

Morehead, Kentucky
September 7, 1961

The Board of Regents of Morehead State College met in regular quarterly session in the Office of the President of the College at Morehead, Kentucky, on September 7, 1961, at 11:00 a. m., (EST), pursuant to KRS 164.340 and notice duly mailed by the Chairman to each member of the Board 20 days in advance. In the absence of the Chairman, the Honorable Wendell P. Butler, the Vice-Chairman, Dr. W. H. Cartmell was in the Chair presiding and upon call of the roll it was ascertained that the following members of the Board were present"

Mr. Alex Chamberlain
Mr. Charles Gilley
Mr. B. F. Reed
Mr. Bruce Qalters

Absent: Chairman Butler
Dr. Joe Taylor Hyden

Also present were the President of the College and Mr. and Mrs. Cornelius W. Grafton of Louisville, Kentucky, members of the law firm of Grafton, Ferguson & Fleischer, employed by the College in connection with the proposed authorization and issuance of the Board's \$3,652,000 "Housing System Revenue Bonds of 1961, and also employed by the Fiscal Agents in connection with the proposed authorization and issuance of the Board's \$1,400,000,000 "Consolidated Educational Buildings Revenue Bonds, Series B. "

It having been determined that a quorum was present for the transaction of business, the Vice-Chairman called the meeting to order.

The invocation was given by Mr. G. C. Banks.

The minutes of the meeting held June 1, 1961, were on motion duly made, seconded, and unanimously carried, approved as read by the secretary.

The President of the College suggested to Vice Chairman Cartmell that it might be in order for the Board to suspend its usual order of business and consider first the matter of the proposed Revenue Bond Issues of the Board in order that Bond Counsel might have an early opportunity to return to Louisville. Board member, Bruce Walters, moved that these matters be made the first order of business, which motion was seconded by Board member B. F. Reed. After full discussion the Vice-Chairman put the question and the motion was unanimously carried.

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The Vice-Chairman then requested that Bond Counsel take the floor, explain in general terms the business proposed to be transacted, and tender for examination and consideration by the Board such instruments and documents as were ready for submission.

Mr. Grafton made a presentation, which is summarized as follows:

(1) By a certain Resolution by the Board at its meeting of November November 14, 1960, there was created a "Consolidated Educational Buildings Project" of the College, consisting of all educational buildings on the campus of the College at Morehead, Kentucky, except housing facilities and facilities exclusively for athletics (as distinguished from facilities wholly or principally for physical education); and there was further created an issue of "Consolidated Educational Buildings Revenue Bonds" issuable in various series from time to time, and payable from a special fund to which was pledged all student registration fees not otherwise previously pledged.

(2) At that time the Board had made commitments for the issuance of \$1,950,000 "Housing Bonds of 1959," dated June 1, 1959, consisting of \$1,150,000 Series A, bearing interest at 3% per annum, and \$800,000 Series B, bearing interest at 2-7/8% per annum, and also \$600,000 "Dormitory Revenue Bonds of 1960," dated November 1, 1960, bearing interest at 3-1/8% per annum; and in each instance there was a commitment of the Board to pledge not only the student rentals derived from the housing facilities financed thereby but also a portion of the incidental fees (student registration fees) to be paid to the College by student occupants of such housing facilities.

(3) The Board also had pending before Housing and Home Finance Agency of the United States Government an additional application (identified by HHFA as its Project CH-Ky-43(D) for a loan commitment to finance the costs (not otherwise provided) of a new dormitory to house approximately 300 women students and counsellor's apartment, with necessary appurtenant facilities.

(4) By reason of the aforesaid pledge of a portion of the student registration fees of occupants of the identified housing facilities, the capacities; the capacity of the Board to issue its "Consolidated Educational Buildings Revenue Bonds" was severely limited; and it was suggested by Bond Counsel that the Board seek an agreement with HHFA as the holder of all of the outstanding housing bonds referred to above, providing for the release of such pledge of student registration fees in exchange for a pledge by the Board of a like sum of money from unencumbered revenues of other dormitories.

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(5) This proposed release and exchange of collateral security was submitted to HHFA and incorporated as a part of the Board's application for Project CH-Ky-43(D) and the application was thereafter approved. The HHFA formal "Loan Agreement" has just been received and upon approval and acceptance thereof by the Board it would be in order to authorize and issue \$3,652,000 "Housing System Revenue Bonds of 1961, Series A, Series B, Series C, and Series D," of which the Series D Bonds in the principal amount of \$1,102,000 would be offered at public sale to finance the new women's dormitory project and when the same are delivered to the purchaser or purchasers thereof, HHFA would accept Series A, Series B and Series C in exchange for the outstanding "Housing Bonds of 1959" and "Dormitory Revenue Bonds of 1960."

(6) In issuing the "Housing System Revenue Bonds of 1961" the Board would create a housing system consisting of the housing facilities which were financed by the outstanding Bonds together with the presently unencumbered Allie Young Hall, Fields Hall, Thompson Hall, and East Men's Hall, with all of the rental revenues thereof to be pledged to the new bond issue and with the right on the part of the Board to issue in the future other housing bonds ranking on a basis of parity therewith upon demonstration of available earnings according to a formula prescribed in the Loan Agreement.

(7) In January 1961, the Board sold and issued its \$1,425,000 "Consolidated Educational Buildings Revenue Bonds, Series A," and at that time advised prospective investors that HHFA had conditionally consented to the proposed release of the pledge of student registration fees; and it was the opinion and recommendation of the Fiscal Agents that it would not be in the best interests of the Board to offer its proposed \$1,400,000 "Consolidated Educational Buildings Revenue Bonds, Series B," until the investing public could be informed that such release was an accomplished fact rather than an agreement to be performed in the future. Accordingly, Bond Counsel reapproached HHFA and was able to obtain consent that the respective Trustees named in the Indentures securing the "Housing Bonds of 1959" and the "Dormitory Revenue Bonds of 1960" join the Board in the execution of "Supplemental Indentures" under the terms of which, and without waiting for the authorization, sale, printing and delivery of the "Housing System Revenue Bonds of 1961" a present release of the pledged student registration fees as a part of the security for the said Bonds would be made effective in consideration of a presently effective pledge by the Board of the unencumbered revenues of Allie Young Hall, Fields Hall, Thompson Hall, and East Men's Hall.

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(8) Bond Counsel had been instructed by the President of the College to anticipate an inclination of the Board to accept and approve the entire combined proceedings and proposals, as hereinabove outlined, and to prepare and submit for the Board's consideration all resolutions and other legal documents incident thereto. Upon these instructions, Bond Counsel set upon the table the following instruments:

(a) The Loan Agreement tendered by HHFA for Project CH-Ky-43(D), dated as of the first day of September, 1961, (being the new dormitory for housing approximately 300 women students and counsellor's apartment) embodying in the aggregate a proposal that the Board create a "Housing System" as above outlined and authorize and issue its \$3,652,000 "Housing System Revenue Bonds of 1961" consisting of the following:

\$1,150,000 Series A Bonds bearing interest at the fixed rate of 3% per annum to be exchanged with HHFA for the "Housing Bonds of 1959, Series A" in the same principal amount and bearing interest at the same rate.

\$800,000 Series B Bonds bearing interest at the fixed rate of 2-7/8% per annum to be exchanged with HHFA for the "Housing Bonds of 1959, Series B" in the same principal amount and bearing interest at the same rate.

\$600,000 Series C Bonds bearing interest at the fixed rate of 3-1/8% per annum to be exchanged with HHFA for the "Dormitory Revenue Bonds of 1960" in the same principal amount and bearing interest at the same rate.

\$1,102,000 Series D Bonds for financing the costs of the new women's dormitory (not otherwise provided) to be offered at public sale but with a commitment on the part of HHFA to bid par and accrued interest therefor at a uniform interest rate of 3-1/2% per annum subject to acceptance by the Board of equal or better bids which may be received from others.

(b) Bond Counsel's draft of a proposed Resolution of the Board creating the aforesaid "Housing System" and authorizing the issuance of \$3,652,000 "Housing System Revenue Bonds of 1961," dated November 1, 1961, conforming to the specifications set forth in the Loan Agreement.

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(c) "Notice of Sale of Bonds" for the public offering of the "Housing System Revenue Bonds of 1961, Series D."

(d) "Statement of Terms and Conditions of Bond Sale," supplemental thereto.

(e) A proposed Agreement to be signed by the Board, the Trustees for the holders of the "Housing Bonds of 1959," the Trustee for the holders of the "Dormitory Revenue Bonds of 1960," and HHFA, for the purpose of effecting an immediate release and substitution of collateral as described by Bond Counsel.

(f) Two "Supplemental Indentures" for execution on behalf of the Board respectively with the two Trustees above mentioned to implement the agreement for immediate release and substitution as aforesaid.

(g) Bond Counsel's draft of a proposed Resolution providing for the issuance of \$1,400,000 of the Board's Consolidated Educational Buildings Revenue Bonds, Series B, to be dated November 1, 1961.

(h) "Notice of Sale of Bonds" relating to the public offering thereof.

(i) Official Bid Form relating to the said public offering of "Consolidated Educational Buildings Revenue Bonds, Series B."

After Bond Counsel's presentation, the various instruments and documents so tendered to the Board were in succession read in full and made the subject of full discussion.

Board member, B. F. Reed, moved immediate adoption of a proposed Resolution as follows, seconded by Board member Bruce Walters:

A RESOLUTION of the Board of Regents of Morehead State College approving and accepting the Loan Agreement tendered to the Board by Housing and Home Finance Agency, dated as of the 1st day of September, 1961, in substance providing for the establishment by the Board of a Housing System of Morehead State College, Morehead, Kentucky, and issuance of \$3,652,000 of the Board's "Housing System Revenue Bonds of 1961, Series A, Series B, Series C, and Series D," to be dated November 1, 1961, (Loan Agreement for Project CH-Ky-43(D).

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

Section 1. The Board hereby approves and accepts the Loan Agreement which has been tendered to the Board by Housing and Home Finance Agency as identified in the caption of this Resolution, acknowledges its familiarity with all of the terms and provisions thereof; and hereby authorizes the Chairman and Secretary of the Board to execute the same and affix the corporate seal thereto in the name and on behalf of this Board of Regents, and thereafter to transmit executed copies to HHFA with a request for immediate completion on its part.

Section 2. This Resolution shall be in full force and effect from and after its adoption.

* * * *

Full discussion followed and the Vice-Chairman thereupon put the question, and upon call of the roll the vote was recorded as follows:

Voting "Aye": Vice-Chairman Dr. W. H. Cartmell, Mr. Alex Chamberlain, Mr. Charles Gilley, Mr. B. F. Reed, Mr. Bruce Walters.

Voting "Nay": None.

Whereupon the Vice-Chairman declared that the motion was carried and that the Resolution had been adopted and was in full force and effect.

At this point in the presence of the Board the Chairman signed the aforesaid Loan Agreement and the same was attested under seal by the Secretary of the Board.

Board member Bruce Walters introduced and moved immediate adoption of a proposed Resolution, seconded by Board member Charles Gilley, as follows:

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A RESOLUTION REQUESTING THE CONSENT OF UNITED STATES OF AMERICA, HOUSING AND HOME FINANCE ADMINISTRATOR, THAT THE TRUSTEES NAMED IN CERTAIN TRUST INDENTURES SECURING BONDS ISSUED BY THE BOARD EXECUTE WITH THE BOARD SUPPLEMENTAL TRUST INDENTURES EFFECTING CERTAIN SPECIFIED RELEASES AND SUBSTITUTIONS OF COLLATERAL.

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

Section 1. United States of America, Housing and Home Finance Administrator (hereinafter called "HHFA"), as the owner and holder of all bonds of (a) Board's outstanding \$1,150,000 3% "Housing Bonds of 1959, Series A," (b) \$800,000 principal amount of the Board's outstanding 2-7/8% "Housing Bonds of 1959, Series B," and (c) \$600,000 principal amount of the Board's outstanding 3-1/8% "Dormitory Revenue Bonds of 1960"--- is hereby requested to give written consent to The Bank Josephine, Prestonsburg, Kentucky, the Trustee named in the Trust Indenture securing the "Housing Bonds of 1959, Series A and Series B" and to The First National Bank, Pikeville, Kentucky, as the Trustee named in the Trust Indenture securing the "Dormitory Revenue Bonds of 1960," that said respective Trustees execute with the Board and cause to be duly recorded as provided by law, appropriate "Supplemental Trust Indentures" to provide, in each instance, that the Trustee (acting with the consent and on behalf of the holders of all the outstanding Bonds) presently release the Board's present pledge as a part of the security of the respective Bond issues, portions of the incidental fees (student registration fees) of student occupants of the housing facilities financed by said respective Bond issues, in consideration of the making by this Board of an effective present pledge of an equal amount of dollars from the unencumbered revenues of the existing dormitories for women known as Allie Young, Fields, and Thompson Halls, and the existing dormitory for men known as East Men's Hall, pursuant to an agreement on the part of this Board that the rentals from said named dormitories will be forthwith and hereafter deposited in a special fund or account so pledged for that purpose, pending the issuance and delivery of the Board's proposed \$3,652,000 "Housing System Revenue Bonds of 1961, Series A, Series B, Series C, and Series D," to be dated November 1, 1961, and to be issued in conformity with the Loan Agreement of the Board with HHFA, dated as of September 1, 1961, heretofore approved, authorized and executed.

Section 2. If approved as to form and substance by HHFA and the respective Trustees, the Agreement drafted and tendered by Bond Counsel for the purpose of evidencing the agreement of the parties to the requests and

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proposals set forth in Section 1 hereof, and which tendered draft is entitled:

AGREEMENT OF THE RESPECTIVE TRUSTEES, WITH THE
CONSENT AND AUTHORITY OF THE HOLDER OF ALL THE
BONDS, RELEASING LIENS AND PLEDGES OF CERTAIN
STUDENT INCIDENTAL FEES (REGISTRATION FEES) AND
ACCEPTING IN SUBSTITUTION THEREFOR A PLEDGE OF
AND FIRST LIEN UPON CERTAIN UNENCUMBERED DORMITORY
REVENUES,

is hereby approved and may be executed in behalf of the Board by the
Chairman, and attested under seal by the Secretary.

Section 3. In the event HHFA or the Trustees, or either of them,
shall take exception to the form of the instrument approved in Section 2
hereof; but shall otherwise be amenable to executing one or more instruments
in different forms but of the same ultimate effect, the Chairman and Secretary
are similarly authorized to sign, seal and attest the same, upon advice of
Bond Counsel that the desired objectives will be appropriately accomplished
thereby.

Section 4. This Resolution shall be in full force and effect from
and after its adoption.

* * * *

Full discussion followed and the Vice-Chairman thereupon put the
question, and upon call of the roll the vote was recorded as follows:

Voting "Aye": Vice-Chairman Dr. W. H. Cartmell, Mr. Alex
Chamberlain, Mr. Charles Gilley, Mr. B. F. Reed, Mr. Bruce Walters.

Voting "Nay": None.

Whereupon the Vice-Chairman declared that the motion was
carried and that the Resolution had been adopted and was in full
force and effect.

Board member Bruce Walters introduced, caused to be read
in full, and moved immediate adoption of a proposed resolution, seconded
by Board member B. F. Reed, as follows:

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RESOLVED that Pikeville National Bank & Trust Company, Pikeville, Kentucky, be selected and designated by the Board to serve as the Trustee and Paying Agent for the holders of the Bonds of the Board's \$3,652,000 "Housing System Revenue Bonds of 1961, Series A, Series B, Series C, and Series D" for which provision is made in the Board's Loan Agreement with United States of America, Housing and Home Finance Administrator, dated as of September 1, 1961; and that Chemical Bank New York Trust Company, New York New York, be selected and designated as the New York Paying Agent in this connection.

Vice

Full discussion followed and the Chairman thereupon put the question and upon call of the roll the vote was recorded as follows:

Voting "Aye": Vice-Chairman Dr. W. H. Cartmell, Mr. Alex Chamberlain, Mr. Charles Gilley, Mr. B. F. Reed, Mr. Bruce Walters.

Voting "Nay": None.

Board member Bruce Walters introduced, caused to be read in full, and moved immediate adoption of a proposed resolution, seconded by Board member B. F. Reed, as follows:

A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE COLLEGE, MOREHEAD, KENTUCKY, PROVIDING FOR THE ISSUANCE OF HOUSING SYSTEM REVENUE BONDS OF 1961, SERIES A, SERIES B, SERIES C, AND SERIES D; AUTHORIZING ~~authorizing~~ the exchange of said series ~~A~~, Series B, and SERIES C FOR OUTSTANDING BONDS OF THE BOARD OF REGENTS IN THE SAME RESPECTIVE PRINCIPAL AMOUNTS AND BEARING INTEREST AT THE SAME RATES; AND PROVIDING FOR A PUBLIC SALE OF SAID SERIES D.

WHEREAS, The Board is authorized by Section 162.340, et seq., of the Kentucky Revised Statutes to erect buildings for educational purposes at morehead state college, Morehead, Kentucky, and to finance the costs thereof (to the extend not otherwise provided) through issuance of the Board's Revenue Bonds; and

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A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE COLLEGE, MOREHEAD, KENTUCKY, PROVIDING FOR THE ISSUANCE OF HOUSING SYSTEM REVENUE BONDS OF 1961, SERIES A, SERIES B, SERIES C, AND SERIES D: AUTHORIZING THE EXCHANGE OF SAID SERIES, A, SERIES B, AND SERIES C FOR OUTSTANDING BONDS OF THE BOARD OF REGENTS IN THE SAME RESPECTIVE PRINCIPAL AMOUNTS AND BEARING INTEREST AT THE SAME RATES; AND PROVIDING FOR A PUBLIC SALE OF SAID SERIES D.

WHEREAS, The Board is authorized by Section 162.340, et seq., of the Kentucky Revised Statutes to erect buildings for educational purposes at Morehead State College, Morehead, Kentucky, and to finance the costs thereof (to the extent not otherwise provided) through issuance of the Board's Revenue Bonds; and

WHEREAS, the Board has heretofore authorized, sold, and delivered various series of its Revenue Bonds among which there are outstanding at this time:

\$1,950,000 "Housing Bonds of 1959" dated June 1, 1969 (herein called the "1959 Bonds"); consisting of \$1,150,000 Series A bearing interest at 3% per annum (herein called the "1959 Series A Bonds"), and \$800,000 Series B bearing interest at 2-7/8% per annum (herein called the "1959 Series B. Bonds"); and

\$600,000 "Dormitory Bonds of 1960" dated November 1, 1960, bearing interest at 3-1/8" per annum (herein called the "1960 Bonds");

: AND WHEREAS, said outstanding Bonds were issued to provide a part of the cost of certain dormitories, married student apartments, and other appurtenant facilities, and are secured in part by a pledge of the rentals charged to and collected from student occupants and in part by a pledge of portions of the incidental fees (student registration fees) charged to and collected from student occupants thereof; and the Board has heretofore determined that it is wise and expedient to refund all of said Bonds, by agreement with United States of America, Housing and Home Finance Administrator, the owner and holder thereof, by issuing in exchange "Housing System Revenue Bonds of 1961, Series A, Series B, and Series C," in the same respective principal amounts and bearing interest at the same rates but with a pledge of the unencumbered revenues of other dormitories in consideration of the release of the present pledge of a portion of the incidental fees (student registration fees); and

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WHEREAS, The existing buildings used for educational purposes at Morehead State College at Morehead, Kentucky, are wholly inadequate and it has been heretofore determined to be necessary that a dormitory with appurtenant facilities to house approximately 300 women students and counsellor's apartment, with appurtenant facilities (hereinafter collectively referred to as the "1961 Project") be constructed on the campus of the College, the total cost of which is estimated to be in excess of \$1,102,000; and

WHEREAS, a portion of the cost of said 1961 Project is to be paid from available funds, but it is necessary that additional funds be provided through the issuance of Revenue Bonds to the amount of One Million One Hundred Two Thousand (\$1,102,000) Dollars, pursuant to Section 162.340 et seq., of Kentucky Revised Statutes;

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

Section 1. That the erection of the 1961 Project on the campus of Morehead State College according to the plans and specifications heretofore prepared and approved is hereby declared necessary for educational purposes and is hereby in all respects ratified and confirmed.

Section 2. In order to refund the 1959 Series A Bonds, the 1959 Series B Bonds, and the 1960 Bonds, and to pay the cost of erecting said 1961 Project not otherwise provided, Housing System Revenue Bonds of 1961, Series A, Series B, Series C, and Series D, shall be and are hereby ordered issued by the Board of Regents of said Morehead State College in the aggregate principal amount of Three Million Six Hundred Fifty-two Thousand (\$3,652,000) Dollars, dated November 1, 1961, consisting of Series A Bonds in the aggregate principal amount of One Million One Hundred Fifty Thousand (1,150,000) Dollars, bearing interest at the fixed rate of 3% per annum, Series B Bonds in the aggregate principal amount of Eight Hundred Thousand (\$800,000) Dollars, bearing interest at the fixed rate of 2-7/8% per annum, Series C Bonds in the aggregate amount of Six Hundred Thousand (\$600,000) Dollars, bearing interest at the fixed rate of 3-1/8% per annum; and Series D Bonds in the aggregate principal amount of One Million One Hundred Two Thousand (\$1,102,000) Dollars, such Series D Bonds to bear interest at one or more rates averaging no greater than 3-1/2" per annum as may be established by a supplemental Resolution of the Board upon the basis of competition at public sale as hereinafter provided; all Bonds to be in the denomination of \$1,000; and to be in substantially the form and in all respects conform to the specifications and details set forth in the Trust Indenture referred to in and set out under Section 3 of this Resolution.

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Section 3. Said Bonds shall be issued pursuant to and secured by a Trust Indenture between the Board of Regents of Morehead State College, party of the first part, and Pikeville National Bank & Trust Company, a banking corporation or association, having corporate trust powers, organized and existing under and by virtue of the laws of the United States of America, and having its principal office and place of business in the City of Pikeville, Kentucky, party of the second part. The Chairman and Secretary of the Board of Regents are hereby authorized and directed to make, execute, and deliver such Trust Indenture in substantially the form, text, terms, and provisions hereinafter set out, and this Board of Regents hereby approves, ratifies, and confirms all of the covenants, provisions, and stipulations as set out in such Trust Indenture, to-wit:

TRUST INDENTURE

SECURING

MOREHEAD STATE COLLEGE HOUSING
SYSTEM REVENUE BONDS OF 1961,

Dated as of November 1, 1961,

ISSUED BY BOARD OF REGENTS OF MOREHEAD
STATE COLLEGE, MOREHEAD, KENTUCKY,

CONSISTING OF

SERIES A BONDS	\$1,150,000.
SERIES B BONDS	800,000.
SERIES C BONDS	600,000
SERIES D BONDS	1,102,000.

THIS TRUST INDENTURE dated as of the first day of November, 1961, made by and between Board of Regents of MOREHEAD STATE COLLEGE, a body corporate, as an Educational Institution and Agency of the Commonwealth of Kentucky at Morehead, Kentucky, (hereinafter called the "Board"), party of the first part, and PIKEVILLE NATIONAL BANK & TRUST COMPANY, a banking corporation or association, duly organized and existing according to the laws of the United States of America, having full powers to act as a corporate Trustee, and having its principal office and place of business in the City

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of Pikeville, County of Pike, Commonwealth of Kentucky, as Trustee (hereinafter called the "Trustee"), party of the second part.

W I T N E S S E T H:

THAT WHEREAS, pursuant to Section 164.350 of the Kentucky Revised Statutes now in full force and effect, the Board is a body corporate with all powers generally invested in corporations and as such is the governing body of Morehead State College, an Educational Institution and Agency of the Commonwealth of Kentucky, having full control of the management and operation of said College together with the property and funds thereof; and

WHEREAS, pursuant to the provisions of Section 162.340 et seq. of said Kentucky Revised Statutes, said Board as the governing body of said State Educational Institution and Agency, is authorized to erect buildings and appurtenances to be used in connection with said College for educational purposes and issue its revenue bonds, payable solely from the income and revenues of said buildings; and

WHEREAS, pursuant to such statutory authority, and legal and proper proceedings, the Board at a meeting held on February 5, 1960, adopted a Resolution authorizing the issuance of \$1,950,000 principal amount of its "Housing Bonds of 1959, Series A and Series B," dated June 1, 1959, (hereinafter sometimes called the "1959 Bonds"), consisting of 3% Series A Bonds in the principal amount of \$1,150,000 (hereinafter sometimes called the "1959 Series A Bonds"), and 2-7/8% Series B Bonds in the principal amount of \$800,000 (hereinafter sometimes called the "1959 Series B Bonds"), each of the denomination of \$1,000, in negotiable coupon form, registrable as to principal only; all of the same being secured by a Trust Indenture (hereinafter referred to as the "1959 Indenture"), dated as of June 1, 1959, made by and between the Board and THE BANK JOSEPHINE, Prestonsburg, Kentucky, (hereinafter sometimes called the "1959 Trustee"); and thereafter said Bonds were offered at an advertised public competitive sale and the entire issue of Bonds (both Series A and Series B) was purchased by UNITED STATES OF AMERICA, HOUSING AND HOME FINANCE ADMINISTRATOR, (hereinafter sometimes called "HHFA"); and HHFA continues to be the owner and holder of every bond of said issue; and

WHEREAS, pursuant to such statutory authority, and legal and proper proceedings, the Board at a meeting held on January 4, 1961, adopted a Resolution authorizing the issuance of \$600,000 principal amount of its "Dormitory Revenue Bonds of 1960," dated November 1, 1960,

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(hereinafter sometimes called the "1960 Bonds"), consisting of 600 bonds, each of the denomination of \$1,000, in negotiable form, registrable as to principal only, bearing interest at 3-1/8% per annum: all of the same to be secured by a Trust Indenture (hereinafter referred to as the "1960 Indenture"), dated as of November 1, 1960, made by and between the Board and THE FIRST NATIONAL BANK, Pikeville, as Trustee, (sometimes hereinafter called the "1960 Trustee"); and thereafter said Bonds were offered at an advertised public competitive sale and the entire issue of Bonds was purchased by HHFA; and HHFA continues to be the owner and holder of every bond of said issue; and

WHEREAS, THE Board has determined that said College and its students are not at this time provided with adequate buildings and accommodations for educational purposes; and has determined that it is necessary to construct a dormitory with appurtenant facilities to house approximately 300 women students and counsellor's apartment, with necessary appurtenant facilities, (hereinafter sometimes called the "1961 Project"), to be situated upon a site which is a part of the campus of said college, and which is hereinafter described for the purpose of identifying the 1961 Project; and

WHEREAS, it has been agreed by and between the Board and HHFA, as the owner and holder of all of the 1969 Series A Bonds, all of the 1959 Series B Bonds, and all of the 1960 Bonds, that the Board will make and authorize a new issue of its "Morehead State College Housing System Revenue Bonds of 1961", dated as of November 1, 1961, in the aggregate principal sum of \$3,652,000 (hereinafter sometimes called the "Bonds"), consisting of Series A Bonds, to be exchanged for the outstanding 1959 Series A Bonds, Series B Bonds, to be exchanged for the outstanding 1959 Series B Bonds, Series C Bonds, to be exchanged for the outstanding 1959 Series C Bonds, and Series D Bonds, to be offered at public sale, in the respective principal amounts, bearing the respective interest rates, and for disposition, as shown in the following table or schedule:

<u>Designation</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	
Series A Bonds	\$1,150,000	3%	Exchange
Series B Bonds	800,000	2-7/8%	Exchange
Series C Bonds	600,000	3-1/8%	Exchange
Series D Bonds	\$1,102,000(Maximum)	3-1/2%	Public Sale

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AND WHEREAS, it has been agreed that simultaneously with the delivery of the aforesaid Series D Bonds to the purchaser or purchasers thereof (whether to HHFA or to others), HHFA will surrender in exchange the 1959 Series A Bonds, the 1959 Series B Bonds, and the 1960 Bonds, as aforesaid; and that the Board will simultaneously make effective the establishment of its "Morehead State College Housing System" (hereinafter sometimes called the "Housing System") which shall consist of all of the housing facilities of the Board, hereinafter identified, together with any other housing facilities or related auxiliary facilities including, inter alia, dining facilities which may be added to said Housing system at future dates, (a) in accordance with the provisions of this INDENTURE relating to the issuance of parity bonds, or (b) as additional security for the Bonds; and that thereafter all of the rentals, charges, income and revenues arising from the operation of said Housing System will be deposited, pledged, allocated, distributed and accounted for, as hereinafter provided, as constituting a part of the security and source of payment of all of the Bonds; and

WHEREAS, a portion of the cost of said 1961 Project is to be paid through available funds but it is necessary that additional funds be provided through the issuance of revenue bonds to the amount of One Million One Hundred Two Thousand (\$1,102,000) Dollars, and the Board has adopted an appropriate Resolution authorizing the issuance of such Bonds to be designated "Housing System Revenue Bonds of 1961, Series D" as hereinafter described, and has duly authorized the execution of this Trust Indenture in the form hereof for the purpose of securing the payment of said Housing System Revenue Bonds of 1961, Series A, Series B, Series C, and Series D, and the interest thereon and to provide for the proper and orderly administration of the revenues of said System and of the Bond proceeds; and

WHEREAS, the Series A Bonds, the Series B Bonds, the Series C Bonds, and the Series D Bonds of said authorized issue and the coupons appertaining thereto, and a Trustee's certificate with respect to all such Bonds and provisions for the registration of said Bonds as to principal only are to be substantially in the following form with appropriate insertions, omissions and variations as in this Indenture provided or permitted:

(Form of Bond)

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UNITED STATES OF AMERICA

COMMONWEALTH OF KENTUCKY

MOREHEAD STATE COLLEGE

HOUSING SYSTEM REVENUE BOND OF 1961

SERIES A
(Series B)
(SERIES C)
(SERIES D)

Number _____ \$1,000 _____

The Board of Regents of Morehead State College, a body corporate, as an Educational Institution and Agency of the Commonwealth of Kentucky, at Morehead, Rowan County, Kentucky, for value received, hereby promises to pay, solely from the special fund provided therefor as hereinafter set forth, to the bearer, or, if this Bond be registered, to the registered owner hereof, as hereinafter provided, the sum of One Thousand (\$1,000) Dollars on the first day of November, 19____, and to pay solely from said special fund, interest thereon from the date hereof until payment of principal at the rate of _____ per centum (_____ %) per annum, such interest being payable semiannually on May 1 and November 1 of each year, beginning May 1, 1962, except as the provisions 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 coupons as they severally mature, both principal and interest being payable in any coin or currency which, on the respective dates of payment of such principal and interest is legal tender for the payment of debts dur the United States of America, at the principal office of the Trustee, Pikeville National Bank & Trust Company, in the City of Pikeville, County of Pike, Commonwealth of Kentucky, or at the option of the holder hereof or of the interest coupons hereunto appertaining, at the principal office of Chemical Cank New York Trust Company, in the Borough of Manhattan, City of New York, State of New York.

This Bond is one of a duly authorized issue of Bonds in the aggregate principal amount of \$3,652,000 consisting of Series A Bonds in the aggregate principal amount of \$1,150,000, Series B Bonds in the aggregate principal amount of \$800,000, Series C Bonds in the aggregate principal amount of \$600,000, and Series D Bonds in the aggregate principal amount of \$1,102,000, all of said Bonds being of the same, form, tenor and effect, (except for numbers, maturity dates, series designation, provisions with respect to redemption prior to maturity, and possible variation in interest rates), issued for financing and refinancing the costs, not otherwise provided,

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of the Housing System of said Morehead State College, consisting of (a) initially, all the student housing facilities existing on the campus of said College in Morehead, Rowan County, Kentucky, (b) a certain new dormitory, with appurtenant facilities, (the 1961 Project) to house approximately 300 women students, and counsellor's apartment, to be constructed through application of the proceeds of the Bonds, Series D, as supplemented by other available funds, and (c) any other housing facilities or related auxiliary facilities, including inter alia, dining facilities which may be added to the said Housing System at future dates in accordance with the conditions and restrictions provided in connection with the permissive issuance of parity bonds, and (d) any such facilities as may be added to the Housing System as additional security for the Bonds (hereinafter sometimes referred to as the "Housing System, ", or the "System"), under and in full compliance with the Constitution and statutes of the Commonwealth of Kentucky, including among others, Sections 162.350 to 162.380, inclusive, of the Kentucky Revised Statutes now in full force and effect.

All of said Bonds are issued under and pursuant to a Trust Indenture (Said Indenture, together with all indentures supplemental thereto as therein permitted, being herein called the "Indenture") of even date herewith executed by and between said Board of Regents and Pikeville National Bank & Trust Company, as Trustees (said Trustee and any successor Trustee under said Indenture being herein called the "Trustee"), an executed counterpart of which in on file at the office of said Trustee in the City of Pikeville, Kentucky. Reference is hereby made to the Indenture for a more specific identification of the Housing System and the 1961 Project and for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds, the collection and disposition of the revenues, the fund charges with and pledged to the payment of the interest on and the principal of said Bonds, the nature and extend of the security, the reserved right of the Board to issue in the future certain additional Bonds, which will rank on a basis of parity with the Bonds initially authorized subject to conditions and restrictions which are specifically set forth in the Indenture, the rights, duties and obligations of said Board of Regents and of the Trustee and the rights of the holders of the Bonds, and, by the acceptance of this Bond, the holder hereof assents to all of the provisions of said Indenture. Under authority of the statutes pursuant to which this Bond is issued, this Bond shall have all the qualities and incidents of a negotiable instrument, and, subject to the provisions for registration endorsed hereon and contained in the Indenture, nothing contained in this Bond or in said Indenture shall affect or impair the negotiability of this Bond.

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The holder of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. The Indenture provides for fixing, charging and collecting rentals and other charges for the use of said Project, which rents and charges will be sufficient to pay the principal of and the interest on said Bonds as the same become due and to provide reserves for such purposes and also to pay the cost of maintenance, operation and repair of the Project. The Indenture provides for the creation of a special fund designated "Housing System Revenue Bonds of 1961 Bond and Interest Sinking Fund Account" (herein called the "Bond and Interest Sinking Fund"), and for the deposit to the credit of said Bond and Interest Sinking Fund of a fixed amount of the gross income and revenues of said Housing System to pay the principal of and the interest on the Bonds as the same become due, and to provide a reserve for such purpose, which Bond and Interest Sinking Fund is pledged to and charged with the payment of said principal and interest.

This Bond and the issue of which it is one and Bonds which may hereafter be issued and outstanding under the conditions and restrictions set forth in the Indenture are payable on a parity only from a fixed amount of the gross income and revenues to be derived from the operation of said Housing System which will be set aside in said Bond and Interest Sinking Fund, and this Bond does not constitute any indebtedness of Morehead State College or of its Board of Regents or of the Commonwealth of Kentucky within the meaning of any provisions or limitations of the Constitution of the Commonwealth of Kentucky.

