

MINUTES
Special Meeting
Indiana State University Board of Trustees
Thursday, October 23, 2014, 8:00 a.m.
Parsons Hall, Room 210, Terre Haute, Indiana

1. Call to Order

The meeting was called to order at 8:00 a.m.

2. New Business Item

2a. For Passage, Approval of Bond Refunding Solution (Ms. McKee)
(vote taken by roll call)

Robert W. Baesler	Present	
Tanya R. Bell	Present	(available telephonically)
Kathleen G. Cabello	Present	(available telephonically)
David C. Campbell	Present	(available telephonically)
Norman L. Lowery	Present	
Randall K. Minas	Present	(available telephonically)
Edward A. Pease	Present	(available telephonically)
Erin Sluyter	Present	
Jeff Taylor	Present	(available telephonically)

The University has an opportunity to save an estimated \$2.6 million in debt service expense by refunding existing bond issues. Increasing favorable tax-exempt bond rates are coinciding with scheduled call dates for remaining Series K, Series L, and a portion of Series M issues. The proposed refunded issue, which would be designated Series Q, would include refunding all outstanding principal of Series K and Series L Bonds issued July 20, 2004 and January 27, 2005, respectively, and a portion of Series M Bonds issued June 27, 2007. Total refunding will not exceed \$21.5 million plus cost of issuance. The debt service savings benefit both the State of Indiana and Indiana State University.

The resolution, shown below, allows for authorization and approval of the sale of Indiana State University Student Fee Bonds, Series Q.

Recommendation: Approval of the attached resolution allowing the President of the University and/or Treasurer of the Board of Trustees to develop and submit a plan of financing, to obtain all necessary state agency approvals for the sale of Series Q Bonds.

On a motion by Ms. Sluyter, seconded by Mr. Taylor, the recommendation was approved. Mr. Lowery abstained from voting.

3. Adjournment

The meeting was adjourned at 8:26 a.m.

RESOLUTIONS OF THE BOARD OF TRUSTEES FOR THE
INDIANA STATE UNIVERSITY BOARD OF TRUSTEES
APPROVING AND AUTHORIZING THE SALE OF THE
INDIANA STATE UNIVERSITY STUDENT FEE BONDS, SERIES Q

WHEREAS, the Board of Trustees (the "Board") of the Indiana State University Board of Trustees (the "University") has determined that a necessity exists to consider financing the current refunding of (i) all of the outstanding principal amount of the Indiana State University Student Fee Bonds, Series K, issued on July 20, 2004 in the original aggregate principal amount of \$30,165,000 (the "Series K Bonds"); (ii) all of the outstanding principal amount of the Indiana State University Student Fee Bonds, Series L, issued on January 27, 2005 in the original aggregate principal amount of \$38,370,000 (the "Series L Bonds"); and (iii) a portion of the outstanding principal amount of the Indiana State University Student Fee Bonds, Series M, issued on June 29, 2007 in the original aggregate principal amount of \$47,730,000 (the "Series M Bonds"), comprised of the Series M Bonds maturing on October 1, 2025 and October 1, 2032 (the refunded Series M Bonds, together with the Series K Bonds and the Series L Bonds, referred to collectively as the "Refunded Bonds"); and

WHEREAS, the Board 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 21-34-1 et seq., to issue bonds secured by Student Fees to finance or refinance academic and building facilities on its Terre Haute campus; and

WHEREAS, the University has heretofore executed and delivered to First Financial Bank, N.A. (formerly known as Terre Haute First National Bank), as trustee (the "Trustee"), a certain Trust Indenture dated as of November 1, 1985, as heretofore supplemented and amended (the "Indenture"), for the purpose of securing its Indiana State University Student Fee Bonds (hereinafter sometimes referred to as the "Bonds"), issued from time to time thereunder; and

WHEREAS, the Treasurer of the University (the "Treasurer") has investigated, developed and evaluated a Plan of Financing (the "Plan of Financing") for financing the current refunding of the Refunded Bonds; and

WHEREAS, the Board now desires to authorize the Treasurer to effectuate such Plan of Financing for financing the current refunding of the Refunded Bonds; 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 (subject to approval by the State Budget Committee (if necessary) and the State Budget Director of the State of Indiana) so as to authorize the issuance, authentication and delivery of an additional series of Bonds by the Trustee under the conditions set forth in Article IV, to provide the funds required to finance the current refunding of the Refunded Bonds, as well as certain related costs incidental to the financing; and

