

Morehead, Kentucky
March 12, 1962

The Board of Regents of Morehead State College convened in regular quarterly session in the office of the President of the College at Morehead, Kentucky on March 12, 1962, at 11:00 a. m., EST, pursuant to KRS 164.340 and notice duly mailed by the Chairman to each member of the Board twenty days in advance. The Honorable Wendell P. Butler, Chairman, was in the chair presiding, and upon call of the roll it was ascertained that the following members of the Board were present:

Chairman, Wendell P. Butler,
Dr. W. H. Cartmell
Mr. Charles Gilley
Mr. B. F. Reed

Absent: Mr. Alex Chamberlain
Dr. Joe Taylor Hyden
Mr. Bruce Walters

The President of the College was also present.

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

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

On motion of Mr. Reed, seconded by Mr. Gilley and unanimously carried, reading of the minutes of the last meeting was dispensed with, and they were ordered approved, since all members had received copies.

The President of the College presented for consideration a proposed "Loan Agreement" between the Board of Regents and the United States of America, the latter acting through the Regional Director of Community Facilities Administration of the Housing and Home Finance Agency, which he said he would refer to as HHFA. The Loan Agreement was in mimeographed form comprising five pages, to which was attached "Exhibit A" being the standard printed "Terms and Conditions" of HHFA and a one-page mimeographed "Exhibit B" setting forth the Special conditions made applicable to the proposed loan. It was dated January 1, 1962, identified by HHFA as its Project No. CH-Ky-63(D), Contract No. H-302-736, contemplating issuance by the College of \$215,000 "Morehead State College Housing System Revenue Bonds of

Minutes of March 12, 1962 continued -

1961, Series E," dated November 1, 1961, and a commitment on the part of HHFA to appear at the advertised public sale thereof and bid at least par value at a single uniform interest coupon rate of 3-3/8%. The President explained that these Bonds would be for the financing of a project consisting of five new buildings to house approximately 18 student family dwelling units, each with appurtenant facilities. At the invitation of the Chairman he read to the Board the Loan Agreement and Exhibit B containing the Special conditions, but omitted reading of the standard printed Exhibit A which had been before the Board for consideration in other similar cases in the past.

Form Approved
Budget Bureau No. 63-R1001
CFA-521
(10-60)

Project No. CH-Ky-63 (D)
Name of Borrower - Morehead State College
Address - Morehead, Kentucky

Contract No. H-302-736

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of January 1, 1962, 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 \$215,000 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 \$215,000), 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.

BBG802

Minutes of March 12, 1962 continued -

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

- (a) Designation: Morehead State College Housing System Revenue Bonds of 1961, Series E.
- (b) Date: November 1, 1961.
- (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: 3-3/8% 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 follow:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1964-70	\$3,000	1989-93	\$7,000
1971-77	\$4,000	1994-96	\$8,000
1978-83	\$5,000	1997-1999	\$9,000
1984-88	\$6,000	2000-01	10,000

- (h) Numbers: 1 to 215 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:
 - (1) the Housing System established in accordance with the provisions of the Bond Resolution adopted on September 7, 1961 in connection with the issuance of the Housing System Revenue Bonds of 1961, Series A, B, C, and D; and
 - (2) the Project facilities to be financed by the issuance of the Housing System Revenue Bonds of 1961, Series E, and to be added to Housing System;

and additionally secured by a statutory mortgage on the Housing System.

Minutes of March 12, 1962 continued -

(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 E Bonds:

Bonds numbered 1 through 25 inclusive, maturing November 1, 1964 through November 1, 1971 inclusive, to be uncallable.

Bonds numbered 26 through 168 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
 2-1/2% if redeemed May 1, 1977 through November 1, 1981 inclusive
 2% if redeemed May 1, 1982 through November 1, 1986 inclusive
 1-1/2% if redeemed May 1, 1987 through November 1, 1991 inclusive
 1% if redeemed after November 1, 1991.

Bonds numbered 169 through 215 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 169 through 215 inclusive over bonds numbered 26 through 168 inclusive.

BBG802

Minutes of March 12, 1962 continued

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:

- (1) All maturities in the years 1964 through 1971
- (2) All maturities in the years 1972 through 1981
- (3) All maturities in the years 1982 through 1991
- (4) All maturities in the years 1992 through 2001

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 three-eighths (3-3/8%) 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 three-eighths (3-3/8%) 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.

Minutes of March 12, 1962 continued -

Full discussion followed and thereupon Board Member B. F. Reed moved immediate adoption of a proposed Resolution as follows, seconded by Board Member Charles Gilley:

A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE COLLEGE APPROVING AND ACCEPTING THE LOAN AGREEMENT TENDERED BY HHFA, DATED AS OF JANUARY 1, 1962, RELATING TO PROJECT CH- Ky -63(D).

