

Minutes of Called Meeting of the Board of Trustees, University of Kentucky, December 7, 1935.

The Board of Trustees of the University of Kentucky met in President McVey's office at the University of Kentucky, December 7, at 2:30 p. m., with Ruby Laffoon, Chairman of the Board, in the Chair. Upon roll call the following members answered present: Governor Ruby Laffoon, Judge Richard C. Stoll, R. Miller Holland, Joe B. Andrews, G. C. Wells, Louis Hillenmeyer, Dr. George H. Wilson, John S. Cooper, O. C. Whitfield, and James Park. Those absent were Eugene T. Flowers, W. C. Hanna, James H. Richmond, James Rash and Robert G. Gordon.

Upon motion duly made and seconded, the notice of call for this meeting was ordered placed in the Minutes by the Secretary.

COPY OF LETTER OF CALL

November
Twenty-six
1 9 3 5

The undersigned, Ruby Laffoon, Chairman of the Board of Trustees of the University of Kentucky, hereby calls a special meeting of the Board of Trustees of the University of Kentucky, to be held in President McVey's office, Administration Building, University of Kentucky Campus, Lexington, Kentucky, at 2:30 p. m., Saturday, December 7, 1935. The object and the purpose of the meeting is stated as follows:

1. To consider and accept an offer from the United States of America to aid by way of loan and grant in financing the construction of several buildings upon the campus of the University of Kentucky at Lexington, Kentucky, consisting of a Central Heating Plant, Engineering Group Buildings, a Student Union Building and a Law Building.
2. To authorize the construction of the aforesaid buildings upon plans prepared by the College of Engineering and approved by the Director of the Federal Emergency Administration of Public Works.

2.

3. To consider and approve by proper resolutions the issuing of the special obligations of the University to defray the cost of the construction of these buildings not represented by the "grant" to be made by the United States of America.

4. To consider and approve a schedule of rates, rents, etc., to be charged for the use, occupancy, and service to be rendered by the aforesaid buildings.

5. To authorize the Secretary of the Board of Trustees to advertise for contract bids for the construction of said buildings as and when the need shall arise, and to authorize the Executive Committee of the Board of Trustees to receive and allocate said contract bids and to authorize the Vice Chairman to execute same.

6. To consider and approve such other matters as may arise in connection with the construction of the aforesaid buildings, and such other questions of business as may be brought before the meeting.

It is absolutely necessary that a quorum be present and the presence of each member is earnestly desired.

Very truly yours,

(Signed) Ruby Laffoon

Chairman of the Board of Trustees
University of Kentucky

(SEAL)

ATTEST:

D. H. Peak
Secretary

President McVey presented the offer of the United States of America to the University of Kentucky to aid by way of loan and grant in financing the construction of three university buildings and a steam heating plant. the following Resolution, numbered one, and entitled "A RESOLUTION ACCEPTING THE OFFER OF THE UNITED STATES TO THE UNIVERSITY OF KENTUCKY TO AID BY WAY OF LOAN AND GRANT IN FINANCING THE CONSTRUCTION OF THREE UNIVERSITY BUILDINGS AND A STEAM HEATING PLANT" was proposed by O. C. Whitfield, and read in full:

RESOLUTION NO. 1

A RESOLUTION ACCEPTING THE OFFER OF THE UNITED STATES TO THE UNIVERSITY OF KENTUCKY TO AID BY WAY OF LOAN AND GRANT IN FINANCING THE CONSTRUCTION OF THREE UNIVERSITY BUILDINGS AND A STEAM HEATING PLANT

Be it resolved by the Board of Trustees of the University of Kentucky:

Section 1. That the offer of the United States of America to the University of Kentucky to aid by way of loan and grant in financing the construction of three university buildings, and a steam heating plant, a copy of which reads as follows:

"Federal Emergency Administration
of Public Works

Washington, D. C.
November 6, 1935

State file No. Ky. 1013

Board of Trustees of the University of Kentucky,
Lexington, Kentucky

1. Subject to the Rules and Regulations (PWA Form No. 166, July 22, 1935, as amended to date) which are made a part thereof, the United States of America, hereby offers to aid in financing the construction and equipping of three (3) university buildings and central heating plant (herein called the "Project") by making a grant to the Board of Trustees of the University of Kentucky (herein called the "Applicant") in the amount of forty-five per cent (45%) of the cost of the Project upon completion, as determined by the Federal Emergency Administrator of Public Works, but not to exceed, in any event, the sum of \$165,000 and by purchasing, at the principal amount thereof plus accrued interest thereon, from the Applicant, obligations of the description set forth below (or such other description as shall be mutually satisfactory) in the aggregate principal amount of \$600,000:

