

**Listing of Mailout Material
December 13, 2023**

-  **Cover Memo**
-  **Meeting Agenda**

I. Review and approve minutes of the meeting of November 15, 2023

-  **Minutes of November 15, 2023**


II. University of St. Thomas 2022B Reallocation

-  **Series 2022B Amendment Application**
-  **First Amendment to Loan Agreement**
-  **Resolution Relating to Amendment Application and Reallocation of Bond Proceeds**

III. Old Business

IV. New Business

V. Other Business

-  **November 2023 Budget vs Actual**

MEMORANDUM



860 BLUE GENTIAN ROAD, SUITE 145, EAGAN, MN
55121

Date: December 6, 2023

To: Minnesota Higher Education Facilities Authority Board Members

From: Barry W. Fick, Executive Director

Subject: December 13, 2023, Authority Board Meeting Preview

We have a short but important agenda for our Minnesota Higher Education Facilities Authority on December 13, 2023, in person, video link, and teleconference Board meeting.

This month's meeting will be held at the Authority's Eagan office. Information on the meeting location, parking and other logistics included with your meeting information packet.

The focus of the December 2023 Board meeting will be consideration of a request by the University of St. Thomas to reallocate proceeds received from the Series 2022B Bonds. The University is changing adjusting the projects to be financed with bond proceeds to reflect changes to the location of projects included in the original bond issue.

There will be a short demonstration of our new LinkedIn site and a brief Executive Director update report presented at the meeting.

This is an in-person meeting, but if you are not able to attend in person, we will use our video link system for this meeting. Instructions for accessing the video link are available in Board packet material included with this email.

We look forward to your participation in-person or by video conferencing or telephone at the meeting.



Board Meeting Agenda
Wednesday, December 13, 2023
2:00 PM

Location: MHEFA Office,
Lower-Level Conference Room

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 15, 2023
- II. University of St. Thomas 2022B Reallocation
- III. Old Business
- IV. New Business
- V. Other Business
 - LinkedIn Page Demo
 - Executive Director's Report

*General Public may attend in-person at the address below,
via call-in number: 1-877-978-6969 Access Code: 368-990-446#
or through this link: <https://www.gomeet.com/368-990-446>*

860 Blue Gentian Road, Lower-Level Conference Room, Eagan, MN 55121



The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a Special Board meeting at 2:07 pm Central Daylight Time, Wednesday, November 15, 2023.

The Board is conducting this meeting subject to the Open Meeting Law by in-person, telephone, and interactive technology as allowed by Minnesota Statutes. Members participating in the meeting can hear each other and all discussion; members of the public can hear all discussion and votes; and all votes are conducted by a roll call. The board has made provision for the public to monitor the meeting electronically from a remote location. The board has provided notice of the meeting location, the fact that some members may participate by interactive technology, and of the public’s right to monitor the meeting electronically from a remote location.

The Authority Board meeting was held in room 229 of the Mitchell Hamline School of Law, 875 Summit Avenue, Saint Paul, MN 55105. Executive Director Fick was physically present. Mr. Fick meets the state’s requirement for COVID-19 safety through vaccination, including boosters. The location and time of the meeting was duly published and posted on the Authority website and at the entrance to the Authority office, located at 860 Blue Gentian Road, Suite 145, Eagan, MN 55121.

The public was able to attend the meeting in person, monitor the meeting by calling a toll-free number, and able to connect to the meeting using the video link.

Board members participated in the meeting in-person and by 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.015.

Executive Summary – Minnesota Higher Education Facilities Authority

Meeting on November 15, 2023: Board Actions Taken:

| Motions: | Result: | Vote: |
|--|----------------|--------------|
| Approval of Meeting Minutes of July 19, 2023 | Passed | Unanimous |
| Approve the FY2023 Financial Report Audit | Passed | Unanimous |
| Approve the Standard Rules of Operation, Section 600 Updates | Passed | Unanimous |

| Resolutions | Result: | Vote: |
|--------------------|----------------|--------------|
| None | N/A | N/A |

The official meeting began with a roll call to establish a quorum. The following board members or their designees were participating and attending in-person (IP), by video link (“V”) or telephone (“T”):

Board Members: David Rowland – IP
 Bonnie Anderson Rons - IP
 Nancy Sampair - IP
 Gary Benson - IP
 Paul Cerkvenik - V
 Mary Ives – IP (2:40 p.m.)
 Mary Thao – V
 Ray Vin Zant – V

Absent: Mikeya Griffin
 Poawit Yang

Other Attendees: Andrew Grice, CPA, Bergan KDV

Staff: Barry W. Fick, Executive Director, MHEFA – IP
 Amanda Lee, Operations Manager, MHEFA – IP

David Rowland, Chair, called the meeting order at 2:07 pm CDT. Executive Director Fick confirmed that a quorum was present.

Agenda Item I – Minutes of the July 19, 2023, Board meeting.

The first item on the agenda is the review and consideration of the minutes of the July 19, 2023, Authority Board meeting.

Chair Rowland asked for a motion to accept and approve the July 19, 2023 Minutes. A motion was made by Bonnie Anderson Rons to approve the July 19, 2023, minutes. The motion was seconded by Gary Benson. Chair Rowland asked if there were any questions, discussion, or changes to the minutes of the July 19, 2023, Board meeting.

Bonnie Anderson Rons asked a question for clarification of language in the minutes. She asked about the description of a recent bond sale by the Authority as a “public” sale when it was sold by an underwriting group. Executive Director Fick noted that the characterization of a sale at a public or private sale is an industry term of art. He noted that a “public” sale can be a competitive sale or a negotiated sale. In either case, the bonds are ultimately offered to public investors. This contrasts with a private sale where there is generally a single purchaser, and the single purchaser does not reoffer the bonds to the general public.

There were no other questions or proposed changes to the minutes from Board members.

Chair Rowland called for a vote regarding the approval of the minutes. A roll call vote was conducted, and the Board members voted as follows:

| | | |
|----------------|----------------------|-------------|
| Board Members: | David Rowland | Yes |
| | Bonnie Anderson Rons | Yes |
| | Nancy Sampair | Abstain |
| | Gary Benson | Yes |
| | Mary Ives | Not Present |
| | Mary Thao | Yes |
| | Ray Vin Zant | Yes |

There were no votes against the motion and the Minutes of the July 19, 2023, MHEFA Board meetings were approved.

