

In the opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel, under existing law, assuming continued compliance with certain tax covenants and provisions of the Internal Revenue Code of 1986, as amended, interest on the Series A Bonds will not be included in the gross income of the holders of the Series A Bonds for federal income tax purposes. Interest on the Series A Bonds will not constitute a preference item for purposes of computation of the alternative minimum tax imposed on individuals and corporations, although interest on the Series A Bonds will be taken into account in computing the alternative minimum tax applicable to certain corporations. Income on the Series A Bonds, including any profit made on the sale thereof, is exempt from Massachusetts personal income taxes, and the Series A Bonds are exempt from Massachusetts personal property taxes. For federal and Massachusetts tax purposes, interest includes original issue discount. For a discussion of federal and state tax law statutes, see "TAX EXEMPTION" herein.



**\$100,000,000**  
**Massachusetts Health and Educational Facilities Authority**  
**Revenue Bonds, Worcester City Campus Corporation Issue**  
**(University of Massachusetts Project), Series A**

Dated: March 15, 2000

Due: October 1, as shown below

The Series A Bonds will be initially issued as fully registered Bonds in denominations of \$5,000 each or any integral multiple thereof, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as the securities depository for the Series A Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners as registered owners shall mean Cede & Co., as aforesaid, and shall not mean the beneficial owners of the Series A Bonds. See "Series A Bonds – Securities Depository" herein.

Citizens Bank of Massachusetts will serve as Trustee and Paying Agent under the Loan and Trust Agreement defined below. Interest will be payable on October 1, 2000 and semiannually thereafter on April 1 and October 1 to the Bondowners of record as of the close of business on the fifteenth day of the month preceding such interest payment date.

The Series A Bonds will be subject to mandatory, optional and special redemption prior to maturity as described herein.

The Series A Bonds shall be special obligations of the Authority payable solely from the Revenues (as hereinafter defined) of the Authority, including payments to the Trustee for the account of the Authority by Worcester City Campus Corporation (the "Institution"), in accordance with the provisions of the Loan and Trust Agreement dated as of October 12, 1999 (the "Loan and Trust Agreement") among the Authority, the Institution and the Trustee. Such payments required to be paid by the Institution will be in amounts sufficient to pay, when due, interest and principal of the Series A Bonds, all in accordance with the Loan and Trust Agreement. The payments pursuant to the Loan and Trust Agreement are an unconditional obligation of the Institution. The University of Massachusetts (the "University") is obligated to transfer any funds due under the Loan and Trust Agreement not paid by the Institution in accordance with the provisions of the Financing Agreement dated as of October 12, 1999 (the "Financing Agreement") between the Authority and the University.

Payment of the principal of and interest on the Series A Bonds when due will be insured by a financial guaranty insurance policy to be issued simultaneously with the delivery of the Series A Bonds by Financial Guaranty Insurance Company.

**FGIC. Financial Guaranty Insurance Company**

FGIC is a registered service mark used by Financial Guaranty Insurance Company, a private company not affiliated with any U.S. Government agency.

NEITHER THE COMMONWEALTH OF MASSACHUSETTS NOR THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE SERIES A BONDS EXCEPT FROM THE MONEYS TO BE PROVIDED UNDER THE LOAN AND TRUST AGREEMENT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER NOR ANY MORAL OBLIGATION OF THE COMMONWEALTH OF MASSACHUSETTS OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE SERIES A BONDS. THE AUTHORITY DOES NOT HAVE TAXING POWER.

**AMOUNTS, MATURITIES, INTEREST RATES, AND YIELDS**

**\$50,165,000 Serial Bonds**

<u>Amount</u>	<u>Due October 1</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Amount</u>	<u>Due October 1</u>	<u>Interest Rate</u>	<u>Yield</u>
\$1,610,000	2002	4.650%	4.650%	\$475,000	2012	5.400%	5.460%
1,685,000	2003	4.750	4.750	2,160,000	2012	5.750	5.460 *
1,765,000	2004	4.875	4.875	2,785,000	2013	6.000	5.520 *
1,850,000	2005	5.000	5.000	1,005,000	2014	5.500	5.600
1,940,000	2006	5.100	5.100	1,950,000	2014	6.000	5.600 *
2,040,000	2007	5.100	5.150	3,125,000	2015	6.000	5.650 *
2,145,000	2008	5.125	5.200	3,315,000	2016	5.500	5.720
2,255,000	2009	5.200	5.250	3,495,000	2017	5.500	5.770
2,370,000	2010	5.250	5.320	3,685,000	2018	5.625	5.820
850,000	2011	5.300	5.380	3,895,000	2019	5.750	5.870
1,645,000	2011	5.750	5.380	4,120,000	2020	5.850	5.900

\$ 8,975,000 5.875% Term Bonds due October 1, 2022 to Yield 5.96%

\$40,860,000 5.875% Term Bonds due October 1, 2029 to Yield 6.01%

(Accrued interest from March 15, 2000 to be added)

\* Yield to par call

The Series A Bonds are offered when, as, and if issued and received by the Underwriters, subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality and certain other matters by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts, Bond Counsel and Counsel to the Institution and the University. Certain legal matters will be passed upon for the Underwriters by their counsel Krokidas & Bluestein LLP, Boston, Massachusetts. The Series A Bonds are expected to be available for delivery through DTC on or about March 29, 2000.

**Bear, Stearns & Co. Inc.**

**A.G. Edwards & Sons, Inc.**  
**Fleet Securities, Inc.**

**First Union Securities, Inc.**  
**Salomon Smith Barney**