WHEREAS, the Board now desires to authorize the execution and delivery of the Indiana State University Student Fee Bonds, Series Q (the "Series Q Bonds"), and a Fourteenth Supplemental Indenture (the "Fourteenth Supplemental Indenture"), a Rebate Agreement (the

"Rebate Agreement"), a Preliminary Official Statement (the "Official Statement"), a final Official Statement, a Bond Purchase Agreement (the "Bond Purchase Agreement"), a Third Supplement to Amended and Restated Continuing Disclosure Undertaking Agreement (the "Undertaking Agreement"), forms of the Series Q Bonds, and any further documents required to complete the execution and delivery of the Series Q Bonds, subject to approval by the State Budget Committee (if necessary) and the State Budget Director of the State of Indiana; and

WHEREAS, there has now been made available to the Board a form of Fourteenth Supplemental Indenture, a form of Rebate Agreement, a form of Official Statement, a form of Bond Purchase Agreement and a form of Undertaking Agreement in connection with the issuance of the Series Q Bonds in an aggregate principal amount not to exceed \$21,500,000, plus additional amounts needed for underwriters' discount as described below and any original issue discount or bond premium, as permitted by law, costs of issuance, any amounts necessary to provide for any debt service reserve fund, and costs of any premiums for bond or debt service reserve fund insurance; and

WHEREAS, the Board now desires to authorize and direct the President of the University (the "President") and the Treasurer to do any and all acts and things, to seek all necessary approvals from the State Budget Committee (if necessary) and the State Budget Director of the State of Indiana, and to make and approve all changes in form or substance to the Fourteenth Supplemental Indenture, the Bond Purchase Agreement, the Rebate Agreement, the Undertaking Agreement or the Official Statement, necessary to secure approval of the transaction contemplated herein by any rating agency, bond insurer, reserve fund surety bond provider, or the State of Indiana;

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

Section 1. The Plan of Financing investigated, developed and evaluated by the Treasurer is hereby approved and the Treasurer is hereby authorized to effectuate the Plan of Financing with respect to financing the current refunding of the Refunded Bonds.

Section 2. The issuance of the Series Q Bonds by the University on the terms and conditions set forth in the Fourteenth Supplemental Indenture is hereby authorized in the total principal amount not to exceed \$21,500,000, plus additional amounts needed for underwriters' discount as described below and original issue discount or bond premium, as permitted by law, costs of issuance, any amounts necessary to provide for any debt service reserve fund, and costs of any premiums for bond or debt service reserve fund insurance. The Series Q Bonds shall be designated the "Indiana State University Board of Trustees, Indiana State University Student Fee Bonds, Series Q." The true interest cost of the Series Q Bonds shall not exceed 4.50%, with a maximum underwriters' discount of 1.50%, and with such serial or term maturities and redemption features as the executing officers shall approve. The final maturity of the Series Q Bonds shall not extend beyond October 1, 2032, which is the latest maturity of the Refunded Bonds. The Series Q Bonds shall be sold pursuant to the Bond Purchase Agreement at negotiated sale to a managing underwriter and co-managing underwriter as selected and appointed pursuant to Section 12 below.

Section 3. The President and the Treasurer are hereby authorized and directed to do any and all acts and things, to seek all necessary approvals from the State Budget Committee (if

necessary) and the State Budget Director of the State of Indiana, and to make and approve all changes in form or substance to the Fourteenth Supplemental Indenture, the Bond Purchase Agreement, the Rebate Agreement, the Undertaking Agreement or the Official Statement necessary to secure approval of the transaction contemplated herein by any rating agency, bond insurer, reserve fund surety bond provider, or the State of Indiana.

Section 4. The Fourteenth Supplemental Indenture is hereby approved in substantially the form submitted to the Board and is made a part of this Resolution as if fully set forth herein. The President and the Vice President of the University (the "Vice President"), or either of them, are hereby authorized to execute and deliver, and the Secretary and the Assistant Secretary of the University (the "Secretary" and the "Assistant Secretary", respectively), or either of them, are hereby authorized to attest the signature of and to imprint the corporate seal of the University on the Fourteenth Supplemental Indenture in substantially the form presented to the Board, with those changes in form or substance that the President and Treasurer, and the officers executing the Fourteenth Supplemental Indenture, shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Official Statement is approved in substantially the form submitted to the Board and is made a part of this Resolution as if fully set forth herein. The Treasurer is hereby authorized and directed to make those changes in form or substance as are necessary or appropriate, to authorize the distribution of the Official Statement, 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 Preliminary and final Official Statements to be provided to those prospective purchasers, investors and other persons as he may deem advisable in order to market the Series Q Bonds, and any such prior actions are hereby ratified and confirmed.