- (a) Obligor: Board of Trustees of the University of Kentucky;
- (b) Type: Special obligation college building revenue, coupon bonds;
- (c) Denomination: \$1,000; (d) Date: October 1, 1935;
- (e) Interest rate and interest payment dates: Four per cent (4%) per annum, payable semi-annually on April 1 and October 1 of each year;
- (f) Place of payment: At the office of the Treasurer of the University of Kentucky in Lexington, Kentucky, or at the option of the holder at a bank or trust company in the Borough of Manhattan, City and State of New York;
- (g) Registration privileges: Registerable, at the option of the holder, as to principal or as to the principal and interest;
- (h) Maturities: Maturing on October 1 in years and amounts as follows:
 - 1938 to 1939, inclusive, \$15,000
 - 1940 to 1960, inclusive, \$20,000
 - 1961 to 1965, inclusive, \$30,000
- (i) Security: Payable as to both principal and interest from and secured by a first lien on and an exclusive pledge of a fixed amount of the gross revenues to be derived from the operation of the Project, which fixed amount shall at all times be sufficient to pay the interest on and principal of the bonds, as and when they mature, and further secured by a statutory mortgage lien on the Project.

2. This offer is conditioned upon -

- (a) The Applicant's adopting a resolution or resolutions fixing reasonable and adequate rates to be charged for the facilities and services afforded by the Project, including those afforded to the applicant;
- (b) The Applicant's adopting, prior to the payment by the United States of America for any obligations which it herein offers to purchase, resolution covenants to establish and enforce, so long as any obligations which the United States of America herein offers to purchase remain outstanding and unpaid, such parietal rules and regulations as will insure maximum occupancy of the facilities and

services afforded by the Project.

UNITED STATES OF AMERICA

Federal Emergency Administrator
of Public Works

By (Sgd.) Horatio B. Hackett
Assistant Administrator"

be and the same is hereby in all respects accepted.

Section 2. That said University of Kentucky agrees to abide by all the rules and regulations relating to such loan and grant a copy of which rules and regulations was annexed to the Government's offer and made a part thereof.

Section 3. That the Secretary be and he is hereby authorized and directed forthwith to send to the Federal Emergency Administration of Public Works three certified copies of this Resolution and three certified copies of the proceedings of this Board in connection with the adoption of this Resolution, and such further documents or proofs in connection with the acceptance of said offer as may be requested by the Federal Emergency Administration of Public Works.

(Signed) Ruby Laffoon
Chairman

(SEAL)
ATTEST:

D. H. Peak Secretary

The above resolution was seconded by G. C. Wells. The Secretary then called the roll and each member present voted aye.

The Chairman thereupon declared said Resolution carried and thereupon signed said Resolution in approval thereof.

The Secretary was authorized to certify as follows:

I, D. H. Peak, the duly chosen, qualified and acting Secretary of the Board of Trustees of the University of Kentucky, do hereby certify that the attached copy of the extracts of the minutes of a special meeting of the Board of Trustees of the University of Kentucky held on the 7th day of December, 1935, is a true, correct, and compared copy of the original minutes of said meeting on file and of record, and I do further certify that the copy of the Resolution, appearing in such minutes, entitled "A RESOLUTION ACCEPTING THE OFFER OF THE UNITED STATES

TO THE UNIVERSITY OF KENTUCKY TO AID BY WAY OF LOAN AND GRANT IN FINANCING THE CONSTRUCTION OF THREE UNIVERSITY BUILDINGS AND A STEAM HEATING PLANT" is a true, correct, and compared copy of the original RESOLUTION adopted at said meeting, which Resolution is on file and of record in my office.

WITNESS my hand and the seal of the said University this ninth day of December, 1935.

D. H. Peak
Secretary, Board of Trustees of the
University of Kentucky.

(SEAL)

Thereupon the President presented Resolution No. 2, which was read and discussed. The motion for this resolution was made by Richard C. Stoll and seconded by O. C. Whitfield. The secretary then called the roll and each member present voted aye.

The Chairman thereupon declared the Resolution carried and thereupon signed said Resolution in approval thereof.

RESOLUTION NO. 2

A RESOLUTION APPROVING THE TENTATIVE PLANS AND SPECIFICATIONS PREPARED BY THE COLLEGE OF ENGINEERING OF THE UNIVERSITY OF KENTUCKY FOR THE CONSTRUCTION OF ENGINEERING BUILDINGS, A STUDENT UNION BUILDING, A HEATING PLANT FOR THE UNIVERSITY AND A COLLEGE OF LAW BUILDING AND DIRECTING THE COLLEGE OF ENGINEERING TO PREPARE DETAIL PLANS AND SPECIFICATIONS FOR THE CONSTRUCTION OF SUCH BUILDINGS AND AUTHORIZING THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY TO APPROVE FOR AND ON BEHALF OF THE BOARD OF TRUSTEES FINAL DETAIL PLANS AND SPECIFICATIONS FOR THE CONSTRUCTION OF SAID BUILDINGS

WHEREAS, Colonel James H. Graham, Dean of the College of Engineering, has presented to this Board of Trustees tentative plans and specifications for the construction of College of Engineering Buildings, a Student Union Building, a College of Law Building and a Central Heating Plant for the University, and this Board having considered such tentative plans and specifications submitted by the Dean of the College of Engineering, and

WHEREAS, the United States Government has by a certain Offer, adopted by this Board of Trustees, proposed to finance the cost of constructing such buildings by making a Loan and Grant to the University of Kentucky in the sum of \$765,000.00;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY RESOLVES, AS FOLLOWS:

Section 1. That the tentative plans and specifications prepared by the College of Engineering of the University and submitted to this Board of Trustees by the Dean of the College of Engineering, be, and the same are hereby approved, and James H. Graham, Dean of the College of Engineering, is hereby authorized and directed to cause to be prepared final detail plans and specifications for the construction of College of Engineering Buildings, a Student Union Building, a College of Law Building and a Central Heating Plant substantially in accordance with said preliminary plans and specifications herein approved.

