

Irregularities

Minutes of the Meeting of the Executive Committee of the Board of Trustees, University of Kentucky, November 24, 1945.

The Executive Committee of the Board of Trustees, pursuant to adjournment of the meeting of November 17, 1945, met in the Office of the President on November 24, 1945, at 10:10 a.m. The following members were present: Judge Richard C. Stoll, Chairman; J. C. Everett, H. D. Palmore, and H. S. Cleveland. President H. L. Donovan and Comptroller Frank D. Peterson, Secretary of the Board of Trustees, were also present.

A. University of Kentucky Athletic Association Incorporated.

President Donovan submitted to the Committee the Articles of Incorporation of the University of Kentucky Athletic Association and explained that the Attorney General had examined the Articles of Incorporation and had written a letter stating that they appeared to be in proper legal form. He further stated that the Association desired to enter into an agreement with the University for the use of the facilities of the Department of Athletics. He read the Articles of Incorporation.

ARTICLES OF INCORPORATION
of the
UNIVERSITY OF KENTUCKY ATHLETIC ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS that the undersigned residents and citizens of the Commonwealth of Kentucky do associate to form a corporation under and in pursuance to the provisions of Chapter 273, Kentucky Revised Statutes, 1944, with all the rights, privileges and immunities of a corporation organized for educational and scientific purposes, without capital stock, and from which no private pecuniary profit is to be derived, and do adopt the following Articles of Incorporation.

ARTICLE I

NAME

The name of the corporation shall be the University of Kentucky Athletic Association, by which name it may contract and be contracted with, hold and convey property, sue and be sued, and carry on business consistent with its purposes and powers.

ARTICLE II

PLACE OF BUSINESS

The principal office and place of business of said corporation shall be in the City of Lexington, Fayette County, Kentucky.

ARTICLE III

NATURE

The said corporation is to be a non-profit organization with no capital stock and from which no private pecuniary profit shall ever

be derived by any officer, member, or other person, except such compensation as may be allowed for services actually rendered. The income of the corporation shall be devoted solely to its educational purposes.

ARTICLE IV

PURPOSES

The purpose of the corporation shall be to promote athletics and physical culture; to furnish instruction in, and direction of, these activities; to train and prepare instructors, teachers, coaches and directors of athletics for the public schools of the state; to encourage students at the University of Kentucky and the youth of the State of Kentucky to participate in healthful exercise, recreation, athletic games, sports, exhibitions and contests at the University of Kentucky and at such other places as may be desirable and lawful; and to erect, own, lease, equip and maintain athletic fields, swimming pools, stadia, courts, golf courses, gymnasias, and other lands and buildings suitable for the above purposes. It shall be no part of the purpose, power or activity of the corporation to carry on propaganda or to otherwise attempt to influence legislation.

ARTICLE V

POWERS

The corporation shall have power:

(a) To aid and encourage education, particularly in the fields of physical culture and training and to furnish instructors, equipment, and other aid for this purpose.

(b) To purchase, lease, receive, own, sell, and convey real and personal property of all kinds, particularly lands, buildings and equipment necessary or convenient for participation in athletic training, games and contests.

(c) To employ instructors, coaches, directors and other persons necessary for carrying out the purposes of the corporation.

(d) To arrange, hold and conduct amateur athletic exhibitions, games, and contests, and to charge and receive admission fees to the same.

(e) To receive and accept donations by gift or devise, absolutely or in trust, and to acquire in other lawful manner moneys and properties for its maintenance.

(f) To borrow money and give its notes or other obligations therefor and to secure payment thereof by pledging, assigning or mortgaging any property it may own.

(g) To provide for membership of persons interested in the purposes of the association and to issue certificates therefor.

(h) To do any or all other lawful acts reasonably necessary to carry out the objects and purposes of the corporation.

ARTICLE VI

BOARD OF DIRECTORS

The affairs and business of the corporation shall be conducted by a Board of Directors which shall consist of the President of the University of Kentucky and ten other directors appointed by him for a term of one year, five of whom shall be members of the faculty of the University of Kentucky, one shall be the President of the Student Government Association of the University of Kentucky, one shall be an alumnus of the University, and one shall be a member of the Board of Trustees of the University of Kentucky. No person so appointed shall continue in office after he has ceased to be an active member of the group from which he was appointed. The Board of Directors shall adopt by-laws to provide for the internal

control and government of the corporation and shall have the power to amend and repeal the same by a vote of the majority of the Board.

