

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Finance and Facilities

Date of Meeting: June 21, 2011

Agenda Item: Revenue Fund Sale – Normandale Community College Parking Ramp
(*Second Reading*)

- Proposed Policy Action Approval Required by Policy Other Approvals Monitoring
- Information

Cite policy requirement, or explain why item is on the Board agenda: The Board of Trustees has statutory and fiduciary responsibility for the Revenue Fund. Under current statute, the Board of Trustees has authority to issue revenue bonds up to the statutory debt ceiling imposed by the legislature to finance revenue-generating facilities.

Scheduled Presenter(s): Laura M. King, Vice Chancellor – Chief Financial Officer
Brian Yolitz, Associate Vice Chancellor for Facilities

Outline of Key Points/Policy Issues: Based on predesign work and financial analysis, Normandale Community College proposes an approximately \$12.5 million, 724-stall parking ramp that would be financed by a revenue bond issuance in July 2011. Student consultation occurred and is supportive of this effort.

Background Information: Normandale Community College has current parking challenges that will be exacerbated by future building projects. The campus has very little developable land left to expand surface parking, and the city of Bloomington has signaled that the college needs to solve their parking issues on site before the city would issue building permits for new building projects.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

ACTION ITEM

Revenue Fund Sale - Normandale Community College Parking Ramp

Normandale Community College will require new on-campus parking to remedy an upcoming parking deficit and to alleviate current parking constraints. After substantial study, the college proposes an approximately \$12 million, 724-stall parking ramp that would be financed by a revenue bond issuance in July 2011. The approximate location of the proposed ramp is shown on **Attachment A**, attached and incorporated herein.

PROJECT BACKGROUND

With the construction of the Kopp Student Center nearing completion and design documents scheduled for completion in June for the Academic Partnership Center building, the campus has reached a critical period to address their long-term parking situation.

To date, the College has managed its parking needs using a combination of off-campus leasing, shuttles, subsidizing of mass transit, and class schedule adjustments whenever feasible. In particular, the college has used 300 stalls of off-campus parking at the city's ice arena site near campus that sees heavy use in the early fall and spring semesters, and at other peak times during the semesters. With recent enrollment spikes and on-campus parking being taken up by current and planned building projects, the city has asked the college to develop a long-term, on-campus solution to meet projected parking deficits.

The campus has very little developable land left to expand surface parking. Normandale's 2008 Facilities Master plan anticipated parking deficiencies on campus, and recommended construction of up to two new parking ramps to resolve the problem. The parking situation was further studied in a 2009 Traffic and Parking Strategic Plan by Wenck Associates, Inc., which recommended reconfiguration of the parking lots and the addition of up to 124 stalls to be constructed on little-used tennis courts on campus. The tennis court parking lot is the sole remaining developable parcel not otherwise committed to future buildings or limited by water and soil issues. The tennis court lot is under contract to be constructed during the summer of 2011.

During the 2010 legislative session, Normandale received design funding to begin work on their Academic Partnership Center. The Governor has included the Academic Partnership Center construction funding on his 2011 capital bonding list. If there is no bonding bill during the 2011 session, the project will likely be on the 2012 capital bonding list for the Board's consideration.

The City of Bloomington most recently issued building permits for the Kopp Student Center that is scheduled for completion later this summer. It was during the Kopp Center permit review and approval process late in 2010 that the city focused on the campus's parking requirements. During the design work for the Academic Partnership Center, the City of Bloomington calculated that the campus would need at least 535 parking stalls on campus to align with their zoning code. The city signaled to the college that the college needed to solve its projected parking deficit before the city would issue a building permit for the Academic Partnership Center, if funded in the future.

With the city strongly encouraging an on-site solution, the college decided to pursue the parking ramp now to address the concerns raised by the city, and to implement a solution that aligns with the college's master plan and parking studies. This solution will take advantage of historically low bond interest rates, and will allow the college to remedy their parking situation prior to opening of the Academic Partnership Center.

2011 REVENUE FUND BOND PROJECT

Normandale proposes an approximately \$12 million, 724-stall parking ramp that would primarily be financed by a revenue bond issuance scheduled for July 2011 pending Board approval. The college has completed its predesign and proforma for the projects. The estimated project cost and description listed below includes all source of funds used to finance the project.

Construction of New Parking Ramp – Normandale Community College

PROPOSED RAMP:	225,000 sq. ft.
NEW CONSTRUCTION:	724 stall parking ramp
OCCUPANCY:	Targeted for August 2012

PROJECT DESCRIPTION: This project designs, constructs, and equips a new, approximately 724-stall parking ramp on the Normandale Community College campus. The ramp is designed to address a projected deficit of approximately 535 parking stalls anticipated after the Academic Partnership Center is placed into service. The ramp will be constructed to accommodate at least one additional level in the future (approximately 180 stalls). The campus plans to use the Construction Manager at Risk (CM@Risk) method to deliver this project.

FEES: Current parking rates are \$4.00 per credit, which will increase to \$6.00/credit starting in 2012 and \$9.00/credit in 2013 onward. If the ramp performs as expected, the per credit rates will likely remain stable. The campus will continue to waive the per credit charge for individuals who live near campus and walk, online students, and customized training participants.

TOTAL ESTIMATED COST: \$12,000,000

SOURCE OF FUNDS: The college will be using \$1,000,000 in college funds to advance design and buy down a portion of the project debt. The remaining portion of the project cost will be financed with the issuance of revenue fund bonds.

Taxable Bonds

No taxable bonds will be issued for this sale. During the bond sale earlier this year, \$3 million of taxable bonds were issued for use in the design of future projects. The college chose to rely on its own resources instead of using taxable debt. The taxable debt remains available for candidates of the 2013 revenue bond sale to use to advance design.

DELEGATION AND FINANCIAL RESPONSIBILITIES

Debt obligations of the Revenue Fund, unlike capital appropriations for academic facilities, are not debt obligations of the State of Minnesota and are backed solely by the revenue pledge generated from the related physical assets. In 2008, the legislature amended the revenue fund statute to allow colleges to participate in the Revenue Fund.

The Board of Trustees maintains fiduciary responsibility for the Revenue Fund. The Board has delegated responsibility to manage Revenue Fund assets to the Chancellor. The Chancellor, in turn, has delegated responsibility to the presidents to manage ongoing programs, operations, and the maintenance and repair of Revenue Fund facilities at each institution. Management and compliance oversight responsibility over the entire Fund resides in the Office of the Chancellor, which includes managing securities and tax compliance, representing the Fund with the credit rating agencies, and evaluating design and financial metrics to ensure the integrity of the overall Revenue Fund.

Similar to financial operations within the General Fund, Revenue Fund activities must adhere to the Minnesota State Colleges and Universities financial policies and procedures, with added compliance requirements to ensure adherence to federal requirements related to tax exempt and/or taxable bond issuances. Financial and facilities information is provided as scheduled or requested to both internal and external constituencies. The Revenue Fund maintains financial detail in system-wide annual financial statements.

Fees and Financial Plans

Although presidents are delegated responsibility to manage the Revenue Fund programs at their own institution, the Board is required by statute and the Fund's Master Indenture to annually approve fees and long term financial commitments. Annual finance plans for each institution's portion of the Revenue Fund, including fees to support these plans, are submitted to the Office of the Chancellor staff for review. Each institution is required to present a balanced finance plan. Finance plans must include funds for operations, repair and replacement (R&R), debt service (as required), and operating reserves, as prescribed by Minnesota State Colleges and Universities. Plans are also required to reflect funding of the Revenue Fund Reinvestment Program. While operating revenues normally

produce enough funds for operations and R&R, Reinvestment Program funds have typically come from the sale of Revenue Fund bonds. The fees to support the operations and facilities are approved by the Board prior to the beginning of each fiscal year.

