

AGENDA

FINANCE COMMITTEE

**UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

November 26, 2001

- 1. APPROVAL OF RESOLUTION APPROVING AND AUTHORIZING THE SALE OF STUDENT FEE BONDS TO FINANCE THE CONSTRUCTION OF THE SCIENCE AND EDUCATION CENTER**

Approval of the Resolution of the Finance Committee of the Board of Trustees for the University of Southern Indiana Approving and Authorizing the Sale of the University of Southern Indiana Student Fee Bonds (Attachment A) is recommended.

**RESOLUTIONS OF THE FINANCE COMMITTEE OF THE BOARD OF
TRUSTEES FOR THE UNIVERSITY OF SOUTHERN INDIANA
APPROVING AND AUTHORIZING THE SALE OF THE
UNIVERSITY OF SOUTHERN INDIANA STUDENT FEE BONDS**

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 20-12-6, to issue bonds secured by Student Fees to finance and refinance academic and building facilities on its Evansville campus; and

WHEREAS, the University has heretofore executed and delivered to The Merchants National Bank of Terre Haute, as succeeded by Old National Trust Company, as Trustee (the "Trustee"), a certain Trust Indenture dated as of November 1, 1985 (the "Indenture"), for the purpose of securing its Student Fee Bonds issued from time to time thereunder; and

WHEREAS, Article IV of the Indenture authorizes the issuance of additional series of Bonds by the University and the authentication and delivery of those additional series of Bonds by the Trustee under the conditions set forth in Article IV, which conditions have been complied with so as to authorize the issuance, authentication and delivery of those Bonds by the Trustee under the conditions set forth in Article IV, to provide the funds required to finance and refinance the construction of the Science/Education Building and related site preparation (the "Project"); and

WHEREAS, the Board has authorized the Treasurer of the University (the "Treasurer") to investigate, develop a plan to accomplish the financing and refinancing of the Project (the "Plan of Financing") and to present that Plan of Financing for approval to the Finance Committee of the Board (the "Committee"), to whom authority to approve the issuance of bonds has been properly delegated pursuant to the Board Resolution dated September 6, 2001 (the "Board Resolution"); and

WHEREAS, the Board has authorized the Committee to approve a Plan of Financing and to authorize the execution and delivery of the University of Southern Indiana Student Fee Bonds, in one or more series (the "Bonds"), and of a Sixth Supplemental Indenture, a Preliminary Official Statement, a final Official Statement, a Bond Purchase Agreement, a Second Supplement to Continuing Disclosure Undertaking Agreement, a Construction and Rebate Agreement and forms of the Bonds, pursuant to the Board Resolution; and

WHEREAS, the Treasurer has investigated, developed, evaluated and presented a Plan of Financing to the Committee; and

WHEREAS, the Committee desires to approve the Plan of Financing presented by the Treasurer; and

WHEREAS, there has now been submitted to the Committee a form of Sixth Supplemental Indenture (the "Sixth Supplemental Indenture"), a form of Preliminary Official Statement (the

"Official Statement"), a form of Bond Purchase Agreement (the "Bond Purchase Agreement"), a form of Construction and Rebate Agreement (the "Construction and Rebate Agreement") and a form of Second Supplement to Continuing Disclosure Undertaking Agreement (the "Undertaking Agreement") in connection with the issuance of the Bonds in an aggregate principal amount not to exceed \$25,000,000 for the financing and refinancing of the Project plus certain additional costs and discounts and funding requirements, which financing has been approved by the State Budget Agency of the State of Indiana;

NOW, THEREFORE, BE IT RESOLVED by the Committee as follows:

Section 1. The Plan of Financing is hereby approved with respect to the financing and refinancing of the Project. Also, the use of bond insurance is hereby approved.

Section 2. The issuance of the Bonds by the University on the terms and conditions set forth in the Sixth Supplemental Indenture is hereby authorized in the total principal amount not to exceed the sum of \$25,000,000 for the financing and refinancing of the Project, plus underwriter's discount, as described below, original issue discount, as permitted by law, costs of issuance, costs of any premium for bond insurance and capitalized interest on the Bonds. The Bonds shall be designated "University of Southern Indiana Student Fee Bonds, Series H" (the "Bonds"). The true interest cost of the Bonds shall not exceed 7%, with a maximum underwriter's discount of 1% and with such serial or term maturities and redemption features as the executing officers shall approve. The final maturity of the Bonds shall not extend beyond October 1, 2022. The Bonds shall be sold pursuant to the Bond Purchase Agreement at negotiated sale to Banc One Capital Markets, Inc., as underwriter.

Section 3. The Sixth Supplemental Indenture is approved in substantially the form submitted to the Committee and is made a part of this Resolution as if fully set forth herein. The Chairman or Vice Chairman of the University, or either of them, is hereby authorized to execute and deliver, and the Secretary or Assistant Secretary of the University, or either of them, is hereby authorized to attest the signature of and to imprint the corporate seal of the University on the Sixth Supplemental Indenture in substantially the form presented to this meeting, with those changes in form or substance that the officers executing that document shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Official Statement is approved in substantially the form submitted to the Committee and is made a part of this Resolution as if fully set forth herein and the prior distribution and use of the Official Statement is hereby ratified and confirmed. The Treasurer of the University is hereby authorized and directed to make those changes in form or substance as are necessary or appropriate, and to deem an Official Statement to be final or nearly final for purposes of applicable Securities and Exchange Commission rules, to execute and deliver the form of any final Official Statement with those changes in form or substance that the Treasurer shall approve, and to cause printed copies of the final Official Statements to be provided to those prospective purchasers, investors and other persons as he may deem advisable in order to market the Bonds, and any such prior actions are hereby ratified and confirmed.