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Listing of Mailout Material April 21, 2021

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

I. Review and approve minutes of the meeting of March 17, 2021

-  **Minutes of March 17, 2021**

II. Saint John's University Series 2021

-  **Saint John's University Series 2021 Application (excluding exhibits)**
-  **Application Review – Baker Tilly Municipal Advisors**
-  **Application Memorandum – Fryberger**
-  **Resolution Relating to Application - Fryberger**
-  **Preliminary Financing Plan – Baker Tilly Municipal Advisors**
-  **Resolution Relating to Financing Terms – Fryberger**
-  **Series Resolution – Fryberger**

III. Old Business

-  **Resolution Regarding Authority Bylaw Updates**

IV. New Business

V. Other Business

-  **March 2021 Budget vs Actual**

MEMORANDUM



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

Main Phone: 651.296.4690 Fax: 651.297.5751

Date: 14 April 2021

To: Minnesota Higher Education Facilities Authority Board Members

From: Barry W. Fick, Executive Director

Subject: April 21, 2021 Authority Board Meeting Preview

Greetings to the Minnesota Higher Education Facilities Authority April 21, 2021 video and teleconference Board meeting. The focus of the April 2021 Board meeting will be the Application of St. John's University for financing new money projects.

We hope you are able to attend some or all of the sessions of the Authority's 2021 Annual Finance Conference, held virtually by video in 2021. We will briefly discuss the Conference at the beginning of our April Authority Board meeting.

We will also vote on changes and updates to portions of Authority Bylaws and some sections of the Authority Standing Rules of Operation.

We will use our video link system for this meeting. Instructions for accessing the video link will be provided to Board members in a separate email.

According to Executive Order issued by the Governor, endorsed and updated by MMB, we are working from home until at least June 30, 2021. We do make occasional visits to the office.

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



Wednesday, April 21, 2021

2:00 PM

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 March 17, 2021
- II. Saint John's University
 - Conduct Public Hearing
 - Application Review – Baker Tilly Municipal Advisors
 - Application Memorandum by Bond Counsel – Fryberger
 - Resolution Relating to Application - Fryberger
 - Preliminary Financing Plan – Baker Tilly Municipal Advisors
 - Resolution Relating to Financing Terms – Fryberger
 - Series Resolution - Fryberger
- III. Old Business
 - Resolution Regarding Authority Bylaw Updates
- IV. New Business
 - COVID Effect on Financial Covenant Compliance
- V. 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: 474-257-269#

QUESTIONNAIRE

1. Name of Borrower: **St. John's University**
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:

94 bed townhome style student residence for upperclassmen. Located in lower campus.

Project B:

Renovation and upgrades to Peter Engel Science Center

Project C:

Renovation of first floor Wimmer Hall

Project D:

Other capital improvements to existing student residential space -yet to be identified

4. Estimated Cost Summary

	Project A	Project B	Project C	Project D	Total
Construction cost	10M	3.5M	1.2M	3.5M	18.2M
Architectural, engineering and consultant costs	1.5M	.75M	.3M	.5M	3.05M
Furnishings and equipment	1.5M	1.25M	.5M	.5M	3.75M
Site acquisition					
Principal amount of debt to be refinanced					
Other (excluding issuance costs and reserves)					
Total	13M	5.5M	2M	4.5M	25M

5. Estimated Financing Summary

	Project A	Project B	Project C	Project D	Total
Amount of funds from other sources					
Amount of project cost (excluding issuance costs and reserves) to be financed with Authority bonds	13M	5.5M	2M	4.5M	25M
Principal amount of debt to be refinanced					
Total	13M	5.5M	2M	4.5M	25M

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

7. Please give the approximate dates of each step that has already been taken:

Project A:

Architect engaged in Construction Drawing phase

Project B:

Phase one of the Peter Engel renovation has been completed Oct.15,2019 This phase included renovation of the main floor at a project cost of \$1.7M. CD drawings in progress for phase 2.

Project C:

Architect engaged in schematic design phase

Project D:

TBD

8. Is any part of the facilities, now or in the future, to be managed or otherwise used by any person other than the borrower?

NO
 YES

If you checked "YES", please describe briefly the location and extent of the use and whether the user is an exempt organization under Section 501(c)(3) of the Internal Revenue Code:

9. Will any of the following actions violate any provision of the articles of incorporation, the bylaws or constitution of the borrower or of any affiliated organization, any existing mortgage, deed, contract or other agreement, or any state, local or federal law, rule, regulation or ordinance?

- A. Entering into a loan agreement with the Authority for the repayment of bond proceeds?

NO
 YES

- B. Completing the proposed project or prepaying the Authority bonds or other debt that will be refinanced?

- NO
- YES

C. Entering into a mortgage or a security agreement to secure repayment to the Authority?

- NO
- YES

10. Proposed Timing Summary

	Project A	Project B	Project C	Project D
Start date	May'20	May 19	May20	May 20
Completion date	August 21	Sept. 20	May 21	Aug. 22
Acquisition date if the project is only for equipment				
Optional redemption date for refinancings				

11. How will this bond issue be sold?

- Competitive public sale
- Negotiated public offering
- Private placement
- Undecided

12. When do you wish to close on the bond issue?

- As soon as practical
- No later than 4/2020
- Not sooner than

13. What is the expected source of funds to repay the loan of bond proceeds? (check all that apply).

- operating funds
- additional revenue from the project
- gifts from private donors
- grants from governmental sources
- other

If repayment is not expected to be entirely from operating funds, state the approximate amount from the other sources and whether such funds are temporarily or permanently restricted in any way as to use.

14. Is credit or liquidity enhancement expected? (check all that may apply)

- bond insurance
- letter of credit
- standby bond purchase agreement for tendered bonds
- guaranty

What is the status of any application for the foregoing?

15. What are the preferred scheduled payment dates?

Month and earliest year for annual principal payments

10/2022

Earliest month and earliest year for interest payments

10/2021

16. Are revenues available to pay interest during the construction period?

- YES
- NO, interest should be capitalized for 12 months.
- Not Applicable

Question 17 applies to all refinancings.

17. A. Has the original project been completed substantially in accordance with the plans and specifications?

- YES
- NO

B. Has there been a default by the institution or by any other party, in the performance of the covenants and conditions relating to the Authority bonds or other debt to be refinanced?

- YES
- NO

Questions 18 and 19 apply to refinancing debt that is not Authority issued bonds

18. A. Will the proposed refinancing enhance and preserve the borrower and the facilities being refinanced or utilization thereof for educational purposes?

- YES
- NO, because:

B. Will the proposed refinancing extend or adjust maturities to correspond to the resources available for their payment?

- YES
 NO, because:

C. Will the proposed refinancing reduce the tuition charges or fees imposed on students for the use of such facilities or costs met by state or federal funds?

- YES
 NO, because:

D. Will the proposed refinancing enhance or preserve educational programs and research or other facilities eligible to be a project or part thereof?

