

KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
MINUTES
January 5, 2006

The Kentucky Private Activity Bond Allocation Committee (the "Committee") meeting was called to order by Chairman John Farris, proxy for Robbie Rudolph, Secretary, Finance and Administration Cabinet, on Thursday, January 5, 2006 at 10:05 a.m. in Room 386 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; and Edgar C. Ross, Controller, Finance and Administration Cabinet.

Chairman Farris 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 November 7, 2005 minutes. A motion was made by Mr. Edgar Ross and seconded by Mr. Allen Holt to approve the minutes. **Motion CARRIED.**

Chairman Farris turned the floor over to Jason Hamilton, Financial Analyst, Office of Financial Management. Mr. Hamilton stated that the second item on the agenda was the allocation of the 2005 carryforward. The total amount of carryforward available is \$22,657,097.75, of which, \$3,765,000 is the remaining amount from the lottery and the Kentucky Housing Corporation ("KHC") allowed \$18,982,097.75 to expire in error. Mr. Hamilton indicated that the Kentucky Higher Education Student Loan Corporation ("KHESLC") was requesting \$3,765,000 and KHC was requesting \$18,892,097.75, both will be utilized in 2006.

Mr. Jim Ackinson, Chief Financial Officer, KHC pointed out that the bonds for the expired cap were sold on December 14, 2005 but the deal will not close until January 26, 2006.

A motion was made by Mr. Holt and seconded by Ms. Smith to approve \$3,765,000 to KHESLC and \$18,892,097.75 to KHC as carryforward. **Motion CARRIED.**

Mr. Hamilton stated that the last item on the agenda was a 2005 cap summary and was an informational item. Mr. Hamilton indicated the summary was a review of 2005 allocations. Regarding the volume cap for 2006, Mr. Hamilton stated the population estimate from the U.S. Census Bureau was up about 30,000 people, which will result in an increase in the total volume cap of approximately \$2 million for 2006.

Mr. F. Thomas Howard, Executive Director, Office of Financial Management, stated that in late January staff will be sending out letters, soliciting applications and establishing deadlines for applications for volume cap in 2006. Mr. Howard indicated there would be a state issuer allocation first with a local issuer allocation to follow later.

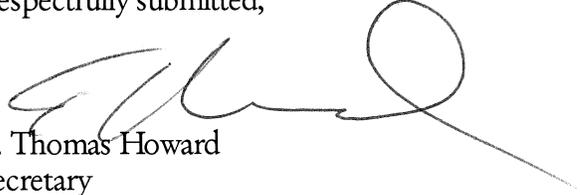
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Chairman Farris asked if there was any other business. With no further business before the Commission, a motion was made by Mr. Holt and seconded by Mr. Ross to adjourn the meeting. **Motion CARRIED.**

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'F. Thomas Howard'. The signature is fluid and cursive, with a large loop at the end of the line.

F. Thomas Howard
Secretary