

AGENDA



10:00 A.M.
Wednesday, January 17, 2006
Room 386, Capitol Annex
Frankfort, Kentucky

Kentucky Private Activity Bond Allocation Committee

AGENDA

January 17, 2007
10:00 A.M.
Room 386, Capitol Annex
Frankfort, KY

1. Call to Order Chair
 - A. Quorum
 - B. Notification of Press
2. Approval of December 15, 2006 minutes Chair
3. Summary of 2007 Volume Cap Rob Ramsey, Staff
(Attachment A) Office of Financial Management
4. 2007 State Issuer Pool Mr. Ramsey
 - A. Applications
(Attachment B)
5. 2007 Summary of Bond Allocation Mr. Ramsey
(Attachment C)
6. Other Business Chair
7. Adjournment Chair

KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
MINUTES
December 15, 2006

The Kentucky Private Activity Bond Allocation Committee (the "Committee") meeting was called to order by Chairman Kristen Webb, proxy for John Farris, Secretary, Finance and Administration Cabinet, on Friday, December 15, 2006 at 10:00 a.m. in Room 66 of the Capitol Annex, Frankfort, Kentucky. Other members present were: Katie Smith, proxy for Marvin E. Strong, Jr., Secretary, Cabinet for Economic Development; Allen Holt, proxy for Brad Cowgill, State Budget Director; Andy Hightower, proxy for Robbie Rudolph, Jr., Secretary, Governor's Executive Cabinet and Edgar C. Ross, Controller, Finance and Administration Cabinet.

Chairman Webb declared that a quorum was present and verified that the press had been notified of the meeting.

The first item on the agenda was the approval of the September 14, 2006 minutes. A motion was made by Mr. Edgar Ross and seconded by Ms. Katie Smith to approve the minutes. **Motion CARRIED.**

Chairman Webb stated the next item on the agenda, allocation of 2006 carryforward, was located under attachment A. Mr. Rob Ramsey stated after the allocation of cap to the local issuer pool and the lottery round of volume cap there was a remaining balance of \$593,620. In addition, Mr. Ramsey indicated \$93,620 was not utilized by North American Stainless and \$9,680 was not utilized by Kentucky Higher Student Loan Corporation ("KHESLC"). That brought the total available carryforward to \$696,920. KHESLC filed a notice of intent for the remaining amounts of 2006 private activity bond cap on December 11, 2006. Mr. Ramsey stated that the Kentucky Housing Corporation agreed that the remainder of the carryforward should be allocated to KHESLC.

A motion was made by Mr. Ross to approve the allocation of \$696,920 in carryforward to KHESLC and was seconded by Mr. Holt. **Motion CARRIED.**

Mr. Ramsey stated attachment B was a summary of 2006 volume cap, an informational item for the Committee. Mr. Ramsey stated that for 2007 the U.S. Census Bureau per capita amount was raised to \$85, up from \$80 in 2006. Mr. Ramsey indicated this represents an approximate \$21 million increase over last years total volume cap, assuming the population estimate stays the same. Mr. Ramsey stated staff was expecting estimates from the Census Bureau sometime in early January 2007. Mr. Ramsey indicated by late January 2007 staff plans to be soliciting applications for calendar year 2007 volume cap allocations, as well as specifying deadlines for the applicants.

Mr. Howard stated that the statute specifically prohibits allocating any cap before the U.S. Census Bureau figures are released. Mr. Howard stated the Committee would have to meet again after the Census Bureau figures are released to allocate the state portion of the cap in

Minutes – Kentucky Private Activity Bond Allocation Committee

Page 2

December 15, 2006

January 2007. Mr. Howard stated there will be a second meeting in late February to allocate cap to the local issuers after the applications have been reviewed and scored by staff.

