

**ADDENDUM TO THE AGENDA
UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

September 5, 1996

E. REPORT ON STUDENT HOUSING CONSTRUCTION PROJECTS AND FINANCING

1. APPROVAL OF RESOLUTION TO AUTHORIZE THE FINANCE COMMITTEE TO APPROVE THE SALE OF STUDENT HOUSING REFUNDING BONDS, SERIES 1996

On a motion by Mr. Wills, seconded by Ms. Cable, the following was approved:

WHEREAS, the Board of Trustees (the "Board") of the University of Southern Indiana (the "University") has full power and authority under and by virtue of the laws of the State of Indiana, including, more particularly, the provisions of Indiana Code 20-12-8, to issue refunding bonds secured by the student housing facilities and the revenue generated thereby in order to refund the bonds issued to construct, furnish, and equip student housing facilities on its Evansville campus;

WHEREAS, the Board has previously determined that it is in the best interests of the University to refund the City of Evansville Economic Development Revenue Bonds, (Mid America Student Housing, Inc. Project) issued October 1, 1983, in the aggregate principal amount of \$3,600,000; Series A (Southern Indiana Higher Education, Inc. Project) issued June 1, 1986, in the aggregate principal amount of \$2,750,000; Series B issued April 1, 1989, in the aggregate principal amount of \$460,000; Series C issued March 1, 1990, in the aggregate principal amount of \$1,100,000; Series D issued March 1, 1991, in the aggregate principal amount of \$550,000; Series E issued March 1, 1992, in the aggregate principal amount of \$550,000; Series F issued March 1, 1993, in the aggregate principal amount of \$460,000; University of Southern Indiana Student Housing Revenue Bonds, Series G issued March 6, 1995, in the aggregate principal amount of \$800,000; and Series H issued December 28, 1995, in the aggregate principal amount of \$2,700,000 ("Refunded Bonds") and to finance said refunding by the issuance of University of Southern Indiana Student Housing Revenue Refunding Bonds, Series 1996 (the "Bonds");

WHEREAS, said refunding is in the process of being approved by the State Budget Committee, and interest in providing funds to finance the refunding has been expressed by the current bondholders of the above-referenced bonds;

WHEREAS, the Board now desires to authorize the Treasurer of the University to develop and approve a proposed Plan of Financing for submission to the Finance Committee (the "Committee") to govern the terms of the refunding and the issuance of the Bonds and to obtain any further approvals required for such Plan of Financing; and

WHEREAS, the Board also desires to authorize the Committee to approve the Plan of Financing and to authorize the execution and delivery of the Bonds, an Eighth Supplemental Indenture (the "Indenture"), and a Bond Purchase Agreement, and such other documentation as may be deemed necessary by the Committee;

NOW, THEREFORE, Be it resolved by the Board as follows:

- Section 1.** The Treasurer is hereby authorized to investigate, develop, evaluate and present a Plan of Financing to the Committee.
- Section 2.** The Board hereby authorizes the Committee to approve the Plan of Financing or a portion thereof and to authorize the execution and delivery of the University of Southern Indiana Student Housing Revenue Refunding Bonds, Series 1996 (the "Bonds") and the documents referred to in Sections 3, 4, and 5 hereinafter, provided that the following conditions are met:

- a. The total principal amount of the Bonds shall not to exceed the total principal amount of the Refunded Bonds on the date of closing plus any issuing costs;
- b. The interest cost of the Bonds shall not exceed 5.94% per annum for a ten (10) year period following closing, and for each succeeding five (5) year period, the Bonds shall bear interest at an annual rate equal to seventy-two percent (72%) of the Prime Rate as defined in the Indenture, with a prepayment penalty lasting for not more than three (3) years; and
- c. The average maturity of the Bonds shall not extend beyond the average maturity of the Refunded Bonds on the date of closing.

Section 3. Subject to the conditions in Section 2 hereof, the Chairman or Vice Chairman of the Board, or either of them, is hereby authorized to execute and deliver, and the Treasurer, Secretary, or Assistant Secretary of the University, or one of them, is hereby authorized to attest the signature of and to imprint the corporate seal of the University on the Eighth Supplemental Indenture in substantially the form approved by the Committee, with those changes in form or substance that the officers executing those documents shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Subject to the conditions in Section 2 hereof, the Chairman or Vice Chairman of the Board, or either of them, is hereby authorized to execute and deliver, and the Treasurer, Secretary, or Assistant Secretary of the University, or one of them, is hereby authorized to attest the signature of and to imprint the corporate seal of the University on the Bond Purchase Agreement in substantially the form approved by the Committee, with those changes in form or substance that the officers executing those documents shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. Subject to the conditions in Section 2 above, the Treasurer is hereby authorized to prepare the bond forms, as approved by the Committee and to cause the same to be executed manually or by facsimile by the proper officers of the University as provided in the Eighth Supplemental Indenture. Upon execution of the bonds, the Treasurer shall deliver the bonds to the Trustee for authentication, and upon their authentication, the Treasurer is authorized and directed to deliver the Bonds to the purchasers thereof in exchange for the redemption of the Refunded Bonds as provided in the Eighth Supplemental Indenture.