REDEMPTION PROVISIONS

The Board reserves the right to call and redeed prior to their respective maturity dates certain Bonds of Series A, Series B, Series C, and Series D as follows:

(a) Surplus funds in the "1961 Construction Account," provided for in the Indenture, will be applied to the redemption of the Series D Bonds in the inverse order of their numbering;

(b) Bonds shall be subject to redemption from the proceeds of insurance, in the event of damage or destruction of properties constituting parts of the Housing System, as provided in Section 6.04 of Part Two of the Indenture;



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(c) Certain Bonds of each Series are subject to redemption at the option of the Board in inverse numerical orders on any interest payment date subsequent to the date of the Bonds, at par plus accrued interest to the date of redemption, upon notice as hereinafter provided;

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

(f) Subject to all of the foregoing, the Bonds of the various Series are subject to redemption at the option of the Board as follows:

Series A Bonds *(To appear in Series A Bonds only)

Bonds numbered 1 through 148 inclusive maturing November 1, 1962, through November 1, 1969, inclusive, are non-callable.

Bonds numbered 918 through 1150 inclusive maturing November 1, 1995, through November 1, 1999, inclusive are callable at the option of the Board in inverse numerical order on any interest payment date subsequent to the date of the Bonds at par or face value plus accrued interest to the date of redemption; and (in common with Bonds of Series B, Series C, and Series D, which are similarly callable without premium) are entitled to priority over outstanding Bonds of any Series before call for redemption of Bonds of any Series which are at the time callable for redemption at a premium.

Bonds numbered 149 through 917 inclusive maturing November 1, 1970, through November 1, 1994, inclusive, are callable for redemption at the option of the Board prior to the stated maturities thereof, in whole or in part, and in inverse numerical order on any interest payment date after November 1, 1969, and upon prior notice as hereinafter provided, at the principal amount plus accrued interest to the date of redemption, and a premium for each Bond redeemed in advance of maturity according to the following schedule:

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3%	if redeemed	May 1, 1970	through	November 1, 1974	inclusive
2-1/2%	"	"	May 1, 1975	"	November 1, 1979
2%	"	"	May 1, 1980	"	November 1, 1984
1-1/2%	"	"	May 1, 1985	"	November 1, 1989
1%	"	"	after November 1, 1989.		

Series B Bonds _____ *(To appear in Series B Bonds only)

Bonds numbered 1 through 106 inclusive maturing November 1, 1962, through November 1, 1969, inclusive, are non-callable.

Bonds numbered 644 through 800 inclusive, maturing November 1, 1995, through November 1, 1999, inclusive, are subject to redemption at the option of the Board in inverse numerical order on any interest payment date subsequent to the date of the Bonds at par or face value plus accrued interest to the date of redemption; and (in common with Bonds of Series A, Series C, and Series D, which are similarly callable without premium) are entitled to priority over outstanding Bonds of any Series before call for redemption of Bonds of any Series which are at the time callable for redemption at a premium.

Bonds numbered 107 through 643, inclusive, maturing November 1, 1970, through November 1, 1994, inclusive, are subject to redemption at the option of the Board prior to the stated maturities thereof, in whole or in part, and in inverse numerical order, on any interest payment date after November 1, 1969, upon notice as hereinafter provided, at the principal amount thereof plus accrued interest to the date of redemption and a premium for each Bond redeemed prior to its stated maturity according to the following schedule:

3%	if redeemed	May 1, 1970	through	November 1, 1974	inclusive
2-1-2%	"	"	May 1, 1975	"	November 1, 1979
2%	"	"	May 1, 1980	"	November 1, 1984
1-1/2	"	"	May 1, 1985	"	November 1, 1989
1%	"	"	after November 1, 1989.		

Series C Bonds _____ *(To appear in Series C Bonds only)

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Bonds numbered 1 through 76, inclusive, maturing November 1, 1963, through November 1, 1970, inclusive are non-callable.

Bonds numbered 476 through 600 inclusive, maturing November 1, 1996, through November 1, 2000, inclusive, are subject to redemption at the option of the Board in inverse numerical order on any interest payment date subsequent to the date of the Bonds at par or face value plus accrued interest to the date of redemption; and (in common with Bonds of Series A, Series B, and Series D, which are similarly callable without premium) are entitled to priority over outstanding Bonds of any Series before call for redemption of Bonds of any Series which are at the time callable for redemption at a premium.

Bonds numbered 77 through 475, inclusive, maturing November 1, 1971, through November 1, 1995, inclusive, are subject to redemption at the option of the Board prior to the stated maturities thereof, in whole or in part and in inverse numerical order, on any interest payment date after November 1, 1970, upon notice as hereinafter provided, at the principal amount thereof plus accrued interest to the date of redemption and a premium for each bond called for redemption prior to its maturity according to the following schedule:

3%	if redeemed May 1, 1971 through November 1, 1975 inclusive
2-1/2%	" " May 1, 1976 " November 1, 1980 inclusive
2%	" " May 1, 1981 " November 1, 1985 inclusive
1-1/2%	" " May 1, 1986 " November 1, 1990 inclusive
1%	" after November 1, 1990.

Series D Bonds *(To appear in Series D Bonds only)

Bonds numbered 1 through 132 inclusive maturing November 1, 1964, through November 1, 1971, inclusive, are non-callable.

Bonds numbered 868 through 1102 inclusive maturing November 1, 1997, through November 1, 2001, inclusive, are subject to redemption at the option of the Board in inverse numerical order on any interest payment date subsequent to the date of the Bonds at par or face value plus accrued interest to the date of redemption; and (in common) with Bonds of Series A, Series B, and Series C, which are similarly callable without premium) are entitled to priority over outstanding Bonds of any Series before call for redemption of Bonds of any Series which are at the time callable for redemption at a premium.

Bonds numbered 133 through 867 inclusive maturing November 1, 1972, through November 1, 1996, inclusive, are subject to redemption at the option

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of the Board prior to the stated maturities thereof, in whole or in part, and in inverse numerical order, on any interest payment date after November 1, 1971, upon notice as hereinafter provided, at the principal amount thereof plus accrued interest to the date of redemption and a premium for each Bond called for redemption prior to its stated maturity according to the following schedule:

3%	if redeemed	May 1, 1972 through	November 1, 1976 inclusive
2-1/2%	" "	May 1, 1977 "	November 1, 1981 inclusive
2%	" "	May 1, 1982 "	November 1, 1986 inclusive
1-1/2%	" "	May 1, 1987 "	November 1, 1991 inclusive
1%	" "	after November 1, 1991.	

*(To appear in all Bonds)

If the Board at its option undertakes to redeem outstanding Bonds in advance of scheduled maturity, it is agreed and understood (1) that, except for the redemption of Series D Bonds with surplus funds in the Construction Account, calls of Bonds will be applied to each series of Bonds on an equal pro rata basis (reflecting the proportion of the original amount of each Series of Bonds outstanding at the time of such call) and (2) calls of Bonds for each Series of Bonds will be in accordance with the call provision of the respective Bond Series; provided, however, the Board shall have the right to call, subject to the call provisions of the respective Bond Series, any or all outstanding Bonds which may be called at par prior to calling any Bonds that are callable at a premium.

Notice of any such intended redemption, identifying the Bonds to be redeemed, will be on file at the office of the Trustee at least thirty days prior to the specified redemption date, and such notice shall be published at least once not less than thirty days prior to said redemption date in a financial newspaper or journal of general circulation published in the English language in the City of New York, New York. Any Bonds called for redemption and for the payment of which funds are on deposit with said Trustee on the specified redemption date shall cease to bear interest on said redemption date.

This Bond shall pass by delivery unless registered as to principal on the books of said Board of Regents at the office of the Trustee under the Indenture, and such registration noted hereon, after which no valid transfer hereof shall be effective unless made on said books and similarly endorsed hereon at the written request of the registered holder or his duly authorized representative, but this Bond may be discharged from registration by being in like manner registered to bearer whereupon full negotiability and transferability by delivery shall be restored but may again from time to time be registered as aforesaid. Such registration, shall not

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affect the negotiability of the interest coupons which shall always remain payable to bearer and transferable by delivery merely. The Board of Regents and the Trustee may deem and treat the bearer of this Bond, if not registered as to principal, and the bearer of any coupon hereto appertaining, whether or not this Bond be so registered, or if this Bond be registered as herein authorized, the person in whose name the name is registered, as **the absolute owner for the purpose of receiving payment and for all other purposes.**

A statutory mortgage lien, which is hereby recognized as valid and binding on said Housing System is created and granted to and in favor of the holder or holders of this Bond and the issue of which it is a part, and in favor of the holder or holders of the coupons attached thereto, and said Housing System shall remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on this Bond and the issue of which it is a part.

This Bond shall not be valid or become obligatory for any purpose, or be entitled to any security or benefit under the Indenture, until it shall have been authenticated by the execution by the Trustee of the certificate hereon endorsed.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and and manner as required by law, and the amount of this Bond, together with all other obligations of said Board of Regents and of said Morehead State College, does not violate any provisions or exceed any limit prescribed by the Constitution or Statutes of Kentucky; that said Housing System will be continuously operated, and that a sufficient portion of the gross income and revenues therefrom has been pledged to and will be set aside into said Bond and Interest Sinking Fund for the payment of the principal of and interest on this Bond and the issue of which it is a part and any other Bonds which may hereafter be issued and outstanding, which by their terms are payable from said identified special fund, as the same will respectively become due.

IN TESTIMONY WHEREOF, the Board of Regents of Morehead State College, at Morehead, Kentucky, has caused this Bond to be executed in its name and behalf by the authorized facsimile of the signature of its Vice-Chairman, and has caused the authorized facsimile of its corporate seal to be imprinted hereon, attested by the manual signature of its Secretary; and has caused the coupons hereto attached to be executed with the authorized facsimile signatures of said Vice-Chairman and Secretary; all being done as of the first day of November, 1961.

SEAL

(Facsimile

Attest:

Chairman, Board of Regents

/s/ Anna B. Carter, Secretary, Board of Regents

(Form of Coupon)

Number _____ \$ _____

Unless the Bond to which this coupon is appurtenant shall have been called for redemption and funds for the payment thereof are duly provided, on the first day of _____, 19_____, the Board of Regents of Morehead State College, at Morehead, Kentucky, will pay to bearer _____ Dollars (\$ _____) in any coin or currency which at said date of payment is legal tender for the payment of debts due the United States of America, out of its "Housing System Revenue Bonds of 1961 Bond and Interest Sinking Fund," at the principal office of Pikeville National Bank and Trust Company, in the City of Pikeville, Kentucky, or, at the option of the holder hereof, at the principal office of Chemical Bank New York Trust Company, in the Borough of Manhattan, City of New York, State of New York, as provided in and for interest then due on its Housing System Revenue Bond of 1961, Series A (Series B) Series C) (Series D) dated as of November 1, 1961, Number 1, 1961, Number _____.

(Facsimile)
Vice-Chairman, Board of Regents

(Facsimile)
Secretary, Board of Regents

(This redemption legend to appear only on the interest coupons of Series A, Series B, Series C, and Series D, as are affected thereby).

(Form of Authentication Certificate)

This Bond is one of the Bonds described or provided for in the within-mentioned Indenture.

PIKEVILLE NATIONAL BANK &
TRUST COMPANY, TRUSTEE

By: _____
Authorized Officer

(Form of Registration to be printed on Back of Each Bond)

Date of Registration	Name of Registered Holder	Signature of Authorized Officer of Trustee
:	:	:
:	:	:
:	:	:
:	:	:

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AND, WHEREAS, the Board has duly authorized the issuance of the Bonds and the execution and delivery of this Indenture and all other acts and things necessary or required by the Laws of the Commonwealth of Kentucky or otherwise to make the Bonds, when duly executed on behalf of the Board and authenticated by the Trustee and issued, valid and binding legal obligations of the Board in accordance with their terms and to make this Indenture a valid and binding Indenture for the security of the Bonds, have been duly done and performed;

NOW, THEREFORE, this Indenture witnesseth:

That in consideration of the premises, of the acceptance by the Trustee of the Trust hereby created, and of the purchase and acceptance of the Bonds by the holders thereof, and also for and in consideration of the sum of One (\$1.00) Dollar to the Board in hand paid by the Trustee at or before the execution and delivery of this Indenture, the receipt of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds and interest coupons are to be and may be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become holders thereof, and in order to secure the payment of all the Bonds at any time issued and outstanding hereunder, and the interest thereon according to their tenor, purport, and effect, and in order to secure the performance and observance of all of the covenants, agreements, and conditions therein and herein contained, the Board has pledged and does hereby pledge the revenues of the Housing System as security for the payment of the Bonds and the interest thereon to the extent provided in this Indenture; and it is mutually agreed and covenanted by and between the parties hereto, for the equal and proportionate benefit and security of all and singular the present and future holders of the Bonds and interest coupons issued and to be issued under this Indenture, without preference, priority, or distinction as to lien or otherwise, except as otherwise herein provided, of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof or otherwise, as follows;

ARTICLE ONE

DEFINITION OF TERMS

Section 1.01. In each and every place in the preamble of this Indenture where certain terms, parties, and Bonds are parenthetically identified and in and throughout this Indenture wherein the following terms, or any of them are used, the same, unless the context shall indicate another or different meaning or intent shall be construed, are used, and are intended to have meanings and to be

inclusive, as follows:

- (a) "College" -- Morehead State College, situated in Morehead Rowan County, Kentucky.
- (b) "Board" -- The Board of Regents of Morehead State College.
- (c) "Trustee" -- The Trustee named and identified in the caption of this Indenture, a banking corporation or association created under and existing by virtue of the laws of the United States of America, having proper trust powers, and having its principal office and place of business in the City of Pikeville, County of Pike, Kentucky, or any successor Trustee designated pursuant to the provisions of this Indenture.
- (d) "Bonds"-- Series A and Series B and Series C and Series D Bonds issued pursuant to the provisions of this Indenture.
- (e) "Bond and Interest Sinking Fund" -- the "Housing System Revenue Bonds of 1961 Bond and Interest Sinking Fund Account," as created in this Indenture.
- (f) "Construction Fund" - - the special fund or account created in this Indenture, into which provision is made for the deposit of the proceeds of the Series D Bonds (exclusive of accrued interest received from the purchaser or purchasers) together with other available funds to pay the costs of the 1961 Project (as herein defined).
- (g) "1961 Project" - - a dormitory with appurtenant facilities to house approximately 300 women students and counsellor's apartment, with appurtenant facilities, to be constructed through application of the proceeds of the Construction Fund, upon a portion of the campus of Morehead State College at Morehead, Kentucky, said portion or site being particularly described in Article Twelve hereof.
- (h) "Chairman" -- The Chairman and each and every Vice-Chairman and each and every other officer of the Board authorized to exercise the powers and authority reposed in the Chairman of the Board.
- (i) "Secretary"-- the Secretary and each and every Assistant Secretary Secretary and each and every other officer of the Board authorized to exercise the powers and authority reposed in the Secretary of the Board.

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- (j) "Treasurer" -- the Treasurer and each and every Assistant Treasurer and each and every other officer of the Board authorized to exercise the powers and authority reposed in Treasurer of the Board.
- (k) "Architect" or "Engineer" -- any licensed architect or engineer appointed by the Board, including any such architect or engineer in the employ of the Board or of the College and so appointed.
- (l) "Fiscal Year" -- shall mean the 12-months period beginning July 1, and ending the following June 30, inclusive.

Section 1.02. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

Section 1.03. The words "Bond," "owner," "holder," and "person" shall include the plural as well as the singular number unless the context shall otherwise indicate. The term "Bondholders" means and contemplates, unless the context otherwise indicates, the holders of the Bonds at the time issued and outstanding hereunder. Each of the words "person" and "corporation" shall include the other, unless the context shall otherwise indicate.

Section 1.04. Whenever in this Indenture it is provided that any facts or opinion be evidenced to the Trustee by means of a certificate, statement, opinion, or other document, it shall constitute compliance herewith if the various facts and/or opinions intended so to be evidenced to the Trustee be included in different certificates, statements, opinions, or other documents signed by the same person or different persons of the same qualifications.

ARTICLE TWO

GENERAL PROVISIONS REGARDING EXECUTION, AUTHENTICATION AND REGISTRATION OF BONDS

Section 2.01. Save as is herein provided in respect of mutilated, lost, destroyed or stolen Bonds, Series A Bonds may be issued hereunder to the aggregate principal amount of no more than One Million One Hundred Fifty Thousand (\$1,150,000) Dollars, Series B Bonds may be issued hereunder to the aggregate principal amount of no more than Eight Hundred Thousand (\$800,000) Dollars, Series C Bonds may be issued hereunder to the aggregate amount of no more than Six Hundred Thousand (\$600,000) Dollars and Series D Bonds may be issued hereunder in the aggregate amount of no more than One Million One Hundred Two Thousand (\$1,102,000) Dollars; but the Board expressly reserves

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the right to issue additional Bonds payable from revenues of the aforesaid Housing System, subject to the conditions and restrictions hereafter specifically set forth in this Indenture. The Bonds shall be issued as coupon Bonds in the denomination of One Thousand (\$1,000) dollars each, and registrable as to principal only. The principal of each Bond and the interest thereon shall be payable at the office of the Trustee hereinbefore named and identified, or of its successors in trust under this Indenture, or, at the option of the holder, at the principal office of the hereinbefore identified alternative paying agent, in the City of New York, New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America. The Bonds and the interest coupons appertaining thereto shall be respectively substantially in the forms hereinbefore set forth, with such omissions, variations and insertions as are required or permitted by the terms of this Indenture to evidence the terms thereof.

Section 2.02. The said Bonds shall be dated as of November 1, 1961; and the said Series A Bonds shall bear interest at 3% per annum; the said Series B Bonds shall bear interest at 2-7/8% per annum; and the Series C Bonds shall bear interest at 3-1/8% per annum. The Series D Bonds shall bear interest at an average of no more than 3-1/2% per annum, such rate or rates applicable to the Series D Bonds to be established upon the basis of competition among bidders when said Bonds are sold at an advertised public competitive sale, as herein provided. All such interest to the respective maturity dates of principal shall be evidenced by coupons attached to the Bonds, payable semiannually on each May 1 and November 1, beginning May 1, 1962. Subject to the reserved right of redemption of a portion of each Series of said Bonds prior to maturity as provided in the above authorized FORM OF BOND and in Article Three of this Indenture, said Bonds of each Series shall be numbered and mature as to principal on November 1 of the respective years, in accordance with the following schedule:

SCHEDULE OF PRINCIPAL MATURITIES

SERIES A BONDS

<u>Bonds Numbered (Inclusive)</u>	<u>Principal Amount</u>	<u>Date of Maturity</u>
1 - 17	\$17,000	November 1, 1962
18 - 34	\$17,000	" " 1963
35 - 52	\$18,000	" " 1964
53 - 70	\$18,000	" " 1965
71 - 89	\$19,000	" " 1966

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90 - 108	\$19,000	November 1, 1967
109- 128	\$20,000	" " 1968
129-148	\$20,000	" " 1969
149- 169	\$21,000	" " 1970
170- 191	\$22,000	" " 1971
192- 213	\$22,000	" " 1972
214- 236	\$23,000	" " 1973
237- 260	\$24,000	" " 1974
261- 284	\$24,000	" " 1975
285- 309	\$25,000	" " 1976
310- 335	\$26,000	" " 1977
336- 362	\$27,000	" " 1978
363- 390	\$28,000	" " 1979
391- 418	\$28,000	" " 1980
419- 447	\$29,000	" " 1981
448- 477	\$30,000	" " 1982
478- 508	\$31,000	" " 1983
509- 540	\$32,000	" " 1984
541- 573	\$33,000	" " 1985
574- 607	\$34,000	" " 1986
608- 642	\$35,000	" " 1987
643- 678	\$36,000	" " 1988
679- 715	\$37,000	" " 1989
716- 753	\$38,000	" " 1990
754- 792	\$39,000	" " 1991
793- 832	\$40,000	" " 1992
833- 874	\$42,000	" " 1993
875- 917	\$43,000	" " 1994
918- 961	\$44,000	" " 1995
962- 1008	\$46,000	" " 1996
1008 - 1054	\$47,000	" " 1997
1055- 1102	\$48,000	" " 1998
1103- 1150	\$48,000	" " 1999

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SERIES B BONDS

1-12	\$12,000	November 1, 1962
13-24	\$12,000	" 1, 1963
25-37	\$13,000	" 1, 1964

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38-50	\$13,000	November 1, 1965
51-63	\$13,000	" 1, 1966
64-77	\$14,000	" 1, 1967
78-91	\$14,000	" 1, 1968
98-106	\$15,000	" 1, 1969
107-121	\$15,000	" 1, 1970
122-136	\$15,000	" 1, 1971
137-152	\$16,000	" 1, 1972
153-168	\$16,000	" 1, 1973
169-185	\$17,000	" 1, 1974
186-202	\$17,000	" 1, 1975
203-220	\$18,000	" 1, 1976
221- 238	\$18,000	" 1, 1977
239-258	\$19,000	" 1, 1978
258-276	\$19,000	" 1, 1979
277-296	\$20,000	" 1, 1980
297-316	\$20,000	" 1, 1981
317-337	\$21,000	" 1, 1982
338-359	\$22,000	" 1, 1983
360-381	\$22,000	" 1, 1984
382-404	\$23,000	" 1, 1985
405-428	\$24,000	" 1, 1986
429-452	\$24,000	" 1, 1987
453-477	\$25,000	" 1, 1988
478-503	\$26,000	" 1, 1989
504-529	\$26,000	" 1, 1990
530-556	\$27,000	" 1, 1991
557-584	\$28,000	" 1, 1992
585-613	\$29,000	" 1, 1993
614-643	\$30,000	" 1, 1994
644-673	\$30,000	" 1, 1995
674-704	\$41,000	" 1, 1996
705-736	\$32,000	" 1, 1997
737-769	\$33,000	" 1, 1998
770-800	\$31,000	" 1, 1999

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SERIES C BONDS

1 - 9	\$9,000	November 1, 1963
10-18	\$9,000	" 1, 1964
19-27	\$9,000	" 1, 1965
28-36	\$9,000	" " 1966
37-46	10,000	" " 1967
47-56	10,000	" " 1968
57-66	10,000	" " 1969
67-76	10,000	" " 1970

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Bonds

77-87	11,000	November 1, 1971
88-98	11,000	" " 1972
99-109	11,000	" " 1973
110-121	12,000	" " 1974
122-133	12,000	" " 1975
134-145	12,000	" " 1976
146-158	13,000	" " 1977
159-171	13,000	" " 1978
172-185	14,000	" " 1979
186-199	14,000	" " 1980
200-214	15,000	" " 1981
215-229	15,000	" " 1982
230-245	16,000	" " 1983
246-261	16,000	" " 1984
262-278	17,000	" " 1985
279-295	17,000	" " 1986
296-313	18,000	" " 1987
314-331	18,000	" " 1988
332-350	19,000	" " 1989
351-369	19,000	" " 1990
370-389	20,000	" " 1991
390-409	20,000	" " 1992
410-430	21,000	" " 1993
431-452	22,000	" " 1994
453-475	23,000	" " 1995
476-498	23,000	" " 1996
499-522	24,000	" " 1997
523-547	25,000	" " 1998
548-573	26,000	" " 1999
574-600	27,000	" " 2000

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SERIES D BONDS

1-16	16,000	November 1, 1964
17-32	16,000	" " 1965
33-48	16,000	" " 1966
49-64	16,000	" " 1967
65-80	16,000	" " 1968
81-96	16,000	" " 1969
97-112	16,000	" " 1970
113-132	20,000	" " 1971
133-152	20,000	" " 1972
153-172	20,000	" " 1973
173-192	20,000	" " 1974
193-212	20,000	" " 1975

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213 - 236	\$24,000	November 1, 1976
237 - 260	24,000	November 1, 1977
261 - 284	24,000	November 1, 1978
285 - 308	24,000	November 1, 1979
309 - 332	24,000	November 1, 1980
333 - 356	24,000	November 1, 1981
357 - 385	29,000	November 1, 1982
386 - 414	29,000	November 1, 1983
415 - 443	29,000	November 1, 1984
444 - 472	29,000	November 1, 1985
473 - 501	29,000	November 1, 1986
502 - 530	29,000	November 1, 1987
531 - 564	34,000	November 1, 1988
565 - 598	34,000	November 1, 1989
599 - 632	34,000	November 1, 1990
633 - 666	34,000	November 1, 1991
667 - 705	39,000	November 1, 1992
706 - 744	39,000	November 1, 1993
745 - 783	39,000	November 1, 1994
784 - 822	39,000	November 1, 1995
823 - 867	45,000	November 1, 1996
868 - 912	45,000	November 1, 1997
913 - 957	45,000	November 1, 1998
958 - 1002	45,000	November 1, 1999
1003- 1052	50,000	November 1, 2000
1053 - 1102	50,000	November 1, 2001

* * * * *

Section 2.03. The Series D Bonds shall be offered for sale by the Board, without the intervention of the Trustee, at such time or times as the Board may direct upon the basis of notices published by the Board in a newspaper of general circulation throughout the Commonwealth of Kentucky and in The Bond Buyer, a financial journal published in New York, New York, and of general circulation among bond buyers throughout the United States of America, and upon the basis of sealed competitive bids which shall be opened, considered and acted upon by the Board. The Bonds shall at one time or from time to time be executed on behalf of the Board by the reproduced facsimile of the signature of its Chairman and a facsimile reproduction of the corporate seal shall be imprinted thereon, attested by the manual signature of its Secretary, and shall be delivered to the Trustee for authentication by it; and thereupon the Trustee shall, upon receipt by the Trustee of evidence satisfactory to the Trustee of the proper execution of this Indenture, authenticate said Bonds. The Board shall make delivery of said Bonds to the purchaser or purchasers, but only upon payment of the stated purchase price, which shall immediately be deposited to the credit of the special funds or accounts, as hereinafter provided.

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Only Bonds as shall bear thereon endorsed a certification of authentication substantially in the form hereinbefore recited, executed on behalf of the Trustee by its authorized officer shall be secured by this Indenture or be entitled to any right or benefit hereunder. The authentication by the Trustee upon any Bond shall be conclusive evidence and the only evidence that the Bond so authenticated has been duly issued hereunder and that the holder thereof is entitled to the benefit of this Indenture.

The Bonds shall be prepared and printed in compliance with standard requirements and specifications.

Section 2.04. In case any person who shall have signed, sealed or attested any Bond issuable under this Indenture as an officer of the Board, (or whose facsimile signature as such officer shall have been caused to appear on any Bond or interest coupon) shall have ceased to be such officer before the Bond so signed, sealed or attested (by facsimile signature or otherwise) shall have been actually authenticated by the Trustee and delivered to the purchaser, such Bond nevertheless may be authenticated and delivered and issued as though the person who signed, sealed or attested such Bond (by facsimile signature or otherwise) had not ceased to be such officer.

Any Bond issuable hereunder may be signed, sealed or attested in behalf of the Board (by facsimile signature, or manual signature, as herein provided) by any person who at the actual date of the execution or authentication of such Bond is the proper officer of the Board, notwithstanding that at the date of such Bond such person shall not have been such officer.

The coupons to be attached to Bonds issued hereunder shall be signed by the facsimile signatures of the present Chairman and Secretary or of any future Chairman and Secretary of the Board, and the Board may adopt and use for that purpose the facsimile signatures of any persons who shall have been such Chairman or Secretary, notwithstanding the fact that either or both of them may have ceased to be such Chairman or Secretary at the time when such bonds shall be actually authenticated and delivered.

Section 2.05. The Board shall keep at the office of the Trustee books for the registration and transfer of registration of Bonds issued hereunder, which, at all reasonable times, shall be open for inspection by the holder of any Bond issued hereunder, and upon presentation for such purpose at such office, the Board will register or transfer or cause to be registered or transferred therein, as hereinafter provided, and under such reasonable regulations as it may prescribe, any Bonds issued under this Indenture and entitled to be so registered or transferred.

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The Trustee shall act as registrar in affecting all registrations on the books kept at its office, and is hereby officially designated as the Registrar for such purposes.

All Bonds issued hereunder shall be negotiable and shall pass by delivery unless registered as to principal in the manner hereinafter provided. The holder of any Bond issued hereunder may have the ownership of the principal thereof registered on said books of the Board at the office of the Trustee, and such registration shall be noted on the Bond. After such registration no transfer shall be valid unless made on the said books at the written request of the registered owner or his duly authorized attorney, and similarly noted on the Bond; but the same may be discharged from registration by being in like manner transferred to bearer, and thereupon negotiability and transferability by delivery shall be restored; and such Bond may again, from time to time, be registered or transferred to bearer, as before. Such registration, however, shall not affect the negotiability of the coupons, but every such coupon shall continue to be transferable by delivery merely, and shall remain payable to bearer. Such registrations and discharges from registration shall be without expense to the holder of the Bonds, except any taxes or other governmental charges required to be paid with respect to the same.

Section 2.06. Before authenticating any Bonds the Trustee shall cut off and cancel all matured coupons, if any, thereon and the Trustee shall deliver to the Board a certificate of such cancellation; provided, however, that if at the time the Bonds are caused to be printed or otherwise manufactured, it shall be apparent that one or more interest coupons will be past due by the time of delivery thereof, the manufacturer may be instructed not to manufacture such past-due coupons, in which event a certificate or letter of the printer or manufacturer of the Bonds shall be furnished to the Trustee, and may be accepted by the Trustee as evidence thereof.

Section 2.07. Upon receipt by the Board and the Trustee of evidence satisfactory to them of the loss, theft, destruction or mutilation of any outstanding Bond or Bonds hereby secured, and of indemnity satisfactory to them, and upon surrender and cancellation of such Bond or Bonds if mutilated, the Board may execute and the Trustee may authenticate and there may be delivered, a new Bond or Bonds of like tenor, maturity and serial numbering in lieu of such lost, stolen, destroyed or mutilated Bond or Bonds. Each such new Bond may bear such endorsement as may be agreed upon by the Board and by the Trustee to be necessary to evidence that it has been issued in lieu of a lost, stolen, destroyed or mutilated Bond. The Board may require the payment of the expenses which may be incurred by the Board and the fees and expenses of the Trustee in the premises.

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In the event such destroyed or mutilated Bonds, or any of them, shall be due and payable within a reasonable time after notice to the Board and the Trustee of such destruction or mutilation, the Board and the Trustee may, by agreement with the claimant, with like security provisions to protect the Board and the Trustee from loss, enter into a written agreement to pay the same when due, instead of causing a Bond or Bonds to be manufactured or delivered for that purpose.

Section 2.08. As to all Bonds registered as to principal, the person in whose name the same shall be registered shall be deemed and regarded as the owner thereof, for all purposes of this Indenture, and thereafter payment of or on account of the principal of such Bond shall be made only to or upon the order in writing of such registered owner thereof, but such registration may be changed as above provided. The Board, the Trustee, and the Paying Agents may deem and treat the bearer of any Bond which shall not at the time be registered as to principal, and the bearer of any coupon for interest on such Bond, whether such Bond shall be registered or not, as the absolute owner of such Bond or coupon for the purpose of receiving payment thereof, and for all other purposes whatsoever, and the Board, the Trustee and the Paying Agents shall not be affected by any notice to the contrary.

ARTICLE THREE

REDEMPTION OF BONDS

Section 3.01. The right is hereby reserved to call and redeem the Series A Bonds numbered 149 to 1150, inclusive; the Series B Bonds numbered 107 to 800, inclusive, the Series C Bonds numbered 77 to 600, inclusive, and the Series D Bonds numbered 133 to 1102, inclusive; all upon the common aggregate and mutually inclusive terms and provisions which are particularly set forth in the "FORM OF BOND" which is set in the preamble of this Indenture; the redeemable Bonds of each Series (if and when eligible for prior redemption according to the over-all Redemption Provisions so set forth in said FORM OF BOND), being callable for redemption prior to maturity as a whole or from time to time in part in the inverse order of their numbering (less than all if the particular Series maturing on the same date to be determined by lot).

In case the Board shall desire to exercise its right of redemption, it shall cause to be filed with the Trustee (at least 30 days in advance of the redemption date) a copy of a notice specifying the redemption date and the numbers of the Bonds to be redeemed, and shall cause notice of such redemption to be published in a financial newspaper or journal of general circulation published in the English Language in the City of New York, New York, at least once not less than 30 days before the date fixed for redemption, such published notice to identify the Bonds to be redeemed and to state that interest will cease to accrue thereon from and after the specified redemption date. If any of the Bonds to be redeemed are at the time

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registered as to principal, similar notice shall be sent by the Board through the mails, postage prepaid, at least thirty (30) days prior to such redemption date, to the persons who respectively appear by the transfer register of the Board to be registered owners of such Bonds, at their addresses as the same shall appear, if at all, upon the transfer record of the Board at the office of the Trustee; but such mailing shall not be a condition precedent to such redemption, and failure so to mail any notice shall not affect the validity of the proceedings for the redemption of such Bonds.

On or before the redemption date specified in the notice above provided for, the Board shall, and it hereby covenants that it will, deposit with the Trustee an amount in cash sufficient to effect the redemption of the Bonds specified in such notice, or cause the Trustee to apply to such purpose moneys theretofore deposited with the Trustee under the provisions hereof and properly available for such purpose. All moneys deposited by the Board with the Trustee, or set apart by the Trustee, under the provisions of this Indenture, for the redemption of Bonds, shall be held in trust for account of the holders of the Bonds so called for redemption, and shall be paid to them respectively upon presentation and surrender of said Bonds accompanied by all interest coupons, if any, maturing after the date fixed for redemption thereof, provided, however, if any such Bonds shall be registered, the same shall be endorsed in blank for transfer if the Trustee shall so require.

From and after the date of redemption designated in such notice (such notice having been given as aforesaid and such deposit having been made or moneys set apart as aforesaid), no further interest shall accrue upon any of the Bonds so to be redeemed, and any coupons for interest pertaining to any such Bonds and maturing after such date shall be void, and all such Bonds, in so far as such deposit shall have been made or moneys set apart as aforesaid, and all such coupons, shall cease to be entitled to the benefit of the lien of this Indenture, and the Board shall be under no further liability in respect thereof.

Section 3.02. All Bonds so redeemed shall forthwith be cancelled by the Trustee, which shall deliver such cancelled Bonds to the Board.

ARTICLE FOUR

DISPOSITION AND CUSTODY OF INCOME

AND REVENUES OF THE PROJECT

Section 4.01. As soon as the Series D Bonds are sold and delivered, and the Series A Bonds, the Series B Bonds and the Series C Bonds are exchanged, all rentals, charges, income and revenue arising from the operation or ownership of the Housing System shall be deposited to the credit of a special fund upon the books and records of the Board to be designated "Housing System Revenue Bonds of 1961 Revenue Fund Account" (hereinafter sometimes referred to as the "Revenue

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Fund"), and which Revenue Fund is hereby created. There shall also be deposited in said Revenue Fund, all funds at that time held in the respective Revenue Funds previously established and presently maintained under the provisions of Section 4.01 of the 1959 Indenture and Section 4.01 of the 1960 Indenture. Such Revenue Fund shall be held in the custody of the Treasurer of the Board, separate and apart from all other funds. Such Revenue Fund shall be maintained so long as any of the Bonds are outstanding as a trust fund in a bank or banks which are members of the Federal Deposit Insurance Corporation and shall be expended and used by the Treasurer only in the manner and order hereinafter specified.

