

## EXHIBIT II

Office of the President  
April 26, 1990

Members, Board of Regents:

A RESOLUTION OF THE BOARD OF REGENTS OF WESTERN KENTUCKY  
UNIVERSITY, AUTHORIZING THE ISSUANCE OF \$10,300,000 HOUSING  
AND DINING SYSTEM REVENUE BONDS, SERIES L.

Recommendation: that the Board of Regents approve a Resolution authorizing the issuance of \$10,300,000 of Western Kentucky University Housing and Dining System Revenue Bonds, Series L, dated June 1, 1990.

The Resolution authorizes the issuance of \$10,300,000 of Series L Bonds for the purpose of financing the construction of two new residence halls and necessary appurtenances, constituting the Series L Project upon the main campus of the University in Warren County in the Commonwealth of Kentucky, which building will, when completed, become part of the Western Kentucky University Housing and Dining System (the "System").

The Resolution also approves a Notice of Bond Sale, Official Terms and Conditions of Sale of Bonds and Bid Form, all contemplating that the Bonds be sold on the advice of the Fiscal Agent, Seasongood & Mayer, in the month of June on a date to be selected.

Background: The University presently has outstanding ten series of Housing and Dining System Revenue Bonds, Series A, B, C, D, E, F, H, I, J and K, all secured by a pledge of the Revenues derived from the operation of the University's Housing and Dining System and by a statutory mortgage lien against all of the buildings of the System. These Series L Bonds are issued for the purpose of financing (a) the Series L Project identified above, (b) the funding of interest on the Series L Bonds until the Series L Project is completed, and (c) the cost of issuance of the Series L Bonds. The Resolution authorizes the execution of a Fourth Supplemental Trust Indenture with Bowling Green Bank & Trust Company, N.A. (formerly Bowling Green Bank & Trust Company), as Trustee, Bond Registrar, Transfer Agent and Payee Bank, with respect to these Bonds, which provides for the execution of the appropriate parity certification establishing that the "coverage" of projected income of the System over debt service requirements will meet the 1.30 test necessary to establish that the Series L Bonds will rank on a parity with the outstanding Series A, B, C, D, E, F, H, I, J and K Bonds.

OFFICIAL TERMS AND CONDITIONS  
OF SALE OF BONDS

1. DATE AND HOUR OF SALE

The Treasurer of Western Kentucky University, Bowling Green, Kentucky, will, until \_\_\_\_\_ .M., C.D.T., June \_\_, 1990, in the office of the Treasurer of the University in Bowling Green, Kentucky 42101, receive competitive, sealed bids for the purchase of \$10,300,000 of Western Kentucky University Housing and Dining System Revenue Bonds, Series L, dated June 1, 1990.

2. DESCRIPTION AND MATURITIES OF BONDS

Said Series L Bonds bear interest from June 1, 1990, payable semiannually, on June 1 and December 1, commencing December 1, 1990, will be in the denomination of \$5,000 or any multiple thereof within the same maturity, are numbered R-1 and upward, and will mature on December 1 in each of the respective years, as follows:

<u>Maturity</u> <u>December 1</u>	<u>Principal</u> <u>Amount</u>	<u>Maturity</u> <u>December 1</u>	<u>Principal</u> <u>Amount</u>
1992	\$195,000	2002	\$ 405,000
1993	210,000	2003	445,000
1994	225,000	2004	480,000
1995	240,000	2005	525,000
1996	260,000	2006	570,000
1997	280,000	2007	620,000
1998	295,000	2008	670,000
1999	325,000	2009	1,840,000
2000	350,000	2010	1,990,000
2001	375,000		

Said Series L Bonds are payable as to principal at Bowling Green Bank & Trust Company, N.A. (formerly Bowling Green Bank & Trust Company), Bowling Green, Kentucky, the Trustee.

With respect to the Series L Bonds, the Board has reserved certain options or privileges of redemption, as follows:

(a) Series L Bonds shall be subject to redemption from the proceeds of insurance, in the event of damage or destruction of properties constituting parts of the Housing and Dining System, as provided in ARTICLE XIV of the Trust Indenture;

(b) The Board reserves the right to call for redemption, subject to the redemption provisions of the respective Bond Series, any and all outstanding Bonds which may be called and redeemed at par or face value, prior to calling for redemption any Bonds that are callable at a premium;

(c) Subject to all of the foregoing, and the provisions for notice as hereinafter set forth, the Series L Bonds shall be subject to redemption at the option of the Board, as follows:

Series L Bonds maturing on and prior to December 1, 2000, shall not be subject to redemption except from the proceeds of insurance as provided in the Trust Indenture.

