chair of the Authority, has selected dates for a public hearing to be held with respect to the Application in conjunction with meetings of the Authority and has caused notices of the public hearing to be published at least 14 days prior to the dates of the hearings in each of two publications, namely, the *State Register* and a newspaper of general circulation available to residents of the locality where the Project Facilities are located. Further, the Authority has posted such notices of public hearing on its website.

4. As required by Section 147(f) of the Internal Revenue Code, this Authority conducted public hearings on November 18, 2020, and on January 6, 2021, on the proposal to finance the Project, at which public hearings all parties who appeared in person, by telephone or who submitted written comments were given an opportunity to express their views with respect to the proposal.

5. Officers of the College have presented to this Authority information concerning the Project, the feasibility of the Project, the financing schedule for the Project and responded to other matters concerning the Project, the Institution and the College.

6. The Executive Director of the Authority, Fryberger, Buchanan, Smith & Frederick, P.A., Bond Counsel, and North Slope Capital Advisors, Inc., Municipal Advisor to the Authority, have reviewed the Application, as amended, and the exhibits thereto, and recommend that the Authority approve the Application, as amended, as submitted, subject to the conditions herein set forth.

7. On the basis of the information contained in the Application and its exhibits and presented orally to the Authority, its Executive Director, Bond Counsel and Municipal Advisor, and on the basis of the recommendations made, the Authority hereby finds and determines that:

(a) The College is a nonprofit corporation and the Institution is an institution of higher education in the state, eligible to be a participating institution of higher education under Sections 136A.25 to 136A.42, Minnesota Statutes, as amended (the “Act”).

(b) The Project as described in the Application, as amended, is eligible for financing by the Authority and is a “project” under the Act.

(c) The Project Facilities are intended for and will provide for additional educational opportunity to the current and future generations of youth of the state in nonprofit institutions of higher education and will otherwise carry out the purposes and policies of the Act.

(d) The Institution is nonsectarian and does not require or forbid attendance by students or any other persons at religious worship or acceptance of any religious creed and does not promulgate the distinctive doctrines, creeds or tenets of any particular religious sect and all courses of study, including any religion and theology courses, are taught according to the academic requirements of the subject matter and the instructor’s concept of professional standards.

(e) The Institution admits students without unlawful discrimination, and does not exclude, expel, limit or otherwise unlawfully discriminate against enrolled students, in accordance with Minnesota Statutes, Section 363A.13.

(f) The Project Facilities are available to the students of the Institution without unlawful discrimination, in accordance with Minnesota Statutes, Section 363A.13.

(g) Issuance of the revenue obligations by the Authority will not have the primary purpose or effect of advancing religion or interfering with the free exercise of religion and will not provide financing for a facility used or to be used for sectarian instruction or as a place of religious worship or a facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

(h) The Project and issuance of revenue obligations appear feasible.

8. The Project and the issuance of revenue obligations of the Authority in the maximum aggregate principal amount of \$71,000,000 are therefore approved, provided that the College shall furnish any items which are needed to complete the Application or which are reasonably required by Bond Counsel in order to deliver an unqualified opinion as to the validity of the revenue obligations and tax status of the interest on the revenue bonds.

9. The Executive Director shall direct Bond Counsel and Municipal Advisor to the Authority to prepare and submit recommendations as to the terms of financing and the forms of the financing documents, including, if necessary, a loan agreement and a trust indenture, or a loan

and note purchase agreement, bond purchase agreement or a note placement agreement or similar agreement, a mortgage, if any, an official statement or a private placement memorandum, if any, and related documents and resolutions to the Authority and to the College for consideration and approval.

10. The Authority and the College each respectively reserves its right to terminate the Project or any of them and the financing thereof under the Act as provided in the Indemnity Agreement.

Adopted: January 6, 2021.

MINNESOTA HIGHER EDUCATION
FACILITIES AUTHORITY

By _____
Michael D. Ranum, Chair

By _____
Gary D. Benson, Secretary

Approved: _____
Governor, State of Minnesota

Date Approved: _____

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

RESOLUTION RELATING TO AMENDMENT OF MHEFA ENABLING LAW
TO AUTHORIZE FINANCING OF NONPROFIT HEALTH CARE FACILITIES

BE IT RESOLVED by the Minnesota Higher Education Facilities Authority, as follows:

1. The Minnesota Higher Education Facilities Authority (the “Authority”) has operated since 1971 as a conduit bond issuer authorized by Minnesota Statutes to provide tax-exempt or taxable financing to private nonprofit colleges and universities within the State of Minnesota (the “State”) for capital improvements, such as construction of new or renovation of existing campus facilities, or to refinance existing debt incurred for campus capital projects.