Section 4.02. There is hereby created a separate account upon the books of the Trustee to the credit of the Board, to be designated "Housing System Revenue Bonds of 1961 Bond and Interest Sinking Fund Account" (hereinafter sometimes referred to as the "Bond and Interest Sinking Fund"). So long as any of the Bonds are outstanding the said Bond and Interest Sinking Fund shall be maintained and deposited with the Trustee and shall be used by the Trustee to pay interest as it become due on Bonds from time to time, and to pay and to retire the Bonds at or before maturity in accordance with the provisions of this Indenture.

In connection with the establishment and maintenance of the Bond and Interest Sinking Fund, the Board covenants and agrees as follows:

- (1) That initially there will be deposited in the Bond and Interest Sinking Fund the accrued interest, if any, received at the time of the sale of the Series D Bonds, together with such further sums from the Bond proceeds deposited in the Construction Fund or from other sources as will cause the total so deposited to be equal to all interest maturing on said Bonds until the Project becomes revenue-producing.
- (2) That upon delivery of the Series D Bonds, and exchange of the Series A, B and C Bonds, there will be transferred to said Bond and Interest Sinking Fund, the funds and/or investments then on hand in (a) the "Housing Bonds of 1959 Bond and Interest Sinking Fund" (Section 4.02 of the 1959 Indenture), and (b) the "Dormitory Revenue Bonds of 1960 Bond and Interest Sinking Fund" (Section 4.02 of the 1960 Indenture); provided, however, that said previously created and existing Funds shall each be first chargeable or credited with any adjustment of interest which may be proper as an incident to the exchange of the respective outstanding Bonds which are payable

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therefrom, having due regard for differences in dates involved in the exchange.

- (3) That as soon as the aforesaid sale and exchange is made, the Board shall transfer from the Revenue Fund and deposit to the credit of the Bond and Interest Sinking Fund on or before each succeeding April 1 and October 1, beginning April 1, 1962, the sum of \$111,300.00 until the funds accumulated in said Bond and Interest Sinking Fund including any investments carried to the credit of said Bond and Interest Sinking Fund are sufficient to meet the interest on the outstanding Bonds due on the next interest payment date and one-half of the principal due within the succeeding twelve months, plus a debt service reserve in the sum of \$338,000 and, thereafter, on or before each succeeding April 1 and October 1 in like manner such sums as may be necessary to meet the interest on the Bonds due on the next interest payment date and one-half of principal due within the succeeding twelve months and maintain the debt service reserve in the sum of \$338,000. All such deposits shall be cumulative and a deficiency in any year shall be made up in the subsequent year or years.

Section 4.03. The amount by which the aforesaid payments into the Bond and Interest Sinking Fund exceeds the aggregate amount of interest on and principal of said Bonds then currently becoming due shall be held as a reserve; provided, however, that no further payments need be made into said Bond and Interest Sinking Fund whenever and so long as such amount of the Bonds shall have been retired that the amount then held therein, including the reserve, is sufficient to accomplish retirement of all the Bonds then outstanding and pay all interest that is to be paid on all of such Bonds prior to such retirement.

If, for any reason, there shall be a failure to make any payments into said Bond and Interest Sinking Fund as aforesaid any sums then held as a reserve shall be used for the payment of any portion of the interest or principal as to which there would otherwise be default.

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All moneys held in the Bond and Interest Sinking Fund shall be held, secured and invested by the Trustee, as provided by Sections 4.08 and 4.09 of the Indenture. Said Bond and Interest Sinking Fund shall be used solely and only for the purpose of paying the interest on said Bonds secured hereby and accomplishing retirement of said Bonds at or before maturity, and is hereby irrevocably pledged for that purpose, and shall be used for no other purpose whatsoever, and only the amount in said Sinking Fund in excess of the debt service requirements on the outstanding Bonds during the current year and debt service reserve of \$338,000 may be used at any time for the retirement of Bonds in advance of their maturity.

Section 4.04. During the thirty days preceding each May 1 and November 1, the Trustee shall transfer from the Bond and Interest Sinking Fund to a special account funds sufficient to pay all maturing Bonds and interest coupons and the Trustee shall remit to the principal office of the New York Paying Agent named herein, funds sufficient to enable said New York Paying Agent to pay maturing Bonds and interest coupons as are there presented; or the Trustee shall make such arrangements with said New York Paying Agent as to assure the prompt payment of maturing Bonds and coupons as are there presented. The Trustee shall make similar arrangements in the event of redemption of any Bonds pursuant to Article Three of this Indenture.

Section 4.05. Current Expenses of the Project shall be payable after compliance with the provisions of Section 4.02 hereof from the Revenue Fund as the same become due and payable. Current Expenses shall include all necessary operating expenses, current maintenance charges, expense of reasonable upkeep and repairs, properly allocated share of charges for insurance and all other expense incident to the operation of the Project; but shall exclude depreciation, all general administrative expenses of the Board and the payment into the "Building Maintenance and Equipment Reserve Account," hereinafter provided for. Provided, however, that until delivery and exchange of the Bonds, as herein authorized, current expenses shall be a first charge against the respective Revenue Funds currently maintained for the outstanding 1959 Bonds and the 1960 Bonds.

Section 4.06. There is hereby created a special account upon the books of the Trustee to the credit of the Board, separate and apart from all other accounts and funds, the same to be designated as "Morehead State College Housing System Revenue Bonds of 1961 Repair and Replacement Reserve Account" (hereinafter sometimes referred to as the "Maintenance Fund"). So long as any of the Bonds are outstanding the said fund shall be maintained and deposited directly with the Trustee. As soon as the required reserve is accumulated in the Bond and Interest Sinking Fund as required by Section 4.02, the Board shall deposit from the Revenue Fund on or

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before the close of each fiscal year the sum of at least \$18,000 annually until the amount accumulated in said Maintenance Fund including any investments carried to the credit of said Maintenance Fund shall aggregate \$180,000, and, thereafter, such sums, but not more than \$18,000 annually, as may be required to maintain a balance of \$180,000 in the Maintenance Fund, which fund may be drawn on and used by the Board for the purpose of paying the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and the renovating or replacement of the equipment not paid as part of the ordinary and normal expense of Project operation. However, in the event the funds in the Bond and Interest Sinking Fund should be reduced below the debt service reserve of \$338,000, funds on deposit in the Maintenance Fund shall be transferred to the Bond and Interest Sinking Fund to the extent required to eliminate the deficiency in such Bond and Interest Sinking Fund.

Section 4.07. Subject to the foregoing, the Board may use the balance of excess funds in the Revenue Fund at the close of each fiscal year to redeem outstanding Bonds on the next interest payment date, in accordance with the redemption provisions and with due regard for priority of redemption of Bonds redeemable at par, over Bonds redeemable at a premium as set forth in such Bonds, and at a price not to exceed the maximum call price, or for any expenditures, including the payment of debt service, in improving or restoring any existing housing and dining facilities or providing any such additional facilities, or for any other lawful purpose.

Section 4.08. All moneys deposited with and in the custody of the Trustee under the provisions of this Indenture shall be trust funds and shall not be subject to lien or attachment by any creditor. Such moneys shall be held in trust and applied in accordance with the provisions of this Indenture and shall be secured in such manner as may at the time be required or permitted by applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of, the deposit of trust funds.

Section 4.09. Moneys held for the credit of the Maintenance Fund, and the amount thereof in the Bond and Interest Sinking Fund in excess of all Bond principal and interest requirements for the ensuing twelve months' period, shall be invested by the Trustee, if so directed by resolution of the Board, in direct obligations of, or obligations and principal and interest of which are unconditionally guaranteed by, the United States Government. Obligations so purchased shall be deemed at all times to be a part of the Maintenance Fund, and of the Bond and Interest Sinking Fund, respectively, and the interest accruing thereon and the proceeds of the sale or retirement thereof shall be credited to the Maintenance Fund and to the Bond and Interest Sinking Fund, respectively. The Trustee shall sell at the best price obtainable any obligations so purchased whenever it shall be necessary so to do in order to provide moneys to meet any payment from the Maintenance Fund,

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or from the Bond and Interest Sinking Fund. Neither the Trustee nor the Board shall be liable or responsible for any loss resulting from any such investment.

ARTICLE FIVE

PARTICULAR COVENANTS OF THE BOARD

Section 5.01. The Board covenants and agrees that it has the lawful control of the site of the Housing System, that said property is free from any and all liens and encumbrances, and that the Board will warrant and defend the title thereto against all claims and demands whatsoever.

Section 5.02. The Board covenants and agrees that it will duly and punctually pay or cause to be paid the principal sum, and the interest accruing on said principal, on each and every one of the Bonds secured hereby, at the dates and places, and in the manner provided in said Bonds and in the coupons thereunto appertaining, according to the terms thereof and of this Indenture.

Section 5.03. The Board covenants and agrees that upon exchange of the Series A, B and C Bonds, the Board shall procure and maintain so long as any of the Bonds are outstanding fire and extended coverage insurance on the Housing System in amounts sufficient to provide for not less than full recovery whenever the loss from causes covered by such insurance does not exceed 80 per centum (80%) of the full insurable value of the Housing System, and also boiler explosion insurance covering any steam boilers serving the Housing System, in a minimum amount of \$50,000. Such insurance shall be in the State Fire and Tornado Insurance Fund of the Commonwealth of Kentucky, or in reputable insurance companies and by policies in form satisfactory to the Trustee; loss, if any, to be made payable to the Trustee as its interest may appear. The Board will within a reasonable time after the execution hereof and within four (4) months after the close of each calendar year thereafter, furnish to the Trustee a statement in writing, signed by an officer of the Board, setting forth the full insurable value of the Housing System, and fully describing all insurance then in force; the the Trustee may, at its option, require the Board to deposit with it any or all of such insurance policies, and shall require such deposit if any event of default occurs. If the total received by the Trustee upon all policies shall, in case of any particular loss, be less than the sum of Ten Thousand Dollars (\$10,000), the amount shall be paid over by the Trustee to or upon the order of the Board and shall be applied to the extend required for replacement or repairs of, or substitutes for, the damaged or destroyed property; but the Trustee shall not be obligated to see to the application thereof; that in all other cases the proceeds of any and all insurance on any part of such property which may be received by the Trustee shall be applied by the Trustee as hereinafter in this Section provided. In the event of any damage to, or the destruction of, the Housing System, the Board (unless it elects to pay and redeem all outstanding Bond) shall promptly arrange for the repair and reconstruction of the damaged or destroyed portion thereof, and

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shall arrange for the application of the proceeds of the insurance for that purpose, as is hereinafter in this Section provided.

Immediately upon the effective creation of the "Housing System," as hereinabove provided, and so long thereafter as the funds and investments of the Bond and Interest Sinking Fund are insufficient to provide current debt service plus the required reserve, the Board will procure and maintain use and occupancy insurance on the Housing System, in an amount sufficient to enable the Board to deposit in the Bond and Interest Sinking Fund out of the proceeds of such insurance an amount equal to the sum which would normally have been available for deposit in such Bond and Interest Sinking Fund from the revenues of the damaged building or buildings during the time the damaged building or buildings is or are non-revenue producing as a result of loss of use caused by hazards covered by fire and extended coverage insurance.

All insurance moneys (except the proceeds of use and occupancy insurance, which shall be deposited in the Bond and Interest Sinking Fund; and all property insurance in amounts of less than Ten Thousand Dollars (\$10,000) above provided to be paid over to the Board) received by the Trustee under the provisions of this Section shall be held by the Trustee as substituted security, and the same shall be by the Trustee paid out from time to time upon written order of the Board, signed by the Chairman and Secretary, and accompanied by an approving certificate of an architect or engineer, for the purpose of paying the reasonable cost of repairing or replacing part or all of the property damaged or destroyed; provided, however, that the Board shall have furnished, in addition to the proceeds of such insurance, such moneys as may be required to complete such repairs or replacements, and said insurance moneys shall be paid out by the Trustee only when the same shall be fully sufficient to complete such repairs or replacement, as shown by the said certificate of an architect or engineer. Every such order of the Board for the payment of insurance moneys shall state that the Board is not in default under any of the terms and provisions of this Indenture. The Trustee shall be fully protected in paying any such cash to or upon the order of the Board upon receipt of the showings above specified, but the Trustee shall have the right, but shall not be obliged, to require the Board to furnish such additional evidence in the premises as the Trustee may deem necessary in order to establish the right of the Board to the withdrawal of any such insurance moneys. In the event insurance proceeds shall remain after the completion of such repairs or replacements, then the Trustee shall deposit such moneys in the Bond and Interest Sinking Fund provided for by Article Four hereof, and such moneys shall be applied to the retirement of Bonds.

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Section 5.04. The Board covenants and agrees that so long as any of the Bonds are outstanding the Board will, if such insurance is not already in force, procure and maintain public liability insurance with limits of not less than \$50,000 for one person and \$100,000 for more than one person involved in one accident to protect the Board from claims for bodily injury and/or death which may arise from the operation of the Board including any use or occupancy of its grounds, structures and vehicles; provided, however, such public liability insurance need not be procured and maintained so long as provision is otherwise made by law for disposition of claims against the Board and/or the College, of such character as would be covered thereby.

Section 5.05. The Board covenants and agrees that it will at all times maintain, preserve and keep the Housing System and every part thereof in good condition, repair and working order and will from time to time make all needful and proper repairs, replacements, additions, betterments and improvements so that the operations and business of and pertaining to the Housing System and every part thereof shall at all times be conducted properly and advantageously; and whenever any portion of the Housing System shall have been worn out or destroyed or shall have become obsolete, inefficient or otherwise unfit for use, the Board will procure and install substitutes of at least equal value, utility and efficiency so that the value and efficiency of the Housing System shall at all times be fully maintained, and to the extent other funds are not available, the Board shall set apart, use and apply funds in the Maintenance Fund for the foregoing purposes.

Section 5.06. The Board covenants and agrees that whenever necessary to avoid or fill a vacancy in the office of the Trustee the Board in the manner provided in Article Twelve hereof will appoint a trustee so that there shall at all times be a trustee hereunder which shall at all times be a bank or trust company having its principal office and place of business in the Commonwealth of Kentucky, if there be such a bank or trust company willing and able to accept the trust upon reasonable or customary terms.

Section 5.07. The Board covenants and agrees that it is duly authorized under the laws of Kentucky and under all other applicable provisions of law to create and issue the Bonds herein provided for, to execute and deliver this Indenture, and to pledge the income and revenues of the Housing System, as herein provided, that all corporate and/or other action on its part for the creation and issue of said Bonds and the execution of this Indenture has been duly and effectually taken, that said Bonds when issued and in the hands of the holders thereof are and will be valid and enforceable obligations of the Board, and that this Indenture is and always will be a valid Indenture to secure the payment of said Bonds; and that the Board has complete and lawful authority and privilege to construct, maintain and operate the Housing System.

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Section 5.08. The Board covenants and agrees that it will not issue, or permit to be issued, any Bonds hereunder in any manner other than in accordance with the provisions of this indenture and the agreements in that belief herein contained, and that it will faithfully observe and perform all conditions, covenants and requirements of this Indenture and of all indentures supplemental thereto.

Section 5.09. The Board covenants and agrees upon completion of the 1961 Project, to provide from sources other than the proceeds of the sale of the Bonds secured hereby and from sources other than the funds pledged hereunder and in a manner which will not jeopardize the security of the Bonds, the furnishings and moveable equipment necessary to the full enjoyment of the use and occupancy of the 1961 Project.

Section 5.10. The Board covenants and agrees that it will establish and maintain so long as any Bonds are outstanding under this Indenture such parietal rules, rental rates, and charges for the use of the Housing System facilities as may be necessary (1) to assure maximum occupancy and use of the Housing System and (2) to provide for (a) the operation and maintenance expenses thereof, (b) the debt service on the Bonds, (c) the required reserve therefor, and (d) the Maintenance Fund, and that it will set up and maintain reserves specifically required hereunder.

The Board further covenants and agrees that it will establish initially a base rental of use and occupancy of the facilities to be provided by the Housing System of not less than \$4.50 per week per student for dormitory rentals (\$81.00 for each of two regular semester; \$36.00 for the summer term); and on a monthly basis for apartment rentals not less than \$43.50 for a studio apartment, \$48.00 for a one-bedroom apartment and \$57.50 for a two-bedroom apartment; and it is further agreed that any costs of services provided by the College or others for electricity, water and gas, shall be added proportionately to base rental of apartments, if such costs are chargeable to the Housing System as a current expense as defined in Section 4.05 of this Indenture.

Section 5.11. The Board covenants and agrees that it will keep accurate financial records and proper books relating to the Housing System, and such records and books shall be open to inspection by the Bondholders and their agents and representatives. It further covenants that not later than 90 days after the close of each fiscal year it will furnish to the Trustee and any Bondholder who shall request same, in writing, copies of audit reports prepared by an independent public accountant reflecting in reasonable detail the financial condition and record of operation of the Housing System and the College.

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ARTICLE SIX

CUSTODY AND APPLICATION OF BOND PROCEEDS

Section 6.01. A fund is hereby created and designated "Morehead State College 1961 Housing Construction Fund" (herein sometimes called the "1961 Construction Fund"), to the credit of which there shall be deposited, as received, the proceeds of the Series D Bonds (with the exception of accrued interest, if any, which is required by Section 4.02 hereof to be deposited in the Bond and Interest Sinking Fund). The moneys in the Construction Fund shall be paid to the State Treasurer of the Commonwealth of Kentucky and held in trust (with any supplemental funds provided from other sources) and applied on orders of the Board to the payment of the costs of the 1961 Project in accordance with and subject to the provisions of this Article, and, pending such application, shall be subject to a lien and charge in favor of the holders of the Series D Bonds issued and outstanding under this Indenture and shall be held for the further security of such holders until paid out as herein provided.

Section 6.02. The Board covenants and agrees that prior to the issuance of any Bonds hereby authorized, it will deposit or cause to be deposited in the Construction Fund such sum (if necessary) from sources other than Bond proceeds, and from sources and in a manner that will not jeopardize the security pledged to the payment of the principal of and the interest on the Bonds, as will be sufficient, together with the Bond proceeds, to assure payment of all costs of constructing the 1961 Project.

Section 6.03. For the purposes of this Article the cost of the 1961 Project shall include, without intending thereby to limit or restrict or extend any proper definition of such cost under any applicable laws or under this Indenture, the following:

- (a) obligations incurred for labor and to contractors, builders and material men in connection with the construction of the 1961 Project;
- (b) the interest accruing upon the Bonds during the construction of the 1961 Project after which it is hereby represented that the 1961 Project will be revenue producing;
- (c) fees and expenses of engineers and architects for surveys and estimates and other preliminary investigations, preparation of plans, drawings and specifications and supervising construction, as well as for the performance of all other duties of engineers and architects in relation to the planning or construction of the 1961 Project or in connection with the issuance of the Bonds;

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- (d) expense of administration properly chargeable to the 1961 Project, legal expenses and fees, financing charges, advertising expenses, cost of printing bonds, cost of audits and of issuing the Bonds and all other items of expense not elsewhere in this Section specified, incident to the construction of the 1961 Project and placing it in operation, specifically including the agreed fixed fee of the Housing and Home Finance Agency of the United States Government in supervising and inspecting the work appertaining to the development of the Project and of auditing the books, records and accounts pertaining to the Project as set forth in the Loan Agreement between the Board and the United States of America, dated as of September 1, 1961.

Section 6.04. Within the thirty days preceding each May 1 and November 1 until the 1961 Project becomes revenue-producing, pursuant to the provisions of Section 4.02 of this Indenture, there shall be transferred and paid into the Bond and Interest Sinking Fund from the Construction Fund an amount sufficient to pay the interest on the Series D Bonds becoming due on such May 1 and November 1 and the Board covenants and agrees to cause each such transfer and payment to be so made.

Section 6.05. When the 1961 Project shall have been completed any balance remaining in the Construction Fund and not necessary in the opinion of the Board to be reserved for the payments of any remaining part of the cost of the 1961 project shall be paid over to the Board but in no event shall such payment exceed the amount of supplemental funds, if any, provided by the Board from other sources and deposited in the Construction Fund according to Section 6.02 of this Indenture; and any further balance shall be deposited by the Trustee to the credit of the Bond and Interest Sinking Fund, and, except for any portion of such balance remaining under \$1,000 shall be used for the redemption of Bonds then outstanding under this Indenture, and in accordance with the redemption provisions set forth in said Bonds and in this Indenture upon the earliest permissible redemption date.

Section 6.06. If it be determined at any time by the Board that the moneys on deposit in the Construction Fund exceed the estimated disbursements on account of the 1961 Project for the ensuing three (3) months, such excess may be invested by the Trustee upon orders of the Board in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government having a maturity date or being subject to redemption at the option of the holder, not later than three (3) years from the date of such investment and all such investments as well as all income therefrom shall be carried to the credit of said Construction Fund.

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ARTICLE SEVEN

THE HOUSING SYSTEM; PARITY BONDS
FOR FUTURE ADDITIONS TO THE HOUSING SYSTEM

Section 7.01. The Board hereby establishes, effective upon the delivery of the Series D Bonds to the purchaser or purchasers thereof and the simultaneous surrender by HHFA of the 1959 Series A Bonds, the 1959 Series B Bonds, and the 1960 Bonds, in exchange, respectively, for the Series A Bonds, Series B Bonds, and Series C Bonds hereby authorized (with proper adjustments to prevent overlapping of interest), the Morehead State College Housing System (hereinbefore and hereinafter called the "Housing System"), which consists, and so long as any of the Bonds are outstanding and unpaid shall consist of:

- (a) the existing dormitory for men known as North men's Hall and the existing twelve apartment buildings and laundry service building for married students known as Lakewood Terrace constructed under H. H. F. A. Project Ky. 15-CH-28(D);
- (b) the existing dormitory for men known as East Men's Hall Annex constructed under H. H. F. A. Project Ky. 15-CH-42 (D).
- (c) the three existing dormitories for women known as Allie Young, Field and Thompson Halls;
- (d) the existing dormitory for men known as East Men's Hall;
- (e) the dormitory for women to be constructed under H. H. F. A. Project CH-Ky.-43(D) and
- (f) any other housing facilities or related auxiliary facilities including, inter alia, dining facilities which may be added to the System at future dates (i) in accordance with the provisions hereinafter provided in Section 7.02 of this Indenture relating to the issuance of additional bonds; or (ii) as additional security for the Bonds.

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Section 7.02. The Board reserves the right to add new housing facilities and related auxiliary facilities including, inter alia, dining facilities, by the issuance of one or more additional series of Bonds to be secured by a parity lien on and reatably payable from the revenues and any other security pledges to these Bonds, provided in each instance, that:

- (a) the facility or facilities to be built from the proceeds of the additional parity Bonds is or are made a part of the Housing System and the revenues derived therefrom are pledged as additional security for the additional parity Bonds and the outstanding Bonds.
- (b) The Board is in full compliance with all covenants and undertakings in connection with all of its Bonds then outstanding and payable from the revenues of the Housing System or any part thereof.
- (c) The annual net revenues, defined as gross revenues less current expenses of the Housing System for the fiscal year next preceding the issuance of additional parity Bonds, are certified by an independent public accountant, employed by the Board, to have been equal to at least one and forty hundredths (1.40) times the average annual requirements for principal and interest on all Bonds then outstanding and payable from the revenues of the Housing System.
- (d) The estimated net revenues of the facility or facilities to be constructed or acquired with the proceeds of such additional Bonds (and any other funds pledged as security), when added to the estimated future net revenues of the then existing Housing System shall equal at least one and forty hundredths (1.40) times the average annual debt service requirements for principal and interest on all outstanding Bonds payable from the revenues of the Housing System and on the additional Bonds to be issued. The calculation of average annual debt service requirements for principal and interest on the additional Bonds to be issued shall, regardless of whether such Bonds are to be serial or term Bonds, be determined on the basis of the principal of, and interest on, such Bonds being payable in approximately equal installments.

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Calculation of future net revenues of the then existing Housing System shall be based on actual net income for the fiscal year next preceding the issuance of additional parity Bonds, as adjusted, if necessary, to reflect the schedule of rates and charges to become effective in the succeeding fiscal year, and after giving recognition to any anticipated changes in current expenses of the Housing System. Circulation of the estimated net revenues of the facility or facilities to be constructed shall be predicted upon an assumed utilization rate of not more than 90 per cent. The computation of estimates shall be made by the chief financial officer of the Board and approved by its President and its governing body.

Section 7.03. The Board may issue additional Bonds on or before June 30, 1964, notwithstanding the earning test set forth in Section 7.02 above, to finance the construction of dormitory facilities to house approximately 200 students and apartment facilities to house approximately 20 married student families, provided:

- (a) The facility or facilities to be constructed from the the proceeds of the additional parity bonds is or are made a part of the Housing System and the revenues derived therefrom are pledged as additional security for the additional parity Bonds and the then outstanding Bonds.
- (b) The Board is in full compliance with all covenants and undertakings in connection with all of its Bonds then outstanding, or authorized to be issued, and payable from the revenues of the Housing System or any part thereof.
- (c) The estimated annual net revenues of the facility or facilities to be constructed with the proceeds of such additional Bonds when added to the estimated annual net revenues of the then existing Housing System shall equal at least one and forty hundredths (1.40) times the average annual debt service requirements for principal and interest on the Bonds payable from the revenues of the System and on the additional Bonds authorized or to be issued. The computation of average annual debt service requirements for principal and interest on the additional Bonds to be issued shall, regardless of whether such Bonds are to be serial or term Bonds, be determined on the basis of the principal of, and interest on, such Bonds being payable

in approximately equal installments. Computation of future net revenues of then existing System shall be adjusted, if necessary, to reflect the schedule of rates and charges to become effective in the succeeding fiscal year, and after giving recognition to any anticipated changes in current expenses of the Housing System. Computation of the estimated net revenues of the then existing Housing System and of the facility or facilities to be constructed shall be predicated upon an assumed utilization rate of not more than 90 per cent. The computation of estimates shall be made by the chief financial officer of the Board and approved by its President and by its governing body.

Section 7.04. The Board hereby covenants and agrees that in the event additional series of parity Bonds are issued, it shall:

- (a) Adjust the semiannual deposits into the Housing System Bond and Interest Sinking Fund Account on the same basis as that prescribed in ARTICLE FOUR of this Indenture, establishing such account to reflect the average annual debt service on the additional Bonds;
- (b) Adjust the amount of the debt service reserve to a sum equal to not less than twice the maximum annual debt service on the Bonds then outstanding and such additional parity Bonds, the additional debt service to be accumulated semiannually in the manner hereinbefore provided in said article FOUR hereof;
- (c) Adjust the maximum amount to be deposited annually into the System Repair and Replacement Reserve Account on the same basis as that prescribed in said ARTICLE FOUR hereof, establishing such Account, taking into account the future replacement cost of the facilities and equipment to be constructed or acquired with the proceeds of such additional Bonds, and

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- (d) Make such additional Bonds payable as to principal on November 1 of each year in which principal falls due and payable as to interest on May and November of each year.

Section 7.05. The Board covenants and agrees that, so long as any of the Bonds are outstanding, it will not sell or otherwise dispose of any of the Housing System Facilities or any part thereof, and, except as provided for in Sections 7.02 and 7.03 above, it will not create or permit to be created any charge or lien on the revenues thereof ranking equal or prior to the charge or lien of these Bonds. Notwithstanding the foregoing, the Board may at any time permanently abandon the use of, or sell at fair market value, any of its Housing System facilities, provided that:

- (a) It is in full compliance with all covenants and understandings in connection with all of its Bonds then outstanding and payable from the revenues of the Housing System and the debt service reserve for such Bonds has been fully established;
- (b) It will, in the event of sale, apply the proceeds to either (i) redemption of outstanding Bonds in accordance with the provisions governing repayment of Bonds in advance of maturity, or (ii) replacement of the facility so disposed of by another facility the revenues of which shall be incorporated into the Housing System as hereinbefore provided;
- (c) It certifies, prior to any abandonment of use, that the facility to be abandoned is no longer economically feasible of producing net revenues, and
- (d) It certifies that the estimated net revenues of the remaining Housing System facilities for the then next succeeding fiscal year, plus the estimated net revenues of the facility, if any, to be added to the Housing System satisfy the earning test hereinbefore provided in this ARTICLE FOUR governing issuance of additional Bonds.

ARTICLE EIGHT

SUPPLEMENTAL INDENTURES

Section 8.01. The Board and the Trustee, from time to time and at any time, subject to the restrictions in this Indenture contained, may, and when so required by this Indenture shall, enter into such indentures supplemental hereto as may or shall by them be deemed necessary or desirable for any one or more of the following purposes, among others:

- (1) To evidence the succession of another public corporation or state agency to the Board and the assumption by such successor of the covenants and obligations of the Board in the Bonds hereby secured and in this Indenture;
- (2) To evidence the succession of another bank or trust company as Trustee as herein otherwise permitted and provided and the acceptance by and on behalf of such successor of the provisions of this Indenture; and
- (3) For any other purpose not inconsistent with the terms of this Indenture, and which shall not impair the security of the same, or for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any supplemental indenture.

Section 8.02. The Trustee is authorized to join with the Board in the execution of any supplemental indenture, to make the further agreements and stipulations which may be therein contained.

Any supplemental indenture executed in accordance with any of the provisions of this Article shall thereafter form a part of this Indenture; and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

ARTICLE NINE

REMEDIES

Section 9.01. That for the protection of the holders of the Bonds secured by this Indenture and the interest coupons thereto attached a statutory mortgage lien upon said Housing System and all properties connected therewith

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and belonging thereto is granted and created by Sections 162.350 and 162.200 of the Kentucky Revised Statutes, which said statutory mortgage lien is hereby recognized and declared to be valid and binding as provided by law, and shall take effect immediately upon the delivery of any of said Bonds. The Trustee may, and upon the written request of the holders of not less than twenty-five per cent (25%) of the principal amount of the Bonds then outstanding, shall, 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, fees and charges, and the segregation and application of the income and revenues as provided by this Indenture.

Section 9.02. Each of the following events is hereby declared an "event of default," that is to say: If

- (a) payment of the principal of any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or
- (b) payment of any installment of interest shall not be made when the same shall become due and payable or within thirty (30) days thereafter; or
- (c) The Board shall discontinue or unreasonably delay or fail to carry on with reasonable dispatch the construction of the Housing System; or
- (d) The Board shall for any reason be rendered incapable of fulfilling its obligations hereunder; or
- (e) the Housing System shall be destroyed or damaged and shall not be promptly repaired, replaced or reconstructed (whether such failure promptly to repair, replace or reconstruct the same be due to the impracticability of such repair, replacement or reconstruction or to lack of funds therefor or for any other reason); or
- (f) an order or decree shall be entered, with the consent or acquiescence of the Board, appointing a receiver or receivers of the Housing System or of the income therefrom, or if such order or decree, having been entered without the acquiescence or consent of the Board, shall not be vacated or discharged or stayed on appeal within sixty (60) days after entry; or

(g) the Board shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture on the part of the Board to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Board by the Trustee, which may give such notice in its discretion and shall give such notice upon the written request of the holders of not less than fifteen per cent (15%) in principal amount of the Bonds then outstanding.

Section 9.03. Upon the happening and continuance of any event of default specified in Section 9.02 of this Article, then and in every such case the Trustee may, and upon the written request of the holders of not less than twenty-five per cent (25) in principal amount of the Bonds then outstanding shall, by a notice in writing to the Board, declare the principal of all the Bonds then outstanding to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or in this Indenture to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Indenture, moneys shall have accumulated in the Bond and Interest Sinking Fund sufficient to pay all arrears of interest, if any, upon all the Bonds then outstanding (except the interest accrued on such Bonds since the last interest payment date), and the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and all other amounts then payable by the Board hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Bonds or in this Indenture (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this Section) shall have been remedied to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the holders of not less than twenty-five per cent (25%) in principal amount of the Bonds then outstanding shall, by written notice to the Board, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Section 9.04. Upon the happening and continuance of any event of default specified in Section 9.02 of this Article, then and in every such case the Trustee may proceed, and upon the written request of the holders of not less than fifteen per cent (15%) in principal amount of the Bonds then outstanding

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hereunder shall proceed to protect and enforce its rights and the rights of the bondholders under the laws of the Commonwealth of Kentucky or under this Indenture by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

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 In the enforcement of any remedy under this Indenture the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Board for principal, interest or otherwise under any of the provisions of this Indenture or of the Bonds and unpaid together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the bondholders, and to recover and enforce judgment or decree against the Board, but solely as provided herein and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (solely from moneys in the Bond and Interest Sinking Fund and the income of the Project pledged to the payment of the Bonds by this Indenture) in any manner provided by law, the moneys adjudged or decreed to be payable.

Section 9.05. Anything in this Indenture to the contrary notwithstanding, the holders of a majority in principal amount of the Bonds at the time outstanding hereunder shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to bondholders not parties to such direction.

Section 9.06. All rights of action under this Indenture or under any of the Bonds secured hereby, enforceable by the Trustee, may be enforced by the Trustee without the possession of any of the Bonds or the coupons appertaining thereto or the production thereof on the trial or other proceeding relative thereto. Any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the holders of such Bonds and coupons, subject to the provisions of this Indenture. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission of the Trustee or of any holder of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power

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or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article to the Trustee and the holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

ARTICLE TEN

RELEASE AND DISCHARGE OF INDENTURE.

Section 10.01. Whenever the Board shall pay, or cause to be paid, the full amount due and to become due upon all the Bonds hereby secured and then outstanding, or shall provide for full payment thereof by depositing with the Trustee hereunder, for the discharge of such Bonds and coupons, the entire amount due and to become due thereon, and shall, in case of redemption of all of the outstanding Bonds, deliver to the Trustee proof satisfactory to it that notice of redemption of all of the outstanding Bonds has been duly given, and shall pay the Trustee in full for all services rendered by it hereunder, and shall well and truly keep and perform all of the things herein required to be kept and performed by it, according to the true intent and meaning of this Indenture, then and in that event these presents and the trust hereby created shall cease and terminate, and further payments from the revenues hereby pledged shall thereupon cease, terminate and become void, except as to payment of the moneys held by the Trustee which shall be applied by said Trustee to the payment of such Bonds and coupons upon the presentation and surrender thereof. Any deposit of money with the Trustee for the purpose of paying and sufficient in amount to pay certain of the Bonds and interest due, and to become due thereon, or certain of the coupons appertaining thereto, shall discharge the liability of the Board on the Bonds and/or coupons for payment of which such deposit shall be made, and thereafter such Bonds and coupons shall not be entitled to any of the benefits of this Indenture, and in case of full payment of all the Bonds and coupons and the discharge of all other obligations on the part of the Board as herein provided, or in case of the deposit of a sufficient sum of money for the full payment of the Bonds and coupons, and the discharge of all other obligations on the part of the Board, as herein provided, the Trustee shall execute and deliver to the Board on demand, at the cost and expense of the Board, all proper instruments that may be necessary to evidence the satisfaction and termination of this Indenture.

