

FCR 10

Office of the President
March 2, 2004

Members, Board of Trustees:

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY AUTHORIZING THE ISSUANCE OF APPROXIMATELY \$54,110,000 OF UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDINGS REFUNDING REVENUE BONDS, SERIES P, Q AND R (SECOND SERIES), TO BE DATED THE FIRST DAY OF THE MONTH IN WHICH THE BONDS ARE SOLD.

Recommendation: that the Board of Trustees approve a Resolution authorizing the issuance of approximately \$54,110,000 of University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series P, Q and R (Second Series), to be dated the first day of the month in which the Series P, Q and R (Second Series) Bonds are sold.

The Resolution authorizes the issuance of approximately \$54,110,000 of Series P, Q and R (Second Series) Bonds for the purpose of refinancing the outstanding University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series P, Q and R, which financed (a) a new Communications and Networking and Ancillary Programs Facility and a Clinical Teaching/Support Labs Renovation; (b) Seaton Center Addition/Renovation and Parking #2 Expansion/Renovation/Replacement; and (c) Chiller Replacement – Cooling #3, Cooling Plant #1 Expansion and Communication Project (which constituted the original Series P Project, Series Q Project and Series R Project, respectively) (the "Series P, Q and R Project"); the Series P, Q and R Project being located upon the campus of the University in Fayette County in the Commonwealth of Kentucky, which projects are a part of the University of Kentucky Consolidated Educational Buildings Project of the University (the "Project").

The Resolution also approves the offering for sale of the Series P, Q and R (Second Series) Bonds upon the advice of the Financial Advisor, First Kentucky Securities Corporation on a date to be determined by the Treasurer of the University, upon the advice of said Financial Advisor (expected to be March 17, 2004). The Resolution further authorizes the acceptance of the bid for the sale of the Series P, Q and R (Second Series) Bonds by the Treasurer. The exact principal amount of Series P, Q and R (Second Series) Bonds to be sold will be determined on the date of sale as the amount required to refund the Series P, Q and R Bonds; provided that the refunding of each series of bonds may be undertaken separately and independently if conditions prevailing in the municipal bond market are favorable for the refunding of one series and not the other series such that adequate debt service savings would not be realized for one of the series.

Background: The University presently has outstanding twelve series of University of Kentucky Consolidated Educational Buildings Project Revenue Bonds, Series E, J, L (Third Series); G, H, I (Second Series); K (Third Series); M; M (Second Series); N (Second Series); O (Second Series); P; Q; R; S and T (the "Outstanding Bonds") all secured by a pledge of the Revenues (registration fees) and by a statutory mortgage lien against all of the buildings of the Project. The Bond Resolution approves the appointment of the J.P. Morgan Trust Company, National Association (successor to Bank One Trust Company, NA), Louisville, Kentucky, as Trustee, Bond Registrar, Transfer Agent, Payee Bank and Depository Bank, with respect to these Bonds, provides for the execution of the appropriate parity certification establishing that the "coverage" of projected income of the Project over debt service requirements will meet the 1.25 test necessary to establish that the Series P, Q and R (Second Series) Bonds will rank on a parity with the Outstanding Bonds.

Action taken: Approved Disapproved Other _____