Chairman Webb asked if there was any other business. With no further business before the Committee, a motion was made by Mr. Holt and seconded by Ms. Smith to adjourn the meeting. **Motion CARRIED.**

Respectfully submitted,

F. Thomas Howard

Secretary

TAB A

Summary of 2007 Volume Cap

U.S Census Bureau Data	
July 1, 2006 KY Population Estimate	4,206,074
2007 Federal Per Capita Allocation ⁽¹⁾	\$85.00
Total Volume Cap Allocated to Kentucky	\$357,516,290
Statutory Allocation pursuant to 200 KAR 15:010	
Local Issuer Pool ⁽²⁾ (20%)	\$71,503,258
State Issuer Pool (80%)	\$286,013,032

⁽¹⁾ *Reflects \$5 Federal inflation index increase from \$80 per capita in 2006 to \$85 for 2007.*

⁽²⁾ *25% Individual Local Project Limitation pursuant to 200 KAR 15:010*

TAB B

Kentucky Private Activity Bond Allocation
State Issuer Pool
CY 2007

Total 2007 Volume Cap = \$357,516,290.00
 Total 2007 State Issuer Pool = \$286,013,032.00 (80%)

Calendar 2007 KHC request = \$223,763,137.00 (78%)
 Calendar 2007 KHESLC request = \$ 62,249,895.00 (22%)
 \$286,013,032.00

Historical Information

Allocation of Private Activity Bond Cap – State Issuer Pool 1990 – 2006
(\$000,000)

	State Issuer Pool	KHC		KHESLC		Other	
		\$	%	\$	%	\$	%
2006	267	214	80%	53	20%	0	0%
2005	199	119	60%	80	40%	0	0%
2004	198	79	40%	119	60%	0	0%
2003	184	111	60%	73	40%	0	0%
2002	183	146	80%	37	20%	0	0%
2001	152	121	80%	30	20%	0	0%
2000	119	95	80%	24	20%	0	0%
1999	118	95	81%	23	19%	0	0%
1998	117	75	64%	42	36%	0	0%
1997	78	39	50%	39	50%	0	0%
1996	82	52	63%	30	37%	0	0%
1995	14	14	100%	0	0%	0	0%
1994	0	0	-	0	-	0	-
1993	41	35	85%	0	0%	6	15%
1992	4	0	0%	0	0%	4	100%
1991	78	0	0%	71	91%	7	9%
1990	82	72	88%	10	12%	0	0%
Total	\$1,649	\$1,053	64%	\$578	35%	\$17	1%

* Kentucky Infrastructure Authority (KIA) received \$6 million, \$4 million and \$4 million in 1993, 1992 and 1991 respectively. In 1991, The Kentucky Rural Economic Development Authority received \$2.8 million and Kentucky Agricultural Finance Corporation received \$0.2 million.



Kentucky Housing
Corporation

Leading the way home...

January 4, 2007

Kentucky Private Activity Bond
Allocation Committee
Capitol Annex, Ste. 76
Frankfort, KY 40601

Subject: Request for 2007 Kentucky Private Activity Bond Cap Allocation

Ladies and Gentlemen:

Kentucky Housing Corporation (the Corporation) submits a Notice of Intent with this letter requesting an allocation of \$223,763,137 of private activity bonding authority for calendar year 2007. The request represents approximately 78 percent of the Commonwealth's bond capacity available through the state issuer pool.

The Corporation concluded calendar year 2006 with a record number of single-family residential loans totaling more than \$500 million providing homeownership to more than 5,000 families. To meet this demand KHC combined taxable borrowings with its tax-exempt resources. KHC will continue to utilize taxable debt and leverage internal resources through loan recycling and replacement refunding.

The Corporation also intends to make approximately 10 percent of its tax-exempt bonding authority available for the development of affordable rental housing through its conduit bond program originally developed in 2004.

If the Committee should require additional information, please let us know.

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OFFICE OF
FINANCIAL MANAGEMENT

Very truly yours,

Ben A. Cook
Chief Executive Officer

J. Dennis Humble
Chief Financial Officer

cc: Donald R. Ball, Chairman of the Board



NOTICE OF INTENT

KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE

Mail to:
KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
702 Capitol Avenue, Suite 76
Frankfort, KY 40601

GENERAL: The issuer must file two (2) signed copies along with one (1) copy each of supporting documents. Read 200 KAR 15:010, KRS 103.286-103.287 carefully. A Notice of Intent will not be considered a qualified application and will not be dated as accepted unless all required information is provided.

1. **ISSUER:** Provide the legal name, address, telephone and fax numbers and e-mail address of the issuing authority as well as the contact person at the issuing authority.