2. The Authority receives no State financial support and is funded completely by financing fees charged to its private nonprofit Minnesota college and university conduit borrowers.

3. Demographic trends relating to future higher education attendance both nationally and in the State suggest that there may be a decreasing need in the coming years for capital improvements by nonprofit colleges and universities, and for the financing or refinancing thereof.

4. The Authority has received requests from nonprofit healthcare and senior living organizations for assistance in financing their capital projects.

5. Providing conduit bond financing on behalf of nonprofit healthcare and senior living organizations would enhance the financial stability and viability of the Authority by enlarging the base of prospective borrowers and the principal amount of outstanding bonds, spreading fixed costs over a larger base while allowing the Authority to maintain its financing charges at consistent, low levels, to the benefit of Minnesota college and university conduit borrowers as well as the nonprofit healthcare and senior living organizations.

6. To assist nonprofit healthcare and senior living conduit borrowers, the Authority has proposed to amend the MHEFA enabling law, Minnesota Statutes Sections 136A.25 to 136A.46 (the “Enabling Law”), to expand the Authority’s financing authority to include nonprofit capital facilities for nonprofit healthcare and senior living organizations.

7. The Authority hereby approves submission to the Minnesota Legislature of a request to amend the Enabling Law to expand the Authority’s financing authority to include nonprofit capital facilities for nonprofit healthcare and senior living organizations.

8. The Authority hereby reaffirms its commitment to the Authority’s original mission of serving the private nonprofit colleges and universities within the State and the Authority’s continuing commitment to provide the highest level of financing resources and related services to Minnesota private nonprofit institutions of higher education.

9. The officers of the Authority are hereby authorized and directed to submit such request, to assist in preparing and advancing appropriate legislation, and to take all other actions and do every other thing necessary or convenient to the end that the Enabling Law may be so amended.

Adopted: January 6, 2021

MINNESOTA HIGHER EDUCATION
FACILITIES AUTHORITY

By _____

Michael D. Ranum, Chair

By _____

Gary D. Benson, Secretary

50th Anniversary Collateral Proposal

PREPARED FOR



12.17.20

ABOUT VOOM CREATIVE

A team of collaborative visionaries who empower each other to create the best possible outcomes for our clients while showing integrity at every turn.



CONTACT

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ADDRESS

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Minneapolis MN 55403

voomcreative.com

Introduction

In 2021, MHEFA will be celebrating a major milestone in the Authority's history: its 50th anniversary. In order to commemorate and celebrate its success and commitment to delivering financing to higher education, Voom Creative will create a 50th anniversary logo that can be adapted to business cards, website, logowear and more, and promoted throughout the year.

Voom Creative (Agency) and Minnesota Higher Education Facilities Authority (Client) agree to the following:

Description & Deliverables

1. LOGO, TAGLINE & EMAIL SIGNATURE

Voom Creative will create logo design concepts for the 50th Anniversary of MHEFA. The logo concepts will be used in conjunction with the MHEFA logo and will appear as a "co-branded" logo lock up. Designs may include gold or yellow as a representation of 50th anniversary and the years: 1971-2021. Colors will be selected from the approved color palette as shown in the brand manual.

A tagline would be a great way to reinforce MHEFA's longevity and commitment to education and the state of Minnesota. Voom Creative will come up with taglines that highlight the Authority's history and its commitment to borrowers, investors and the public.

Deliverables include:

- Three design concepts
- Three tagline concepts
- Logo designs that can be adapted to print, electronic and logowear
- Two hours of edits
- Prepare final logo file in the following logo variations: standalone, "co-branded" and "co-branded plus tagline" for a total of three different logo versions
- Prepare final logos for various applications: full-color, one-color, two-color and reversed out logo for use on dark backgrounds
- Prepare final logo files for both print and electronic use (PDF, JPG, PNG, EPS)
- Create email signature upon final approval of logo for use in electronic communications

COST

Logo, Tagline & Email Signature \$3,975

2. BUSINESS CARDS

Using the approved anniversary logo and tagline, Voom will create a business card that includes both elements and all pertinent contact information for Barry Fick and Amanda Lee. Voom will also create a “generic” card design that does not feature the 50th anniversary logo for MHEFA to use after 2021. This will be a similar version of the “co-branded” card design but removing the logo and adjusting the design as needed.