Section 10.02. The satisfaction and discharge of this Indenture pursuant to this Article shall be without prejudice to the right of the Trustee to be paid any compensation then due it hereunder and to be protected and saved harmless by the Board from any and all losses, liabilities, costs and expenses, including counsel fees, at any time incurred by the Trustee hereunder

or connected with any Bond issued hereunder, and the Board hereby covenants to protect and save the Trustee harmless from any and all such losses, liabilities, costs and expenses incurred in acting under this Indenture, except such as may be caused by the gross negligence or willful default of the Trustee.

ARTICLE ELEVEN

CONCERNING THE TRUSTEE

Section 11.01. The Trustee hereby accepts the trusts imposed upon it by this Indenture, but only upon and subject to the following express terms and conditions:

- (a) The Trustee may execute any of the trusts or powers hereof and perform any duties required of it, by or through attorneys, agents, receivers, or employees, and shall be entitled to advice of counsel concerning all matters of trust hereof and its duties hereunder, and may in all cases pay such reasonable compensation as it shall deem proper to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof, and the Board covenants and agrees to repay upon demand all such outlays and expenditures so incurred.
- (b) Except for the authentication of Bonds, the Trustee shall not be responsible for any recitals herein or in said Bonds, or for insuring the Project or collecting any insurance moneys, or for the execution of this Indenture or of any supplemental indentures or instrument of further assurance or for the validity thereof, or for the sufficiency of the security for the Bonds issued under or intended to be secured hereby, or for the value or title of the Board to the Housing System, or as to the maintenance of the security hereof; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Board contained herein, but the Trustee may require of the Board full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the Housing System.
- (c) All moneys received by the Trustee under any provision of this Indenture shall, until used or applied as provided in this Indenture, be held in trust for the purpose for which such moneys were received, but need not be segregated from other funds except to the extent required

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by law. The Trustee shall not be obligated to pay interest on such moneys, save such as it shall agree to pay thereon. The Trustee may become the owner of Bonds and coupons secured hereby with the same rights which it would have if not Trustee.

- (d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct, and to have been signed or sent by the proper person or persons, and the Trustee shall not be required to recognize any person as a holder of any Bond or coupon or to take any action at this request unless such Bond or coupon shall be deposited with the Trustee, or submitted to it for inspection. Any action taken by the Trustee pursuant to this Indenture, upon the request or authority or consent of any person, who at the time of making such request or giving such authority or consent, is the owner of any Bond secured hereby, shall be conclusive and binding upon all future owners and holders of such Bond.
- (e) The Trustee shall not be compelled to do any act hereunder, or to take any action toward the execution or enforcement of the trusts hereby created or to prosecute or to defend any suit in respect hereof, unless indemnified to its satisfaction against loss, cost, liability and expense.
- (f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate of the Board signed by the Chairman and attested by the Secretary as sufficient evidence of the facts therein contained, and shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action if necessary or expedient, but may, in its discretion, at the reasonable expense of the Board, in every case secure such further evidence as it may think necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Secretary of the Board, under

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under its corporate seal, to the effect that a resolution in form therein set forth has been adopted by the Board, as conclusive evidence that said resolution has been duly adopted, and is in full force and effect. The Trustee may in relation to this Indenture act upon the opinion or advice of any attorney, valuator, surveyor, engineer, accountant, or other expert, whether retained or selected by the Trustee, the Board, or otherwise, and in the absence of negligence or fault shall not be responsible for any loss resulting from any action or non-action in accordance with any such opinion or advice.

- (g) The Trustee shall not be liable for any action taken or omitted to be taken by it in good faith and reasonably believed by it to be within the discretion or power conferred upon it by this Indenture or in the absence of negligence or fault be responsible for the consequences of any oversight or error of judgment, and the Trustee shall be answerable only for its own acts, receipts, neglects and defaults.
- (h) At any and all reasonable times, the Trustee, and its duly authorized agents, attorneys, experts, engineers, architects, accountants, and representatives, shall have the right fully to inspect any and all of the Housing System including all books, papers and contracts of the Board and College, and to take such memoranda from and in regard thereto as may be desired.
- (i) The Trustee shall not be required to give any Bond or surety in respect of the execution of the said trusts and powers or otherwise in respect to the premises.

Section 11.02. The Trustee may at any time resign and be discharged of the trusts hereby created by mailing written notice to the Board and to each registered owner of Bonds, specifying the day upon which such resignation shall take effect, and thereafter, unless all outstanding Bonds are registered as to principal, causing notice thereof to be published (a) in a daily newspaper of general circulation at the time published in the English language in the City of Louisville, Kentucky, and (b) in a financial newspaper or journal published in the English language in New York, New York, once a week for three (3) consecutive weeks prior to the date upon which such resignation shall take effect, and such resignation shall take effect upon the day specified in such

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notice unless previously a successor Trustee shall have been appointed by the bondholders or the Board in the manner hereinafter in this Article provided, and in such event such resignation shall take effect immediately on the appointment of such successor Trustee.

Section 11.03. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Trustee and to the Board, and signed by the holders of a majority in principal amount of the Bonds hereby secured and then outstanding.

Section 11.04. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Trustee shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holders of a majority in principal amount of the Bonds hereby secured and then outstanding by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of any such event the Board by an instrument signed by the Chairman, and attested by the Secretary, under its corporate seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the bondholders in the manner above provided, and any such Temporary Trustee so appointed by the Board shall immediately and without further act be superseded by the Trustee so appointed by such bondholders. Each successor Trustee appointed pursuant to the provisions of this Indenture shall be a trust company or bank with its principal office in the Commonwealth of Kentucky and having a reported combined capital and surplus of at least one million dollars (\$1,000,000).

Section 11.05. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Board, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee without any further act, deed or conveyance, shall become fully vested with all the rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of the Board, execute and deliver an instrument transferring to such successor Trustee all the rights, powers, and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it to its successor. Should any conveyance or instrument in writing from the Board be required by any successor for more fully and certainly vesting in such Trustee the rights, powers and duties hereby vested or intended to be vested, in the predecessor Trustee, any and all such conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Board.

Minutes of September 7, 1961 continued -

ARTICLE TWELVE

MISCELLANEOUS PROVISIONS

Section 12.01. In the event that any Bond issued hereunder shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for the redemption thereof, as hereinbefore provided, or in the event that any coupon shall not be presented for payment at the due date thereof, the Board having deposited with the Trustee funds sufficient to pay such Bond, together with all interest due thereon to the date of the maturity of such Bond or to the date fixed for the redemption thereof, or to pay such coupon, as the case may be, then and in every such case, interest on said Bond or on said unpaid coupon, and all liability of the Board to the holder of said Bond for the payment of the principal thereof and interest thereon or to the holder of said unpaid coupon for the payment thereof and interest thereon, as the case may be, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold the funds so deposited in trust, for the benefit of the holder of such Bond or unpaid coupon, as the case may be, who shall thereafter be restricted exclusively to said funds for any claim of whatsoever nature on the part of such holder under this Indenture or on said Bond or any coupons appertaining thereto, or on said unpaid coupon.

Section 12.02. Except as in this Section otherwise expressly provided, the holders of seventy-five per cent (75%) or more in principal amount of the Bonds at any time outstanding shall have the power, by an instrument or instruments in writing signed by such holder in person or by their duly authorized agents or attorneys or by a committee constituted by an agreement to which any portion of the Bonds shall have been made subject by deposit or otherwise, and delivered to the Trustee, to authorize any modification or alteration of this Indenture or any indenture supplemental hereto or the rights and obligations of the Board under this Indenture or of the holders of Bonds and coupons issued under this Indenture in any particular, approved by the Board, including without limitation by reason of the foregoing (1) release from the statutory mortgage lien of any part of the Project covered thereby, provided the security of any bondholder is not thereby impaired and (2) waiver of any default and of any rights arising by reason of any default under any of the provisions of the Indenture; and any action herein authorized to be taken with the assent or authority as aforesaid of the holders of seventy-five per cent (75%) or more in principal amount of the Bonds at the time outstanding shall be binding upon the holders of all of the Bonds then or from time to time thereafter outstanding under the Indenture as fully as though such action were specifically and expressly authorized by the terms of the Indenture; provided always that no such modification or alteration (a) shall change or impair the obligation of the Board to pay the principal of and interest on the Bonds at the respective dates and at the places and in the respective amounts, as provided in the Bonds (b) shall give to any Bond or Bonds secured by the Indenture any preference over any other Bond or Bonds so secured, (c)

Minutes of September 7, 1961 continued -

shall authorize the creation of any lien prior to or on a parity with the said statutory mortgage lien upon any of the property subject to such statutory mortgage lien, (d) shall deprive any bondholder of the security afforded by this Indenture, or (e) shall reduce the percentage required by the provisions of this Section for any action under this Section. Any modification of the provisions of the Indenture, made as aforesaid, shall be set forth in a supplemental indenture between the Trustee and the Board.

Section 12.03. Whenever in this Indenture any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, and all the covenants, promises and agreements in this Indenture contained by or on behalf of the Board, or by or on behalf of the Trustee shall bind and inure to benefit of the respective successors and assigns of such parties, whether so expressed or not.

Section 12.04. Nothing in this Indenture, expressed or implied, is intended or shall be construed to confer upon or give to any person or corporation, other than the parties hereto and the holders of the Bonds and of coupons, any right, remedy or claim under or by reason of this Indenture, or any covenant, condition or stipulation hereof, and all the covenants, stipulations, promises, agreements and conditions in this Indenture contained, by or on behalf of the Board, shall be for the sole and exclusive benefit of the parties hereto, their successors and assigns, and of the holders of the Bonds and of coupons.

Section 12.05. Any request, declaration or other instrument required or permitted by this Indenture to be made or given by bondholders may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such bondholders in person or by attorney appointed in writing. Proof of the execution of any such request, declaration, or other instrument, or of a writing appointing any such attorney, and of the holding by any person or Bonds transferable by delivery or interest coupons shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee as against the person signing such request and all future holders of the Bonds held by such person with regard to due action taken by the Trustee under such request, declaration, or other instrument, if made in the following manner:

The amount of interest coupons held by any person executing such instrument as a bondholder, and the amounts and issue numbers of the Bonds transferable by delivery held by such person, and the date of his holding the same, may be proved by an accompanying certificate executed by any trust company, bank, bankers, institution or other depository (wherever situated) if such certificate shall be deemed by the Trustee to be satisfactory,

Minutes of September 7, 1961 continued -

showing therein that at the date therein mentioned such person had on deposit with or exhibited to such depository the Bonds and/or interest coupons described in such certificate. The Trustee may, nevertheless, in its discretion, require further proof in cases where it deems further proof desirable.

The ownership of registered Bonds shall be proved by the registry books.

Section 12.06. This Indenture may be simultaneously executed in any number of counterparts, and all said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument. The date of actual execution of this Indenture shall be the date of execution by the Trustee.

ARTICLE THIRTEEN

IDENTIFICATION OF THE PROJECT

Section 13.01. The "1961 Project" as referred to throughout this Indenture, is hereby identified as a dormitory with appurtenant facilities to house approximately 300 women students and counsellor's apartment, upon a portion of the campus of the College in the City of Morehead, Rowan County, Kentucky, described in general terms, and only for the purpose of identifying said 1961 Project, as follows:

An area in the northwest section of the present campus of Morehead State College at Morehead, Kentucky, including the site of the Women's Dormitory, hereinabove referred to, and all necessary facilities appurtenant thereto, situated at the intersection of Hogan Lane and Fifth Street in the City of Morehead, Kentucky; said Women's Dormitory building being situated and to be constructed approximately 160 feet north of the Training School Building of the College, approximately 160 feet west of the Fine Arts Building of the College, and approximately 240 feet south of the new Men's Dormitory, which is under construction at the time of the execution of this Indenture.

Being in the aggregate, all or a part of the property or properties conveyed to the Commonwealth of Kentucky for the use and benefit of Morehead State College by conveyances recorded in the Office of the Clerk of the County Court of Rowan County, Kentucky, identified, as follows:

Minutes of September 7, 1961 continued -

<u>GRANTORS</u>	<u>DATE OF DEED</u>	<u>WHERE RECORDED</u>	
		<u>BOOK</u>	<u>PAGE</u>
James A. Nickell and Wife	9-8-28	42	294

IN WITNESS WHEREOF, the party of the first part has caused its corporate name to be hereunto subscribed by the Vice-Chairman of its Board of Regents and its corporate seal to be hereto affixed, and said seal to be attested and this Indenture to be countersigned by the Secretary of its Board of Regents, and said Pikeville National Bank & Trust Company, to evidence its acceptance of the trusts hereby created and vested in it, has caused its corporate name to be hereunto subscribed by its President or by one of its Vice Presidents, and its corporate seal to be hereto affixed and said seal to be attested and this Indenture to be countersigned by its Trust Officer or an Assistant, all as of the day and year first above written, but actually on this 7th day of September, 1961.

BOARD OF REGENTS OF MOREHEAD STATE
COLLEGE AT MOREHEAD, KENTUCKY

By/s/ W. H. Cartmell

Vice Chairman

(SEAL)

Attest:

Countersigned:

/s/ Anna B. Carter

Secretary

PIKEVILLE NATIONAL BANK & TRUST COMPANY

/s/ R. B. Johnson

(Name of Trustee)

(SEAL)

Attest:

By /s/ R. B. Johnson

Vice President

(Title of Officer)

Countersigned:

/s/ Rush Sword

(Signature)

Cashier

(Title of Officer)

Minutes of September 7, 1961 continued -

STATE OF KENTUCKY)
) SS
COUNTY OF ROWAN)

On this 7th day of September, 1961, before me, Lottie M. Powers, a Notary Public in and for said County, in the State aforesaid, appeared W. H. Cartmell and Anna B. Carter, to me personally known and to me known to be the Vice-Chairman and Secretary, respectively, of the BOARD OF REGENTS OF MOREHEAD STATE COLLEGE, one of the corporations described in and which executed the within and foregoing instrument and who being by me severally duly sworn each for himself, did say that he, the said W. H. Cartmell is the Vice-Chairman of said Board of Regents, and she, the said Anna B. Carter is the Secretary of said Board of Regents; that the seal affixed to the within and foregoing instrument is the corporate seal of said Corporation, that said instrument was executed, signed and sealed in behalf of said Corporation by authority of its Board of Regents; and said W. H. Cartmell and Anna B Carter each acknowledged the execution of said instrument to be, and said instrument to be, the free and voluntary act and deed of said Corporation by it voluntarily executed.

Witness my hand and Notarial Seal this 7th day of September, 1961.

/s/ Lottie M. Powers
Notary Public in and for the
State aforesaid at Large

My commission expires January 20, 1964.

STATE OF KENTUCKY)
COUNTY OF PIKE) SS

On this 22nd day of September, 1961, before me, Burlin Coleman, a Notary Public in and for said County in the State aforesaid, appeared R. B. Johnson and Rush Sword, to me personally known and to me known to be the Vice President and Cashier, respectively, of Pikeville National Bank & Trust Company, one of the corporations described in and which executed the within and foregoing instrument, and who being by me severally duly sworn each for himself did say that he, the said R. B. Johnson, is the Vice President of said Corporation, and he, the said Rush Sword is Cashier of said Corporation; that ~~the~~ seal affixed to the

Minutes of September 7, 1961 continued -

within and foregoing instrument is the corporate seal of said Corporation, that said instrument was executed, signed and sealed in behalf of said Corporation by authority of its Board of Directors; and said R. B. Johnson and Rush Sword each acknowledged the execution of said instrument to be, and the said instrument to be the free and voluntary act and deed of said Corporation by it voluntarily executed.

WITNESS my hand and Notarial Seal this 22nd day of September 1961.

/s/ Burlin Coleman, Notary Public
in and for the State aforesaid
at Large.

My commission expires March 10, 1962.

Section 4. The Secretary of this Board is hereby authorized and directed to cause appropriate notice to be published one time in The Courier-Journal, a daily newspaper published in Louisville, Kentucky, and of general circulation throughout the Commonwealth of Kentucky, and one time in The Bond Buyer, a financial journal published in New York, New York, of general circulation among bond buyers throughout the United States of America, soliciting sealed competitive proposals for the purchase of said Series D Bonds, the same to be received in the office of said President in Morehead, Kentucky, until some day and hour when the Board of Regents will be in session, and the publication in each thereof shall be caused to appear not less than seven (7) nor more than twenty-one (21) days in advance of the date therein stated for the opening and consideration of such proposals. In said notice purchasers shall be instructed that proposals may be for the purchasing of (a) the entire \$1,102,000 of authorized Series D Bonds; or (b) Series D Bonds maturing in the years 1964 to 1971, inclusive; or (c) Series D Bonds maturing in the years 1972 to 1981, inclusive; or (d) Series D Bonds maturing in the years 1982 to 1991, inclusive; or (e) Series D Bonds maturing in the years 1992 to 2001, inclusive; that the bidders may stipulate one or more interest coupon rates with respect to said Series D Bonds providing the aggregate interest cost does not exceed three and one-half per cent (3-1/2%) per annum, and only one coupon rate may be stipulated for the Series D Bonds maturing on the same date and the Board will not entertain any proposal that interest due on any Bond on any interest payment date be represented by more than one coupon. A minimum bid of par plus accrued interest shall be required. The right to reject bids shall expressly be reserved.

Section 5. Bond Counsel employed by the College may forthwith send the necessary material to a qualified bond printing company known to be able to prepare bonds according to HHFA specifications as to quality of workmanship and materials, with instructions to proceed with the preparation of the Bonds of Series A, Series B, and Series C, and with instructions to proceed with the

Minutes of September 7, 1961 continued -

preliminary preparation of the Bonds of Series D, the same to be completed as soon as possible after the public sale of said Series D Bonds to the end that the entire \$3,652,00 of all four Series may be available for execution and delivery at the earliest possible date.

When the Bonds have been completed and are available they shall be executed on behalf of the Board of Regents in the manner set forth in the Trust Indenture hereinabove set forth; and thereafter the proper officers of the Board and of the College shall be and they are hereby authorized, upon the same day (or upon other arrangements but only if acceptable to all parties concerned) to proceed as follows:

- (a) The Series D Bonds shall be delivered to the purchaser or purchasers thereof upon payment of the purchase price with accrued interest to delivery;
- (b) The \$1,150,000 Series A Bonds shall be delivered to Housing and Home Finance Agency upon surrender of the Board's outstanding "Housing Bonds of 1959, Series A," dated June 1, 1959, with such adjustment of accrued interest upon the Bonds delivered and the Bonds surrendered as will prevent any overlapping or duplication of interest; and thereafter as soon as may be expedient, the aforesaid surrendered "Housing Bonds of 1959, Series A," shall be cancelled or destroyed, and the same shall never be reissued;
- (c) The \$800,000 Series B Bonds shall be delivered to Housing and Home Finance Agency upon surrender of the Board's outstanding "Housing Bonds of 1959, Series B," dated June 1, 1959, with such adjustment of accrued interest upon the Bonds delivered and the Bonds surrendered as will prevent any overlapping or duplication of interest; and thereafter as soon as may be expedient, the aforesaid surrendered "housing Bonds of 1959, Series B," shall be cancelled or destroyed, and the same shall never be reissued;
- (d) The \$600,000 Series C. Bonds shall be delivered to Housing and Home Finance Agency upon surrender of the Board's outstanding "Dormitory Revenue Bonds of 1960, dated November 1, 1960, with such adjustment of accrued interest upon the Bonds delivered and the Bonds surrendered as will prevent any overlapping or duplication of interest; and thereafter as soon as may be expedient, the aforesaid surrendered "Dormitory Revenue Bonds of 1960" shall be cancelled or destroyed, and the same shall never be reissued.

Minutes of September 7, 1961 continued -

Section 6. This Resolution shall be in full force and effect from and after its adoption.

Adopted by the Board of Regents of Morehead State College at a meeting held on the 7th day of September, 1961.

/s/ W. H. Cartmell
Vice Chairman Board of Regents

SEAL

ATTEST:

/s/ Anna B. Carter
Secretary Board of Regents

CERTIFICATION

I, Anna B. Carter, Secretary of the Board of Regents of Morehead State College, Morehead, Kentucky, hereby certify that the foregoing is a true copy of a Resolution duly adopted by said Board of Regents at a meeting held on September 7, 1961, as disclosed by the official records of said Board, in my custody and under my control.

Witness my hand and the seal of said Board, this 7th day of September, 1961.

/s/ Anna B. Carter
Secretary Board of Regents
Morehead State College

(SEAL)

Minutes of September 7, 1961 continued

Vice-

Full discussion followed and the Chairman thereupon put the question, and upon call of the roll the vote was recorded as follows:

Voting "Aye" - Vice-Chairman, Dr. W. H. Cartmell, Mr. Alex Chamberlain, Mr. Charles Gilley, Mr. B. F. Reed, Mr. Bruce Walters.

Voting "Nay" - None.

Whereupon the Vice-Chairman declared that the motion was carried and that the Resolution had been adopted and was in full force and effect.

At this point and in the presence of the Board, the Vice-Chairman signed the aforesaid Resolution and the same was attested under Seal by the Secretary of the Board.

Board member, Bruce Walters, introduced, caused to be read in full and moved immediate adoption of a proposed Resolution, seconded by Board member, B. F. Reed, as follows:

A RESOLUTION AUTHORIZING THE ISSUANCE OF
\$1,400,000.00 CONSOLIDATED EDUCATIONAL BUILDINGS
REVENUE BONDS, SERIES B, OF THE BOARD OF REGENTS
OF MOREHEAD STATE COLLEGE

WHEREAS, the Board of Regents of Morehead State College, by Resolution entitled:

Minutes of September 7, 1961 contonued -

"A RESOLUTION creating and establishing a Consolidated Educational Buildings Project of the Morehead State College; creating and establishing an issue of Consolidated Educational Buildings Revenue Bonds of the Board of Regents of the Morehead State College; providing for the issuance from time to time of said bonds; providing for the payment of the principal of and interest on said bonds and repealing all resolutions or parts of resolutions in conflict with this resolution. "

adopted November 14, 1960 (hereinafter referred to as the "Resolution") has created and established an issue of Consolidated Educational Buildings Revenue Bonds of the Board of Regents of Morehead State College (the "Bonds"); and

WHEREAS, the Resolution authorizes the issuance by said Board of said Bonds in one or more series pursuant to a resolution authorizing such series; and by a certain resolution adopted on January 4, 1961 (the "Series A Resolution") said Board authorized the issuance of the initial series, being \$1,425,000 "Consolidated Educational Buildings Revenue Bonds, Series A," dated February 1, 1961 (the "Series A Bonds"), and the same were threafter sold and delivered, and are outstanding in their entirety, without default, and without deficiency in amounts required by the Resolution and the Series A Resolution to be paid into the "Consolidated Educational Buildings Project Bond and Interest Sinking Fund" (the "Bond Fund"); and

WHEREAS, The Board has determined that it is in the best interests of the Board to issue at this time an additional series of Bonds to be designated "Consolidated Educational Buildings Revenue Bonds, Series B" (the "Series B Bonds"); and it has been ascertained that the average of the annual Revenues from the Consolidated Educational Buildings Project (the "Project"), for the two Fiscal Years immediately preceding the proposed issuance of the Series B Bonds (being the income derived by the Board and the College during the two Fiscal Years immediately preceding such issuance, from the source established in the Resolution for the Revenues of the Project, as specifically permitted by the provisions of Section 7.10 of the Resolution), was equal to more than 1.25 times the maximum Aggregate Principal, Interest and Bond Fund Charges (a defined term), in any succeeding twelve month period ending on May 1, on the Series A Bonds and the Series B Bonds hereinafter authorized, and a statement to that effect will be filed with the Trustee by the Treasurer of said Board prior to the time of issuance of the Series B Bonds, thereby complying with the conditions and restrictions set forth in Section 7.10 of the Resolution permitting the issuance of Bonds ranking on a basis of parity and equality with the Series A Bonds as to security and source of payment, and in all other aspects; and

Minutes of September 7, 1961 continued -

WHEREAS, it was recited in Section 4.02 of the Resolution that previous pledges had been made of a portion of the Student Registration Fees of occupants of dormitories financed by the Board's "Housing Bonds of 1959, Series A and Series B," dated June 1, 1959, and by the Board's "Dormitory Revenue Bonds of 1960", dated November 1, 1960; but that all Bonds of both issues were held by Housing and Home Finance Agency of the United States Government, and that said Agency has agreed to release such pledge in consideration of the Board's proposed pledge of a like amount from the unencumbered and available revenues of other dormitories; and

WHEREAS, such release and substitution will be made effective prior to the time of issuance of the Series B Bonds, hereinafter authorized, and it is considered desirable to take note thereof at this time;

NOW, THEREFORE, the Board of Regents of Morehead State College hereby resolves, as follows:

ARTICLE I - Definitions and Authority

Section 1.01. This resolution (hereinafter referred to as the "Series B Resolution") is adopted in accordance with Article II, Section 2.03 of the Resolution.

Section 1.02

(A) All terms which are defined in Article I of the Resolution shall have the same meanings, respectively, in this Series B Resolution as such terms are given in said Article of the Resolution. Cognizance is hereby taken of the fact that prior to the time of issuance of the Series B Bonds, hereinafter authorized, an effective release will have been made of those portions of certain Student Registration Fees which have heretofore been pledged as a part of the security and source of paying of the Board's "Housing Bonds of 1959" and its "Dormitory Revenue Bonds of 1960," and upon such release, such pledged portions of said Student Registration Fees are acknowledged to constitute Revenues, as defined in Section 1.01 of the Resolution, and as being under pledge for the security and source of payment of the Bonds.

(B) In this Series B Resolution, Series B Bonds shall mean the Bonds authorized by Article II of this Series B Resolution.

Section 1.03. This Series B Resolution is adopted pursuant to the provisions of Section 162.340, et seq., of the Kentucky Revised Statutes and the Resolution.

ARTICLE II - Authorization of Series B Bonds.

Section 2.01. Pursuant to the provisions of the Resolution there is hereby authorized to be issued by the Board of Regents of Morehead State College, in its corporate capacity, a series of Bonds in the aggregate principal amount of One Million Four Hundred Thousand Dollars (\$1,400,000.00). Such Bonds shall be designated as "Morehead State College Consolidated Educational Buildings Revenue Bonds, Series B." Said Series B Bonds are hereby declared to have been authorized under the Resolution and in conformity with the provisions of Section 7.10 of the Resolution. The Board hereby represents that the conditions prescribed in Section 7.10 of the Resolution will have been complied with before the time of the issuance of the Series B Bonds, and that the Series B Bonds are issued on a basis of parity with the Series A Bonds.

Section 2.02. Said Series B Bonds are being issued for the purpose of paying the costs (to the extent not otherwise provided) of erecting and completing educational buildings with necessary appurtenances upon the property of the College in Rowan County, Kentucky, consisting of a new Industrial Arts-Home Economics Building, a new Administration Building, completion of Baird Music Hall, reconstruction of Science Laboratories, and necessary utility and other appurtenances, which, when erected and completed, will become and constitute a part of the Consolidated Educational Buildings Project of said College.

Section 2.03. The Series B Bonds shall be dated November 1, 1961, and bear interest payable semiannually on May 1 and November 1 of each year at a coupon rate or coupon rates not exceeding the statutory maximum of six per cent (6%) per annum, the exact rate or rates of interest for said Series B Bonds to be fixed as a result of advertised sale and competitive bidding for said Series B Bonds, as hereinafter provided. Said Series B Bonds shall be numbered and scheduled to become due and payable in numerical order on May 1 of the respective years as follows:

<u>BONDS NUMBERED</u> (Inclusive)	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF MATURITY</u>
1-20	\$20,000.00	May 1, 1963
21-45	25,000.00	May 1, 1964
46-65	20,000.00	May 1, 1965
66-90	25,000.00	May 1, 1966
91-110	20,000.00	May 1, 1967
111 -135	25,000.00	May 1, 1968
136-165	30,000.00	May 1, 1969
166-190	25,000.00	May 1, 1970
191-220	30,000.00	May 1, 1971
221-250	30,000.00	May 1, 1972

Minutes of September 7, 1961 continued - Bonds

251-280	\$30,000.00	May 1, 1973
281-310	\$30,000.00	May 1, 1974
311-345	\$35,000.00	May 1, 1975
346-380	\$35,000.00	May 1, 1976
381-415	\$35,000.00	May 1, 1977
416-450	\$35,000.00	May 1, 1978
451-490	\$40,000.00	May 1, 1979
491-530	\$40,000.00	May 1, 1980
531-570	\$40,000.00	May 1, 1981
571-615	\$45,000.00	May 1, 1982
616-660	\$45,000.00	May 1, 1983
661-705	\$45,000.00	May 1, 1984
706-750	\$45,000.00	May 1, 1985
751-850	100,000.00	May 1, 1986
851-950	100,000.00	May 1, 1987
951-1055	105,000.00	May 1, 1988
1056-11-65	110,000.00	May 1, 1989
1166-1280	115,000.00	May 1, 1990
1281-1400	120,000.00	May 1, 1991

Section 2.04. Said Series B Bonds shall be issued in coupon form, in the denomination of \$1,000.00 and shall be registrable as to principal only.

Section 2.05. The principal of and interest on said Series B Bonds shall be payable in any coin or currency of the United States of America, which at the time of payment thereof is legal tender for the payment of public and private debts, at the principal office of Citizens Fidelity Bank and Trust Company, in the City of Louisville, Kentucky, Trustee (or successor Trustee appointed pursuant to the provisions of the Resolution), or at the option of the holders of the respective Series B Bonds and coupons at the principal office of Chemical Bank New York Trust Company, in the City of New York, New York, which were in the Series A Resolution appointed Paying Agents for the Bonds, and are hereby confirmed as the Paying Agents for the Series B Bonds.

Section 2.06. The Series B Bonds maturing May 1, 1972, and thereafter (being the Bonds numbered 221 and upwards) shall be subject to redemption by the Board in whole or from time to time in part in the inverse order of their maturities (less than all of a single maturity to be selected by lot) on any interest payment date on or after May 1, 1971, at the redemption prices, expressed in percentages of principal amount, with respect to each Bond as set forth below, plus in each case accrued interest to the date of redemption:

Minutes of September 7, 1961 continued -

<u>If Redeemed</u>	<u>Redemption Price</u>
On and after May 1, 1971 and prior to May 1, 1976	103%
On and after May 1, 1976 and prior to May 1, 1981	102%
On and after May 1, 1981 and prior to May 1, 1986	101%
On and after May 1, 1986, but prior to final maturity	100-1/2%

Section 2.07. Said Series B Bonds shall be executed on behalf of said Board with the reproduced facsimile signature of the Chairman of the Board and attested by the manual signature of the Secretary of the Board, and the facsimile of the corporate seal of said Board shall be imprinted thereon. Interest on said Series B Bonds falling due on and prior to maturity shall be represented by appropriate interest coupons to be attached to each of said Series B Bonds, which coupons shall be executed with the facsimile of the official signatures of said Chairman and said Secretary.

Section 2.08. For the purpose of securing the payment of both the principal of and interest on all the Bonds (Series A Bonds, Series B Bonds, and any additional parity Bonds which may hereafter be issued and outstanding pursuant to the conditions and restrictions set forth in Section 7.10 of the Resolution), and to secure for the benefit of all the holders of said Bonds the faithful performance of the covenants and provisions contained in the Resolution in the manner and to the extent as permitted and provided in the Resolution and in Sections 162.340, et seq., of the Kentucky Revised Statutes, Citizens Fidelity Bank and Trust Company, in the City of Louisville, Kentucky, was designated in the Series A Resolution as Trustee under the Resolution for the holders of all of said Bonds, and such designation is now reaffirmed, with the powers and duties set forth in the Resolution and with no liability in connection with any action or omission to act under the Resolution except for its own negligence or willful breach of trust. Execution of the authentication certificate of the Trustee on each of the respective Series B Bonds shall conclusively establish the acceptance as to such Series B Bonds by the Trustee of the trusts and provisions with respect thereto as set forth in the Resolution.

Section 2.09. The Series B Bonds and coupons and provisions for registration appertaining thereo and the certificate of the Trustee to be endorsed on said Series B Bonds shall be in substantially the following respective forms, to-wit:

Minutes of September 7, 1961 continued -

(FORM OF BOND)

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
MOREHEAD STATE COLLEGE
CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BOND
SERIES B

No. _____ \$1,000.00

The Board of Regents of Morehead State College, a body corporate, as an educational institution and agency of the Commonwealth of Kentucky, for value received, hereby promises to pay, solely from the special fund provided therefor, as hereinafter set forth, to the bearer, or, if this Bond be registered, to the registered owner hereof, as hereinafter provided, the sum of One Thousand Dollars (\$1,000.00) on the first day of May, 19____, and to pay, solely from said special fund, interest thereon from the date hereof until payment of principal at the rate of _____ per cent (____%) per annum, such interest being payable semiannually on the first days of May and November in each year, except as the provisions 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 coupons as they severally mature, both principal and interest being payable in any coin or currency of the United States of America which at the time of payment thereof is legal tender for the payment of public and private debts, at the principal office of the Trustee, Citizens Fidelity Bank and Trust Company, in the City of Louisville, Kentucky, or at the option of the holder hereof or of the interest coupons hereto appertaining, at the principal office of Chemical Bank New York Trust Company, in the City of New York, New York.

This Bond is one of a duly authorized issue of Bonds designated as "Consolidated Educational Buildings Revenue Bonds" (hereinafter referred to as the "Bonds") issued and to be issued under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including among others, Sections 162.350 to 162.380, inclusive, of the Kentucky Revised Statutes now in full force and effect, and under and pursuant to the Resolution adopted by the Board of Regents on November 14, 1960 (hereinafter referred to as the "Resolution") and the Series B Resolution adopted by the Board of Regents on September 7, 1961.

