

Minutes of the Meeting of the Executive Committee of the Board of Trustees of the University of Kentucky, Wednesday, January 12, 1994.

The Executive Committee of the Board of Trustees of the University of Kentucky met at 12:00 Noon (Lexington Time) on Wednesday, January 12, 1994 in the Board Room on the 18th floor of the Patterson Office Tower on the Lexington Campus.

A. Meeting Opened and Roll Called

Governor Edward T. Breathitt, Chairperson, called the meeting to order at 12:06 p.m., and the invocation was pronounced by Mr. Sturgill.

The following members of the Executive Committee of the Board of Trustees answered the call of the roll: Governor Edward T. Breathitt (Chairperson), Mr. James F. Hardymon, Mr. William B. Sturgill and Lois C. Weinberg. Absent from the meeting were Dr. Robert P. Meriwether and Billy B. Wilcoxson. The University administration was represented by President Charles T. Wethington, Jr.; Chancellor Ben Carr; Vice Presidents Joseph T. Burch and Donald B. Clapp; and Mr. Paul VanBooven, Associate General Counsel.

Members of the general public and the news media were also in attendance. A quorum being present, Governor Breathitt declared the meeting officially open for the conduct of business at 12:08 p.m.

B. Resolution of the Executive Committee of the Board of Trustees of the University of Kentucky Accepting the Successful Bid for the Purchase of University of Kentucky Community Colleges Educational Buildings Refunding Revenue Bonds, Series A, C, F and H (Second Series), Dated January 1, 1994 (PR 1)

Mr. Hardymon, Chairperson of the Finance Committee, stated that this sale is a continuation of the efforts in refinancing the revenue bonds. He moved that the Board of Trustees approve a Resolution accepting the successful bid of Dillon Reed & Co., Inc. with reference to the sale of the \$55,415,000 (plus or minus up to \$4,540,000) of University of Kentucky Community Colleges Educational Buildings Refunding Revenue Bonds, Series A, C, F and H (Second Series), dated January 1, 1994, at a net interest cost of 4.7442%; and that the Executive Committee of the Board of Trustees approve the form of Official Statement as prepared by J.J.B. Hilliard, W.L. Lyons, Inc. the Financial Advisors to the Board of Trustees.

Mr. Hardymon reported that the bids were received at 10:00 a.m. and Dillon Reed & Co., Inc. submitted the low bid of 4.7442%. He noted that the bids were very tightly grouped, and the second lowest bid was submitted by Lehman Brothers at a net interest of 4.7540%. This

represents a spread of less than one/100th of one percent. He then provided the following information:

Principal amount of bond sale	\$55,540,000
Final maturity	Year of 2011
Cumulative savings on this sale	\$3,219,062
Present value of savings	\$2,285,299
4.61% of the refunded bonds	

Mr. Hardymon also informed the members of the Committee of the total savings to-date from bond refinancing:

Average annual savings of debt service	\$178, 837.00
Up-to-date cumulative savings	Over \$9.7 million
Present value	Over \$7.1 million
Annual savings	\$695,017

Mr. Hardymon's motion was seconded by Mr. Sturgill and passed.  
(See PR 1 at the end of the Minutes.)

C. Meeting Adjourned

There being no further business to come before the Executive Committee, the meeting adjourned at 12:13 p.m.

Respectfully submitted,

Lois C. Weinberg  
Secretary  
Board of Trustees

(PR 1 which follows is an official part of the Minutes of the meeting.)

PR 1

Members, Board of Trustees Executive Committee:

RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY ACCEPTING THE SUCCESSFUL BID FOR THE PURCHASE OF UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REFUNDING REVENUE BONDS, SERIES A, C, F AND H (SECOND SERIES), DATED JANUARY 1, 1994.

Recommendation: (i) that the Board of Trustees approve a Resolution accepting the successful bid of Dillon Reed & Co., Inc. with reference to the sale of the \$55,415,000 (plus or minus up to \$5,540,000) of University of Kentucky Community Colleges Educational Buildings Refunding Revenue Bonds, Series A, C, F and H (Second Series), dated January 1, 1994, at a net interest cost of 4.7442%; (ii) that the Executive Committee of the Board of Trustees approve the form of Official Statement as prepared by J.J.B. Hilliard, W.L. Lyons, Inc., the Financial Advisors to the Board of Trustees.