Agenda Item II – FY23 Audit Results

Chair Rowland asked Mr. Andrew Grice from the Authority's audit firm, Bergan KDV, to present the firm's findings and the results of their audit of the Authority's Fiscal Year 2023 Audit. Mr. Grice reviewed the work that BerganKDV did in their audit of the Authority's accounting records.

Mr. Grice noted that the audit was conducted virtually, with documents transferred electronically by the Authority to a secure site accessible by authorized BerganKDV staff. This is the fourth year that the financial audit of the Authority has been conducted virtually. This has proved to be a cost effective and thorough approach to conducting the audit of the Authority's financial records. The need for in-person review is limited as the Authority has no inventory and does not sell physical goods.

Mr. Grice noted that the audit staff received excellent cooperation from the Authority in the review of records by BerganKDV staff. He noted that the preparation of financial statements for the Authority is the responsibility of the Authority and that BerganKDV does not prepare the financial statements of the Authority.

Mr. Grice reported that BerganKDV's responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion on the fair presentation of financial information.

Mr. Grice reported that in the opinion of BerganKDV, the financial statements of the Minnesota Higher Education Facilities Authority as of June 30, 2023, present fairly, in all material respects, the respective financial position of the Authority and the respective changes in financial position and its cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States.

Mr. Grice noted that the Authority continues to have a significant deficiency in internal controls, due to lack of segregation of accounting duties. This is the result of the small size of the staff of the Authority, which precludes greater segregation of duties. The Authority has taken steps to compensate for the lack of segregation, including detailed activity review by the Executive Director and significant oversight by Board Members of the Authority.

Mr. Grice discussed specific items in the financial statements, noting that operating performance was slightly negative due to the number of conduit bond sales and higher operating expenses. The operating loss was offset by higher interest income as low-rate maturing Certificates of Deposit were invested in higher yielding Certificates. In addition, a positive mark to market valuations resulted in a positive adjustment to FY23 operations. The positive change in net position resulted in end-of-year unrestricted assets totaling approximately \$2.142 million, a \$32K increase over the prior year.

Mr. Grice concluded his presentation. Mr. Rowland asked members of the Board if they had any questions for Mr. Grice. There were no questions about the FY23 Audit or Communications Letter from Board members.

Mr. Grice noted that BerganKDV will continue to monitor this deficiency and staff encourages the Board to review the material provided to them and ask any questions they would like.

There were no further questions and Mr. Rowland asked for a motion to accept and approve the FY2023 Audited Financial Statements and Communications letter from BerganKDV. A motion to approve the fiscal Year 2023 Audited Financial Statements and Communications letter was made by Nancy Sampair. The motion was seconded by Bonnie Anderson Rons.

Mr. Rowland called on the Executive Director to conduct a roll call vote on the Resolution. A roll call vote was conducted, and the Board members voted as follows:

| | |
|----------------------|-----|
| David Rowland | Yes |
| Bonnie Anderson Rons | Yes |
| Nancy Sampair | Yes |
| Gary Benson | Yes |
| Mary Ives | Yes |
| Mary Thao | Yes |
| Ray Vin Zant | Yes |

There were no abstentions or votes against the Motion and the FY2023 Audited Financial Statements and Communications Letter were accepted.

Agenda Item III – Website Updates with Voom Creative

The Authority maintains an award-winning website for the public, borrower schools, and investors. The website provides information and data, both current and historic, about the Authority, our borrowers, and the markets, including news about our borrowers, the Authority and events that affect the market.

The Authority has reviewed options to disseminate information more quickly to borrowers, investors, and the public. Rather than require them to go to the Authority website for information, we have looked at options for “pushing” information to others or allowing others to link to events published on the Authority website. Our review of options has led us to the idea of adding an MHEFA page to LinkedIn. This would allow us to have interested parties sign up to “follow” the Authority and receive information as it is posted to the website, which in turn will be linked to our LinkedIn page.

We have reviewed this strategy with other agencies similar to MHEFA and interviewed some agencies that use this strategy. We believe it would be very beneficial to our borrowers to access this resource. In addition, it could be helpful to expand the reach to non-professionals about the availability of bonds issued by the Authority and potentially increase demand for Authority bond issues.

The Authority lacks the expertise and staff to efficiently develop, test and implement a LinkedIn corporate page. Rather than develop an incomplete presence, the Authority is working with Voom Creative on developing a LinkedIn presence and connecting it with our website. Voom Creative has assisted the Authority in developing and deploying our website. They are familiar with our process, philosophy, and mission. Their proposed fee for assistance with this project is very reasonable.

We hope to have the LinkedIn site operational in January 2024.

Chair Rowland asked if there were any questions about this project from Board members. There were no questions. Mr. Rowland asked if the Authority has considered adopting a Social Media Use policy for this and other social media sites.

Mr. Fick noted that the Authority does not have a social media policy in place. It was the consensus of the Board members and Authority Staff that development and adoption of a social media Policy would be a positive step to assist in navigating the social media environment in the future. Authority

staff will research and develop a social media Policy for consideration and adoption by the Board. No specific timetable for adoption of a social media policy was requested, but staff will work diligently to develop a policy and bring it to the Board for consideration.

Agenda Item IV – FY2024 Administrative Items Policy Update to Standing Rules of Operation Section 600

Chair Rowland asked Operations Manager Amanda Lee to discuss and outline the proposed updates to the Standing Rules of Operation, Section 600. Ms. Lee noted that the Staff regularly reviews the Standing Rules of Operation and proposes updates to maintain conformity with State of Minnesota Rules of Operation and any items specific to the Minnesota Higher Education Facilities Authority.

The Authority staff presents regular reviews of different sections of the Standing Rules of Operation to the Board every year. Staff have worked through other sections in prior years, updating them to match current State Policy. This year the focus is on Section 600, Administration, Personnel and Facilities. The proposed policy updates for Section 600 are minor and administrative. They are updates to conform Authority policy to the most current version of State of Minnesota Personnel and Facilities policies. They include updates to the no smoking policy, code of conduct, internal control assessment, training and development, and achievement award policies.