- YES
 NO, because:

19. Statutory Maximum to Refinance Debt Other Than Authority Bonds

	Project A	Project B	Project C	Project D
(a) Original project costs				
(b) Principal amount of any debt (other than Authority bonds) to be refinanced				
(b) Accrued but unpaid interest on debt (other than Authority bonds) to be refinanced				
(b) Prepayment premium (or discount) on debt (other than Authority bonds) to be refinanced				
(c) Appraised value of project				
(c) Depreciated equipment				

Maximum allowable: the lesser of (a) original cost, (b) principal, interest and premium and (c) present value			
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20. Check below if any of the projects are located in or involve any of the following:

- riparian frontage
- shoreland area
- delineated flood plain
- state or federally designated wild and scenic rivers district
- Minnesota River Project Riverbend area
- Mississippi River headwaters area

21. If there are any potential environmental issues, please summarize the major environmental issues.

None

22. Governmental Approval Summary

	Project A	Project B	Project C	Project D
Zoning variance or change	<input type="checkbox"/> not applicable <input type="checkbox"/> received <input checked="" type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending
Building permit	<input type="checkbox"/> not applicable <input type="checkbox"/> received <input checked="" type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending
Other governmental approval	<input type="checkbox"/> not applicable <input type="checkbox"/> received <input checked="" type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending
Environmental Assessment Worksheet	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending
Environmental Impact Statement	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending

If one or more governmental approvals are pending, please describe the status of the application process and whether approval is expected before the bond closing.

23. Contact Information

A. Legal name of corporate borrower and street address:

Saint John's University
University Business Office, Box 2222
Collegeville, Mn. 56321-2222

B. President of College or University

Dr. Eugene McAllister

C. Chief Financial Officer (please give name, title, preferred mailing address, telephone, fax and email address)

Richard Adamson, Vice President for Finance and Administration
P.O Box 2222 Abbey Plaza, Collegeville, Mn. 56321
320 363-3164
radamson@csbsju.edu

D. Additional staff assisting with the project (please give name, title, preferred mailing address, telephone, fax and email address)

Ken Osborne, Controller
P.O Box 2222, Abbey Plaza, Collegeville, Mn 56321
320 363-3161
kosborne@csbsju.edu

E. Attorney (please give name of firm and the responsible individual as well as preferred mailing address, telephone, fax and email address)

Gray, Plant, Moody
John Green, Esq.
500 IDS Center
80 South Eighth Street
MPLS., MN 55402-3796

F. Independent Auditor (please give name of firm and the responsible individual as well as preferred mailing address, telephone, fax and email address)

Clifton, Larson, Allen LLP
William LeClaire, CPA, Principal
PO Box 1067
St. Cloud, MN. 56302-1067

24. Description of Accreditation and Degrees

If the principal institutional accreditation is not North Central Association of Colleges and Secondary Schools, please state the principal accreditor:

Degrees conferred are:

- Associate of Arts
- Associate of Applied Science
- Associate of Science
- Bachelor of Arts
- Bachelor of Fine Arts
- Bachelor of Music
- Bachelor of Music Education
- Bachelor of Science
- Master of Arts
- Master of Business Administration
- Master of Education
- Master of Fine Arts
- Master of Science
- Master of Social Work
- Master of Physical Therapy
- Doctor of Chiropractic Medicine
- Doctor of Education
- Doctor of Philosophy
- Doctor of Public Administration
- Doctor of Psychology
- Juris Doctor
- Others: Master of Divinity

25. Religious Affiliations

- A. Does the institution receive support from any church body?
- NO
 - YES

- B. Does a church body or religious order control the election of any trustees or officers?
 NO
 YES
- C. Is the consent of any religious order or any other corporation necessary before the institution may sell or mortgage its property or borrow money?
 NO
 YES
- D. Are there any religious qualifications for faculty appointments?
 NO
 YES
- E. If the institution teaches courses in religion or theology, does the institution confer a theology degree or otherwise prepare students for a religious vocation?
 NO
 YES
- F. If the institution teaches courses in religion or theology, does the institution teach the distinctive doctrines, creeds or tenets of any particular religious sect?
 NO
 YES
- G. Are the students required to attend chapel or other religious service?
 NO
 YES

Please explain if you have answered "YES" to any of the foregoing seven questions.

26. Teaching and Admission Standards

- A. Does the institution and its faculty subscribe to the Statement of Principles of Academic Freedom promulgated by the American Association of University Professors and the Association of American Colleges?
 NO
 YES
- B. Are all courses of study, including any religion and theology courses, at the institution taught according to the academic requirements of the subject matter and the individual instructor's concept of professional standards?
 NO

YES

C. Does the institution admit students without regard to race, color, religion or national origin?

NO

YES

Please explain if you have answered “NO” to any of the foregoing three questions.

27. No Discriminatory Practices

A. Does the institution unlawfully discriminate in any manner in the full utilization or benefit of the institution or its services because of gender, race, color, creed, national origin or other basis?

NO

YES

B. Does the institution expel, limit or otherwise unlawfully discriminate against enrolled students because of gender, race, color, creed, national origin or other basis?

NO

YES

C. Does the institution unlawfully discriminate in hiring, promotion, salary, and assignments or in any other matter in its employment practices, because of gender, race, color, creed, national origin or other basis?

NO

YES

Please explain if you have answered “YES” to any of the foregoing three questions.

LIST OF EXHIBITS
(please number consecutively)

For traditional undergraduate and graduate programs and any nontraditional programs that provide substantial revenue: (A) Enrollment information (head count and full-time equivalent) submitted to the Office of Higher Education for the five-year period immediately preceding this application, (B) Projected head count and full-time equivalent enrollment for the five-year period following this application and (C) Applications, acceptances and matriculations for first year students during the past five fall terms.

attached as Exhibit – (A) & (C) See audited financial statements footnote 18, p.32, (B) See Exhibit 1

not attached because project is for equipment only under lease program

Most recent published tuition, room and board fee schedule, and any supplemental charges.

attached as Exhibit – See audited financial statements footnote 18, p.33

not attached because project is for equipment only under lease program

List of all outstanding indebtedness (excluding debt that will be refinanced with new Authority bonds), including interest rates, amounts, repayment schedule and description of the mortgage or other collateral securing payment.

attached as Exhibit – See audited financial statements footnote 7, p.23

not attached because project is for equipment only under lease program

Description of any debt limitation, covenant or restriction to which the institution is subject, with a statement by the chief financial officer and supporting calculations as to compliance with such debt limitation, covenant or restriction.

attached as Exhibit – See Exhibit 2

not attached because project is for equipment only under lease program

Audited financial statements for each of the past five fiscal years. May be provided by reference to your website (please state specific website address below), sent electronically, or on a labeled CD (mailed or delivered).

attached as Exhibit – See Exhibit 3

Website address: _____

Current operating budget.

attached as Exhibit – See Exhibit 4

Current college catalog for undergraduate and graduate programs. May be provided by reference to your website (please state specific website address below), sent electronically, or on a labeled CD (mailed or delivered).

attached as Exhibit _____

Website address: <https://www.csbsju.edu/academics/2019-2020-catalog>

Current faculty handbook. May be provided by reference to your website (please state specific website address below), sent electronically, or on a labeled CD (mailed or delivered).

attached as Exhibit _____

Website address: <https://www.csbsju.edu/academic-affairs/faculty-resources/faculty-handbook>

List of current board members and officers.

attached as Exhibit – See Exhibit 5

Copy of the current articles of incorporation. If the institution was incorporated under a special act, a copy of the special act with all amendments should be provided. Please include any amendments that are expected to be proposed for approval.

attached as Exhibit – See Exhibit 6

Copy of the current bylaws of the corporation. Please include any amendments that are expected to be proposed for approval. Please include any other similar corporate guidelines such as a “constitution”.

attached as Exhibit – See Exhibit 7

Copy of the articles of incorporation and bylaws of any affiliated religious or other organization that must approve any action by the institution to sell or mortgage its property or to borrow money.

attached as Exhibit – See Exhibit 8

not applicable

Copy of the most recent ruling or letter from the Internal Revenue Service confirming that the institution is an organization described in Section 501(c)(3) of the Internal Revenue Code.

attached as Exhibit – See Exhibit 9

Copy of the most recent letter from the Office of Higher Education confirming registration under Minnesota Statutes, Section 136A.61 to 136A.71.

attached as Exhibit – See Exhibit 10

Description of any pending litigation that is uninsured and would have a material adverse financial impact if resolved against the institution. In addition, please describe any charge filed against the institution by a state or federal agency or any individual or group alleging unlawful discrimination by the institution.

attached as Exhibit _____

no pending litigation

Either (A) a copy of a survey of the site (as built, if this is a refinancing) of the project, including the related legal description or (B) a plat map or other depiction of the project site that clearly shows the location of existing and proposed buildings and the relationship to a legal description. If a mortgage is necessary for this financing, a survey will be required and it must show any right-of-way necessary for access by the mortgagee or new owner to a public street or highway and all easements and other legal encumbrances.