As provided in the Resolution, the Bonds may be issued from time to time pursuant to separate resolutions in one or more series, in various principal amounts, may bear interest at different rates and may otherwise

Minutes of September 7, 1961 continued -

vary as in the Resolution provided. The aggregate principal amount of Bonds which may be issued under the Resolution is not limited except as provided in the Resolution, and all Bonds issued and to be issued under the Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

This Bond is one of a series of Bonds of various maturities designated as "Consolidated Educational Buildings Revenue Bonds, Series B," (herein called the "Series B Bonds") issued in the aggregate amount of \$1,400,000.00 under the Resolution for the purpose of financing the costs (to the extent not otherwise provided) of erecting and completing educational buildings and necessary appurtenances as a part of the Consolidated Educational Buildings Project of said College (hereinafter referred to as the "Project"). Copies of the Resolution, the Series A Resolution, and the Series B Resolution are on file at the office of the Trustee. Reference is hereby made to the Resolution pursuant to which Citizens Fidelity Bank and Trust Company, in the City of Louisville, Kentucky, has been designated as Trustee for the holders of the issue of Bonds of which this Bond is one and for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds; the rights, duties and obligations of said Board of Regents, and of the Trustee, and the rights of the holders of the Bonds; and by the acceptance of this Bond, the holder hereof assents to all of the provisions of the Resolution. Under authority of the statutes pursuant to which this Bond is issued, this Bond shall have all the qualities and incidents of a negotiable instrument, and subject to the provisions for registration endorsed hereon and contained in the Resolution, nothing contained in this Bond or in the Resolution shall affect or impair the negotiability of this Bond.

The holder of this Bond shall have no right to enforce the provisions of the Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Resolution, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Resolution. The Resolution provides for fixing, charging and collecting fees for the services of said Project, which fees will be sufficient to pay the principal of and the interest on said Bonds as the same become due and to provide reserves for such purposes and also to pay the costs of operation and maintenance of the Project to the extent the same are not otherwise provided. The Resolution provides for the creation of a special account designated "Consolidated Educational Buildings Project Bond and Interest Sinking Fund" (herein called the "Bond Fund") and for the deposit to the credit of said Bond Fund of a fixed amount of the gross Revenues of said Project to pay interest on the Bonds as the same become due and to pay or retire + the principal of the Bonds at or prior to the maturity thereof, and to provide

Minutes of September 7, 1961 continued

a reserve for such purpose, which Bond Fund is pledged to and charged with the payment of said principal and interest.

The issue of Series B Bonds of which this Bond is one and all other Bonds heretofore issued and as may be hereafter issued and outstanding from time to time under the Resolution, are payable only from a fixed amount of the gross Revenues derived from the Operation of said Project which will be set aside in said Bond Fund, and this Bond does not constitute any indebtedness of Morehead State College or of its Board of Regents or of the Commonwealth of Kentucky within the meaning of any provisions or limitations of the Constitution of the Commonwealth of Kentucky.

The Series B Bonds maturing May 1, 1972, and thereafter (being the Bonds numbered 221 and upwards) shall be subject to redemption at the option of the Board of Regents in whole or from time to time in part in the inverse order of their maturities (less than all of a single maturity to be selected by lot) on any interest payment date on or after May 1, 1971, at the redemption prices, expressed in percentages of principal amount, with respect to each Bond as set forth below, plus in each case accrued interest to the date of redemption:

<u>If Redeemed</u>	<u>Redemption Price</u>
On and after May 1, 1971 and prior to May 1, 1976	103%
On and after May 1, 1976 and prior to May 1, 1981	102%
On and after May 1, 1981 and prior to May 1, 1986	101%
On and after May 1, 1986, but prior to final maturity	101-1/2%

In the event the Board of Regents shall exercise its option to redeem any of the Series B Bonds of which this Bond is a part, notice of such redemption identifying the Bonds to be redeemed will be given to the Trustee at least forty-five (45) days prior to the specified redemption date and such notice shall be published at least once not less than thirty (30) days prior to the specified redemption date in a newspaper or financial journal of general circulation published in each of the Cities of Louisville, Kentucky, and New York, New York. Any Bonds called for redemption and for the payment of which funds are deposited with said Trustee on the specified redemption date shall cease to bear interest on said redemption date.

Minutes of September 7, 1961 continued -

This Bond shall pass by delivery unless registered as to principal on the books of said Board of Regents at the office of the Trustee under the Resolution, and such registration noted hereon, after which no valid transfer hereof shall be effective unless made on said books and similarly endorsed hereon at the written request of the registered holder or his duly authorized representative, but this Bond may be discharged from registration by being in like manner registered to bearer whereupon full negotiability and transferability by delivery shall be restored but may again from time to time be registered as aforesaid. Such registration, however, shall not affect the negotiability of the interest coupons which shall always remain payable to bearer and transferable by delivery merely. The Board of Regents, the Trustee, and the Paying Agents may treat the bearer of this Bond, if not registered as to principal, and the bearer of any coupon hereto appertaining, whether or not this Bond be so registered, or if this Bond be registered as herein authorized, the person in whose name the same is registered, as the absolute owner for the purpose of making payment and for all other purposes.

A statutory mortgage lien, which is hereby recognized as valid and binding on said Project, is created and granted to and in favor of the holder or holders of this Bond and the issue of Bonds of which it is one, and in favor of the holder or holders of the coupons attached thereto, and said Project shall remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on this Bond and the issue of Bonds of which it is one.

This Bond shall not be valid or become obligatory for any purpose, or be entitled to any security or benefit, under the Resolution, until it shall have been authenticated by the execution by the Trustee of the certificate hereon endorsed.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond, do exist, have happened, and have been performed in due time, for and manner as required by law, and the amount of this Bond, together with all other obligations of said Board of Regents and of said Morehead State College, does not violate any provisions or exceed any limit prescribed by the Constitution or Statutes of Kentucky; that said Project will be continuously operated, and that a sufficient portion of the gross Revenues therefrom has been pledged to and will be set aside into said Bond Fund for the payment of the principal of and interest on this Bond and the issue of which it is one, and all other bonds which by their terms and the terms of the Resolution are payable from said Bond Fund, as and when the same will respectively become due.

Minutes of September 7, 1961 continued -

IN TESTIMONY WHEREOF, the Board of Regents of Morehead State College has caused this Bond to be executed on its behalf by the reproduced facsimile signature of its Vice Chairman, and the facsimile of its corporate seal to be imprinted hereon, attested by the manual signature of its Secretary, and the coupons hereto attached to be executed with the facsimile signatures of said Vice Chairman and Secretary, all being done as of the first day of November, 1961.

W. H. Cartmell

Vice Chairman
Board of Regents
Morehead State College

(SEAL)

ATTEST:

Anna B. Carter

Secretary
Board of Regents

(FORM OF COUPON)

No. _____ \$ _____

On the first day of _____ 19_____, *(unless the Bond to which this coupon is attached shall have been duly called for prior redemption and payment of the redemption price duly made or provided for) the Board of Regents of Morehead State College, at Morehead, Kentucky, will pay to bearer _____ Dollars (\$ _____) in any coin or currency which at the time of payment thereof is legal tender for the payment of public and private debts out of its "Consolidated Educational Buildings Project Bond and Interest Sinking Fund," at the principal office of Citizens Fidelity Bank and Trust Company, in the City of Louisville, Kentucky, or, at the option of the holder hereof, at the principal office of Chemical Bank New York Trust Company, in the City of New York, New York, as provided in and for interest then due on its Consolidated Educational Buildings Revenue Bond, Series B, dated November 1, 1961, Number _____.

W. H. Cartmell

Vice Chairman, Board of Regents
Morehead State College

Anna B. Carter

Secretary, Board of Regents

20000000

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(* The phrase in parenthesis should appear only on coupons maturing on and after November 1, 1971, attached to Bonds numbered 221 to 1,400, inclusive).

FORM OF AUTHENTICATION CERTIFICATE

This Bond is one of the Bonds described or provided for in the within-mentioned Resolution.

CITIZENS FIDELITY BANK AND
TRUST COMPANY, TRUSTEE

By: _____
Authorized Officer

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

Date of Registration	Name of Registered Holder	Signature of Authorized Officer of Trustee

Section 2.10. The Secretary of the Board is hereby authorized and directed to cause an appropriate form or forms of a notice of sale of the Series B Bonds to be published in the Louisville Courier-Journal, a legal newspaper published in the City of Louisville, Kentucky, which will afford state-wide notice of the sale, and in The Daily Bond Buyer, a financial journal published in the City of New York, New York, which is a publication having general circulation among bond buyers and said newspaper and financial journal are hereby declared to be qualified to publish such notice for the Board of Regents within

Minutes of September 7, 1961 continued -

the meaning and provisions of KRS Chapter 424. Such notices shall be published in said newspaper and financial journal at least once and shall appear not less than seven days nor more than twenty-one days prior to the scheduled date of sale of said Series B Bonds. Such notices shall be in the customary form and shall specify that sealed competitive proposals for the purchase of such Series B Bonds shall be received at a designated place and until some day and hour when the Board will be in session. A minimum bid of 98% of par plus accrued interest shall be required. The right to reject any or all bids shall be expressly reserved. On the occasion set forth in such notice the Board shall consider all proposals made pursuant to such notice, award the Series B Bonds in the manner and for the purposes herein provided, establish the interest coupon rate or rates which the Series B Bonds shall bear, and take all other necessary and proper steps in the sale and issuance of the said Series B Bonds.

The Secretary may cause to be prepared multiple copies of a statement giving a more complete and particular description of the Series B Bonds, provisions for the security and payment thereof, disposition of bond proceeds and other information that is not possible to give within the limits of the published notices, and furnish copies of such statement to all interested bidders upon request. Such statement may contain a particular description of the terms and conditions upon which the Series B Bonds are offered for sale, in order to bring about uniformity in the proposals which may be submitted for the purchase of said Series B Bonds.

Section 2.11. There is hereby established in the State Treasury of the Commonwealth of Kentucky a Construction Account to be designated "Morehead State College Consolidated Educational Buildings Project - Bond Proceeds Series B Construction Account." Immediately upon the issuance, sale and delivery of the Series B Bonds all sums received as accrued interest together with a sufficient portion of proceeds from the sale of the Series B Bonds equal in the aggregate to all interest to accrue on said Series B Bonds to and including May 1, 1961, shall be deposited by the Treasurer in the Bond Fund and which amount is hereby determined by the Board as necessary to pay the interest on the Series B Bonds during the erection and completion of the educational buildings for account of which said Series B Bonds are herein authorized. The balance of the Bond proceeds shall be transmitted by the Treasurer to the Treasurer of the Commonwealth with advice that the same is tendered for deposit in said Construction Account and shall be disbursed by the Treasurer of the Commonwealth according to such

Minutes of September 7, 1961 continued -

inspection, audit and disbursement procedures as may from time to time be provided by law for the purpose of paying the costs (to the extent not otherwise provided) of erecting and completing the educational buildings and necessary appurtenances as identified in Section 2.02 of this Series B Resolution in accordance with the approved plans and specifications therefor, and only upon certification of the Architect or Engineer having supervision of construction as to each disbursement, that the amount thereof has been duly earned by and is payable to the designated party or parties for materials, services, and/or labor furnished pursuant to proper contract duly awarded therefor. Any balance remaining in said Construction Account after the erection of said educational buildings project and the payment of all costs in connection therewith shall be deposited in the Bond Fund; provided, however, that if proceedings are then pending or imminently contemplated for the construction or completion of one or more additional educational buildings, which are or will be financed by issuance of additional Series Bonds pursuant to the Resolution, and which building or buildings constitute or will constitute a part of the Consolidated Educational Buildings Project, any such unexpended balance may be taken into account in determining the amount of Bonds to be authorized therefor, or may otherwise be applied to the proper costs thereof, in which event such unexpended balance may, upon authority of the Board, be transferred to the Series Construction Account thereof.

Section 2.12. A certified copy of this Series B Resolution shall be filed with the Trustee, and this Series B Resolution shall take effect immediately upon its adoption and the filing of a certified copy hereof with the Trustee.

ADOPTED September 7, 1961.

/s/ W. H. Cartmell
 Vice Chairman
 Board of Regents
 Morehead State College

(ATTEST)

/s/ Anna B. Carter
 Secretary Board of Regents

Minutes of September 7, 1961 continued -

CERTIFICATION

I, Anna B. Carter, Secretary of the Board of Regents of Morehead State College, Morehead, Kentucky, hereby certify that the foregoing is a true copy of a Resolution duly adopted by said Board at a meeting held on the 7th day of September, 1961, as shown by the official records in my custody and under my control.

Witness my signature and the Seal of said College, this 7th day of September, 1961.

/s/ Anna B. Carter
Secretary Board of Regents

(SEAL)

Full discussion followed and the Chairman thereupon put the question, and upon call of the roll the vote was recorded, as follows:

Voting "Aye": Vice-Chairman Dr. W. H. Cartmell, Mr. Alex Chamberlain, Mr. Charles Gilley, Mr. B. F. Reed, Mr. Bruce Walters.

Voting "Nay": None

Whereupon the Chairman declared that the motion was carried and that the Resolution had been adopted and was in full force and effect.

At this point and in the presence of the Board, the Vice Chairman signed the aforesaid Resolution and the same was attested under seal by the Secretary of the Board.

Board member, Bruce Walters, moved immediate adoption of a proposed resolution, as follows, seconded by Board member, Charles Gilley:

Minutes of September 7, 1961 continued-

A RESOLUTION APPROVING CERTAIN INSTRUMENTS AND
DOCUMENTS TENDERED BY BOND COUNSEL FOR THE PUR-
PURPOSE OF IMPLEMENTING PROCEDURES AND COMMITMENTS
WHICH HAVE BEEN AUTHORIZED BY THE BOARD.

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

Section 1. That the following instruments and documents, drafted by Bond Counsel and tendered for the purpose of implementing procedures and commitments heretofore authorized by the Board, are declared to have been examined and found to be satisfactory in form and substance; and execution (acknowledgment if appropriate), delivery and/or dissemination thereof for the respective intended purposes and by the appropriate indicated officers of the Board and of the College are hereby approved and authorized:

(a) with reference to the \$3, 652, 000 "Housing System Revenue Bonds of 1961, Series A, Series B, Series C and Series D":

- (i) The "Notice of Sale of Bonds" incident to the public offering of the \$1, 102, 000 Series D Bonds;
- (ii) The "Statement of Terms and Conditions of Bond Sale" which is supplemental thereto;
- (iii) The "Supplemental Trust Indenture" for execution by the Board with The Bank Josephine, Prestonsburg, Kentucky, in the event HHFA, as the holder of all of the outstanding "Housing Bonds of 1959, Series A and Series B" shall have consented thereto;
- (iv) The "Supplemental Trust Indenture" for execution by the Board with The First National Bank, Pikeville, Kentucky, in the event HHFA, as the holder of all of the outstanding "Dormitory Revenue Bonds of 1960" shall have consented thereto.

(b) With reference to the \$1, 400, 000 "Consolidated Educational Buildings Revenue Bonds, Series B," to be dated November 1, 1961:

Minutes of September 7, 1961 continued -

- (i) The "Notice of Sale of Bonds";
- (ii) The "Official Bid Form."

Section 2. A copy of each of the instruments and documents enumerated in Section 1 of this Resolution shall be preserved by the Secretary as a permanent record of the Board, but the same need not be copied in full in the minutes of this meeting.

Section 3. This Resolution shall be in full force and effect from and after its adoption.

* * * * *

Full discussion followed and the Chairman thereupon put the question, and upon call of the roll the vote was recorded, as follows:

Voting "Aye": Vice-Chairman Dr. W. H. Cartmell, Mr. Alex Chamberlain, Mr. Charles Gilley, Mr. B. F. Reed, Mr. Bruce Walters.

Voting "Nay": None.

Whereupon the Vice-Chairman declared that the motion was carried and that the Resolution had been adopted and was in full force and effect.

Board member, B. F. Reed moved that this meeting of the Board of Regents be adjourned over to convene again in the office of the President of the College on the 18th day of October, 1961, at the hour of 11:00 A. M., EST, for the purpose of receiving, opening, considering, and taking action upon any purchase proposals which at that time have been received for the Board's \$1,102,000 "Housing System Revenue Bonds of 1961, Series D," and the Board's \$1,400,000 "Consolidated Educational Buildings Revenue Bonds, Series B," as authorized at this meeting; that the Secretary be authorized and directed to cause the authorized "Notice of Sale of Bonds," in each instance, to be published in advance of said date in accordance with KRS Chapter 424; and that said adjournment be also for the purpose of considering and taking action upon any and all proper business which may come before the Board at that time. Said motion was seconded by Board Member Bruce Walters, and after full discussion the Vice-Chairman put the question and the same was unanimously adopted.

Minutes of September 7, 1961, continued

SUPPLEMENTAL TRUST INDENTURE

This SUPPLEMENTAL TRUST INDENTURE, made this 7th day of September, 1961, by and between BOARD OF REGENTS OF MOREHEAD STATE COLLEGE, a public body corporate and politic and an educational agency and instrumentality of the Commonwealth of Kentucky, located at Morehead, Kentucky (hereinafter sometimes referred to as the "Board"), and THE FIRST NATIONAL BANK, a banking association having having corporate trust powers, organized and existing under and by virtue of the laws of the United States of America, having its principal office and place of business in the City of Pikeville, Kentucky (hereinafter sometimes referred to as the "Trustee"):

W I T N E S S E T H:

That WHEREAS, pursuant to statutory authority and legal and proper proceedings the Board at a meeting held on January 4, 1961, adopted a Resolution authorizing the issuance of \$600,000.00 principal amount of its "Dormitory Revenue Bonds of 1960," dated November 1, 1960 (hereinafter sometimes called the "1960 Bonds"), consisting of 3-1/8% Bonds, each of the denomination of \$1,000.00, in negotiable coupon form, registrable as to principal only; all of the same being secured by a Trust Indenture (hereinafter referred to as the "Indenture"), dated as of November 1, 1960, made by and between the Board and the Trustee; and thereafter said Bonds were offered at an advertised public competitive sale and the entire issue of Bonds was purchased by United States of America, Housing and Home Finance Administration (herein called "HHFA"), and HHFA continues to be the owner and holder of every bond of said issue; and

WHEREAS, by a written instrument duly executed on behalf of the Board, and by HHFA as the owner and holder of all of the outstanding Bonds secured by the Indenture, the Board has requested and HHFA has duly consented, that by agreement the security for all of said Bonds outstanding and secured by the Indenture be altered, and that the Trustee be authorized to execute, acknowledge and deliver this "Supplemental Trust Indenture" in order to give immediate effect to the same, as hereinafter provided; and

WHEREAS, the Trustee is authorized by the provisions of Sections 7.01 and 11.02 of the Indenture to take cognizance of such request on the part of the Board and such consent on the part of HHFA as the owner and holder of all of the outstanding Bonds secured by the Indenture;

Minutes of September 7, 1961 continued -

NOW, THEREFORE, in pursuance of its authority and powers according to said identified sections of the Indenture, and pursuant to the request of the Board and the express consent of HHFA, as aforesaid, the following changes and modifications of the Indenture relating to the security and source of payment of the outstanding \$600,000 Dormitory Revenue Bonds of 1960, "dated November 1, 1960, are hereby acknowledged and are declared to be effective upon this execution and recording of the "Supplemental Trust Indenture; "

(1) With the aforesaid express consent of HHFA as the owner and holder of all of the outstanding Bonds secured by the Indenture, the Board is hereby presently released and discharged of its pledge, as set forth in Section 5.05 of the Indenture in so far as in said Section the Board pledged as a part of the security and source of payment of the Bonds secured by the Indenture a portion of the incidental fee (Student Registration Fee) fixed, imposed, charged, and collected from each student occupant of the housing project identified in the Indenture, such pledge being in an amount not less than Twenty-five Dollars (\$25.00) for each student occupant thereof for each semester of the Regular Term of two semesters of the regular College year, and not less than Twelve Dollars and fifty cents (\$12.50) for each student occupant for the regular Summer Session; and such release is acknowledged and declared to be effective in such manner that the Board need not observe said pledge with respect to the incidental fee (Student Registration Fee) collected from any student occupant of the identified housing facilities for the Regular Fall Semester of the College year 1961/1962, commencing in September, 1961, or for any semester or summer session thereafter.

(2) In consideration of the consent of HHFA to the release effected in paragraph (1) of this "Supplemental Trust Indenture"(and in consideration of the Trustee's execution of this Supplemental Trust Indenture in recognition of such consent), the Board hereby represents and affirms that it has created and established a separate and special fund or account, distinct from all other funds and accounts of Morehead State College, in the custody of Pikeville National Bank & Trust Company, a banking association having corporate trust powers created under and existing by virtue of the laws of the United States of America, having its principal office and place of business in Pikeville, Kentucky, said special fund or account being designated the "Morehead State College Housing System Revenue Bonds of 1961 Bond and Interest Sinking Fund Account" (for convenience referred to as the "Housing System Bond Fund"); and that the Board hereby pledges to said special fund, for the account of the Trustee and for payment over to the Trustee, in substitution for the release of pledged incidental fees (Student Registration Fees) as made effective in paragraph (1) hereof, an equal amount of money from the otherwise unpledged and unencumbered rental revenues of dormitories on the campus of Morehead State College, at Morehead, Kentucky, identified as Allie Young Hall, Fields Hall, Thompson Hall, and East Men's Hall, such pledge to be effective as applied to all rentals received for the account of said named Dormitories for the fall semester (commencing in September, 1961) of the 1961/1962 ^{colleg} year, whether such rentals have been deposited in advance with the Board and the College, or whether the same shall hereafter be received.

Minutes of September 7, 1961 continued -

The creation of said special fund and the pledge of rentals from the identified Dormitories thereto is for the security and benefit of the holders of the aforesaid outstanding \$600,000 "Dormitory Revenue Bonds of 1960," dated November 1, 1960, equally with the Board's outstanding \$1,950,000 "Housing Bonds of 1959, Series A and Series B," dated June 1, 1959, as secured by a certain Trust Indenture made by the Board with The Bank Josephine, Prestonsburg, Kentucky, for the security thereof; but the Board hereby represents that the unencumbered revenues of the above-named Dormitories are in the aggregate more than twice the amount of the incidental fees (Student Registration Fees) which have heretofore been pledged (but are now released) for both the "Housing Bonds of 1959, Series A and Series B" and the "Dormitory Revenue Bonds of 1960."

(3) The release effected in paragraph (1) hereof and the pledge of substituted collateral security made effective in paragraph (2) hereof are effective, simultaneously, one in consideration for the other, as of the year and day first above written.

IN TESTIMONY WHEREOF, Board of Regents of Morehead State College, Morehead, Kentucky, and The First National Bank, Pikeville, Kentucky, each have caused this instrument to be executed by officers thereunto duly authorized, and have caused the respective corporate seals to be affixed, all effective as of the year and day first above written.

BOARD OF REGENTS OF MOREHEAD STATE
COLLEGE
Morehead, Kentucky

(SEAL

By /s/ W. H. Cartmell
Vice Chairman

ATTEST:

Anna B. Carter
Secretary

THE FIRST NATIONAL BANK
Pikeville, Kentucky

(SEAL)

By W. F. Blackburn
(Signature)

Geo. A. Sharp
Signature

Executive Vice President, Cashier
and Trust Officer

Asst. Cashier and Asst. Trust Officer
(Title of Officer)

Minutes of September 7, 1961 continued -

STATE OF KENTUCKY)
COUNTY OF MASON) SS:

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that the foregoing "Supplemental Trust Indenture" was this day produced before me by Dr. W. H. Cartmell, as Vice-Chairman of BOARD OF REGENTS OF MOREHEAD STATE COLLEGE, Morehead, Kentucky, a body corporate, and that he thereupon acknowledged to me that he executed the same, and that he thereupon delivered the same, to be his voluntary act and deed as the duly authorized officer of said Board of Regents and as the official act and deed of said Board of Regents, acting by and through him as the duly authorized officer thereof.

WITNESS my hand and notarial seal this 12th day of September, 1961. My commission expires January 20, 1962.

/s/ Charles C. Calvert, Notary Public
Charles C. Calvert

(SEAL)

STATE OF KENTUCKY)
COUNTY OF ROWAN) SS:

The undersigned, a Notary Public in and for the State and County aforesaid, hereby certifies that on this day the foregoing "Supplemental Trust Indenture" was produced before me in my said office by Anna B. Carter, as Secretary of the BOARD OF REGENTS OF MOREHEAD STATE COLLEGE, Morehead, Kentucky, a body corporate, and that she thereupon acknowledged to me that she was sufficiently familiar with the signature thereto of Dr. W. H. Cartmell, Vice-Chairman of said Board of Regents, to recognize the same; that said signature of the Vice-Chairman was the genuine signature of said officer; and that pursuant to authority of a Resolution adopted by said Board of Regents at a meeting held on September 7, 1961, she attested the aforesaid signature of the Vice-Chairman and affixed the corporate seal to said instrument; and that she thereupon acknowledged such attestation and affixation of the corporate seal and the subsequent delivery of the instrument, to be her voluntary act and deed as a duly authorized officer of said Board of Regents and as the official act and

Minutes of September 7, 1961 continued

deed of said Board of Regents acting by and through the said Vice-Chairman and herself as the duly authorized officers thereof.

Witness my hand and Notarial Seal this 13th day of September, 1961. My commission expires October 20, 1964.

(SEAL)

Edith P. Conyers
Notary Public Rowan County, Kentucky

STATE OF KENTUCKY)
COUNTY OF PIKE) SS:

The undersigned, a Notary Public in and for the State and County aforesaid, hereby certifies that on this day the foregoing "Supplemental Trust Indenture" was produced before me in my said office by W. E. Blackburn, as Trust Officer, and Geo. A. Sharp, as Asst. Trust Officer of THE FIRST NATIONAL BANK, a national Banking Association, a party thereto, and said officers thereupon acknowledged to me that the execution and delivery thereof were their voluntary acts and deeds as such officers of said corporation and the official act and deed of said corporation acting by and through them as its duly authorized officers; and they further affirmed that the seal affixed thereto was the authorized and official seal of said corporation.

WITNESS my signature and notarial seal this 22nd day of September, 1961. My commission expires July 16, 1964.

J. W. Greer
Notary Public
State of Kentucky at Large

(SEAL)

Minutes of September 7, 1961 continued -

State of Kentucky
County of Rowan

I, Ottist W. Elam, County Court Clerk in and for said County and State do hereby certify that the foregoing instrument of writing was duly lodged in my office for record on the 27th day of October, 1961, and that it, the foregoing, and this certificate have been duly recorded in my said office in Mortgage Book No. A-6, at page Nos. 580, 581, 582, and 583 of the Rowan County Records.

Given under my hand and seal of office, this the third day of November, 1961.

/s/ Ottist W. Elam, Clerk
By: Jean Withrow, D. C.

SEAL

-SUPPLEMENTAL TRUST INDENTURE-

This SUPPLEMENTAL TRUST INDENTURE, made this 7th day of September, 1961, by and between BOARD OF REGENTS OF MOREHEAD STATE COLLEGE, a public body corporate and politic and an educational agency and instrumentality of the Commonwealth of Kentucky, located at Morehead, Kentucky (hereinafter sometimes referred to as the "Board"), and THE BANK JOSEPHINE, a banking corporation having corporate trust powers, organized and existing under and by virtue of the laws of the Commonwealth of Kentucky, having its principal office and place of business in the City of Prestonsburg, Kentucky (hereinafter sometimes referred to as the "Trustee");

W I T N E S S E T H:

That WHEREAS, pursuant to statutory authority and legal and proper proceedings the Board at a meeting held on February 5, 1960, adopted a Resolution authorizing the issuance of \$1,950,000.00 principal amount of its "Housing Bonds of 1959, Series A and Series B," dated June 1, 1959 (hereinafter sometimes called the "1959 Bonds"), consisting of 3% Series A Bonds in the principal amount of \$1,150,000.00 and 2-7/8% Series B Bonds in the principal amount of \$800,000.00, each of the denomination of

Minutes of September 7, 1961 continued -

\$1,000.00, in negotiable coupon form, registrable as to principal only; all of the same to be secured by a Trust Indenture (hereinafter referred to as the "Indenture"), dated as of June 1, 1959, made by and between the Board and the Trustees; and thereafter said Bonds were offered at an advertised public competitive sale and the entire issue of Bonds (both Series A and Series B) was purchased by United States of America, Housing and Home Finance Administrator (herein called "HHFA"), and HHFA continues to be the owner and holder of every bond of said issue; and

WHEREAS, by a written instrument duly executed on behalf of the Board, and by HHFA as the owner and holder of all of the outstanding Bonds secured by the Indenture, the Board has requested and HHFA has duly consented, that by agreement the security for all of said Bonds outstanding and secured by the Indenture be altered, and that the Trustee be authorized to execute, acknowledge and deliver this "Supplemental Trust Indenture" in order to give immediate effect to the same, as hereinafter provided; and

WHEREAS, The Trustee is authorized by the provisions of Sections 7.01 and 11.02 of the Indenture to take cognizance of such request on the part of the Board and such consent on the part of HHFA as the owner and holder of all of the outstanding Bonds secured by the Indenture;

NOW, THEREFORE, in pursuance of its authority and powers according to said identified sections of the Indenture, and pursuant to the request of the Board and the express consent of HHFA, as aforesaid, the following changes and modifications of the Indenture relating to the security and source of payment of the outstanding \$1,950,000 "Housing Bonds of 1959, Series A and Series B," dated June 1, 1959, are hereby acknowledged and are declared to be effective upon the execution and recording of this "Supplemental Indenture:"

(1) With the aforesaid express consent of HHFA as the owner and holder of all of the outstanding Bonds secured by the Indenture, the Board is hereby presently released and discharged of its pledge, as set forth in Section 5.05 of the Indenture in so far as in said Section the Board pledged as a part of the security and source of payment of the Bonds secured by the Indenture a portion of the incidental fee (student Registration Fee) fixed, imposed, charged, and collected from each student occupant of the respective housing projects identified in the Indenture, such pledge being in an amount not less than Twenty-five (\$25.00) for each student occupant thereof for each semester of the Regular Term of two semesters of the regular College year, and not less than twelve Dollars and fifty cents (\$12.50) for each student occupant for the regular Summer Session; and such release is acknowledged and declared to be effective in such manner that the Board need not observe said pledge with respect to the incidental fee (Student Registration Fee) collected from any

Minutes of September 7, 1961 continued -

student occupant of the identified housing facilities for the Regular Fall Semester of the College year 1961/1962, commencing in September, 1961, or for any semester or summer session thereafter.

(2) In consideration of the consent of HHFA to the release effected in paragraph (1) of this "Supplemental Trust Indenture" (and in consideration of the Trustee's execution of this Supplemental Trust Indenture in recognition of such consent), the Board hereby represents and affirms that it has created and established a separate and special fund or account, distinct from all other funds and accounts of Morehead State College, in the custody of The First National Bank and Trust Company, a banking corporation or association having corporate trust powers created under and existing by virtue of the laws of The United States of America, having its principal office and place of business in Pikeville, Kentucky, said special fund or account being designated the "Morehead State College Housing System Revenue Bonds of 1961 Bond and Interest Sinking Fund Account" (for convenience referred to as the "Housing Bond Fund"); and that the Board hereby pledges to said special fund, for the account of the Trustee and for payment over to the Trustee, in substitution for the release of pledged incidental fees (Student Registration Fees) as made effective in paragraph (1) hereof, an equal amount of money from the otherwise unpledged and unencumbered rental revenues of dormitories on the campus of Morehead State College, at Morehead, Kentucky, identified as Allie Young Hall, Fields Hall, Thompson Hall, and East Men's Hall, such pledge to be effective as applied to all rentals received for the account of said named Dormitories for the fall semester (commencing in September, 1961) of the 1961/1962 College year, whether such rentals have been deposited in advance with the Board and the College, or whether the same shall hereafter be received.

The creation of said special fund and the pledge of rentals from the identified Dormitories there^{of} is for the security and benefit of the holders of outstanding "Housing Bonds of 1959, Series A and Series B" equally with the holders of the Board's outstanding \$600,000.00 "Dormitory Revenue Bonds of 1960," dated November 1, 1960, as secured by a certain Trust Indenture made by the Board with the First National Bank, Pikeville, Kentucky, for the security thereof; but the Board hereby represents that the unencumbered revenues of the above-named Dormitories are in the aggregate more than twice the amount of the incidental fees (Student Registration Fees) which have heretofore been pledged (but are now released) for both the "Housing Bonds of 1959, Series A and Series B" and the "Dormitory Revenue Bonds of 1960.."

(3) The release effected in paragraph (1) hereof and the pledge of substituted collateral security made effective in paragraph (2) hereof are effective, simultaneously, one in consideration for the other, as of the year and day first above written.

Minutes of September 7, 1961 continued

IN TESTIMONY WHEREOF, Board of Regents of Morehead State College, Morehead, Kentucky, and the Bank Josephine, Prestonsburg, Kentucky, each have caused this instrument to be executed by officers thereunto duly authorized, and have caused the respective corporate seals to be affixed, all effective as of the year and day first above written.

BOARD OF REGENTS OF MOREHEAD STATE COLLEGE
Morehead, Kentucky

By: /s/ W. H. Cartmell, Vice-Chairman

(SEAL)

ATTEST:

/s/ Anna B. Carter, Secretary

THE BANK JOSEPHINE
Prestonsburg, Kentucky
By: /s/ H. D. Fitzpatrick, Jr.
Vice-President & Trust Officer

(SEAL)

ATTEST:

/s/ Mary E. Powers, Secretary

STATE OF KENTUCKY)
COUNTY OF ROWAN)SS

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that the foregoing "Supplemental Trust Indenture" was this day produced before me by W. H. Cartmell, as Vice-Chairman, and Anna B. Carter, as Secretary, respectively, of BOARD OF REGENTS OF MOREHEAD STATE COLLEGE, Morehead, Kentucky, a body corporate, and that they thereupon acknowledged to me that they executed and attested, respectively, the same, and that they affixed the corporate seal thereto, and that they thereupon delivered the same to be their voluntary acts and deeds as the duly authorized officers of said Board of Regents and as the official act and deed of said Board of Regents, acting by and through them as the fully authorized officers thereof.

WITNESS my hand and notarial seal this seventh day of September, 1961. My commission expires January 20, 1964.

/s/ Lottie M. Powers, Notary Public
State of Kentucky, at Large

(SEAL)

Minutes of September 7, 1961 continued -

STATE OF KENTUCKY)
) SS
COUNTY OF FLOYD)

The undersigned, a Notary Public in and for the State and County aforesaid, hereby certifies that on this day the foregoing "Supplemental Trust Indenture" was produced before me in my said office by H. D. Fitzpatrick, Jr., as Vice-President and Trust Officer, and Mary E. Powers, as Secretary, of THE BANK JOSEPHINE, a corporation, a party thereto, and said officers thereupon acknowledged to me that the execution and delivery thereof were their voluntary acts and deeds as such officers of said corporation and the official act and deed of said corporation acting by and through them as its duly authorized officers; and they further affirmed that the seal affixed thereto was the authorized and official seal of said corporation.

WITNESS my signature and notarial seal this 22nd day of September, 1961. My commission expires January 4, 1962.