Chair Rowland asked for a motion to accept the proposed updates and changes to Section 600 of the Standing Rules of Operation. Nancy Sampair motioned for approval, and Ray Vin Zant seconded. Mr. Rowland then called upon Executive Director Fick to conduct a Roll Call Vote to adopt the changes to Section 600. A roll call vote was conducted, and the Board members voted as follows:

| | |
|----------------------|-----|
| David Rowland | Yes |
| Bonnie Anderson Rons | Yes |
| Nancy Sampair | Yes |
| Gary Benson | Yes |
| Mary Ives | Yes |
| Mary Thao | Yes |
| Ray Vin Zant | Yes |

There were no abstentions or votes against the Motion and the updates to Section 600 of the Standing Rules of Operation were accepted.

Agenda Item V – Old Business

Chair Rowland asked if there were any Old Business items from Board members for discussion.

There were no Old Business items from staff or from Board members for discussion.

Agenda Item VI – New Business

Chair Rowland asked if there were any New Business items from Board members for discussion.

Paul Cerkvenik noted that the Minnesota Private College Council (“MPCC”) has hired a Chief Financial Officer. She is Karen Ohlberg and she begins at MPCC on December 1, 2023.

There were no other New Business items from Board members for discussion.

Agenda Item VII – Other Business

Chair Rowland called upon Executive Director Fick to discuss Other Business and present the Executive Directors Report.

Legislative Update

We met with a legislator to provide information and education on the purpose of the legislation and the limitations or “guardrails” included in the bill. We are working on drafting language to meet the concern expressed by the legislator.

We also plan to communicate with the Governor’s staff and OHE staff to determine if there is any support from the executive branch to help move our bill forward.

We also will discuss with the Higher Education and Bonding Committee legislators and staff from both the Senate and House of Representatives a separate bill to increase our outstanding debt limit.

Rating Agency Update

- Moody's Investors Service is conducting rating updates with a number of schools over the next few weeks. We worked with the schools to prepare material and are awaiting the decision of the Credit Committee.
 - St. Scholastica – Change in Outlook to Negative from Stable, kept Baa2
 - St. Olaf – Rating call held, awaiting result. No change expected
 - St. John's – Rating call held, awaiting result. No change expected
 - Concordia College – Rating call held, awaiting result. No change expected
 - Augsburg – Moody's discussion held re: FY23 Audit Results, no rating action anticipated

Borrower Assistance and Financing Application Update

- Met with the St. Scholastica senior leadership and held a subsequent meeting with the St. Scholastica College Board to discuss and explain their bond covenants.
- We are engaged in preliminary discussions with a number of schools about financing projects in the calendar year 2024 and 2025.
- We are working with St. Olaf on a \$25 million Bank Placement Note. A Request for Proposal has been distributed to a number of banks and proposals are due Friday, Nov. 17. The financing is anticipated to close in January or February 2024.
- The University of St. Thomas has requested and received a Financing Application. They are expected to bring a request to the Board for a reallocation of projects on the Series 2022B Bonds.
- We have begun work on Continuing Disclosure for FY23. We have 6 schools who have filed Financial Statements and are working with the 5 schools who have filing deadlines of late November and late December

Borrower Staffing Update

St. Olaf has appointed Mike Berthelsen as Vice President for Finance and CFO.

Ben Murray has left St Mary's to become the CFO for the Minneapolis Institute of Art. Two St. Mary's staff are acting as interim finance officers.

Brent Gustafson is leaving Hamline to take a position at Oregon State University. This is a return to public higher ed for Brent. Two Hamline staff are acting as interim finance officers.

Various

The Board term for Mary Ives and Ray Vin Zant concludes in early January 2024. We will work with them to determine their preference for continuing as Board members. In discussions with the Governor's staff, we are on schedule for appointments or re-appointments to be made in April 2024. Ms. Ives and Mr. Vin Zant may continue to serve until June 30, 2024 under their current appointments unless they are reappointed or replaced on the board.

The annual student/staff art show and sale at MCAD is Thurs – Saturday, November 16 -18. I will be attending and hope to acquire some artwork for the Authority office in Eagan. The goal is to support our borrower schools and highlight their education efforts and experience.

Chair Rowland asked if there was any further business to come before the Board. Operations Manager, Amanda Lee, opened a discussion around the December Authority Meeting date. The Authority Board Meetings are generally held the third Wednesday of every month, however, for December 2023, this means the meeting date would be December 20, 2023.

Many Board Members voiced their preference to move the meeting date one week earlier to December 13, 2023, due to travel and other personal conflicts with the December 20, 2023, date. Executive Director Fick will be traveling on December 13, 2023, but will attend via video.

Nancy Sampair motioned to have the December 20, 2023, meeting moved to December 13, 2023. David Rowland seconded the motion. A voice vote was conducted, and the motion passed unanimously.

The December 13, 2023, meeting will be conducted virtually, with one board member attending in-person at the Authority office with Operations Manager Amanda Lee. The public is free to attend in-person at the Authority office, online via video, or by telephone.

Chair Rowland asked for a Motion to suspend the Authority meeting and reconvene at 5:30 pm at the St. Paul Pool and Yacht Club for a Board appreciation and past Board member service recognition dinner. A motion to suspend the Authority meeting was made by Nancy Sampair. The motion was seconded by Bonnie Anderson Rons. Chair Rowland asked for a voice vote on the motion. The motion to suspend the meeting and reconvene at 5:30 pm at the Pool and Yacht Club was approved unanimously.

Prior to reconvening the Board meeting, Board members and members of the Public were invited to visit the Authority's office at 860 Blue Gentian Road, Suite 145, Eagan, MN 55121 immediately after suspension of the Authority meeting to view and tour the new office location.

The meeting was reconvened at 5:30 at the Pool and Yacht Club. Board members were recognized for their service in assisting the Authority with its mission to assist non-profit institutions of higher education in Minnesota access low-cost financing to keep costs of attendance lower than would otherwise be possible without Authority assistance.

There were no other items for the Board to consider. A motion to adjourn was made by Mary Ives with a second provided by Nancy Sampair. The Board acted by voice vote to adjourn the meeting at 9:15 pm, Central Time.

Respectfully submitted,

Assistant Secretary



November 28, 2023

Minnesota Higher Education
Facilities Authority
860 Blue Gentian Road, Suite 145
Eagan, MN 55121

**Re: Project Updates and Amendment – \$70,280,000 Minnesota Higher Education
Facilities Authority Revenue Bonds, Series 2022B (University of St. Thomas)**

Ladies and Gentlemen:

The proceeds of the above-described revenue bonds (the “Bonds”) were previously lent to the University of St. Thomas (the “University”) pursuant to a Loan Agreement, dated as of June 1, 2022, between the Minnesota Higher Education Facilities Authority (the “Authority”) and the University (the “Loan Agreement”), to finance the project defined in the Loan Agreement as “Project B” (the “Project”). A current definition of the Project is attached here as Exhibit A.