Normandale has submitted a financial plan for this project that would place its entire parking program in the Revenue Fund, and is modeled on charging a per credit rate for students who park on campus.

BOND SALE AND PROCESS

Debt Capacity

After the most recent sale in 2011, the system's financial adviser, Springsted, Inc., measured the Fund's overall debt capacity at approximately \$410 million, assuming current bond interest rates.

Debt Authority and Outstanding Debt

Minnesota Statutes §136F.98 authorizes the Board to issue up to \$300 million in revenue bond principal. The current outstanding bond principal from all past projects, including the 2011 sale, is now approximately \$260 million. With this \$12 million sale, the newly outstanding principal debt will be approximately \$272 million.

Revenue Fund Bond Cycle

In an effort to improve the planning process for revenue fund financed projects, the Office of the Chancellor has started operating a two-year revenue bond cycle in odd-numbered years, starting with the 2011 sale. The two-year sale timetable is designed to allow campuses sufficient time to develop projects, refine project scopes and financial pro forma. The practice does not limit off-cycle requests or special circumstances, such as we have here. The situation with the City of Bloomington triggered an acceleration of the college's planned parking ramp plans. Unfortunately, the college was well past the deadline to be included in the revenue bond sale that occurred earlier this year. Delaying until the next bond cycle in 2013 could jeopardize the Academic Partnership Center building project if it is approved for funding in either 2011 or 2012.

BOND RATING

Rating agency presentations would be scheduled for late May or early June to Moody's Investor Service and to Standard and Poor's on the proposed sale. These organizations rated system Revenue Fund bonds as Aa2 and AA- respectively for the sale that closed in February. These ratings are excellent. Considering the financial condition of the Revenue Fund, similar ratings are anticipated for the new sale. As a comparison, the State of Minnesota's ratings are Moody's: Aa1, Standard & Poor's: AAA, and Fitch: AAA. The general obligation bonds of the state carries the full faith and credit of the State of Minnesota, while the system's revenue bonds only pledge the facilities of the Fund and the revenue generated therein.

BOND SALE RESOLUTION

The Board of Trustees is being asked to approve the sale based on the parameters shown in **Attachment B**. The draft Series Resolution authorizing the bond sale is presented at **Attachment C**. After the second reading in June, the financial advisor, Springsted, Incorporated, will publish notification of sale. The Series Resolution will also be finalized with assistance of bond counsel. Pending final Board approval, the sale would be scheduled to occur in July.

The blanks in the Series Resolution will be completed based on the results of either a competitive or negotiated sale of the bonds. The interest rates, redemption features, and other details, as well as whether all or any of the bonds are insured, will be determined on the basis of the best (most favorable on a net interest cost basis) bid received from those submitting offers, and will be memorialized in the Series Resolution, the bonds themselves, and in a certificate signed by the system's Chief Financial Officer.

The true interest cost of the revenue bonds issued in February 2011 were 4.25% for the 20 year tax exempt bonds and 3.48% for the 10 year taxable bonds.

STUDENT CONSULTATION

Student consultation letters have been received in the Office of the Chancellor confirming that student consultation has taken place regarding the project. A copy of the letter received from the Student Senate is attached and incorporated in this report as **Attachment D**.

SUMMARY

The Board will be asked to approve the bond sale not to exceed \$12.5 million total, which accounts for total cost of issuance and bond debt service reserve.

RECOMMENDED COMMITTEE ACTION:

The Facilities/Finance Policy Committee recommends the Board of Trustees adopt the following motion:

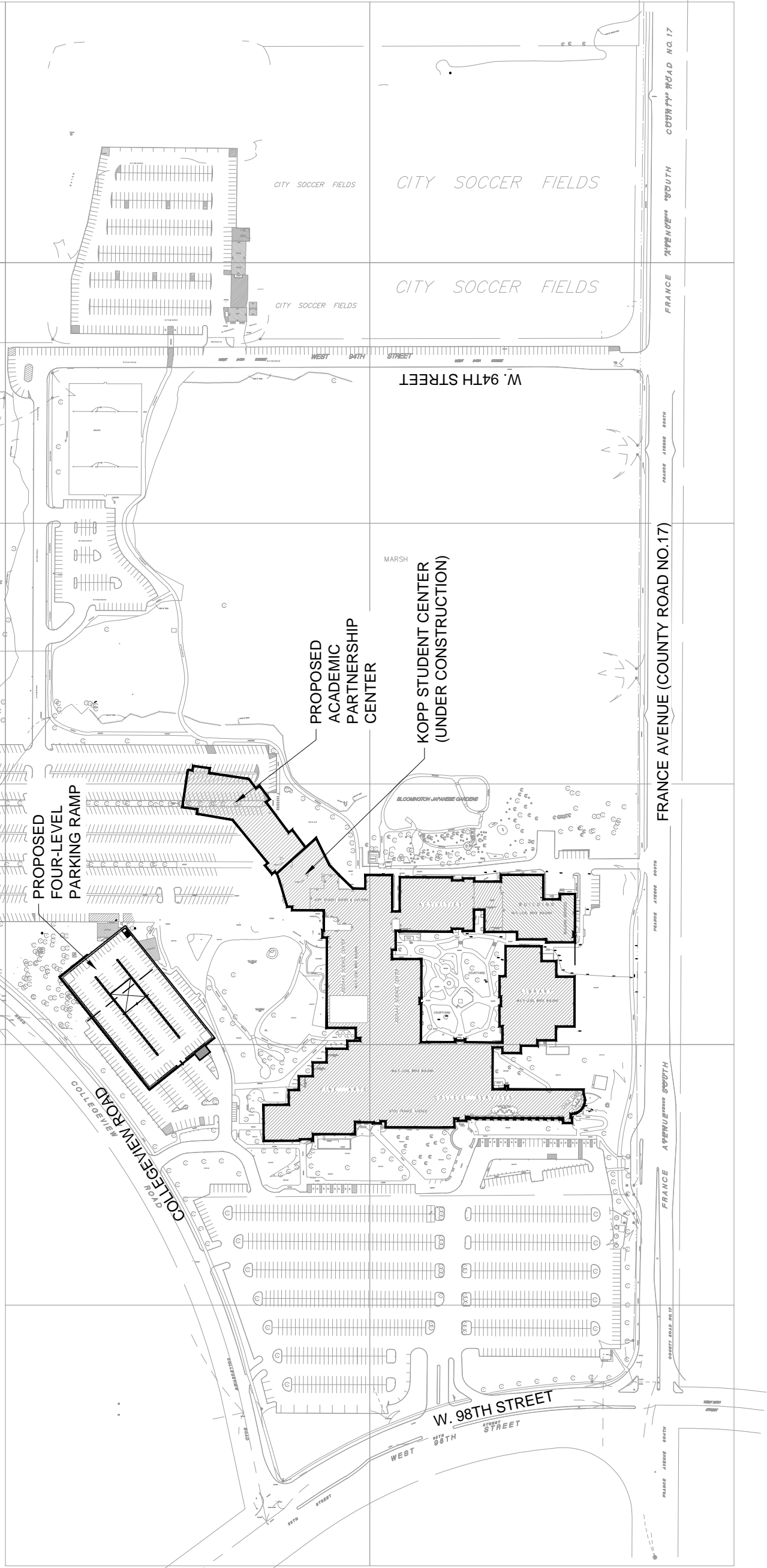
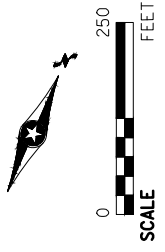
The Board of Trustees authorizes a Revenue Bond sale for not more than \$12,500,000 subject to the sale parameters as presented on **Attachment B**. The Board of Trustees approves the Series Resolution as described in **Attachment C**.