ISSUER NAME: Kentucky Housing Corporation PHONE: 502-564-7630
ADDRESS: 1231 Louisville Road
CITY: Frankfort ZIP CODE: 40601
CONTACT: J. Dennis Humble PHONE: 502-564-4703
E-MAIL: dhumble@kyhousing.org FAX: 502-564-7322

2. **BORROWER/USER NAME:** Provide the name, address, telephone and fax numbers and e-mail address of the borrower or principal user as well as the contact person at the borrower/user.

BORROWER/USER NAME: N/A (Lower and moderate income Kentucky residents)
ADDRESS: _____
CITY: _____ ZIP CODE: _____
CONTACT: _____ PHONE: _____
E-MAIL: _____ FAX: _____

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Full-Time Employee = Minimum 30 hours per week
 Part-Time Employee = Minimum 15 hours per week

	Full-Time	Part-Time	*Full-Time Equivalent of Part-Time
Current Number of jobs at project location	N/A		
New jobs to be created	N/A		
Number of jobs retained that would otherwise be lost if the project does not receive private activity bond cap.	N/A		

If part time employment is being created, please also indicate full time equivalents and an explanation of the formula used to determine full time equivalents. Without this information, part time jobs will not be used in the calculation of jobs.

6. AVERAGE HOURLY WAGE/BENEFITS: Provide the average hourly wage per new employee and if applicable, the average hourly wage per employee that would otherwise be lost if the project does not receive private activity bond cap.

Average hourly wage per new employee. N/A
 Fringe benefits (Itemize benefits).
 Total (Average Hourly Wage + Fringe Benefits)

Average hourly wage per retained employee that would otherwise be lost if the project does not receive private activity bond cap.
 Fringe benefits (Itemize benefits).
 Total (Average Hourly Wage & Fringe Benefits)

7. OTHER STATE INCENTIVES: Identify any state economic development incentives awarded to the company within the last 10 years including any state incentives that have been approved or have received preliminary approval for the proposed project detailed herein. Identify incentives awarded, amount awarded, year awarded, the applicable project and the site of the project. (Additional sheets may be attached if required).

	<u>Amount Awarded</u>	<u>Year Awarded</u>	<u>Project</u>	<u>Site</u>
(1) KEDFA	N/A			
(2) KREDA	N/A			
(3) KJDA	N/A			
(4) KIA	N/A			
(5) KIDA	N/A			
(6) KIRA	N/A			
(7) KEOZ	N/A			
(8) KEIA	N/A			
(9) KESA	N/A			
(10) KIFA	N/A			
(11) EDB	N/A			
(12) OTHER				

(1) Kentucky Economic Development Finance Authority; (2) Kentucky Rural Economic Development Act; (3) Kentucky Jobs Development Act; (4) Kentucky Infrastructure Authority; (5) Kentucky Industrial Development Authority; (6) Kentucky Industrial Revitalization Act; (7) Kentucky Economic Opportunity Zone; (8) Kentucky Enterprise Initiative Act; (9) Kentucky Environmental Stewardship Act; (10) Kentucky Investment Fund Act; (11) Economic Development Bond Program.

8. Provide the amount of private activity bond cap the company has previously been allocated in the past 10 years. Include the project, the location and the year of allocation. N/A

9. ALLOCATION REQUESTED: State the amount of private activity bond volume cap being requested. Make every effort to assure that the amount requested will be the amount issued. 200 KAR 15:010 requires that the face amount of the bonds issued cannot be less than 85 percent of the confirmation amount.

ALLOCATION REQUESTED \$223,763,137

10. ANTICIPATED DELIVERY DATE: Provide the date on which the bonds will be delivered and paid for.

ANTICIPATED DELIVERY DATE 2007

11. METHOD OF FINANCE: Indicate whether the financing will be a private placement or reoffered through an underwriter to the public.

METHOD OF FINANCE Public Sale
(Private or Public Sale)

12. CAPITAL INVESTMENT: List the amount of Capital Investment that will be made in the proposed project:

Land Acquisition	\$ <u>N/A</u>
Building (new construction/additions)	\$ <u></u>
Improvements (existing buildings)	\$ <u></u>
Equipment	\$ <u></u>
Infrastructure	\$ <u></u>
Other (Describe)	\$ <u></u>
Total Capital Investment	\$ <u></u>

13. BORROWER/USER AND BOND COUNSEL CERTIFICATION: The Borrower/User (beneficiary) must sign attesting to the accuracy of the information contained in the Notice of Intent. Bond Counsel must certify that the issue meets the requirements of Section 146 of the United States Internal Revenue Code of 1986, as amended.

