

Minutes of an Adjourned Special Meeting of the Executive Committee of the Board of Trustees of the University of Kentucky, held on December 16, 1965

The Executive Committee of the Board of Trustees of the University of Kentucky met in the Board of Trustees' Room of the University, in the Administration Building on the campus in Lexington, Kentucky, on December 16, 1965, at 11:00 a. m., Eastern Standard Time, pursuant to adjournment from the special meeting held on November 29, 1965, as noted in the minutes.

Dr. Ralph J. Angelucci, Vice-Chairman of the Board of Trustees and Chairman of the Executive Committee, was in the Chair presiding. Upon call of the roll, it was determined that the following members of the Executive Committee were present: Mr. Robert Hillenmeyer, Dr. H. B. Murray and Judge J. A. Sutherland. Absent: Mr. Smith Broadbent, Jr.

Also present for the meeting were Dr. John W. Oswald, President of the University, Robert F. Kerley, Vice President for Business Affairs and Treasurer, Glenwood L. Creech, Vice President - University Relations, Robert L. Johnson, Vice President - Student Affairs, John C. Darsie, Jr., University Counsel, and a representative of the Financial Advisors employed on behalf of the Board by the Commissioner of Finance of the Commonwealth in connection with the issuance of the Board's "University of Kentucky Housing and Dining System Revenue Bonds," dated June 1, 1965.

A. Meeting Opened

It having been determined that a quorum was present for the transaction of business, the Chairman called the meeting to order.

At the request of the Chairman, the Secretary read to the Executive Committee the closing passage of the minutes of the meeting which was held on November 29, 1965, wherein it was shown that such meeting was adjourned to convene again on this day and at this hour for the purpose of receiving, considering and taking action upon such purchase bids as may at this time be available for consideration by the Executive Committee with reference to its public offering of its "Housing and Dining System Revenue Bonds, Series H and Series I," according to authorizations adopted and approved upon the occasion of the Board meetings of September 21 and November 21, 1965, and the Executive Committee meeting of November 29, 1965.

In view thereof the Chairman stated that unless objections were heard from members of the Executive Committee, the matter of opening and taking action upon bids for the purchase of the Bonds would be taken up as the first order of business. No objections were heard, and it was so ordered.

B. Bids Received

The President of the University then presented to the Executive Committee all purchase bids which had been received in his office at or prior to 11:00 a.m., Eastern Standard Time, on the day of the meeting. The Secretary suggested that prior to the opening of bids it was considered proper to tender to the Executive Committee proof of proper advertising of the sale of the Bonds according to the requirements of Chapter 424 of the Kentucky Revised Statutes, and in that connection presented an Affidavit from an employee of The Courier-Journal, Louisville, Kentucky, and an Affidavit from an employee of The Daily Bond Buyer, New York, N. Y., each showing publication of the "Notice of Sale of Bonds" on December 2, 1965. In this connection there was also tendered a copy of the "Official Statement" prepared by the Financial Advisors and disseminated widely on an unsolicited basis, as well as to all interested parties requesting copies thereof. On motion duly made, seconded and unanimously carried, it was ordered that these documents be preserved by the Secretary as permanent records of the Executive Committee of the Board of Trustees relating to the public offering of the "Housing and Dining System Revenue Bonds, Series H and Series I," but that the same not be copied in full, as constituting a part of the minutes of the meeting.

The Chairman then announced that the day and hour set forth in the "Notice of Sale of Bonds" having arrived, the receipt of bids was closed. He then proceeded in open session to open and publicly read each purchase bid as tendered by the President. It was ordered that the same be listed in the minutes by name of bidder (or name of the manager or managers of each bidding account), price offered for each Series, and interest coupon rate or rates stipulated, which is done as follows:

BIDS RECEIVED FOR "BIDDING BLOCK A," BEING A TOTAL OF \$18,900,000 OF BONDS COMPRISING ALL OF THE \$6,900,000 SERIES H BONDS AND ALL OF THE \$12,000,000 OF SERIES I BONDS MATURING IN THE YEARS 1969 to 1999, INCLUSIVE

<u>NAME OF BIDDER</u>	<u>PRICE OFFERED</u>	<u>INTEREST RATE OR RATES STIPULATED</u>
Lehman Brothers, Phelps, Fenn & Co., Bear, Stearns & Co., and Associates	\$18,902,457.00	4.90% 1966 to 1974, incl. 4.70% 1975 3.90% 1976-1993, incl. 4% 1994-1999, incl.

Smith, Barney & Co., Incorporated		4.75% 1966 to 1977, incl.
Halsey, Stuart & Co., Inc.,	\$18,903,534.30	3.75% 1978 to 1982, incl.
B.J. Van Ingen & Co., Inc., and Associates		3.80% 1983 to 1984, incl. 3.90% 1985 to 1989, incl. 4.00% 1990 to 1999, incl.
Blyth & Co., Inc., The First Boston Corporation, and Associates	\$18,900,000.00	5% 1966 to 1972, incl. 4.10% 1973 to 1974, incl. 4% 1975 to 1999, incl.