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 of the United States of America, as identified in the caption of this Resolution and as read in full to this Board and explained by the President of the College, and hereby acknowledges its familiarity with the terms and provisions thereof.

Section 2. The Chairman (or in his absence the Vice-Chairman) and Secretary of the Board are hereby authorized to execute the same and affix the corporate seal thereto in the name and on behalf of the Board of Regents and thereafter to transmit executed copies of HHFA with a request for immediate completion on its part.

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

After full discussion the Chairman put the question and upon call of the roll the vote was recorded as follows:

Wendell P. Butler	Aye
Dr. W. H. Cartmell	Aye
Charles Gilley	Aye
B. F. Reed	Aye

Nays:	None
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Whereupon the Chairman declared that the motion was carried and that the Resolution had been adopted and was in full force and effect.

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.

EXHIBIT B

Project No. CH-Ky-63 (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 establish in the proceedings to authorize and sell \$215,000 of its Housing System Revenue Bonds of 1961, Series E,
- (1) a new semi-annual deposit to the System Bond and Interest Sinking Fund Account of aforesaid Housing System in the amount of \$118,000;
 - (2) a new maximum debt service reserve in the System Bond and Interest Sinking Fund Account of aforesaid Housing System in an amount equal to 200% of the maximum annual debt service in any year thereafter on all Bonds then outstanding and the proposed \$215,000 additional parity Bonds; and
 - (3) a new maximum reserve in the System Repair and Replacement Reserve Account of aforesaid Housing System in the amount of \$190,000, to be built up and maintained by annual deposits of not more than \$19,000.
- (b) It is understood and agreed that the Government's obligation herein is subject to the following condition:

The estimated annual net revenues of the facility or facilities to be constructed with the proceeds of the proposed \$215,000 Housing System Revenue Bonds of 1961, Series E, when added to the estimated annual net revenues of the facilities under construction plus the estimated future net revenues of the then existing facilities 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 proposed \$215,000 Housing System Revenue Bonds of 1961, Series E. 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 under construction or 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.

Minutes of March 12, 1962 continued -

At this point the President made reference to the minutes of the Regular Quarterly Session of the Board held on September 7, 1961, at which time the Board adopted an extensive Resolution identified by its title or caption as follows:

BBG802

"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."

The President reminded the Board that there was incorporated in the above-identified Resolution, in full, a 78-page mimeographed form of "Trust Indenture" authorized to be made by and between this Board and Pikeville National Bank & Trust Company, Pikeville, Kentucky, for the purpose of securing the Housing System Revenue Bonds of 1961, Series A, Series B, Series C and Series D, and also to secure future series of Bonds upon compliance with the conditions and restrictions therein set forth. He stated that details of the Loan Agreement with HHFA wherein the elaborate details of the Bonds to be issued under such Trust Indenture were prescribed did not reach the hands of Bond Counsel until two or three days in advance of the Board Meeting of September 7, 1961, with the result that the preparation of the Trust Indenture was made under great pressure of time so that it might be submitted for consideration and action by the Board without delay. Upon leisurely review of the instrument, it was discovered that there were certain inadvertent errors which in the opinion of Bond Counsel ~~and~~ the Board and the Trustee are authorized to correct by the execution of a "Supplemental Indenture" under the provisions of ARTICLE EIGHT. Although the errors relate principally to the nomenclature of certain special accounts and are not regarded as being critical in nature, nevertheless it has been recommended by Bond Counsel that a Supplemental Indenture be executed and recorded at this time and prior to the issuance of any further Series of Bonds intended to be secured by the Trust Indenture.

The President then passed to each member of the Board for consideration the form of Supplemental Indenture prepared and submitted by Bond Counsel for the purpose of effecting the desired corrections. The President called attention to the changes made and reported that they were in conformity with the applicable Loan Agreement and met with his concurrence. After full discussion Board Member Charles Gilley introduced, caused to be read in

Minutes of March 12, 1962, continued -

full and moved immediate adoption of a proposed resolution, seconded by Board Member Dr. W. H. Cartmell, as follows:

A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE COLLEGE, MOREHEAD, KENTUCKY, PROVIDING FOR THE EXECUTION OF A SUPPLEMENTAL INDENTURE TO AMEND THAT CERTAIN TRUST INDENTURE MADE BY AND BETWEEN THE BOARD AND PIKEVILLE NATIONAL BANK & TRUST COMPANY, PIKEVILLE, KENTUCKY, AS TRUSTEE, DATED AS OF NOVEMBER 1, 1961, AND RECORDED IN MORTGAGE BOOK A-6, AT PAGE 473 IN THE OFFICE OF THE CLERK OF THE COUNTY COURT OF ROWAN COUNTY, KENTUCKY.