CERTIFICATION OF APPLICATION

Note: The information presented in this application and in the required attachments is evaluated by the KPABAC and its staff and is used in the determination of whether the project will receive an allocation of the local issuer pool of the state ceiling. Any material changes in the status of the proposed project from the facts presented herein could disqualify the project. Please contact staff of the Committee before taking any action which would change the status of the project as reported herein. Projects will be evaluated pursuant to the following criteria:

Jobs created = 30%

Average hourly wage and benefits = 25%

Capital investment = 10%

County unemployment rate = 25%

State incentives = 10% (receipt of state economic development incentives impacts the project negatively in the evaluation.)

Previous private activity bond cap allocated to the company = 25% deduction of total score per allocation received by the company up to 4 allocations.

Certification: I hereby represent and certify that the foregoing information, to the best of my knowledge, is true, complete and accurately and fairly describes the proposed project for which private activity bond cap is sought.

The undersigned, on behalf of the applicant, acknowledges that even though the information contained in this application, or which may hereafter be communicated to the Kentucky Private Activity Bond Allocation Committee contains confidential and proprietary information, it may be subject to public disclosure to the extent required by law pursuant to the Kentucky Open Records Act, Chapter 61 of the Kentucky Revised Statutes. Notwithstanding the above, except as otherwise agreed to by the applicant in writing, no confidential or proprietary information shall be disclosed if properly excluded from disclosure under KRS 61.878 (determined by the Committee, the Kentucky Attorney General, or Court of Competent Jurisdiction).


Signature

Chief Financial Officer
Title

January 4, 2007
Date

Certification by Bond Counsel

The undersigned certifies that the above issue meets the requirements of Section 146 (relating to the cap on Private Activity Bonds) of the United States Internal Revenue Code of 1986, as amended.

Kutak Rock LLP
Signature by: David L. Amador

PARTNER
Title

December 29, 2006
Date

14. APPLICATION ATTACHMENTS: Indicate by checking the appropriate spaces the items that are attached to the Notice of Intent. The Inducement Resolution and the financial feasibility letter must be attached. The financial feasibility letter should be in the form of a commitment letter from a bank or recognized underwriter agreeing to purchase the bonds.

APPLICATION ATTACHMENTS:
 Inducement Resolution (required)
 Financial Commitment Letter (required)
 Other

15. SEND CONFIRMATION TO: Indicate to whom a copy of the confirmation should be sent.

Bond Counsel
 Issuer
 Borrower

The Kentucky Private Activity Bond Allocation Committee may also request additional information from the company to use in the evaluation of the project.

The
Student Loan
PeopleSM

Kentucky Higher Education Student Loan Corporation

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OFFICE OF
FINANCIAL MANAGEMENT

January 2, 2007

Mr. Rob Ramsey
Kentucky Private Activity Bond
Allocation Committee
c/o Office of Financial Management
Suite 76, Capitol Annex
Frankfort, KY 40601

Subject: Request for 2007 Private Activity Bond Capacity

Dear Mr. Ramsey:

This letter accompanies the Kentucky Higher Education Student Loan Corporation's (KHESLC) Notice of Intent for an allocation of the Commonwealth's 2007 Private Activity Bond Capacity in the amount of \$62,249,895. We expect to combine this tax- exempt bonding authority with our 2006 private activity bond carryforward of \$696,920, recycled funds and taxable bond proceeds to originate and purchase up to \$600 million in student loans during 2007.

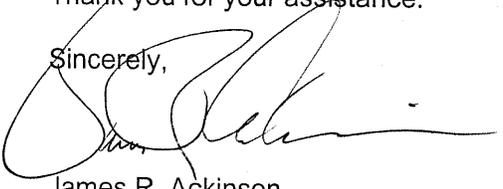
Loan demand for KHESLC's program remains high largely due to the financial benefits provided to borrowers. We waive upfront loan fees for all of our borrowers who can also receive loan principal reductions for on-time payments. Our specialty benefits allow teachers and nurses to receive loan forgiveness for their post-graduate service in Kentucky. We provided over \$19 million in borrower benefits in 2006.

