

Morehead, Kentucky
March 24, 1955

A meeting of the Board of Regents of Morehead State College was held in the office of President Adron Doran March 24, 1955 at 2:00 P. M. The following members were present:

Wendell P. Butler
Dr. Elwood Esham
Dr. Lowell Gearhart

Absent: M. K. Eblen

The following motion was made, seconded and unanimously carried:

Whereas Mr. James T. Norris has tendered his resignation as a member of the Board of Regents of Morehead State College, in a letter to the governor dated January 15, 1955, said resignation to become effective February 1, 1955, and whereas the governor has informed Dr. Doran, President of the College, that Mr. Norris' resignation has been accepted,

Be It Resolved by the members of the Board of Regents of Morehead State College that Dr. Lowell Gearhart be named secretary to the Board of Regents to fill the vacancy created by Mr. Norris' resignation.

The vote on this motion follows:

Mr. Butler	Aye
Dr. Esham	Aye
Dr. Gearhart	Aye

Dr. Doran then discussed the enrollment of the college for the second semester, and stated that 935 students were enrolled. The enrollment is as follows:

<u>Kentucky Counties</u>		<u>Out of State</u>	
Bath	29	Connecticut	1
Bell	3	Deleware	1
Boone	3	Florida	3
Bourbon	1	Illinois	1
Boyd	25	Indiana	18
Bracken	2	Maryland	3
Breathitt	4	Michigan	6
Campbell	6	New Jersey	2
Carter	94	New York	1
Clark	3	Ohio	29
Clay	1	Pennsylvania	3
Elliott	33	South Carolina	1
Fayette	2	Tennessee	1
Fleming	30	Virginia	2
Floyd	56	West Virginia	16

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Franklin	7	Wisconsin	<u>1</u>
Grant	2		
Green	1	Total	89
Greenup	26		
Harlan	1		
Harrison	3		
Henderson	1		
Jeffersin	11		
Johnson	20		
Kenton	5		
Knott	17		
Knox	3		
Larue	2		
Lawrence	16		
Lee	1		
Lewis	64		
Letcher	15		
Madison	1	<u>Foreign</u>	
Oldham	1		
Powell	1	Korea	2
Magoffin	18		
Martin	21		
Mason	8		
Menifee	29	<u>Total</u>	
Mercer	3		
Montgomery	12	Kentucky	835
Morgan	62	Out of State	89
Nicholas	7	Korea	2
Perry	18	Incomplete	
Pike	34	Registration	<u>9</u>
Rowan	124		
Shelby	1		
Trimble	2	Total enrolled	935
Wolfe	3		
Whitley	2		
Woodford	<u>1</u>		
Total	835		

It was pointed out that the chief purpose of the meeting at this time was to approve the legislation which our fiscal agent has developed relating to the issue of bonds and letting contract for our proposed gymnasium. Mr. Cline, legal adviser to the Nelson, Browning Company, met with the Board of Regents. After some deliberation regarding the gymnasium, Dr. Gearhart introduced and caused to be read a proposed resolution entitled "A Resolution providing for the issuance, delivery and sale of Revenue Bonds, Series 1955, for account of Morehead State College." Dr. Esham seconded the motion for the adoption of said resolution, and upon roll call the vote was as follows: Butler aye, Esham aye, and Gearhart aye.

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Following is a copy of the resolution:

A RESOLUTION providing for the issuance, delivery and sale of Revenue Bonds, Series 1955, for account of Morehead State College.

* * * * *

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WHEREAS the athletic and physical culture facilities 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 gymnasium be erected on the campus of the College, the total cost of which, including appurtenances and incidentals, is estimated to be not less than \$500,000.00; and

WHEREAS said gymnasium is presently being erected, a substantial portion of the cost thereof having been paid through financial aid from the State Property and Buildings Commission, but it is necessary that additional funds to the amount of three hundred thousand dollars be provided through the issuance of revenue bonds 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 a gymnasium on the campus of Morehead State College according to the plans and specifications heretofore prepared and approved is hereby declared necessary for educational purposes as is hereby in all respects ratified and confirmed.