Section 2. That James H. Graham, Dean of the College of Engineering, when said plans and specifications have been completed as provided in Section 1 hereof, is hereby directed to submit said final detail plans and specifications to the Executive Committee of the Board of Trustees of the University of Kentucky, and said Executive Committee is hereby authorized and directed to approve said plans and specifications for and on behalf of this Board, which approval of said Committee is hereby ratified and confirmed.

Section 3. This Resolution shall take effect from and after its passage by the Board of Trustees, and approval by its Chairman.

Passed by the Board of Trustees of the University of Kentucky and approved, this 7th day of December, 1935.

(Signed) Ruby Laffoon
Chairman

(SEAL)
ATTEST:

D. H. Peak, Secretary

The Secretary was authorized to certify as follows:

I, D. H. Peak, certify that the above is a true and correct copy of the Resolution as passed by the Board of Trustees of the University of Kentucky and signed by Ruby Laffoon, Chairman.

WITNESS, my hand and the seal of the said University this ninth day of December, 1935.

D. H. Peak
Secretary, Board of Trustees of the
University of Kentucky.

(SEAL)

Thereupon the President presented Resolution No. 3, which was read and discussed. The motion for this Resolution was made by E. Miller Holland and seconded by James Park. The Secretary then called the roll and each member present voted aye.

The Chairman thereupon declared the Resolution carried and thereupon signed said Resolution in approval thereof.

RESOLUTION NO. 3

A RESOLUTION PROVIDING FOR THE CONSTRUCTION OF UNIVERSITY BUILDINGS, CONSISTING OF BUILDINGS FOR THE COLLEGE OF ENGINEERING, A HEATING PLANT, A STUDENT UNION BUILDING AND A BUILDING FOR THE COLLEGE OF LAW BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY: DECLARING SAID CONSTRUCTION TO BE A NECESSITY; ORDERING THE CONSTRUCTION OF SAID BUILDINGS: PROVIDING FOR THE CHARGING OF RENTS AND FEES FOR SERVICES RENDERED BY THE BUILDINGS AND PROVIDING FOR THE ISSUANCE AND SALE OF REVENUE BONDS IN ACCORDANCE WITH CHAPTER 72 OF THE 1934 ACTS OF THE GENERAL ASSEMBLY OF KENTUCKY TO FINANCE SAID CONSTRUCTION.

WHEREAS, the University of Kentucky and its students are not now being provided with adequate buildings for educational purposes and in order to provide said University and its students with more adequate facilities for educational purposes, it is necessary that there be constructed buildings for the College of Engineering of the University; a Heating Plant for the University; a Student Union Building and a building for the College of Law of the University; and

WHEREAS, the Engineering College of the University has heretofore submitted preliminary plans and specifications for such construction; and

WHEREAS, said plans and specifications have been heretofore adopted and ordered completed and presented to the Executive Committee of the Board of Trustees of the University of Kentucky for final approval, pursuant to said resolution authorizing the approval of the detailed plans and specifications of said construction; and

WHEREAS, under the provisions of Chapter 72 of the 1934 Acts of the General Assembly of Kentucky the Board of Trustees of the University of Kentucky is authorized to issue bonds as therein provided for the purpose of constructing said improvements;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY RESOLVE AS FOLLOWS:

Section 1. That there shall be constructed buildings for the College of Engineering of the University, a Heating Plant for the University, a Student Union Building and a building for the College of Law of the University (hereinafter designated the "Project") substantially in accordance with the plans and specifications heretofore presented to, and approved by this Board of Trustees.

Section 2. In order to provide for the payment of the cost, in excess of the grant made to the Board of Trustees of the University of Kentucky by the United States Government (hereinafter designated the "Government") of constructing the Project for said University, as designated in Section 1 hereof, there shall be issued by the Board of Trustees of the University of Kentucky in its corporate capacity and by and through its corporate name "University of Kentucky", \$600,000 of University of Kentucky Building Revenue Bonds of 1935, dated as of December 1, 1935, of the denomination of \$1,000 each, to be numbered from 1 to 600 inclusive, bearing interest at the rate of four per centum (4%) per annum, payable on June 1, 1936, and semi-annually thereafter on the first days of December and June in each year, which said bonds shall mature serially on December 1 of each year as follows, to-wit:

<u>YEAR</u>	<u>BOND RETIREMENT</u>	<u>INTEREST</u>	<u>TOTAL</u>
1936	----	\$24,000	\$24,000
1937	----	24,000	24,000
1938	\$10,000	24,000	34,000
1939	10,000	23,600	33,600
1940	10,000	23,200	33,200
1941	10,000	22,800	32,800
1942	10,000	22,400	32,400
1943	15,000	22,000	37,000
1944	15,000	21,400	36,400
1945	15,000	20,800	35,800
1946	15,000	20,200	35,200
1947	25,000	19,600	44,600
1948	25,000	18,600	43,600
1949	25,000	17,600	42,600
1950	25,000	16,600	41,600
1951	25,000	15,600	40,600
1952	25,000	14,600	39,600
1953	25,000	13,600	38,600
1954	25,000	12,600	37,600
1955	25,000	11,600	36,600

(Table Continued)

<u>YEAR</u>	<u>BOND RETIREMENT</u>	<u>INTEREST</u>	<u>TOTAL</u>
1956	\$25,000	\$10,600	\$35,600
1957	25,000	9,600	34,600
1958	25,000	8,600	33,600
1959	25,000	7,600	32,600
1960	25,000	6,600	31,600
1961	25,000	5,600	30,600
1962	25,000	4,600	29,600
1963	30,000	3,600	33,600
1964	30,000	2,400	32,400
1965	30,000	1,200	31,200

Said bonds shall be signed for and on behalf of the University of Kentucky by its Chairman and sealed with the corporate seal of the University of Kentucky and attested by its Secretary; and the interest coupons attached to said bonds shall be executed with the facsimile signatures of the said Chairman and Secretary, and said bonds, together with the interest thereon, shall be payable only out of the "University of Kentucky Building 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 of the Project pledged to such fund.

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

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
UNIVERSITY OF KENTUCKY
UNIVERSITY BUILDING REVENUE BOND
OF 1935

No. _____

\$1,000

The University of Kentucky for value received hereby promises to pay to the bearer, or, if this bond be registered as hereinafter provided, to the registered holder hereof, the sum of

ONE THOUSAND DOLLARS (\$1,000)

on the first day of December, 19 , and to pay interest thereon at the rate of four per centum (4%) per annum on June 1, 1936, and semiannually thereafter on December 1 and June 1 of each year upon presentation and surrender of the annexed interest coupons as they severally mature, both principal and interest being payable in any coin or currency which, on the respective dates of payment of the principal of and interest on this bond, is legal tender for payment of public and private debts, at the office of

the Treasurer of the University of Kentucky, in Lexington, Kentucky, or, at the option of the holder, at the principal office of the Chemical Bank and Trust Company in the Borough of Manhattan, City, County and State of New York.

This bond is issued for the purpose of constructing University buildings for the University of Kentucky under and in full compliance with the Constitution and Statutes of Kentucky, including, among others, Chapter 72 of the 1934 Acts of the General Assembly of Kentucky.

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

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

This bond may be registered as to principal only or as to both principal and interest, at the option of the holder on the books of the Secretary of the University of Kentucky, and said registration shall be noted 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 reverse hereof. But this bond may be discharged from registry by registered transfer to the bearer and thereafter transferability by delivery shall be restored. Upon registration of this bond as to both principal and interest, all unmatured appurtenant coupons shall be detached by the Secretary and upon subsequent re-registration hereof as to principal or to bearer, such of said coupons as shall not then have matured, shall be again attached thereto. This bond, if registered as to principal, may be reregistered as to both principal and interest and vice versa and if discharged from registration, it may again be registered as herein provided. Registration of this bond as to principal only, however, shall not affect the negotiability of the coupons appurtenant hereto, which shall continue to be transferable by delivery merely and shall remain payable to bearer.

This bond is exempted from taxation in Kentucky.

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 University of Kentucky does not exceed any limit prescribed by the Constitution or Statutes of Kentucky, and said buildings will be continuously operated by said University of Kentucky and that a sufficient portion of the income and revenues of said building has been pledged to and will be set aside into a special account in the treasury of said University of Kentucky for the payment of the principal of and interest on this bond, and the issue of which it is one.

IN WITNESS WHEREOF, the University of Kentucky has caused this bond to be signed by its Chairman and its corporate seal to be hereunto affixed, attested by the Secretary and the coupons hereto attached to be executed with the facsimile signatures of the said Chairman and said Secretary, all as of the first day of December, 1935.

UNIVERSITY OF KENTUCKY

By Ruby Laffoon
Chairman

(SEAL)

Attest:

D. H. Peak
Secretary

Section 4. From and after the delivery of any bond issued under the provisions of this resolution, the Project of said University of Kentucky shall be operated on a fiscal year basis, commencing on December 1 of each year and ending on November 30 of the following year, and on that basis the gross income and revenues of said Project shall be set aside into a separate and special fund designated the "University of Kentucky Building Revenue Fund" (hereinafter designated the "Building Revenue Fund").