RECOMMENDED BOARD OF TRUSTEES MOTION:

The Board of Trustees authorizes a Revenue Bond sale for not more than \$12,500,000 subject to the sale parameters as presented on **Attachment B**. The Board of Trustees approves the Series Resolution as described in **Attachment C**.

Date Presented to the Board: June 22, 2011

ESTIMATED STALL COUNT	
LEVEL 1 (GRADE)	148
LEVEL 2	186
LEVEL 3	190
LEVEL 4	200
PROPOSED RAMP TOTAL	724
EXIST. STALLS LOST	187
NET SPACES GAINED	537
LEVEL 5 (FUTURE)	180
FUTURE SPACES GAINED	717



SALE PARAMETERS

Series 2011C (Tax Exempt)

1. Maximum Interest Rate (TIC): up to 5.00%
2. Maximum Principal: \$ 12,500,000
3. Maximum Discount: 1.5 % of par or \$1.50/\$1,000 Bond.
Minimum bid of 98.5% is required per the
Official Statement
4. Earliest Redemption date: October 1, 2021

In any event, the total principal for Series 2011C may not exceed \$12,500,000.

**SERIES RESOLUTION
OF
THE BOARD OF TRUSTEES
OF
MINNESOTA STATE COLLEGES AND UNIVERSITIES
RELATING TO
STATE COLLEGE AND
UNIVERSITY REVENUE FUND BONDS
SERIES 2011C**

ADOPTED: June 22, 2011

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RESOLUTION

BE IT RESOLVED by the Board of Trustees (the “Board” or the “Issuer”) of Minnesota State Colleges and Universities (“MnSCU”) as follows:

WITNESSETH

WHEREAS:

1. MnSCU is a public body and agency of the State of Minnesota duly created and existing under Minnesota Statutes, Chapter 136F, as amended (the “Act”), having the rights, powers, privileges and duties provided in the Act, including those set forth in the Master Indenture (defined herein).

2. The Board has previously entered into an Amended and Restated Master Indenture of Trust (the “Master Indenture”), dated as of June 1, 2009, with U.S. Bank National Association (the “Trustee”), pursuant to which the Board and the Trustee agreed to the terms and conditions governing the Revenue Fund Bonds issued by MnSCU pursuant to the Master Indenture.

3. All terms capitalized but not otherwise defined herein have the meanings assigned to those terms in the Master Indenture.

4. The Board has determined that the capital expenditure needs of the Facilities make it necessary and desirable for MnSCU to issue its State College and University Revenue Fund Bonds in an original principal amount up to \$12,500,000 (the “2011C Bonds” or the “Bonds”) and to use the proceeds of the 2011C Bonds to fund capital costs incurred in connection with the Facilities, the Debt Service Reserve Account, and to pay certain costs of issuing the 2011C.

5. Normandale Community College, which will use proceeds of the 2011C Bonds to finance a proposed 724 stall parking ramp, has advised the Board that predesign work has been completed and that they will seek to have certain costs incurred prior to the proposed issuance of the 2011C Bonds reimbursed from the proceeds of the 2011C Bonds.

6. The Board intends to use a portion of the proceeds of the 2011C Bonds to reimburse Normandale Community College for eligible costs incurred in connection with the financed Facilities.

7. The execution and delivery of this Series Resolution and the issuance of the 2011C Bonds have been in all respects duly and validly authorized by the Issuer.

8. All things necessary to make the 2011C Bonds, when authenticated by the Trustee and issued and secured as provided in the Master Indenture and this Series Resolution, valid, binding and legal limited obligations of the Issuer according to the import thereof, have been done and performed; and the creation, execution and delivery of this Series Resolution, and the creation, execution and issuance of said 2011C Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS, THIS SERIES RESOLUTION WITNESSETH:

The Issuer, in consideration of the premises and the purchase and acceptance of the 2011C Bonds by the Holders thereof, in order to secure the payment of the principal of, interest on, and premium, if any, on the 2011C Bonds according to their tenor and effect, does hereby grant a security interest in and assign to the Holders of the 2011C Bonds and all Revenue Fund Bonds (other than Subordinate Bonds) issued pursuant to the Master Indenture and any Series Resolution (including this Series Resolution), and to the beneficiaries of any Senior Guarantees, regardless of when such Senior Bonds or Senior Guarantees were or are issued, on an equal and parity basis, except as expressly stated below, the following:

FIRST

The “Net Revenues” as defined in the Master Indenture as heretofore amended and as amended by this Series Resolution;

SECOND

All proceeds, earnings and investment income derived from the foregoing (except Rebate Amounts); and

PROVIDED that:

First, the foregoing equal and ratable parity pledge shall not extend to Subordinate Bonds which shall be secured solely by moneys held in the Surplus Fund as provided in the Master Indenture and therein; and

Second, the proceeds of any Credit Enhancement Instrument issued to secure a particular Series of Revenue Fund Bonds shall benefit only that Series of Revenue Fund Bonds and the proceeds of such Credit Enhancement Instrument shall not be applied for the benefit of or payment of any other series of Revenue Fund Bonds; and

Third, moneys applied to the payment of Revenue Fund Bonds and Senior Guarantees shall be withdrawn from the funds and accounts created by the Master Indenture in strict order of the priority set forth therein.

SUCH PLEDGE having been made, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all Holders from time to time of the Revenue Fund Bonds, and all Senior Bonds and Senior Guarantees heretofore issued and to be issued under and secured by the Master Indenture and this Series Resolution and other Series Resolutions (but excluding Subordinate Bonds) without privilege, priority or distinction as to lien or otherwise of any of such bonds or guarantees over any of the others except as otherwise provided therein and herein.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or provide fully for payment as herein provided of the principal of the 2011C Bonds and the interest due or to become due thereon (together with premium, if any), at the time and in the manner set forth in the 2011C Bonds according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this Series Resolution to be kept, performed and observed by it, and shall pay to the Registrar and Paying Agent all sums of money due or to become due in accordance with the terms and provisions of the Master Indenture and this Series Resolution as from time to time supplemented, then this Series Resolution and the rights hereby granted shall cease, terminate and be void except as otherwise provided herein; otherwise, the Master Indenture and this Series Resolution shall be and remain in full force and effect.

UNDER THE PROVISIONS OF THE ACT and the Series Resolution, the 2011C Bonds may not be payable from or be a charge upon any funds of the Issuer or the State other than the revenues pledged to the payment thereof nor shall the Issuer or State be subject to any pecuniary liability thereon except from moneys expressly pledged, and no Holder or Holders of the 2011C Bonds shall ever have the right to compel any exercise of the taxing power of the Issuer or the State to pay any Revenue Fund Bond or the interest and premium, if any, thereon, or to enforce payment thereof against any property of the Issuer or the State, except as above provided; the 2011C Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Issuer, except as above provided; but nothing in the Act impairs the rights of Holders of 2011C Bonds issued under the Master Indenture and this Series Resolution and any other Series Resolutions and the beneficiaries of Senior Guarantees to enforce the covenants made for the security thereof, to the extent specifically provided herein, for the equal and proportionate benefit of all Holders of the 2011C Bonds, all other Revenue Fund Bonds, and the beneficiaries of Senior Guarantees, as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions. All terms capitalized but not otherwise defined in this Series Resolution shall have the meanings assigned to such terms in the Master Indenture.

In this Series Resolution the following terms have the following respective meanings unless the context hereof clearly requires otherwise.