Section 3.01 of the Loan Agreement provides that the University “may apply to the Authority . . . to delete . . . or to add any building, system or equipment to the Project, or both, and upon approval of the Authority which shall not be unreasonably withheld, conditioned or delayed, the description of the Project shall accordingly be amended by a supplement to [the] Loan Agreement . . .”

The University now desires to amend the Project as contemplated by the Loan Agreement. Accordingly, please accept this Letter as the University’s application for approval of such modifications to the Loan Agreement as are necessary to reflect the following updates to the described Project (collectively, the “Project Updates”):

1. Hockey Facilities to be Located on the University’s St. Paul Campus

Existing Project Description: The University originally expected to acquire the off-campus Highland Bridge Property (defined in the Loan Agreement), in-part, for the location of a hockey arena, and to complete related site planning and design. That expectation was reflected in subparagraph (iii) of the current Project definition. Subparagraph (iv) of that definition also contemplated that the Project would include “other permissible capital projects on the [University’s] St. Paul Campus.”

Requested Modification: The University no longer intends for hockey facilities to be located on the Highland Bridge Property. Rather, the University expects updated hockey facilities will be located within a multi-purpose arena to be developed on its St. Paul Campus, in the approximate location shown on Exhibit B.

The University ultimately determined that the cost of constructing hockey facilities on the Highland Bridge Property was too high. In addition, having a multi-purpose arena on campus,

hosting both hockey and basketball, provides cost efficiencies and enables more students to attend games, thereby enhancing the student experience.

Modifications to the Loan Agreement would clarify that intended use of the Highland Bridge Property does not include hockey facilities, and that the already contemplated “other permissible [on-campus] capital projects” explicitly includes site planning and design work for the intended multi-purpose arena housing hockey facilities.

2. Reduction in the Scope of Highland Bridge Property Acquired

Existing Project Description: The Loan Agreement defined the Highland Bridge Property to be acquired by the University as “an approximately 20-acre tract of land located near the intersection of Cleveland and Montreal Avenues . . .”

Requested Modification: The decision to locate hockey facilities on-campus reduced the scope of off-campus land required for athletic facilities. Accordingly, the University only acquired a 13.76 acre reduced portion of the Highland Bridge Property, as described and depicted on Exhibit C. The University only acquired as much land as it expects will be needed to develop baseball, softball, and related athletic facilities.

In order to isolate and limit potential liability related to ownership of the property, including environmental liabilities, the University elected to acquire the Highland Bridge Property through UST HB, LLC, a wholly-owned and disregarded subsidiary of the University. The Articles of Organization, Certificate of Organization, Operating Agreement, Form SS-4, and CP575 Notice for UST HB, LLC are included as Exhibit D to this Letter.

Modifications to the Loan Agreement would define the Highland Bridge Property as the property actually acquired by the University through UST HB, LLC. Such modifications are consistent with existing provisions of the Loan Agreement defining the “Project Site” to include “only that portion of such land acquired with proceeds of the Bonds”.

3. Removing the Residential Property from the Project Scope

Existing Project Description: The Loan Agreement contemplated that the Project would include the acquisition of 2037 Summit Avenue, St. Paul, MN; referred to in the Loan Agreement as the “Residential Property.”

Requested Modification: After entering a Purchase Agreement to acquire the Residential Property, the University encountered strong neighborhood resistance to the transaction. As a result, the University was forced to reevaluate and ultimately terminate the acquisition. Modifications to the Loan Agreement would omit the Residential Property from the scope of the Project.

The University ultimately views the Project Updates as refining and/or clarifying the scope of existing components of the Project, not as additions or material modifications to the nature of such Project components.¹

Through this Letter, the University is seeking approval of such modifications to the Loan Agreement and the description of the Project therein as are reasonably necessary to memorialize and give effect to the Project Updates, together with such ancillary updates to the Loan Agreement and related documentation as are reasonably necessary to conform the same. Following approval, of the Project Updates, the University expects to work closely with the Authority and Bond Counsel, Taft Stettinius & Hollister LLP, to document and finalize such modifications and updates.

Thank you very much for your consideration. Please let us know if there are any questions.

Sincerely,

University of St. Thomas



Mark Vangsgard
Vice President for Business Affairs & Chief Financial Officer

¹ For reference, Exhibit E to this Letter reallocates the projected use of Bond proceeds in connection with those portions of the Project affected by the Project Updates.