There shall be and there is hereby created a fund to be known as "University of Kentucky Building Revenue Bond and Interest Redemption Fund", (hereinafter called the "Bond Fund") into which there shall be set aside from the monies held in the Building Revenue Fund such amounts as will be sufficient to pay the interest on and principal of the bonds hereby authorized and it is hereby determined that the amounts necessary and to be set aside into said fund shall be as follows:

During the first ten years after the date when the Project is first put into operation, the amounts so payable into the Bond Fund in each month shall equal $1/5$ of the next maturing installment of interest and $1/10$ of the next maturing installment of principal. During each of the following years (after the first ten) the amount so payable in each month to the Bond Fund shall equal $1/6$ of the next maturing installment of interest and $1/12$ of the next maturing installment of principal on the bonds. In the event that the monies held in the Building Revenue Fund in any month shall be insufficient to make the aforesaid payments in full, any such deficiency shall be added to the amounts required to be paid into such Bond Fund in the following month.

The amount by which any such payment in the fiscal year exceeds the aggregate amount of interest on and principal of said bonds becoming due in such year shall be held in said Bond Fund as a reserve for contingencies and used solely as herein provided. Provided, however, that no further payments need be made into said Bond Fund after such amount of the bonds shall have been retired so that the amount then held in the bond fund, including the reserve for contingencies, is equal to the entire amount of the principal and interest that will be payable at the time of their maturity on all of the bonds then remaining outstanding.

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

All monies held in the Bond Fund or as a reserve for contingencies shall be deposited in a bank which is a member of the Federal Reserve System and of the Federal Deposit Insurance Corporation; the monies held as reserve for contingencies may be invested in direct obligations of the United States of America, provided, however, that the University shall make a sale of a sufficient amount of such obligations in the event that it shall prove necessary to draw upon said reserve.

The payments hereinabove provided into said Bond Fund shall be made in equal monthly installments on the first day of each month, except when the first day of any months shall be on a Sunday or a legal holiday, in which event such payments shall be made on the next succeeding secular day and the balance then remaining shall be set aside for the operation and maintenance, as hereinafter fully provided.

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

The balance of the monies remaining in the Building Revenue Fund after the aforesaid payments into the Bond Fund in each month shall be set aside as follows:

There shall be created an "Operation and Maintenance account" to be used for the proper operation and maintenance of said Project, into which there shall be set aside from the monies hereinafter referred to, an amount sufficient to provide for the payment of reasonable and necessary expenses of operating and maintaining the Project.

Section 5. All monies received from any bonds issued pursuant hereto, exclusive of accrued interest, shall be applied solely for the construction of said Project, as herein authorized, provided that such proceeds, together with all sums received as accrued interest of said bonds shall be used also to pay interest on said bonds during the period of construction of said project.

Section 6. While the bonds authorized hereunder, or any of them remain outstanding and unpaid, the rents for all services rendered by said Project to the University and fees charged to its students shall be reasonable and just, taking into account and consideration the cost and value of said Project, the cost of maintaining and operating the same, the amounts necessary for the retirement of all bonds and the accruing interest on all such bonds as may be sold and are unpaid under the provisions of this resolution, and there shall be charged against the University such amounts for services rendered by the Project as shall be adequate, together with fees to be charged to students, to meet the requirements of this and the preceding section hereof.

Section 7. The University of Kentucky hereby covenants and agrees with the holder or holders of the bonds hereby authorized to be issued, or any of them, that it will faithfully and punctually perform all duties with reference to said Project required by the Constitution and Laws of the Commonwealth of Kentucky, including the charging and collection from the University, the Colleges of the University and its or their students of reasonable and sufficient amounts for services rendered by said Project and the application of the respective funds created by this resolution.

The University of Kentucky hereby irrevocably covenants, binds and obligates itself not to sell, lease, mortgage or in any manner dispose of said Project, except by the mortgage provided for in Section 8 hereof, until all of the bonds herein authorized to be issued shall have been paid in full, both principal and interest.

The University of Kentucky further covenants and agrees with the holders of said bonds to maintain in good condition and continuously to operate said Project, so long as the principal of or interest on any of the bonds herein authorized remain outstanding and unpaid and to charge and collect from the University reasonable and sufficient amounts as rent for services rendered by the Project to the University in furnishing to it and its Colleges, laboratory and other educational facilities and to charge and collect reasonable and sufficient fees from each student of the University and its Colleges for services rendered by the Project to such students, which fees shall be, in addition to all other fees charged by the University to such students. The aforesaid rents and fees shall be sufficient at all times to maintain the Bond Fund and the Operation and Maintenance Fund as required by the preceding sections of this resolution.

Section 8. 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 Project and all properties connected therewith and belonging thereto is granted and created by Chapter 72 of the Acts of the General Assembly of Kentucky, of 1934, which said statutory mortgage lien is hereby recognized and declared to be valid and binding upon the University of Kentucky and all the property constituting the Project, as provided by law, and shall take effect immediately upon the delivery of any bonds authorized to be issued under the provisions of this resolution. Any holder of said bonds or of any of the coupons may, either at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties required by said Act, including the payment by the University of sufficient rents and student fees and segregation of the income and revenues and the application thereof.