Section 6. Subject to the conditions in Section 2 above, the Chairman, Vice Chairman of the Board and the Treasurer, Assistant Treasurer, Secretary and Assistant Secretary of the University are, and each of them is hereby authorized and directed to do any and all further acts and things necessary including the execution and delivery of such additional or supporting agreements, documents or certificates (including any agreement associated with obtaining bond issuance, if appropriate) as may be requested or necessary in order to complete the transaction contemplated by the Bond Purchase Agreement, the Eighth Supplemental Indenture, and the bond forms hereby authorized.

2. APPROVAL OF RESOLUTION TO AUTHORIZE THE FINANCE COMMITTEE TO APPROVE A PLAN OF FINANCING AND TO AUTHORIZE THE SALE OF STUDENT HOUSING BONDS

On a motion by Mr. McKenna, seconded by Mrs. Bruce, the following was approved:

WHEREAS, the Board of Trustees (the "Board") of the University of Southern Indiana (the "University") has full power and authority under and by virtue of the laws of the State of Indiana, including, more particularly, the provisions of Indiana Code 20-12-8, to issue bonds

secured by the student housing facilities and the revenue generated thereby in order to construct, furnish and equip student housing facilities on its Evansville campus;

WHEREAS, the Board has previously determined that it is in the best interests of the University to construct, furnish, and equip four (4) 16-unit student residence buildings which will provide an additional 256 housing spaces on its Evansville campus (the "Project") and to finance said Project by the issuance of University of Southern Indiana Student Housing Revenue Bonds, Series I (the "Bonds");

WHEREAS, said construction has been approved by the State Budget Committee, and interest in providing funds to finance the construction has been expressed by the current bondholders;

WHEREAS, the Board now desires to authorize the Treasurer of the University to develop and approve a proposed Plan of Financing for submission to the Finance Committee (the "Committee") to govern the terms of the Project and the issuance of the Bonds and to obtain any further approvals required for such Plan of Financing; and

WHEREAS, the Board also desires to authorize the Committee to approve the Plan of Financing and to authorize the execution and delivery of the Bonds, a Ninth Supplemental Indenture (the "Indenture"), and a Bond Purchase Agreement, and such other documentation as may be deemed necessary by the Committee;

NOW, THEREFORE, Be it resolved by the Board as follows:

- Section 1.** The Treasurer is hereby authorized to investigate, develop, evaluate and present a Plan of Financing to the Committee.
- Section 2.** The Board hereby authorizes the Committee to approve the Plan of Financing or a portion thereof and to authorize the execution and delivery of the University of Southern Indiana Student Housing Revenue Bonds, Series I (the "Bonds") and the documents referred to in Sections 3, 4, and 5 hereinafter, provided that the following conditions are met:
- a. The total principal amount of the Bonds shall not exceed \$4,300,000.
 - b. The interest cost of the Bonds shall not exceed 5.94% per annum for a ten (10) year period following closing, and for each succeeding five (5) year period, the Bonds shall bear interest at an annual rate equal to seventy-two percent (72%) of the - Prime Rate as defined in the Indenture, with a prepayment penalty lasting for not more than three (3) years.
 - c. The final maturity of the Bonds shall not extend beyond October 1, 2021.
- Section 3.** Subject to the conditions in Section 2 hereof, the Chairman or Vice Chairman of the Board, or either of them, is hereby authorized to execute and deliver, and the Treasurer, Secretary, or Assistant Secretary of the University, or one of them, is hereby authorized to attest the signature of and to imprint the corporate seal of the University on the Ninth Supplemental Indenture in substantially the form approved by the Committee, with those changes in form or substance that the officers executing those documents shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Subject to the conditions in Section 2 hereof, the Chairman or Vice Chairman of the Board, or either of them, is hereby authorized to execute and deliver, and the Treasurer, Secretary, or Assistant Secretary of the University, or one of them, is hereby authorized to attest the signature of and to imprint the corporate seal of the University on the Bond Purchase Agreement in substantially the form approved by the Committee, with those changes in form or substance that the officers executing those documents shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. Subject to the conditions in Section 2 above, the Treasurer is hereby authorized to prepare the bond forms, as approved by the Committee and to cause the same to be executed manually or by facsimile by the proper officers of the University as provided in the Ninth Supplemental Indenture. Upon execution of the bonds, the Treasurer shall deliver the bonds to the Trustee for authentication, and upon their authentication, the Treasurer is authorized and directed to deliver the Bonds to the purchasers thereof in exchange for payment of the purchase price as provided in the Ninth Supplemental Indenture.

Section 6 Subject to the conditions in Section 2 above, the Chairman, Vice Chairman of the Board and the Treasurer, Assistant Treasurer, Secretary, and Assistant Secretary of the University are, and each of them is hereby authorized and directed to do any and all further acts and things necessary including the execution and delivery of such additional or supporting agreements, documents or certificates (including any agreement associated with obtaining bond issuance, if appropriate) as may be requested or necessary in order to complete the transaction contemplated by the Bond Purchase Agreement, the Ninth Supplemental Indenture, and the bond forms hereby authorized.

3. REPORT OF THE FINANCE COMMITTEE

4. UPDATE ON HOUSING CONSTRUCTION PROJECTS