Authorized Denomination means \$5,000, or any integral multiple thereof.

Closing Certificate means the certificate of the Issuer executed by an Authorized Representative reflecting the final principal amounts, maturity dates, interest rates, and sinking fund redemption dates of the Bonds, established by the Original Purchaser in the winning bid or bids for the Bonds accepted by the Issuer, as well as the allocation of Bond proceeds among the various funds and accounts.

Interest Payment Date means, with regard to the 2011C Bonds, each April 1 and October 1, commencing April 1, 2012.

Master Indenture means the Amended and Restated Master Indenture of Trust dated as of June 1, 2009, relating to MnSCU's State College and University Revenue Fund Bonds, as amended from time to time.

Maturity Date means any date on which principal of or interest or premium, if any, on the 2011C Bonds is due, whether at maturity, on a scheduled Interest Payment Date, or upon redemption or acceleration, or otherwise.

MnSCU or the Issuer means Minnesota State Colleges and Universities, or any successor to its functions.

Original Purchaser means the original purchaser(s) of the 2011C Bonds, as determined after the acceptance of the bids, as identified in the Closing Certificate.

Prior Bonds means all bonds issued or secured under the Master Indenture prior to the issuance of the 2011C Bonds.

Rating Agency means Moody's Investors Service, Inc. or Standard & Poor's Ratings Services Group or Fitch, Inc. or any other nationally recognized credit rating agency which has been solicited to issue a rating on, and has issued a rating on, the 2011C Bonds; and with respect to the credit rating (claims payment ability rating) of an insurance company, A.M. Best & Company or any other nationally recognized credit rating agency rating the claims payment ability of insurance companies.

Registrar and Paying Agent means U.S. Bank National Association, whose principal corporate trust office is located in Saint Paul, Minnesota.

Revenue Fund Bonds means, collectively, the Prior Bonds and the 2011C Bonds.

Series Resolution means this Series Resolution adopted on June 22, 2011 by the Minnesota State Colleges and Universities Board of Trustees.

Term Bonds means the 2011C Bonds identified as such pursuant to Section 2.3(A)(2), and the Closing Certificate.

2011C Bonds or Bonds means the Minnesota State Colleges and Universities, College and University Revenue Fund Bonds dated as of the date of delivery and issued in the original principal amount of up to \$12,500,000 pursuant to this Series Resolution.

Trustee means U.S. Bank National Association, its successors and assigns.

Section 1.2 Effect of this Series Resolution.

(a) Except as expressly supplemented or amended by this Series Resolution, all of the terms and provisions of the Master Indenture, as heretofore amended, shall apply to the 2011C Bonds.

(b) To the extent of any inconsistency between the terms and provisions of this Series Resolution and the terms and provisions of the Master Indenture, this Series Resolution shall control. Except as provided in the preceding sentence, the terms and provisions of this Series Resolution shall be construed with the terms and provisions of the Master Indenture so as to give the maximum effect to both.

(c) This Series Resolution shall take effect on the date of issue of the 2011C Bonds.

(d) The Rules of Interpretation stated in Section 2.02 of the Master Indenture shall apply to this Series Resolution.

Section 1.3 Exhibits. The following Exhibits are attached to and by reference made a part of this Series Resolution:

- (1) Exhibit A: form of 2011C Bond;
- (2) Exhibit B: form of Annual Disclosure Report;
- (3) Exhibit C: DTC Letter.

ARTICLE 2

THE 2011C Bonds

Section 2.1 The 2011C Bonds.

(A) The 2011C Bonds shall be issued as:

- (1) Tax-Exempt Bonds

- (2) Book-Entry Form Bonds; and
- (3) as Revenue Fund Bonds bearing interest at a fixed rate of interest.

The 2011C Bonds are expected to be issued in the approximate principal amount of \$12,500,000, with the actual principal amount issued to be identified in the Closing Certificate relating to the 2011C Bonds. The total principal amount of 2011C Bonds which may be Outstanding hereunder is expressly limited to the amount identified in the Closing Certificate relating to the 2011C Bonds unless duplicate 2011C Bonds are issued as provided in Section 3.07 of the Master Indenture. The 2011C Bonds shall be issued in Authorized Denominations and in substantially the form of Exhibit A hereto, with such variations, additions or deletions as may be appropriate to conform the terms of such 2011C Bonds to the terms of this Article 2. The Vice Chancellor-Chief Financial officer is hereby authorized to provide for the sale of the 2011C Bonds by competitive sale, and to complete the Closing Certificate for the 2011C Bonds to establish their specific terms on the basis of the highest and best bid meeting the criteria established herein and in the Master Indenture. The maximum discount at which the Original Purchaser may purchase the 2011C Bonds is 1.5% of par.

(B) Upon issuance, the net proceeds of the 2011C Bonds (the original principal amount thereof, plus any premium or less any discount allowed to the Original Purchaser) shall be deposited by the Board into such accounts as shall be determined by the Issuer in the Closing Certificate. A portion of the amount deposited in the Capital Expenditures Account, in the amount stated in said Closing Certificate, shall be applied to pay the costs of issuing the 2011C Bonds.

Section 2.2 The 2011C Bonds - Initial Issue. The 2011C Bonds shall be initially issued in the aggregate principal amount set forth in the Closing Certificate relating to the 2011C Bonds and shall:

- (1) be initially dated as of the date of delivery, and thereafter be dated the date of their registration as provided in Section 3.04 of the Master Indenture;
- (2) be issued in Book-Entry Form and delivered by the Original Purchaser to the Depository as set forth in Section 3.11 of the Master Indenture;
- (3) mature on October 1 in the years and amounts set forth in the Closing Certificate, subject to prior redemption as provided in the Closing Certificate;
- (4) (a) Interest shall accrue on the 2011C Bonds from the date of issuance until the principal amount is paid or payment is duly provided for in accordance with this Series Resolution, and shall be payable on each Interest Payment Date. Interest accrued on any 2011C Bond or portion thereof redeemed pursuant to Sections 2.3(A) and 2.4 shall also be payable on the Redemption Date as to 2011C Bonds called for redemption.

(b) the 2011C Bonds shall mature on October 1 in the years and in the amounts, and bear interest at the rate or rates, set forth in the Closing Certificate. Interest payable shall be computed at the rates set forth below based on a 360-day year of twelve, 30-day months, for the actual number of complete months, and of days less than a complete month, and shall not exceed a true interest cost of 5%, or the mathematical equivalent after taking into account any federal credit if the Bonds are issued as Taxable Build America Bonds.

(5) be payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, at the principal trust office of the Trustee, or a duly appointed successor Trustee, except that interest on the 2011C Bonds will be payable by check or draft mailed by the Trustee to the Holders of such 2011C Bonds on the applicable Regular Record Date (the "Record Date Holders") at the last addresses thereof as shown in the Bond Register on the applicable Regular Record Date, provided that interest shall be paid to a Holder of \$1,000,000 or more of the principal amount of the 2011C Bonds outstanding by electronic funds transfer if such Holder so requests in writing in a form acceptable to the Paying Agent and principal of and any premium on any 2011C Bonds shall be payable at the principal office of the Trustee; and

(6) be subject to redemption upon the terms and conditions and at the prices specified in Sections 2.3(A) and 2.4 hereof.

Notwithstanding the foregoing, if the date for payment of the principal of, premium, if any, or interest on, of any 2011C Bond shall be a day which is not a Business Day, then the date for such payment shall be the next succeeding day which is a Business Day, and payment on such later date shall have the same force and effect as if made on the nominal date of payment.