Section 2. In order to pay the cost of erecting said gymnasium not otherwise provided Revenue Bonds, Series 1955, shall be and are hereby ordered issued by the Board of Regents of said Morehead State College in the aggregate principal amount of three hundred thousand dollars (\$300,000), dated March 1, 1955, of the denomination of \$1000, to be numbered consecutively 1 to 300, inclusive, bearing interest to be evidenced by coupons attached to each bond, payable September 1, 1955 and semiannually thereafter on the first days of March and September in each year. Said bonds shall bear interest at such rate or rates not exceeding the statutory maximum of six per cent per annum as may be hereafter fixed as a result of competitive bidding for the purchase of said bonds, as hereinafter provided, and shall mature in numerical order on March 1 of the respective years as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1957	\$7000	1969	\$13,000
1958	7000	1970	13,000
1959	8000	1971	14,000
1960	8,000	1972	14,000
1961	9,000	1973	15,000
1962	9,000	1974	15,000
1963	10,000	1975	16,000
1964	10,000	1976	16,000
1965	11,000	1977	17,000
1966	11,000	1978	17,000
1967	12,000	1979	18,000
1968	12,000	1980	18,000

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provided, however, said bonds numbered 31 to 300, inclusive, shall be redeemable prior to maturity 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 March 1, 1960, upon terms of par and accrued interest to the redemption date at the coupon rate plus additional interest in an amount equal to three per cent of the principal amount thereof if called for redemption on or prior to March 1, 1965, two per cent of the principal amount thereof if called for redemption thereafter and on or prior to March 1, 1970, and one per cent of the principal amount thereof if called for redemption thereafter and prior to maturity. All bonds called for redemption as aforesaid shall cease to bear interest as of the redemption date, provided, notice identifying the bonds to be redeemed shall have been published at least once not less than thirty days prior to the redemption date in a newspaper having general circulation throughout Kentucky.

Said bonds shall be signed for and on behalf of said Board of Regents by the Chairman of said Board, attested by its Secretary, and sealed with its corporate seal, and the interest coupons attached to said bonds shall be executed with the facsimile signatures of said Chairman and Secretary, and said bonds, together with the interest thereon, shall be payable in lawful money of the United States of America at the principal office of the Kentucky Trust Company in the City of Louisville, Kentucky, but only out of the "1955 Revenue Bond and Interest Redemption Fund," hereinafter created, and shall be a valid claim of the holders thereof only against said fund and the gross income and revenues pledged to said fund.

Section 3. The bonds hereby authorized and the interest coupons attached thereto shall be in substantially the following form:

(Form of Bond)

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

Number _____

\$1,000

KNOW ALL MEN BY THESE PRESENTS that the Board of Regents of Morehead State College, a state educational institution and agency at Morehead, Kentucky, for value received, hereby promises to pay to the bearer or, if this bond be registered, to the registered holder hereof, as hereinafter provided, the sum of One Thousand Dollars (\$1,000) on the first day of March, 19___, and interest thereon from the date hereof at the rate of _____ per cent (_____%) per annum, payable September 1, 1955, and semiannually thereafter on March 1 and September 1 of each year until paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto, all such interest as may accrue on and prior to the maturity date of this bond to

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be paid only upon presentation and surrender of the annexed interest coupons as they severally mature, both principal and interest being payable in lawful money of the United States of America at the principal office of The Kentucky Trust Company in the City of Louisville, Kentucky.

The right is hereby reserved to call and redeem the bonds numbered 31 to 300 inclusive, of the series of which this bond is a part, 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), or any interest payment date on or after March 1, 1960, upon terms of par and interest accrued to the redemption date at the coupon rate plus additional interest in an amount equal to three per cent of the principal amount thereof if called for redemption on or prior to March 1, 1965; two per cent of the principal amount thereof if called for redemption thereafter and on or prior to March 1, 1970; and one per cent of the principal amount thereof if called for redemption thereafter and prior to maturity. All bonds called for redemption and for the retirement of which funds are duly provided will cease to bear interest as of the redemption date, provided, notice identifying the bonds to be redeemed shall have been published at least once not less than thirty days prior to the redemption date in a newspaper having general circulation throughout Kentucky.

This bond is issued for the purpose of paying the cost not otherwise provided of erecting a gymnasium on the campus of said Morehead State College under and in full compliance with the Constitution and Statutes of Kentucky, including among others Sections 162.340 to 162.380, inclusive, of the Kentucky Revised Statutes.

This bond is payable only from a fixed amount of the gross income and revenues to be derived from the operation of said gymnasium and appurtenances which will be set aside as a special fund and pledged for that purpose and identified as the "1955 Revenue Bond and Interest Redemption Fund," and this bond does not constitute an indebtedness of said Board of Regents or of said College or of the Commonwealth of Kentucky within the meaning of any constitutional provisions or limitations.

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

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

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remain payable to bearer.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this bond do exist, have happened and have been performed in due time, form and manner as required by law, and the amount of this bond, together with all other obligations of said Board of Regents and of said College, does not exceed any limit prescribed by the Constitution or Statutes of Kentucky; that said gymnasium and appurtenances will continuously be used for educational purposes and operated as a revenue producing undertaking, and that a sufficient portion of the gross income and revenues therefrom has been pledged to and will be set aside into said special fund for the payment of principal of and interest on all of said bonds as the same respectively become due.