Series L Bonds maturing on and after December 1, 2001, shall be subject to redemption prior to their stated maturities either:

(i) in part, in inverse order of maturity (less than all of a single maturity to be selected by lot) from Revenues accumulated in the 1964 Sinking Fund and properly available for such purpose, on any interest payment date on and after December 1, 2000; or

(ii) in whole (alone or with any other Series of Bonds outstanding under the Indenture as the Board may designate, in its sole discretion without regard to priority of issue, alphabetical designation or otherwise) from any moneys which may be made available from any source for such purpose, at any date not earlier than December 1, 2000,

at a redemption price expressed as a percentage of the principal amount of the Series L Bonds to be redeemed, together with interest to the designated redemption date at the respective applicable interest rates, in accordance with the following schedule:

<u>IF REDEEMED</u> (Both Dates Inclusive)	<u>REDEMPTION PRICE</u>
December 1, 2000 through June 1, 2001	102%
December 1, 2001 through June 1, 2002	101%
December 1, 2002, and thereafter	100%

In the event that a Series L Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Series L Bond may be redeemed, but only in a principal amount equal to \$5,000 or an integral multiple thereof. Upon surrender of any Series L Bond for redemption in part, the Trustee shall authenticate and deliver an exchange Series L Bond or Series L Bonds in an aggregate principal amount equal to the unredeemed portion of the Series L Bond so surrendered.

The Series L Bonds are to be issued in fully registered form (both principal and interest). The Trustee will mail a check representing interest payments semiannually to each Bondowner of record as of the 15th day of the month preceding each interest due

date by regular United States mail postmarked not later than the due date. Principal will be paid upon submission of matured Series L Bonds to the Trustee. Upon the submission of a properly executed assignment, the Trustee will transfer ownership of a Series L Bond within three (3) business days of receipt without expense to the Bondowner.

### 3. AUTHORITY AND PURPOSE

These Series L Bonds are being issued pursuant to the authority of Sections 162.340 through 162.380, inclusive, and 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, to provide funds for the construction of two new residence halls, which project is a part of the Housing and Dining System of Western Kentucky University as such system was established pursuant to the terms of a Trust Indenture and an Amendatory Trust Indenture between the Board of Regents of Western Kentucky University and the Bowling Green Bank & Trust Company, N.A. (formerly Bowling Green Bank & Trust Company), Bowling Green, Kentucky, Trustee, dated December 1, 1964 (the "Trust Indenture"), as authorized by a Resolution of the Board of Regents, which Trust Indenture authorized the issuance of Western Kentucky University Housing and Dining System, Series A through H (the Series G Bonds have matured and been redeemed), and additional parity bonds. The Board issued its Western Kentucky University Housing and Dining System Revenue Bonds, Series I, dated as of September 1, 1966, Series J, dated as of December 1, 1966, and Series K, dated as of September 1, 1968, pursuant to the Trust Indenture, a First Supplemental Trust Indenture, dated September 1, 1966, a Second Supplemental Trust Indenture, dated December 1, 1966, and a Third Supplemental Trust Indenture, dated September 1, 1968. The Series L Bonds are being issued on a parity as to security and source of payment with the Series A, Series B, Series C, Series D, Series E, Series F, Series H, Series I, Series J and Series K Bonds, pursuant to the Trust Indenture and a Fourth Supplemental Trust Indenture.

### 4. SECURITY

Said outstanding Series A, Series B, Series C, Series D, Series E, Series F, Series H, Series I, Series J and Series K Bonds, and any additional parity bonds hereafter issued and outstanding under the terms of the Trust Indenture, are and will be payable from and constitute a paramount charge upon the defined Revenues derived by the University from the operation of its Housing and Dining System. The Housing and Dining System may be described generally as all the student residence halls and certain related dining facilities.

As further security for the Bonds there is created and granted by Sections 162.350 and 162.200 of the Kentucky Revised Statutes a statutory mortgage lien upon the Housing and Dining System of the University.

