

MORGAN STATE UNIVERSITY
BOARD OF REGENTS
Finance and Facilities Committee
Meeting of May 15, 2001

ATTACHMENT #1

ITEM FOR ACTION

Resolution of the Board of Regents
Regarding Issuance of Series 2001 Bonds

OVERVIEW

The attached resolution is submitted for approval by the regents to authorize the issuance of not more than \$8 million of Morgan State University's Academic and Revenue Bonds toward the cost of two projects: Hughes Stadium and the New Carl Murphy Fine Arts Center. Further, for the timely processing of transactions, the resolution establishes that specified officers of the Board (Approving Members) be delegated authority to execute certain documents. The resolution also authorizes the President, subject to the approval of the Approving Members, to negotiate, prepare and/or distribute other specified documents for the completion of this transaction.

RECOMMENDATION

It is recommended that the Board approve the resolution on pages 1 through 6 of Attachment 1, which authorizes the issuance of no more than \$8 million of academic and auxiliary facilities fees revenue bonds in partial support of the cost of the stadium and fine arts projects. The resolution identifies officers of the Board (Approving Members) that will be delegated authority to execute documents and perform all acts, as in their best judgement, to qualify the Series 2001 Bonds for sale. The Approving Members may also authorize the President to perform specified responsibilities as so designated in the resolution.

RESOLUTION OF BOARD OF REGENTS
REGARDING ISSUANCE OF SERIES 2001 BONDS

WHEREAS, pursuant to Title 19, Education Article of the Annotated Code of Maryland (1999 Replacement Volume, 2000 Supplement), as amended (the "Act"), Morgan State University (the "University") may issue revenue bonds from time to time for the purpose of financing or refinancing all or any part of the costs of any one or more projects of the University, including any project previously financed by the University or any predecessor subject to the limitation that the aggregate principal amount of the bonds outstanding and the present value of any capital lease payments, less the amount of any reserve fund or sinking fund requirement established for the bonds or capital leases may not exceed \$65,000,000 as of the date of issue of the bonds; and

WHEREAS, in 1990 the University issued, sold and delivered its Morgan State University Academic and Auxiliary Fees Revenue Bonds, 1990 Series A, dated May 15, 1990 in the initial aggregate principal of \$26,187,138 (the "Series 1990 Bonds"), pursuant to a Trust Agreement by and between the University and Signet Bank/Maryland dated as of June 1, 1990 and certain other documents to pay a portion of the cost of construction of a new dormitory and the renovation of certain of its existing dormitories and to refinance certain outstanding debt of the University; and

WHEREAS, in 1993, the University issued, sold and delivered its Morgan State University Academic Fees and Auxiliary Fees Revenue Refunding Bonds, 1993 Series, dated July 1, 1993 in the initial aggregate principal amount of \$27,936,407.30 (the "Series 1993 Refunding Bonds") pursuant to a Trust Agreement by and between the University and Signet Trust Company dated as of July, 1, 1993 and certain other documents (the "1993 Documents"), for the purpose of refunding, defeasing or refinancing in advance of maturity all or a portion of the Series 1990 Bonds and the certain other outstanding debt of the University; and

WHEREAS, the University is undertaking certain projects (the "Projects", hereinafter defined) for which it intends to finance with the proceeds of its tax-exempt bonds (the "Bonds", hereinafter further described); and

WHEREAS, the Projects consist of (i) the construction of a new fine arts center for the benefit of the University known as the Murphy Fine Arts Center in the area of Argonne Drive (the "Fine Arts Project"), (ii) the construction of a new student center to serve the campus, and (iii) improvements to the existing Hughes Stadium; and

WHEREAS, in 1999 the General Assembly enacted legislation approving the University's issuance of bonds in the total principal amount not to exceed \$4,000,000 for the purposes of financing the cost of the Fine Arts Project; and

WHEREAS, in 1999 the Board of Regents adopted a resolution (the "1999 Resolution") declaring its intent to issue bonds to finance the Projects; and

WHEREAS, the University has a plan of finance which contemplates the issuance of up to \$40,000,000 of its revenue bonds, in one or more series, to finance a portion of the costs of the Projects; and

WHEREAS, the University proposes to approve the issuance, sale and delivery of up to \$8,000,000 of its revenue bonds, in one or more series or issues (the "Series 2001 Bonds"), to finance a portion of the Projects, further described in Exhibit A attached hereto (the "2001 Projects"); and