Background: On December 14, 1993, the Board of Trustees approved Resolutions authorizing the issuance of \$55,415,000 (plus or minus up to \$5,540,000) of University of Kentucky Community Colleges Educational Buildings Refunding Revenue Bonds, Series A, C, F and H (Second Series) dated January 1, 1994. Said Resolutions also authorized the public advertising for sealed, competitive bids to be received for said Bonds. Bids were received by the Controller and Treasurer and tabulated by J.J.B. Hilliard, W.L. Lyons, Inc., the Financial Advisors for the bonds. The recommended bid is the lowest net interest cost to the University.

Six bids were received and tabulated as follows:

Dillon Reed & Co., Inc.	4.7442%
Lehman Brothers	4.7540%
Kemper Securities, Inc.	4.7569%
Chemical Securities, Inc.	4.7592%
Morgan Stanley & Co., Inc.	4.7752%
Merrill Lynch	4.8570%

Action: Approved  Disapproved  Other

Dated: January 12, 1994

RESOLUTION

RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY ACCEPTING THE SUCCESSFUL BID FOR THE PURCHASE OF UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REFUNDING REVENUE BONDS, SERIES A, C, F AND H (SECOND SERIES) DATED JANUARY 1, 1994.

WHEREAS, pursuant to a resolution of the Board of Trustees (the "Board") adopted on December 14, 1993, the Board authorized the advertisement for bids for the sale of the \$55,415,000 (plus or minus up to \$5,540,000) of University of Kentucky Community Colleges Educational Buildings Refunding Revenue Bonds, Series A, C, F and H (Second Series), dated January 1, 1994 (the "Series A, C, F and H [Second Series] Bonds"); and

WHEREAS, the sale of the Series A, C, F and H (Second Series) Bonds has been advertised in accordance with law for the receipt of bids for the Series A, C, F and H (Second Series) Bonds at 10:00 A.M., E.S.T., on January 12, 1994, and the Executive Committee of the Board will accept the lowest and best bid received upon the advice of J.J.B. Hilliard, W.L. Lyons, Inc., the Financial Advisor to the Board; and

WHEREAS, all bids received for the purchase of said Series A, C, F and H (Second Series) Bonds from the Board of Trustees have been duly considered and are as follows:

<u>BIDDERS</u>	<u>INTEREST RATES</u>	<u>AMOUNTS BID FOR SAID \$55,415,000 PRINCIPAL AMOUNT OF BONDS, PLUS ACCRUED INTEREST FROM JANUARY 1, 1994</u>	<u>INTEREST COST</u>
Dillon Reed & Co., Inc.	4.7442%	\$54,306,775.70	\$28,190,974.30
Lehman Brothers	4.7540%	54,306,700.00	28,249,233.33
Kemper Securities, Inc.	4.7569%	54,306,979.25	28,266,079.60
Chemical Securities, Inc.	4.7592%	54,306,700.00	28,279,787.50
Morgan Stanley & Co., Inc.	4.7752%	54,324,995.70	28,375,120.97
Merrill Lynch	4.8570%	54,306,757.45	28,861,559.22

WHEREAS, the matter of which bid is the most advantageous and with the most favorable net interest cost to the Board has been sufficiently considered.

