

300:

December 2, 1955

A meeting of the Board of Regents of Morehead State College was held in the Administration Building at Morehead on December 2, 1955, at 5:30 P. M. The following members were present:

M. K. Eblen
Dr. Elwood Esham
Dr. Lowell Gearhart

Absent: Wendell P. Butler

The minutes of the meeting held July 26, 1955 were read, and on motion of Dr. Esham, seconded by Dr. Gearhart, unanimously approved as read.

President Doran announced that the Buildings Commission had selected Mr. John Farra, of the Kentucky Company, Lexington, Kentucky to act as fiscal agent for our project on the Student House. The Buildings Commission has authorized the construction of a Student House at Morehead State College and allocated an amount of \$250,000 as the state's contribution to the project. The architectural firm of Joseph & Joseph, Louisville, Kentucky has been employed to draw plans and specifications for this building. The plans and specifications have been delivered to the executive director of the Commission, bids have been advertised for construction of the project and will be opened on December 6, at 2:00 P. M. On motion of Dr. Esham, seconded by Dr. Gearhart, the Board voted unanimously to approve the project of constructing the Student House and accepting the \$250,000 allocated by the State Property and Buildings Commission. Roll call on this motion was:

Mr. Eblen Aye
Dr. Esham Aye
Dr. Gearhart Aye

Mr. John Farra, acting as fiscal agent to the Board of Regents and the State Property and Buildings Commission, presented a feasibility report setting forth the ways and means for financing the project by the sale of revenue bonds.

On motion of Dr. Esham, seconded by Dr. Gearhart, the Board adopted the following resolution:

Whereas, the Kentucky Council on Public Higher Education authorized an increase in incidental fees of \$10 per student per semester, at its meeting on November 23, 1955, and

Whereas, an amount of \$10 per student per semester will be required to finance the retirement of revenue bonds against the Student House,

Therefore, be it resolved that the Board of Regents authorizes an increase in incidental fees of \$10 per student per semester beginning September 1, 1956. The vote on this motion was:

Mr. Eblen Aye
Dr. Esham Aye
Dr. Gearhart Aye

Motion by Dr. Esham that we accept the proposal of the Kentucky Company, through its representative, John Farra, to act as fiscal agent in the issuance of approximately \$500,000 in revenue bonds to finance the construction of the Student House as follows:

"As there are many problems involved in working out such financing to the best advantage of the College and in view of our experience in municipal and state financing we propose that you employ us as your fiscal agent on your behalf as follows:

1. We will advise with you and the officials of the college and assist you in all details in connection with the authorization, issuance and sale of the bonds, including advising you in regard to the maturity schedule, prior redemption provisions, sinking fund requirements, special reserve requirements, depreciation needs and all other details regarding the bond issue.
2. We will employ at our own expense Messrs. Wyatt, Grafton & Grafton, Attorneys, Louisville, Kentucky, recognized municipal bond counsel and cause them to prepare all resolutions, transcripts and other documents necessary to legally authorize, issue and sell the amount of bonds required, and will cause the attorneys to furnish their final approving legal opinion to accompany the bonds when delivered to the successful bidder. The attorneys employed will be made only with the approval of the State Property and Buildings Commission.
3. We will prepare and have published such notices of sale of bonds as are required and considered adequate. We will prepare a brochure or an Official Statement which will contain complete and convenient information pertaining to the bond issue and its security and make same available at the time the bonds are advertised for sale. We will also bring the offering to the particular attention of the bond rating services and potential major investors.
4. We will cooperate in all legal proceedings which may be necessary in order that the plan of financing and the bonds to be issued shall be declared legal and valid, including, if deemed necessary, proceeding through final adjudication by the Court of Appeals of Kentucky. It is understood that the Commonwealth's legal representatives may at the discretion of the Attorney General, participate in and supervise such proceedings without expense to us.
5. After the interest rates of the bonds have been established, we will have lithographed bonds prepared with steel engraved borders by the Columbian Banknote Company, or some other recognized banknote company.

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6. We will assist and advise with you in the execution and delivery of the bonds to the successful bidder.
7. We will cause to be assembled a complete transcript of all legal proceedings incident to the bond issue and will make it available to the successful bidder.
8. We will pay all expenses incident to this work, including Court proceedings, printing the bonds, advertising the sale or sales, and the attorneys' fees and expenses.

In consideration for our advice and services rendered, and for the expenses assumed by us, it is agreed by you that we are to be paid a fee equal to 0.9% of the face amount of bonds actually sold and delivered- such fee to be due and payable to us simultaneously with delivery of the bonds to the successful bidder.

It is understood that we reserve the right to submit a bid or to be a member of an account which may submit a bid for the above bonds at the public competitive sale; and if the bonds are sold and delivered our fee is to be due and payable to us whether or not we are the successful bidder at the sale. The College reserves the right to reject any and/or all bids.

In consideration of the mutual covenants and agreements, the said College does hereby employ the said Fiscal Agent, to perform all of the services included and set forth herein. Upon the satisfactory completion of all services except those to be rendered under Numbered Articles 5,6,7, and 8 of the above quoted proposal, the College may release the Fiscal Agent from further duties as a fiscal advisor, and from further duties as Fiscal Agent except as called for by said numbered paragraphs. Such release shall be by letter signed by the Executive Director of the State Property and Buildings Commission.

Yours truly,

/s/ John B. Farra

Accepted _____

/s/ M. K. Eblen
Chairman of the Board of Regents
Morehead State College

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Roll call on this motion:

Mr. Eblen	Aye
Dr. Esham	Aye
Dr. Gearhart	Aye

Moved by Dr. Gearhart that the Student House be named THE DORAN STUDENT HOUSE. Motion seconded by Dr. Esham, and the vote on this motion was:

Mr. Eblen	Aye
Dr. Esham	Aye
Dr. Gearhart	Aye

Dr. Doran then presented his report to the Board for the period July 26, 1955 to December 6, 1955. The Board voted unanimously to accept President Doran's report, and to approve the recommendations set forth therein. The report is as follows:

Board of Regents
Morehead State College
Morehead, Kentucky

Gentlemen:

I am submitting herewith a report on the operation of the College for the period July 26, 1955 to December 2, 1955, and certain recommendations for Board Action:

1. Personnel Changes:

Resignation of Coach Wilbur Jamerson, effective August 31, 1956. I further recommend that an adjustment be made in Mr. Jamerson's salary, and that he be placed on part-time employment during the seven months period beginning February 1, 1956 and ending August 31, 1956, at a salary of \$191.66 per month.

2. Appointments:

Mrs. Merl F. Allen, Department of Home Economics, for a 4½ months period beginning September 1, 1955 and ending January 31, 1956 at \$300 per month.

Mrs. Joan K. Back, Department of Commerce, for 4½ months at \$275 per month, beginning September 1, 1955 and ending January 31, 1956.

Dr. Margaret B. Heaslip, Department of Science, for a 9 months period, beginning September 1, 1955 and ending June 1, at a salary of \$4300.

Mrs. Harriett Tvrdik, Department of Music, for a 9 months period, beginning September 1, 1955 and ending June 1, 1956 at a salary of \$3500..

Miss Martha Dotson, Department of Commerce, beginning February 1, 1956 and ending June 1, 1956, at a salary of \$1500.