WHEREAS, by a certain Resolution adopted at a Meeting held on September 7, 1961, the Board of Regents of Morehead State College authorized the issuance of Housing System Revenue Bonds of 1961, Series A, Series B, Series C and Series D, and authorized the making of a certain Trust Indenture with Pikeville National Bank & Trust Company, Pikeville, Kentucky, as Trustee, for the purpose of securing the same and of prescribing and defining the rights and obligations of the Board and the Trustee; and thereafter such instrument was duly executed as of November 1, 1961, and was duly recorded in the office of the Clerk of the County Court of Rowan County, Kentucky; and such Bonds have been duly issued thereunder; and

WHEREAS, it has now been discovered that by reason of inadvertence certain minor errors were made by the draftsman in preparing the form of such Trust Indenture and under the provisions of ARTICLE EIGHT thereof it is permissible for the Board and the Trustee to make and enter into a Supplemental Indenture for the purpose of correcting such inadvertent errors; and

WHEREAS, it is the opinion and judgment of the members of the Board of Regents that such Supplemental Indenture should be made and recorded in the form prepared and submitted by Bond Counsel employed by the Board,

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

Section 1. That the form of Supplemental Indenture prepared and tendered by Grafton, Ferguson & Fleischer, Municipal Bond Attorneys of Louisville, Kentucky, for the purpose of correcting minor errors in that certain Trust Indenture made by this Board with Pikeville National Bank & Trust Company, Pikeville, Kentucky, as Trustee, recorded in Mortgage Book A-6, at Page 473, in the office of the Clerk of the County Court of

Minutes of March 12, 1962 continued -

BBG802

Rowan County, Kentucky, be and the same is hereby approved and the execution, acknowledgment, delivery and recording thereof on behalf of this Board are hereby authorized. Such Supplemental Indenture shall be signed by the Chairman (or in his absence the Vice-Chairman) and by the Secretary of this Board and the corporate seal shall be affixed, whereupon the Trustee shall be requested to execute the same, and thereafter the President of the College shall cause the same to be recorded in the office of the Clerk of the County Court of Rowan County, Kentucky, and the aforesaid Trust Indenture shall then stand amended as in the Supplemental Indenture provided. The form of said Supplemental Indenture shall be substantially, as follows:

SUPPLEMENTAL INDENTURE

SECURING

MOREHEAD STATE COLLEGE HOUSING
SYSTEM REVENUE BONDS OF 1961

Dated as of November 1, 1961,

ISSUED BY THE 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 SUPPLEMENTAL INDENTURE dated as of the first day of February, 1962, 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 of Pikeville, County of Pike, Commonwealth of Kentucky, as Trustee (hereinafter called the "Trustee"), party of the second part,

Minutes of March 12, 1962 continued -

W I T N E S S E T H :

THAT WHEREAS, the Board and the Trustee have heretofore entered into a certain Trust Indenture dated as of November 1, 1961, recorded in Mortgage Book A-6, at Page 473, in the office of the Clerk of the County Court of Rowan County, Kentucky, and the same is now in full force and effect; and

WHEREAS, the parties have discovered certain minor and inadvertent errors therein, and it is permissible under the provisions of ARTICLE EIGHT thereof that this Supplemental Indenture be executed and recorded for the purpose of amending the same and correcting the errors appearing therein; and it is the purpose and intent of the Board and the Trustee to so amend such Trust Indenture,

Now, THEREFORE, THIS SUPPLEMENTAL INDENTURE witnesseth:

That in consideration of the premises, and of the obligation of the Board and the Trustee to correct errors which have been discovered therein, and in anticipation of the future issuance of additional bonds in the manner and subject to the conditions and restrictions therein set forth, the Board and the Trustee do hereby join in this Supplemental Indenture; and to the extent herein set forth, and not otherwise, amendment is hereby made of the Trust Indenture dated as of November 1, 1961, identified in the preamble of this instrument, such amendments being, as follows:

SECTION A. The definition of the term "1961 Project" as set forth in sub-paragraph (g) of Section 1.01 of the Trust Indenture is amended by adding thereto a notation that said 1961 Project was and is identified by Housing and Home Finance Agency of the United States of America (hereinafter referred to as "HHFA") as its Project Ky-CH-43(D).