- attached as Exhibit _____
 arrangements for a survey or plat map will be made before bonds are offered for sale
 not attached because project is for equipment only under lease program

Either (A) a commitment to issue a title insurance policy in an owner's or mortgagee's form or (b) a preliminary opinion of title based upon an examination of real estate records covering the project site and certified to within approximately 30 days of the date of the opinion. All exceptions, liens and encumbrances should be noted on the commitment or opinion. The evidence should indicate that title or suitable ownership interest is held by the institution or a seller of any real estate to be acquired with this financing.

- attached as Exhibit _____
 arrangements for evidence of ownership will be made before bonds are offered for sale.
 not attached because project is for equipment only under lease program

Copy of the resolution of the governing board (or the executive committee) of the institution in a form similar to Attachment A declaring official intent to reimburse itself from bond proceeds and authorizing submission of the Application.

- attached (showing the effective date) as Exhibit – See Exhibit 11
 not attached but will be adopted on _____ (must be before public hearing)
 not applicable because this application is solely for refunding Authority bonds.

Copy of the resolution of the governing board (or the executive committee) of the institution in a form similar to Attachment B authorizing submission of this Application.

- attached (showing the effective date) as Exhibit _____
 not applicable because a resolution similar to Attachment A is submitted

Certification by the architect in a form similar to Attachment C that the estimated costs of the items comprising the total structure costs are considered to be realistic and have been made according to accepted architectural practices for developing preliminary estimates.

- attached as Exhibit _____
 not applicable because no construction or significant renovation is proposed

The following exhibits apply only to refinancing of debt that is not Authority bonds

Copy of all loan agreements, promissory notes, financing agreements, indentures, mortgages or other documents relating to the debt (that is not Authority bonds) to be refinanced, together with all amendments or modifications. May be provided on a labeled CD.

- attached as Exhibit _____

Copy of all leases, management agreements, use agreements or other documents relating to the capital project originally financed by the debt (that is not Authority bonds) to be refinanced, together with all amendments or modifications. May be sent electronically or provided on a labeled CD (mailed or delivered).

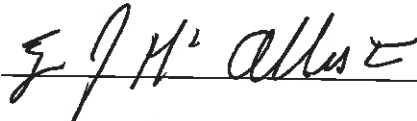
attached as Exhibit _____

Copy of current appraisal of capital project originally financed by the debt (that is not Authority bonds) to be refinanced prepared by an appraiser with the MAI designation or the equivalent.


attached as Exhibit _____

SIGNATURE AND CERTIFICATIONS

The undersigned officers of the borrower hereby certify that the Application, including the enclosed exhibits are complete and correct. We have reviewed and hereby accept the terms of the Indemnity Agreement as set forth in Attachment D.

Signature 

Title Interim President
(Chief executive officer)

And Signature 

Title V.P. for Finance & Administration
(Chief financial officer)

Date of this Application 10-31-2019

DELIVERY INSTRUCTIONS

- Signed Application, together with exhibits, for the Authority
 - Email to bwf@mnhefa.org (cc: agl@mnhefa.org)
 - Signed Application, together with exhibits, will be forwarded by the Authority to the Bond Counsel to be appointed by the Attorney General's Office and the Financial Advisor.
- \$1,000 Application Fee
 - Checks should be made payable to: Minnesota Higher Education Facilities Authority
 - Mail or Deliver check to:
Barry W. Fick, Executive Director
Minnesota Higher Education Facilities Authority
380 Jackson Street
Suite 450
Saint Paul, MN 55101
Phone: (651) 296-4690
 - Please contact the authority for wire transfer information if preferred

Attachment A

**RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE AND
AUTHORIZING SUBMISSION OF APPLICATION TO THE
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY**

WHEREAS, this Corporation is considering various means of financing the project described generally as the acquisition, construction, improvement and equipping of various facilities, including:

Construction of a new junior/senior 120 bed residence facility within lower campus, renovations and upgrades to Peter Engel Science Center, Renovation of first floor Wimmer Hall

(collectively, the “Project”) through taxable or tax-exempt debt; and

WHEREAS, the Corporation desires that the Project costs that may be paid prior to the issuance of tax-exempt bonds qualify for reimbursement from the proceeds of such tax-exempt bonds under Treasury Regulations Section 1.150-2;

NOW BE IT RESOLVED AS FOLLOWS:

1. The officers of this Corporation, acting individually or together, are authorized to prepare and submit a financing application to the Minnesota Higher Education Facilities Authority, provided that the officers shall obtain further approval from this Board as to the final terms and conditions of the borrowing or, subject to certain conditions described below, from the Executive Committee of this Board, as to the final terms and conditions of the borrowing.
2. Certain expenditures relating to the Project may be incurred and paid prior to the issuance of tax exempt bonds and this Board hereby declares the intent of the Corporation, for purposes of Section 1.150-2 of the Treasury Regulations, to reimburse itself for all or part of such expenditures from tax exempt bonds expected to be issued for the Project in the approximate maximum principal amount of \$25Million (plus such additional principal amount necessary to provide for costs of issuance, net original issue discount, credit enhancement and any debt service reserve fund). Authority is hereby specifically conferred on any officer of this Corporation, to make such further declarations of official reimbursement intent on behalf of this Corporation as may be necessary or desirable.
3. The Executive Committee is authorized to give such approval as to the final terms and conditions of the borrowing on behalf of this Corporation as may be necessary or desirable, in lieu of the Board approval, provided that the maximum principal amount of the bonds shall not exceed the amount described in paragraph 2 above and the true interest cost on the bonds shall not exceed 4.5%.

Adopted on 11/16/2019

Attachment B

RESOLUTION AUTHORIZING SUBMISSION OF APPLICATION TO THE
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

WHEREAS, the [chief financial officer and/or the chief executive officer] of this Corporation has presented to this Board a proposal for the financing of

[refunding of certain bonds outstanding in the approximate amount of \$____ issued in [year]_____ as Series _____ for the construction, acquisition, improvement of the _____ building(s) and the acquisition and installation of _____ equipment.]

[refinancing of taxable debt outstanding in the approximate amount of \$____ incurred in [year]_____ with _____ as the lender for the construction, acquisition, improvement of the _____ building(s) and the acquisition and installation of _____ equipment.]

NOW BE IT RESOLVED AS FOLLOWS:

1. The officers of this Corporation, acting individually or together, are authorized to prepare and submit a financing application to the Minnesota Higher Education Facilities Authority with all necessary exhibits, provided that the officers must obtain further approval from this Board or, subject to certain conditions described below, from the Executive Committee of this Board, as to the final terms and conditions of the borrowing.