3. Enrollment:

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The resident enrollment for the fall semester is 1072. This compares to an enrollment of 910 for the fall of 1954. Below is a breakdown of our enrollment:

Kentucky Counties

Bath	36
Bell	3
Boone	1
Bourbon	1
Boyd	25
Bracken	3
Breathitt	8
Campbell	5
Carter	118
Clark	3
Clay	1
Elliott	45
Fayette	1
Fleming	21
Floyd	62
Franklin	8
Grant	2
Graves	1
Greenup	48
Harlan	4
Harrison	3
Henry	1
Jefferson	24
Johnson	35
Kenton	7
Knott	19
Knox	3
Larue	2
Laurel	1

Lawrence	19
Letcher	22
Lewis	38
Lincoln	1
Madison	2
Magoffin	25
Martin	21
Mason	11
McCreary	1
Menifee	24
Mercer	1
Montgomery	17
Morgan	44
Nicholas	9
Oldham	1
Perry	16
Pike	23
Powell	1
Rowan	172
Russell	1
Trigg	1
Trimble	1
Warren	1
Whitley	1
Wolfe	4
Total	<u>948</u>

Kentucky Counties	948
Other States	112
Foreign (Korea)	2
Incomplete	10
Total -----	<u>1072</u>

OTHER STATES

Connecticut	2
Florida	1
Indiana	22
Illinois	2
Maryland	2
Michigan	8
New Jersey	5
Ohio	40
Pennsylvania	5
Tennessee	1
Virginia	3
West Virginia	20
Wisconsin	1
Total	<u>112</u>

FOREIGN

Korea	2
Total	<u>2</u>

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In addition, we are offering, or have offered Study Centers during this semester as follows:

OFF-CAMPUS CLASSES

First Semester.....1955

<u>Place</u>	<u>Subject</u>	<u>Teacher</u>	<u>Enrollment</u>
Inez	Teaching of Reading	Era Mae Smelley	25
Paintsville	European Geography	W. M. Caudill	16
Inez	Rudiments of Music	Harriett Tvrdik	32
Whitesburg	Political Science	C. R. Rader	17
Wurtland	Geography	Ella O. Wilkes	16
Ashland	Nutrition	Patti Bolin	23
Ashland	Geography	W. M. Caudill	15
Hazard	Victorian Writers	G. C. Banks	17
Jackson	Sci. for Elem. Teachers	Denver Sloan	21
Ashland	Physical Education	Bobby Laughlin	32
Frenchburg	Community Recreation	Bobby Laughlin	18
	Total		<u>232</u>

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4. Audit:

We have not had an audit of the funds of Morehead State College by the State Auditor's Office since 1952. It has been many years since a private audit of the funds of the college has been made. I should like to recommend that the Board consider contracting with Kelley and Galloway, Certified Public Accountants of Ashland, Kentucky for an audit of Morehead State College for the fiscal years ending June 30, 1953, 1954, 1955, and the year ending June 30, 1956.

5. Financial Report:

I am submitting a detailed financial report for the fiscal year beginning July 1, 1954 and ending June 30, 1955. I am also submitting a financial statement for the first quarter ending September 30, 1955.

6. Student House:

I should like to recommend that the Board of Regents officially approve the project, and (2) authorize the issuance of revenue bonds.

Respectfully submitted,

/s/ Adron Doran
President

President Doran placed before the Board the necessity of having an audit of the college, due to the fact that the College has not had an official audit since 1952. On motion of Dr. Gearhart, seconded by Dr. Esham, President Doran was authorized to employ the firm of Kelley and Galloway of Ashland, Kentucky to make an audit of the college for the fiscal years 1953, 1954, 1955, and 1956. The fee for this service is to be \$500 per year, plus meals, lodging and transportation. The vote on this motion was:

306.
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Mr. Eblen	Aye
Dr. Esham	Aye
Dr. Gearhart	Aye

On motion of Dr. Esham, seconded by Dr. Gearhart, the following documents pertaining to the STUDENT HOUSE were approved:

WHEREAS, Morehead State College and its students are not now being provided with adequate buildings for educational purposes and in order to provide same, it is necessary that a new Student Union building be constructed upon premises owned by the College; and

WHEREAS, plans and specifications for the same have been prepared and submitted to the Board of Regents and the same have been approved and construction bids will be received and acted upon prior to the sale of the bonds hereinafter authorized, and appropriations toward the cost of said building have been made by the State Property and Buildings Commission, indicating to the Board of Regents that the cost of such project will exceed the available funds on hand and which have been set aside for that purpose, by not more than Five Hundred Thousand Dollars (\$500,000.00), and

WHEREAS, under the provisions of Section 162.340 to 162.380, of the Kentucky Revised Statutes the Board of Regents of Morehead State College, as the governing body of said state educational institution, is authorized to issue bonds as hereinafter provided for the purpose of financing the cost of said project to the extent not otherwise provided, and the issuance of bonds has been approved and authorized by the State Property and Building Commission as required by law;

NOW, THEREFORE, THE BOARD OF REGENTS OF MOREHEAD STATE COLLEGE HEREBY RESOLVES AS FOLLOWS:

SECTION 1. That the plans and specifications prepared and submitted to this Board for the construction of a new Student Union building upon premises owned by the College, are hereby in all respects approved. Said new building with appurtenances is hereinafter sometimes referred to as the "Project," and said Project is hereby declared to be a building for use by the College for educational purposes within the meaning and application of KRS 162.340 et seq.

SECTION 2. In order to provide for the payment of the costs of the Project not otherwise provided, there shall be and there are hereby ordered to be issued by the Board of Regents of Morehead State College, in its corporate capacity and by and through its corporate name, and as a state educational institution and agency, bonds which shall be designated "Morehead State College Building Revenue Bonds of 1955," in the aggregate principal amount of Five Hundred Thousand Dollars (\$500,000.00) dated December 1, 1955, consisting of five hundred (500) bonds of the denomination of One Thousand Dollars (\$1,000.00) each, to be numbered consecutively from one (1) to five (500), both numbers inclusive, bearing interest to be evidenced by coupons attached to each bond and maturing on June 1 and December 1 of each year to the respective maturity dates of principal at a rate, or rates, not exceeding six per cent per annum (6%), (the exact rate, or rates, to be determined at the time of the receipt and consideration of financing proposals as hereinafter provided). Said bonds shall mature serially and in numerical order, as follows:

<u>BONDS NUMBERED</u> (Inclusive)	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF MATURITY</u>
1-10	\$10,000.00	December 1, 1957
11-20	10,000.00	December 1, 1958
21-30	10,000.00	December 1, 1959
31-41	11,000.00	December 1, 1960
42-52	11,000.00	December 1, 1961
53-64	12,000.00	December 1, 1962
65-76	12,000.00	December 1, 1963
77-89	13,000.00	December 1, 1964
90-102	13,000.00	December 1, 1965
103-116	14,000.00	December 1, 1966
117-130	14,000.00	December 1, 1967
131-145	15,000.00	December 1, 1968
146-160	15,000.00	December 1, 1969
161-176	16,000.00	December 1, 1970
177-193	17,000.00	December 1, 1971
194-211	18,000.00	December 1, 1972
212-229	18,000.00	December 1, 1973
230-248	19,000.00	December 1, 1974
249-267	19,000.00	December 1, 1975
268-287	20,000.00	December 1, 1976
288-308	21,000.00	December 1, 1977
309-330	22,000.00	December 1, 1978
331-353	23,000.00	December 1, 1979
354-377	24,000.00	December 1, 1980
378-401	24,000.00	December 1, 1981
402-425	24,000.00	December 1, 1982
426-450	25,000.00	December 1, 1983
451-475	25,000.00	December 1, 1984
476-500	25,000.00	December 1, 1985

provided, however, that said bonds numbered 42 to 500 inclusive, or such of them as may be outstanding from time to time, shall be redeemable prior to maturity in whole, or from time to time in part, in the inverse order of their maturity (less than all of a single maturity to be selected by lot), on any interest payment date on or after December 1, 1960, providing a notice specifying the bonds to be redeemed shall have been on file at the place of payment of the principal and interest at least thirty (30) days prior thereto, and provided also that such notice shall have been published at least once not less than thirty (30) days prior to the redemption date in a newspaper having general circulation throughout Kentucky, and provided that the holder of each bond so redeemed shall be entitled to receive on the specified redemption date the face amount of the bond, together with interest to the redemption date at the applicable coupon rate, and together with additional interest, per bond, in the sum of Thirty Dollars (\$30.00) if the redemption date is prior to December 1, 1965; Twenty Dollars (\$20.00) if the redemption date is on or after December 1, 1965, but prior to December 1, 1970; Ten Dollars (\$10.00) if the redemption date is on or after December 1, 1970, but prior to December 1, 1975; and Five Dollars (\$5.00) if the

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redemption date is on or after December 1, 1975, but prior to December 1, 1980. If the redemption date is on or after December 1, 1980, no such additional interest shall be due or payable. All bonds called for redemption and for which funds are duly provided, as herein provided, shall cease to bear interest as of the redemption date.