SECTION B. The reference in Section 4.05 to the "Building Maintenance and Equipment Reserve Account" is hereby deleted and in place thereof there is inserted "Repair and Replacement Reserve Account" in order that the same may conform to the proper nomenclature of said account as created in Section 4.06 of the Trust Indenture.

SECTION C. Section 4.06 is hereby amended so that the same in its entirety shall read as follows:

Minutes of March 12, 1962 continued -

"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 "Morehead State College Housing System Revenue Bonds of 1961 Repair and Replacement Reserve Account" (hereinafter sometimes referred to as the "Repair and Replacement Reserve Account"). 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 before the close of each fiscal year the sum of at least \$18,000 annually, or such portion thereof as is available, until the amount accumulated in said Repair and Replacement Reserve Account including any investments carried to the credit of said Repair and Replacement Reserve Accounts 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 Repair and Replacement Reserve Account, 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 System 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 Repair and Replacement Reserve Account 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 D. Section 4.09 of the Trust Indenture is hereby amended by deleting each reference therein to the "Maintenance Fund" and by substituting in place thereof "Repair and Replacement Reserve Account."

SECTION E. Section 5.05 of the Trust Indenture is amended by deleting the reference therein to the "Maintenance Fund" and by substituting therefor the term "Repair and Replacement Reserve Account."

SECTION F. Sub-section (c) of Section 7.04 of the Trust Indenture is amended by deleting the reference therein to the "System Repair and Replacement Reserve Account" and substituting in place thereof the term "Housing System Repair and Replacement Reserve Account."

SECTION G. Section 9.04 of the Trust Indenture is amended by deleting from the parenthetical passage appearing in the second literary paragraph thereof the reference to "the income of the Project pledged to the payment of the Bonds * *" and by substituting therefor "the income of the System pledged to the payment of the Bonds * *."

BBG802

Minutes of March 12, 1962 continued -

SECTION H. Section 12.02 of the Trust Indenture is amended by deleting therefrom the reference to the "Statutory mortgage lien of any part of the Project covered thereby," and by substituting in place thereof a reference to the "statutory mortgage lien of any part of the System covered thereby,!"

EXCEPT AS EXPRESSLY HEREIN AMENDED, the aforesaid Trust Indenture made between the Board and the Trustee under date of November 1, 1961, and recorded as above set forth is hereby affirmed and remains in full force and effect.

IN WITNESS WHEREOF, the party of the first part has caused its corporate name to be hereunto subscribed by the Chairman of its Board of Regents and its corporate seal to be hereto affixed, and said seal to be attested and this Supplemental 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 12th day of March, 1962.

BOARD OF REGENTS OF MOREHEAD STATE COLLEGE AT MOREHEAD, KENTUCKY

By /s/ Wendell P. Butler
Chairman

(SEAL)

Attest:

Countersigned:

/s/ Anna B. Carter
Secretary

PIKEVILLE NATIONAL BANK & TRUST COMPANY
(Name of Trustee)

By /s/ R. B. Johnson
Signature

Trust Officer
(Title of Officer)

(SEAL)

Attest:

Countersigned:

/s/ Rush Sword
(Signature)

Cashier
(Title of Officer)

Minutes of March 12, 1962 continued -

STATE OF KENTUCKY)
) SS:
COUNTY OF ROWAN)

On this 12th day of March 1962, before me, Edith P. Conyers, a Notary Public in and for said County, in the State aforesaid, appeared Wendell P. Butler and Anna B. Carter, to me personally known and to me known to be the 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 Wendell P. Butler is the 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 Wendell P. Butler 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 12th day of March, 1962.

/s/ Edith P. Conyers
Notary Public in and for the County
and State aforesaid

My commission expires October 20, 1964.

STATE OF KENTUCKY)
) SS:
COUNTY OF PIKE)

On this 15th day of March, 1962, before me, Forest Rose Stewart, 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 Trust Officer 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 Trust Officer of said Corporation, and he, the said Rush Sword is Cashier of said Corporation; 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

BBG802

Minutes of March 12, 1962 continued -

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 15th day of March, 1962.

/s/ Forest Rose Stewart
 Notary Public in and for the
 County and State aforesaid

My commission expires March 3, 1966.