If there be any default in the payment of the principal of or interest on any of said bonds, then upon the filing of suit by any holder of said bonds or any of the coupons, any court having jurisdiction of the action may appoint a receiver to administer said Project on behalf of the University of Kentucky with power to charge and collect a sum sufficient to provide for the payment of

any bonds or obligations outstanding against said Project and for the payment of the operating expenses, and to apply the income and revenues in conformity with this resolution and the provisions of said laws of Kentucky aforesaid.

Section 9. 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 the revenues of said Project, or with respect to the statutory mortgage lien securing their payment, regardless of the time or times of their issuance, it being the intention of the University of Kentucky 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 10. While any of the bonds herein authorized are outstanding, the University of Kentucky shall not issue any additional bonds payable from the revenues of the said Project, unless the liens of such bonds on the revenues of said project as improved or extended is made junior and subordinate in all respects to the lien of the bonds herein authorized.

Section 11. So long as any of said bonds are outstanding, the University of Kentucky shall:

- (a) Maintain insurance for the benefit of the holders of the bonds herein authorized of a kind and in an amount which usually would be carried by private companies engaged in a similar type of business, and pay the cost of such insurance from the Operation and Maintenance Fund hereinbefore described;
- (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 Project. The University of Kentucky will furnish to the original purchaser of said bonds, and to any holder of any of the said bonds, at the written request of such holder, not more than thirty days after the close of each six months' fiscal period, complete operating and income statements of the said Projects in reasonable detail covering such six months' period, and, not more than sixty days after the close of each fiscal year, complete financial statements of the said Project and the University of Kentucky in reasonable detail covering such fiscal year certified by independent auditors, and
- (c) Grant to any holder or holders of 25 per cent of said bonds then outstanding the right at all reasonable times to inspect the said Project and all records, accounts and data of the University of Kentucky relating thereto.

Section 12. The bonds hereby authorized shall be, and the same hereby are awarded to the UNITED STATES OF AMERICA at par and accrued interest, in accordance with the terms of that certain offer made to the University of Kentucky by the United States of America, accepted by resolution adopted on the 7th day of December, 1935, unless a price in excess of par and accrued interest is secured by the Executive Committee of this Board, which Committee is hereby authorized to offer said bonds for sale and to accept the highest and best offer from a private purchaser or purchasers in excess of par and accrued interest, and the Treasurer of said University of Kentucky be, and he is hereby authorized and directed to deliver said bonds to the purchaser thereof in accordance with the terms of such offer or such sale upon receipt of payment therefor as herein provided.

Section 13. 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 14. All resolutions or parts thereof in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.

Section 15. This resolution shall take effect from and after its passage and approval by the Chairman of the University of Kentucky.

Passed by the Board of Trustees of the University of Kentucky and approved this 7th day of December, 1935.

(Signed) Ruby Laffoon
Chairman, University of Kentucky

(SEAL)

ATTEST:

D. H. Peak
Secretary

The Secretary was authorized to certify as follows:

I, D. H. Peak, certify that the above is a true and correct copy of the Resolution as passed by the Board of Trustees of the University of Kentucky and signed by Ruby Laffoon, Chairman.

WITNESS, my hand and the seal of the said University this ninth day of December, 1935.

D. H. Peak
Secretary, Board of Trustees of
the University of Kentucky

Thereupon the President presented Resolution No. 4, which was read and discussed. The motion for this resolution was made by Richard C. Stoll and seconded by O. C. Whitfield. The secretary then called the roll and each member present voted aye.

The Chairman thereupon declared the Resolution carried and thereupon signed said Resolution in approval thereof.

RESOLUTION NO. 4

A RESOLUTION FIXING AND DETERMINING THE RENTALS TO BE CHARGED THE UNIVERSITY OF KENTUCKY AND LABORATORY AND OTHER EDUCATIONAL FACILITIES FURNISHED THE UNIVERSITY BY THE COLLEGE OF ENGINEERING BUILDINGS, A STUDENT UNION BUILDING, A COLLEGE OF LAW BUILDING AND A CENTRAL HEATING PLANT AND THE FEES TO BE CHARGED THE STUDENTS OF THE UNIVERSITY AND SAID COLLEGES FOR SERVICES RENDERED BY SAID ENGINEERING, LAW AND STUDENT UNION BUILDINGS, TO BE CONSTRUCTED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY AND FINANCED BY THE ISSUANCE OF BUILDING AND REVENUE BONDS OF 1935 AND BY A GRANT MADE TO SAID BOARD BY THE UNITED STATES OF AMERICA.