## 5. LEGAL OPINION

In the opinion of Rubin & Hays, Municipal Bond Counsel, Louisville, Kentucky, the principal of the Series L Bonds is not subject to Kentucky ad valorem taxation and the interest on the Series L Bonds is excludable from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax on individuals and corporations, and is not subject to Kentucky income taxation, subject to certain exceptions set out below. The legal opinion of Rubin & Hays is subject to the condition that the Board comply with all requirements of the Internal Revenue Code of 1986 (the "Code") that must be satisfied subsequent to issuance of the Series L Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes, including the requirement as to any required rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Series L Bonds. The purchaser will be furnished said opinion, printed bond forms, and the usual closing documents, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the issue affecting the validity of the Series L Bonds.

In order to assure the purchasers of the Series L Bonds that interest thereon will continue to be excludable from gross income for federal income tax purposes and exempt from Kentucky income taxation (subject to certain exceptions set out below), the Board has covenanted in the Fourth Supplemental Trust Indenture that (1) the Board will take all actions necessary to comply with the provisions of the Code, (2) the Board will take no actions which will violate any of the provisions of the Code, or that would cause the Series L Bonds to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Series L Bonds will be used for any purpose which would cause the interest on the Series L Bonds to become subject to federal income taxation, and that the Board will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Series L Bonds.

The Series L Bonds are not "private activity Bonds" within the meaning of the Code, and the Board of Regents has been advised by Bond Counsel, and therefore believes, that interest on the Series L Bonds is not included as an item of tax preference in calculating the alternative minimum tax for individuals.

The tax-exempt status of the Series L Bonds is subject to the following exceptions:

1. For purposes of the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), interest on the Series L Bonds is taken into account in determining adjusted net book income (adjusted current earnings for taxable years beginning after December 31, 1989).

2. Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series L Bonds, or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series L Bonds.

3. With respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Series L Bonds.

4. For taxable years beginning before January 1, 1992, interest on the Series L Bonds earned by some corporations could be subject to the environmental tax imposed by Section 59A of the Code.

5. Interest on the Series L Bonds earned by certain foreign corporations doing business in the United States of America could be subject to a branch profits tax imposed by Section 884 of the Code.

6. Passive investment income, including interest on the Series L Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income.

7. Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Series L Bonds.

The Board of Regents has reserved the right to amend the Fourth Supplemental Trust Indenture pursuant to which the Series L Bonds are issued without obtaining the consent of the owners of the Series L Bonds (i) to whatever extent shall, in the opinion of Bond Counsel, be deemed necessary to assure that interest on the Series L Bonds shall be exempt from federal income taxation, and (ii) to whatever extent shall be permissible (without jeopardizing such tax exemption or the security of the owners of the Series L Bonds) to eliminate or reduce any restrictions concerning the project financed by the Series L Bonds, the investment of the proceeds of the Series L Bonds, or the application of such proceeds or of the revenues of the project financed by the Series L Bonds. The purchasers of the Series L Bonds will be deemed to have relied fully upon these covenants and undertakings on the part of the Board of Regents as part of the consideration for the purchase of the Series L Bonds. To the extent that the Board of Regents obtains an opinion of nationally recognized bond counsel to the effect that non-compliance with any of the covenants contained in the Fourth Supplemental Trust Indenture would not subject interest on the Series L Bonds to federal income taxation or Kentucky income

taxation, the Board of Regents is not required to comply with such covenants and requirements.

If, prior to the delivery of the Series L Bonds, any event shall occur which alters the tax-exempt status of the Series L Bonds, the purchaser shall have the privilege of voiding the purchase contract by giving immediate written notice to the Board of Regents, whereupon the amount of the good faith deposit of the purchaser will be returned to the purchaser, and all respective obligations of the parties will be terminated.

Bond Counsel has reviewed the Official Statement with regard to all matters pertaining to the legality and tax exemption of the Series L Bonds, including statements concerning the authority, purpose and security of the Series L Bonds; but Bond Counsel has not reviewed any of the financial statements or calculations, such as debt service requirements, budget estimates, enrollment, capital outlay, estimated revenues, expenditures or other financial information in the Official Statement, and expresses no opinion thereon and assumes no responsibility in connection therewith.