IN WITNESS WHEREOF said Board of Regents of Morehead State College has caused this bond to be signed by its Chairman, and its corporate seal to be hereunto affixed, attested by its Secretary, and the coupons hereto attached to be executed with the facsimile signatures of said Chairman and said Secretary, all as of the first day of March, 1955.

Chairman, Board of Regents,
Morehead State College

SEAL:

Attest:

Secretary

(Form of Coupon)

No. _____ \$ _____

On the first day of _____, 19____, the Board of Regents of Morehead State College at Morehead, Kentucky, will pay to bearer _____ Dollars (\$ _____) out of its "1955 Revenue Bond and Interest Redemption Fund," at The Kentucky Trust Company in the City of Louisville, Kentucky, as provided in and for interest then due on its Revenue Bond, Series 1955, dated March 1, 1955, Numbered _____.

Chairman, Board of Regents

Secretary, Board of Regents

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(Form for Registration to be printed on the back of each Bond).

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Date of Registration	In Whose Name Registered	Signature of Secretary Board of Regents
:	:	:
:	:	:
:	:	:
:	:	:

Section 4. That the bonds hereby authorized be executed as herein provided, and thereupon be delivered by the Chairman and Secretary of said Board of Regents to the purchaser, as may be determined by said Board of Regents as a result of advertisement and public sale of bonds. The Secretary is hereby authorized and directed to cause notice of such sale to be published in the Courier-Journal, a newspaper published in the City of Louisville, Kentucky, such publication to be made at least once not less than ten days prior to the date specified in the notice for the consideration of bids. Each bidder will be required to qualify by furnishing a good faith deposit in the form of a certified check on a bank or trust company for the sum of \$6000 payable to the order of said Board of Regents, and no bid for less than par and accrued interest will be given favorable consideration.

The proceeds derived from the issuance of said bonds except as hereinafter provided shall be set apart and used and applied to pay the cost of erecting said gymnasium and appurtenances and any surplus of such proceeds thereafter remaining shall be paid into the "1955 Revenue Bond and Interest Redemption Fund." All accrued interest, together with a sufficient portion of the proceeds equal to the amount of interest to accrue to March 1, 1956, will represent interest during construction and shall be paid into said "1955 Revenue Bond and Interest Redemption Fund."

The construction of said gymnasium shall be carried out as expeditiously as may be, and it is hereby represented that same will have been so carried out as to be available and in operation on or prior to March 1, 1956.

Section 5. Said gymnasium facilities shall be continuously operated as a revenue producing undertaking so that the income and revenues therefrom will be sufficient to pay the interest on and principal of the revenue bonds hereby authorized as the same become due and to create during the first five years of such operation and thereafter maintain a reserve for such payment of interest and principal equal to the average annual interest and principal requirements. It is hereby represented, covenanted and agreed that Morehead State College, with the approval of the Council on Public Higher Education, has heretofore established, and so long as the bonds hereby authorized are outstanding, will continue to fix, impose and charge special student fees in the amount of not less than ten dollars for each full time student per semester and within thirty days following the beginning

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of each such semester, commencing with the second semester of the 1955-56 college year, there will be set apart out of said special student fees a sum equal to ten dollars for each full time student per semester for the services and facilities afforded by said gymnasium; provided, however, the Board of Regents may at any time and from time to time voluntarily set apart from any other available funds all or any portion of the amount which would be otherwise realized from the collection and setting apart of such special fee and thereupon the amount of the special fee to be collected from each student and set apart at or before the beginning of the succeeding semester or semesters may be reduced accordingly.

It is hereby represented and declared that providing the gymnasium facilities through the issuance of the revenue bonds hereby authorized is essential to the operation and functioning of Morehead State College, and said Board of Regents hereby acknowledges that the value thereof to the College as a whole will not be less than \$6000 per year. Accordingly, it is hereby covenanted and agreed that from and after March 1, 1956, and continuing thereafter so long as any of the revenue bonds hereby authorized are outstanding said Board of Regents will set apart the sum of not less than \$500 each calendar month from its general operating funds representing the payment for the services and facilities of said gymnasium to the College as a whole.

All sums realized and set apart as aforesaid from said special student fees and set apart representing payment for the services and facilities of said gymnasium to the College as a whole are hereby declared to constitute income and revenue from said gymnasium facilities and shall be paid into a special fund hereby created and designated "1955 Revenue Bond and Interest Redemption Fund" (sometimes hereinafter referred to as the "sinking fund"), which shall be used solely and only for and is hereby pledged to the payment of the interest on and principal of the revenue bonds hereby authorized as the same become due and to the creating during the first five years following the issuance of said revenue bonds and the maintenance thereafter of a reserve fund equal to the average annual interest and principal requirements of said revenue bonds.