The 2011C Bonds shall be delivered by the Trustee to the Original Purchaser thereof upon receipt by the Trustee and/or Issuer of the items listed in Section 3.08 of the Master Indenture, and satisfaction by the Issuer of the conditions stated in Section 3.09 of the Master Indenture.

Section 2.3 The 2011C Bonds - Redemption.

(A) Pursuant to the provisions of Section 3.12 of the Master Indenture and 2.4 hereof, the 2011C Bonds are subject to redemption prior to maturity as follows:

(1) *Damage or Destruction or Condemnation.* In the event of damage to or destruction of the Facility financed with the proceeds of the 2011C Bonds, in whole or part, the 2011C Bonds are subject to redemption in whole or in part at the principal amount thereof plus accrued interest to the date of redemption, without premium, on the first day of any month for which timely notice of redemption can be given, whether or

not an Interest Payment Date, from the proceeds of any insurance claim payment or condemnation award or portion thereof not applied to repair, restore or replace the damaged or taken Facility.

(2) *Scheduled Mandatory Redemption.* The 2011C Bonds are subject to mandatory redemption prior to maturity by mandatory sinking fund installments in the amounts and on the dates reflected in the Closing Certificate.

(3) *Optional Redemption.* The 2011C Bonds maturing on or after October 1, 2022 are subject to optional redemption and prepayment upon direction by the Issuer to the Trustee in whole on any date on or after October 1, 2021 and in part, on any Interest Payment Date thereafter, in Authorized Denominations, at a redemption price equal to the principal amount redeemed plus accrued interest to the date of redemption, without premium.

(4) *Excess Proceeds Redemption.* If, upon the earlier of either (i) the completion of the work planned to be financed by the proceeds of the 2011C Bonds, or (ii) three years from the date of issuance of the 2011C Bonds, proceeds of the 2011C Bonds remain in the related subaccount in the Capital Expenditures Account in excess of those required to pay then unpaid but incurred capital expenditures, such excess shall be transferred to the Escrow Account and applied to the redemption of the 2011C Bonds, to the extent of the funds so transferred, at their principal amount, plus interest accrued to the redemption date, without premium, on the first day of the next succeeding month for which timely notice of redemption can be given; provided, however, that the three-year limit contained in clause (ii) shall not apply if the Issuer obtains an opinion of bond counsel stating that the delay in the expenditure of proceeds will not cause the 2011C Bonds to lose their tax-exempt status.

(B) No Other Redemption Prior to Maturity. Except as provided in Section 2.3(A) herein, the Series 2011C Bonds shall not be subject to redemption prior to their stated maturity date.

Section 2.4 Method of Redemption.

(1) To effect the redemption of the 2011C Bonds under Section 2.3(A)(1),(3) or (4), the Issuer, at least 40 days before the redemption date, shall notify the Trustee of its intention to effect such redemption. The funds required for such redemption shall be provided to the Trustee at least three business days before the redemption date.

(2) The Trustee, on or before the thirtieth day preceding any specified redemption date, shall select the 2011C Bonds to be redeemed by lot. The Trustee shall make the selection in such manner as the Trustee determines to be fair and appropriate, which may include random selection by lot. If and to the extent 2011C Bonds are redeemed in part pursuant to Section 2.3(A)(1), (3) or (4), the amounts shown on the

tables in those Section and the serial maturities of the applicable series of 2011C Bonds shall be reduced as the Issuer shall direct in its notice to the Trustee.

(3) The Trustee shall give notice of redemption of 2011C Bonds mailed not less than 30 days prior to the redemption date by mailing a written notice of redemption, first class mail, postage prepaid, to the Holders of the 2011C Bonds to be redeemed at the addresses for such Holder shown on the books of the Registrar, and by sending such notice by electronic mail to the Holders of 2011C Bonds for whom the Registrar has an electronic mail address, and by sending a notice of such redemption to each Depository in the same manner as an “occurrence notice” under Section 4.5(B)(2) hereof.

(4) To effect the partial redemption of 2011C Bonds under Section 2.3(A) after receipt by the Trustee of notice from the Issuer, as provided herein, the Trustee, prior to giving notice of redemption, shall assign to each 2011C Bond then Outstanding a distinctive number for each Authorized Denomination of the principal amount of such 2011C Bond. The Trustee shall then, using such method of selection as it shall deem proper in its discretion but consistent with subsection (2), from the numbers so assigned to such 2011C Bonds, select as many numbers as, at the Authorized Denomination for each number, shall equal the principal amount of such 2011C Bonds to be redeemed. The 2011C Bonds to be redeemed shall be the 2011C Bonds to which were assigned numbers so selected; provided that if, as a result of partial redemption there is a 2011C Bond outstanding in a principal amount less than the Authorized Denomination, such 2011C Bond shall be redeemed first at the next succeeding redemption date and the Trustee shall provide a written notice to that effect of the affected Holder and the Original Purchaser.

(5) As soon as 2011C Bonds are called for redemption pursuant to this Section 2.4, sums in the Escrow Account in the Revenue Fund sufficient to effect such redemption shall be irrevocably set aside for such purpose and applied for no other purpose under this Series Redemption.

ARTICLE 3

ADDITIONAL PROVISIONS RELATING TO THE 2011 Bonds

Section 3.1 Revenue Fund Accounts.

(A) 2011C Revenue Receipts Subaccount. There is hereby created within the Revenue Receipts Account a subaccount titled the 2011C Revenue Receipts Subaccount. All “private payments” (within the meaning of Section 141 of the Code) derived from Facilities financed by the 2011C Bonds shall be deposited therein and applied as provided in Paragraph (B) of this Section and Section 4.03 of the Master Indenture. No such “private payments: shall be initially deposited in any other Fund or Account. Any excess funds held therein as of each March 2 shall be transferred to the Surplus Account.

(B) 2011 Debt Service Subaccounts. The Trustee is hereby directed to create a 2011 Debt Service Subaccount pursuant to the Master Indenture. Net Revenues held in the 2011 Revenue Receipts Account shall be transferred by MnSCU on each March 1 and September 1 to the Trustee for deposit to the 2011 Debt Service Subaccount, and there applied prior to the use of any other funds, to pay principal of, interest on and redemption price of 2011 Bonds.

Section 3.2 Capital Expenditure Account. The Trustee is hereby directed to create a Capital Expenditure Account for the 2011C Bonds pursuant to the Master Indenture, and to deposit proceeds of the 2011C Bonds therein as described in Sections 2.1 hereof. Proceeds of the 2011C Bonds may be used to reimburse the colleges and universities which are using proceeds of the Bonds for costs incurred in connection with their respective financed Facilities as directed by the Issuer.

Section 3.3 Notices to Rating Agency.

Annually, at or about the time that the Issuer provides its Annual Disclosure Report pursuant to Section 4.5 hereof, the Issuer shall provide the same information to each national credit rating agency then maintaining a rating in effect for the 2011C Bonds. In addition, the Issuer shall provide to such rating agencies such other information relating to the 2011C Bonds, all other Revenue Fund Bonds issued under the Master Indenture, and the Revenue Fund, as they may reasonably request.

ARTICLE 4

SERIES COVENANTS

Section 4.1 Payment of Principal, Purchase Price, Premium and Interest. Solely from the Net Revenues and sums held in the Accounts in the Revenue Fund, the Issuer will duly and punctually pay the principal of, premium, if any, and interest on the 2011C Bonds in accordance with the terms of the 2011C Bonds, the Master Indenture and this Series Resolution. Nothing in the 2011C Bonds or in this Series Resolution shall be considered as assigning or pledging funds or assets of the Issuer other than those expressly pledged to secure the 2011C Bonds (and other Senior Bonds and Senior Guarantees) set forth in the Master Indenture, as supplemented by this Series Resolution.

