

# FCR 9

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 SAID BOARD'S HOUSING AND DINING SYSTEM REFUNDING REVENUE BONDS, SERIES N, P, Q AND R (SECOND SERIES), TO BE DATED THE FIRST DAY OF THE MONTH IN WHICH SOLD; AUTHORIZING PROPER PROCEEDINGS RELATIVE TO THE PUBLIC SALE OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AUTHORIZING EXECUTION OF A THIRTEENTH SUPPLEMENTAL TRUST INDENTURE BETWEEN THE BOARD AND FARMERS BANK & CAPITAL TRUST COMPANY, FRANKFORT, KENTUCKY, AS TRUSTEE, IN COMPLIANCE WITH THE PROVISIONS OF THE TRUST INDENTURE DATED JUNE 1, 1965.

Recommendation: that the Board of Trustees approve a Resolution authorizing the issuance of approximately \$20,425,000 of University of Kentucky Housing and Dining System Refunding Revenue Bonds, Series N, P, Q and R (Second Series), to be dated the first day of the month in which the Series N, P, Q and R (Second Series) Bonds are sold.

The Resolution authorizes the issuance of approximately \$20,425,000 of Series N, P, Q and R (Second Series) Bonds for the purpose of refinancing the outstanding University of Kentucky Housing and Dining System Revenue Bonds, Series N (Second Series), Series P, Series Q and Series R, which were originally issued to finance or refinance (i) the construction of new student housing, the reconstruction of three dormitories, the acquisition of Linden Walk – Rose Lane Apartments, and additions to the Student Center, (ii) renovations to Donovan Hall, Haggin Hall and Greg Page Stadium View Apartments, (iii) renovations to Cooperstown/Shawneetown, Donovan Hall, Kirwin-Blanding and other student housing and (iv) Patterson Hall Renovation, Holmes Hall HVAC, Cooperstown/Shawneetown III (including Student Housing Fire Safety), Blanding I-IV Sprinklers (Blanding Low Rise), Keeneland Hall Sprinklers and Blazer Hall Sprinklers, respectively, for housing and dining purposes, all of which are a part of the University's Housing and Dining System.

The Resolution also approves the offering for sale of the Series N, 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 18, 2004). The Resolution further authorizes the acceptance of the bid for the sale of the Series N, P, Q and R (Second Series) Bonds by the Treasurer. The exact principal amount of Series N, 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 N, P, Q and R (Second Series) 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 Housing and Dining System Revenue Bonds, Series I, K, M and O (Second Series), N (Second Series), P, Q, R and S (the "Outstanding Bonds"), all secured by a pledge of the Revenues derived from the operation of the University's Housing and Dining

System (the "System") and by a statutory mortgage lien against all of the buildings of the System. The Resolution authorizes the execution of a Thirteenth Supplemental Trust Indenture with Farmers Bank & Capital Trust Company, Frankfort, Kentucky, as Trustee, Bond Registrar, Transfer Agent and Payee Bank, which provides for the execution of an appropriate parity certification establishing that the "coverage" of projected income of the System over debt service will meet the 1.30 test necessary to establish that the Series N, P, Q and R (Second Series) Bonds will rank on a parity with the Outstanding Bonds, and the execution of the Certificate of the Director of Physical Plant.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_