Said bonds shall be signed for and on behalf of the Board of Regents of Morehead State College by the Chairman of said Board of Regents, attested by its Secretary, and sealed with its corporate seal, and the interest coupons attached to said bonds shall be executed with the facsimile signatures of said Chairman and said Secretary, and if any officer whose signature or counter-signature shall appear on said bonds or coupons shall cease to be such officer prior to the delivery of the bonds, such signature, or counter-signature shall be valid for all purposes, the same as if such officer had continued in office until such delivery; and said bonds, together with interest thereon, and together with any additional bonds ranking on a parity therewith as may be issued pursuant to the restrictions and conditions hereinafter set forth, shall be payable in lawful money of the United States of America at the principal office of Kentucky Trust Company, in the City of Louisville, Kentucky, but only out of the "Building Revenue Bond and Interest Redemption Fund of 1955," hereinafter created, and shall be a valid claim of the holders thereof only against said fund, and the gross income and revenues of the Project pledged to such fund.

Said bonds shall be fully negotiable, but may be registered as to principal only on the books of the Secretary of the Board of Regents of Morehead State College, such registration to be noted by said Secretary on the form provided for such purpose upon the reverse of each bond, after which no transfer of such bonds shall be valid unless made on such books at the written request of the registered owner or his authorized representative, and similarly noted on the reverse thereof; but any registered bond may be discharged from registry by being registered to bearer, and thereafter transferability by delivery may be restored. Registration of said bonds, as aforesaid, shall not affect the negotiability of the coupons appurtenant thereto, which shall continue to be transferable by delivery merely, and shall remain payable to bearer.

SECTION 3. The aforesaid bonds and coupons shall be in substantially the following form, to-wit:

(FORM OF BOND)

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
MOREHEAD STATE COLLEGE
BUILDING REVENUE BOND OF 1955

No. _____

\$1,000.00

KNOW ALL MEN BY THESE PRESENTS:

That the Board of Regents of the Morehead State College,

as a state educational institution and agency, for value received hereby promised to pay to the bearer, or if this bond be registered, to the registered holder hereof, as hereinafter provided, the sum of One Thousand Dollars (\$1,000.00) on the first day of December, 19___, with interest thereon from the date hereof until paid at the rate of _____ per cent (_____ %) per annum, payable semi-annually on June 1 and December 1 of each year, except as the provision hereinafter set forth with respect to prior redemption may be and become applicable hereto, such interest as may accrue on and prior to the maturity date of this bond to be paid only upon presentation and surrender of the annexed interest coupons as they severally mature, both principal and interest being payable in lawful money of the United State of America at the principal office of Kentucky Trust Company, in the City of Louisville, Kentucky.

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The right is hereby reserved to call and redeem bonds numbered 42 to 500, both numbers inclusive, of the series of which this bond is a part (all bonds maturing on and after December 1, 1961) prior to stated maturities, in whole, or from time to time in part, in the inverse order of their maturity (less than all of a single maturity to be selected by lot) on December 1, 1960, or on any interest payment date thereafter providing a notice specifying the bonds to be redeemed shall have been on file at the place of payment of the principal and interest at least thirty (30) days prior thereto and providing also that such notice shall have been published at least once not less than thirty (30) days prior to the redemption date in a newspaper having general circulation throughout Kentucky; and providing that the holder of each bond so redeemed shall be entitled to receive the face amount of the bond, together with interest to the redemption date at the applicable coupon rate and together with additional interest which shall be in the sum of Thirty Dollars (\$30.00) per bond if the redemption date is prior to December 1, 1965; Twenty Dollars (\$20.00) per bond if the redemption date is on or after December 1, 1965, but prior to December 1, 1970; Ten Dollars (\$10.00) per bond if the redemption date is on or after December 1, 1970, but prior to December 1, 1975; and Five Dollars (\$5.00) per bond if the redemption date is on or after December 1, 1975, but prior to December 1, 1980. If the redemption date is on or after December 1, 1980, no such additional interest shall be due or payable. Bonds called for redemption as herein provided and funds for the payment of which have been duly set aside, shall cease to bear interest as of the redemption date.

This bond is issued for financing the cost not otherwise provided of constructing a new Student Union Building and appurtenances, for educational purposes in connection with Morehead State College under and in full compliance with the Constitution and Statutes of Kentucky, including among others, Sections 162.340 to 162.380, inclusive, of the Kentucky Revised Statutes.

The Board of Regents of said College hereby represents, covenants, and warrants that in addition to the proceeds of the series of bonds, of which this bond is one, there has been appropriated and allocated to the costs of the said Student Union building project by the State Property and Buildings Commission of Kentucky, the sum of \$250,000.00, which sum is and will be available to assure the payment of the costs of said building project, complete with necessary appurtenances and equipment.

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This bond and the series of which it is a part, and any bonds ranking on a parity therewith as may be issued pursuant to the conditions and restrictions prescribed in that connection, are payable only from a fixed amount of the gross income and revenues to be derived from the operation of said Student Union building and appurtenances, which will be set aside as a special fund and pledged for that purpose and identified as the "Building Revenue Bond and Interest Redemption Fund of 1955," and this bond does not constitute an indebtedness of the Morehead State College or its Board of Regents or of the Commonwealth of Kentucky within the meaning of any constitutional provisions or limitations.

This bond is fully negotiable, but may be registered as to principal only on the books of the Secretary of the Board of Regents of Morehead State College, such registration to be evidenced by notation thereof on the reverse hereof by said Secretary, after which no transfer of this bond shall be valid unless made on said books at the written request of the registered owner or his authorized representative and similarly noted on the reverse hereof; but this bond may be discharged from registry by being registered to bearer, and thereafter transferability by delivery shall be restored. Registration of this bond as aforesaid shall not affect the negotiability of the coupons appurtenant hereto, which shall continue to be transferable by delivery merely and shall remain payable to bearer.

A statutory mortgage lien upon said Student Union Building and appurtenances, which is hereby recognized to be valid and binding is created by KRS 162.350 and KRS 162.200 for the benefit and protection of the holders of the bonds and coupons of the series herein referred to, and said statutory mortgage lien shall remain in full force and effect until the payment in full of all bonds of said series, including parity bonds, with all interest due thereon.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this bond do exist, have happened and have been performed in due time, form and manner as required by law, and the amount of this bond, together with all other obligations of said Morehead State College and its Board of Regents, does not exceed any limit prescribed by the Constitution or Statutes of Kentucky; that said Student Union building and appurtenances will be continuously operated by said Morehead State College and that a sufficient portion of the gross income and revenues therefrom has been pledged to and will be set aside into a special account for the payment of the principal of and interest on all bonds which by their terms are made payable therefrom.

IN WITNESS WHEREOF, the Board of Regents of Morehead State College has caused this bond to be signed by its Chairman, and its corporate seal to be hereunto affixed, attested by the Secretary, and the coupons hereto attached to be executed with the facsimile signatures of the said Chairman and said Secretary, who, by the signing of this bond, do adopt said facsimile signatures, and each of them, to be their respective authorized and official signatures, all as of the first day of December, 1955.