NOW, THEREFORE, THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. That the bid of Dillon Reed & Co., Inc. for the purchase of \$55,415,000 principal amount of University of Kentucky Community Colleges Educational Buildings Refunding Revenue Bonds, Series A, C, F and H (Second Series), dated January 1, 1994, at a price of \$ 54,306,775.70, said bid having been adjusted to \$ 55,540,000.00 of Bonds at an adjusted sale price of \$ 54,429,275.87, plus accrued interest from January 1, 1994, to the date of delivery of the Bonds, be accepted and confirmed, such principal and interest to be payable semiannually as follows:

<u>Maturity</u> <u>May 1,</u>	<u>Principal</u> <u>Amount</u>	<u>Rate</u>	<u>Maturity</u> <u>May 1,</u>	<u>Principal</u> <u>Amount</u>	<u>Rate</u>
1994	\$ <u>455,000</u>	<u>4.40 %</u>	2003	\$ <u>4,995,000</u>	<u>4.50 %</u>
1995	<u>1,030,000</u>	<u>4.40 %</u>	2004	<u>5,240,000</u>	<u>4.50 %</u>
1996	<u>1,080,000</u>	<u>4.40 %</u>	2005	<u>5,135,000</u>	<u>4.50 %</u>
1997	<u>1,130,000</u>	<u>4.50 %</u>	2006	<u>5,390,000</u>	<u>4.60 %</u>
1998	<u>1,185,000</u>	<u>4.50 %</u>	2007	<u>5,670,000</u>	<u>4.60 %</u>
1999	<u>2,595,000</u>	<u>4.50 %</u>	2008	<u>3,430,000</u>	<u>4.60 %</u>
2000	<u>2,725,000</u>	<u>4.50 %</u>	2009	<u>3,595,000</u>	<u>4.60 %</u>
2001	<u>2,860,000</u>	<u>4.50 %</u>	2010	<u>2,935,000</u>	<u>4.60 %</u>
2002	<u>3,010,000</u>	<u>4.50 %</u>	2011	<u>3,090,000</u>	<u>4.60 %</u>

and being a bid at a net interest cost to the Board of 4.7442 % per annum; and said bid is hereby determined to be the best bid with the most favorable net interest cost to the Board for said Bonds; and the interest rates on said Bonds are hereby fixed at the rates set out in said successful bid.

Section 2. That all other bids are hereby rejected, and the successful purchaser will deposit the good faith deposit in immediately available funds in National City Bank, Lexington, prior to the close of business on January 13, 1994, in accordance with the published Notice of Bond Sale and the Official Terms and Conditions of Sale of Bonds.

Section 3. That said Bonds shall be delivered by the Chairman of the Board of Trustees and/or other proper officers of the Board to said purchaser as soon as the Series A, C, F and H (Second Series) Bonds are printed and ready for delivery in accordance with the Resolution authorizing said Series A, C, F and H (Second Series) Bonds, and all of the proceeds of the Series A, C, F and H (Second Series) Bonds shall be used only as provided in said Resolution.

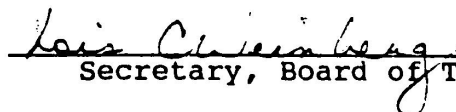
Section 4. That said bid is accepted subject to the condition that such acceptance subjects the Board to no obligation to deliver the Bonds if for any reason the Board is unable to obtain the final approving legal opinion of the firm of Rubin Hays & Foley, Municipal Bond Attorneys, Louisville, Kentucky, as to said Series A, C, F and H (Second Series) Bonds, or if said Series A, C, F and H (Second Series) Bonds shall be subject to ad valorem taxation by the Commonwealth of Kentucky, or if the receipt of interest on said Series A, C, F and H (Second Series) Bonds shall be subject to income taxation by the federal government or by the Commonwealth of Kentucky, prior to or on the delivery date of said Series A, C, F and H (Second Series) Bonds, and the purchaser shall not be required to take delivery of said Series A, C, F and H (Second Series) Bonds without the final approving opinion of said attorneys accompanying said Bonds, or if said Bonds or the interest thereon shall become subject to such ad valorem or income taxation prior to such delivery date.

Adopted on January 12, 1994.

  
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Chairman

CERTIFICATE

I, Lois C. Weinberg, hereby certify that I am the duly qualified and acting Secretary of the Board of Trustees of University of Kentucky, Lexington, Kentucky, that the foregoing is a full, true and correct copy of a Resolution adopted by the Executive Committee of the Board of Trustees of said University of Kentucky at a meeting duly held on January 12, 1994, and that said Resolution has been duly recorded in the Minute Book of said Board.

  
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Secretary, Board of Trustees