2.. The Executive Committee is authorized to give such approval as to the final terms and conditions of the borrowing on behalf of this Corporation as may be necessary or desirable, in lieu of the Board approval, provided that the approximate maximum principal amount of the bonds shall not exceed \$_____ (plus such additional principal amount necessary to provide for costs of issuance, net original issue discount, credit enhancement and any debt service reserve fund) and the true interest cost on the bonds shall not exceed _____%.

Adopted on _____

Attachment C

**ARCHITECT'S CERTIFICATION
EXHIBIT _____**

This is to certify that the estimated costs of the items comprising the total structure costs are considered to be realistic and have been made according to accepted architectural practices for developing preliminary estimates.

Date

Signature of architect

Name of person signing and title

Company name

Address

Telephone number

Attachment D

INDEMNITY AGREEMENT

Terms and conditions relating to any application by a nonprofit corporation, as operator of an institution of higher education (the “College”) in the State of Minnesota for financing through the Minnesota Higher Education Facilities Authority (hereinafter called the “Authority”), an agency of the State of Minnesota.

1. For purposes of the Indemnity Agreement, the following terms are assigned the meaning set forth below:

“*Act*” means Minnesota Statutes, Section 136A.25 to 136A.42, as amended.

“*Authority, its agents and representatives*” includes any member or officer of the Authority, any employee of the State of Minnesota assigned to work with or for the Authority on a full time or part time basis, the Authority’s financial advisor, the Authority’s bond counsel, and, if approved by the College, any other consultant employed by the Authority in connection with the project.

“*Bonds*” includes bonds, notes and lease obligations.

“*Bond counsel*” means any law firm appointed by the Minnesota Attorney General’s Office to act as bond counsel for the Authority.

“*Financial advisor*” means any firm appointed by the Authority to provide financial advisory services with respect to bonds of the Authority.

2. The College has submitted an application to the Authority for financing assistance under the Act, together with exhibits thereto (collectively, the “Application”). Such Application is true and complete in all respects, and if any change or event shall occur to make the Application untrue, incomplete or misleading, or if the College shall discover that the Application is untrue, incomplete or misleading, the College will notify the Authority promptly in writing.

3. The College will indemnify and hold the Authority, its agents and representatives harmless from any loss, liability or expense which they or any of them may incur or suffer as a result of (a) any untrue, incomplete or misleading statement or information provided or approved by the College and contained in the Application or subsequently furnished to the Authority, its agents or representatives or (b) any statement or information relating to the College, the College’s project or operations of the College contained in any Official Statement or other public or private offering document approved by the College in connection with the issuance or sale of bonds for the College, if such statement or information is untrue or incorrect in any material respect or if there is an omission of any statement or information which should be contained therein or which is necessary to make the statements therein relating to the College, the College’s project or the College’s operations not misleading in any material respect.

4. Any written item furnished by an officer, director, trustee or employee of the College or by an architect, engineer, attorney or other consultant designated by the College in the Application or otherwise as being consultant to the College in respect of the project, shall be deemed to have been furnished by the College. Any item prepared by the Authority, its agents and representatives shall be deemed to have been approved by the College, if approved orally or in writing, (i) by an officer of the College or of its governing board or (ii) by a person designated as an authorized representative of the College by an officer of the College or of its governing board.

5. The College reserves the right to withdraw its Application any time before the Application is approved by the Authority, which approval shall be evidenced by a resolution of the members of the Authority at a regular or special meeting of the Authority. However, the Application fee, where required, is non-refundable whether or not the Application has been withdrawn and whether or not any bonds are issued for the College as proposed in the Application. However, any application fee will be credited against the first annual administrative fee.

6. The College understands that bond counsel and the financial advisor will use their best efforts in completing the financing pursuant to the Act. Without limiting the generality of the foregoing:

(a) The financial advisor is authorized (i) to investigate the feasibility of the project and the financing thereof, (ii) to make recommendations with respect thereto to the Authority and the bond counsel, (iii) to prepare, in consultation with the College and the bond counsel, an Official Statement describing the bonds, the project and the College and (iv) to present information respecting the College, the project and the bonds to any other person having a legitimate present or prospective interest in the project or bonds, including any investment banker, federal agency, bond rating agency, credit enhancement provider, or financial or other information media.

(b) The bond counsel is authorized (i) to investigate all legal questions respecting the College and the acquisition and financing of the project, (ii) to examine the corporate documents respecting the organization of the College, abstracts of title, construction contracts, leases and other agreements relating to the College or project, (iii) to render opinions on any such matters to the Authority, the financial advisor, the College or any other person having a legitimate present or prospective interest in the project or bonds, and (iv) to prepare forms of (A) Agreement between the Authority and the College, (B) Trust Indenture by the Authority to a trustee for the bondholders, (C) other related documents, (D) Resolutions to be adopted by the Authority and the College relating to the foregoing, and (E) any amendment or supplement to any of the foregoing deemed necessary or desirable by bond counsel.

(c) The Authority intends (i) to review all such recommendations, opinions and documents relating to the financing, (ii) to review all such additional documents as may be furnished by the College, and (iii) to present information respecting the

College, the project and the bonds to any person having a legitimate present or prospective interest in the project or bonds.

7. The College agrees to pay the reasonable fees and expenses of the bond counsel and financial advisor and, if approved by the College, of any consultant employed by the Authority for services rendered after submission of the Application and any out-of-pocket expenses incurred by them on account of the project. The College further agrees to pay any out-of-pocket expenses incurred by the Authority on account of the project. The agreements on the part of the College contained in this paragraph 7 shall be enforceable by the Authority and by the financial advisor, bond counsel and (if approved by the College) other consultant employed by the Authority, whether or not the Application is approved or the project completed or bonds issued by the Authority and, without regard to cause.

8. The College agrees (i) to furnish as promptly as possible all information requested by the Authority, its agents and representatives, (ii) to make available to the Authority, its agents and representatives, all books and records, contracts, documents and reports of the College pertaining to the project and the organization and financial condition of the College, and (iii) to review all documents prepared by the Authority, its agents and representatives, as contemplated by paragraph 7, and communicate approval or request changes as the College may deem necessary or appropriate in its own best interests.

9. The Authority may terminate progress towards issuing bonds at any time and for any reason including: (a) failure by the College to perform the actions specified in paragraph 8, (b) the Application or other materials furnished by the College contains statements or omissions which are materially false or misleading, (c) either the College's project or issuing bonds for the College's project is not economically feasible, (d) the College is not an eligible institution under the Act or (e) the project is not an eligible project under the Act. Before the Authority terminates a financing under this paragraph 9, it shall notify the College at least 10 days in advance of the date of the Authority's regular or special meeting at which termination will be considered and to provide a reason for the termination. The College shall have the right to appear at such meeting and object in person or by writing to the proposed action of the Authority. The College agrees that the action of the Authority shall be final and binding upon the College.

10. The College has the right to terminate, for any reason and without cause, the financing at any time before bonds are sold by the Authority. Copies of such notice shall be sent to the Authority, its bond counsel, financial advisor and any other consultant employed by the Authority for the financing. Thereafter, the Authority's bond counsel, financial advisor and any other consultants shall not render further services, and neither they nor the Authority shall incur further expenses for the account of the College relative to the financing, except such minor services and expenses as may reasonably be required to wind up and protect the work done to the date of receipt of notice.