Section 4.2 Performance of and Authority for Covenants. The Issuer covenants that it will faithfully perform at all times any and all of its covenants, undertakings, stipulations and provisions contained in the Master Indenture and this Series Resolution, in any and every 2011C Bond executed, authenticated and delivered hereunder and in all proceedings of the Board pertaining thereto; that it is duly authorized under the Constitution and laws of the State of Minnesota, including particularly and without limitation the Act, to issue the 2011C Bonds authorized hereby, to adopt this Series Resolution, to apply the 2011C Bond proceeds to make capital expenditures for the

Facilities and to pledge the Net Revenues and moneys held in the Revenue Fund and its Accounts equally and ratably to secure the 2011C Bonds (and other Senior Bonds and any Senior Guarantees), in the manner and to the extent set forth in the Master Indenture and herein; that all action on its part for the issuance of the 2011C Bonds and the execution and delivery of this Series Resolution has been duly and effectively taken; and that the 2011C Bonds in the hands of the Holders thereof are and will be valid and enforceable obligations of the Issuer according to the terms thereof.

Section 4.3 Books and Records. The Registrar and Paying Agent will, so long as any Outstanding 2011C Bonds issued hereunder shall be unpaid, keep proper books or records and accounts, in which full, true and correct entries will be made of all its financial dealings or transactions in relation to the 2011C Bonds. At reasonable times and under reasonable regulations established by the Registrar and Paying Agent, such books shall be open to the inspection of the Original Purchaser, the Holders and such accountants or other agencies as the Registrar and Paying Agent may from time to time designate.

Section 4.4 Bondholders' Access to Bond Register. At reasonable times and under reasonable regulations established by the Registrar and Paying Agent, the Bond Register or a copy thereof may be inspected and copied by Holders (or a designated representative thereof) of twenty-five percent (25%) or more in principal amount of the then Outstanding 2011C Bonds, such authority of any such designated representative to be evidenced to the satisfaction of the Registrar and Paying Agent. Except as otherwise may be provided by law, the Bond Register shall not be deemed a public record and shall not be made available for inspection by the public, unless and until notice to the contrary is given to the Registrar and Paying Agent by the Issuer.

Section 4.5 Continuing Disclosure.

(A) Purpose; Definitions. Disclosure of information about the 2011C Bonds shall be made as provided in this Section. This Section is intended for the benefit of the Holders of the 2011C Bonds.

For the purposes of this Section, the following terms shall have the following meanings:

- (1) *Rule* means Securities and Exchange Commission Rule 15c2-12, as from time to time amended;
- (2) *Revenue Fund Bonds* means the Prior Bonds and the 2011C Bonds; *2011C Bonds* means the Bonds issued pursuant to this Series Resolution;
- (3) *Obligated Person* means:
 - (a) the Issuer; and

(b) any person who provides 10% or more of the Net Revenues securing the Revenue Fund Bonds (but an Institution shall not be deemed a person independent of the Issuer); and

provided that “obligated person” shall not mean a Credit Enhancer;

(4) *MSRB* means the Municipal Securities Rulemaking Board.

(B) Periodic and Occurrence Notices. Except to the extent this subsection (B) is modified or otherwise altered in accordance with subsection (F) below, the Registrar and Paying Agent or Financial Advisor on behalf of the Issuer shall make or cause to be made public, but solely as provided in subsection (D) below, the information set forth in subsections (1), (2) and (3) below:

(1) Periodic Reports.

(a) the annual audited financial statements for the Revenue Fund of the Issuer; and

(b) annual financial information as to each Obligated Person (subject to subsection (E)(1) below); and

(c) an Annual Disclosure Report in substantially the form of Exhibit B hereto disclosing financial and operating data of the type disclosed in the Official Statement relating to the 2011C Bonds; provided that the form of Annual Disclosure Report shall be amended or changed each year so as to fairly and accurately present financial and operating data required to be disclosed under the Rule.

(2) Occurrence Notices. The Issuer shall give, or shall cause to be given notice of the occurrence of any of the following events within a timely manner, not in excess of ten business days, after the occurrence of the event, and in accordance with the Rule, by filing such notice with the MSRB, in an electronic format prescribed by the MSRB:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Senior Bonds, or other material events affecting the tax-exempt status of the Senior Bonds;
- (g) modifications to rights of Bondholders, if material;
- (h) Bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution or sale of property securing repayment of the Senior Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of either the Borrower or the Guarantor;
- (m) consummation of a merger, consolidation, or acquisition involving the Borrower or the Guarantor, the or sale of all or substantially all of the assets of the Borrower or the Guarantor, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(3) Notice of Failure to Provide Information. In the event the information described in (1) or (2) above is not made public as required by this Section, such failure shall itself be made public by a notice filed with the MSRB.

(C) Information Provided to the Public.

(1) The Registrar and Paying Agent on behalf of the Issuer shall make public every communication which the Registrar and Paying Agent is required to make (or is permitted to make and in fact makes) to Holders, in each case in accordance with subsection (D) and on the same day such communication is transmitted to Holders hereunder.

(2) The Registrar and Paying Agent on behalf of the Issuer shall make public in accordance with subsection (D) and within the time frame set forth in subsection (3) below, the following, but only to the extent information is actually known by the Issuer or Registrar and Paying Agent or is within the possession, custody or control of the Issuer or Registrar and Paying Agent:

(a) all information which the Registrar and Paying Agent on behalf of the Issuer has agreed to make public under subsections (1), (2) and (3) of subsection (B); and

(b) such other information which the Issuer shall in writing request to be made public, so long as such information is permitted by law to be made public.

(3) (a) The Registrar and Paying Agent on behalf of the Issuer shall make public the periodic information described in subsection (B)(1), within 30 days after receipt by the Registrar and Paying Agent of each annual audited financial statement of the Issuer.

(b) The Registrar and Paying Agent shall, within three business days of obtaining actual knowledge of the occurrence of any of the events described in subsection (B)(2) contact the Issuer, in form the Issuer of the event, and request that the Issuer promptly notify the Dissemination Agent in writing whether or not the event is required to be reported. If the Registrar and Paying Agent has been instructed by the Issuer to report the occurrence, the Registrar and Paying Agent shall file a notice of such occurrence with the MSRB with a copy to the Issuer. Notwithstanding the foregoing, notice of an event described in subsection (B)(2)(d) and (e) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Holders of affected Bonds pursuant to the Master Indenture.

(D) Means of Making Information Public. Information shall be made public by the Registrar and Paying Agent on behalf of the Issuer under this Section if it is transmitted as follows:

(1) all information to be made public under this Section 4.5 shall be provided by electronic transmittal to MSRB;

(2) notices required by subsections (B)(2) and (3) shall be provided to the MSRB in accordance with its rules and procedures; and

(3) to Holders, in the manner provided herein for notices to Holders.

(E) Obligated Persons; Financial Information.

(1) In making public information about Obligated Persons which file financial information with the SEC or the MSRB, the Issuer may, for each Obligated Person that has complied or will comply with the next sentence, disclose financial information about such Obligated Person by cross-reference to information on file with, and publicly available from, the SEC or the MSRB. The Issuer shall cause each such Obligated Person to provide an annual notice stating (a) where its annual reports have been filed, and (b) that the annual reports so filed constitute its annual financial information as an Obligated Person hereunder. Annually the Issuer shall provide to each such Obligated Person a form of such notice and shall direct that such notice be executed by the Obligated Person and returned to the Issuer. In the event such Obligated Person fails or refuses to provide the executed notice, the Issuer shall provide to the Registrar and Paying Agent a notice stating (a) the identity of such Obligated Person and the fact that such Obligated Person has failed and refused to provide the annual notice required by this subsection, and (b) if known to the Issuer, the place where annual financial information about such Obligated Person may be found. The Issuer shall then provide all such notices to the Registrar and Paying Agent concurrently with delivery of the Issuer's annual financial statements and shall direct the Registrar and Paying Agent to forward such notices to the MSRB and the Minnesota SID, if any.