Tax-exempt bonding authority is critical to KHESLC's ongoing ability to offer borrower benefits. That's because the excess earnings on loans funded with tax-exempt bond proceeds are the primary funding source for these benefits.

We deeply appreciate the Kentucky Private Activity Bond Allocation Committee's continued support of KHESLC and its lending program. Please let us know if further information is required.

Thank you for your assistance.

Sincerely,



James R. Ackinson
Executive Vice President

cc: Ken Roberts, Hawkins, Delafield & Wood
Edward Cunningham, KHESLC
Spencer Noe, Board of Directors Chairperson

EQUAL OPPORTUNITY EMPLOYER M/F/D

NOTICE OF INTENT

KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE

Mail to:
KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
702 Capitol Avenue, Suite 76
Frankfort, KY 40601

GENERAL: The issuer must file two (2) signed copies along with one (1) copy each of supporting documents. Read 200 KAR 15:010, KRS 103.286-103.287 carefully. A Notice of Intent will not be considered a qualified application and will not be dated as accepted unless all required information is provided.

1. **ISSUER:** Provide the legal name, address, telephone and fax numbers and e-mail address of the issuing authority as well as the contact person at the issuing authority.

ISSUER NAME: Kentucky Higher Education Student Loan Corporation PHONE: 502-696-7200

ADDRESS: 100 Airport Road

CITY: Frankfort, KY ZIP CODE: 40601

CONTACT: James R. Ackinson PHONE: 502-696-7437

E-MAIL: jackinson@kheaa.com FAX: 502-696-7496

- BORROWER/USER NAME:** Provide the name, address, telephone and fax number and e-mail address of the borrower or principal user as well as the contact person at the borrower/user.

BORROWER/USER NAME: Kentucky Higher Education Student Loan Corporation

ADDRESS: 100 Airport Road

CITY: Frankfort, KY ZIP CODE: 40601

CONTACT: James R. Ackinson PHONE: 502-696-7437

E-MAIL: jackinson@kheaa.com FAX: 502-696-7496

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OFFICE OF
FINANCIAL MANAGEMENT

3. **LEGAL/BOND COUNSEL:** Provide the name, address, telephone and fax numbers and e-mail address of the attorney or law firm representing the issuer.

Kenneth Roberts, Bond Counsel

LEGAL/BOND COUNSEL NAME: Hawkins, Delafield & Wood LLP PHONE: 212-820-9512

ADDRESS: One Chase Manhattan Plaza, 42nd Floor

CITY: New York, NY ZIP CODE: 10005

E-MAIL: kroberts@hawkins.com FAX: 212-820-9651

4. **DESCRIPTION OF PROJECT:** Provide a brief description of the project including any economic or environmental impact. State any other impact the project being financed will make. This could include attraction of new businesses, urban renewal, services provided, special taxes paid, etc. Please indicate if the project involves new construction, expansion, acquisition and/or renovation. Also indicate what the project's primary function will be (i.e. manufacturing, solid waste treatment, etc.). Additional sheets may be attached if necessary.

This project will provide funds for KHESLC's student loan program,
which will assist Kentucky students pursuing post secondary educational
opportunities. A minor portion of bond proceeds will also be used to pay
cost of issuance and fund reserves.

5. **EMPLOYMENT INFORMATION:** Provide the number of full-time jobs to be retained at the project location and an estimate of new permanent full-time jobs to be created by the end of two full years in operation. If applicable, indicate the number of full time jobs which would be lost if the project does not receive private activity bond cap.

Full-Time Employee = Minimum 30 hours per week
 Part-Time Employee = Minimum 15 hours per week

REFER TO ATTACHED COVER LETTER

	Full-Time	Part-Time	*Full-Time Equivalent of Part-Time
Current Number of jobs at project location			
New jobs to be created			
Number of jobs retained that would otherwise be lost if the project does not receive private activity bond cap.			