BIDS RECEIVED FOR "BIDDING BLOCK B," BEING THE
\$8,000,000 "HOUSING AND DINING SYSTEM REVENUE BONDS,
SERIES I," MATURING IN THE YEARS 2000-2005

(The only purchase bid received for any of the Bonds of "Bidding Block B" was a bid of the United States Government (submitted in accordance with the Loan Agreement made by the Board of Trustees with the Government under date of December 1, 1965), being an offer to purchase the entire \$8,000,000 of Series I Bonds maturing in the years 2000 to 2005, inclusive, at par and accrued interest and at a single uniform interest rate of three per cent (3%) per annum.)

Each bid was examined on behalf of the Executive Committee by the representative of the Financial Advisors for matters relating to conformity with the terms and conditions of the public offering, including attachment of the required good faith deposit in the case of each bid for "Bidding Block A."

The Financial Advisors reported that in these respects all of the bids were in order.

On motion of Executive Committee Member Sutherland, seconded by Executive Committee Member Murray, and unanimously carried, the bids were referred to the Financial Advisors and the Vice President for Business Affairs for tabulation and comparison, and the Executive Committee then recessed briefly in order to permit the necessary mathematical calculations to be made.

C. President's Biennial Report Presented

During the recess period, President Oswald took the opportunity to distribute copies of his Report for the 1963-65 biennium, to the members. He called attention to several sections of the report but emphasized that the copies thus far available were not in final format. Dr. Oswald commented on the fine work Vice President Creech's staff, especially Mr. Norman Snider, did in preparing this report. Copies of the report when finished will be mailed to the Board of Trustees, to the members of the Legislature and to other institutions of higher education throughout the country.

The members of the Board expressed their gratification at the splendid report which covered the achievements of the past two years and commended Dr. Oswald for the excellent manner in which the report was presented.

D. Resolution Adopted Awarding Bid

Upon announcement to the Chairman that the Financial Advisors and the Vice President for Business Affairs were prepared to report the results of their comparison and analysis of the purchase bids, the meeting was reconvened at the order of the Chairman, and it was noted that all members of the Executive Committee present prior to the brief recess were again present.

The Chairman then invited the Financial Advisors to present their findings and recommendations.

In connection with the \$18,900,000 "Housing and Dining System Revenue Bonds, Series H and Series I," constituting "Bidding Block A," as publicly offered, the Financial Advisors reported that upon analysis of the bids and comparison thereof, the best bid received in accordance with the terms of the public offering was that of Lehman Bros.; Phelps, Fenn & Co.; Bear, Stearns & Co., and Associates offering to purchase the entire amount thereof at a price of \$18,902,457.00 and at interest coupon rates as follows:

<u>YEAR OF MATURITY</u>	<u>SERIES H</u>	<u>SERIES I</u>	<u>INTEREST RATE</u>
1966	\$150,000		4.90 %
1967	300,000		4.90 %
1968	300,000		4.90 %
1969	300,000	\$ 50,000	4.90 %
1970	300,000	50,000	4.90 %
1971	300,000	50,000	4.90 %
1972	280,000	70,000	4.90 %
1973	280,000	70,000	4.90 %
1974	280,000	120,000	4.90 %
1975	290,000	110,000	4.70 %
1976	290,000	110,000	3.90 %
1977	290,000	110,000	3.90 %
1978	290,000	160,000	3.90 %
1979	300,000	150,000	3.90 %
1980	300,000	200,000	3.90 %
1981	300,000	200,000	3.90 %
1982	300,000	200,000	3.90 %
1983	260,000	240,000	3.90 %
1984	260,000	240,000	3.90 %
1985	240,000	260,000	3.90 %
1986	250,000	250,000	3.90 %
1987	250,000	250,000	3.90 %
1988	260,000	290,000	3.90 %
1989	260,000	290,000	3.90 %
1990	270,000	330,000	3.90 %
1991		700,000	3.90 %
1992		700,000	3.90 %
1993		750,000	3.90 %
1994		750,000	4 %
1995		850,000	4 %
1996		1,000,000	4 %
1997		1,050,000	4 %
1998		1,200,000	4 %
1999		1,200,000	4 %

The Chairman asked whether there was any dispute among the bidders regarding the findings reported by the Financial Advisors, and no complaints were heard.

With reference to the sale of the \$8,000,000 "Housing and Dining System Revenue Bonds, Series I," maturing in the years 2000 to 2005, inclusive, and comprising "Bidding Block B," the Financial Advisors reported that there were no bids received from any private investor.

On this basis the Financial Advisors recommended that the Bonds comprising Bidding Block B be awarded to the United States Government at a single uniform rate of 3% per annum as provided in the Loan Agreement and in the bid received from the United States Government.