WHEREAS, the Board of Trustees of the University of Kentucky will construct Engineering Buildings, a Law Building, a Student Union Building and a General Heating Plant with funds provided by a Loan and Grant from the United States of America, and

WHEREAS, in order to provide a sum sufficient to pay the interest on and the principal of the bonds of the Board of Trustees heretofore authorized, it is necessary that rental and fees for services rendered by said buildings be established:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY, AS FOLLOWS:

Section 1. That there shall be paid by the University of Kentucky into a separate and special fund designated as the "University of Kentucky Building Revenue Fund" created by a resolution entitled "A Resolution providing for the construction of four University buildings consisting of a building for the College of Engineering, a Heating Plant, a Student Union Building and a building for the College of Law by the Board of Trustees of the University of Kentucky declaring said construction to be a necessity, ordering the construction of said buildings, providing for the charging of rents and fees for services rendered by the buildings and providing for the issuance and sale of Revenue Bonds in accordance with Chapter 72 of the 1934 Acts of the General Assembly of Kentucky to finance said construction", and passed by this Board on the 7th day of December, 1935, as follows:

1. For laboratory and other educational facilities furnished the University in connection with its operation of the College of Engineering by said Engineering Buildings, the sum of \$10,000.00 per annum;

2. For educational facilities furnished by said Student Union Building, the sum of \$7,000.00 per annum;

3. For educational facilities furnished by said Law Building, the sum of \$1,400.00 per annum.

The foregoing rental shall be paid at the rate of \$1,533.33 per month as such services accrue. The aggregate of said annual rentals in the sum of \$18,400.00 shall represent payment for services rendered to the University of Kentucky by said buildings.

4. For heating the plant of the University on account of services rendered by said Heating Plant, there shall be paid by the University an annual fee of \$33,054.00, which fee shall be paid at the rate of \$2,754.50 per month, as such services accrue. The said aggregate annual sum shall represent payment for services rendered to the University of Kentucky by said Heating Plant.

Section 2. For services rendered to the students in the College of Engineering by the Engineering Buildings and for the services rendered to the students in the College of Law by the Law Building, there shall be charged a class room fee against each student attending said colleges for each regular semester, as follows:

1. Each engineering student of said College of Engineering, the sum of \$6.00 per semester.

2. Each student of the University matriculating in one or more subjects offered by the College of Engineering, a sum equal to the proportionate amount of the aforesaid fee based upon the proportion of the semester hours of the subjects carried by such students to the total minimum semester hours of engineering subjects required in the Engineering College for engineering students.

3. Each law student of said College of Law of the University a class room fee for each regular semester amounting to the sum of \$2.50 per student, and each student attending the College of Law, a class room fee for each summer school term amounting to the sum of \$1.50 per student.

4. Each student of the University of Kentucky matriculating in one or more subjects offered by the College of Law, a sum equal to the proportionate amount of the aforesaid fee, based upon the proportion of the semester hours of the subjects carried by such student to the total minimum semester hours of law subjects required in the Law College for law students.

5. Each student attending the University and its several colleges, a Student Union Building fee amounting to the sum of \$2.00 per semester.

6. Each student attending the summer school of the University and its several colleges, a Student Union Building fee amounting to \$1.00 per term.

The foregoing student fees shall be charged in addition to all other fees now or hereafter charged by the University of Kentucky and its colleges and shall represent payment for services rendered to the students of the University, the students of said Colleges of Engineering and Law, by said buildings.

The monies realized from fees herein established shall upon collection be forthwith paid into the "University of Kentucky College Building Revenue Fund", referred to in Section 1, hereof.

Section 3. The foregoing rentals and fees shall become effective as of the date of the opening of the first semester of the school year of the University of Kentucky for the year of 1936-1937.

Section 4. If any section, paragraph, clause or provision of this resolution shall be held to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect the validity of the remaining portions of this Resolution.

Section 5. All resolutions, or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

Section 6. This Resolution shall take effect from and after its passage by the Board of Trustees, and approval by its Chairman.

Passed by the Board of Trustees of the University of Kentucky and approved, this the 7th day of December, 1935.

(Signed) Ruby Laffoon
Chairman, Board of Trustees

(SEAL)

ATTEST:

D. H. Peak
Secretary

The Secretary was authorized to certify as follows:

I, D. H. Peak, certify that the above is a true and correct copy of the Resolution as passed by the Board of Trustees of the University of Kentucky and signed by Ruby Laffoon, Chairman.

WITNESS, my hand and the seal of said University this ninth day of December, 1935.

D. H. Peak
Secretary, Board of Trustees of
the University of Kentucky.

(SEAL)

Thereupon the President presented Resolution No. 5, which was read and discussed. The motion for this resolution was made by James Park and seconded by John S. Cooper. The secretary then called the roll and each member present voted aye.

The Chairman thereupon declared the Resolution carried and thereupon signed said Resolution in approval thereof.