EXHIBIT A

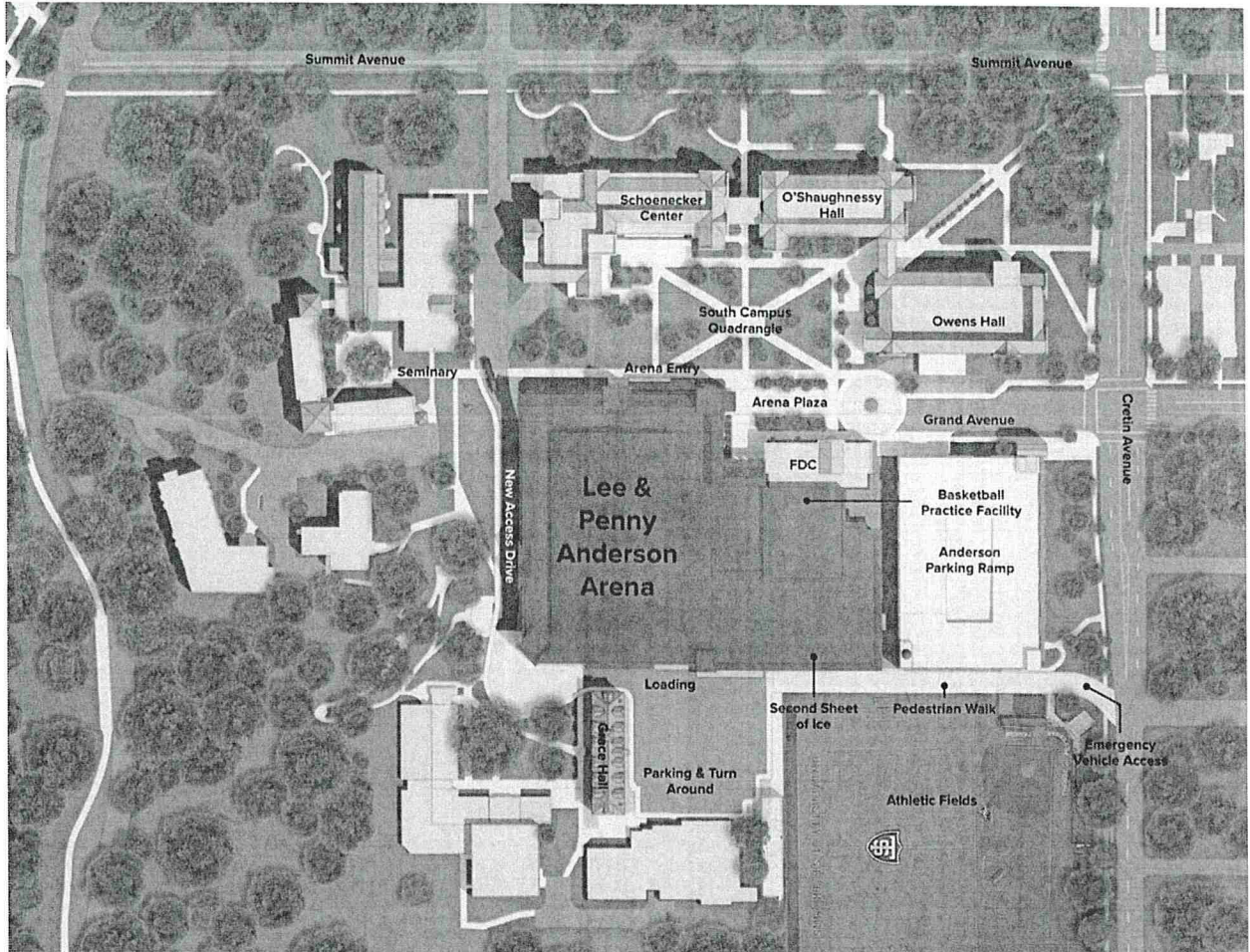
CURRENT DEFINITION OF PROJECT B

“Project B” means property acquisition, site preparation (including demolition of existing buildings) for and design, construction, renovation, improvement, furnishing and equipping of various facilities, and related improvements, including (i) design, renovation, and equipping of Brady and Dowling Residence Halls and Koch Commons on the Institution’s St. Paul campus; (ii) design, renovation and equipping of the Summit Classroom Building on the Institution’s St. Paul campus; **(iii) acquisition of the Highland Bridge Property for the location of athletic facilities, including a University hockey arena, softball and baseball fields, and related athletic facilities, and completion of related site planning, site preparation, and preliminary facility design;** and (iv) other projects which will include purchase of the Residential Property and may include portions of Project A or other permissible capital projects on the Institution’s St. Paul campus.

(Emphasis Added)

EXHIBIT B

LOCATION OF ANTICIPATED MULTI-PURPOSE ARENA



* Anticipated location identified in purple.

EXHIBIT C

DESCRIPTION OF ACQUIRED HIGHLAND BRIDGE PROPERTY

Lot 2, Block 1, and Outlot A, Southern Highland Bridge, Ramsey County, Minnesota

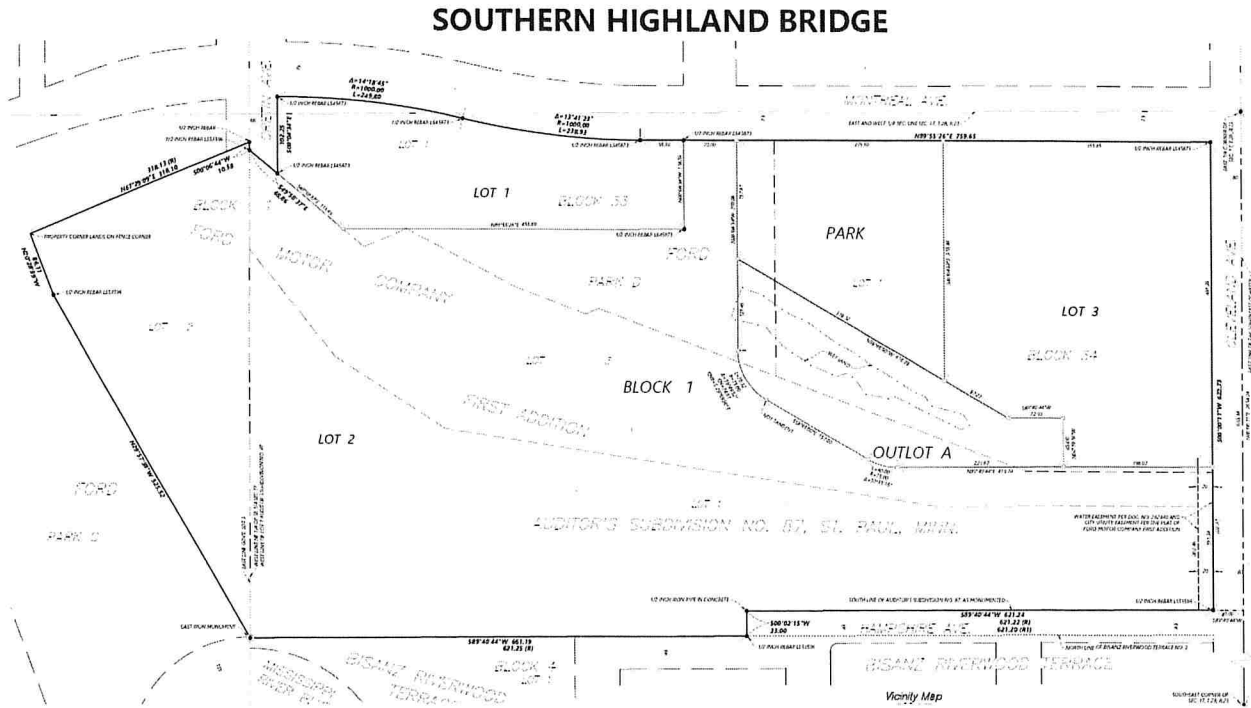


EXHIBIT D

COMPANY DOCUMENTS: UST HB, LLC

See the following 19 pages.