(s) W. A. Spradlin, Notary Public
Floyd County, Kentucky

(SEAL)

STATE OF KENTUCKY
COUNTY OF ROWAN

I, Ottist W. Elam, County Court Clerk in and for said county and state do hereby certify that the foregoing instrument of writing was duly lodged in my office for record on the 27th day of October, 1961 and that it, the foregoing, and this certificate have been duly recorded in my said office in Mortgage Book No. A-6 at page Nos. 577, 578, and 579 of the Rowan County Records.

Given under my hand and seal of office this the second day of November, 1961.

/s/ Ottist W. Elam, Clerk
By: /s/ Jean Withrow, D. C.

Minutes of September 7, 1961 continued -

President Doran presented his report to the Board for the period June 1, 1961, to September 7, 1961, with certain recommendations. the report follows:

MOREHEAD STATE COLLEGE
Morehead, Kentucky
September 7, 1961

Board of Regents
Morehead State College
Morehead, Kentucky

Gentlemen:

I am submitting my report on the operation of the College for the period, June 1, 1961, to September 7, 1961, with certain recommendations:

1. Staff Changes:

Leaves of Absence:

1. Dr. Zell s. Walters, leave of absence for the 1961 fall semester to do a research project in Teacher Education with full pay.
2. Mr. Ray Hornback, part time on adjusted salary to work on his Master's degree at the University of Kentucky for the 1961-62 school year.

Resignations:

1. Mrs. Robbie Riffe, secretary in the President's office due to pregnancy.
2. Dr. Ted Shane, Assistant Professor in History, due to ill health.
3. Mr. Charles Pack, Director of the Cafeteria, desire for change in location.
4. Mrs. Katherine Slater, Secretary in Deans of Students' office, due to the fact that her husband will teach school in Ohio.
5. Mrs. Vanda Jean Martin, Secretary in the office of the Division of School Relations, due to the fact that her husband will teach in Ohio.
6. Mr. Danny Wetzel, Instructor in Physics, due to fact he did not meet requirements for a Master's degree at the University of Cincinnati.

Minutes of September 7, 1961 continued
President's Report

New Faculty and Staff:

1. Dr. Hollie W. Sharpe, Associate Professor and Head of the Department of Commerce, at an annual salary of \$8300, beginning August 1, 1961.
2. Miss Bobby Joan Wilson, Instructor in Commerce, at a salary of \$5200 for the nine-months period, beginning September 1, 1961.
3. Mrs. Edith Conyers, Instructor in Commerce, on a part time basis for the 1961 fall term, at a salary of \$1500, beginning September 1, 1961.
4. Dr. Edmond Cross, Associate Professor and Director of Student Teaching, at an annual salary of \$9,000, beginning September 1, 1961.
5. Mr. Jerry Baugham, Instructor in Drama and Speech, at a salary of \$5500 for the nine-months period, beginning September 1, 1961.
6. Mr. Robert Mumper, Instructor in Music, at a salary of \$5200 for the nine-months period, beginning September 1, 1961.
7. Mrs. Helen Fullbright, Instructor in Music, at a salary of \$5200 for the nine-months period, beginning September 1, 1961.
8. Mrs. Phyllis Herrold, Instructor in Women's Physical Education, at a salary of \$5200 for the nine-months period, beginning September 1, 1961.
9. Dr. Kiffin Rockwell, Associate Professor in English, at salary of \$7500 for the nine-months period, beginning September 1, 1961.
10. Mr. Thomas F. Rogers, Instructor in French, at a salary of \$5400 for the nine-months period, beginning September 1, 1961.
11. Mr. Sherill Wilkes, Assistant Professor in English, at an annual salary of \$7,000, beginning September 1, 1961.
12. Mr. James Earl Davis, Instructor in Drama and Speech, at a salary of \$5200 for the nine-months period, beginning September 1, 1961.
13. Mr. William Higgins, Assistant Professor in English, at an annual salary of \$7200, beginning September 1, 1961.
14. Mr. James Spears, Instructor in English, at a salary of \$5200 for the nine-months period, Beginning September 1, 1961.
15. Dr. Perry E. LeRoy, Assistant Professor in History, at an annual salary of \$7600, beginning September 1, 1961.

Minutes of September 7, 1961 continued
 President's Report -

New Faculty and Staff continued -

16. Mr. William Randall Falls, Instructor in Science, at a salary of \$5800 for the nine-months period, beginning September 1, 1961.
17. Mr. James Chaplain, Instructor in Science, at a salary of \$5200 for the nine-months period, beginning September 1, 1961.
18. Dr. G. Rex Henrickson, Associate Professor of Economics, at an annual salary of \$8300, beginning September 1, 1961.
19. Mr. Don Martin, Assistant Professor in Geography, returning from leave of absence on September 1, at an annual salary of \$7500.
20. Dr. Harry Ward, Assistant Professor in History, at an annual salary of \$7500 beginning September 1, 1961.
21. Mr. George Luckey, Instructor in Philosophy, and Director of East Men's Hall, at a salary of \$5400 for the nine-months period, beginning September 1, 1961.
22. Miss Donna Templeman, Secretary in the Registrar's Office, at an annual salary of \$1800.
23. Miss Deanna Ward Miles, Secretary in the Library, at an annual salary of \$1800.
24. Miss Barbara Daniel, Secretary in the Library, at an annual salary of \$1800.
25. Mrs. Sarah C. Kerr, Secretary in the office of the Deans of Students, at an annual salary of \$1800.
26. Mrs. Geneva Meade, Director of Fields Hall, at an annual salary of \$3600.
27. Miss Betty Green, Secretary in the Division of Health and Physical Education, at an annual salary of \$1800.

2. Enrollment:

SUMMARY OF ENROLLMENT BY COUNTIES AND STATES
 Summer 1961, Workshops and Post Session

Enrollment

550000

Anderson	2	Nelson	1		
Ballard	1	Nicholas	6		
Bath	39	Owsley	1	<u>Foreign</u>	
Bell	2	Perry	32	Columbia	1
Boone	3	Pike	68	India	2
Bourbon	3	Powell	1	<u>Total Foreign</u>	3
Boyd	94	Pulaski	2		
Bracken	9	Robertson	3		
Breathitt	27	Rowan	146		
Breckinridge	1	Scott	3	<u>TOTALS</u>	
Campbell	5	Shelby	1		
Carroll	3	Todd	1	Kentucky	1820
Carter	167	Whitley	3	Out-of-State	224
Casey	4	Wolfe	16	Foreign	3
Clark	2	Woodford	1		
Clinton	1	<u>Total Kentucky</u>	1820	<u>GRAND TOTAL</u>	<u>2047</u>
Cumberland	1				
Elliott	69				
Estill	4	<u>Out-of-State</u>			
Fayette	11				
Fleming	54				
Floyd	193	Arkansas	1		
Franklin	1	California	1		
Garrard	1	Florida	3		
Graves	1	Georgia	4		
Green	1	Illinois	5		
Greenup	119	Indiana	9		
Harlan	1	Maryland	4		
Harrison	3	Massachusetts	1		
Henderson	1	Michigan	8		
Jefferson	25	Missouri	1		
Johnson	95	New Jersey	1		
Kenton	2	New York	5		
Knott	54	N. Carolina	2		
Knox	1	Ohio	131		
Lawrence	54	Oklahoma	1		
Lee	3	Pennsylvania	17		
Leslie	2	Tennessee	6		
Letcher	57	Virginia	5		
Lewis	97	West Virginia	19		
Lincoln	1	<u>Total Out-of-State</u>	224		
Madison	1				
Magoffin	33				
Martin	59				
Mason	37				
McCracken	1				
Menifee	35				
Montgomery	42				
Morgan	113				

Minutes of September 7, 1961 continued -
President's Report -

3. Policies Relating to Admissions and Transfers:

At a meeting of the Administrative Council of Morehead State College on July 24, 1961, the following policies were approved and are submitted to the Board for action:

Policies Relating to Admissions and Transfers
Morehead State College

1. The registrar of Morehead State College shall be designated as Director of Admissions.
2. The Administrative Council shall name a 7-member committee on admissions including not less than 3 faculty members and the Director of Admissions shall be designated as chairman. The Committee shall have authority to review special cases referred to it by the Director of Admissions.
3. Students shall be admitted without regard to race, color, creed or sex.
4. Students who are residents of Kentucky to be eligible for admission to Morehead State College must be bona fide graduates of an accredited high school, provided, however, a student who has earned 15 units of high school credits from an accredited high school may be admitted on the basis of satisfactorily passing an entrance examination, and, provided, further a student over 21 years of age may be admitted under special consideration.
5. A non-resident student, who is a graduate of an accredited high school must be in the upper 2/3 of the graduating class, provided, however on the recommendation of a responsible school official the Admissions Committee may admit a student from the lower 1/3 of the graduating class who shows educational promise and social maturity on the basis of an interview with a member or members of the Committee and the student and parent or parents.
6. A student who is ineligible to return to the college from which he transfers may be admitted on probation as a transfer provided his academic standing on the work done in another college is equal to or above the academic standing required of a student to remain at Morehead State College.
7. A student may be admitted as a transfer student who is ineligible to return to the college from which he transfers provided the student who has been dropped because of low academic standing is recommended for admission to Morehead State College by the Dean of the College from which he transfers and by the Committee on Admissions, on the basis of an interview with the student and his parent or parents.

Minutes of September 7, 1961 continued -
President's Report

4. Students who were on academic probation and not permitted to return at the beginning of the 1961-fall term:

<u>Classification</u>	<u>Number of Students</u>	<u>Percent</u>
Freshmen	86	10.6%
Sophomores	23	4.8%
Juniors	11	2.5%
Seniors	1	.1%
Totals	<u>121</u>	<u>18.0%</u>

5. Students who will be on Probation at the beginning of the 1961 Fall Term:

<u>Classification</u>	<u>Men</u>	<u>Women</u>	<u>Total</u>
Freshmen	27	9	36
Sophomores	74	31	105
Juniors	21	15	36
Seniors	16	5	21
Totals	<u>138</u>	<u>60</u>	<u>198</u>

6. Students admitted as transfers on the basis of personal interviews:

<u>Student</u>	<u>Subject</u>	<u>Grade</u>
<u>Teddy Allen</u>	Clothing	C
	Household Equipment	C
	Home Management	Audit
	Child Development	D
	Foods	B-
<u>Standing: 2.</u>		
<u>Dickie Baynham</u>	Economics	D
	Algebra	C
	Psychology	C
	Physical Science	B
	Fine Arts	B
	Tennis	D
<u>Standing: 2.172</u>		
<u>Harvey Brazin</u>	History	B
	Philosophy	C
	Logic	A
	English	B-
	Psychology	B-
<u>Standing: 3.</u>		

Minutes of September 7, 1961 continued -
President's Report

<u>Robert Gregg</u>	Biology	C
	Geography	D
	Arithmetic	C
	Hygiene	C
<u>Standing: 1.785</u>	English	C
<u>William Haas</u>	English	C-
	Accounting	C
	Typing	C
	Hygiene	C
	Geography	B
<u>Standing: 2.176</u>	Economics	C
<u>Phil Newman</u>	Fine Arts	D
	History	D
	Science	B
	English	C-
<u>Standing: 1.8</u>	Psychology	C
<u>Joe Patterson</u>	Comm. Rec.	B
	Music	A
	Hygiene	B
	Physical Ed.	C
	History	C
<u>Standing: 2.533</u>	English	C
Ronnie Sallee	Hygiene	C
	Business	B
	English	C
	Psychology	B
	Swimming	B
<u>Standing: 2.565</u>		
<u>Charles Allan Gordon</u>	Physical Education	A
	History	D
	Music	A
	Modern Dance	A
	Comm. Rec.	B
	Embryology	B
	Botany	B
<u>Standing: 2.909</u>		
<u>James B. Osborne</u>	Physical Education	B
	Business	C
<u>Standing: 2.250</u>	English	C

Minutes of September 7, 1961 continued -
President's Report

John E. Salyer	Business Arithmetic	B
	English	B
	Literature	C

Standing: 2.666

<u>Charles Woolery</u>	English	E
	Business	E
	Arithmetic	D-
	Music	C
	Voice and Diction	B
	Swimming	B

Standing: 1.206

7. Report on Scholarship Program:

- a. Academic Scholarships are granted to entering Freshmen who have attained a standing of at least a "B" average in high school, who show financial need and are recommended by the high school. These students are granted fifty dollars (\$50) for each semester of their Freshman year:

<u>Name</u>	<u>High School</u>
1. Ackley, Loretta Joy	Tollesboro
2. Back, Patricia F.	Ashland Senior High
3. Bailey, Judy Carol	Sharpsburg
4. Bailey, Sharon Lynn	Owingsville
5. Bradley, Marvin Lyle	Deming
6. Brown, Sharon Gay	Inez
7. Callihan, Martha Deane	Greenup Independent
8. Caudel, Carol Jean	Menifee County
9. Clark, Kenneth Dean	Owingsville
10. Conley, Sharon Kaye	Meade Memorial
11. Collins, Delmer	Jackson
12. Cornett, Cuela	Bardstown
13. Craft, Betty Jean	Menifee County
14. Crouch, Sharon M.	Catlettsburg
15. Curnutte, Karen Kay	Catlettsburg
16. Davis, Dianna	Erlanger
17. Demaree, John Christopher	Frankfort
18. DeMoss, Patricia	Scott County
19. Donahue, Wanda	Camargo
20. Everman, Marilyn	Prichard
21. Gambill, Sara	Blaine
22. Garrett, Barbara Ann	Owingsville
23. Gillum, David	Sandy Hook
24. Goldy, Nancy Mertie	Sharpsburg
25. Gordon, Joyce Lee	Grant County
26. Hampton, Lois Ilene	Virgie
27. Irvin, Sue	Nicholas County
28. Ison, Eunice Lee	Dorton High and Breckinridge

Minutes of September 7, 1961 continued
 President's Report
 Freshman Academic Scholarships -

29. Jacobs, Ann Elizabeth	Mason County
30. Jett, Suzanne	Deming
31. Johnson, John H.	St. Patrick's
32. Kennan, James W.	Mason County
33. Kiser, Shannon	Carter
34. Lebus, June Wilson	Harrison County
35. Lee, Bessie Mae	Fleming County
36. Leffler, Clayta Rae	Boyd County
37. Martin, Betty	Raceland
38. Maze, Phyllis	Owingsville Consolidated
39. McClanahan, Colleen	Bracken County
40. McCormack, Maureen	Boyd County
41. McLin, Roberta	Frenchburg
42. McManus, Charlotta	Rowan County High
43. Mullins, Deanna Dean	Hitchens
44. Murray, Jimmy	Rowan County High
45. Owsley, Aloma Sue	Mullins High
46. Penick, David	Dayton
47. Petty, Victor Norris	Owensboro
48. Phelps, Betty Jo	Jenkins
49. Preston, John Thomas	Meade Memorial
50. Prince, Wanda Sue	Meade Memorial
51. Reed, Judith Carolyn	Flat Gap
52. Root, Donna Kay	Maysville
53. Ryle, Albert Lee	Boone County
54. Shackelford, Judith E.	Hall High
55. Smith, Sandra Gale	Inez
56. Stanford, Jackie Paul	Wayland
57. Tanner, Linda Lou	Boone County
58. Tillett, Blair	Maysville
59. Tipton, Whitney Hord	Camargo
60. Tolliver, Henrietta	Fleming-Neon
61. Vincent, Larry	Hitchens
62. Williams, Carolyn	Dayton
63. Williams, Michael L.	Paintsville
64. Yates, Susan Barbara	Bardstown

- b. Athletic Scholarships are given under the rules and regulations of the Ohio Valley Conference and the National Collegiate Athletic Association:

Minutes of September 7, 1961 continued
 President's Report

(1) Football Scholarships

<u>Classification</u>	<u>Name</u>	<u>Address</u>
<u>Freshmen</u>	Brewer, Jerry	Hazard
	Brown, Dennis	Huntsville, Tennessee
	Campbell, Russell	Hamilton, Ohio
	Combs, Douglas	Jeff
	Compton, Earl	Wellston, Ohio
	Garrett, Ron	Uhricksville, Ohio
	Hastings, Art	Massillon, Ohio
	Haynes, Gerald	Sparta, Tennessee
	Hornbeck, Bill	Louisville
	Johnson, Tally	Clarkston, Georgia
	Jones, Richard	Cumberland
	Maynard, Larry	Greenfield, Ohio
	Moore, Jerry	Cedartown, Georgia
	Morgan, Tom	Dayton, Ohio
	Noble, Sam	Arab, Alabama
	Owensby, Eddie	Dayton, Tennessee
	Pare, Richard	New Britain, Connecticut
	Rainey, Hugh	Decatur, Georgia
	Smith, Jack	Decatur, Georgia
	Snider, Gary	Phillippi, West Virginia
Westerfield, Allen	Owensboro	
<u>Sophomores</u>	Callihan, Tom	Cincinnati, Ohio
	Conway, Leon	Louisville
	Davidson, Scott	Raceland
	Dombroskas, Don	New Britain, Connecticut
	Fletcher, Richard	Greenup
	Guinn, Ronnie	Knoxville, Tennessee
	Herrin, But	Jesup, Georgia
	Hudson, James	Louisville
	Knepshield, Jan	Middletown, Ohio
	Lucas, Roy	Middletown, Ohio
	McCoy, Richard	Parkersburg, West Virginia
	Meehan, Georgia	St. Petersburg, Florida
	Murphy, Howard	Springfield, Ohio
	Ogden, Bud	Hooven, Ohio
	Thacker, James	Newport, Ohio
	Wessel, Leo	Louisville

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 President's Report
 Athletic Scholarships -

Juniors

Black, Hugh	Mt. Sterling
Brown, Mike	Logan, Ohio
DeCourley, Ernest	Savannah, Tennessee
Donat, John	Massillon, Ohio
Hartzog, Seymour	Bogalusa, Louisiana
Keenan, James	Louisville
Kitchens, Ames	Hattiesburg, Mississippi
Mitchell, Bill	Rockwood, Tennessee
Phillips, Oscar	Martin, Tennessee
West, Paul	Haleyville, Alabama

Seniors

Gast, Warren	Louisville
Hastings, Jim	Jenkins
Hill, Fred	Tifton, Georgia
Swain, Pete	Bushnell, Florida

(2) Basketball ScholarshipsFreshmen

Sergent, Harold	Ashland
Doyle, Dennis	Cave City
DuBois, Victor	Blanchester, Ohio
Kimble, Paul	West Union, Ohio
Madden, Harold	Jackson
Owen, Harris	Carrollton

Sophomores

Ware, Roy	Camargo
Clair, Cecil	Jackson
Hoover, Bob	Ashville, Ohio

Juniors

Pokley, Norman	Utica, Michigan
Gibson, John	Prestonsburg
Thompson, William	Stockdale, Ohio
Greene, Bert	Olive Hill
Martin, Don	Martin
Ellis, Tom	Amelia, Ohio
Baker, Jack	Hollansburg, Ohio
Rice, Bob	Sandy Hook

Seniors

Williams, Granville	Dwarf
Noe, Ed	Mt. Clemens, Michigan

Minutes of September 7, 1961 continued -

President's Report

Athletic Scholarships -

(3) Scholarships offered to Kentucky students in athletics who did not come to Morehead:

<u>Name</u>	<u>Sport</u>	<u>Address</u>	<u>College enrolled</u>
Grant	Football	Corbin	U. of Kentucky
Bright	"	Louisville	"
Sunborg	"	"	"
Snyder	"	"	"
Minnix	"	Paintsville	"
Turpin	"	Hazard	"
Baird	"	Pikeville	Duke
Carr	"	Ashland	Eastern
Steinouser	"	Ft. Thomas	U. of Cincinnati
Twin Burt Brothers	"	"	Western
Carter	"	Louisville	U. of Kentucky
Combs	"	Somerset	"
Belcher	Basketball	Wheelwright	Marshall
Newsom	"	"	Marshall
Smith	"	Ashland	U. of Cincinnati
Huggenburg	"	Covington	V. P. I.
Winfrey	"	Louisville	?

c. Scholarships in Music are granted covering fees and room to a limited number of students who major in music and play in the band or sing in the chorus:

<u>Classification</u>	<u>Name</u>	<u>Address</u>
<u>Freshmen</u>	William Chester Gilbert	Maysville, Kentucky
	Janice Sue Fraysur	"
	Marvela June Haggard	Independence
	John Hirschfeldt	Maysville
	Sammie Holtzclaw	Jenkins
	Donna McClain	Ft. Thomas
	Alfreda McGuire	Ashland
	Vonnie Lou Nilson	McKeesport, Pennsylvania
	Nancy Patrick	Morehead
	Nancy Skaggs	Ashland
	Douglas Smith	Allen
	Sandy Smith	Milford, Ohio
	Thomas Wainscott	Independence
	Paul Trammel	Marlow, Oklahoma

Minutes of September 7, 1961 continued -
 President's Report
 Music Scholarships -

Sophomores

Joan Carol Bailey	Louisa
James Copenhaver	Wythesville, Virginia
Rodney S. Hall	"
Janice Evelyn Houck	Huntington, W. Virginia
Sandy Howell	Haleyville, Alabama
Martha Jeanne Lewis	Grayson,
Allen Moon	Ashland
Alvin Moon	Ashland
Rebecca Repass	Pulaski, Virginia
Linda Stocker	Covington, Ohio

Juniors

Vera Boncarosky	Donora, Pennsylvania
David Koskoski	"
Donna Lohmeier	Ludlow
Roger Reece	Lardwill, Indiana
Linda Swearinger	West Union, Ohio

Seniors

Mary Anderson	Cynthiana
Joe Dallas	Rankin, Pennsylvania
Donna Hughes	Ashland
Joah Moore	Morehead
Joe Scherer	Pittsburgh, Pennsylvania

3. Nursing Scholarships in the amount of \$200 per semester are given to five (5) entering nursing students from funds provided by the E. O. Robinson Mountain Fund. The five (5) recipients will be selected after registration.

8. National Defense Student Loan Program:

- a. Summary of Funds appropriated and allocated:

<u>Year</u>	<u>Federal Contribution</u>	<u>College Contribution</u>	<u>Total</u>
1958-59	\$30,430.00	\$3,381.11	\$33,811.11
1959-50	\$57,186.00	\$6,354.02	\$63,540.02
1960-61	\$67,500.00	\$7,501.00	\$75,001.00
		Total Amount Received	\$172,352.13
1961-62	\$71,400.00	\$7,935.00	\$79,335.00
Due to Fund-			
1961-62-	\$35,700.00	\$3,965.00	\$39,665.00

Minutes of September 7, 1961 continued -
 President's Report
 National Defense Student Loan Program -

Amount loaned at close of 1961 summer term	\$170,790.00
Balance available for 1961 fall term	<u>1,562.13</u>
Anticipated Federal and State funds	\$119,000.00
	<u>\$120,562.13</u>
Amount loaned for 1971 fall term	60,375.00
Reserved for spring and summer, 1962	<u>\$ 60,187.13</u>

b. Students who will receive loans under the National Defense
 Act of 1958 for 1961 Fall Semester:

LOAN RENEWALS
 Fall - 1961

Name	Address	Amount of Loan	Classification
1. Adams, Bobby	Wingo	\$350	Senior
2. Adams, John	Augusta	\$300	"
3. Adkins, Charlene	Branch Hill, Ohio	\$300	Junior
4. Allen, Mildred R.	McDowell	\$300	"
5. Anglin, Barbara E.	Frankfort	\$350	Senior
6. Arnett, Patrick	Morehead	\$400	"
7. Bailey, Alicia F.	Georgetown	\$250	Sophomore
8. Bailey, Billy N.	New York	\$300	Junior
9. Baldridge, Carl J.	Cold Spring	\$350	Sophomore
10. Baldwin Ottielenna	Cromona	\$300	Senior
11. Ball, Ronald K.	Ashland	\$400	"
12. Barrett, Robt. C.	Hamilton	\$300	"
13. Berry, Rebecca L.	Mt. Olivet	\$300	Sophomore
14. Birch, Mary Helen	Hebron	\$250	Senior
15. Blackburn, Emma Lou-	Heenon	\$300	Sophomore
16. Bradley, Edgal	Estill	\$250	"
17. Brewer, Delphalene-	Inez	\$300	Junior
18. Bromley, Geraldine-	New Baltimore, Mich.	\$300	Senior
19. Brooks, Keith A.	Charlestown, Ind.	\$300	Junior
20. Browning, Alfred G.	Huntington, W. Va.	\$200	"
21. Browning, Ann	Mt. Olivet	\$200	Sophomore
22. Burton, Dennie, Jr.	Bonnyman	\$300	Senior
23. Calhoun, Clara Belle-	Leburn	\$300	Sophomore
24. Calhoun, Max B-	Leburn	\$350	Grad.
25. Caliguirri, Clyde J.	Clairton, Pa.	\$350	Senior
26. Catron, Freda	Stanton	\$250	Junior
27. Clements, Lewis M.-	Elpaso, Texas	\$250	Senior
28. Cowen, Louis W.	McKees Rock, Penn.	\$300	"
29. Crawford, Laura L.-	Clementsville	\$300	"

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Minutes of September 7, 1961 continued -
 President's Report
 National Defense Student Loan Program -

30. Daniels, Robert A.	Van Lear	\$400	Junior
31. Des Jardins, Raymond	-Salyersville	\$250	Sophomore
32. Dotson, Charles O-	West Prestonsburg	\$300	Junior
33. Ellis, Norma Jean	New Richmond, Ohio	\$300	"
34. Farley, Rose T.	Delbarton, W. Va.	\$400	Sophomore
35. Faulkner, Mary A.	Drift	\$300	Freshman
36. Fitzpatrick, Larry	Inez	\$300	Sophomore
37. Gayhart, Anna Jean	Evanston	\$300	Junior
38. Georges, Carol Ann	Clarksville, Ohio	\$300	"
39. Gevedon, Janice	W. Liberty	\$300	Sophomore
40. Goldy, Mary Sue	Salt Lick	\$300	"
41. Gross, Jimmie R.	Harlan	\$300	"
42. Hamilton, Kenneth	Virgie	\$300	Junior
43. Hatfield, Niokia S.	McAndrews	\$300	Sophomore
44. Hawkins, Anna C.	Hillsboro, O.	\$300	"
45. Hayes, Gary P.	Hazard	\$300	Junior
46. Hayes, Matt D.	Ashland	\$300	Senior
47. Hazelwood, Geo. W.	Lebanon, O.	\$350	"
48. Henke, Judith Lee	Maysville	\$300	Sophomore
49. Hicks, Calia H.	Morehead	\$400	Grad.
50. Hoffman, Kirty	Wayland	\$300	Senior
51. Holmes, Va. Ann	Walkerton, Ind.	\$300	Sophomore
52. Honaker, Peggy Ann	Owingsville	\$300	"
53. Howard, Marjorie	W. Liberty	\$300	Junior
54. Howard, Morine	Madison, Ind.	\$300	"
55. Howard, Sarah Lou	Salyersville	\$300	Senior
56. Jester, John J.	Elizabeth, Pa.	\$350	"
57. Johnson, Martha J.	Load	\$300	Freshman
58. Jones, Judy D.	Pikeville	\$300	Sophomore
59. Kabisch, Maurice T.	Jackson	\$350	Graduate
60. Keeton, W. James	Grayson	\$300	Sophomore
61. Keeton, Oma Frances	-Crockett	\$300	Freshman
62. Kelly Forrest W.	Greensburg	\$300	Grad.
63. Knight, James A.	College P. O.	\$400	Sophomore
64. Laver, Judith M.	Clairton, Pa.	\$300	"
65. Lewis, Georgia Mae	Stanville	\$300	Senior
66. Long, Janice Faye	Paris	\$300	Junior
67. Maggard, Garnetta L.	-Homersville, O.	\$250	Senior
68. May, Patricia Edna	Ashland	\$300	Sophomore
69. Mayhew, Harry	Paintsville	\$300	Senior
70. McClanahan, Sharon L.	-Worthington	\$300	Junior
71. McClellan, Raymond E.	-Lexington	\$300	Sophomore
72. McIntosh, Myra	Ravenna	\$300	"
73. McIntyre, Georgia Ann	-Eliyville	\$350	Senior
74. Miller, Sandra	Ashland	\$300	"
75. Montgomery, Mavis	Jeffersonville	\$300	Sophomore
76. Newman, Charles J.	Frankfort, Ohio	\$350	Senior
77. North, Bette L.	Tutor	\$350	Junior

Minutes of September 7, 1961
 President's Report
 National Defense Student Loan Program -

78. Pearce, Walter U.	Louisville	\$350	Sophomore	
79. Potter, Ira B.	Shelby Gap	\$300	"	
80. Rader, Jack L.	Cleveland, Ohio	\$300	Junior	
81. Audrey Ray	Flemingsburg	\$200	"	
82. Rice, Janice D.	Raceland	\$300	Senior	
83. Richardson, Chas. R.	Danville	\$300	"	
84. Riffe, Donald C.	Inez	\$300	Sophomore	
85. Roberts, Jim A.	Park Hills	\$300	Junior	
86. Robinson, Richard L.	Waynesville, Ohio	\$300	Senior	
87. Robinson, Thomas S.	" "	\$300	"	
88. Rose, Doris Linda	Ashland	\$300	Sophomore	
89. Rosenzweig, Lawrence E.	-Blanchester, O.	\$350	"	
90. Rowland, Kent	Xenia, Ohio	\$350	Senior	
91. Rucker, Ronald	Flemingsburg	\$150	Junior	
92. Secrist, Shirley Ann	Ripley, Ohio	\$300	Sophomore	
93. Shaffer, Stuart R.	Louisville	\$300	"	
94. Shook, Rosemary				
	Brown	Burdine	\$200	Junior
95. Smiley, James	Prestonsburg	\$300	Senior	
96. Sowards, Iris Lavonne	-Springfield, Ohio	\$350	Junior	
97. Staten, Gorgon Lee, Jr.	- Ashland	\$200	Sophomore	
98. Svec, William J.	Morehead,	\$350	Grad.	
99. Tackett, Janet Sue	Olive Hill	\$200	Senior	
100. Tackett, Linda Lee	-Virgie	\$350	"	
101. Tucker, Polly	Middlesboro	\$250	Sophomore	
102. Walje, Gloria Jean	Vanceburg	\$200	"	
103. Wallin, Bertie Ann	Hillsboro	\$300	Junior	
104. Walters, Bonetta Sue	-Salyersville	\$300	Sophomore	
105. Watson, Carolyn	Morehead	\$200	Senior	
106. Weaver, Ruth	Plummers Landing	\$ 50	Freshman	
107. Whitaker, Sue Ann	Hueysville	\$300	Junior	
108. Wheeler, Kay F.	Raceland	\$300	"	
109. Weber, Harry V.	Louisville	\$150	Grad.	
110. White, John E.	Beauty	\$300	Junior	
111. Whitt, Barbara	Eaton, Ohio	\$300	"	
112. Martha J. Whitt	Morehead	\$350	"	
113. Wicker, Jackie R.	Lackey	\$300	Sophomore	
	Total	<u>\$34,000</u>		

NEW LOANS Fall 1961

1. Alexander, Dona Kaye	-South Shore	\$300	Freshman
2. Amburgey, Betty S.	Mt. Olivet	\$300	Junior
3. Applegate, Carolyn	Maysville	\$200	"

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Minutes of September 7, 1961 continued -
President's Report
National Defense Student Loan Program -

4.	Armstrong, Roberta	Bainbridge, Ohio	\$300	Freshman
5.	Armstrong, Sandra	Qjincy	\$300	"
6.	Arrasmith, Gary	Maysville	\$300	"
7.	Brown, Sharon Gay	Milo	\$300	"
8.	Browning, Alma	Flemingsburg	\$300	"
9.	Carpenter, Robert Lane-	"	\$300	Sophomore
10.	Cassity, Patricia Sue	New Madison, Ohio	\$300	Freshman
11.	Caudill, Ora Sue	Jeremiah	\$300	"
12.	Cox, Shelba Jean	Inez	\$300	Junior
13.	Craft, Betty Jean	Frenchburg	\$200	Freshman
14.	Davis, Kathryn M.	Middlesboro	\$300	"
15.	Davis, Lloyd Ray	Biggs	\$300	"
16.	Day, Wanda Joy	Haldeman	\$150	Junior
17.	Deboard, Margaret	Smile	\$250	"
18.	Dickison, Larry R.	Grahn	\$300	Freshman
19.	Drake, Martha Ann	Bloomfield	\$300	"
20.	Draughn, Barbara	Hindman	\$300	"
21.	Dudley, Ruby Gay	Langley	\$300	"
22.	Easterling, Clarence J. -	Grayson	\$300	"
23.	Ellis, Judith Ann	New Richmond, O-	\$300	"
24.	Feagan, David	Brooksville	\$300	"
25.	Feedback, Mary Glenn	Carlisle	\$175	Sophomore
26.	Fraley, Donna Lee	Ashland	\$300	Freshman
27.	Francis, Della L.	Florence	\$300	"
28.	Georges, Catherine E.	Clarksville, O.	\$300	"
29.	Gilbert, Jeanne	Greensville, O.	\$300	"
30.	Gillum, David Eugene-	Burke	\$250	"
31.	Graham, Jerry	Bardstown	\$350	Freshman
32.	Griffith, Mary Pebble-	Feds Creek	\$300	"
33.	Haight, John O'Leary-	Grayson	\$300	"
34.	Haney, Barbara	Stacy Fork	\$300	Sophomore
35.	Harris, Janice M.	Olive Hill	\$200	Junior
36.	Harris, Joyce	Mayfield	\$300	Freshman
37.	Hart, Duane	Corbin	\$300	Sophomore
38.	Hoffman, Donald Gene-	Ashland	\$350	"
39.	Hoggatt, Barbara J.	Russburg, Ohio	\$300	"
40.	Hoskins, Burley	Stinnett	\$250	Freshman
41.	Hoskins, Jawandean	"	\$250	"
42.	Ison, Eunice Lea	Dorton	\$300	"
43.	Johnson, James R.	Blanchester, Ohio	\$300	Freshman
44.	Karrick, Joe	Salt Lick	\$300	Sophomore
45.	Kennan, Wendell	Maysville	\$300	Freshman
46.	Lacy, Carolyn Jo	Stacy Fork	\$300	Freshman

Minutes of September 7, 1961 continued
 President's Report
 National Defense Student Loan Program

47. Landow, Jack	Stamford, Connecticut	\$300	Sophomore
48. Lane, Ann	Delta, Ohio	\$300	Sophomore
49. Lathram, Betty	Flemingsburg	\$250	Sophomore
50. Lebus, June W.	Hinton	\$300	Freshman
51. Lewis, Jackie	Hillsboro, Ohio	\$300	"
52. Lovelace, Josh, Jr.	Paducah	\$300	Junior
53. Marshall, Austin	Ewington	\$300	Freshman
54. Marshall, Betty Y.	Flatwoods	\$300	"
55. Martin, Luther, Jr.	Democrat	\$300	"
56. May, Shirley Lynn	Mt. Sterling	\$300	Sophomore
57. May, William L.	Prestonsburg	\$300	Freshman
58. McClain, Donna Jean	Ft. Thomas	\$300	"
59. McClanahan, Colleen	Brooksville	\$300	"
60. McClanahan, Joseph	Worthington	\$300	"
61. McNamara, Harold J.	Newark, New Jersey	\$300	Junior
62. Melton, Charles	Washington Court. House, Ohio	\$350	"
63. Moore, Juanita	Garrett	\$300	"
64. Mullins, Deanna	John's Run	\$300	Freshman
65. Mullins, Mildred A.	Martin	\$300	Junior
66. Mullins, Stephen D.	Jackson	\$200	Freshman
67. Naugle, Nadine	Maysville	\$300	Junior
68. Newman, Michael R.	Frankfort, Ohio	\$300	Freshman
69. O'Daniel, Glenna Ruth	Louisa	\$300	"
70. Perry, Janice Lea	Yocum	\$300	Junior
71. Poe, Leola	Mt. Olivet	\$300	Freshman
72. Price, Judith A.	Wayland	\$200	Junior
73. Ratliff, Charles	South Shore	\$300	"
74. Reed, Judith C.	Flat Gap	\$300	Freshman
75. Roades, Gerald D.	Mt. Orab	\$300	Sophomore
76. Robinette, Rex R.	Betsey Layne	\$300	Freshman
77. Billy B. Ross	Hazard	\$300	Sophomore
78. Rutherford, Cecil L.	Evarts	\$300	Freshman
79. Shackelford, Judith	Crummies	\$300	"
80. Slone, Jo Ann	Pinson Fork	\$300	"
81. Snelling, Brenda J.	Lexington	\$300	Junior
82. Stanford, Jack	Wayland	\$300	Freshman
83. Stephens, Gayle	Isonville	\$300	Sophomore
84. Stephens, Judy	Independence	\$250	Freshman
85. Tackett, Loretta	South Gate, Mich.	\$300	"
86. Tanner, Linda Lou	Florence	\$300	"
87. Vaughn, Elaine	Leander	\$300	"
88. Ward, Russell J.	Boons Camp	\$300	"
89. Whitt, Bonnie ruth	Wrigley	\$300	"
90. Williamson, Kay F.	Whittensville	\$300	"
91. Young, Dorothy	Beauty	\$300	Sophomore
Total		\$26,375	

Minutes of September 7, 1961 continued -
President's Report

9. Capital Construction Budget and Projects for the 1961-62 Fiscal Year:

a. <u>Available Funds</u>	
Bond Proceeds	\$1,400,000
State Appropriation	721,550
Total	<u>\$2,121,550</u>
b. <u>Projects Approved:</u>	
Expansion of Utilities	\$221,550
Industrial Arts-Home Economics Building	\$1,050,000
Addition to Baird Music Building	350,000
Administration Building	300,000
Science Laboratories	100,000
Total	<u>\$2,121,500</u>

10. Capital Construction Projects approved by the Board to be financed
from \$63,823.88 of the accumulated surplus:

a. <u>Library</u>	
Lighting	\$3,622.60
Glass Doors	1,415.00
Air Conditioning	<u>4,044.00</u>
b. Football Bleachers	3,420.00
c. Paving Parking Lots	9,874.15
d. Faculty Duplex	15,096.30
Total	<u>\$37,472.05</u>

11. Capital Construction Projects Progress Report:

- a. New Classroom Building expects to be ready for occupancy on February 1, 1962.
- b. East Men's Hall Annex expects to be ready for occupancy by October 1, 1961.
- c. New Girls' Dormitory will be advertised for bids and construction will begin this fall.
- d. New Men's Dormitory will be advertised for bids and construction will begin this fall.