(SEAL)

M. R. Eblen
Chairman, Board of Regents

ATTEST:

William L. Gearhart
Secretary Board of Regents

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(FORM OF COUPON)

Number _____ \$ _____

*Unless the bond to which this coupon is attached shall have been called for prior redemption.

On the first day of _____, 19_____, the Board of Regents of Morehead State College will pay to bearer _____ Dollars (\$ _____) in lawful money of the United States of America, out of its "Building Revenue Bond and Interest Redemption Fund of 1955," at the principal office of Kentucky Trust Company in the City of Louisville, Kentucky, as provided in and for interest then due on its Building Revenue Bond of 1955, dated December 1, 1955, Number _____.

Chairman, Board of Regents

Secretary, Board of Regents

(*This redemption legend to appear only on coupons maturing on and after June 1, 1961)

(FORM FOR REGISTRATION TO BE PRINTED ON THE BACK OF EACH BOND)

Date of Registration	Name of Registered Holder	Signature of Secretary, Board of Regents
:	:	:
:	:	:
:	:	:
:	:	:
:	:	:

SECTION 4. The Project shall be completed as expeditiously as may be, and continuously thereafter it shall be operated as a revenue-producing undertaking on a fiscal year basis ending on November 30 of each year, and on that basis the gross income and revenues of said Project shall be set aside into a separate and special fund designated the "Building Revenue of 1955" (hereinafter designated the "Revenue Fund").

The said income and revenues of said Student Union Building project, and which shall be deposited, as and when received, in said Revenue Fund, are found and declared to be as follows:

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(a) It is hereby represented and declared that in addition to tuition and other charges imposed for attendance at the College, the Board of Regents of said College has heretofore, and so long as any of the bonds herein authorized are outstanding will continue to fix, impose, charge and collect an "incidental fee" incident to registration, which all students have been and will continue to be required to pay; and a portion thereof has not been allocated to, and so long as any of the bonds herein authorized may remain outstanding will continue to be allocated to the Student activities of the College, and specifically as constituting a part of the income and revenues derived, caused and originating from the use and availability of the facilities, services, and recreational and educational provisions and facilities afforded by said Student Union Building. It is hereby declared that a substantial portion of said "incidental fee," so allocated, will represent income and revenues from the students of the College generally, for the services and facilities of said new Student Union Building (sometimes herein referred to as the "Project"). It is, therefore, hereby covenanted and agreed by the Board of Regents that annually when fixing the amount of said incidental registration fee, due account will be taken of the cost and value of the services and facilities of said new Student Union Building; that the portion of said fee allocated annually to the student activities program of the College will continue to take into account the cost and value of such facilities and services; that the amount so allocated to the said activities program will be sufficient in each year to discharge all expenditures properly chargeable thereto and in addition an amount which, with any other annual gross income and revenues received as direct admission, sales and other charges in connection with events and other activities conducted and carried on in said Student Union Building will constitute said "Building Revenue Fund of 1955," and will be sufficient at all times to make the required payments into the "Building Revenue Bond and Interest Redemption Fund of 1955" (hereinafter created) and to pay costs of operation and maintenance (including insurance) of said new Student Union Building Project. It is hereby covenanted and agreed by the Board of Regents that the annual portion of such incidental registration fee so allocated, as herein provided, shall be not less than \$10.00 per student per semester during each regular college year, and \$5.00 per student for summer session attendance; and said minimum allocations shall be increased from time to time if required, but shall not be reduced so long as any of the bonds herein authorized may remain outstanding.

(b) The plans and specifications of said Student Union Building Project provide space, facilities, and equipment for the operation of a cafeteria, a grill, and a bookstore, all of which have long been maintained and operated on a profitable basis elsewhere on or adjacent to the campus of the said College. The Board of Regents hereby covenants and agrees that upon the completion of said Student Union Building Project, the said cafeteria, grill and bookstore projects, businesses and operations will immediately be discontinued in other locations, as projects and activities and facilities of the College, and will be transferred to and placed in operation as projects and activities of the College in the space and facilities provided for those purposes in the said Student Union Building Project, and it is hereby declared and covenanted that the net operating profits of said cafeteria, grill and bookstore enterprises and facilities will and shall constitute income and revenues of said new Student Union Building Project, and said net operating revenues shall be deposited in the above-created "Revenue Fund," as are other such income and revenues, as herein defined and described. The said term "net operating revenues," as herein used,

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is defined as being the gross receipts and revenues of said cafeteria, grill and bookstore operations and activities, less the proper expenses allocable thereto, including salaries, cost of food and other goods sold, utility services, ordinary maintenance and operation charges, insurance, and such other expenses as are properly chargeable thereto under standard accounting practices, but exclusive of any charge for depreciation of rental, such depreciation and rental being deemed and declared to be a fair charge for the use of the facilities, space and equipment provided for such purposes by said Student Union Building Project; and

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(c) In addition to the educational facilities to be provided by said Student Union Building Project especially for the student activities program, and for said necessary cafeteria, grill and bookstore activities and operations, the Board of Regents acknowledges, recognizes, covenants, and agrees that the said Project is so designed and planned as to provide other educational facilities necessary in the operation of the College, within the meaning and application of KRS 162.360, and that the reasonable cost and value thereof is not less than the sum of \$500.00 per month, during each month that said services and facilities are provided and accrue to and for the benefit of said College. Accordingly, the Board of Regents hereby covenants, and agrees, pursuant to authority of KRS.360, that from and after the completion of said Student Union Building Project, and so long as any of the bonds authorized hereby may remain outstanding and unpaid, it will cause to be paid into said above-created "Revenue Fund," from the current funds of said College, and as properly constituting a portion of the income and revenues of said Project, the sum of not less than \$500.00 per month, nor less than \$6,000.00 per year.

There shall be and there is hereby created a fund to be known as the "Building Revenue Bond and Interest Redemption Fund of 1955," (hereinafter called the "Bond Fund") into which there shall be set aside from the moneys held in the Revenue Fund the entire proceeds of the minimum covenanted allocations from said incidental registration fee, as above set forth (being \$10.00 per student per semester during each regular college year, and \$5.00 per student for summer session attendance), and all other revenues, as hereinabove described, until such time as there shall have been accumulated in said Bond Fund, in addition to meeting all payments of maturing principal and interest when due, the sum of \$60,000.00, which sum so accumulated shall thereafter be held and maintained as a reserve in said Bond Fund, and used and applied only in the event there would otherwise be a default in the payment of maturing principal and interest of the bonds herein authorized; and in such event, the prescribed amount of such reserve shall be restored and maintained from the first available revenues.