WHEREAS, in order to place the University in a position to enter promptly the tax-exempt bond market at the appropriate time it is necessary for the Board of Regents to delegate the approval of certain details and documents with respect to the transactions contemplated by these resolutions to certain University officials subject to certain limitations and requirements established by the Board of Regents herein; and

WHEREAS, in order to secure the Series 2001 Bonds, it is contemplated that the University will enter into a Trust Agreement relating to the Series 2001 Bonds approved by certain members of the Board of Regents of the University selected by the Board of Regents, subject to certain limitations and requirements established by the Board of Regents herein; and

WHEREAS, it is contemplated that the University, pursuant to a forthcoming Bond Purchase Agreement, will receive an offer to purchase the Series 2001 Bonds from Legg Mason Wood Walker, Inc., as Underwriter; and

WHEREAS, in light of the foregoing, the Board of Regents (with advice from the Finance and Facilities Committee of the Board of Regents) has determined that authorizing the sale of the Series 2001 Bonds and transactions incident thereto, subject to the terms and conditions described in this Resolution, is in the best interest of the University.

NOW THEREFORE, BE IT RESOLVED, that the University is hereby authorized to issue, sell and deliver the Series 2001 Bonds, designated "Morgan State University Academic Fees and Auxiliary Facilities Fees Revenue Bonds, 2001 Series " or such other designation as is determined by the Approving Members (as hereinafter defined); and

RESOLVED, that the Board of Regents designates the Chairman of the Board of Regents, the Vice-Chairman of the Board of Regents and the Chairman of the Finance and Facilities Committee, as those members of the Board of Regents (the "Approving Members") responsible for the approval of a Trust Agreement between the University and a trustee selected by such Approving Members (including the form of the bonds to be contained therein) providing for the Series 2001 Bonds and all matters incident thereto, and the Approving Members are hereby authorized to approve such Trust Agreement(s) and all matters incident thereto, provided that such matters and terms are not inconsistent with the provisions of this Resolution and the

Act. Wherever in this Resolution authorization is given to the Approving Members to take some action or carry out some responsibility or duty, such action may be taken or such responsibility or *duty may* be carried out by any two of the Approving Members acting together, it being the express purpose of this Board of Regents to enable the Approving Members to act expeditiously toward the issuance of the Series 2001 Bonds as market conditions warrant; and

RESOLVED, that the University is hereby authorized to enter any Trust Agreement approved by the Approving Members and any such Trust Agreement shall specify and provide for (i) the final principal amount of the Series 2001 Bonds (up to a maximum principal amount not to exceed \$8,000,000 exclusive of any debt service reserve fund), (ii) the stated interest rate or rates, (iii) the final maturities of the Series 2001 Bonds (up to a maximum final maturity of thirty-three (33) years or such lesser final maturity as shall be authorized by the Act), (iv) the purchase price of the Series 2001 Bonds and the amount to be received in connection with the sale thereof as well as the deposit thereof in accordance with the terms of the Trust Agreement, (v) provisions, if any, for the optional, special and mandatory redemption of the Series 2001 Bonds, (vi) the sources of payment to secure the payment of the principal of and interest on the Series 2001 Bonds, and (vii) such other matters as are necessary or advisable to be included in the Trust Agreement in furtherance of the transactions described in this Resolution; and

RESOLVED, that the Board of Regents authorizes the President of the University and other appropriate officers of the University, subject to the approval of the Approving Members, to negotiate, execute and deliver all related documents incidental to the Trust Agreement and the sale of the Series 2001 Bonds, including, but not limited to, a Bond Purchase Agreement, upon advice of Bond Counsel, determined to be in the best interest of the University and necessary or advisable in furtherance of effectuating the terms and conditions of the Trust Agreement and this Resolution; and

RESOLVED, that the President (subject to the approval of the Approving Members) is hereby authorized to arrange for the preparation and distribution of a Preliminary Official Statement and an Official Statement and such other offering documents, incidental to the Trust Agreement, as are deemed necessary and in the best interest of the University by the President and the Approving Members, upon the advice of Bond Counsel, in connection with the sale of the Series 2001 Bonds; and