Removed for purposes of Board Review - Exhibit available upon request

EXHIBIT E

REALLOCATION OF PROCEEDS

ORIGINAL

| | |
|--------------------------------|-------------------|
| HB LAND | 18,800,000 |
| RESIDENTIAL LAND | 1,400,000 |
| SITE PREP DESIGN & DEVELOPMENT | |
| HB ATHLETIC FACILITIES | 1,930,000 |
| | <u>22,130,000</u> |

CURRENT

| | |
|--------------------------------|-------------------|
| HB LAND | 8,742,899 |
| SITE PREP DESIGN & DEVELOPMENT | |
| HB ATHLETIC FACILITIES | 5,487,101 |
| CAMPUS ATHLETIC FACILITIES | 7,900,000 |
| | <u>22,130,000</u> |

Notes:

1. Originally projected HB Land costs included anticipated environmental remediation costs. In the current allocation, anticipated environmental remediation costs are included within "Site Prep Design & Development: HB Athletic Facilities."
2. Anticipated Site Prep Design & Development costs associated with the Campus Athletic Facilities (the on-campus multi-purpose arena) are expected to be higher, and to be incurred more rapidly, than Anticipated Site Prep Design & Development costs for the HB Athletic Facilities.

FIRST AMENDMENT TO LOAN AGREEMENT

BETWEEN

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY, as Authority,

AND

UNIVERSITY OF ST. THOMAS, as Corporation

Dated as of December 1, 2023

FIRST AMENDMENT TO LOAN AGREEMENT

THIS FIRST AMENDMENT TO LOAN AGREEMENT, dated as of December 1, 2023, is made and entered into by and between Minnesota Higher Education Facilities Authority (the “Authority”) and University of St. Thomas (the “Corporation”).

RECITALS

A. The Authority lent the Corporation the proceeds of its \$70,280,000 Revenue Bonds, Series 2022B (University of St. Thomas) (the “Bonds”) pursuant to a Loan Agreement dated as of June 1, 2022 (the “Original Loan Agreement”), between the Corporation and the Authority, to provide funds to the Corporation (i) to finance the Project Costs (as defined in the Original Loan Agreement), (ii) to fund certain capitalized interest during or following the Construction Period (as defined in the Original Loan Agreement), and (iii) to pay costs of issuing the Bonds.

B. In accordance with Section 3.01 of the Original Loan Agreement, the Corporation has submitted, and the Authority has received and approved, an application to make certain modifications to the Project (as defined in the Original Loan Agreement). Accordingly, the parties have agreed to amend the Original Loan Agreement to account for such modifications to the Project.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties hereto covenant and agree as follows:

Section 1. Definitions. Section 1.01 of the Original Loan Agreement is hereby amended by deleting the definition of “Residential Property” in its entirety and amending the following definitions in their entirety to read as follows:

“Acquisition Property” means that portion of the Project Site to be acquired with, or the acquisition costs of which are to be reimbursed from, proceeds of the Series 2022B Bonds as part of Project B, including the Highland Bridge Property.

“Highland Bridge Property” means the real property legally described on Exhibit A.

“Project B” means property acquisition, site preparation (including demolition of existing buildings) for, and design, construction, renovation, improvement, furnishing and equipping of, various facilities and related improvements, including (i) design, renovation, and equipping of Brady and Dowling Residence Halls and Koch Commons on the Institution’s St. Paul campus; (ii) design, renovation and equipping of the Summit Classroom Building on the Institution’s St. Paul campus; (iii) acquisition of the Highland Bridge Property for the location of athletic facilities, including softball and baseball fields, and related athletic facilities, and completion of related site planning, site preparation, and preliminary facility design; (iv) site planning and design of a multi-purpose arena and related higher education facilities located on the Institution’s St. Paul campus, including facilities for hockey, basketball, other athletics, and other Institution operations; and (v)

other projects that may include portions of Project A or other permissible capital projects on the Institution's St. Paul campus.

Section 2. Representations by the Corporation. Section 2.02(o) of the Original Loan Agreement is hereby amended by deleting it in its entirety and replacing it with the following:

(o) The Corporation has good and marketable title in the Project Site, subject to Permitted Encumbrances. With regard to the Acquisition Property, the Corporation reasonably expects as of the Issue Date, and will proceed with all reasonable dispatch, to acquire fee simple title to the Highland Bridge Property on or before December 31, 2024.

Section 3. Disbursements from the Construction Accounts. The last paragraph of Section 3.03(b) of the Original Loan Agreement is hereby amended by deleting "or the Residential Property" therefrom.

Section 4. Payment of Project Costs for Purchase of Acquisition Projects. The first paragraph of Section 3.10 of the Original Loan Agreement is hereby amended by deleting "or the Residential Property" therefrom.

Section 5. Exhibit A. Exhibit A of the Original Loan Agreement is hereby amended by (i) deleting the legal description for the Residential Property in its entirety; and (ii) amending the legal description of the Highland Bridge Property by deleting it in its entirety and replacing it with the following:

Lot 2, Block 1 and Outlot A, Southern Highland Bridge, Ramsey County, Minnesota.

Section 6. Exhibit C. Exhibit C of the Original Loan Agreement is hereby amended by:

(i) Restating the first paragraph of Section 1 to read as follows:

The easements, leases, indentures and other liens, encumbrances, defects and exceptions to title described in the following title commitments or title policies issued by First American Title Insurance Company and covering the Project Site; and

(ii) Deleting paragraph 1.d in its entirety and replacing it with the following:

Owner's Policy of Title Insurance, No. 904994XUST, dated September 1, 2023.

Section 7. Binding Effect. This First Amendment to Loan Agreement shall inure to the benefit of and shall be binding upon the Authority and the Corporation and their respective successors and assigns.

Section 8. Invalidity. In the event any provisions of this First Amendment to Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 9. No Other Modifications. Except as modified by this Amendment to Loan Agreement, all of the terms and conditions of the Original Loan Agreement remain unchanged.

Section 10. Counterparts. This First Amendment to Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11. Full Force and Effect. Except as herein amended, all other terms and provisions of the Original Loan Agreement, as originally executed, shall remain in full force and effect as of the date hereof and govern the Bonds. The Authority and the Corporation hereby reaffirm that their respective representations in the Original Loan Agreement are true and accurate as of the date hereof.