For the information, only, of future administrations of the College, it is hereby determined that the minimum annual amounts to be set aside into said Bond Fund, in order to meet when due the maturing principal of, and interest on, the bonds herein authorized, (no regard being had for the accumulation of the above specified reserve) are as follows:

Minutes of December 2, 1955 continued

For the fiscal year ending November 30, 1956.....	\$30,000.00
For the fiscal year ending November 30, 1957,.....	30,000.00
For the fiscal year ending November 30, 1958.....	29,600.00
For the fiscal year ending November 30, 1959.....	29,200.00
For the fiscal year ending November 30, 1960.....	29,800.00
For the fiscal year ending November 30, 1961.....	29,360.00
For the fiscal year ending November 30, 1962.....	29,920.00
For the fiscal year ending November 30, 1963.....	29,440.00
For the fiscal year ending November 30, 1964.....	29,960.00
For the fiscal year ending November 30, 1965.....	29,440.00
For the fiscal year ending November 30, 1966.....	29,920.00
For the fiscal year ending November 30, 1967.....	29,360.00
For the fiscal year ending November 30, 1968.....	29,800.00
For the fiscal year ending November 30, 1969.....	29,200.00
For the fiscal year ending November 30, 1970.....	29,600.00
For the fiscal year ending November 30, 1971.....	29,960.00
For the fiscal year ending November 30, 1972.....	30,280.00
For the fiscal year ending November 30, 1973.....	29,560.00
For the fiscal year ending November 30, 1974.....	29,840.00
For the fiscal year ending November 30, 1975.....	29,080.00
For the fiscal year ending November 30, 1976.....	29,320.00
For the fiscal year ending November 30, 1977.....	29,520.00
For the fiscal year ending November 30, 1978.....	29,680.00
For the fiscal year ending November 30, 1979.....	29,800.00
For the fiscal year ending November 30, 1980.....	29,880.00
For the fiscal year ending November 30, 1981.....	28,920.00
For the fiscal year ending November 30, 1982.....	27,960.00
For the fiscal year ending November 30, 1983.....	28,000.00
For the fiscal year ending November 30, 1984.....	27,000.00
For the fiscal year ending November 30, 1985.....	26,000.00

The foregoing schedule of the minimum annual amounts to be set aside into the bond Fund solely in order to meet maturing principal and interest when due (and without abrogating the covenant of the Board of Regents to set aside into said Bond Fund the entire proceeds of the covenanted minimum annual appropriations and allocations from said annual incidental registration fee and other sources of income and revenue, as hereinabove provided), have been computed upon the basis that the entire \$500,000.00 of bonds herein authorized will be sold, and that a single interest coupon rate of 4% per annum will be established and made applicable to all of said bonds, upon the basis of competitive proposals for the purchasing of said bonds, as hereinafter provided; and each minimum annual amount shown in said schedule, above, is the amount required to pay the interest coupons maturing on June 1 in such fiscal year, and the interest coupons and bonds maturing on December 1 immediately following the end of such fiscal year. If the bonds sold shall be other than \$500,000.00 in principal amount, and/or if the interest coupon rate or rates established and made applicable thereto are other than 4% per annum, as herein arbitrarily assumed, the foregoing minimum annual deposits into said Bond Fund, in order to meet maturing interest and principal payments only, shall automatically be adjusted upward or downward accordingly, but always without altering or abrogating the covenant of the Board of Regents to set aside into said

Minutes of December 2, 1955 continued -

Bond Funds, and for the accumulation of said reserve therein, of all proceeds of the covenanted minimum annual allocations from said incidental registration fee to the student activities program of the College and other sources of income and revenues, as hereinabove provided. Parity bonds shall not be issued unless prior to such issuance provision is made for additional annual deposits in said Bond Fund sufficient to provide for the payment of the principal of and interest on such parity bonds, when due, and to increase proportionately, the said prescribed reserve.

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All funds received as accrued interest at the time of the issuance of said bonds, shall be paid into said Bond Fund at the time of the issuance and delivery of the bonds hereby authorized, together with an additional sum from bond proceeds sufficient to make the total such initial deposit in the Bond Fund equal to all interest which will accrue on the bonds which are sold and outstanding until and including December 1, 1956 (the estimated completion date), as aforesaid, and shall be used for the payment of the interest on said bonds next thereafter becoming due.

The amount by which the payments in any fiscal year exceed the aggregate amount of interest on and principal of said bonds then currently becoming due shall be held in said Bond Fund as a reserve and used solely as hereinabove provided; provided, however, that no further payments need be made into said Bond Fund whenever and so long as such amount of the bonds shall have been retired that the amount then held in the Bond Fund, including the reserve, is equal to the entire amount of the principal and interest that is to be paid on all of such bonds then remaining outstanding.

If, for any reason, there shall be a failure to make any payments into such Bond Fund, as aforesaid, during any fiscal year, any sums then held as a reserve shall be used for the payment of any portion of the interest or principal on which bonds there would otherwise be default, but such reserve shall be reimbursed therefor from the first available payments made into the Bond Fund in the following year or years in excess of the required payment for the then current fiscal year.

All moneys held in the Bond Fund or as said reserve shall be deposited in a bank which is a member of the Federal Reserve System or insured by Federal Deposit Insurance Corporation; and the moneys held as the reserve may be invested in direct obligations of the United States of America; provided, however, that sale of a sufficient amount of such obligation shall be made in the event that it shall prove necessary to draw upon said reserve, and provided further that moneys so held in excess of the prescribed reserve may be applied to the redemption of bonds prior to their maturities.

The payments hereinabove provided into said Bond Fund from the Revenue Fund shall be made (a) immediately as and when payments are received from the students at the College for said incidental registration fee; (b) monthly from the net profits of said cafeteria, grill, and bookstore; and (c) monthly from the current funds of the College as authorized by KRS 162.360, representing the reasonable value of other educational facilities necessary in the operation of the College. The balance from time to time remaining in the Building Revenue Fund may be set aside for the necessary expenses of operation and maintenance, as hereinafter more fully provided. In the event that the moneys held in the Revenue Fund in any month shall be insufficient

to make the aforesaid payments in full, any such deficiency shall be added to the amounts required to be paid into such Bond Fund in the following month.

The Bond Fund, hereinabove created and described, shall be used solely and only for the purpose of paying principal of and interest on the bonds herein authorized to be issued, and is hereby irrevocably pledged for that purpose and shall be used for no other purpose whatsoever.

The balance of the moneys remaining in the Revenue Fund after the aforesaid payments into the Bond Fund shall be set aside into an "Operation and Maintenance Account," hereby created, and all moneys set aside in said account shall be used for proper operation and maintenance of said Project, including an amount sufficient to pay the cost of insurance.

SECTION 5. While the bonds authorized hereunder, or any of them, remain outstanding and unpaid, the rents and charges for all services rendered by the Project, and fees charged to the students of Morehead State College shall be reasonable and just, taking into account and consideration the cost and value of said Project, the cost of maintaining and operating the same, the amounts necessary for the retirement of all bonds and the accruing interest on all such bonds as may be sold and are unpaid under the provisions of this Resolution, and there shall be charged against Morehead State College such amounts for services rendered by the Project as shall be adequate, together with rents and fees charged to students, to meet the requirements of this and the two preceding sections hereof.

SECTION 6. The Board of Regents of Morehead State College hereby covenants and agrees with the holder or holders of the bonds hereby authorized or permitted to be issued, or any of them, that all duties with reference to said Project required by the Constitution and laws of the Commonwealth of Kentucky will be faithfully and punctually performed, including the charging and collection from said Morehead State College and its students, groups of students, or student organizations, of reasonable and sufficient amounts for services rendered by said Project.

The Board of Regents of Morehead State College further covenants and agrees with the holders of said bonds to maintain in good condition and continuously to operate said Project, so long as the principal of or interest on any of the bonds herein authorized or permitted to be issued, remain outstanding and unpaid, and to charge and collect reasonable and sufficient amounts as rent and for services rendered by the Project in furnishing educational facilities to maintain the Bond Fund and the Operation and Maintenance Fund as required by the preceding sections of this Resolution and the same are hereby pledged for that purpose.

The Board of Regents of said College further represents, covenants and warrants to the owners and holders of all bonds and coupons which may, at any time, be issued and outstanding pursuant to this Resolution, that the State Property and Buildings Commission of Kentucky has appropriated and made available in or to assure the completion and equipping of the said Student Union Building Project, the sum of Two Hundred Fifty Thousand Dollars (\$250,000.00); and that said sum is and will be available, in addition to the proceeds of any bonds which may be issued under

Minutes of December 2, 1955 continued -

authority of this Resolution, in order to assure such completion and equipping of said Project.