(2) In determining whether a specific person is an "Obligated Person," the Institution shall

(a) aggregate all contracts executed by such person;

(b) aggregate all buildings or structures, or portions thereof, owned, leased or operated by such person; and

(c) aggregate all entities under common control or ownership.

(3) The Issuer shall determine who are Obligated Persons for each fiscal year and disclose in the Annual Disclosure Report the identity(ies) of each such Obligated Person; the disclosure relating to the identity of Obligated Persons in each Annual Disclosure Report shall be for the same fiscal year as that covered by the audited financial statement of the Issuer made public concurrently with the Annual Disclosure Report.

(4) Financial information about the Issuer, and about each Obligated Person, shall be prepared in accordance with, as applicable, generally accepted accounting principles, accounting principles applicable to state and local governments and agencies, or for persons whose equity or debt securities are registered with the State, the accounting principles then in effect governing filings of financial information with the SEC.

Financial information about Obligated Persons which are public entities shall be prepared in accordance with Financial Accounting Standards Board principles as modified by Government Accounting Standards Board principles and by the accounting principles then applied by the Minnesota State Auditor, if applicable.

(F) Amendment of this Section. This Section shall be subject to modification or amendment as provided in Article 9.03 of the Master Indenture. In addition to the requirements and limitations of Article 9.03 of the Master Indenture, no modification or amendment of this Section shall be made unless:

(1) the amendment or modification is made in connection with a change of circumstance arising from a change of legal requirements, change in law, or change in the identity, nature or status of the Obligated Person(s); and

(2) this Section, as amended or modified, would have complied with the Rule on the date of issue of the 2011C Bonds, taking into account any subsequent amendments or interpretations of the Rule and any change of circumstances.

The Registrar and Paying Agent and the Issuer may rely in good faith upon an opinion of counsel familiar with the law governing disclosure in connection with municipal securities as to compliance with the requirements of this Section and of the Rule.

Section 4.6 Resignation or Removal of Registrar and Paying Agent. Notwithstanding anything to the contrary contained herein or in the Master Indenture, the Registrar and Paying Agent shall not resign or be removed until a successor Registrar and Paying Agent has been appointed. The Issuer shall promptly (within 30 days) appoint a successor Registrar and Paying Agent upon the resignation or removal and the then serving Registrar and Paying Agent. Any successor Registrar and Paying Agent shall be a financial institution having trust powers and a capital and surplus of not less than \$50,000,000.

Section 4.7 Compliance with DTC Requirements. So long as the 2011C Bonds are held in Book-Entry form at the Depository Trust Company, as Depository, the Registrar and Paying Agent shall comply with the provisions of the Blanket Letter of Representations between the Issuer and The Depository Trust Institution, and shall also comply with the letter from the Issuer to The Depository Trust Institution dated September 10, 2001 and attached hereto as Exhibit C.

EXHIBIT A

Form of 2011C Bond

R-_____ **\$**_____

**UNITED STATES OF AMERICA
STATE OF MINNESOTA**

**MINNESOTA STATE COLLEGES
AND UNIVERSITIES**

**REVENUE FUND BOND
Series 2011C**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
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Registered owner: Cede & Co.

Stated Principal Amount: _____ DOLLARS

KNOW ALL MEN BY THESE PRESENTS that Minnesota State Colleges and Universities (the "Issuer"), for value received, acknowledges itself to be specially indebted and promises to pay to the registered owner named above, or registered assigns, but only from the sources specified herein, the Stated Principal Amount specified above on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above, payable semiannually on April 1 and October 1 in each year, commencing April 1, 2012, to the person or entity in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) preceding the date on which the interest is payable (all subject to the provisions hereof with respect to the redemption of this Bond prior to the maturity date specified above). The interest hereon and, upon presentation and surrender hereof at maturity or upon earlier redemption, the principal hereof, are payable in lawful money of the United States of America, by check or draft issued on each interest payment date by U.S. Bank National Association, in Saint Paul, Minnesota (the "Trustee"), which has been designated as Registrar and Paying Agent for the Revenue Fund Bonds; or at the office of such successor, if any, to said bank as may be designated by the Issuer in accordance with the Master Indenture.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Master Indenture until the Certificate of Authentication

hereon shall have been executed by the Registrar and Paying Agent by the manual signature of one of its authorized representatives.

This Bond is one of a Series in the Stated Principal Amount of \$12,500,000 each of like date and tenor except as to registration number, interest, maturity date, redemption privilege, and denomination, issued for the purpose of financing the construction or improvement of dormitory, residence hall, student union, food service or other revenue producing buildings and related facilities located or to be located on the campuses of the Institutions comprising the Minnesota State University System (the "System"). The Revenue Fund Bonds of this Series are issued under authority of, and in strict conformity with, the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapter 136F (the "Act"), and under and pursuant to an Amended and Restated Master Indenture of Trust (the "Master Indenture") dated as of June 1, 2009 and entered into between the Issuer and the Trustee and a Series Resolution adopted by the Issuer on June 22, 2011 (the "Series Resolution").

Under the Act and the Master Indenture, the principal of and interest on this Bond are payable solely from and secured by an irrevocable pledge of certain Net Revenues (as defined in the Master Indenture) to be derived by the Issuer from the operation of certain revenue producing Facilities of the System which have been pledged and appropriated to the Debt Service Account in the Issuer's Revenue Fund, on a parity as to both principal and interest with certain other Senior Bonds heretofore or hereafter issued under and pursuant to the Master Indenture, and are further secured by a Reserve Requirement required to be established and maintained in the Debt Service Reserve Account. Such pledge and appropriation is junior and subordinate to the pledge and appropriation of such Net Revenues for the payment of the principal of and interest on certain Outstanding Revenue Fund Bonds of the Issuer. All covenants and provisions made for the payment and security of Revenue Fund Bonds payable from the Debt Service Account are set forth in the Master Indenture which is available for inspection by the registered owner of this Bond at the Issuer's administrative office in St. Paul, Minnesota, and which is incorporated herein by reference.

This Bond is not a general obligation of the Issuer, and the full faith and credit of the Issuer is not pledged for its payment. The Issuer has no taxing authority. This Bond does not constitute a debt or obligation of the State of Minnesota within the meaning or application of any constitutional or statutory limitation or provision.

Revenue Fund Bonds of this Series maturing on or after October 1, 2022 are subject to optional redemption and prepayment upon direction of the Issuer in whole on any date after October 1, 2021 and in part, on any Interest Payment Date thereafter, in Authorized Denominations, at a redemption price equal to the principal amount redeemed plus accrued interest to the date of redemption, without premium.

Revenue Fund Bonds of this Series maturing on October 1 in the years ____ and ____ are subject to mandatory redemption prior to maturity by mandatory sinking fund

installments, and are to be redeemed by lot, at 100% of the principal amount thereof plus accrued interest to the redemption date, on the following dates and in the following principal amounts:

[to be provided]

If, upon the earlier of either (i) the completion of the work planned to be financed by the proceeds of these Revenue Fund Bonds, or (ii) three years from the date of issuance of these, proceeds of these Revenue Fund Bonds remain in the related subaccount in the Capital Expenditures Account in excess of those required to pay then unpaid but incurred capital expenditures, such excess shall be transferred to the Escrow Account and applied to the redemption of these Revenue Fund Bonds, to the extent of the funds so transferred, at their principal amount, plus interest accrued to the redemption date, without premium, on the first day of the next succeeding month for which timely notice of redemption can be given; provided, however, that the three-year limit contained in clause (ii) shall not apply if the Issuer obtains an opinion of bond counsel stating that the delay in the expenditure of proceeds will not cause these Revenue Fund Bonds to lose their tax-exempt status.