At this point, Mr. Lloyd Cassity, Past President of the Morehead State College Alumni Association, appeared before the Board. Mr. Cassity expressed his thanks to the Board for the opportunity to comment and talk about a matter which the Alumni Association had been considering for some time. He commented that it might have been as well for the present President of the Association to appear before the Board, but since this was impossible, and the subject he was going to present began under Mr. Cassity's administration, he was requested to follow through on the matter. Mr. Cassity praised the College for its great progress during the past few years, and stated that the Alumni Association is highly pleased with the prospects of the future. Mr. Cassity also stated that the Alumni had been considering some honor that might be bestowed upon Mrs. Doran for the many things she has done, and has caused to be done for the College during the years she has been on the campus; that he had discussed the matter with many members of the Alumni Association and it was agreed that they would like to request the Board of Regents to name the new women's dormitory, now under construction, MIGNON HALL. He stated further that it was the desire of the Alumni to present the matter to the Board, and to get its approval before any public knowledge was given. Mr. Cassity informed the Board that he had contacted the President of the Student Council, and the Council was in full accord with this request. Below is a copy of a letter written by Mr. Richard Robinson, President of the Student Council:

"March 9, 1962

Mr. Lloyd Cassity
 President Alumni Association
 636 Amanda Drive
 Ashland, Kentucky

Minutes of March 12, 1962 continued -

Dear Mr. Casity:

The Student Council gives its consent to naming the new Women's Dormitory "Mignon Hall." We do feel that before this is done there should be approval by the administration.

This decision was made by the Executive Council. Had the entire Student Council taken action, more people would have been involved and we feel that secrecy is of top importance.

If we can be of service again, do not hesitate to call on us.

Sincerely,

/s/ STUDENT COUNCIL
Richard Robinson, President"

RR/jan

On motion of Mr. Gilley, seconded by Mr. Reed and unanimously carried, the Women's Dormitory, now under construction, is to be given the name of MIGNON HALL, in honor of Mrs. Doran.

The President then made his report to the Board for the period October '8, 1961, to March 12, 1962, which is as follows:

Morehead, Kentucky
March 12, 1962

Board of Regents
Morehead State College
Morehead, Kentucky

Gentlemen:

I am submitting my report on the operation of the College for the period October 18, 1961, to March 12, 1962, with certain recommendations:

I. Enrollment - 1962 Second Semester

Resident Students:

BBG802

President's Report to Board - March 12, 1962

<u>County</u>	<u>Number</u>	<u>County</u>	<u>Number</u>
Adair	2	Fleming	94
Anderson	2	Floyd	135
Ballard	1	Franklin	14
Barrren	1	Grant	4
Bath	74	Graves	3
Bell	4	Greene	2
Boone	7	Greenup	117
Bourbon	14	Harlan	17
Boyd	127	Hart	1
Boyle	1	Harrison	9
Bracken	20	Henry	3
Breathitt	25	Jefferson	49
Campbell	22	Johnson	84
Carter	166	Jessamine	2
Christian	1	Kenton	15
Clark	7	Knott	39
Clinton	1	Laurel	2
Cumberland	1	Lawrence	60
Daviess	1	Lee	3
Elliott	50	Letcher	64
Estill	3	Lewis	92
Fayette	29	Logan	1
Madison	1	Pike	52
Magoffin	56	Powell	5
Martin	55	Robertson	15
Mason	79	Rockcastle	2
Menifee	25	Rowan	203
Montgomery	52	Scott	4
Morgan	101	Shelby	2
Nelson	1	Union	2
Nicholas	6	Whitley	2
Pendleton	1	Wolfe	25
Perry	40	Woodford	1
Totals			
	<u>66 Counties</u>		<u>2103 Students</u>

President's Report to Board - March 12, 1962-

Non-Resident Students

<u>State</u>	<u>Number</u>	<u>State</u>	<u>Number</u>
Alabama	2	Michigan	18
Arkansas	2	N. Carolina	1
California	4	New York	89
Connecticut	10	New Jersey	22
Delaware	1	Ohio	351
Florida	9	Oklahoma	1
Georgia	8	R. Island	2
Illinois	1	Pennsylvania	62
Indiana	35	Tennessee	10
Maine	3	Texas	1
Maryland	8	Virginia	23
Massachusetts	5	W. Virginia	32
		Wisconsin	1
Totals	<u>25 States</u>		<u>700 Students</u>

Foreign Countries

<u>Country</u>	<u>Number</u>	<u>Country</u>	<u>Number</u>
Brazil	1	Turkey	1
Iran	3	Norway	1
Totals	<u>4 Countries</u>		<u>6 Students</u>

Recapitulation

Kentucky	2103	
Out-of-State	700	
Foreign	<u>6</u>	
Total Enrolled		<u>2809 Students</u>

Summary

1. Students Enrolled First Semester who did not return for Second Semester:

President's Report to Board - March 12, 1962-

	Men	Women	Total
Full Time	200	107	307
Part Time	<u>92</u>	<u>121</u>	<u>213</u>
Totals	292	228	520

This total of 520 includes 74 who graduated and 34 who were dropped because of low academic standing.