SECTION 7. Any holder of said bonds, or of any of the coupons may, either at law, or in equity, by suit, action, mandamus, or other proceedings, enforce and compel performance of all duties required by law, including the charge, collection and accounting for sufficient rents, student fees and charges, or rents and charges to groups of students, or student organizations, and the segregation and application of the income and revenues as provided by this Resolution.

If there be any default in the payment of the principal of or interest on any of said bonds then, upon the filing of suit by any holder of said bonds, or any of the coupons, any court having jurisdiction of the action may appoint a receiver to administer said Project, with power to charge and collect a sum sufficient to provide for the payment of any bonds or obligations outstanding against said Project and for the payment of the opening expenses, and to apply the income and revenues in conformity with the Resolution and the provisions of said laws of Kentucky aforesaid.

SECTION 8. The bonds authorized or permitted to be issued hereunder and from time to time outstanding shall not be entitled to priority one over the other in the application of the revenues of said Project, or with respect to the statutory mortgage lien securing their payment, regardless of the time or times of their issuance, it being the intention that there shall be no priority among the bonds authorized to be issued under the provisions of this Resolution, regardless of the fact that they may be actually issued and delivered at different times.

SECTION 9. While any of the bonds herein authorized are outstanding, no additional bonds payable from the revenues of the Project shall be authorized or issued unless the lien and security for payment of such additional bonds are made junior and subordinate in all respects to the lien and security of the bonds herein authorized; provided, however, said Board of Regents of said Morehead State College hereby reserves the right to issue additional bonds which will constitute a part of this same series, and which will rank on a parity with said bonds numbered 1 to 500, inclusive, in every respect, but only if and to the extent necessary to provide funds for the completion of the Project, as presently planned, and subject to the condition as to the provision of additional annual deposits in the Bond Fund, as hereinabove set forth.

Such bonds, ranking on a parity with said bonds numbered 1 to 500, inclusive, are sometimes herein referred to as bonds "permitted" to be issued hereunder. Nothing herein contained shall be construed to prohibit the issuance of other bonds payable from the income and revenues of the Project, if the lien upon such income and revenue securing the same is expressly made subordinate and inferior to the lien created by this Resolution to secure the payment of the bonds hereby authorized or permitted to be issued.

SECTION 10. So long as any of said bonds are outstanding, the Board of Regents of Morehead State College shall:

- (a) Maintain insurance on the Project against loss or damage by fire, lightning and windstorm in an amount equal to its full insurable value, and pay the cost of such insurance from the Operation and Maintenance Fund hereinbefore described;

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(b) Keep proper books of record and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to said Project, and furnish the original purchaser of said bonds and any subsequent holder of any of the said bonds, at the written request of such holder, complete operating and income statements of the said project in reasonable detail covering each six months' period, and same shall be available not later than thirty days after the close of each six months' period; and

(c) Grant to the holder of any of said bonds the right at all reasonable times to inspect the said Project and all records, accounts, and data relating thereto.

SECTION 11. Upon the adoption of this Resolution, the secretary of the Board of Regents of Morehead State College is hereby authorized and directed to cause a notice to be published in the Courier-Journal, a newspaper printed and published in the City of Louisville, Kentucky, reciting in such notice that a Resolution providing for the issuance of the bonds as herein authorized has been adopted and that at a time and place stated therein, which shall be the time and place of a scheduled meeting of the Board of Regents of Morehead State College, the matter of issuing said bonds will be further considered and also that at said meeting any one interested may present sealed, written proposals for the purchase of the bonds as herein authorized. Each such proposal should specify one or more interest rates for the bonds, each such interest rate to be a multiple of $1/4$ of 1%, not more than one rate shall be specified for bonds maturing on the same date, and no such rate shall exceed 6% per annum, and the bid price must be 100% of par, plus accrued interest, or better. Said Board of Regents shall consider all proposals made pursuant to such public notice and award the bonds in the manner and for the purposes herein provided, and establish the interest coupon rates which the bonds shall bear. The right to reject bids shall expressly be reserved.

SECTION 12. That the provisions of this Resolution shall constitute a contract between the Board of Regents of Morehead State College and the holder or holders of the bonds herein authorized to be issued and after the delivery of any of said bonds no change or alteration of any kind in the provisions of this Resolution may be made until all of the bonds have been paid in full as to both principal and interest or funds sufficient therefor shall have been duly provided and deposited for that exclusive purpose at the place of payment thereof.

SECTION 13. All sums received as accrued interest when the bonds are delivered and paid for, together with additional sums as set forth in Section 4 hereof, shall be deposited in the Bond Fund. From said bond proceeds there shall next be paid all expenses incident to the authorization, issuance and sale of the bonds herein described, including the fee of the Fiscal Agents employed to assist in this preparation and marketing of the bonds, unless other funds are available for the payment thereof. All sums then remaining shall be transmitted to the State Treasurer of the Commonwealth of Kentucky to be held and used, together with other available funds, for the completion of the Project.

SECTION 14. That if any section, paragraph, clause or provisions of this Resolution shall be held to be invalid or ineffective for any reason, the remainder thereof shall remain in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity of such section, paragraph, clause or provision.

Minutes of December 2, 1955 continued -

SECTION 15. That all resolutions and orders, or parts thereof, in conflict herewith are, to the extent of such conflict hereby repealed, and that this Resolution shall take effect from and after its adoption.

SECTION 16. The new Student Union Building to be financed in part through the application of a part of the proceeds of the bonds hereby authorized shall be constructed upon lands owned by Morehead State College and constituting a part of the Campus thereof, at Morehead, Rowan County, Kentucky, described as follows:

The entire City block bounded on the North or Northwest by College Street; on the East or Northeast by Normal Avenue; on the South or Southeast by Second Street; and on the West or Southwest by College Boulevard.

ADOPTED AND APPROVED - December 2, 1955.

/s/ M. K. Eblen
Vice Chairman

/s/ Lowell Gearhart
Secretary

CERTIFICATION

I, Dr. Lowell Gearhart, Secretary of the Board of Regents of Morehead State College, Morehead, Kentucky, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by said Board of Regents at a properly convened meeting held on the 2nd day of December, 1955.

WITNESS my signature and the seal of the said College this 2nd day of December, 1955.

/s/ Dr. Lowell Gearhart
Secretary Board of Regents
Morehead State College
Morehead, Kentucky

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Minutes of December 2, 1955 continued -

STATEMENT OF TERMS AND CONDITIONS OF BOND SALE

As advertised in the Courier-Journal, Louisville, Kentucky, the Board of Regents of Morehead State College, in its corporate capacity and in its corporate name, and as an educational institution and agency of the Commonwealth of Kentucky, will, until the 12th day of December, 1955, at the hour of 11:00 A. M., CST, receive in the office of the President of the College at Morehead, Kentucky, sealed competitive bids for the following bonds, subject to the following terms and conditions:

1. The Board of Regents of Morehead State College is an educational institution and agency of the Commonwealth of Kentucky, and is a body corporate pursuant to the provisions of Section 164.350 and succeeding sections of the Kentucky Revised Statutes. Said Board of Regents has adopted a resolution authorizing and providing for the issuance of \$500,000.00 principal amount of "Morehead State College Building Revenue Bonds of 1955," to be dated December 1, 1955, consisting of 500 bonds of the denominations of \$1,000.00 each, numbered consecutively from 1 to 500, inclusive, and maturing as to principal in consecutive numerical order on December 1, in the respective years, as follows:

<u>BONDS NUMBERED</u> (Inclusive)	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF MATURITY</u>
1-10	\$10,000.00	December 1, 1957
11-20	10,000.00	December 1, 1958
21-30	10,000.00	December 1, 1959
31-41	11,000.00	December 1, 1960
42-52	11,000.00	December 1, 1961
53-64	12,000.00	December 1, 1962
65-76	12,000.00	December 1, 1963
<u>BONDS NUMBERED</u> (Inclusive)	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF MATURITY</u>
77-89	13,000.00	December 1, 1964
90-102	13,000.00	December 1, 1965
103-116	14,000.00	December 1, 1966
117-130	14,000.00	December 1, 1967
131-145	15,000.00	December 1, 1968
146-160	15,000.00	December 1, 1969
161-176	16,000.00	December 1, 1970
177-193	17,000.00	December 1, 1971
194-211	18,000.00	December 1, 1972
212-229	18,000.00	December 1, 1973
230-248	19,000.00	December 1, 1974
249-267	19,000.00	December 1, 1975
268-287	20,000.00	December 1, 1976
288-308	21,000.00	December 1, 1977
309-330	22,000.00	December 1, 1978
331-353	23,000.00	December 1, 1979
354-377	24,000.00	December 1, 1980
378-401	24,000.00	December 1, 1981
402-425	24,000.00	December 1, 1982
426-450	25,000.00	December 1, 1983
451-475	25,000.00	December 1, 1984
476-500	25,000.00	December 1, 1985

provided, however, that said bonds numbered 42 to 500, inclusive, will be subject to redemption at the option of said Board, as a whole, or from time to time in part, in the inverse order of their maturity (less than all of a single maturity to be selected by lot) on December 1, 1960, or on any June 1 or December 1 thereafter, upon 30 days prior notice to be given by publication at least once in a newspaper of general circulation throughout Kentucky, at 103 if redeemed prior to December 1, 1965; thereafter at 102 if redeemed prior to December 1, 1970; thereafter at 101 if redeemed prior to December 1, 1975; thereafter at 100-1/2 if redeemed prior to December 1, 1980; and thereafter at 100 to final maturity.

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Authority for the issuance of these bonds is found in Sections 162.340 to 162.380 of the Kentucky Revised Statutes, 1953 Edition, now in full force and effect. The bonds will not constitute an indebtedness of the Board of Regents, or of the College, or of the Commonwealth of Kentucky within the meaning of limitations prescribed by the Constitution of the Commonwealth of Kentucky, but will be special obligations payable solely from and secured by a pledge of and first lien upon the gross income and revenues to be derived by the College and its Board of Regents from the operation of a new Student Union Building to be constructed upon the Campus of the College at Morehead, Kentucky. The bond-authorizing resolution makes provision for the setting aside into a special and separate fund, of a sufficient portion of such gross income and revenues to provide for the payment of these bonds and the interest thereon as the bonds and coupons severally mature.

The purpose of this bond issue is to provide funds (to the extent not otherwise provided) to defray the cost of constructing said new Student Union Building. Plans and specifications have been completed and approved and bids for the construction of the Student Union Building will have been duly received prior to the opening of bids for the purchasing of the bonds. The right is reserved to issue additional bonds which will constitute a part of this same series and which will rank on a parity with said bonds numbered 1 to 500, inclusive, but only if and to the extent required to complete the project as presently planned.

The Board of Regents covenants that as long as these bonds, or any of them, are outstanding and unpaid, it will (a) fix, charge and collect as at the present time (and revise from time to time, if necessary), a miscellaneous or incidental fee incident to the registration of each student of the College, and will allocate a sufficient portion thereof (not less than \$10.00 per student per semester during the regular college year, and not less than \$5.00 per student for summer school attendance); (b) segregate and pay into the special fund provided for bond purposes the net profits derived from the operation, in said Student Union Building Project of a cafeteria, a grill, and a bookstore, provisions for all of which have been made in the plans and specifications; and (c) pay into said special fund, monthly, from the current funds of the College, not less than \$500.00 (not less than \$6,000.00 per annum as representing the reasonable cost and value of other educational facilities necessary in the operation of the College, as authorized by KRS 162.360; as may be necessary to meet the requirements of this bond issue, including the provisions for a debt service reserve, and as will be sufficient to provide for the payment of these bonds and the interest thereon, as the bonds and coupons mature from time to time, and also to provide an adequate fund for the cost of operation, maintenance and insurance.

Principal and interest will be payable at the principal office of Kentucky Trust Company, in Louisville, Kentucky.

The issuance of these bonds and the awarding of the construction contracts have been authorized by proper action of the State Property and Buildings Commission, as required by Sections 56.440 to 56.550, 1953 Edition of the Kentucky Revised Statutes.

If there should be a default in the payment of principal and interest, then any holder of any of the bonds and coupons may file a suit in any court of competent jurisdiction and may obtain the appointment of a receiver to administer the indentified Student Union Building, with power to charge and collect (from the above enumerated sources) sums sufficient to provide for the payment of the bonds and interest thereon, and for the payment of the expenses of operation, maintenance, and insurance.

Interest will be evidenced by semi-annual coupons attached to the bonds maturing on each June 1 and December 1 to the respective maturity dates of principal at such coupon rate or rates as may be established as a result of competition among the bidders, as set forth in paragraph (2) hereof.

2. The Board of Regents will open bids for the construction of the project on December 6, 1955, and upon the basis thereof will determine how many of the bonds it will be necessary to offer for sale, but the number of bonds to be sold will not be less than \$450,000.00 nor more than \$500,000.00, and if less than all of the bonds are offered, the bonds to be sold will be those bearing the lowest numbers and maturities. Announcement of the number of bonds to be sold will be made on the sale date and prior to the opening of bids. Interested parties may register their names in advance with the fiscal agent, The Kentucky Company, Exchange Building, Lexington, Kentucky, whereupon they will be notified of the number of bonds to be sold prior to December 12, 1955, if the decision is reached prior to that date. Bids shall be for cash and on the basis of a specified price per \$1,000.00 bonds, the bidder agreeing to accept at such price whatever number of bonds (not less than 450 nor more than 500) the Board of Regents may decide to offer. No bid offering less than \$1,000.00 per bond and accrued interest to delivery will be given favorable consideration. Bidders shall stipulate one or more interest coupon rates of their own choosing, providing each is a multiple of 1/4 of 1%, none may exceed 6% per annum, and only one interest rate shall be stipulated for bonds maturing on the same date. If a bid is accepted, the Board of Regents will take proper action to establish the coupon rates to conform thereto. The purchaser will be required to pay accrued interest on the bonds at the established coupon rates from December 1, 1955 to the date of actual delivery and payment, and this will be a condition of every bid whether so stated in the face of the bid or not.

3. The printer will be directed to prepare the bonds as soon as the interest coupon rates have been established. When the bonds have been received from the printer, they will promptly be executed and tendered to the purchaser. A tender of delivery is guaranteed not later than January 15, 1956.

4. The bonds will be tendered to the purchaser at the expense of the Board of Regents at the office of any bank or trust company designated by the purchaser in Lexington or Louisville, Kentucky, or in Cincinnati, Ohio. A tender of delivery will be made at any bank or trust company elsewhere in the Continental United States providing the purchaser pays the expenses incident to such delivery, including the cost of shipment and the cost of insurance in transit.

5. The Board of Regents will provide the printed bond blanks and an

Minutes of December 2, 1955 continued -

unqualified approving legal opinion of Wyatt, Grafton and Grafton, Lawyers, of Louisville, Kentucky, such opinion to accompany the bonds when delivered, without expense to the purchaser.

ADVISOR

6. Each bid must be accompanied by a certified or bank cashier's check payable to the order of Morehead State College in the sum of \$10,000.00. The checks of unsuccessful bidders will immediately be returned to them. The check of the purchaser will be held uncashed by the Treasurer of the College until the bonds are delivered and paid for, at which time the amount thereof (but without interest thereon) will be credited upon the purchase price; otherwise, if the purchaser should wrongfully fail or refuse to accept and pay for the bonds, the College shall be authorized to retain the purchaser's check, and the proceeds thereof, as agreed liquidated damages for the breach of the purchase contract.