MEMORANDUM

TO: Barry W. Fick
Minnesota Higher Education Facilities Authority

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

DATE: April 12, 2021

RE: Application of Saint John's University for MHEFA Financing

We have reviewed the Application of Saint John's University (the "University"), dated March 5, 2021, 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 (i) the acquisition, construction and equipping of a new 96-bed townhouse style student residence facility; (ii) renovation and upgrades to Peter Engel Science Center; (iii) renovation of the first floor and third floor of Wimmer Hall; (iv) construction of a pedestrian bridge connecting the lower campus and upper campus; and (v) capital improvement and renovation projects, including a student center (Sexton Commons) and student residence facilities (Saint Thomas Aquinas Hall and Saint Mary Hall) (collectively, the "Project"). (The project facilities described in the Project are collectively referred to as the "Project Facilities.") The Project Facilities are owned or leased and operated by the University and located on the Institution's main campus in Collegeville, 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 University 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 University has title (or other suitable interest) in the land and/or the buildings necessary for the Project and the Project Facilities. We will confer with the University and its counsel to confirm that the University has an adequate interest by virtue of leases in the sites of the Project and in portions of the Project Facilities owned by the Order of Saint Benedict.

B. Architect's Certifications. A general architect's certification is provided, but an architect's certification needs to be provided as to the estimated cost of each element of the Project. The University will need to provide such certifications to properly size the revenue obligations.

C. Building Permits and Other Governmental Approvals. The University has indicated in the Application that no zoning change is needed for the Project. The University does not anticipate any environmental issues for the Project. We will confer with the University and its counsel to confirm that required governmental approvals for the Project

are obtained, including a DNR permit for the pedestrian bridge and a setback variance from the water for the new residence facility.

D. Financial Covenants. The Authority's Series Eight-H Bonds and Series Eight-I Bonds contain financial covenant tests regarding the University's authority to incur additional funded debt which must be reviewed taking into account the debt service schedule for the proposed revenue obligations. Prior to issuance of the proposed revenue obligations, the University and its accountants and counsel should examine the financial covenants and the proposed debt service on the proposed revenue obligations to demonstrate compliance with such covenants.

E. Approvals Needed for Proposed Revenue Obligations. Section 2.06(c) of the Bylaws of the University provide the University may not, without written approval of the Class A Members of the University, incur long-term debt in an amount which exceeds canonical limits, such amount to be established in the sole determination of the Class A Members. The University must provide written evidence to satisfy such condition prior to issuance of the revenue obligations, as well as approval by the Board of Trustees of the loan documents.

3. \$150 Million Limit on Tax-Exempt Non-Hospital Bonds Under Section 145(b) of Internal Revenue Code. The University has stated in the Application that the University receives support from the Order of Saint Benedict. Further, the Bylaws of the University provide that the Class A Members of the University (which are hereinafter described), has the power to remove all of the members of the Board of Trustees as a group and name successor trustees, that the University may not sell, lease or encumber real property of the University without the consent of the Class A Members and that the University may not incur long-term debt in an amount which, in the sole determination of the Class A Members, exceeds canonical limits. The Class A Members consist of five monks of Saint John's Abbey, which is a division of the Order of Saint Benedict. In addition, 2020 correspondence from the Internal Revenue Service indicates that the University derives its 501(c)(3) status from inclusion in *The Official Catholic Directory* which lists the organizations supervised, operated or controlled by the Roman Catholic Church.

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 revenue obligations will not be used to refinance capital expenditures originally incurred before August 5, 1997. The proposed revenue obligations will therefore not be subject to the \$150 million aggregate limit by operation of the amendment.

These facts would be significant because Internal Revenue Code Section 145(b) limits 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 University should verify that this limitation has not been exceeded. We should therefore be furnished with a schedule of outstanding tax-exempt debt of the University and any other organization controlling, controlled by or under common control with the University, such as the Order of Saint Benedict.

4. Establishment of Religion Concerns. The University derives its 501(c)(3) status from its listing in *The Official Catholic Directory* – in effect, the University falls within the “group exemption” of the Roman Catholic Church. Further, as set out in paragraph 3, the University is closely tied with Saint John’s Abbey and the Order of Saint Benedict.

An Establishment of Religion issue is presented by the fact that the School of Theology, in addition to the general undergraduate program, is operated under the auspices of the University. The graduate level curriculum of the School of Theology has a vocational focus as well as an academic one. Some graduates are prepared for pastoral or rural ministry as well as monastic studies. However, in connection with prior Applications, the Authority’s prior bond counsel concluded that the School of Theology program is separable from the general undergraduate program for purposes of the First Amendment inquiry and that aid which is directed toward the undergraduate program does not violate the prohibition on aid which has a primary effect of advancing or inhibiting religion.

Under the tests established in Tilton v. Richardson, 403 U.S. 672 (1970), Hunt v. McNair, 413 U.S. 734 (1973), and Roemer v. Board of Public Works in Maryland, 426 U.S. 736 (1976), and applied in Minnesota Higher Education Facilities Authority v. Hawk, 305 Minn. 97, 232 N.W. 2d 106 (1975), there is serious doubt that a loan from the Authority to the University to finance improvements for the use of the School of Theology would be constitutionally permitted, even if Section 136A.28, Subdivision 3, did not specifically exclude facilities used for sectarian purposes or religious worship from permissible projects to be financed. In order to finance any project at the University, the Authority must be satisfied that the remainder of the University, other than the School of Theology, continues to be non-sectarian. The University should confirm that none of the Project Facilities to be financed with the proposed revenue obligations, is or will be used primarily by employees, students or faculty of the School of Theology. The bond documents should include provisions to the effect that no bond proceeds shall be expended for facilities to be used primarily by the School of Theology.

The Application materials contain a number of statements and other items in support of a conclusion that the University is not a “sectarian” institution for the purposes of applying Establishment of Religion clause limitations. In particular, the relevant organizational documents, general statements contained in official University publications, admissions standards, and faculty hiring and tenure requirements support the conclusion that the University 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 be satisfied that the University does in fact follow academic freedom in the classroom and non-discrimination practices in faculty and student recruitment, retention and promotion.

It should also be noted that, while the Application contains several responses to various questions relating to religious matters, supporting materials to the Application adequately explain such responses.

On these facts, and under existing judicial interpretation of the Establishment of Religion Clause, we conclude that Authority financing of the Project proposed by the University will not violate Establishment of Religion clause limitations.

We note that recent United States Supreme Court decisions in this area, while not directly on point, 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 University 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 University 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 University has indicated in its Application that the work on the Peter Engel Science Center portion of the Project began in June 2019; consequently, the proposed revenue obligations will 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 University 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 provides a declaration of official intent and was adopted on November 16, 2018. In addition, the University may be reimbursed for certain preliminary expenditures and amounts considered to be de minimis. We will work with the University to identify reimbursable costs and to protect the University's ability to finance expenditures made before the revenue obligations are issued.

The University 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 University should expect to be reimbursed from bond proceeds shortly after the closing.

7. Construction Contract. At the time of bond closing, the University 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 does not mention the status of the construction contracts for most of the elements of the Project.

8. Use of Project Facilities by Business Enterprises. If the University 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 University 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 University 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 University. Even if a service or other management contract, or use of parking or other proposed facilities, does not generate unrelated business income for the University, such agreements may constitute “use” of facilities of the University 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 University has indicated there is no pending litigation that is uninsured and would have a material adverse financial impact if resolved against the University. 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 University 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 University’s general operations. 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 “transferred proceeds” from the bonds being refunded or from donations for payment of the revenue obligations are subject to rebate or yield limitations under Section 148 of the Internal Revenue Code.