2. Students Enrolled Second Semester who were not enrolled during First Semester:

<u>First Time at Morehead State College</u>			
	Men	Women	Total
Full Time	135	46	181
Part Time	<u>12</u>	<u>25</u>	<u>37</u>
	147	71	218

<u>Former Morehead Students</u>			
	Men	Women	Total
Full Time	75	43	117
Part Time	<u>49</u>	<u>91</u>	<u>140</u>
Totals	<u>124</u>	<u>133</u>	<u>257</u>
Grand Totals	271	204	475

<u>New Students at Morehead</u>			
	Men	Women	Total
1st time in Coll.	56	29	85
Adv. Standing	<u>91</u>	<u>42</u>	<u>133</u>
Totals	147	71	218

II. Staff ChangesResignations

1. Dr. Edmond Cross, Associate Professor of Education and Director of Student Teaching, effective June 2, 1962.
2. Dr. Chad Stewart, Assistant Professor of Health and Physical Education, effective June 2, 1962.
3. Mrs. Mary Northcutt, Breckinridge Training School, who has been on leave of absence, has tendered her resignation.

President's Report to Board - March 12, 1962 -

Retirement

1. Charles Apel, Associate Professor of Commerce, effective August 3, 1962.
2. Gabriel C. Banks, Associate Professor of English, effective August 3, 1962.
3. Ella O. Wilkes, Associate Professor of Geography, effective August 3, 1962.
4. Paul Overstreet, Associate Professor of Physics, effective August 3, 1962.

Leaves of Absence for the 1962 Summer Term:

1. Mrs. Octavia W. Graves, Education
2. Mr. Roger L. Wilson, Education
3. Mrs. Thelma Caudill, Education
4. Mrs. Violet Severly, Music
5. Mrs. Ethel Moore, Latin
6. Mrs. Anne Hale, Home Economics
7. Mr. Norman Roberts, Industrial Arts

Renewal of Contract:

The President's contract expires at the close of the fiscal year. Before the personnel Roster is approved for the 1962-63 school year, the Board should act on the matter of renewing the President's contract for four years, and determine his annual salary.

III. Auditors' Report

The auditor's report for the fiscal year ending June 30, 1961, has been sent to the members of the Board.

I should like to recommend that the unappropriated balance of \$74,069.82 as shown on page 29 be appropriated to Capital Construction for projects developed by the President, and approved by the Department of Finance.

IV. Proposed Budget for the 1962 Fiscal Year:

I am presenting the summary of the 1962-64 biennial budget prepared as the Governor's Executive Budget and adopted by the 1962 session of the General Assembly.

I recommend that the board approve the budgetary items presented in this summary, and direct the President to develop and present to the Board a detailed budget prior to July 1, 1962.

BBG802

President's Report to Board - March 12, 1962 -

V. Report on Housing System Bond Issue:

We have finalized our plans for a Housing System under a loan program approved by the Board and the Housing and Home Finance Agency. I am herewith presenting a summary of the Housing System Bond Issue of 1961. Series A through B.

VI. Report on the Educational Consolidated Bond Issue:

We have finalized our plans for the Educational Consolidated Building Project approved by the Board and the Department of Finance. I am herewith presenting a summary of the Educational Consolidated Bond Issues, Series A. and Series B.

VII. Resolution approving and accepting Loan Agreement Relating to Project CH-Ky-63(D).

Relating to Supplemental Indenture Securing Housing System Revenue Bonds of 1961:

I am presenting Resolutions drawn by Mr. Cornelius Grafton, Bond Attorney, for the approval of the Board.

VIII. Increase in Registration Fees:

We have made a rather exhaustive study of student registration fees in cooperation with the Council on Public Higher Education and the Department of Finance. We find that we need to increase our registration fees in the state colleges and the University.

The House of Representatives adopted the following Resolution on March 1, 1962.

"A RESOLUTION requesting the state-supported institutions of higher learning to study the advisability of increasing registration fees in order to bring them into closer conformity with similar fees in the public institutions of neighboring and economically comparable states.

WHEREAS, the current registration fees charged students who are residents of outside of the Commonwealth are generally lower than similar fees charged by public institutions of higher learning in neighboring states and other states economically comparable with Kentucky.