7. These bonds are offered upon the basis that the receipt of interest thereon will be exempt from income taxation by the United States of America and by the Commonwealth of Kentucky, and that the bonds themselves will be exempt from ad valorem taxation by the Commonwealth of Kentucky or any of its political subdivisions. If, in the opinion of Wyatt, Grafton and Grafton, such should not be the case at the time of delivery, the purchaser may refuse to accept and pay for the bonds by giving written notice to the President of the College, whereupon the purchaser's good faith check will immediately be returned and the Board of Regents will be free to re-advertise and re-sell the bonds.

8. No particular form of bid is prescribed or required. Any bid will be considered which contains an unequivocal offer to purchase the bonds and which otherwise conforms to the terms and conditions herein set forth. Each bid should be enclosed in a sealed envelope addressed to the President of Morehead State College, Morehead, Kentucky, and on the outside of the envelope should appear substantially the following "Bid for Morehead State College Building Revenue Bonds of 1955." The bids may be transmitted to the President in any manner or by any means of the bidder's choice, but only those bids which are actually received in the office of the President prior to the time hereinabove set forth, will be given consideration.

9. At the time and place specified at the beginning of this instrument, the sealed bids theretofore received will be opened and submitted to the Board of Regents of Morehead State College, then scheduled to be in session. The right is hereby expressly reserved to reject any and all bids for any reason deemed satisfactory to said Board of Regents, whose decision in this respect shall be final and binding upon all parties concerned. The Board of Regents does agree, however, that on the occasion of the opening of said bids, it will accept a bid or reject all binds, and no bid will be binding upon the bidder after the date first herein set forth, except with the express consent of the bidder.

BY ORDER OF THE BOARD OF REGENTS:

/s/ M. K. Eblen
Chairman, Board of Regents
Morehead State College

SEAL

ATTEST:

Dr. Lowell Gearhart
Secretary

Minutes of December 2, 1955 continued -

NOTICE OF SALE OF BONDS

The Board of Regents of Morehead State College, Morehead, Kentucky, in its corporate capacity and by and through its corporate name, and as a State educational institution and agency of the Commonwealth of Kentucky, hereby gives public notice that until the 12th day of December, 1955, at the hour of 11:00 A. M., CST, it will receive in the office of the President of said College on the Campus of the College at Morehead, Kentucky, sealed competitive bids for the purchasing of up to \$500,000.00 principal amount of its "Building Revenue Bonds of 1955," dated December 1, 1955, consisting of 500 bonds, of the denomination of \$1,000.00 each, numbered consecutively from 1 to 500, inclusive, and maturing as to principal in consecutive order on December 1 in each of the years 1957 to 1985, as set forth in the following schedule:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
1957	\$10,000.00	1971	\$17,000.00
1958	10,000.00	1972	18,000.00
1959	10,000.00	1973	18,000.00
1960	11,000.00	1974	19,000.00
1961	11,000.00	1975	19,000.00
1962	12,000.00	1976	20,000.00
1963	12,000.00	1977	21,000.00
1964	13,000.00	1978	22,000.00
1965	13,000.00	1979	23,000.00
1966	14,000.00	1980	24,000.00
1967	14,000.00	1981	24,000.00
1968	15,000.00	1982	24,000.00
1969	15,000.00	1983	25,000.00
1970	16,000.00	1984	25,000.00
		1985	25,000.00

provided, however, that said bonds numbered 42 to 500, inclusive, (all bonds maturing on and after December 1, 1961) are subject to redemption at the option of said Board of Regents prior to stated maturities, as a whole, or from time to time in part, in the inverse order of their maturity (less than all of a single maturity to be selected by lot) on December 1, 1960, or on any June 1 or December 1, thereafter, upon thirty (30) days prior notice to be given by publication in a newspaper having general circulation throughout Kentucky, at 103 if redeemed prior to December 1, 1965; at 102 if redeemed on or after December 1, 1965, but prior to December 1, 1970; at 101 if redeemed on or after December 1, 1970, but prior to December 1, 1975; at 100-1/2 if redeemed on or after December 1, 1975, but prior to December 1, 1980; and at 100 if redeemed on or after December 1, 1980 to final maturity. Principal and interest will be payable at the principal office of Kentucky Trust Company, in Louisville, Jefferson County, Kentucky.

The issuance and sale of these bonds have been authorized by a resolution duly adopted by said Board of Regents to provide the costs (not otherwise provided) of a new Student Union Building on the Campus of the College at Morehead, Kentucky, under authority of Section 162.340 to 162.380, of the Kentucky Revised Statutes. The

issuance of the bonds has been authorized and approved by the State Property and Buildings Commission. Said Commission has appropriated funds, which, together with the bond proceeds and other available funds of the College will be sufficient to defray all costs of the project.

Interest on the bonds will be evidenced by coupons maturing on each June 1 and December 1 at rates determined on the basis of competition as hereinafter set forth. The Board of Regents will open bids for the construction of the project on December 6, 1955, and upon the basis thereof will determine how many of the bonds it will be necessary to offer for sale, but the number of bonds to be sold will not be less than \$450,000.00 nor more than \$500,000.00, and if less than all of the bonds are offered, the bonds to be sold will be those bearing the lowest numbers and maturities. Announcement of the number of bonds to be sold will be made on the sale date and prior to the opening of the bids. Interested parties may register their names in advance with the Fiscal Agent, the Kentucky Company, Exchange Building, Lexington, Kentucky, whereupon they will be notified of the number of bonds to be sold prior to December 12, 1955, if the decision is reached prior to that date. Bids shall be for cash and on the basis of a specified price per \$1,000.00 bond, the bidder agreeing to accept at such price whatever number of bonds (not less than 450 nor more than 500) the Board of Regents may decide to offer. No bid offering less than \$1,000.00 per bond and accrued interest to delivery will be given favorable consideration. Bidders shall stipulate one or more interest coupon rates of their own choosing, providing each is a multiple of 1/4 of 1%, none may exceed 6% per annum, and only one interest rate shall be stipulated for bonds maturing on the same date.

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The Board of Regents will provide the printed bond blanks, and the unqualified approving legal opinion of Wyatt, Grafton & Grafton, Lawyers, of Louisville, Kentucky, the same to accompany the bonds when delivered, without expense to the purchaser. Each bid shall be accomplished by a certified or bank cashier's check payable to Morehead State College in the sum of \$10,000.00. The check of the purchaser will be held uncashed by the Board of Regents until the bonds are delivered and paid for, at which time the amount thereof (but without interest) will be allowed as a credit on the purchase price; otherwise, if the purchaser shall wrongfully fail or refuse to accept and pay for the bonds, the Board of Regents shall be entitled to retain the purchaser's check, and the proceeds thereof, as agreed liquidated damages for the breach of the purchase contract. In the opinion of counsel, these bonds and the receipt of interest thereon will be exempt at the time of delivery from ad valorem and income taxation by the United States of America, and the Commonwealth of Kentucky, and all political subdivisions of the Commonwealth of Kentucky.

A "Statement of Terms and Conditions of Bond Sale," and financial data relating to the College and the Project, may be obtained by addressing the President of the College, at Morehead, Kentucky. The right to reject bids is expressly reserved.

BY ORDER OF THE BOARD OF REGENTS:

/s/ M. K. Eblen
Vice-Chairman
Board of Regents
Morehead State College

(SEAL)

ATTEST:
/s/ Dr. Lowell Gearhart
Secretary

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Minutes of December 2, 1955, continued -

Upon motion duly made, and seconded, and carried, the Board adjourned to meet on Monday, December 12, at 11:00 o'clock for the purpose of receiving competitive bids for the sale of bonds for the STUDENT HOUSE.

M. K. Ebel
Vice Chairman

William L. Gearhart
Secretary