The notes to the University’s financial statements indicate that the University, as of June 30, 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 University and its counsel to confirm compliance with the replacement proceeds rules including fundraising for the Project and endowment funds.

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RESOLUTION RELATING TO APPLICATION FOR
SAINT JOHN'S UNIVERSITY

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

1. The Authority acknowledges receipt of the Application of Saint John's University, a Minnesota nonprofit corporation (the "University"), as owner and operator of Saint John's University (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 and equipping of a new 96-bed townhouse style student residence facility; (ii) renovation and upgrades to Peter Engel Science Center; (iii) renovation of the first floor and third floor of Wimmer Hall; (iv) construction of a pedestrian bridge connecting the lower campus and upper campus; and (v) capital improvement and renovation projects, including a student center (Sexton Commons) and student residence facilities (Saint Thomas Aquinas Hall and Saint Mary Hall) (collectively, the "Projects"). (The project facilities described in the Projects are collectively referred to as the "Project Facilities.") The Project Facilities are owned or leased and operated by the University and located on the Institution's main campus in Collegeville, Minnesota.

2. The Executive Director, in consultation with the Chair of the Authority, has selected a date for a public hearing to be held with respect to the Application in conjunction with a meeting of the Authority and has caused notice of the public hearing to be published at least 14 days prior to the date of the hearing in a newspaper of general circulation available to residents of the locality where the Project Facilities are located and posted at least 14 days prior to the date of the hearing on the Authority's website.

3. As required by Section 147(f) of the Internal Revenue Code, this Authority conducted a public hearing on April 21, 2021, on the proposal to finance the Projects, at which public hearing all parties who appeared or who submitted written comments were given an opportunity to express their views with respect to the proposal.

4. Officers of the University have presented to this Authority information concerning the Projects, the feasibility of the Projects, the financing schedule for the Projects and responded to other matters concerning the Projects, the University and the Institution.

5. The Executive Director of the Authority, Fryberger, Buchanan, Smith & Frederick, P.A., Bond Counsel, and Baker Tilly Municipal Advisors, LLC, the Municipal Advisor to the Authority, have reviewed the Application and the exhibits thereto, and recommend that the Authority approve the Application as submitted, subject to the conditions herein set forth.

6. 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 University 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 Projects as described in the Application are eligible for financing by the Authority and are 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) Except for the School of Theology which is separable from the undergraduate programs for which the Project Facilities have been or will be constructed, 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 will be and 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 Projects and issuance of revenue obligations appear feasible.

7. The Projects and the issuance of revenue obligations of the Authority in the maximum aggregate principal amount of \$25,000,000, are therefore approved, provided that the University 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 obligations.

8. The Executive Director shall direct Bond Counsel and the Municipal Advisor to the Authority to prepare and submit recommendations as to the terms of financing and the forms of a loan agreement and a trust indenture or a note purchase agreement, bond purchase agreement or a note placement agreement or a 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 University for consideration and approval.

9. The Authority and the University each respectively reserves its right to terminate the Projects and the financing thereof under the Act as provided in the Indemnity Agreement.

Adopted: April 21, 2021.

MINNESOTA HIGHER EDUCATION
FACILITIES AUTHORITY

By _____
Michael D. Ranum, Chair

By _____
Gary D. Benson, Secretary

Approved: _____
Governor, State of Minnesota

Date Approved: _____

RESOLUTION RELATING TO FINANCING TERMS FOR
SAINT JOHN'S UNIVERSITY

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

1. This Authority has received and held a public hearing with respect to, and adopted a Resolution Relating to Application for Saint John's University, a Minnesota nonprofit corporation (the "University"), as owner and operator of Saint John's University (the "Institution"), financing the costs of (i) the acquisition, construction and equipping of a new 96-bed townhouse style student residence facility; (ii) renovation and upgrades to Peter Engel Science Center; (iii) renovation of the first floor and third floor of Wimmer Hall; (iv) construction of a pedestrian bridge connecting the lower campus and upper campus; and (v) capital improvement and renovation projects, including a student center (Sexton Commons) and student residence facilities (Saint Thomas Aquinas Hall and Saint Mary Hall) (collectively, the "Projects"). (The project facilities described in the Projects are collectively referred to as the "Project Facilities"). All of the Project Facilities are owned or leased and operated by the University and located on the Institution's main campus in Collegeville, Minnesota.

2. The Authority has received assurances that all other conditions to be met by the University as provided in the Resolution referenced above (the "Resolution") have been, or will be timely, met and complied with.

3. There has not been disclosed to this Authority any material adverse change in the financial condition, operations or status of the University or in the Projects or otherwise relating to the said Application that would affect the Resolution or the financing of the Projects as proposed.

4. The Authority hereby ratifies and confirms all action heretofore taken with respect to the Application of the University.

5. As provided by the Resolution, Baker Tilly Municipal Advisors, LLC, as municipal advisor to the Authority, has reviewed the terms set forth in the Plan of Finance, dated April 21, 2021, recommending the issuance and sale of Revenue Bonds, Series 2021 (Saint John's University) in the maximum principal amount of \$25,000,000 (the "Bonds") to provide financing for the Projects, which terms are hereby approved.

6. The Executive Director of the Authority, with the advice and consent of the University and the Authority's municipal advisor, has recommended the selection of RBC Capital Markets, LLC as underwriter (the "Underwriter") for the Bonds.

7. Upon the recommendation of the Authority's municipal advisor and bond counsel and the approval of the University, the Executive Director may execute and deliver on behalf of the Authority a Bond Purchase Agreement whereby the Authority agrees to sell and the Underwriter agrees to purchase the Bonds in a principal amount not to exceed \$25,000,000, with a maximum true interest costs not to exceed 5.0% per annum and with a purchase price of not less

than 98% of the principal amount of the Bonds plus accrued interest, all subject to the terms and conditions set forth herein and in the Bond Purchase Agreement.

8. The Executive Director shall direct bond counsel to the Authority or other legal counsel to prepare for review by the Executive Director, the University and the Underwriter all necessary bond documents for the Bonds, including a Loan Agreement, a Trust Indenture, a Bond Purchase Agreement, a Continuing Disclosure Certificate and all other documents deemed necessary or desirable consistent with the provisions of the Plan of Finance and substantially similar to the bond documents for revenue bonds most recently issued and sold by the Authority, but with appropriate changes.

9. The Authority's municipal advisor shall prepare an Official Statement and any Preliminary Official Statement in consultation with the Underwriter, the University, the Executive Director and bond counsel setting forth all material facts with respect to the Bonds, the Projects, the Authority, the University and the Institution. Upon recommendation of the municipal advisor and bond counsel, such Official Statement or any Preliminary Official Statement shall be deemed by the Executive Director (or with his approval) the University to be the final official statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The Authority hereby consents to the preparation of the Official Statement, in such deemed final form and the distribution by the Underwriter in offering the Bonds for sale to the public and to any changes to the Official Statement to reflect the final terms of the Bonds and the related bond documents. Notwithstanding such consent, the Authority takes no responsibility for, and makes no representations or warranties as to, the accuracy, sufficiency or completeness of the Official Statement (other than information relating to the Authority).

10. The Underwriter is authorized to distribute the Official Statement and any Preliminary Official Statement for pricing purposes, provided that prior to the distribution, if recommended by bond counsel, an application for registration of the Bonds shall be filed under the Minnesota Securities Act, Chapter 80A, Minnesota Statutes. Prior to the execution of the Bond Purchase Agreement, bond counsel shall advise the Executive Director that such registration shall have been made effective by the Minnesota Department of Commerce or that registration is not required for offer and sale of the Bonds in Minnesota.