ARTICLE VII

OFFICERS

The President of the University, or the person acting as such, by whatever title designated, shall be president of the corporation.

The Board of Directors shall, in the manner provided in the by-laws, elect a Vice President from its membership, and a Secretary and a Treasurer who need not be members of the Board of Directors. The offices of Secretary and Treasurer may be combined and held by one person. The terms and duties of all officers shall be as provided in the by-laws. The Board of Directors may, from time to time, establish and provide for other officers and employees and prescribe their duties.

ARTICLE VIII

LIMITATION OF INDEBTEDNESS

The highest amount of indebtedness or liability which the corporation may at any time incur shall be \$500,000.00.

ARTICLE IX

EXEMPTION FROM LIABILITY

The private property of members of this corporation shall be exempt from liability for any and all debts of the corporation.

ARTICLE X

DURATION - DISSOLUTION

The corporation shall exist for a period of fifty years unless sooner dissolved by a vote of two thirds of its Board of Directors, and may be renewed and extended from time to time for further periods of years by a majority vote of the members of its Board of Directors. In the event of the dissolution of the corporation, all of its property, real, personal and mixed and wheresoever situated shall vest immediately and absolutely in the Kentucky Research Foundation subject to all the limitations and uses by which it is held by the corporation at the time of its dissolution. None of the property of the corporation shall ever inure to the benefit of any officer or member of the corporation or other individual.

IN TESTIMONY WHEREOF witness our hands this 20th day of November, 1945.

/s/ Frank Murray

/s/ H. L. Donovan

/s/ Maurice F. Seay

/s/ Herbert P. Riley

/s/ D. V. Terrell

/s/ James W. Martin

/s/ Thomas D. Clark

STATE OF KENTUCKY)
) SCT
COUNTY OF FAYETTE)

I, Jane J. Nichols, a notary public in and for Fayette County, Kentucky, hereby certify that the foregoing Articles of Incorporation of the University of Kentucky Athletic Association were this day produced to me in my office in said county and state by Frank Murray, H. L. Donovan, Maurice F. Seay, Herbert P. Riley, D. V. Terrell, James W. Martin and Thomas D. Clark, and acknowledged by them to be their act and deed.

Witness my hand this 20th day of November, 1945.

/s/ Jane J. Nichols

My commission expires the 24th day of July, 1947.

B. Agreement with the University of Kentucky Athletic Association, Inc.

President Donovan read the following letter from the Hon. Eldon Dummit in which the Attorney General approved the Articles of Incorporation of the University of Kentucky Athletic Association; the proposed agreement between the University and the University of Kentucky Athletic Association; and the agreement between the University and the University of Kentucky Athletic Association wherein, for the consideration of a certain sum of money, proper seating space in the stadiums, gymnasiums and grandstands under the supervision of the University may be reserved for the students attending the University for each athletic event held under the auspices of the Association.

OFFICE OF THE ATTORNEY GENERAL
Frankfort

November 20, 1945

Mr. H. L. Donovan
President, University of Kentucky
Lexington, Kentucky

Dear Sir:

This office has examined the Articles of Incorporation of the University of Kentucky Athletic Association, dated November 20, 1945, signed by Frank Murray, H. L. Donovan, Maurice F. Casey, Herbert P. Riley, D. V. Terrell, James W. Martin and Thomas D. Clark. The Articles of Incorporation appear to be in proper legal form and carry out the purposes therein named.

This office has also examined the agreement proposed to be entered into between the board of trustees of the University of Kentucky and the University of Kentucky Athletic Association whereby the University of Kentucky permits and allows the Association to use certain of the University's athletic facilities, and in return for which the Association is to carry on and render athletic instruction and stage athletic contests and exhibits for and among the students of the University. This agreement appears to be in proper legal form.

We have also examined the agreement proposed to be entered into by and between the University of Kentucky Athletic Association and the board of trustees of the University of Kentucky wherein for the consideration of \$5.68 per quarter for each student enrolled in the University, the Association will make available sufficient and proper seating space in the stadiums, gymnasiums and grandstands under the supervision of the Association for the accommodation of the students of the University as may

be needed. This like unto the above-mentioned agreement appears to be in proper legal form.