#### 6. TERMS OF SALE

The Series L Bonds are offered for sale upon the following terms and conditions:

- A. A minimum price is required for the entire issue of not less than \$10,094,000 (98% of par), plus accrued interest from the date of the Series L Bonds (June 1, 1990) to the date of delivery.
- B. Each purchase bid shall be accompanied by a good faith check in the amount of \$103,000, which shall be represented by a certified check or bank cashier's check in that amount, payable to the order of the Treasurer of the Western Kentucky University. The checks of the unsuccessful bidders will be returned immediately after the sale. The check of the successful bidder will be held and deposited by the Board of Regents and the amount thereof will be deducted from the purchase price at the time of delivery of the Series L Bonds.
- C. Bidders must state an interest rate or rates in a multiple of 1/20 of 1%.
- D. There is no limit on the number of different rates which may be specified by any bidder.
- E. Interest rates must be on an ascending scale, in that the interest rate for Series L Bonds of any maturity may not be less than the interest rate stipulated for any preceding maturity.

- F. All Series L Bonds of the same maturity shall bear the same and a single interest rate from the date thereof to maturity.
- G. The right to reject bids for any reason deemed advisable by the Board of Regents, and the right to waive any possible informalities, irregularities or defect in any bid which, in the judgment of the Board of Regents, shall be minor or immaterial, is expressly reserved.
- H. Bids must be made on forms which, together with an Official Statement, may be obtained at the office of the Financial Advisor, Seasongood & Mayer, 300 Mercantile Library Building, 414 Walnut Street, Cincinnati, Ohio 45202-3910. Bids must be enclosed in sealed envelopes marked "Bid for Western Kentucky University Housing and Dining System Revenue Bonds, Series L" and bids must be received by the Treasurer of Western Kentucky University prior to the date and hour stated above.
- I. It shall be the responsibility of the purchasers of the Series L Bonds to furnish or cause to be furnished to the Trustee at least five (5) days prior to the date of delivery of the Series L Bonds, a list of the names, addresses and social security numbers or employer identification numbers of each of the parties to whom the Series L Bonds are to be registered, and the principal amounts and maturities thereof. In the event of the failure to so deliver such list, the Series L Bonds delivered to the purchasers shall be registered in the name or names of such purchasers or their designated representatives appearing as the first name on the successful bid form, or otherwise appropriately designated, and shall be issued in denominations corresponding to the principal amount of each respective maturity, or in the denomination of \$5,000, as shall be determined by the Trustee.
- J. Delivery will be made in Louisville or Bowling Green, Kentucky, or Cincinnati, Ohio, at no additional expense other than the charge, if any, of a delivering bank. The purchasers may elect to require delivery through a depository trust corporation, provided the purchasers agree to pay any additional expense in connection therewith, such expense to include shipping expense, insurance in transit and the fee of the depository trust corporation. In connection with the issuance of the Series L Bonds, the Board of Regents will pay for the printing of the Series L Bonds, which will contain the opinion of Bond Counsel.



- K. Upon wrongful refusal of the successful bidder to take delivery of and pay for the Series L Bonds when tendered for delivery, the amount of the good faith check shall be forfeited by such bidder, and such amount shall be deemed liquidated damages for such default; provided, however, if said Series L Bonds are not ready for delivery and payment within forty-five (45) days from the date of sale, said bidder shall be relieved of any liability to accept the Series L Bonds hereunder.
- L. The purchasers of the Series L Bonds will pay the CUSIP Service Bureau charge for the assignment of CUSIP numbers, which numbers will be printed on the Series L Bonds at no expense or cost to the purchasers. Neither the failure to print a CUSIP number on any Series L Bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchasers thereof to accept delivery of and payment for the Series L Bonds in accordance with the terms of the purchase agreement.
- M. The Board will provide a reasonable quantity of final official statements in sufficient time to meet the delivery requirements of the successful bidder.

Seasongood & Mayer, Cincinnati, Ohio, has been employed as Financial Advisor to the Board of Regents and the University in connection with the issuance of the Series L Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Series L Bonds is contingent upon the issuance and delivery of the Series L Bonds. The Financial Advisor may submit a bid for the purchase of the Series L Bonds at the time of the advertised public sale of the Series L Bonds, either independently or as a member of a syndicate organized to submit a bid for the purchase of the Series L Bonds.