President's Report to Board - March 12, 1962 -

NOW, THEREFORE,

Be It Resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

That the Boards of Trustees and Regents of the state-supported institutions of higher learning in the Commonwealth be requested to revise the registration fee schedule for non-resident students so as to bring the schedule more closely in line with similar institutions in neighboring and economically comparable states. "

The Council on Public Higher Education will meet on April 7, 1962. A change in registration fees will be considered by the Council on the basis of action recommended by the Boards of Regents of the State Colleges and the Board of Trustees of the University of Kentucky.

I recommend that the Board approve the following schedule for registration fees beginning September 1, 1962, and September 1, 1963.

Registration Fees, effective September 1, 1962:

Full Time Resident Students -	\$65.00 per semester
Full Time Resident Students -	32.50 per summer term
Non-resident Full Time Students -	\$130.00 per semester
Non-resident Full Time Students-	65.00 per summer term

Part Time Resident Students -

Number of credits	Undergraduate	Graduate
1	\$6.00	\$7.00
2	12.00	14.00
3	18.00	21.00
4	24.00	28.00
5	30.00	35.00
6	36.00	42.00
7	42.00	49.00
8	48.00	56.00
9	54.00	63.00
10	60.00	70.00
11 or more	65.00	77.00

BBG802

President's Report to Board - March 12, 1962 -

Non-resident Part Time Students

Number of Credits	Undergraduate	Graduate
1	12.00	14.00
2	24.00	28.00
3	36.00	42.00
4	48.00	56.00
5	60.00	70.00
6	72.00	84.00
7	84.00	98.00
8	96.00	112.00
9	108.00	126.00
10	120.00	140.00
11 or more	130.00	154.00

Registration Fees Effective September 1, 1963:

Full Time Resident Students	75.00 per semester
Full Time Resident Students	37.50 per summer term

Non-resident Students - full time	50.00 per semester
Non-resident Students - full time	75.00 per semester

Resident Part-time Students

Number of Credits	Undergraduate	Graduate
1	7.00	8.00
2	14.00	16.00
3	21.00	24.00
4	28.00	32.00
5	35.00	40.00
6	42.00	48.00
7	49.00	56.00
8	56.00	64.00
9	63.00	72.00
10	70.00	80.00
11	75.00	88.00

Non-resident Part-time Students

Number of Credits	Undergraduate	Graduate
1	14.00	16.00
2	28.00	32.00
3	42.00	48.00
4	56.00	64.00
5	70.00	80.00
6	84.00	96.00

President's Report to Board - March 12, 1962 -

7	98.00	112.00
8	112.00	128.00
9	126.00	144.00
10 or more	150.00	176.00

IX. Retired Teachers as Substitutes:

KRS 161.605 provides that "retired teachers may do substitute teaching in the public schools of Kentucky for a period not to exceed sixty (60) days in any one school year"

I recommend that the Board adopt a policy providing that teachers who have retired may be employed only on a substitute basis.

X. Extension of Water Lines:

I recommend that the City of Morehead be authorized to extend the water lines to the Arch Williams Property known as the Morehead Camp on U. S. 60 East.

XI. Survey for Expansion of College Water System:

The Commissioner of Finance has secured the services of Howard K. Bell and Associates, Lexington, to survey the need and cost of expanding the waterworks on the campus at a fee of \$1800.

XII. Campus Survey:

We have had considerable discussion regarding the need for a campus survey to determine locations for new buildings. The Department of Finance allocated \$6500 to employ Miller, Mihry and Lantz, Louisville, to make a topographical survey of the campus. We have a map indicating the work which has been done on this project which I wish to share with you.

XIII. Prestonsburg Off-campus Center:

We have spent both semesters of the 1961-62 school year conducting classes in Prestonsburg. Below is a summary of the results of the classes taught during the first semester:

BBG802

President's Report to Board - March 12, 1962 -

<u>Subject & Instructor</u>	<u>Summary of Grades</u>								
	A	B	C	D	E	WE	W	I	Total
English 101-Moore	0	2	4	2	1	7	5	0	21
English 101-Davis	1	7	8	4	0	0	3	0	23
English 101-Hampton	3	4	10	2	2	0	2	0	23
Science 103-Chaplin	3	9	10	12	8	1	6	1	50
History 241-Breaden	3	3	5	5	3	3	0	0	22
History 241-Young	0	4	6	3	1	0	6	5	25
Math. 131-Lester	2	2	9	6	7	3	12	1	42
Psy. 153-Grote	5	8	20	5	0	3	16	3	60
Com. 160-Sharpe	3	9	14	7	2	0	3	2	40
Totals	20	48	86	46	24	17	53	12	306