From an examination of the statutes relative to the powers of the board of trustees of the University of Kentucky, it appears that they are possessed of sufficient power and authority to enter into such an arrangement as hereinabove outlined for the purpose of carrying out and fostering a modern physical education and athletic program in the University of Kentucky and for the benefit of the students thereof.

Yours very truly,

(Signed) Eldon S. Dummit
Attorney General

The President then submitted the agreement which was approved by the Attorney General and recommended its acceptance.

BY THIS AGREEMENT entered into in duplicate this 24th day of November, 1945, by and between the Board of Trustees of the University of Kentucky, a corporation, party of the first part, and the University of Kentucky Athletic Association, a corporation, party of the second part, it is mutually understood and agreed;

That in consideration of the sum of One Dollar (\$1.00) and other valuable considerations paid to the party of the first part, the receipt of which is hereby acknowledged, and in the further consideration of the covenants of the party of the second part herein contained and of the many advantages and benefits to the University of Kentucky and the students thereof, the party of the first part agrees to allow the party of the second part to use the property known as Stoll Field, including the football and baseball playing and practice fields and McLean Stadium and the Alumni Gymnasium, for the purpose of preparing for and holding athletic exhibitions and contests and to collect admission fees thereto, and to allow the second party to use the athletic equipment now used in the practice for and playing of, such contests.

The party of the second part agrees to employ sufficient and competent instructors and coaches for athletic teams composed of students at the University of Kentucky; to conduct in a careful and proper manner athletic contests with approved teams representing other colleges and schools, and with other teams approved by the first party; to make special concessions to the students of the University of Kentucky in respect to admission to such exhibitions and contests; to keep the above described property in a safe and proper condition so that it may be used

by the students of the University of Kentucky for recreational purposes; to save the first party harmless against any and all claims that may arise because of the condition of the property or the manner in which contests and exhibitions are conducted; and, on demand of the party of the first part, to surrender and return the above described property to the party of the first part in as good condition as it was received, reasonable wear and tear and loss or injury due to casualty excepted.

UNIVERSITY OF KENTUCKY
ATHLETIC ASSOCIATION:
(party of the second part)

BOARD OF TRUSTEES OF THE
UNIVERSITY OF KENTUCKY
(party of the first part)

(Signed) BY H. L. Donovan

(Signed) BY Richard G. Stoll
Chairman of the Executive Committee

" Attest: W. D. Funkhouser

The Committee discussed the agreement and took the following action:

* * * * *

1. Upon motion by Mr. Everett, seconded by Mr. Cleveland, and carried, the Chairman of the Executive Committee is authorized to sign the agreement on behalf of the University of Kentucky.

* * * * *

C. Agreement with University of Kentucky Athletic Association for Seating Space.

President Donovan submitted the following agreement which had been approved by the Attorney General and recommended its acceptance.

THIS AGREEMENT entered into in duplicate this 24th day of November, 1945, by and between the University of Kentucky Athletic Association, hereinafter designated as the Athletic Association, and the Board of Trustees of the University of Kentucky, hereinafter designated as the University.

WITNESSETH: That the Athletic Association agrees to reserve sufficient and proper seating space in stadiums, gymnasiums, and grandstands for the accommodation of students of the University of Kentucky at all exhibitions and contests; tournaments excepted, held and conducted by the

Athletic Association in the City of Lexington, Kentucky, in which athletic teams representing the University are participants, and, on request of the University, to furnish to it for delivery to its students, proper books of tickets for admission to such reserved seating space.

In consideration of the above, the University agrees to pay to the Athletic Association out of the student activity fees received for this purpose, and not otherwise, the sum of three dollars and sixty-eight (\$3.68) per quarter for each student enrolled and paying said fee during the fall, winter and spring quarters of each academic year.

Attest:

UNIVERSITY OF KENTUCKY ATHLETIC ASSOCIATION

(S) W. D. Funkhouser
Secretary

By: H. L. Donovan
President

BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY

By: Richard C. Stoll
Chairman, Executive Committee

The Committee discussed the agreement and took the following action:

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- 2. Upon motion by Mr. Cleveland, seconded by Mr. Everett, and carried, the Chairman of the Executive Committee is authorized to sign the agreement on behalf of the University.

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D. Adjournment.

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- 3. Upon motion duly made, seconded and carried, the Executive Committee adjourned at 10:45 p.m.

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Frank D. Peterson
Secretary, Executive
Committee, Board of
Trustees