Concurrently with the delivery of the Series L Bonds, the Treasurer of the Board of Regents will certify that, to the best of his knowledge, the official statement did not, as of its date, and does not, as of the date of delivery of the Series J Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the official statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading in any material respect.

(Signed) Board of Regents of Western Kentucky University  
by Elizabeth W. Esters, Secretary.

APR 26 1990

This form of Official Terms and Conditions of Sale of Bonds was approved by the Board of Regents of Western Kentucky University, Bowling Green, Kentucky, at a meeting held on April 26, 1990.

(Seal)

---

Secretary

## NOTICE OF BOND SALE

The Board of Regents of Western Kentucky University, Bowling Green, Kentucky, will until \_\_\_\_\_ .M., C.D.T., on June \_\_, 1990, at the office of the Treasurer of the University in Bowling Green, Kentucky, receive bids on \$10,300,000 of Western Kentucky University Housing and Dining System Revenue Bonds, Series L, dated July 1, 1990, maturing on December 1, 1992 through 2010. Minimum bid is \$10,094,000 (98%). Legal Opinion by Rubin & Hays, Louisville, Kentucky. Good faith check is \$103,000. The Bonds will be issued on a tax-exempt basis subject to certain qualifications set out in detail in the Official Terms and Conditions and in the Official Statement. Bid Forms, Official Terms and Conditions and official statements, in a form deemed to be "near final" by the Board may be obtained from the Financial Advisor, Seasongood & Mayor, Cincinnati, Ohio. (Signed) Elizabeth W. Esters, Secretary.

This form of Notice of Bond Sale was approved by the Board of Regents of Western Kentucky University at a meeting held on April 26, 1990.

---

 Secretary

(Seal)

BID FORM

Subject to the terms and conditions set forth in the Official Terms and Conditions of Sale of Bonds, providing for the sale of \$10,300,000 of Western Kentucky University Housing and Dining System Revenue Bonds, Series L, dated June 1, 1990, and in accordance with the notice of sale of the Bonds as advertised, to all of which the undersigned agrees, the undersigned hereby submits the following offer to purchase said Bonds.

We hereby bid for said \$10,300,000 principal amount of Bonds, the sum of \$ \_\_\_\_\_ (not less than \$10,094,000) (98%), plus accrued interest from June 1, 1990, to the date of delivery of the Bonds, such Bonds to bear interest payable semiannually on June 1 and December 1, commencing December 1, 1990, at the following annual rate(s):

<u>Maturity</u> <u>December 1,</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u> <u>December 1,</u>	<u>Amount</u>	<u>Rate</u>
1992	\$195,000	_____ %	2002	\$ 405,000	_____ %
1993	210,000	_____ %	2003	445,000	_____ %
1994	225,000	_____ %	2004	480,000	_____ %
1995	240,000	_____ %	2005	525,000	_____ %
1996	260,000	_____ %	2006	570,000	_____ %
1997	280,000	_____ %	2007	620,000	_____ %
1998	295,000	_____ %	2008	670,000	_____ %
1999	325,000	_____ %	2009	1,840,000	_____ %
2000	350,000	_____ %	2010	1,990,000	_____ %
2001	375,000	_____ %			

We understand that the Board of Regents will furnish the final, approving legal opinion of Rubin & Hays, Municipal Bond Attorneys, of Louisville, Kentucky. A certified or bank cashier's check in the amount of \$103,000 (1%) payable to the Treasurer of Western Kentucky University, is enclosed in accordance with the Notice of Bond Sale and the Official Terms, with the understanding that if we are the successful bidder, said check is to be deposited by the Treasurer and the amount thereof, without interest, deducted from the purchase price of the Bonds when tendered to us for delivery. If we are the successful bidder, we agree to accept and make payment for the Bonds in accordance with the terms of sale.

Respectfully submitted,

\_\_\_\_\_  
\_\_\_\_\_

Total interest cost from June 1, 1990, to final maturity	\$ _____
Less premium bid or plus discount, if any	\$ _____
Net interest cost	\$ _____
Average interest rate or cost	_____ %

The above computations of net interest cost and of average interest rate or cost are submitted for information only and is not a part of this Bid.

Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 1990.

BOARD OF REGENTS OF WESTERN KENTUCKY  
UNIVERSITY

By \_\_\_\_\_  
Chairman

(Seal)

Attest:

\_\_\_\_\_  
Secretary