Deliverables include:

- Two design concepts featuring the 50th anniversary logo (may include front and back designs)
- One design concept without the 50th anniversary logo (may include front and back designs)
- One hour of edits
- Prepare final file for both print and electronic use (PDF and JPG)
- Coordinate print estimates and paper type
- Coordinate printing and send files to print vendor upon approval

COST	
Business Cards*	1,300

**Does not include cost of printing.*

3. WEBSITE & VIDEO STREAMING ACCOUNT SETUP

With content and videos provided by MHEFA, Voom will add a page to the existing website to include copy, videos, a new/expanded timeline and images. A custom timeline will be created to highlight pertinent milestones that tell the Authority’s story in a visual way. The timeline will look and function similar to the current timeline on the History page.

In addition, Voom will also update the homepage by adding the 50th anniversary logo to the header, homepage slider or both. Should a tagline be created, the homepage hero area would be a great place to highlight the logo and tagline as well as a line of supporting copy and a link where users can go directly to the new page. Voom also proposes creating a new slider image specific to the 50th anniversary to give the milestone additional prominence. This can be added to the current rotation of images or we could replace an image with the new image.

In order to keep your site running smoothly and loading quickly, we recommend setting up a video streaming account such as YouTube so that files are “hosted” outside of the website. Voom will set up a YouTube account using credentials provided by MHEFA and connect it to your website to make for a seamless user experience.

Deliverables include:

- Page layout for all elements: content, videos, timeline and images
- Create timeline with up to five custom icons
- Video uploads to YouTube
- Connect videos to web page
- Web page development, push page live upon approval
- Two hours of edits

COST	
Website & Video Streaming Account Setup	\$3,950

Timing

It will be Voom Creative's goal to present 50th Anniversary logo concepts by February 5, 2021 and a final logo should be ready to launch no later than February 12 so marketing efforts can begin as soon as possible. The timing of items 2-3 in this Proposal will be defined upon an official kickoff meeting (date is yet to be determined) and a timeline will be drafted within seven business days.

Estimates & Fees

Estimated Cost of Items 1-3..... \$9,225

Pricing: Pricing is effective within 30 days of the date indicated in this Agreement.

Out of Pocket Expenses: The estimate does not include any out-of-pocket expenses, which includes but not limited to market research expenses, legal service for name and trademark registration, travel, shipping, delivery, postage, telephone, professional photography, illustration, printing, media and website hosting. All out-of-pocket expenses will be pre-approved by Client and efforts will be made to keep out-of-pocket costs minimal. Any pre-approved out-of-pocket expenses in addition to these fees will be invoiced as costs are incurred.

Changes and Edits: This Agreement includes the allocated hours of edits in each item in order to efficiently bring the projects to fruition. Client agrees to compensate Agency in the amount of \$175 per hour for work exceeding the allocated hours. Agency will provide an estimate to accommodate the edits and Client will approve prior to any edits taking place.

Scope Changes: Should the tactical items identified in this Agreement change to a degree that creates effort and work product that are beyond the identified scope, the Agency will provide Client with a specific Addendum to the Agreement to detail the workflow approach, tactics, estimated timeline and budget for the changes and/or additions. Payment schedules and amounts will be detailed in the Addendum.

Rush Fees: Any work product that requires a "rush" at the request of the Client is subject to an hourly fee of \$240. A "rush" is defined as work not identified in the scope or timeline that needs to be created within 48 hours or less.

Cost listed in the Estimates & Fees section will be invoiced upon completion of the project with net 30 terms. Any additional fees (if any) will be billed progressively on a monthly basis and the remaining balance will then be paid within 30 days of completing work outlined in this Agreement.

Payment Schedule

One half (\$4,612.50) of the estimated cost of items 1-3 will be paid up front within 30 calendar days of the signing of this Agreement.

The final half (\$4,612.50) of the estimated cost of items 1-3 will be paid within 30 days of completion or by April 30, 2021, whichever comes first.

