

MINUTES OF THE FINANCE COMMITTEE

October 9, 1989

The University of Southern Indiana Board of Trustees Finance Committee met in the offices of the Vincennes Sun Commercial in Vincennes, Indiana, on Monday, October 9, 1989. Present were Trustees Robert M. Boyer, and William E. Brooks, Jr. Also attending was Vice President Byron Wright. Dr. Percy Clark, Finance Committee member, was absent.

Mr. Brooks, chairman of the Finance Committee, recognized a quorum and called the meeting to order at 2:15 p.m.

Mr. Brooks called on Mr. Wright to lead discussion of the telecommunications system financing. Discussion of the proposals submitted by various banks, as summarized in Exhibit A, followed. On a motion by Mr. Boyer, the committee accepted the proposal submitted by Indiana National Bank of Indianapolis, Indiana, on October 5, 1989, and approved the following resolution. The motion was seconded by Mr. Brooks and passed unanimously.

WHEREAS, the University of Southern Indiana ("University") has full power and authority under and by virtue of the laws of the State of Indiana, including, more particularly, the provisions of I.C. 20-12-6 to issue bonds secured by student fees either as prior or subordinated bonds to finance facilities located at its campus; and

WHEREAS, the Board of Trustees of the University (the "Board") now desires to issue its University of Southern Indiana Junior Lien Student Fee Bonds, Series 1989 ("Junior Lien Bonds") for the purpose of providing funds to finance the cost of a telecommunications project on its campus; and

WHEREAS, the Board has authorized the Finance Committee thereof to act on its behalf to approve the forms of an Indenture (the "Indenture") between the University and the Merchants National Bank of Terre Haute, as Trustee (the "Trustee"), a Bond Purchase Agreement (the "Bond Purchase Agreement") between the University and INB National Bank (the "Underwriter"), and the Junior Lien Bonds, which forms have been presented to this meeting:

NOW, THEREFORE, BE IT RESOLVED by the Finance Committee of this Board as follows:

Section 1. The forms of the Indenture, the Bond Purchase Agreement, and the Junior Lien Bonds are approved in substantially the form presented to this meeting.

Section 2. Subject to Section 4 hereof, the Chairman and a Vice Chairman of the Board, or any of them, are hereby authorized to execute and deliver the Indenture in substantially the form presented at this meeting with such changes in form or substance as the officers executing such form shall approve, such approval to be conclusively evidenced by the execution thereof, and the Secretary and Assistant Secretary of the Board, or either of them, are hereby authorized to attest the signatures of the Chairman or Vice Chairman on the Indenture and to affix or imprint the seal of the University thereon.

Section 3. Subject to Section 4 hereof, the Chairman, a Vice Chairman, and Treasurer of the Board, and the Assistant Vice President for Business Affairs of the University of Southern Indiana, or any of them, are hereby authorized to execute and deliver the Bond Purchase Agreement in substantially the form presented at this meeting with such changes in form or substance as may be approved by the officer so executing and delivering the same, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Chairman, Vice Chairman and Treasurer of the Board, or any of them, are hereby authorized to prepare the forms of Junior Lien Bonds required for the use in the issuance of the Junior Lien Bonds in substantially the form presented at this meeting in the aggregate principal amount not to exceed One Million Dollars (\$1,000,000), with an underwriter's discount not to exceed 1.10 percent and a total discount not to exceed the percentage permitted by law, at an interest rate or rates producing a net interest cost not to exceed 6.825138 percent with such serial or term maturities and with such redemption features as the executing officers shall approve, with a final maturity of no later than October 1, 1996, and cause the same to be executed by the proper officers of the University as provided in the Indenture. Upon execution of the Junior Lien Bonds, the Treasurer shall deliver such bonds to the Trustee for authentication. Upon such authentication, the Treasurer is authorized and directed to deliver the Junior Lien Bonds to the Underwriters upon payment of the purchase price, which price shall not be less than the face amount of the Junior Lien Bonds, less Underwriter's discount and original issue discount, if any, plus accrued interest from the date thereof, all pursuant to the provisions of the Bond Purchase Agreement.

Section 5. The Chairman or Vice Chairman, Secretary or Assistant Secretary and Treasurer of the Board, and Assistant Vice President for Business Affairs for the University of Southern Indiana, or any two of them acting jointly, are hereby authorized and directed to do any and all further acts, to execute any and all further documents or certificates, to obtain insurance for the Junior Lien Bonds from a municipal bond insurer if such insurance is considered appropriate by the Treasurer of the Board, to seek any and all further approvals needed from the State of Indiana and its agencies and representatives and to publish any notice required in order to complete the execution and delivery of the Junior Lien Bonds, the Indenture, and the Bond Purchase Agreement in connection with the Junior Lien Bonds.

Section 6. The University hereby designates the Junior Lien Bonds as qualified tax-exempt obligations for purposes of Section 265(b) of the Internal Revenue Code of 1986.

There being no further business of the Finance Committee, the meeting was adjourned at 2:30 p.m.

RECEIVED 10-5-89
SUMMARY OF BIDS FOR TELECOMMUNICATION FINANCING

<u>Lender</u>	<u>Interest</u>	<u>Principal</u>	<u>Fixed Rate</u>	<u>Floating Rate % Prime</u>
National City Bank Evansville, Indiana	M	Q or S	8.14%	72.8%
Old National Bank Evansville, Indiana	M	M	---	70.0%
Terre Haute First National Bank Terre Haute, Indiana	Q or S	Q or S	7.19%	---
Citizens National Bank Evansville, Indiana	Q	Q	---	70.0%
Merchants National Bank Indianapolis, Indiana	M	M or Q S	6.875%	60.0% OF PRIME + 3/8%
Indiana National Bank Indianapolis, Indiana	M	S	6.825138% *	---
*Bonds to be sold with net interest cost not to exceed this rate.				
Bank One Indianapolis, Indiana	S	S	7.10%	

M = Monthly
Q = Quarterly
S = Semi-annually