It is contemplated and hereby represented that the expenses of operation and maintenance of said gymnasium facilities will be paid from other available funds by the Board of Regents but to the extent such other funds may not be available from time to time any income or revenues from the gymnasium facilities in excess of the amount at the time required to be paid into the sinking fund may be used and applied to that purpose.

If at any time the amount in the sinking fund is in excess of the amount of interest and principal becoming due during the current year and the next succeeding calendar year, such excess may be used for the purchase or retirement of revenue bonds hereby authorized prior to maturity or to the payment of expenses of operation and maintenance of said gymnasium facilities to whatever extent other funds are not available. No further payments need be made into the sinking fund whenever and so long as the amount therein, including the reserve, is sufficient to retire all of said revenue bonds at

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the time outstanding and to pay all interest to accrue thereon prior to such retirement.

Section 6. That for the further protection of the holders of the bonds herein authorized to be issued and the coupons thereto attached, a statutory mortgage lien upon said gymnasium and all properties connected therewith and belonging thereto is granted and created by law, which said statutory mortgage lien is hereby recognized and declared to be valid and binding upon all the property constituting said gymnasium facilities, and shall take effect immediately upon the delivery of any bonds authorized to be issued under the provisions of this resolution. Any holder of the bonds hereby authorized or of any of the coupons may, either at law or in equity, by suit, action, mandamus, or other proceedings enforce and compel performance of all duties with reference thereto as required by law, including the charge, collection and accounting for sufficient income and revenues and the segregation and application thereof as contemplated or provided by this resolution.

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

Section 7. The bonds authorized to be issued hereunder and from time to time outstanding shall not be entitled to priority, one over the other, in the application of said income and revenues, or with respect to the statutory mortgage lien securing their payment, regardless of the time or times of their issuance, it being the intention that there shall be no priority among the bonds authorized to be issued under the provisions of this resolution, regardless of the fact that they may be actually issued and delivered at different times.

Section 8. While any of the bonds herein authorized are outstanding no additional bonds or other obligations payable from said income and revenues shall be authorized or issued unless the lien and security for payment thereof are made junior and subordinate in all respects to the lien and security of the bonds herein authorized.

Section 9. Said Board of Regents further covenants and agrees that so long as any of said bonds are outstanding, it will

(a) maintain insurance for the benefit of the holders of the bonds herein authorized against loss of or damage to said gymnasium facilities by fire, lightning and windstorm in an amount equal to the insurable value thereof and pay the cost of such insurance as an operating expense;

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(b) keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to said gymnasium, and furnish the original purchaser of said bonds and any subsequent holder of any of the bonds, at the written request of such purchaser or holder, operating and income statements in reasonable detail; and

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

Section 10. If any section, paragraph, clause or provision of this resolution shall be held invalid the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 11. All resolutions or parts thereof in conflict with the provisions of this resolution are to the extent of such conflict repealed.

Section 12. This resolution will take effect from and after its passage and approval.

Adopted and approved by the Board of Regents of Morehead State College, this 24th day of March, 1955.

/s/ Wendell P. Butler
Wendell P. Butler, Chairman

Attest:

/s/ William L. Gearhart
Secretary

I, William L. Gearhart, being first duly sworn, do hereby depose and certify that I am the duly elected, qualified and acting Secretary of the Board of Regents of Morehead State College, and that as such I have in my possession, or have access to the complete corporate records of said Board, and that I have carefully compared the transcript hereto attached with the aforesaid corporate records, and that said transcript hereto attached is a true, correct and complete copy of all the corporate records in relation to the authorization and issuance of \$300,000 Revenue Bonds, Series 1955, for account of said College, to be dated March 1, 1955, and that said transcript

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hereto attached contains a true, correct and complete statement of all the measures adopted and proceedings, acts and things done, had and performed up to the present time in relation to the authorization and issuance of said bonds.

WITNESS my official signature and the corporate seal of said Board this 4th day of April, 1955.

/s/ William L. Gearhart
Secretary

(AFFIX SEAL)

Commonwealth of Kentucky)
County of Rowan)

Subscribed and sworn to before me by said William L. Gearhart, this 4th day of April, 1955.

/s/ Anna B. Carter
Notary Public Rowan County Kentucky

My commission expires January 23, 1956.

There being no further business to come before the Board at this time, the meeting adjourned.

M. B. Wilson
Vice Chairman

William L. Gearhart
Secretary

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