Rights & Ownership

Upon full and final payment, the Client will retain all rights to work performed in this Agreement. Upon approval, Agency will use any and all work outlined in this Agreement in perpetuity, for purposes of promoting Agency in any portfolio that showcases work product (electronic or print or other medium), advertisement of its services, Agency's website, or any other means deemed advantageous to Agency and at its sole discretion. Agency will retain all digital files and will not release them to any party until the full payment outlined in this Agreement has been made.

Any unused advertising or creative concepts, including concepts that are not selected by Client are exclusive property of Agency and cannot be reproduced, used, modified or disseminated without prior Client approval.

Originality

Agency represents to the best of its actual knowledge that the work assigned hereunder is original and has not been previously published. However, Client agrees to forever release from liability the Agency and its officers, agents, affiliates, and assigns from any actions taken against the Client as a result of any work performed under this Agreement. Notwithstanding the foregoing, if work performed under this Agreement is performed in a grossly negligent manner or in violation of civil or criminal law, where such performance leads to actions taken against the Client, the Client is not obligated to release from liability the Agency and its officers, agents affiliates, and assigns from such actions taken against the Client.

Commitment

Agency is committed to a collaborative process with the Client. Both parties will work together to develop the most fitting marketing materials by sharing/gaining a clear sense of Client's marketing goals and objectives, competitive situation and needs, and by the Client providing access to any and all materials necessary to bring about this goal.

Cancellation

At any point that Client or Agency wishes to cancel this Agreement, both a verbal and written notice will be given within 30 days by either party, and an invoice of unbilled time and any irrevocable fees or committed expenses will be issued by Agency.

In the event of Cancellation, all accrued time, materials and other expenses will be paid by Client to Agency within 30 days following receipt of such notice.

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. Any and all actions arising from or relating to this Agreement shall be submitted to the state or federal courts of the State of Minnesota and the Parties hereby consent to the exclusive jurisdiction of such courts.

Assignment

Agency's rights and obligations under this Agreement cannot be assigned, delegated or transferred, by operation of law or otherwise, without the Client's prior written consent.

Agreement Scope

This Agreement constitutes the entire agreement between the Parties and supersedes all previous understandings and agreements, whether verbal or written, express or implied, relating to the subject matter herein. No amendment, waiver or modification hereto shall be valid unless made in writing and signed by both Parties. To the extent any provision of this agreement shall be determined invalid or unenforceable, the invalid or unenforceable portion shall be deleted from this agreement and the validity and enforceability of the remainder shall be unaffected.

Acceptance & Understanding of This Binding Agreement

The signature of both parties shall evidence acceptance and understanding of this binding Agreement. This is a legally binding contract.

Please sign and return this Agreement by January 8, 2021 if you agree to these terms.

Barry Fick, Executive Director, MHEFA

Date

(Please make checks payable to Voom Creative and mail to the address below.)

By: Melissa McGath, CEO. For: Voom Creative, Inc.

Date

EXEC. DIR. REPORT



380 JACKSON STREET, SUITE 450, ST. PAUL, MN 55101

Main Phone: 651.296.4690 Fax: 651.297.5751

Date: 30 December 2020

To: Minnesota Higher Education Facilities Authority Board Members

From: Barry W. Fick, Executive Director

Subject: January 6, 2021 - Authority Board Meeting Executive Director's Report

We continue to function in accord with State of Minnesota “if you can work from home you must work from home” mandate. We make separate occasional visits to the office, including for Authority Board Meetings. We are again using our new communication platform for this meeting. We would appreciate your feedback on how the new video access works for you and we encourage you to share your thoughts and observations about the meeting format with us so we can improve future meetings.

The Moody's credit review and update for Macalester resulted in a confirmation of their Aa3 credit rating but changed their future outlook to “negative” from “stable”. In addition, David Wheaton, the CFO at Macalester for the past 15 years, will retire at the end of the 2020-2021 academic year.

I submitted my application for reappointment to the Municipal Securities Rulemaking Board (MSRB) Compliance Advisory Group. Appointments to MSRB Committees are for a 1-year term. Since the work of the CAG Group was interrupted by COVID during 2020, I would like to continue the work the Group began and bring some of the initiatives to a successful conclusion in 2021.