Minutes of September 7, 1961 continued -
 President's Report
 Capital Construction Projects Progress Report -

- e. Married Student Housing - Preliminary application has been made (CH-Ky-63 (D), and an allocation of \$215,000 has been authorized by the Housing and Home Finance Agency to build 20 additional units.
- f. Architects are working on preliminary plans for expansion of the Baird Music Building and construction of a new Administration Building.
- g. Bids will be opened on September 15, 1961, on a \$22,000 access road leading from College Boulevard to the new dormitory and Riceville.
- h. The low bid on the Industrial Arts-Home Economics Building was \$905,800 by Sullivan and Cozart, and the building will be completed in 330 days.

12. Registrar's Report on Prospective New Students:

a. FRESHMEN

Complete	754
Only A	115
A, C, & Partial Tr.	60
C & Transcript	34
Transcript only	59
A & Transcript	40
A & C only	83
	<hr/> 1145

b. TRANSFERS

Complete	194
Only A	42
Transcript only	87
	<hr/> 323

13. Report of the Deans of Students on Housing:

Student and Faculty Housing
 1961 Fall Semester

Women

Allie Young Hall	68 Rooms	219 beds
Fields Hall	79 rooms	237 beds
Thompson Hall	84 rooms	254 beds
Total	<hr/> 231 rooms	<hr/> 710 beds

Men

North Hall	201 rooms	603 beds
East Hall	98 rooms	351 beds
East Hall Annex	106 rooms	Ready by October 1
Total	<hr/> 405 rooms	<hr/> 954 beds

Minutes of September 7, 1961 continued
President's Report

Lakewood Terrace - 100 Apartments

84 Studio Apartments
73 Studio Apartments with students
11 Studio Apartments with faculty

8 one-bedroom apartments with students
8 two-bedroom apartments with faculty

Village

24 apartments with students

Riceville

20 Prefab Houses

17 Houses with students
3 Houses with staff and faculty

Quonset Huts

4 apartments -
3 apartments with students
1 apartment with staff

Fourth Street Duplex

2 apartments with staff and faculty

Fifth Street Duplexes

8 apartments with faculty

Minutes of September 7, 1961 continued -
 President's Report
 Registrar's Report -

Dates -	1960-61			1960-61		
	5/19/61	9/4/61		1st Sem.	2nd Sem.	
	Tot.	Ky.	OS	Tot.	Ky.	OS
I. Admitted on Prob from						
	89	48	41	57	34	23
College	58	48	10	47	34	13
High School	31		31	10		10
Removed Prob	63	33	30	42	24	18
Withdrew without credit	6	2	4	2		2
Dropped	17	11	6	10	7	3
Continued on Probation	3	2	1	3	3	
Result						
Graduated						
Possibly transferred	2	1	1			
In School Now	58	34	24			
UMW Nurse						
Unknown	22	12	10			
Did not return	7	1	6			
II. Eligible drops						
A. Dropped	42	30	12	147	111	36
Returned later						
Did not return						
Graduated						
Possibly transferred						
In School Now						
Unknown						
B. Allowed 3rd Sem	12	11	1	24	18	6
Returned	6	6				
Did not return	6	5	1			
Graduated						
Possibly transferred						
In School Now						
Unknown	6	6				
Working	6	5	1			

Minutes of September 7, 1961 continued -
 President's Report
 FRESHMEN - Registrar's Office

Complete	754	
Only A	115	
A, C, & Partial Tr.	60	
C & Transcript	34	
Transcript Only	59	
A & Transcript	40	
A & C Only	<u>83</u>	1145

TRANSFERS

Complete	194		
Only A	42		
Transcript only	<u>87</u>	<u>323</u>	<u>1468</u>

Report of Mr. Wicker --

M E M O R A N D U M

To: Faculty of Morehead State College
 From: Monroe Wicker, Director Division of School Services

RE: Placement Services - 1961 Graduates

Number of 1961 June Graduates	215
Teaching First Year - in State	73
Teaching First Year - Out of State	33
Teaching in State - With Experience	35
Teaching Out-of-State - With Experience	2
*Those Taking Jobs other than teaching	33
Those doing Graduate Work	22
Undecided	17

Number of 1961 August Graduates	221
Teaching First Year - In State	36
Teaching First Year - Out-of-State	12
Teaching in State - With Experience	109
Teaching Out-of-State - With Experience	34
*Those Taking Jobs Other than Teaching	13
Those doing Graduate Work	4
Undecided	<u>13</u>
Total Number of Graduates	436

Minutes of September 7, 1961 continued

President's Report

Mr. Wicker's Memorandum

Total Number Teaching First Year - in State	109
Total Number Teaching First Year - Out-of-State	45
Total Number Teaching in State - with experience	144
Total Number Teaching Out-of-State - with Exp.	36
*Those Taking Jobs Other Than Teaching	46
Total doing Graduate Work	26
Total Number Undecided	30

*Includes persons graduating without certificates

On motion of Mr. Gilley, seconded by Mr. Reed and unanimously carried, the staff changes as outlined in the President's Report were approved.

On motion of Mr. Chamberlain, seconded by Mr. Gilley, and unanimously carried, the Board approved the "Admissions and Transfers Policies" as set forth in President'Doran's report.

Board member, B. F. Reed, moved that this meeting of the Board of Regents be adjourned over to convene again in the office of the President of the College on the 18th day of October, 1961, at the hour of 11:00 A. M., EST, for the purpose of receiving, opening, considering, and taking action upon any purchase proposals which may at that time have been received for the Board's \$1,102,000 "Housing System Revenue Bonds of 1961, Series D," and the Board's \$1,400,000 "Consolidated Educational Buildings Revenue Bonds, Series B," as authorized at this meeting; that the Secretary be authorized and directed to cause the authorized "Notice of Sale of Bonds," in each instance, to be published in advance of said date in accordance with KRS Chapter 424; and that said adjournment be also for the purpose of considering and taking action upon any and all proper business which may come before the Board at this time. Said motion was seconded by Board Member Bruce Walters, and after full discussion the Chairman put the question and the same was unanimously adopted.

The Vice-Chairman then declared that the meeting was adjourned to reconvene at the time and place and for the purposes stated in the aforesaid motion.

/s/ W. H. Cartmell, Vice-Chairman
Board of Regents, Morehead State College

(SEAL)

ATTEST:

/s/ Anna B. Carter, Secretary
Board of Regents Morehead State College

Minutes of September 7, 1961 continued -

CERTIFICATION

I, Anna B. Carter, Secretary of the Board of Regents of Morehead State College, Morehead, Kentucky, hereby certify that the foregoing is a true and complete copy of all those portions of the minutes of a statutory quarterly meeting of the said Board of Regents, held on September 7, 1961, as are related to the authorization and issuance of "Housing System Revenue Bonds of 1961" and "Consolidated Educational Buildings Revenue Bonds, Series B," and matters ancillary thereto.

Witness my hand and the seal of said Board, this 7th day of September, 1961.

/s/ Anna B. Carter
Secretary

(SEAL)

*NOTE- The Loan Agreement covering the aforesaid Bond Agreement follows, as received - (not typed by secretary).


Chairman

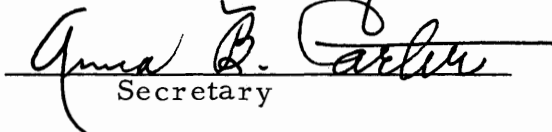

Secretary

EXHIBIT B

Project No. CH-Ky-43 (D)

The following Special Conditions are made a part of the Loan Agreement for the above-numbered project, as specified in Section 6 of the Loan Agreement.

- (a) The Borrower covenants and agrees to issue its Morehead State College Housing System Revenue Bonds of 1961, Series A, B, C and D, in the aggregate principal amount of \$3,652,000, at one time, with the Government exchanging \$1,150,000 principal amount of the outstanding Morehead State College Housing Bonds of 1959, Series A; \$200,000 principal amount of the outstanding Morehead State College Housing Bonds of 1959, Series B; and \$600,000 principal amount of the outstanding Morehead State College Dormitory Revenue Bonds of 1960; for a like principal amount of Series A, B and C Bonds, respectively. Payment of accrued interest on the Bonds to be surrendered and the Series A, B and C Bonds to be delivered in exchange therefor shall be adjusted so that no overlapping interest is paid, and any balance of accrued interest due on the Bonds so surrendered shall be paid to the Government forthwith.
- (b) The Borrower covenants and agrees that as soon as Special Condition (a), above, has been complied with it will establish a Housing System (hereinafter referred to as the "System"), which shall consist of:
- (1) the existing dormitory for men known as North Men's Hall and the existing twelve apartment buildings and laundry service building for married students known as Lakewood Terrace constructed under HHFA Project Ky. 15-CH-28 (D);
 - (2) the existing dormitory for men known as East Men's Hall Annex constructed under HHFA Project Ky. 15-CH-42 (D);
 - (3) the three existing dormitories for women known as Allie Young, Field and Thompson Halls;
 - (4) the existing dormitory for men known as East Men's Hall;
 - (5) the dormitory for women to be constructed under HHFA Project CH-Ky-43 (D); and
 - (6) any other housing facilities or related auxiliary facilities including, inter alia, dining facilities which may be added to the System at future dates: (a) in accordance with the provisions hereinafter provided in Special Conditions (i) and (j) relating to the issuance of additional Bonds; or (b) as additional security for the Bonds.

EXHIBIT B

Project No. CH-Ky-43 (D)

(c) The Borrower covenants and agrees to establish, as soon as the Series D Bonds are delivered and the Series A, B and C Bonds have been exchanged, pursuant to Special Condition (a) above, a special fund, to be known as the "Morehead State College Housing System Revenue Bonds of 1961 Revenue Fund Account", into which shall be deposited:

- (1) All funds in the Revenue Fund Accounts established under Section 4.01 of the Bond Resolution securing the Morehead State College Housing Bonds of 1959, Series A and B, and Section 4.01 of the Bond Resolution securing the Morehead State College Dormitory Revenue Bonds of 1960, and
- (2) All subsequent rentals, charges, income and revenue arising from the operation and ownership of the Housing System.

Such Housing System Revenue Fund Account shall be held in the custody of the Treasurer of the Borrower, separate and apart from all other funds, and shall be maintained, so long as any of the Bonds are outstanding, in a bank which is a member of the Federal Deposit Insurance Corporation and shall be expended and used by the Treasurer only in the manner and order specified below.

(d) The Borrower shall establish with the depository to be designated in the Bond Resolution, and maintain so long as any of the Bonds are outstanding, a separate account or accounts (herein collectively called the "Morehead State College Housing System Revenue Bonds of 1961 Bond and Interest Sinking Fund Account"), into which shall be deposited: (1) all accrued interest received from the sale of the Series D Bonds and (2) all funds and/or investments then on deposit in the Bond and Interest Sinking Fund Accounts established under Section 4.02 of the Bond Resolution securing the Morehead State College Housing Bonds of 1959, Series A and B, and Section 4.02 of the Bond Resolution securing the Morehead State College Dormitory Revenue Bonds of 1960. Thereafter, commencing on the April 1 or October 1 next following the date of the delivery of the Series D Bonds and the exchange of the Series A, B and C Bonds, there shall be transferred from the System Revenue Fund Account and deposited, on or before April 1 and October 1 of each year, into said System Bond and Interest Sinking Fund Account the sum of \$111,300 until the funds and/or investments of said System Bond and Interest Sinking Fund Account are sufficient to meet the interest on the outstanding Bonds due on the next interest payment date and one-half of the principal due within the succeeding twelve months plus a Debt Service Reserve in the amount of \$330,000. Thereafter, so long as any of the Bonds are outstanding and payment of principal of and interest on said Bonds is not otherwise provided for, there shall be deposited in like manner as above, semi-annually on or before April 1 and October 1 of each year, such sums as may be necessary

EXHIBIT B

Project No. CH-Ky-43 (D)

(d) Continued -

to meet the interest on the outstanding Bonds due on the next interest payment date and one-half the principal due within the succeeding twelve months and maintain the Debt Service Reserve in the amount of \$338,000.

(e) Current Expenses of the Housing System, after periodic payments into the System Bond and Interest Sinking Fund Account have been made, shall be payable from the System Revenue Fund Account as the same become due and payable. Current Expenses shall include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, the properly allocated share of charges for insurance and all other expenses incident to the operation of the System, but shall exclude depreciation, all general administrative expenses of the Borrower and the payment into the System Repair and Replacement Reserve hereinafter provided for.

(f) The Borrower shall establish with the depository to be designated in the Bond Resolution a separate account or accounts called the "Morehead State College Housing System Revenue Bonds of 1961 Repair and Replacement Reserve Account", into which shall be deposited all funds and/or investments then on deposit in the Building Maintenance and Equipment Reserve Accounts established under Section 4.06 of the Bond Resolution securing the Morehead State College Housing Bonds of 1959, Series A and B, and Section 4.06 of the Bond Resolution securing the Morehead State College Dormitory Revenue Bonds of 1960. After the required reserve is accumulated in the System Bond and Interest Sinking Fund Account as set forth in Special Condition (d), above, there shall be deposited into the System Repair and Replacement Reserve Account out of the proceeds on deposit to the credit of the aforesaid System Revenue Fund Account the sum of at least \$18,000, or such portion thereof as is available, on or before the close of each fiscal year, until the funds and/or investments in said System Repair and Replacement Reserve Account shall aggregate \$180,000 and, thereafter, such sums on or before the close of each fiscal year, not exceeding \$18,000 in any one fiscal year, as may be required to maintain a balance in the amount of \$180,000 in said System Repair and Replacement Reserve Account. Funds on deposit in said System Repair and Replacement Reserve Account may be withdrawn and used for the purpose of paying the cost of any extraordinary maintenance, repairs, renewals, or replacements of, to, or for the buildings and equipment of the System not paid as Current Expenses of operating and maintaining said System. In the event that the funds and/or investments in the System Bond and Interest Sinking Fund Account should be reduced below the Debt Service Reserve of \$338,000, funds on deposit in the System Repair and Replacement Reserve Account shall be transferred to the System Bond and Interest Sinking Fund Account to the extent required to eliminate the deficiency in that Account.

EXHIBIT B

Project No. CH-Ky-43 (D)

(g) After the annual deposit requirements of the System Bond and Interest Sinking Fund Account as set forth in Special Condition (d), above, and the payment of Current Expenses as set forth in Special Condition (e), above, and the annual deposit requirements of the System Repair and Replacement Reserve Account as set forth in Special Condition (f), above, shall have been fully met, any balance remaining on deposit in the System Revenue Fund Account at the close of each fiscal year thereafter may be used as follows:

- (1) to redeem outstanding Bonds on the next interest payment date in inverse numerical order and in amounts of not less than \$5,000 par value at any one time;
- (2) for any expenditures, including the payment of debt service, in improving or restoring any existing housing and dining facilities or providing any such additional facilities; or
- (3) for any other lawful purpose.

(h) If the Borrower at its option undertakes to redeem outstanding Bonds in advance of scheduled maturity, it is agreed and understood (1) that, except for the redemption of Series D Bonds with surplus funds in the Construction Account, calls of Bonds will be applied to each series of Bonds on an equal pro rata basis (reflecting the proportion of the original amount of each series of Bonds outstanding at the time of such call) and (2) calls of Bonds for each series of Bonds will be in accordance with the call provisions of the respective Bond series. However, the Borrower shall have the right to call, subject to the call provisions of the respective Bond series, any or all outstanding Bonds which may be called at par prior to calling any Bonds that are callable at a premium.

(i) The Borrower shall have the right to add new housing facilities and related auxiliary facilities including, inter alia, dining facilities, by the issuance of one or more additional series of Bonds to be secured by a parity lien on and ratably payable from the revenues and any other security pledged to these Bonds, provided in each instance that:

- (1) The facility or facilities to be built from the proceeds of the additional parity Bonds is or are made a part of the System and the revenues derived therefrom are pledged as additional security for the additional parity Bonds and the outstanding Bonds.

EXHIBIT B

Project No. CH-Ky-43 (D)

(i) Continued -

- (2) The Borrower is in full compliance with all covenants and undertakings in connection with all of its Bonds then outstanding and payable from the revenues of the System or any part thereof.
- (3) The annual net revenues, defined as gross revenues less current expenses of the System for the fiscal year next preceding the issuance of additional parity Bonds, are certified by an independent public accountant, employed by the Borrower, to have been equal to at least one and fourth hundredths (1.40) times the average annual requirements for principal and interest on all Bonds then outstanding and payable from the revenues of the System.
- (4) The estimated net revenues of the facility or facilities to be constructed or acquired with the proceeds of such additional Bonds (and any other funds pledged as security), when added to the estimated future net revenues of the then existing System shall equal at least one and fourth hundredths (1.40) times the average annual debt service requirements for principal and interest on all outstanding Bonds payable from the revenues of the System and on the additional Bonds to be issued. The calculation of average annual debt service requirements for principal and interest on the additional Bonds to be issued shall, regardless of whether such Bonds are to be serial or term Bonds, be determined on the basis of the principal of, and interest on, such Bonds being payable in approximately equal installments.

Calculation of future net revenues of the then existing System shall be based on actual net income for the fiscal year next preceding the issuance of additional parity Bonds, as adjusted, if necessary, to reflect the schedule of rates and charges to become effective in the succeeding fiscal year, and after giving recognition to any anticipated changes in current expenses of the System. Calculation of the estimated net revenues of the facility or facilities to be constructed shall be predicated upon an assumed utilization rate of not more than 90 percent. The computation of estimates shall be made by the chief financial officer of the Borrower and approved by its President and its governing body.

EXHIBIT B

Project No. CH-Ky-43 (D)

(j) The Borrower may issue additional Bonds on or before June 30, 1964, notwithstanding the earnings test set forth in Special Condition (i), above, to finance the construction of dormitory facilities to house approximately 200 students and apartment facilities to house approximately 20 married student families, provided:

- (1) The facility or facilities to be constructed from the proceeds of the additional parity Bonds is or are made a part of the System and the revenues derived therefrom are pledged as additional security for the additional parity Bonds and the then outstanding Bonds.
- (2) The Borrower is in full compliance with all covenants and undertakings in connection with all of its Bonds then outstanding, or authorized to be issued, and payable from the revenues of the System or any part thereof.
- (3) The estimated annual net revenues of the facility or facilities to be constructed with the proceeds of such additional Bonds when added to the estimated annual net revenues of the then existing System shall equal at least one and forty hundredths (1.40) times the average annual debt service requirements for principal and interest on the Bonds payable from the revenues of the System and on the additional Bonds authorized or to be issued. The computation of average annual debt service requirements for principal and interest on the additional Bonds to be issued shall, regardless of whether such Bonds are to be serial or term Bonds, be determined on the basis of the principal of, and interest on, such Bonds being payable in approximately equal installments. Computation of future net revenues of the then existing System shall be adjusted, if necessary, to reflect the schedule of rates and charges to become effective in the succeeding fiscal year, and after giving recognition to any anticipated changes in current expenses of the System. Computation of the estimated net revenues of the then existing System and of the facility or facilities to be constructed shall be predicated upon an assumed utilization rate of not more than 90 percent. The computation of estimates shall be made by the chief financial officer of the Borrower and approved by its President and by its governing body.

(k) The Borrower hereby covenants and agrees that in the event additional series of parity Bonds are issued, it shall:

EXHIBIT B

Project No. CH-Ky-43 (D)

(k) Continued -

- (1) Adjust the semi-annual deposits into the System Bond and Interest Sinking Fund Account on the same basis as that prescribed in Special Condition (d), above, establishing such Account to reflect the average annual debt service on the additional Bonds;
 - (2) Adjust the amount of the Debt Service Reserve to a sum equal to not less than twice the maximum annual debt service on the Bonds then outstanding and such additional parity Bonds, the additional debt service to be accumulated semi-annually in the manner hereinbefore provided in Special Condition (d);
 - (3) Adjust the maximum amount to be deposited annually into the System Repair and Replacement Reserve Account on the same basis as that prescribed in Special Condition (f) establishing such Account, taking into account the future replacement cost of the facilities and equipment to be constructed or acquired with the proceeds of such additional Bonds; and
 - (4) Make such additional Bonds payable as to principal on November 1 of each year in which principal falls due and payable as to interest on May 1 and November 1 of each year.
- (1) The Borrower covenants and agrees that, so long as any of the Bonds are outstanding, it will not sell or otherwise dispose of any of the System facilities or any part thereof, and, except as provided for in Special Condition (i) and Special Condition (j), above, it will not create or permit to be created any charge or lien on the revenues thereof ranking equal or prior to the charge or lien of these Bonds. Notwithstanding the foregoing, the Borrower may at any time permanently abandon the use of, or sell at fair market value, any of its System facilities, provided that:
- (1) It is in full compliance with all covenants and undertakings in connection with all of its Bonds then outstanding and payable from the revenues of the System and the Debt Service Reserve for such Bonds has been fully established;
 - (2) It will, in the event of sale, apply the proceeds to either (a) redemption of outstanding Bonds in accordance with the provisions governing repayment of Bonds in advance of maturity, or (b) replacement of the facility so disposed of by another facility the revenues of which shall be incorporated into the System as hereinbefore provided;

EXHIBIT B

Project No. CH-Ky-43 (D)

(1) Continued -

(3) It certifies, prior to any abandonment of use, that the facility to be abandoned is no longer economically feasible of producing net revenues; and

(4) It certifies that the estimated net revenues of the remaining System facilities for the then next succeeding fiscal year, plus the estimated net revenues of the facility, if any, to be added to the System, satisfy the earnings test hereinbefore provided in Special Condition (i) governing issuance of additional Bonds.

(m) The Borrower covenants and agrees to establish initially the following base rental rates for the use and occupancy of the System housing facilities:

Dormitories: \$4.50 per student per week (\$81 for each of two regular semesters; \$36 for the summer term).

Apartments: Studio - \$43.50 per month; one-bedroom - \$48.00 per month; two-bedroom - \$57.50 per month.

Morehead State

Project No. CH-Ky-43 (D)
Morehead State College
Morehead, Kentucky
Contract No. H-302-669
Waiver No. 1

W A I V E R

To Be Attached to Loan Agreement Dated as of September 1,
1961, Between the Board of Regents of Morehead State
College and the Government, Project No. CH-Ky-43 (D),
Contract No. H-302-669.

The provisions of Section 3 of the Loan Agreement concerning Series
A, B and C Bonds only are hereby waived to the extent necessary to
permit the exchange of Series A, B and C Bonds for certain outstand-
ing Bonds, as set forth in Special Conditions, Exhibit B, paragraph
(a), of said Loan Agreement.

Executed on this 27 day of October 1961.

UNITED STATES OF AMERICA
Housing and Home Finance Administrator
Community Facilities Commissioner

By /s/ McClellan Ratchford
Regional Director of Community
Facilities Administration

Project No. CH-Ky-43 (D)

Name of Borrower - Morehead State
College

Address - Morehead, Kentucky

Contract No. H-302-669

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of September 1, 1961, by and between
BOARD OF REGENTS OF MOREHEAD STATE COLLEGE

(herein called the "Borrower") and the United States of America (herein
called the "Government"), WITNESSETH:

Section 1. Amount, Purchase Price, and Purpose. Subject to the Terms
and Conditions (Form CFA-520 dated 7-60), attached hereto and made a part
hereof as Exhibit A, and the provisions of this Agreement, the Borrower will
sell and the Government, acting by and through the Housing and Home Finance
Administrator (herein called the "Administrator"), will purchase \$1,102,000
aggregate principal amount of the obligations of the Borrower described below
(herein called the "Bonds"), or such lesser amount thereof as the Administrator
estimates will be required, together with the Borrower's funds provided from
other sources, to pay the development cost of the Project (estimated to be
\$ 1,102,000), hereinafter described, at a price equal to the principal
amount thereof plus accrued interest, the proceeds of the sale of such Bonds to
be used solely for the development of the said Project.

Section 2. Description of Bonds. The Bonds which the Borrower agrees
to sell and the Government agrees to purchase are described as follows:

(a) Designation: Morehead State College Housing System Revenue
Bonds of 1961, Series A, B, C and D.

(b) Date: November 1, 1961.

(c) Principal Amount: ~~\$1,102,000~~ \$3,652,000. Initialed: W.H.C. A.B.C. McCR

(d) Denomination: \$1,000; however, until such time as the purchasers of
the Bonds request(s) the preparation of the definitive Bonds, a
single Bond or Bonds shall be issued in an amount equal to the Bonds
contracted for by said purchaser or purchasers.

- (e) Type: Negotiable, serial, coupon bonds, payable to bearer.
- (f) Interest Rate: 3 % per annum, payable semi-annually on
 May 1 and November 1 in each year, first
 interest payable May 1, 1962.

(g) Maturities: November 1 , in years and amounts as follows:

<u>SERIES A BONDS</u>		<u>SERIES A BONDS</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1962-63	\$17,000	1984	\$32,000
1964-65	18,000	1985	33,000
1966-67	19,000	1986	34,000
1968-69	20,000	1987	35,000
1970	21,000	1988	36,000
1971-72	22,000	1989	37,000
1973	23,000	1990	38,000
1974-75	24,000	1991	39,000
1976	25,000	1992	40,000
1977	26,000	1993	42,000
1978	27,000	1994	43,000
1979-80	28,000	1995	44,000
1981	29,000	1996	46,000
1982	30,000	1997	47,000
1983	31,000	1998-99	48,000

(h) Numbers: 1 to 1150 inclusive, in order of maturity.

(i) Security: Special obligation of the Borrower secured by and payable from a first pledge of a fixed amount of the gross revenues derived from the operation of the Housing System as described in Special Condition (b) hereof and additionally secured by a statutory mortgage on the Housing System.

1969-71	15,000	1991	27,000
1972-73	16,000	1992	28,000
1974-75	17,000	1993	29,000
1976-77	18,000	1994-95	30,000
1978-79	19,000	1996	31,000
1980-81	20,000	1997	32,000
1982	21,000	1998	33,000
1983-84	22,000	1999	31,000
1985	23,000		

(h) Numbers: 1 to 800 inclusive, in order of maturity.
 (i) Security:

SEE PAGE 2a

(e) Type: Negotiable, serial, coupon bonds, payable to bearer.

(f) Interest Rate: 3-1/8 % per annum, payable semi-annually on
May 1 and November 1 in each year, first
interest payable May 1, 1962.

(g) Maturities: November 1 , in years and amounts as follows:

<u>SERIES C BONDS</u>		<u>SERIES C BONDS</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1963-66	\$ 9,000	1989-90	\$19,000
1967-70	10,000	1991-92	20,000
1971-73	11,000	1993	21,000
1974-76	12,000	1994	22,000
1977-78	13,000	1995-96	23,000
1979-80	14,000	1997	24,000
1981-82	15,000	1998	25,000
1983-84	16,000	1999	26,000
1985-86	17,000	2000	27,000
1987-88	18,000		

(h) Numbers: 1 to 600 inclusive, in order of maturity.

(i) Security:

SEE PAGE 2a

(e) Type: Negotiable, serial, coupon bonds, payable to bearer.

(f) Interest Rate: 3-1/2 % per annum, payable semi-annually on
May 1 and November 1 in each year, first
interest payable May 1, 1962.

(g) Maturities: November 1, in years and amounts as follows:

<u>SERIES D BONDS</u>		<u>SERIES D BONDS</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1964-70	\$16,000	1988-91	\$31,000
1971-75	20,000	1992-95	39,000
1976-81	24,000	1996-99	45,000
1982-87	29,000	2000-01	50,000

(h) Numbers: 1 to 1102 inclusive, in order of maturity.

(i) Security:

SEE PAGE 2a

(j) Place and Medium of Payment: Payable as to both principal and interest at the principal office of the Trustee to be designated in the Bond Indenture, or, at the option of the holder, at a bank or trust company in the Borough of Manhattan, City and State of New York, in any coin or currency which, on the respective dates of payment of such principal and interest, is legal tender for payment of debts due the United States of America.

(k) Registerability: Registrable, at the option of the holder, as to principal only.

(l) Redemption Provisions (Series A Bonds):

Bonds numbered 1 through 148 inclusive, maturing November 1, 1968 through November 1, 1969 inclusive, to be uncalleable.

Bonds numbered 149 through 917 inclusive, maturing November 1, 1970 through November 1, 1994 inclusive, to be callable at the option of the Borrower prior to the stated maturities thereof, in whole or in part and in inverse numerical order on any interest payment date after November 1, 1969, upon at least thirty days' prior notice, at the principal amount thereof, plus accrued interest to the date of redemption and a premium for each bond as follows:

3%	if redeemed	May 1, 1970	through	November 1, 1974	inclusive				
2 $\frac{1}{2}$ %	"	"	"	1975	"	"	"	1979	"
2%	"	"	"	1980	"	"	"	1984	"
1 $\frac{1}{2}$ %	"	"	"	1985	"	"	"	1989	"
1%	"	"		after November 1, 1989.					

Bonds numbered 918 through 1150 inclusive, maturing November 1, 1995 through November 1, 1999 inclusive, to be callable at the option of the Borrower in whole or in part and in inverse numerical order on any interest payment date during the entire life of the loan, upon at least thirty days' prior notice, at par plus accrued interest to the date of redemption.

Priority as to call shall extend to bonds numbered 918 through 1150 inclusive over bonds numbered 149 through 917 inclusive.

Provided, however, that, except for the redemption of Series D Bonds with surplus funds in the Construction Account, calls of Bonds will be applied to each series of Bonds on an equal pro rata basis (reflecting the proportion of the original amount of each series of Bonds outstanding at the time of such call) and calls of Bonds for each series of Bonds will be in accordance with the call provisions of the respective Bond series. However, the Borrower shall have the right to call, subject to the call provisions of the respective Bond Series, any or all outstanding Bonds which may be called at par prior to calling any Bonds that are callable at a premium.

(j) Place and Medium of Payment: Payable as to both principal and interest at the principal office of the Trustee to be designated in the Bond Indenture, or, at the option of the holder, at a bank or trust company in the Borough of Manhattan, City and State of New York, in any coin or currency which, on the respective dates of payment of such principal and interest, is legal tender for payment of debts due the United States of America.

(k) Registerability: Registrable, at the option of the holder, as to principal only.

(l) Redemption Provisions (Series B Bonds):

Bonds numbered 1 through 106 inclusive, maturing November 1, 1962 through November 1, 1969 inclusive, to be uncallable.

Bonds numbered 107 through 643 inclusive, maturing November 1, 1970 through November 1, 1994 inclusive, to be callable at the option of the Borrower prior to the stated maturities thereof, in whole or in part and in inverse numerical order on any interest payment date after November 1, 1969, upon at least thirty days' prior notice, at the principal amount thereof, plus accrued interest to the date of redemption and a premium for each bond as follows:

3%	if redeemed	May 1, 1970	through	November 1, 1974	inclusive
2 $\frac{1}{2}$ %	"	"	"	1975	"
2%	"	"	"	1980	"
1 $\frac{1}{2}$ %	"	"	"	1985	"
1%	"	"	after November 1, 1989.		

Bonds numbered 644 through 800 inclusive, maturing November 1, 1995 through November 1, 1999 inclusive, to be callable at the option of the Borrower in whole or in part and in inverse numerical order on any interest payment date during the entire life of the loan, upon at least thirty days' prior notice, at par plus accrued interest to the date of redemption.

Priority as to call shall extend to bonds numbered 644 through 800 inclusive over bonds numbered 107 through 643 inclusive.