In the event of damage to or destruction of any Facility, in whole or part, these Revenue Fund Bonds are subject to redemption in whole or in part at the principal amount thereof plus accrued interest to the date of redemption, without premium, on the first day of any month for which timely notice of redemption can be given, whether or not an Interest Payment Date, from the proceeds of any insurance claim payment or condemnation award or portion thereof not applied to repair, restore or replace the damaged or taken Facility.

Notice of redemption shall be given by first class mail, postage prepaid, mailed not less than 30 days prior to the Redemption Date, to each holder of Revenue Fund Bonds to be redeemed at the address of the holder appearing in the Bond Register. No defect in or failure to give notice by mail to any holder shall affect the validity of the proceedings for redemption of any Revenue Fund Bond held by any holder to which proper notice by mail has been given. If notice by publication is required by law, the Paying Agent shall cause publication to be made in the form and at the time provided by law. All notices of redemption shall state: (i) the Redemption Date; (ii) the Redemption Price; (iii) the principal amount of Revenue Fund Bonds to be redeemed and the identification (and, in the case of partial redemption, the respective principal amounts) of the Revenue Fund Bonds to be redeemed, specifying their CUSIP number, their registration number and Maturity Date; (iv) that on the Redemption Date, the Redemption Price will be due and payable upon each Revenue Fund Bond, and interest will cease to accrue from and after such date (unless, under a redemption conditioned on sufficient funds, such condition is not met); and (v) the place or places where such Revenue Fund Bonds are to be surrendered for payment.

The Revenue Fund Bonds of this Series are issuable only as fully registered Bonds, in Stated Principal Amounts of \$5,000 or any multiple thereof of a single maturity.

As provided in the Master Indenture and subject to certain limitations set forth therein, this Bond is transferable upon the books of the Issuer at the principal corporate trust office of the Trustee, as Registrar and Paying Agent, in Saint Paul, Minnesota, or its successor, by the registered owner hereof, in person or by his attorney, duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar and Paying Agent, duly executed by the registered owner or his duly authorized attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the Issuer will cause to be issued in the name of the transferee or owner a new Bond or Bonds of the same aggregate Stated Principal Amount, Series, type, maturity, interest rate and terms as the surrendered Bond, subject to reimbursement for any tax, fee or governmental charge required to be paid by the Issuer or the Registrar and Paying Agent with respect to such transfer. The Issuer and the Registrar and Paying Agent shall treat the person in whose name this Bond is registered upon the books of the Issuer as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment of or on account of the principal, redemption price or interest and for all other purposes, and all such payments so made to the registered owner or upon his order shall be valid and effectual to satisfy and discharge the Issuer's liability upon this Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Registrar and Paying Agent shall be affected by any notice to the contrary.

IT IS CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to exist, to happen and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding special obligation of the Issuer in accordance with its terms, do exist, have happened and have been performed in due form, time and manner as so required; that prior to the issuance of this Bond, the Issuer has provided for the payment of the principal of and interest on this Bond as described herein; and that the issuance of this Bond does not cause the indebtedness of the State or the Issuer to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed by the manual or printed facsimile signature and countersignature of its Authorized Representative, and by a manual imprint or printed facsimile of its official seal, and has caused this Bond to be dated as of the date set forth below.

Dated: _____

[Authorized Representative]

CERTIFICATE OF AUTHENTICATION

This is one of the Revenue Fund Bonds delivered pursuant to the Authorizing Resolution described within.

U.S. BANK NATIONAL ASSOCIATION

By _____
Authorized Representative

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	--	as tenants in common	UNIF GIFT MIN ACT	Custodian.
			(Cust)	(Minor)
TEN ENT	--	as tenants by the entireties		
JT TEN	--	as joint tenants with right of survivorship and not as tenants in common		under Uniform Gifts to Minors Act (State)

Additional abbreviations may also be used.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____ (Please Print or Typewrite Name and Address of Transferee) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature

Please Insert Social Security Number or Other Identifying Number of Assignee.

Notice: The signature to this assignment must correspond with the name as it appears on the face of this Bond in every particular without alteration or any change whatever.

EXHIBIT B
ANNUAL REPORT INFORMATION

The Annual Report Date will be the date that is 210 days after each fiscal year end, commencing with the fiscal year ending June 30, 2012.

1. The audited financial statements for the Revenue Fund most recent complete fiscal year.
2. The following financial and operating data:
 - a. Revenues
 - Gross Revenues
 - Maintenance and Operations Costs
 - Net Revenues
 - b. Facilities
 - Repair and Replacement Expenditures
 - Costs for New Facilities
 - Debt Financed Capital Expenditures (other than for new facilities)
 - c. Revenue Fund Bonds
 - Principal Amount of Bonds Outstanding
 - Senior Bonds
 - Subordinate Bonds
 - Annual Debt Service
 - Senior Bond Principal
 - Senior Bond Interest
 - Subordinate Bond Principal
 - Subordinate Bond Interest
 - Unscheduled Redemptions
 - Senior Bonds
 - Subordinate Bonds
 - d. Debt Service Coverage Ratio [Net Revenues divided by annual debt service]
 - Senior Bonds
 - Last fiscal year
 - Preceding fiscal year
 - Second preceding fiscal year

- Subordinate Bonds
- Last fiscal year
- Preceding fiscal year
- Second preceding fiscal year

e. Guarantees

- Maximum exposure
- Amount paid in the last fiscal year

EXHIBIT C



Blanket Issuer Letter of Representations
(To be Completed by Issuer)

Minnesota State Colleges and Universities

[Name of Issuer]

September 10, 2001

[Date]

Attention: Underwriting Department — Eligibility
The Depository Trust Company
35 Water Street, 50th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

Minnesota State Colleges and Universities
(Issuer)

By: [Signature]
(Authorized Officer's Signature)

Laura M. King, Vice Chancellor - Finance
(Type-write Name & Title)

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: [Signature]

500 World Trade Center, 30 E. 7th Street
(Street Address)

Saint Paul MN 55101
(City) (State) (Zip)

(651) 649-5778
(Phone Number)

10-0001 (1/01)

April 29, 2011

James McCormick, Chancellor
Minnesota State Colleges and Universities
Wells Fargo Place
30 7th St. E., Suite 350
St Paul, MN 55101

Dear Dr. McCormick:

Subject: Parking Ramp Fee Consultation

On April 19, President Opatz shared and updated the Senate regarding the planning process to provide additional parking for the campus. This second consultation follows the first held on March 22.

Vice President Ed Wines indicated that the SRF Consulting Group completed the 90% Report summary which was shared with the Senate. Ed also presented the financial pro-forma indicating that parking fees would increase from \$4/credit to \$6/credit in FY12 and \$9/credit thereafter. In response to student inquiry Ed indicated that it is unlikely, however should the college come into excess reserves they would use the funds to reduce fees.

The response of the Senate was positive although everyone recognized the added costs would affect students and employees. After questions and careful consideration, the Senate voted with overwhelming support to approve the parking ramp proposal and recommend its approval by the Board of Trustees.

Sincerely yours,



Neal Olmstead, President
Normandale Student Senate

Cc: Joe Opatz, President
Normandale Community College

Encl: March 22 Consultation Letter