Thereupon Executive Committee Member Murray introduced, caused to be read and moved immediate adoption of the following resolution:

THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY, LEXINGTON, KENTUCKY, DOES HEREBY RESOLVE, AS FOLLOWS:

Section 1. That the entire \$18,900,000 of Bonds comprising "Bidding Block A," comprising all of the \$6,900,000 Series H Bonds, and all of the Series I Bonds maturing in the years 1969 to 1999, inclusive, as authorized and provided for in the Trust Indenture made by the Board with Farmers Bank & Capital Trust Company, Frankfort, Kentucky, be and the same are hereby awarded to Lehman Bros.; Phelps, Fenn & Co.; Bear, Stearns & Co. & Associates upon its purchase offer of \$18,902,457.00 (with accrued interest to delivery) at the respective interest coupon rates as follows:

<u>YEAR OF MATURITY</u>	<u>SERIES H</u>	<u>SERIES I</u>	<u>INTEREST RATE</u>
1966	\$150,000		4.90 %
1967	300,000		4.90 %
1968	300,000		4.90 %
1969	300,000	\$ 50,000	4.90 %
1970	300,000	50,000	4.90 %
1971	300,000	50,000	4.90 %
1972	280,000	70,000	4.90 %
1973	280,000	70,000	4.90 %
1974	280,000	120,000	4.90 %
1975	290,000	110,000	4.70 %
1976	290,000	110,000	3.90 %
1977	290,000	110,000	3.90 %
1978	290,000	160,000	3.90 %
1979	300,000	150,000	3.90 %
1980	300,000	200,000	3.90 %
1981	300,000	200,000	3.90 %
1982	300,000	200,000	3.90 %
1983	260,000	240,000	3.90 %
1984	260,000	240,000	3.90 %
1985	240,000	260,000	3.90 %
1986	250,000	250,000	3.90 %
1987	250,000	250,000	3.90 %
1988	260,000	290,000	3.90 %
1989	260,000	290,000	3.90 %
1990	270,000	330,000	3.90 %
1991		700,000	3.90 %
1992		700,000	3.90 %
1993		750,000	3.90 %
1994		750,000	4 %
1995		850,000	4 %

<u>YEAR OF MATURITY</u>	<u>SERIES H</u>	<u>SERIES I</u>	<u>INTEREST RATE</u>
1996		1,000,000	<u>4</u> %
1997		1,050,000	<u>4</u> %
1998		1,200,000	<u>4</u> %
1999		1,200,000	<u>4</u> %

Section 2. That all of the \$8,000,000 of Bonds comprising "Bidding Block B," being all of the "Housing and Dining System Revenue Bonds, Series I," which will mature in the years 2000 to 2005, inclusive, as authorized and provided for in the aforesaid Trust Indenture, be and the same are hereby awarded to the United States of America, Department of Housing and Urban Development, upon its bid of face amount and accrued interest to delivery, at a single uniform interest rate of three per cent (3%) per annum.

Section 3. The good faith check submitted by private investors with the bid hereinabove accepted shall be retained uncashed by the Treasurer until the Bonds are delivered and paid for, at which time disposition thereof shall be made as provided in the "Notice of Sale of Bonds." The Secretary shall immediately return the good faith checks submitted with all other bids received from private investors.

Section 5. The Financial Advisors and Bond Counsel are hereby authorized to instruct the selected bond printing firm to proceed with all proper dispatch in the preparation of the Bonds in accordance with the interest rates hereinabove established; it being noted that in the case of Bonds of Series I purchased by the United States Government, the same shall be issued in the "Form of Fully Registered Bond" appearing in the Trust Indenture, whereas in the case of Bonds of Series H and Series I awarded to private investors the same shall be prepared as negotiable coupon bonds in the denomination of \$5,000.00 each, registrable as to (principal) only, substantially in accordance with the "Form of Coupon Bond" appearing in said Trust Indenture.

Section 6. This Resolution shall be in full force and effect from and after its adoption.

(End of Resolution)

Said Resolution was seconded by Executive Committee Member Hillenmeyer. After full discussion the Chairman put the question and upon call of the roll the vote thereon was recorded as follows: Voting "Aye": Dr. Ralph J. Angelucci, Mr. Robert Hillenmeyer, Dr. H. B. Murray and Judge J. A. Sutherland. Voting "Nay": None.

The Chairman then announced that said Resolution had been duly adopted and was in full force and effect.

E. Date Set for Acceptance of Delivery and Payment

The Financial Advisors then reported to the Chairman that arrangements have been made for the United States Government to accept all Bonds awarded to it, in the Atlanta, Georgia, office of the Department of Housing and Urban Development, on January 27, 1966, at 10:00 A.M., Eastern Standard Time, and asked permission of the Chairman to notify the successful bidders for the Bonds of "Bidding Block A" that they must be prepared to accept delivery and make payment at the same day and hour, in the premises of a bank or trust company to be designated upon reasonable notice as provided in the "Notice of Sale of Bonds." By unanimous agreement it was ordered that the Financial Advisors be given such authority and instructed to proceed in such manner.

F. Meeting Adjourned

There being no further business, on motion and vote the meeting was adjourned.

Secretary, Executive Committee,
Board of Trustees
University of Kentucky