**If part time employment is being created, please also indicate full time equivalents and an explanation of the formula used to determine full time equivalents. Without this information, part time jobs will not be used in the calculation of jobs.*

6. AVERAGE HOURLY WAGE/BENEFITS: Provide the average hourly wage per new employee and if applicable, the average hourly wage per employee that would otherwise be lost if the project does not receive private activity bond cap.

Average hourly wage per new employee. REFER TO ATTACHED COVER LETTER
 Fringe benefits (Itemize benefits). _____

Total (Average Hourly Wage + Fringe Benefits) _____

Average hourly wage per retained employee that would otherwise be lost if the project does not receive private activity bond cap.

Fringe benefits (Itemize benefits). _____

Total (Average Hourly Wage & Fringe Benefits) _____

7. OTHER STATE INCENTIVES: Identify any state economic development incentives awarded to the company within the last 10 years including any state incentives that have been approved or have received preliminary approval for the proposed project detailed herein. Identify incentives awarded, amount awarded, year awarded, the applicable project and the site of the project. (Additional sheets may be attached if required).

	Amount Awarded	Year Awarded	Project	Site
(1) KEDFA	_____	_____	_____	_____
(2) KREDA	_____	_____	_____	_____
(3) KJDA	_____	_____	_____	_____
(4) KIA	_____	_____	_____	_____
(5) KIDA	_____	_____	_____	_____
(6) KIRA	_____	_____	_____	_____
(7) KEOZ	_____	_____	_____	_____
(8) KEIA	_____	_____	_____	_____
(9) KESA	_____	_____	_____	_____
(10) KIFA	_____	_____	_____	_____
(11) EDB	_____	_____	_____	_____
(12) OTHER	_____	_____	_____	_____

N/A

(1) Kentucky Economic Development Finance Authority; (2) Kentucky Rural Economic Development Act; (3) Kentucky Jobs Development Act; (4) Kentucky Infrastructure Authority; (5) Kentucky Industrial Development Authority; (6) Kentucky Industrial Revitalization Act; (7) Kentucky Economic Opportunity Zone; (8) Kentucky Enterprise Initiative Act; (9) Kentucky Environmental Stewardship Act; (10) Kentucky Investment Fund Act; (11) Economic Development Bond Program.

8. Provide the amount of private activity bond cap the company has previously been allocated in the past 10 years. Include the project, the location and the year of allocation. N/A

9. ALLOCATION REQUESTED: State the amount of private activity bond volume cap being requested. Make every effort to assure that the amount requested will be the amount issued. 200 KAR 15:010 requires that the face amount of the bonds issued cannot be less than 85 percent of the confirmation amount.

ALLOCATION REQUESTED \$62,249,895

10. ANTICIPATED DELIVERY DATE: Provide the date on which the bonds will be delivered and paid for.

ANTICIPATED DELIVERY DATE May 2007

11. METHOD OF FINANCE: Indicate whether the financing will be a private placement or reoffered through an underwriter to the public.

METHOD OF FINANCE Public Sale
(Private or Public Sale)

12. CAPITAL INVESTMENT: List the amount of Capital Investment that will be made in the proposed project:

Land Acquisition	\$ _____
Building (new construction/additions)	\$ _____
Improvements (existing buildings)	\$ _____
Equipment	\$ _____
Infrastructure	\$ _____
Other (Describe) (Student Loans)	\$ 62,249,895
Total Capital Investment	\$ 62,249,895

13. BORROWER/USER AND BOND COUNSEL CERTIFICATION: The Borrower/User (beneficiary) must sign attesting to the accuracy of the information contained in the Notice of Intent. Bond Counsel must certify that the issue meets the requirements of Section 146 of the United States Internal Revenue Code of 1986, as amended.

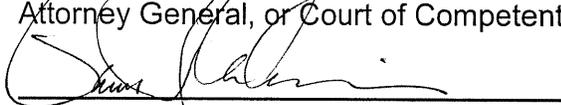
CERTIFICATION OF APPLICATION

Note: The information presented in this application and in the required attachments is evaluated by the KPABAC and its staff and is used in the determination of whether the project will receive an allocation of the local issuer pool of the state ceiling. Any material changes in the status of the proposed project from the facts presented herein could disqualify the project. Please contact staff of the Committee before taking any action which would change the status of the project as reported herein. Projects will be evaluated pursuant to the following criteria:

- Jobs created = 30%
- Average hourly wage and benefits = 25%
- Capital investment = 10%
- County unemployment rate = 25%
- State incentives = 10% (receipt of state economic development incentives impacts the project negatively in the evaluation.)
- Previous private activity bond cap allocated to the company = 25% deduction of total score per allocation received by the company up to 4 allocations.