We will be conducting interviews of Municipal Advisor roster candidates during the week of January 11, 2021. If any Board members would like to participate in or listen to the interviews, we are happy to include you on the invitation link to the interviews. If you would like to participate, we will provide you with a schedule as well. You may not be able to listen to or participate in all the interviews, but you are welcome to sit in on any of the interviews as your schedule permits.

We have received additional information from the Cray/Galtier Plaza owners regarding their plans for conversion of the space to residential units. We have a call scheduled with them on January 5, 2021 to discuss their plans and remind them of our lease terms.

As a reminder, each Board member is required to update their Campaign Finance and Public Disclosure Board Annual Certification by January 25, 2021. Contact Amanda for assistance on obtaining the link to update your information.

Preliminary indications from discussions with Minnesota Private Colleges and Universities are that we will have a couple of additional financings applications in the next few months.

Date: 5 January 2021

To: Minnesota Higher Education Facilities Authority Board Members

From: Barry W. Fick, Executive Director

Subject: January 6, 2021 –Executive Director’s Report - Supplement

Building Lease Update

On January 5, Amanda and I had a video meeting with Jeffrey Flake, the Bigos staff person who is the contact for Cray Plaza updates. The purpose of our call was to discuss Bigos plans for converting the building to residential use in terms of timing, lease options and related matters. We noted that our lease is effective through November 30, 2022 and that we have an option to extend our lease by 36 months at a lease rate to be determined. Jeff wasn’t aware of the extension option. We provided him a copy of the most recent lease for his records.

He indicated that there are only about 5 commercial tenants remaining in the building. He also noted that Bigos at this time fully intends to honor all current leases. He noted that if we exercise the lease extension option, Bigos would honor the extension. He didn’t seem at all inclined to have an interest in buying out our lease. He noted that the Homeland Security lease for their 4th floor offices across the atrium from MHEFA runs through sometime in 2027 (it appears to be a 10-year lease).

Based on our discussion, it appears that we currently have time remaining on our lease and are in no danger of being required to move to another location. We are entitled to “quiet enjoyment” of the leased space. If in the future we are denied reasonable access to the office, or building security is compromised, or construction interferes substantially with our use of the space, we have options to require the owners to restore our quiet enjoyment or offer us a settlement to leave the space. We will continue to monitor the building situation and keep you updated on the status of the space.

Re-Investment of Certificates of Deposit - Update

As we have discussed with you previously, interest rates for investments have declined significantly over the past year. We have had some Certificates of Deposit mature the past few weeks and the reinvestment rates are significantly below the rates we were receiving on the Certificates invested previously. We actively explore reinvestment options, but are receiving market rates that will materially reduce our investment income for the next two years.

Borrower Staffing Update

We have a number of staffing updates to report this month.

Minneapolis College of Art and Design

The interim CFO has resigned due to health reasons. The Board is working with a search firm to conduct a national search for a permanent CFO. The search has been slowed by COVID. Mary Yang Thao, Associate VP of Finance has been appointed by the President and the Board as the interim CFO.

St. Catherine University

Angela Riley, CFO has resigned as of January 8, 2021 to take the CFO position with CommonBond Communities, an organization headquartered in Minneapolis that for nearly 50 years has responded to racial and economic injustices through its mission to build stable homes, strong futures, and vibrant communities.

Tracey Gran, the long-time VP of Finance and Controller at the University, has been appointed as CFO, effective January 11, 2021.

Mitchell | Hamline School of Law

Arthur Berman, VP Finance and Admin, has retired. Stephen Kent has been named as the new VP Finance and Administration. He most recently served for the past four years as the VP for Finance and Facilities of North Hennepin Community College.

Mr. Kent has an impressive background, serving in the US Army for 25 years, retiring with the rank of Colonel. He served ten years in military intelligence and 15 years in finance. He has served as the chief financial officer for commands in Kuwait, Korea, and three tours at the Pentagon. He has managed budgets as large as \$26.3B, and while in the Republic of Korea, managed \$103M in government labor costs for 3,400+ employees. Kent has been awarded many military awards and medals, including six meritorious service medals, German-proficiency badge (gold), airborne and air-assault badges.

Macalester College

David Wheaton, who has served as VP of Admin and Finance at Macalester since 2002, will retire at the end of the current academic year (June 2021). Prior to Macalester, David was CFO at Mitchell | Hamline School of Law. The College has not announced succession plans for the position but is likely to conduct a national search for a person to fill the position.