Section 6. The Bond Purchase Agreement is hereby approved in substantially the form submitted to the Board and is made a part of this Resolution as if set forth fully herein. The President, Vice President and Treasurer, or any of them, are hereby authorized to execute and deliver the Bond Purchase Agreement in substantially the form submitted to the Board, with those changes in form or substance that the President and Treasurer, and the officers executing the Bond Purchase Agreement, shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The Rebate Agreement is hereby approved in substantially the form submitted to the Board and is made a part of this Resolution as if set forth fully herein. The President, Vice President and Treasurer, or any of them, are hereby authorized to execute and deliver, and the Secretary or Assistant Secretary, or either of them, is hereby authorized to attest the signature of and to imprint the corporate seal of the University on, the Rebate Agreement in substantially the form submitted to the Board, with those changes in form or substance that the President and Treasurer, and the officers executing the Rebate Agreement, shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The Undertaking Agreement is hereby approved in substantially the form submitted to the Board and is made a part of this Resolution as if set forth fully herein. The President, Vice President, and Treasurer, or any of them, are hereby authorized to execute and

deliver the Undertaking Agreement in substantially the form submitted to the Board, with those changes in form or substance that the President and Treasurer, and the officers executing the Undertaking Agreement, shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The Treasurer is hereby authorized to prepare the bond forms required for use in the issuance of the Series Q Bonds, on the terms and conditions set forth in the Fourteenth Supplemental Indenture, and to cause the same to be executed manually or by facsimile by the proper officers of the University as provided in the Fourteenth Supplemental Indenture and the Indenture. Upon execution of the Series Q Bonds, the Treasurer shall deliver the Series Q Bonds to the Trustee for authentication, and upon their authentication, the Treasurer is authorized and directed to deliver the Series Q Bonds to the purchasers thereof on payment of the purchase price, which price shall reflect the underwriters' discount permitted by this Resolution and original issue discount or bond premium, if any, as permitted by law.

Section 10. The President, Vice President, Treasurer, Secretary and Assistant Secretary, or any of them acting singly or jointly, are hereby authorized and directed to do any and all further acts and things necessary underlying the execution and delivery of such additional or supporting agreements, documents or certificates as may be requested or necessary in order to complete the transactions contemplated by the Bond Purchase Agreement, the Fourteenth Supplemental Indenture, the Rebate Agreement, the Undertaking Agreement and the Official Statement hereby authorized.

Section 11. The Board hereby approves the calculations made by the Treasurer with respect to the coverage factor of Student Fees to Maximum Annual Debt Service after the issuance of the Series Q Bonds, all as shown in the Official Statement for the Series Q Bonds.

Section 12. The Board hereby ratifies the selection of, and appoints, PNC Capital Markets LLC as senior managing underwriter for the Series Q Bonds, and Edward D. Jones & Co., L.P., as co-managing underwriter for the Series Q Bonds. The Board hereby ratifies the selection of, and appoints, (i) Ice Miller LLP as bond counsel and special disclosure counsel for the Series Q Bonds, and (ii) John S. Vincent & Company LLC as financial advisor for the Series Q Bonds.

Section 13. The use of bond insurance is hereby approved in connection with the Series Q Bonds, if deemed beneficial to the University in the best judgment of the President and the Treasurer. The President and Treasurer are hereby authorized to select a bond insurer, if deemed beneficial at their discretion and using their best judgment, and to accept any commitments and execute any agreements which may be necessary or advisable in connection with any such bond insurance for the Series Q Bonds.

Section 14. The Board hereby finds that the current refunding of the Refunded Bonds will benefit the University because (i) a net savings to the University will be effected; and (ii) the net present value of principal and interest payments on the Series Q Bonds will be less than the net present value of the principal and interest payments on the outstanding Bonds comprising the Refunded Bonds.

Dated: October __, 2014