Section 12. Electronic Signatures. Except as modified herein, all of the terms and to the fullest extent permitted by applicable law, the parties agree that the electronic signature of a party to this First Amendment to Loan Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this First Amendment to Loan Agreement. For purposes hereof: (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means or a digital signature of an authorized representative of any party provided by AdobeSign or DocuSign (or such other digital signature provider as specified by such party) in English and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message, then such signature is a valid and binding signature of the authorized representative of such party.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

CORPORATION:

UNIVERSITY OF ST. THOMAS

By: _____

Its: Vice President for Business Affairs and
Chief Financial Officer

[SIGNATURE PAGE TO FIRST AMENDMENT TO LOAN AGREEMENT]

AUTHORITY:

MINNESOTA HIGHER EDUCATION
FACILITIES AUTHORITY

By _____

Chair

And By _____

Secretary

[SIGNATURE PAGE TO FIRST AMENDMENT TO LOAN AGREEMENT]

Consented to By:

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, a national banking association,
as bond trustee

By _____

[SIGNATURE PAGE TO FIRST AMENDMENT TO LOAN AGREEMENT]

RESOLUTION RELATING TO AMENDMENT APPLICATION AND REALLOCATION OF
BOND PROCEEDS FOR THE UNIVERSITY OF ST. THOMAS

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

1. The Authority, on June 2, 2022, issued its \$70,280,000 Revenue Bonds, Series 2022B (University of St. Thomas) (the “Bonds”) to finance a project on the basis of an Application of the University of St. Thomas, a Minnesota nonprofit corporation (the “University”), as owner and operator of the University of St. Thomas (the “Institution”), and exhibits thereto, including an Indemnity Agreement and an application fee in the amount of \$1,000, originally received on March 8, 2022 and subsequently revised on April 7, 2022 (the “Application”). Section 3.01 of the Loan Agreement dated as of June 1, 2022, between the Authority and the University (the “Loan Agreement”) related to the Bonds, provides that the University may apply to the Authority to make certain changes to Project B (as defined in the Loan Agreement). The Authority acknowledges receipt, following the issuance of the Bonds, of such an application from the University on November 28, 2023 (the “Amendment Application”), to modify the description of Project B and amend the Loan Agreement to allow for a reallocation of Bond proceeds to the Modified Project (as defined below).

2. The University requests that Project B be modified to include the acquisition, design, demolition, site preparation, construction, renovation, improvement, furnishing and equipping of various facilities, including (a)(i) renovation of Brady Residence Hall and Dowling Residence Hall and Koch Commons connecting them, (ii) renovation of the Summit Classroom Building to provide start up space for the University’s new nursing program, and (iii) planning and design of a multi-purpose arena and higher-education facilities, including facilities for hockey, basketball, other athletics, and other University operations; (b) other projects that may include portions of the construction of a new academic building known as Schoenecker Center or other permissible capital projects on the Institution’s Saint Paul campus (the foregoing activities described in clauses (a) through (b), inclusive, collectively, the “Main Campus Projects”); and (c) acquisition of an approximately 14-acre tract of land and preliminary design work and site preparation for softball and baseball fields, and related athletic facilities, in the Highland Bridge redevelopment area in Saint Paul (the “Highland Bridge Project”); (the foregoing activities described in clauses (a) through (c), inclusive, collectively, the “Modified Project”).

3. The Executive Director, upon the advice of Taft, Stettinius & Hollister LLP, bond counsel, and in consultation with the Chair of the Authority, selected a date for a public hearing to be held with respect to the Amendment Application and, in accordance with the requirements of Section 147(f) of the Code and Rev. Proc. 2022-20, has caused notice of the public hearing to be given by posting electronically on the Authority’s public website in an area used to inform the public of meetings of the Authority, no fewer than seven days prior to the date of the hearing.

4. Pursuant to such notice, the Board of Directors has conducted a public hearing on behalf of the Authority on the date hereof, on the proposal described in the Amendment Application to approve the Modified Project and the reallocation of Bond proceeds related thereto, at which public hearing all parties who appeared in person or by toll-free teleconferencing, or who

submitted written comments, were given an opportunity to express their views with respect to the proposal.

5. All the facilities and improvements to be financed by the Modified Project (the “Project Facilities”) are or will be owned and operated by the University and, except for the Highland Bridge Project, are or will be located on the University’s main campus, the principal street address of which is 2115 Summit Avenue, Saint Paul, Minnesota. The Highland Bridge Project will be located near the intersection of Cleveland and Montreal Avenues in Saint Paul, within the Highland Bridge redevelopment area, approximately 2.5 miles from the University’s Saint Paul campus.

6. Officers of the University have presented to this Authority information concerning the need for the Modified Project, the feasibility of the Modified Project, the construction schedule for the Modified Project, and responded to other matters concerning the Modified Project, the Project Facilities, the Institution, and the University.

7. The Executive Director of the Authority and bond counsel have reviewed the Amendment Application and the exhibits thereto and recommend that the Authority approve the Amendment Application as submitted, subject to the conditions herein set forth.

8. On the basis of the information contained in the Amendment Application and its exhibits and presented orally to the Authority and to the Executive Director and bond counsel, 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 Modified Project as described in the Amendment Application is eligible for financing by the Authority and is a “project” under the Act.

(c) The Project Facilities and the reallocation of Bond proceeds related thereto 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 Project Facilities are available to the students of the Institution without unlawful discrimination in accordance with Minnesota Statutes, Section 363A.13.

(e) The reallocation of Bond proceeds for the Modified Project 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.

(f) The Modified Project and the reallocation of Bond proceeds appear feasible.

9. The Modified Project and the reallocation of Bond Proceeds related thereto are therefore approved, provided that the University shall furnish any items which are needed to complete the Amendment Application, or which are reasonably required by bond counsel in order to deliver an unqualified opinion that the Modified Project and the related reallocation of Bond proceeds will not have an adverse effect on the tax-exempt status of the Bonds.

10. The actions of the Executive Director directing bond counsel to the Authority or other legal counsel to prepare for review by the Executive Director and the University all necessary documents, including an amendment to the Loan Agreement and all other documents deemed necessary or desirable consistent with the provisions of the Loan Agreement are approved, ratified, and affirmed.

11. The form of the First Amendment to Loan Agreement between the Authority and the University and consented to by U.S. Bank Trust Company, National Association, expected to be dated as of December 1, 2023 (the "Loan Agreement Amendment"), has been made available to the Authority.