RESOLVED, that the President and the appropriate officers of the University under the direction of the Approving Members are each hereby authorized, empowered and directed to do and perform all such further acts and things to deliver or approve, as the case may be, in the name of the University, all such certificates, instruments, or other documents, as in their judgment under the direction of the Approving Members (after consultation with Bond Counsel) shall be necessary or advisable in furtherance of the offering and sale of the Series 2001 Bonds (including, but not limited to, any and all actions necessary to register or qualify the Series 2001 Bonds for sale under the "blue-sky" laws of all states); and, subject to the limitations contained in the foregoing resolutions, to make such changes in such the Preliminary Official Statement or other offering document as are, upon advice of Bond Counsel, deemed appropriate; and

RESOLVED, that the Board of Regents hereby authorizes and approves the issuance of the Series 2001 Bonds, as described herein; and

RESOLVED, that the President of the University, under the direction of the Approving Members, is hereby authorized and directed to execute and deliver one or more Bond Orders, effectuating the terms of any Trust Agreement and specifying such further details respecting the issuance of the Series 2001 Bonds as shall be deemed advisable by the President, under the direction of the Approving Members, upon consultation with Bond Counsel to the University; and

RESOLVED, that the President of the University, under the direction of the Approving Members, and upon advice of the Financial Advisor to the University may select an appropriate insurance company to issue a policy (or an amended policy) that insures the payment when due of principal and interest on the Series 2001 Bonds, and may negotiate and carry out the terms and conditions of any such arrangement; and

RESOLVED, that it is hereby found and determined that the best interests of the University will be served by selling the Series 2001 Bonds at private (negotiated) sale to the Underwriter pursuant to a Bond Purchase Agreement, at such price which may be at, above or below par, as the Approving Members deem to be in the best interests of the University; and

RESOLVED, that the Chairman of the Board of Regents of the University (or, in the Chairman's absence, any Approving Member) is hereby authorized and directed to execute the Series 2001 Bonds by a manual or facsimile signature, attested by the Secretary of the Board of Regents (or any assistant secretary of the Board of Regents) by a manual or facsimile signature, and to affix a facsimile of the official seal of the University to the Series 2001 Bonds; and

RESOLVED, that in the absence of the President of the University and under the direction of the Approving Members, all duties and responsibilities assigned to the President by the foregoing resolutions shall be exercised by such officer or officers of the University as shall otherwise assume the duties and responsibilities of the Office of President, pursuant to applicable laws, rules, articles and by-laws; and

RESOLVED, that in case any member of the Board of Regents or any officer of the University whose signature or a facsimile of whose signature shall appear on any Series 2001 Bond or other document relating thereto shall cease to be such officer before the delivery of the Series 2001 Bonds or such document, such signature or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such Member of the Board of Regents or officer had remained in office until such delivery, and also any Series 2001 Bond or other document relating thereto may bear the signatures or facsimile signatures of such persons as at the actual time of the execution and delivery of such Series 2001 Bond or document shall be the proper officers to sign such Series 2001 Bond or document although at the date of such Series 2001 Bond or document such persons may not have been such officers; and

RESOLVED, that all acts taken by the members of the Board of Regents, the Approving Members, officers, administrators, employees and agents of the University in furtherance of the 1999 Resolution, any of the foregoing resolutions or the issuance of the Bonds are hereby ratified, accepted and confirmed.

RESOLVED, that neither the members at the Board of Regents, nor any officers, administrators, or employees at the University shall be personally liable by reason of the issuance of the Series 2001 Bonds.

EXHIBIT A
DESCRIPTION OF 2001 PROJECTS

Hughes Stadium

This project involved a complete field renovation and a multi-story addition to the existing stadium complex. The renovations include a new football field with state-of-the art drainage systems, a new NCAA-standard track and field, approximately 3,500 new seats (new capacity of approximately 8,500 total seats), new score board, field lighting, entrance gates, fences, exterior improvements and other necessary facilities. The additions will add concession stands, restrooms, and a new press booth including enclosed viewing areas, coaching stations, and broadcasting areas. Other facilities will include team rooms, officials' rooms, and storage space.

Fine Arts Center

This project involves the new construction of a facility to house the fine arts programs at Morgan State University which consists of the performing arts, vocal and instrumental music, painting, sculpture, and other disciplines of the visual arts. The building will include a 2,000 seat, state-of-the art theater complex, a 300 seat "small" theater, a 200 seat recital hall, and band and choral practice rooms and other necessary facilities. Also included are classrooms, laboratories, offices, and studios. The building will also house the new James E. Lewis Museum with amenity spaces as required to accept major traveling exhibits as well as display an extensive art collection curated by Morgan State University.