11. Notwithstanding the foregoing provisions, the Bonds shall not be issued and delivered and the bond documents (other than the Bond Purchase Agreement) shall not be executed and delivered without the further action and approval and adoption of a Series Resolution with respect to the Bonds by the Authority.

12. Upon the recommendation of the University and the Authority's municipal advisor, the Executive Director is authorized to select a Trustee for the Bonds, which shall also act as paying agent and registrar for the Bonds.

Adopted: April 21, 2021.

MINNESOTA HIGHER EDUCATION
FACILITIES AUTHORITY

By _____
Michael D. Ranum, Chair

By _____
Gary D. Benson, Secretary

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SERIES RESOLUTION

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY REVENUE BONDS, SERIES 2021 (SAINT JOHN'S UNIVERSITY)

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

1. Pursuant to resolutions adopted on April 21, 2021 (the "Prior Resolutions"), the Authority has:

(i) received and held a public hearing with respect to, and adopted a Resolution Relating to Application of Saint John's University, a Minnesota nonprofit corporation (the "University"), as owner or lessee and operator of Saint John's University (the "Institution") regarding financing the costs of (a) the acquisition, construction and equipping of a new 96-bed townhouse style student residence facility; (b) renovation and upgrades to Peter Engel Science Center; (c) renovation of the first floor and third floor of Wimmer Hall; (d) construction of a pedestrian bridge connecting the lower campus and upper campus; and (e) capital improvement and renovation projects, including a student center (Sexton Commons) and student residence facilities (Saint Thomas Aquinas Hall and Saint Mary Hall) (collectively, the "Projects"); and

(ii) authorized the negotiation of the issuance and sale of revenue bonds, including up to \$25,000,000 of the Authority's Revenue Bonds, Series 2021 (Saint John's University) (the "Bonds"), to RBC Capital Markets, LLC (the "Underwriter"), to finance the Projects; and

(iii) directed the preparation of documents, including a Loan Agreement, Trust Indenture, Bond Purchase Agreement, Continuing Disclosure Certificate and an Official Statement for the Bonds.

All provisions and findings of the Prior Resolutions are hereby ratified and confirmed except to the extent amended and incorporated herein.

2. The University has requested that the Bonds be issued as a single series of bonds in the maximum aggregate principal amount of up to \$25,000,000, the interest on which will be excluded from gross income of the bondholders pursuant to the Internal Revenue Code of 1986, as amended (the "Code").

3. As provided in the Prior Resolutions, a Preliminary Official Statement is being prepared and will be designated as a near-final official statement, and the Underwriter will distribute copies thereof for the purpose of obtaining indications of interest from customers and establishing rates of interest for the Bonds.

4. As provided in the Prior Resolutions, a form of Bond Purchase Agreement has been reviewed by Fryberger, Buchanan, Smith & Frederick, P.A., as bond counsel, which Bond Purchase Agreement is to be executed by the Underwriter and the University and approved by the

Executive Director of the Authority providing for the sale of the Bonds by the Authority to the Underwriter, subject to the conditions therein set forth.

5. The Executive Director, on behalf of the Authority, is authorized and directed to take all actions necessary or desirable to receive a proposal from the Underwriter, provided that the Bonds shall not mature later than October 1, 2040, the principal amount of the Bonds shall not exceed \$25,000,000, the maximum true interest cost shall not exceed 5.0% and the purchase price shall be not less than 98% of the principal amount of the Bonds plus accrued interest. Upon the recommendation of the Authority's municipal advisor and bond counsel and with the approval of the University, the Executive Director may execute and deliver, on behalf of the Authority, the Bond Purchase Agreement. This Authority hereby authorizes the issuance and sale of the Bonds and no further approval by this Authority is required.

6. The forms of the following documents relating to the Bonds have been made available to the Authority:

(i) Loan Agreement between the Authority and the University, expected to be dated as of June 1, 2021 (the "Loan Agreement").

(ii) Trust Indenture between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), expected to be dated as of June 1, 2021 (the "Indenture").

(iii) Continuing Disclosure Certificate by the University, expected to be dated as of June 1, 2021.

The Chair, the Secretary and any officer authorized to act on behalf of the Chair or the Secretary are each acting individually, authorized to execute, seal and deliver counterparts of the Loan Agreement and the Indenture, duly completed, for and in the name of the Authority, with all such changes and insertions therein as the officer executing the same shall approve. In addition, the Executive Director of the Authority is hereby authorized to prepare, with the assistance of Springsted Incorporated as municipal advisor, a final Official Statement in substantially the form of the Preliminary Official Statement with all such deletions, changes and insertions therein as the Executive Director shall approve, and to furnish to the Underwriter a reasonable number of copies of the final Official Statement for purposes of such purchaser's obligation to provide copies of the final Official Statement to customers and potential customers pursuant to MSRB Rule G-32 and Securities and Exchange Commission Rule 15c2-12, respectively.

7. The Bonds shall be in substantially the form set forth in the Indenture, and when printed in typeset or typewritten form shall be executed, sealed and delivered by the manual or facsimile signatures of the Chair or the Vice Chair and the Secretary or the Assistant Secretary of the Authority and submitted to the Trustee for authentication, all as more fully provided in the Indenture.

8. The appointment of U.S. Bank National Association, as Trustee under the Indenture is hereby approved, ratified and confirmed.

9. The proceeds of the Bonds shall be deposited as follows:

(i) The accrued interest, if any, and the rounding amount on the Bonds shall be deposited to the Bond and Interest Sinking Fund Account to be kept and maintained by the Trustee under the Indenture.

(ii) All other proceeds of the Bonds shall be deposited to the Construction Account with the Trustee under the Indenture to be used and paid out by the Trustee for payment of the Project Costs in accordance with the Indenture and the Loan Agreement.

10. As required by Sections 136A.25 to 136A.42, Minnesota Statutes, as amended (the “Act”), the officers of the Authority authorized to sign checks or otherwise handle funds of the Authority shall furnish a surety bond, executed by a surety company authorized to transact business in the State of Minnesota as surety and file the same in the office of the Secretary of State of Minnesota, subject to approval of the Attorney General, prior to delivery of the Bonds, which officers and the amount of the surety bond shall be as set forth in the separate resolution adopted by the Authority on November 28, 1972.

11. Pursuant to the recommendation of bond counsel, the Authority hereby finds and determines that a title opinion or a title commitment may be furnished as evidence of title to the Project Site (as defined in the Loan Agreement).

12. The terms and provisions of the Bond Purchase Agreement and the documents listed in paragraph 6 of this Resolution are all hereby incorporated by reference and approved, ratified and confirmed, except to the extent amended hereby. The officers of the Authority, the municipal advisor and bond counsel are hereby authorized and directed to execute and deliver all closing documents and do every other thing necessary or convenient to carry out the terms and provisions of each such bond document to the end that the Bonds shall be delivered, secured and serviced and to carry out the purposes and provisions of the Act with respect thereto without further resolution or other action by this Authority.

Adopted: April 21, 2021.

MINNESOTA HIGHER EDUCATION
FACILITIES AUTHORITY

By _____
Michael D. Ranum, Chair

By _____
Gary D. Benson, Secretary

Resolution No. 04-2021-_____

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Resolution Regarding FY2021 Update to Authority Bylaws

WHEREAS, the Minnesota Higher Education Facilities Authority has established bylaws whereby changes to the bylaws must be done through resolution of the Authority Board.