Enrollment for the Second Semester

<u>Subject & Instructor</u>	<u>Enrollment</u>	<u>Time</u>
English 101-Davis	25	Monday
English 102-Hampton	35	Monday
Geography 100-Wilkes	19	Monday
Science 104-Falls	40	Tuesday
Math. 101-Wilson	21	Tuesday
History 242 - Young	40	Thursday
Psy. 153-Grote	53	Thursday
Total	213	

30 students are enrolled for 3 subjects
 38 students are enrolled for 2 subjects
 47 students are enrolled for 1 subject

Enrollment by Counties

Floyd	75
Johnson	21
Martin	16
Knott	2
Magoffin	1

President's Report to Board - March 12, 1962 -

XIV. Land for the Kentucky Utilities Company:

The facilities of K. U. are incapable of supplying the electric needs of Morehead State College and the community. The company is required to build a new substation to meet these needs. There is no land available to the company on which it can build the substation. Inasmuch as we will profit most greatly by this additional facility, --

I recommend that a plot of land 89'X70' adjacent to the College power plant be declared surplus, and the Department of Finance appraise and sell the plot to the Kentucky Utilities Company.

XV. Capital Construction Projects:

1. New Classroom Building
2. Expansion of Utilities Facilities
3. Home Economics - Industrial Arts Building
4. New 300-women Dormitory
5. New 200-men Dormitory
6. Renovation of Lappin Hall and Addition of New Sci. Laboratories
7. Addition to Baird Music Building
8. New Administration Building
9. Eighteen Apartments - Lakewood Terrace
10. Proposed Construction of two (2) Additional Faculty Duplexes
11. Proposed 200-bed Dormitory for Women
12. Proposed 200-bed Dormitory for Men

XVI. Acts of the 1962 General Assembly:

You have in your folders a copy of House Resolution 78, which has passed both the House and Senate, and a House Bill 484 which the Governor has agreed to support.

Respectfully submitted,

Adron Doran, President

On motion of Dr. Cartmell, seconded by Mr. Reed and unanimously carried, the Board approved the staff changes as set forth in the President's Report.

BBG802

Minutes of March 12, 1962 -

There followed a discussion of the renewal of the President's contract. Dr. Doran was asked to leave the room. Mr. Reed moved, and Dr. Cartmell seconded the motion that the President's contract be renewed for a period of four years, and that his salary be set at \$18,000 per year, beginning July 1, 1962. The vote on this motion was:

Dr. Cartmell	Aye
Mr. Reed	Aye
Mr. Gilley	Aye
Mr. Butler	Aye

Nays:	None
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Dr. Doran was recalled and informed of the decision of the Board. The President expressed his sincere appreciation to the Board, not only for the renewal of his contract, but for the fine way in which the Board has conducted the affairs of the College since he became its President.

On motion of Mr. Reed, seconded by Dr. Cartmell and unanimously carried, the President's recommendation to allocate \$74,069.82 to Capital Construction projects to be developed by the President and approved by the Department of Finance, was approved.

On motion of Mr. Gilley, seconded by Dr. Cartmell and unanimously carried, the President was authorized to develop and present to the Board a detailed budget prior to July 1, 1962.

On motion of Mr. Reed, seconded by Dr. Cartmell and unanimously carried, the Board approved the registration fees as set forth in the President's report.

On motion of Dr. Cartmell, seconded by Mr. Gilley and unanimously carried, the Board approved a policy providing that teachers who have retired may be employed only on a substitute basis.

On motion of Mr. Reed, seconded by Mr. Gilley and unanimously carried, the City of Morehead was authorized to extend the water lines to the Arch Williams property known as the Morehead Camp on U. S. 60, East.

Minutes of March 12, 1962 -

On motion of Mr. Reed, seconded by Mr. Gilley and unanimously carried, the Board approved the President's recommendation that a plot of land 89'X70' adjacent to the College Power Plant be declared surplus, and that the Department of Finance appraise and sell the plot to the Kentucky Utilities Company, and the Chairman of the Board of Regents, Wendell P. Butler, is hereby authorized and directed to execute a deed of conveyance of same to the Kentucky Utilities Company in behalf of Morehead State College.

BBG802

On motion of Mr. Gilley, seconded by Mr. Reed, the dormitories on the campus were given the following names:

East Men's Hall Annex	Butler Hall
The New Men's Hall, now under construction	Wilson Hall

The vote on this motion was:

Dr. Cartmell	Aye
Mr. Reed	Aye
Mr. Gilley	Aye

Mr. Butler did not vote, due to the fact that one of the halls was to bear his name.

√ There being no further business to come before the Board at this time, on motion and vote the meeting was duly adjourned.

Wendell P. Butler
Chairman

Anna B. Carter
Secretary