Provided, however, that, except for the redemption of Series D Bonds with surplus funds in the Construction Account, calls of Bonds will be applied to each series of Bonds on an equal pro rata basis (reflecting the proportion of the original amount of each series of Bonds outstanding at the time of such call) and calls of Bonds for each series of Bonds will be in accordance with the call provisions of the respective Bond series. However, the Borrower shall have the right to call, subject to the call provisions of the respective Bond Series, any or all outstanding Bonds which may be called at par prior to calling any Bonds that are callable at a premium.

- (j) Place and Medium of Payment: Payable as to both principal and interest at the principal office of the Trustee to be designated in the Bond Indenture, or, at the option of the holder, at a bank or trust company in the Borough of Manhattan, City and State of New York, in any coin or currency which, on the respective dates of payment of such principal and interest, is legal tender for payment of debts due the United States of America.
- (k) Registerability: Registrable, at the option of the holder, as to principal only.
- (l) Redemption Provisions (Series C Bonds):

Bonds numbered 1 through 76 inclusive, maturing November 1, 1963 through November 1, 1970 inclusive, to be uncalleable.

Bonds numbered 77 through 475 inclusive, maturing November 1, 1971 through November 1, 1995 inclusive, to be callable at the option of the Borrower prior to the stated maturities thereof, in whole or in part and in inverse numerical order on any interest payment date after November 1, 1970, upon at least thirty days' prior notice, at the principal amount thereof, plus accrued interest to the date of redemption and a premium for each bond as follows:

3%	if redeemed	May 1, 1971	through	November 1, 1975	inclusive		
2½%	"	"	"	1976	"	"	1980
2%	"	"	"	1981	"	"	1985
1½%	"	"	"	1986	"	"	1990
1%	"			after November 1, 1990.			

Bonds numbered 476 through 600 inclusive, maturing November 1, 1996 through November 1, 2000 inclusive, to be callable at the option of the Borrower in whole or in part and in inverse numerical order on any interest payment date during the entire life of the loan, upon at least thirty days' prior notice, at par plus accrued interest to the date of redemption.

Priority as to call shall extend to bonds numbered 476 through 600 inclusive over bonds numbered 77 through 475 inclusive.

Provided, however, that, except for the redemption of Series D Bonds with surplus funds in the Construction Account, calls of Bonds will be applied to each series of Bonds on an equal pro rata basis (reflecting the proportion of the original amount of each series of Bonds outstanding at the time of such call) and calls of Bonds for each series of Bonds will be in accordance with the call provisions of the respective Bond series. However, the Borrower shall have the right to call, subject to the call provisions of the respective Bond Series, any or all outstanding Bonds which may be called at par prior to calling any Bonds that are callable at a premium.

- (j) Place and Medium of Payment: Payable as to both principal and interest at the principal office of the Trustee to be designated in the Bond Indenture, or, at the option of the holder, at a bank or trust company in the Borough of Manhattan, City and State of New York, in any coin or currency which, on the respective dates of payment of such principal and interest, is legal tender for payment of debts due the United States of America.
- (k) Registerability: Registrable, at the option of the holder, as to principal only.
- (l) Redemption Provisions (Series D Bonds):

Bonds numbered 1 through 132 inclusive, maturing November 1, 1964 through November 1, 1971 inclusive, to be uncallable.

Bonds numbered 133 through 867 inclusive, maturing November 1, 1972 through November 1, 1996 inclusive, to be callable at the option of the Borrower prior to the stated maturities thereof, in whole or in part and in inverse numerical order on any interest payment date after November 1, 1971, upon at least thirty days' prior notice, at the principal amount thereof, plus accrued interest to the date of redemption and a premium for each bond as follows:

3%	if redeemed	May 1, 1972	through	November 1, 1976	inclusive		
2½%	"	"	"	1977	"	"	1981
2%	"	"	"	1982	"	"	1986
1½%	"	"	"	1987	"	"	1991
1%	"			after November 1, 1991.			

Bonds numbered 868 through 1102 inclusive, maturing November 1, 1997 through November 1, 2001 inclusive, to be callable at the option of the Borrower in whole or in part and in inverse numerical order on any interest payment date during the entire life of the loan, upon at least thirty days' prior notice, at par plus accrued interest to the date of redemption.

Priority as to call shall extend to bonds numbered 868 through 1102 inclusive over bonds numbered 133 through 867 inclusive.

Provided, however, that, except for the redemption of Series D Bonds with surplus funds in the Construction Account, calls of Bonds will be applied to each series of Bonds on an equal pro rata basis (reflecting the proportion of the original amount of each series of Bonds outstanding at the time of such call) and calls of Bonds for each series of Bonds will be in accordance with the call provisions of the respective Bond series. However, the Borrower shall have the right to call, subject to the call provisions of the respective Bond Series, any or all outstanding Bonds which may be called at par prior to calling any Bonds that are callable at a premium.

Section 3. Sale of Bonds. The Bonds will be sold by the Borrower at public sale, the call for bids specifying that bids will be received and considered on the following basis (Series A Bonds):

- | | |
|-----|---|
| (1) | All maturities in the years 1962 through 1969 |
| (2) | " " " " " 1970 " 1979 |
| (3) | " " " " " 1980 " 1989 |
| (4) | " " " " " 1990 " 1999 |
| (5) | The entire issue. |

In the event any of the Bonds are awarded to the Government, the Borrower shall, when they are ready, deliver all such Bonds to the Government at such time as the Government shall designate.

The Government will submit its bid for the Bonds and such bid will be for all of the Bonds at their par value, plus accrued interest, at the rate of **three** per centum per annum on all or any one or more of the above blocks of Bonds. In the event any other bidder or bidders offer to purchase all of the Bonds, or any portion of the Bonds in blocks as specified at an interest cost of not more than **three** per centum per annum, the Bonds or any such portion thereof shall be sold to such bidder or bidders. In the event of a sale of all the Bonds to a purchaser or purchasers other than the Government, this Agreement shall terminate except with respect to obligations hereunder between the Borrower and the Government as of the date of such sale of the Bonds. In the event any of the Bonds are awarded to the Government, it is agreed that the obligations hereunder shall continue in the same manner as if all the Bonds were sold to the Government. In the event no bid is received from a bidder or bidders other than the Government within the terms herein specified, all the Bonds shall be sold to the Government.

In the event the Government is awarded all or part of the Bonds, the Borrower, at the option of the purchaser(s) shall issue single Bonds with face values in the amount of the respective purchases in lieu of individual denomination Bonds. Such single Bonds shall be registered as to principal and interest and payable as directed by the purchasers, but otherwise complying with the description set forth in Section 2 hereof. The Borrower shall covenant that, upon request of the holder of a single Bond, it shall issue, at its own expense and within 90 days from the date of such request, negotiable bearer coupon bonds in denominations of \$1,000, as described in Section 2 hereof, in aggregate amount equal to the amount of the single Bond still outstanding. The printing of text of single Bonds shall be of type composition on paper of sufficient weight and strength to prevent deterioration throughout the life of the loan. The Bonds shall conform in size to standard practice and contain the approved maturity schedule for payment of principal.

Section 4. Description of the Project. The Project shall consist of a new dormitory, with appurtenant facilities, to house approximately 300 women students and a supervisor

(herein called the "Project").

Section 3. Sale of Bonds. The Bonds will be sold by the Borrower at public sale, the call for bids specifying that bids will be received and considered on the following basis (Series B Bonds):

- (1) All maturities in the years 1962 through 1969
- (2) " " " " " 1970 " 1979
- (3) " " " " " 1980 " 1989
- (4) " " " " " 1990 " 1999
- (5) The entire issue.

In the event any of the Bonds are awarded to the Government, the Borrower shall, when they are ready, deliver all such Bonds to the Government at such time as the Government shall designate.

The Government will submit its bid for the Bonds and such bid will be for all of the Bonds at their par value, plus accrued interest, at the rate of two and seven-eighths per centum per annum on all or any one or more of the above blocks of Bonds. In the event any other bidder or bidders offer to purchase all of the Bonds, or any portion of the Bonds in blocks as specified at an interest cost of not more than two and seven-eighths per centum per annum, the Bonds or any such portion thereof shall be sold to such bidder or bidders. In the event of a sale of all the Bonds to a purchaser or purchasers other than the Government, this Agreement shall terminate except with respect to obligations hereunder between the Borrower and the Government as of the date of such sale of the Bonds. In the event any of the Bonds are awarded to the Government, it is agreed that the obligations hereunder shall continue in the same manner as if all the Bonds were sold to the Government. In the event no bid is received from a bidder or bidders other than the Government within the terms herein specified, all the Bonds shall be sold to the Government.

In the event the Government is awarded all or part of the Bonds, the Borrower, at the option of the purchaser(s) shall issue single Bonds with face values in the amount of the respective purchases in lieu of individual denomination Bonds. Such single Bonds shall be registered as to principal and interest and payable as directed by the purchasers, but otherwise complying with the description set forth in Section 2 hereof. The Borrower shall covenant that, upon request of the holder of a single Bond, it shall issue, at its own expense and within 90 days from the date of such request, negotiable bearer coupon bonds in denominations of \$1,000, as described in Section 2 hereof, in aggregate amount equal to the amount of the single Bond still outstanding. The printing of text of single Bonds shall be of type composition on paper of sufficient weight and strength to prevent deterioration throughout the life of the loan. The Bonds shall conform in size to standard practice and contain the approved maturity schedule for payment of principal.

Section 4. Description of the Project. The Project shall consist of

SEE PAGE 4a

(herein called the "Project").

Section 3. Sale of Bonds. The Bonds will be sold by the Borrower at public sale, the call for bids specifying that bids will be received and considered on the following basis (Series C Bonds):

- (1) All maturities in the years 1963 through 1970
- (2) " " " " " 1971 " 1980
- (3) " " " " " 1981 " 1990
- (4) " " " " " 1991 " 2000
- (5) The entire issue.

In the event any of the Bonds are awarded to the Government, the Borrower shall, when they are ready, deliver all such Bonds to the Government at such time as the Government shall designate.

The Government will submit its bid for the Bonds and such bid will be for all of the Bonds at their par value, plus accrued interest, at the rate of three and one-eighth per centum per annum on all or any one or more of the above blocks of Bonds. In the event any other bidder or bidders offer to purchase all of the Bonds, or any portion of the Bonds in blocks as specified at an interest cost of not more than three and one-eighth per centum per annum, the Bonds or any such portion thereof shall be sold to such bidder or bidders. In the event of a sale of all the Bonds to a purchaser or purchasers other than the Government, this Agreement shall terminate except with respect to obligations hereunder between the Borrower and the Government as of the date of such sale of the Bonds. In the event any of the Bonds are awarded to the Government, it is agreed that the obligations hereunder shall continue in the same manner as if all the Bonds were sold to the Government. In the event no bid is received from a bidder or bidders other than the Government within the terms herein specified, all the Bonds shall be sold to the Government.

In the event the Government is awarded all or part of the Bonds, the Borrower, at the option of the purchaser(s) shall issue single Bonds with face values in the amount of the respective purchases in lieu of individual denomination Bonds. Such single Bonds shall be registered as to principal and interest and payable as directed by the purchasers, but otherwise complying with the description set forth in Section 2 hereof. The Borrower shall covenant that, upon request of the holder of a single Bond, it shall issue, at its own expense and within 90 days from the date of such request, negotiable bearer coupon bonds in denominations of \$1,000, as described in Section 2 hereof, in aggregate amount equal to the amount of the single Bond still outstanding. The printing of text of single Bonds shall be of type composition on paper of sufficient weight and strength to prevent deterioration throughout the life of the loan. The Bonds shall conform in size to standard practice and contain the approved maturity schedule for payment of principal.

Section 4. Description of the Project. The Project shall consist of

SEE PAGE 4a

(herein called the "Project").

Section 3. Sale of Bonds. The Bonds will be sold by the Borrower at public sale, the call for bids specifying that bids will be received and considered on the following basis (Series D Bonds):

- (1) All maturities in the years 1964 through 1971
- (2) " " " " " 1972 " 1981
- (3) " " " " " 1982 " 1991
- (4) " " " " " 1992 " 2001
- (5) The entire issue.

In the event any of the Bonds are awarded to the Government, the Borrower shall, when they are ready, deliver all such Bonds to the Government at such time as the Government shall designate.

The Government will submit its bid for the Bonds and such bid will be for all of the Bonds at their par value, plus accrued interest, at the rate of **three and one-half** per centum per annum on all or any one or more of the above blocks of Bonds. In the event any other bidder or bidders offer to purchase all of the Bonds, or any portion of the Bonds in blocks as specified at an interest cost of not more than **three and one-half** per centum per annum, the Bonds or any such portion thereof shall be sold to such bidder or bidders. In the event of a sale of all the Bonds to a purchaser or purchasers other than the Government, this Agreement shall terminate except with respect to obligations hereunder between the Borrower and the Government as of the date of such sale of the Bonds. In the event any of the Bonds are awarded to the Government, it is agreed that the obligations hereunder shall continue in the same manner as if all the Bonds were sold to the Government. In the event no bid is received from a bidder or bidders other than the Government within the terms herein specified, all the Bonds shall be sold to the Government.

In the event the Government is awarded all or part of the Bonds, the Borrower, at the option of the purchaser(s) shall issue single Bonds with face values in the amount of the respective purchases in lieu of individual denomination Bonds. Such single Bonds shall be registered as to principal and interest and payable as directed by the purchasers, but otherwise complying with the description set forth in Section 2 hereof. The Borrower shall covenant that, upon request of the holder of a single Bond, it shall issue, at its own expense and within 90 days from the date of such request, negotiable bearer coupon bonds in denominations of \$1,000, as described in Section 2 hereof, in aggregate amount equal to the amount of the single Bond still outstanding. The printing of text of single Bonds shall be of type composition on paper of sufficient weight and strength to prevent deterioration throughout the life of the loan. The Bonds shall conform in size to standard practice and contain the approved maturity schedule for payment of principal.

Section 4. Description of the Project. The Project shall consist of

SEE PAGE 4a

(herein called the "Project").

Section 5. Government Field Expense. The amount of the fixed fee for Government field expense referred to in Section 30 of the attached Terms and Conditions shall be \$ 4,975.

Section 6. Special Conditions. The Government's obligation to purchase the Bonds of the Borrower is also subject to the Special Conditions attached hereto and made a part hereof as Exhibit B.

IN WITNESS WHEREOF, this Agreement has been executed in the name of

BOARD OF REGENTS OF MOREHEAD STATE COLLEGE

by the undersigned official, and under its official seal, attested by its Vice-Chairman, Bd of Regents, and in the name and on behalf of the United States of America, Housing and Home Finance Administrator, Community Facilities Commissioner, by the undersigned official.

BOARD OF REGENTS OF MOREHEAD STATE COLLEGE

By /s/ W. H. Cartmell

Vice Chairman

Board of Regents

(Title)

(SEAL)

Impressed

ATTEST:

/s/ Anna B. Carter

Secretary, Board of Regents

(Title)

UNITED STATES OF AMERICA
Housing and Home Finance Administrator
Community Facilities Commissioner

SEP 11 1961

(Date)

By /s/ McClellan Ratchford

Regional Director of Community

Title Facilities Administration

HOUSING AND HOME FINANCE AGENCY
COMMUNITY FACILITIES ADMINISTRATION

TERMS AND CONDITIONS

Constituting Part of the Loan Agreement Providing for the Financing and Construction of College Housing and Service Facilities Under Title IV of the Housing Act of 1950 (Public Law 475, 81st Congress, as amended)

Section 1. Definitions. As used in these Terms and Conditions:

- "Government" means the United States of America or the Housing and Home Finance Agency.
- "Project" means the structure or structures which the Government has agreed to aid in financing under the Loan Agreement.
- "Loan Agreement" means the contract between the Government and the Borrower covering the Project and includes both these Terms and Conditions and other contract instruments.
- "Borrower" means the educational institution designated in the Loan Agreement.
- "Bonds" mean the obligations which the Government has agreed to purchase under the Loan Agreement.
- "Project Costs" mean the cost of construction work for the Project including fixed equipment, cost of necessary architectural/engineering services, legal, administrative and clerical costs, cost of land acquisition, necessary travel expenses, costs imposed by the Government to reimburse it for its field expenses, interest during construction, and other necessary miscellaneous expenses, all as determined by the Government.

Section 2. Prerequisites to Government's Obligations. The Government shall be under no obligation to advance funds or to purchase any Bonds under the Loan Agreement if:

- (a) **Representations.** Any representation made by the Borrower to the Government in connection with the application or loan shall be incorrect or incomplete in any material respect, or the Government determines that the Borrower has failed to proceed promptly with Project financing or construction;
- (b) **Financial Condition.** The financial condition of the Borrower shall have changed unfavorably in a material degree from its condition as theretofore represented to the Government;
- (c) **Concurrence by Government.** The Borrower, having submitted to the Government the documents mentioned in Section 16 hereof, shall have proceeded without having been advised by the Government that the same are satisfactory; it being the purpose of this provision to insure that no action will be taken in the development of the Project which would result in a legal or contractual violation

rendering it impossible for the Government to make the loan hereunder or for the parties to accomplish the objects of the Loan Agreement.

Section 3. Furnishings and Movable Equipment. The Borrower shall, on or before substantial completion of the Project, provide from sources other than the loan hereunder, and from sources and in a manner which will not jeopardize the security of the Bonds, the furnishings and movable equipment necessary to the full enjoyment of the use, occupancy and operation of the Project.

Section 4. Project Site. The Project shall be located on lands of the Borrower, at a site to be approved by the Government.

Section 5. Title Evidence. The Borrower shall furnish the Government satisfactory evidence of its ownership of the Project site.

Section 6. Purchase of Bonds. The Borrower shall initiate and prosecute to completion all proceedings necessary to the authorization, issuance, and sale of the Bonds and to the security thereof. When the said proceedings have been completed to the point of but not including the delivery of the Bonds to the Government, the Borrower may file a requisition requesting the Government to purchase the Bonds. The requisition shall be supported by such data as the Government shall require to determine whether the Government is obligated under the provisions of the applicable Loan Agreement to honor such requisition. If the Government is so obligated, it will purchase the Bonds covered by such requisition, within the limitations, however, specified in the Loan Agreement.

Section 7. Legal Matters. The Borrower shall furnish the Government a transcript of proceedings for the authorization, issuance, sale and security of the Bonds evidencing that the Bonds, when delivered and paid for, will constitute binding and legal obligations, payable and secured in accordance with their tenor, and that all proceedings for the financing and the acquisition, construction and development of the Project preliminary to the delivery of the Bonds to the Government have been had and adopted in due time, form, and manner as required by law.

Section 8. Security. The Borrower shall include in the proceedings for the authorization, issuance, sale, and security of the Bonds, provisions for the payment of the principal of and interest on the Bonds and for the security thereof of the nature required to assure such payment and to safeguard the loan hereunder, including, in case the Bonds are payable in whole or in part from any special sources of revenues, provisions designed to assure the production of such revenues and the application thereof to the extent required for the payment and security of the Bonds and interest thereon, including the maintenance of reasonable reserves.

Section 9. Opinion of Bond Counsel. Simultaneously with the delivery of any of the Bonds to the Government, the Borrower shall furnish to the Government the approving opinion of bond counsel who shall be satisfactory to the Government, and covering generally all of the Bonds and, specifically and unqualifiedly, the Bonds then being delivered to the Government.

Section 10. Construction Financing. The Borrower shall make every effort to obtain interim financing from private sources. Prior to entering into formal agreements for such financing, the Borrower shall furnish the Government with (1) a satisfactory preliminary opinion of bond counsel; (2) evidence of its ability to finance on reasonable terms the cost of the Project up to the time the Bonds are

ready for delivery; and (3) evidence of the receipt of firm bids establishing that the Project can be constructed within the approved estimated cost thereof.

In the event any loan under temporary financing should become due prior to the time when the Bonds are ready for delivery, the Borrower may apply to and, provided that the Borrower is in compliance with the Terms and Conditions of this Loan Agreement, receive from the Government an advance against the Bonds in an amount sufficient to liquidate such temporary loan.

Should the Borrower be able to demonstrate to the Government's satisfaction that interim financing on reasonable terms is not available, the Government will consider requests for advances in anticipation of the issuance of the Bonds. Requisitions for construction advances shall be accompanied by such supporting data as the Government may require. The Government will honor such requisitions in amounts and at times deemed by it to be proper.

Any funds made available to the Borrower by the Government pursuant to this Section shall be repaid in full from the first proceeds derived from the sale of the Bonds, and shall bear interest at the rate specified for the Bonds in the Loan Agreement from the date made available to the date of repayment.

Section 11. Prerequisites to Loan Disbursements. Prior to the Government disbursing any portion of the loan proceeds, the Borrower shall present satisfactory evidence that:

- (a) It is able to provide the furnishings and movable equipment required for the operation of the Project, as specified in Section 3 hereof;
- (b) It has deposited in the Construction Account such funds as are necessary with the loan proceeds to assure completion of the Project; and
- (c) It is able to provide the Project site or sites free from all encumbrances.

Section 12. Construction Account. The Borrower shall set up in a bank or banks which are members of the Federal Deposit Insurance Corporation, or with the fiscal agency of the Borrower fixed by law, a separate account or accounts (herein collectively called the "Construction Account") into which shall be deposited any temporary loans, Government advances, and proceeds from the sale of the Bonds (except accrued interest payments), and the additional funds, if any, required by the provisions of the Loan Agreement to be furnished by the Borrower in order to assure the payment of all Project Costs. Moneys in the Construction Account shall be expended only for such purposes as shall have been previously specified in the project cost estimates approved by the Government.

Where the moneys on deposit in the Construction Account exceed the estimated disbursements on account of the Project for the next 90 days, the Borrower may deposit such excess funds in time deposits in banks that are members of the Federal Deposit Insurance Corporation or may invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government, which shall mature not later than 18 months after the date of such investment and which shall be subject to redemption at any time by the holder thereof. The earnings from any such deposits or investments shall be deposited in the Construction Account by the Borrower.

Any moneys remaining in the Construction Account after all costs of the Project have been paid shall be promptly used to the extent possible for the redemption of Bonds, and any residue shall be deposited in the Bond and Interest Sinking Fund provided for in the Loan Agreement.

Section 13. Payment of Costs--Additional Funds. The Borrower shall pay all Project Costs and furnish from sources other than the proceeds of the loan, and from sources and in a manner which will not jeopardize the security of the Bonds, the additional funds, if any, which will be sufficient to finance the total Project Costs.

Section 14. Prompt Procedure--Economic Construction. The Borrower covenants and agrees that it will proceed promptly with all matters necessary to the financing and the development of the Project; and that the Project will be undertaken and developed in such a manner that economy will be promoted in such development and in the construction work; and that the Project will not be of elaborate or extravagant design or materials.

Section 15. Approvals and Permits. The Borrower shall obtain all approvals and permits required by law as a condition precedent to the acquisition, construction, development, and operation of the Project.

Section 16. Submission of Proceedings, Contract and Other Documents. The Borrower shall submit to the Government such data, reports, records, and documents relating to the financing, construction, and operation of the Project and financial condition of the Borrower as the Government may require. Approval of the Government must be obtained prior to the assignment of any interest in or part of any contract relating to the Project.

Section 17. Construction by Contract. All work on the Project shall be done under contract and every opportunity shall be given for free, open, and competitive bidding for each and every construction, material, and equipment contract. The Borrower shall give such publicity by advertisements or calls for bids by it for the furnishing to it of work, labor, materials, and equipment as required by applicable law and as will provide adequate competition; and the award of each contract therefor shall be made, after approval by the Government, to the lowest responsible bidder as soon as practicable: *Provided*, that in the selection of equipment or materials the Borrower may, in the interest of standardization or ultimate economy, if the advantage of such standardization or such ultimate economy is clearly evident, award a contract to a responsible bidder other than the lowest in price. The Borrower shall obtain the concurrence of the Government before approving subcontracts relating to the Project.

Section 18. Changes in Construction Contract. Any change in a construction contract shall be submitted to the Government for approval. Construction contracts shall include a provision specifying that the above requirement will be met.

Section 19. Contract Security. The Borrower shall require that each construction contractor shall furnish a performance bond in an amount at least equal to 100 percent of his contract price as security for the faithful performance of his contract and also a payment bond in amount not less than 50 percent of his contract price or in a penal sum not less than that prescribed by State, territorial, or local law, as security for the payment of all persons performing labor on the Project under his contract and furnishing materials in connection with his contract. The performance bond and the payment bond may be in one or in separate instruments in accordance with local law.

Section 20. Insurance During Construction. The Borrower shall require that each of its construction contractors and their subcontractors shall maintain during the life of his contract Workmen's Compensation Insurance and Public Liability and Property Damage Insurance in amounts and on terms satisfactory to the Government. The Borrower shall maintain or require that each of its construction contractors shall maintain during the life of his contract Builder's Risk Insurance in amounts and on terms satisfactory to the Government.

Section 21. (a) Wage Rates: Upon receipt of the list of wage rates determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (Davis-Bacon Act, as amended), the Borrower shall include such list in all contracts calling for work on the Project and require adherence thereto. The Borrower shall also require of each of its contractors that such list shall be posted at appropriate conspicuous points on the site of the Project. Unless otherwise required by law, wage rates need not be listed for non-manual workers, including executive, supervisory, administrative and clerical employees.

If, after the award of the contract, it becomes necessary to employ any person in a trade or occupation not classified in the above list, such person shall be paid at not less than a rate to be determined by the Secretary of Labor. Such approved minimum rate shall be retroactive to the time of the initial employment of such person in such trade or occupation. The contractor shall notify the Borrower of his intention to employ persons in trades or occupations not classified in sufficient time for the Borrower to obtain approved rates for such trades or occupations.

(b) Computation of Wages on 40-Hour Week. The Borrower shall require of its contractors (a) that the wages of every laborer and mechanic engaged in work on the Project shall be computed on a basic week rate of forty hours per week, constituting a week's work; and (b) that work in excess of forty hours per week shall be permitted upon compensation at one and one-half times the listed rate of pay for all hours worked in excess of forty hours in any one week.

(c) The Government may waive the application of this Section in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of the Project, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Government determines that any amounts saved thereby are fully credited to the Borrower.

Section 22. Payment of Employees. The Borrower shall require of its contractors that all employees engaged in work on the Project be paid in full (less deductions made mandatory by law) not less often than once each week.

Section 23. Wage Underpayments and Adjustments. The Borrower shall require of each of its contractors that, in cases of underpayment of wages by the contractor, the Borrower may withhold from such contractor out of payments due, an amount sufficient to pay workers employed on the work covered by his contract the difference between the wages required to be paid under the contract and the wages actually paid such workers for the total number of hours worked and may disburse such amounts so withheld by it for and on account of the contractor to the respective employees to whom they are due.

Section 24. Anti-Kickback Statute. The so-called Anti-Kickback Statute, Public Law No. 324, 73rd Congress, approved June 13, 1934 (48 Stat. 1948 as amended), and the regulations issued pursuant thereto, are a part of the Loan Agreement, and the Borrower shall comply, and require each of its contractors employed

in the construction, prosecution, or completion of the Project to comply therewith, and to cause his subcontractors to do likewise.

Section 25. Accident Prevention. The Borrower shall require of its contractors that precaution shall be exercised at all times for the protection of persons (including employees) and property, and that hazardous conditions be guarded against or eliminated.

Section 26. Supervision and Inspection. The Borrower shall provide and maintain on its own behalf competent and adequate architectural or engineering services covering the supervision and inspection of the development and construction of the Project.

Section 27. Nondiscrimination. The Borrower shall require that there shall be no discrimination against any employee who is employed in carrying out the Project, or against any applicant for such employment, because of race, religion, color or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Borrower shall insert the foregoing provision of this Section in all its contracts for Project work and will require all of its contractors for such work to insert a similar provision in all subcontracts for Project work: *Provided*, that the foregoing provisions of this Section shall not apply to contracts or subcontracts for standard commercial supplies or raw materials. The Borrower shall post at the Project, in conspicuous places available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of this nondiscrimination clause.

Section 28. Payments to Contractors. Not later than the fifteenth day of each calendar month the Borrower shall make a partial payment to each construction contractor on the basis of a duly certified and approved estimate of the work performed during the preceding calendar month by the particular contractor, but shall retain until final completion and acceptance of all work covered by the particular contract a reasonable amount, specified in the contract, sufficient to insure the proper performance of the contract.

Section 29. Audit and Inspection. The Borrower shall require of its contractors that the Government's authorized representatives be permitted, and it will itself permit them, to inspect all work, materials, payrolls, records of personnel, invoices of materials and other relevant data and records appertaining to the development of the Project; and shall permit the Government's authorized representatives to audit the books, records, and accounts of the Borrower appertaining to the loan and the development of the Project.

Section 30. Government Field Expense. The Government will bill the Borrower for payment of the fee specified in the Loan Agreement to cover audit and inspection costs and payment will be due from the first funds deposited in the Construction Account. In the event of termination of the Loan Agreement through the sale of all of the Bonds to private purchasers, the Borrower shall be entitled to a refund of all or a proportionate part of the fee. The refund shall be in such an amount as the Government determines to be equitable under the circumstances.

Section 31. Signs. The Borrower shall cause to be erected at the site of the Project, and maintained during construction, signs satisfactory to the Government identifying the Project and indicating the fact that the Government is participating in the development of the Project.

Section 32. Retention of Title. So long as the Government holds any of the Bonds, the Borrower shall not dispose of its title to the Project or to any facility the revenues of which are pledged as security for the Bonds, or to any useful part thereof, including any facility necessary to the operation and use thereof, and the lands and interests in lands comprising their sites, except as permitted in the Loan Agreement and the bond authorizing proceedings.

Section 33. Insurance on Completed Project.

(a) Fire and Extended Coverage. Upon acceptance of the Project from the contractor, the Borrower shall, if such insurance is not already in force, procure Fire and Extended Coverage Insurance on the Project and, upon receipt of funds acquired pursuant to the Loan Agreement, the Borrower shall, if such insurance is not already in force, procure Fire and Extended Coverage Insurance on any other of its buildings the revenues of which are pledged to the security of the loan. The foregoing Fire and Extended Coverage Insurance shall be maintained so long as any of the Bonds are outstanding and shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed 80 percent of the full insurable value of the damaged building.

Where a Trustee is to be or has been designated in connection with the Bonds, each such insurance policy shall be acceptable to the Trustee and shall contain a clause making all losses payable to the Trustee as its interest may appear.

In the event of any damage to or destruction of any of said building or buildings, the Borrower shall promptly arrange for the application of the insurance proceeds for the repair or reconstruction of the damaged or destroyed portion thereof, or retire the outstanding bonds.

(b) Boiler Insurance. Upon acceptance of the Project from the contractor, the Borrower shall, if such insurance is not already in force, procure and maintain, so long as any of the Bonds are outstanding, Boiler Insurance covering any steam boilers servicing the Project, in a minimum amount of \$50,000.00.

(c) Liability Insurance. Upon receipt of any funds acquired pursuant to the Loan Agreement, the Borrower shall, if such insurance is not already in force, procure and maintain, so long as any of the Bonds are outstanding, Public Liability Insurance with limits of not less than \$50,000.00 for one person and \$100,000.00 for more than one person involved in one accident to protect the Borrower from claims for bodily injury and/or death which may arise from the Borrower's operations, including any use or occupancy of its grounds, structures and vehicles.

(d) Use and Occupancy Insurance. Immediately upon occupancy of any portion of the Project and so long thereafter as the funds and investments of the Bond and Interest Sinking Fund Account or Collateral Account, if any (as provided in the Loan Agreement) are less than the maximum debt service reserve required by said provisions of the Loan Agreement, the Borrower shall procure and maintain Use and Occupancy Insurance on each building, the revenues of which are pledged to payment of the Bonds, in an amount sufficient to enable the Borrower to deposit in the Bond and Interest Sinking Fund Account, out of the proceeds of such insurance, an amount equal to the sum that would normally have been available for deposit in such Account from the revenues of the damaged building during the time the damaged building is non-revenue producing as a result of loss of use caused by the perils covered by Fire and Extended Coverage Insurance. Where a Trustee is to be or has been designated in connection with the Bonds, each such insurance policy shall be acceptable to the Trustee and shall contain a loss payable clause making any loss thereunder payable to the Trustee as its interest may appear.

Section 34. Parietal Rules. The Borrower shall establish and maintain so long as any of the Bonds are outstanding, such parietal rules, rental rates and charges for the use of the Project facilities and such other facilities the revenues of which are pledged to the payment of the Bonds as may be necessary to (1) assure maximum occupancy and use of said facilities and (2) provide together with any other funds herein pledged to payment of the Bonds (a) the operating and maintenance expenses of said facilities, (b) the debt service on the Bonds, (c) the required reserve therefor, and (d) the Repair and Replacement Reserve where such reserves are required.

Section 35. Proper Records and Books. The Borrower covenants that it will keep accurate financial records and proper books relating to the Project, other facilities the revenues of which are pledged to secure the Bonds, and other pledged revenue sources, and such records and books shall be open to inspection by the Bondholders and their agents and representatives. The Borrower further covenants that not later than 90 days after the close of each fiscal year it will furnish to the Trustee and to any Bondholder who shall request same in writing, copies of audit reports prepared by an independent public accountant, or where appropriate, by the State auditing official, reflecting in reasonable detail the financial condition and record of operation of the Borrower, the Project, other pledged facilities, and other pledged revenue sources, including particularly the Borrower's enrollment, the occupancy or degree of use of and rates charged for the use of, and the insurance on, the Project and any other facilities the revenues of which are pledged in the Loan Agreement, and the status of the several accounts and funds required by the Loan Agreement.

Section 36. Investment of Funds. Moneys on deposit to the credit of the Bond and Interest Sinking Fund Account and/or the Repair and Replacement Reserve Account shall, upon request by the Borrower, be invested by the Trustee or other designated depository, in direct obligations of, or obligations the principal of and the interest on which are guaranteed by, the United States Government. Where the Borrower is required to maintain fixed amounts in such accounts, the investments of such funds shall be valued in terms of current market value as of June 30 and December 31 of each year.

Section 37. Bond Redemption. So long as the Government holds any of the Bonds, it will waive the non-callable provisions, redemption premiums, and publication of notice of call applicable thereto.

Section 38. Interest of Third Parties. The Loan Agreement is not for the benefit of third parties, including the holders from time to time of any of the Bonds, and the Government shall be under no obligation to any such parties, whether or not indirectly interested in said Agreement, to pay any charges or expenses incident to compliance by the Borrower with any of its duties or obligations thereunder.

Section 39. Interest of Members of or Delegates to Congress. No member of or delegate to the Congress of the United States shall be admitted to any share or part of this Agreement or to any benefit arising therefrom.

Section 40. Bonus or Commission. By execution of the Loan Agreement the Borrower represents that it has not paid and, also, agrees not to pay, any bonus, commission, or fee for the purpose of obtaining an approval of its application for the loan hereunder.