WHEREAS, the Authority Board has reviewed the updates to the bylaws recommended by Authority Staff due to changes in procedure, regulations, common practice, technology, and staffing.

WHEREAS, the proposed changes and updates are as shown in the following:

Article II, Section 5 Assistant Secretary and Recording Secretary shall be added to the Authority bylaws:

Section 5. Assistant Secretary and Recording Secretary

The Assistant Secretary and Recording Secretary are optional positions created by the Board to assist with the duties of the Secretary. These positions are not required to be held, nor are they required to be filled by members of the Board, as referenced in Section 1. The Assistant Secretary and Recording Secretary have full power and authority to act as and to perform the duties of the Secretary, including without limitation the powers and authority to execute all documents, to affix the official seal thereto and to certify copies of resolutions and other papers of the Authority in place and stead of the Secretary. The execution of any document, certificate, or other act by the Assistant Secretary or Recording Secretary shall be binding on the Authority to the same extent as if executed by the Secretary of the Authority.

Article II, Section 5 Additional Duties shall be renumbered to Article II, Section 6 Additional Duties

Article II, Section 6 Additional Personnel shall be renumbered to Article II, Section 7 Additional Personnel

Article III – Executive Director and Assistant Director Section 1. Executive and Assistant Executive Officer shall have the following addition made to the end of the section:

“In the absence of a full-time Assistant Executive Director on staff, the Executive Director may designate another member of Authority staff to act as Assistant Executive Director at his/her discretion when the Executive Director is unavailable due to illness, vacation, or other absence.”

Article IV – Meetings Section 2. Regular Meetings shall now read:

“Regular meetings of the Authority shall be held at such time or times as shall be determined by motion of the Authority.”

Article IV – Meetings Section 3. Special Meetings shall now read:

“The Chairperson of the Authority may, when the Chairperson deems it expedient, and shall, upon the request of two members of the Authority, or the Executive Director, call a meeting of

the Authority. The call for a meeting, specifying the time and place of the meeting, shall be delivered by email to each member of the Authority, or posting on the Authority's website [or social media used by the Authority] not less than two days prior to the date of such special meeting. At such meetings any and all matters may be considered and acted upon by the members of the Authority present, whether or not such matters were specified in the call."

Article IV – Meetings Section 6. Manner of Voting shall now read:

"The voting on all questions, motions, or resolutions at meetings of the Authority shall be by roll call vote, unless the Board Chair or individual members request a voice vote, and the Board consents by verbal agreement to use voice voting for administrative actions or other questions, motions, or resolutions. **When roll call votes are performed, the yeas and nays should be recorded in the minutes in good practice, although not required.**"

Article VI – Amendments shall now read:

"The Bylaws may be amended by resolution duly adopted at any meeting, annual, regular, or special, provided that notice of intention to present such resolution shall be given at least five days in advance of the meeting at which the motion to adopt such resolution is made. Such notice shall be given in writing and shall state the contents of the proposed amendments and shall be posted on the Authority's website and emailed to all members, or in the alternative, such notice may be given orally at any meeting, in which event such notice shall be noted in the minutes of the meeting at which it is given. Advance notice of motions to amend motions to amend the Bylaws need not be given."

BE IT RESOLVED as follows:

The Board of the Minnesota Higher Education Facilities Authority has conducted a roll call vote regarding the changes to the Bylaws and approves and adopts the updated language to each section of the Authority bylaws outlined in the resolution.

Adopted April 21, 2021

MINNESOTA HIGHER EDUCATION

FACILITIES AUTHORITY

By _____

Mike Ranum, Chair

By _____

Gary Benson, Secretary

Minnesota Higher Education Facilities Authority

Budget vs. Actuals: FY2021 Budget (original) - FY21 P&L

July 2020 - June 2021

	TOTAL				
	ACTUAL	BUDGET	REMAINING	% OF BUDGET	% REMAINING
Income					
4010 Annual Fee Income	847,276.99	403,745.38	-443,531.61	209.85 %	-109.85 %
4020 Application Fee Income	1,000.00		-1,000.00		
Discounts given	-530,394.81		530,394.81		
Total Income	\$317,882.18	\$403,745.38	\$85,863.20	78.73 %	21.27 %
GROSS PROFIT	\$317,882.18	\$403,745.38	\$85,863.20	78.73 %	21.27 %
Expenses					
6000 Stipends	2,585.00	3,520.00	935.00	73.44 %	26.56 %
6001 Board Travel		2,500.00	2,500.00		100.00 %
6002 Communications	11,878.99	24,064.00	12,185.01	49.36 %	50.64 %
6003 Staff Travel	241.61	6,250.00	6,008.39	3.87 %	96.13 %
6004 Office Rent	36,360.54	48,480.72	12,120.18	75.00 %	25.00 %
6005 Office Supplies	392.14	1,750.00	1,357.86	22.41 %	77.59 %
6006 Repairs		500.00	500.00		100.00 %
6007 Printing Expense	511.81	2,500.00	1,988.19	20.47 %	79.53 %
6008 Periodicals/Memberships	5,354.00	8,000.00	2,646.00	66.93 %	33.08 %
6009 Fiscal Consultant Fees	3,700.00	1,000.00	-2,700.00	370.00 %	-270.00 %
6010 Audit Fees	19,125.00	19,125.00	0.00	100.00 %	0.00 %
6012 Legal Fees	25,226.10	52,000.00	26,773.90	48.51 %	51.49 %
6013 Insurance Expense		2,000.00	2,000.00		100.00 %
6015 Miscellaneous Expense	171.00	1,000.00	829.00	17.10 %	82.90 %
6016 Bank Service Charges	2,015.21	3,000.00	984.79	67.17 %	32.83 %
6017 Conference Expenses		5,000.00	5,000.00		100.00 %
6020 Professional Development-STAFF	1,007.00	5,000.00	3,993.00	20.14 %	79.86 %
6021 IT	6,605.45	9,800.00	3,194.55	67.40 %	32.60 %
6023 Postage/Delivery Expense	32.59	275.00	242.41	11.85 %	88.15 %
6100 Salaries	147,164.74	210,000.00	62,835.26	70.08 %	29.92 %
6101 Fringe Benefits	42,711.00	64,000.00	21,289.00	66.74 %	33.26 %
6104 Worker's Compensation	170.00	170.00	0.00	100.00 %	0.00 %
6200 Equipment Leases	5,402.18	6,980.00	1,577.82	77.40 %	22.60 %
Total Expenses	\$310,654.36	\$476,914.72	\$166,260.36	65.14 %	34.86 %
NET OPERATING INCOME	\$7,227.82	\$ -73,169.34	\$ -80,397.16	-9.88 %	109.88 %
Other Income					
4000 Interest Income	25,498.33	36,000.00	10,501.67	70.83 %	29.17 %
4050 Unrealized Gain/Loss Adjustment on Sale	-4,416.31		4,416.31		
Total Other Income	\$21,082.02	\$36,000.00	\$14,917.98	58.56 %	41.44 %
Other Expenses					
Other Miscellaneous Expense	3,346.71	7,500.00	4,153.29	44.62 %	55.38 %
Total Other Expenses	\$3,346.71	\$7,500.00	\$4,153.29	44.62 %	55.38 %
NET OTHER INCOME	\$17,735.31	\$28,500.00	\$10,764.69	62.23 %	37.77 %
NET INCOME	\$24,963.13	\$ -44,669.34	\$ -69,632.47	-55.88 %	155.88 %

25% of fiscal year remaining