Certification: I hereby represent and certify that the foregoing information, to the best of my knowledge, is true, complete and accurately and fairly describes the proposed project for which private activity bond cap is sought.

The undersigned, on behalf of the applicant, acknowledges that even though the information contained in this application, or which may hereafter be communicated to the Kentucky Private Activity Bond Allocation Committee contains confidential and proprietary information, it may be subject to public disclosure to the extent required by law pursuant to the Kentucky Open Records Act, Chapter 61 of the Kentucky Revised Statutes. Notwithstanding the above, except as otherwise agreed to by the applicant in writing, no confidential or proprietary information shall be disclosed if properly excluded from disclosure under KRS 61.878 (determined by the Committee, the Kentucky Attorney General, or Court of Competent Jurisdiction).


Signature

Executive Vice President

Title

January 2, 2007

Date

Certification by Bond Counsel

The undersigned certifies that the above issue meets the requirements of Section 146 (relating to the cap on Private Activity Bonds) of the United States Internal Revenue Code of 1986, as amended.



Signature

Partner Hawkins Delaheld & Wood LLP

Title

January 2, 2007

Date

14. APPLICATION ATTACHMENTS: Indicate by checking the appropriate spaces the items that are attached to the Notice of Intent. The Inducement Resolution and the financial feasibility letter must be attached. The financial feasibility letter should be in the form of a commitment letter from a bank or recognized underwriter agreeing to purchase the bonds.

- APPLICATION ATTACHMENTS:
- Inducement Resolution (required)
 - Financial Commitment Letter (required)
 - Other (Transmittal Letter)

15. SEND CONFIRMATION TO: Indicate to whom a copy of the confirmation should be sent.

- Bond Counsel
- Issuer
- Borrower

The Kentucky Private Activity Bond Allocation Committee may also request additional information from the company to use in the evaluation of the project.

TAB C

**Kentucky Private Activity Bond Allocation Committee
2007 CAP Summary**

KENTUCKY POPULATION ESTIMATE (July 1, 2006)
U.S. Census Bureau
2007 Per Capita \$85

4,206,074
Total Kentucky Volume Cap for 2007: \$957,516,290
Local Issuer Pool for 2007: \$71,503,258
State Issuer Pool for 2007: \$286,013,032

10% \$7,150,326
25% \$17,875,815

LOCAL ISSUER POOL	Amount Requested	Issuer	Lottery Ball	Lessee	Type	County	Bond Counsel	Authorization	Allocation Award	Notice of Issuance	Amount Issued	Issue Date
1											0	
2											0	
3											0	
4											0	
5											0	
6											0	
Total											0	Issued
Available Volume Cap Surplus											71,503,258	Diff

STATE ISSUER POOL	Amount Requested	Issuer	Lottery Ball	Lessee	Type	County	Bond Counsel	Authorization	Allocation Award	Notice of Issuance	Amount Issued	Issue Date
1	223,763,137	KHC			State Issuer		David L. Arnsden				0	
2	62,249,895	KHESLC			State Issuer		Ken Roberts				0	
3											0	
4											0	
Total											0	Issued

AVAILABLE VOLUME CAP	Amount Requested	Issuer	Lottery Ball	Lessee	Type	County	Bond Counsel	Authorization	Allocation Award	Notice of Issuance	Amount Issued	Issue Date
First Lottery											0	
1											0	
2											0	
3											0	
4											0	
5											0	
6											0	
Total											0	Issued
Second Lottery											0	
11											0	
12											0	
Total											0	Issued
Remaining Balance for State Issuers											71,503,258	Diff
Total Available Carryforward											71,503,258	

CARRYFORWARD	Amount Requested	Issuer	Lottery Ball	Lessee	Type	County	Bond Counsel	Authorization	Allocation Award	Notice of Issuance	Amount Issued	Issue Date
1											0	
2											0	
Total											0	Issued