12. The Chair, the Secretary, and any other officer of the Authority authorized to act on behalf of the Chair or the Secretary are each, acting individually, authorized to execute and deliver counterparts of the Loan Agreement Amendment, 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, such approval to be evidenced conclusively by such officer's signature, and to execute and deliver all documents and do every other thing necessary or convenient to effect the amendments to the Loan Agreement Amendment for the purpose of (i) modifying Project B and (ii) reallocating the proceeds of the Bonds to the modified Project, without further resolution or other action by this Authority.

[signature page follows]

Adopted: December 13, 2023

MINNESOTA HIGHER EDUCATION
FACILITIES AUTHORITY

By _____
David D. Rowland, Chair

By _____
Bonnie M. Anderson Rons, Secretary

Approved: _____
Governor, State of Minnesota

Date Approved: _____

MN Higher Education Facilities Authority

Budget vs. Actuals: FY2024 Original Budget - FY24 P&L

July 2023 - June 2024

| | TOTAL | | | | | |
|-------------------------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------|-----------------|
| | ACTUAL | BUDGET | OVER BUDGET | REMAINING | % OF BUDGET | % REMAINING |
| Income | \$188,264.35 | \$495,087.95 | \$ -306,823.60 | \$306,823.60 | 38.03 % | 61.97 % |
| GROSS PROFIT | \$188,264.35 | \$495,087.95 | \$ -306,823.60 | \$306,823.60 | 38.03 % | 61.97 % |
| Expenses | | | | | | |
| 6000 Stipends | 488.45 | 2,640.00 | -2,151.55 | 2,151.55 | 18.50 % | 81.50 % |
| 6001 Board Travel | 1,238.32 | 4,000.00 | -2,761.68 | 2,761.68 | 30.96 % | 69.04 % |
| 6002 Communications | | | | | | |
| 6002.01 Communications - Phones | 1,607.08 | 4,750.00 | -3,142.92 | 3,142.92 | 33.83 % | 66.17 % |
| 6002.02 Communications - Internet | 685.44 | 2,000.00 | -1,314.56 | 1,314.56 | 34.27 % | 65.73 % |
| 6002.03 Communications - Software | 140.00 | 1,000.00 | -860.00 | 860.00 | 14.00 % | 86.00 % |
| 6002.04 Communications - Website | 3,835.11 | 10,000.00 | -6,164.89 | 6,164.89 | 38.35 % | 61.65 % |
| 6002.05 Communications - Misc | 126.84 | 750.00 | -623.16 | 623.16 | 16.91 % | 83.09 % |
| Total 6002 Communications | 6,394.47 | 18,500.00 | -12,105.53 | 12,105.53 | 34.56 % | 65.44 % |
| 6003 Staff Travel | 7,965.49 | 20,000.00 | -12,034.51 | 12,034.51 | 39.83 % | 60.17 % |
| 6004 Office Rent | 19,887.15 | 46,000.00 | -26,112.85 | 26,112.85 | 43.23 % | 56.77 % |
| 6005 Office Supplies | 19.74 | 1,000.00 | -980.26 | 980.26 | 1.97 % | 98.03 % |
| 6006 Repairs | | 1,500.00 | -1,500.00 | 1,500.00 | | 100.00 % |
| 6007 Printing Expense | 461.59 | 1,500.00 | -1,038.41 | 1,038.41 | 30.77 % | 69.23 % |
| 6008 Periodicals/Memberships | 4,625.00 | 9,000.00 | -4,375.00 | 4,375.00 | 51.39 % | 48.61 % |
| 6009 Fiscal Consultant Fees | 475.00 | 5,000.00 | -4,525.00 | 4,525.00 | 9.50 % | 90.50 % |
| 6010 Audit Fees | 18,950.00 | 20,550.00 | -1,600.00 | 1,600.00 | 92.21 % | 7.79 % |
| 6012 Legal Fees | 81.50 | 52,000.00 | -51,918.50 | 51,918.50 | 0.16 % | 99.84 % |
| 6013 Insurance Expense | | 2,000.00 | -2,000.00 | 2,000.00 | | 100.00 % |
| 6015 Miscellaneous Expense | 1,090.25 | 5,000.00 | -3,909.75 | 3,909.75 | 21.81 % | 78.20 % |
| 6016 Bank Service Charges | 280.00 | 2,750.00 | -2,470.00 | 2,470.00 | 10.18 % | 89.82 % |
| 6017 Conference Expenses | 398.21 | 16,000.00 | -15,601.79 | 15,601.79 | 2.49 % | 97.51 % |
| 6018 Professional Development-Board | | 3,000.00 | -3,000.00 | 3,000.00 | | 100.00 % |
| 6020 Professional Development-STAFF | 345.00 | 5,000.00 | -4,655.00 | 4,655.00 | 6.90 % | 93.10 % |
| 6021 IT | 4,140.62 | 17,050.00 | -12,909.38 | 12,909.38 | 24.29 % | 75.71 % |
| 6023 Postage/Delivery Expense | 44.49 | 400.00 | -355.51 | 355.51 | 11.12 % | 88.88 % |
| 6100 Salaries | 80,466.20 | 278,000.00 | -197,533.80 | 197,533.80 | 28.94 % | 71.06 % |
| 6101 Fringe Benefits | 30,550.78 | 86,000.00 | -55,449.22 | 55,449.22 | 35.52 % | 64.48 % |
| 6104 Worker's Compensation | | 170.00 | -170.00 | 170.00 | | 100.00 % |
| 6107 Office Contract Work | | 1,000.00 | -1,000.00 | 1,000.00 | | 100.00 % |
| 6200 Equipment Leases | 3,645.53 | 6,300.00 | -2,654.47 | 2,654.47 | 57.87 % | 42.13 % |
| Total Expenses | \$181,547.79 | \$604,360.00 | \$ -422,812.21 | \$422,812.21 | 30.04 % | 69.96 % |
| NET OPERATING INCOME | \$6,716.56 | \$ -109,272.05 | \$115,988.61 | \$ -115,988.61 | -6.15 % | 106.15 % |
| Other Income | \$29,752.12 | \$35,000.00 | \$ -5,247.88 | \$5,247.88 | 85.01 % | 14.99 % |
| NET OTHER INCOME | \$29,752.12 | \$35,000.00 | \$ -5,247.88 | \$5,247.88 | 85.01 % | 14.99 % |
| NET INCOME | \$36,468.68 | \$ -74,272.05 | \$110,740.73 | \$ -110,740.73 | -49.10 % | 149.10 % |