RESOLUTION NO. 5

A RESOLUTION AUTHORIZING THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY TO ADVERTISE FOR BIDS FOR THE COMPLETION OF THE CONSTRUCTION OF A CENTRAL HEATING PLANT FOR THE UNIVERSITY OF KENTUCKY, COLLEGE OF ENGINEERING BUILDINGS, A STUDENT UNION BUILDING AND A COLLEGE OF LAW BUILDING TO ACCEPT SAID BIDS AND TO AWARD TO AND EXECUTE CONTRACTS WITH THE LOWEST AND BEST BIDDER, AND TO MAKE REQUISITION OR REQUISITIONS TO THE UNITED STATES GOVERNMENT FOR THE SALE TO IT OF THE UNIVERSITY OF KENTUCKY SCHOOL BUILDING REVENUE BONDS OF 1935, AND REQUISITION OR REQUISITIONS TO THE UNITED STATES GOVERNMENT ON ACCOUNT OF THE GRANT TO THE UNIVERSITY OF KENTUCKY FROM THE UNITED STATES GOVERNMENT PURSUANT TO THE GOVERNMENT'S OFFER HERETOFORE ADOPTED AND TO DO ALL THINGS NECESSARY TO PROSECUTE THE CONSTRUCTION OF SAID BUILDINGS TO FINAL COMPLETION.

Whereas, the United States Government has offered to finance the construction of certain University Buildings and this Board having accepted said Offer and pursuant thereto has ordered the construction of the College of Engineering Buildings, a Student

Union Building, a Central Heating Plant for the University and a College of Law Building, and by Resolutions have approved tentative plans and specifications and ordered their completion and approval by the Executive Committee of the Board of Trustees, and have ordered the construction of said buildings:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY, AS FOLLOWS:

Section 1. That the Executive Committee of the Board of Trustees of the University of Kentucky is hereby authorized and directed to advertise for bid or bids for the completion of the construction of a Central Heating Plant for the University, the College of Engineering Buildings, a Student Union Building and a College of Law Building in accordance with the tentative plans and specifications approved by this Board, and as finally approved by the said Executive Committee pursuant to the direction of this Board.

Section 2. That the Executive Committee of the Board of Trustees is hereby authorized and directed to accept bids pursuant to its advertisement as provided in Section 1 hereof, and to determine the lowest and best bidder or bidders and to make and execute contracts with said bidder or bidders for and on behalf of this Board, which contracts shall be signed by the Chairman of the Executive Committee of the Board of Trustees of the University of Kentucky and countersigned by the Secretary of the said Board.

Section 3. That the Executive Committee of the University of Kentucky is hereby authorized to make requisition or requisitions, as the case may be, to the United States Government for the sale to it of the University of Kentucky Building Revenue Bonds of 1935, which have been heretofore authorized by this Board, and to cause to be prepared and executed the necessary documents and certificates in support of such requisition or requisitions, and to make requisition or requisitions to the United States Government for advancements on account of the Grant made to the Board of Trustees of the University of Kentucky by the United States Government and to prepare or cause to be prepared all necessary documents and certificates in support of such requisition or requisitions. The requisitions herein referred to when made to the United States Government shall be signed and executed for and on behalf of the Board of Trustees of the University of Kentucky, through its corporate name "University of Kentucky", by its Vice Chairman.

Section 4. The monies received from the proceeds of sale of the bonds and from requisitions made to the Government on account of the Grant shall be deposited into a separate account in a bank or banks designated by the Executive Committee of the Board of Trustees and shall be used solely and only for the purpose of paying the cost of the construction project, except as to accrued interest. All disbursements from said funds shall be made only after the approval of such disbursements by the Executive Committee and upon order of the said Committee. The

disbursement of funds as herein provided shall be evidenced by a check or voucher of the Board of Trustees, signed and executed for and on behalf of the Board by the Treasurer and countersigned by the Chairman of the Executive Committee of the Board of Trustees.

Section 5. That the Executive Committee of the Board of Trustees of the University of Kentucky is hereby further authorized and directed to do all things necessary to complete the construction of the proposed projects, subject only, however, to the resolutions of the Board of Trustees of the University of Kentucky heretofore adopted by the Board accepting the Offer of the United States Government.

Section 6. All acts of the Executive Committee performed pursuant to this resolution are hereby ratified and confirmed.

Section 7. This Resolution shall take effect from and after its passage by the Board of Trustees, and approved by its Chairman.

Passed by the Board of Trustees of the University of Kentucky and approved, this the 7th day of December, 1935.

(Signed) Ruby Laffoon
Chairman, Board of Trustees

(SEAL)

ATTEST:

D. H. Peak
Secretary

The Secretary was authorized to certify as follows:

I, D. H. Peak, certify that the above is a true and correct copy of the Resolution as passed by the Board of Trustees of the University of Kentucky and signed by Ruby Laffoon, Chairman.

WITNESS, my hand and the seal of the said University this ninth day of December, 1935.

D. H. Peak
Secretary, Board of Trustees of
the University of Kentucky.

(SEAL)

The President submitted a summary of bidders for the steam distributing system, Central Heating Plant, Docket No. KY-1013, Contract No. 8, and reported that the Meyer Plumbing and Heating Company of Louisville, Kentucky, was the lowest bidder, and asked a resolution of the Board of Trustees authorizing the awarding of this contract to the Meyer Plumbing and Heating Company of Louisville, Kentucky.

Upon motion duly made and seconded the following resolution was made

RESOLUTION:

WHEREAS, bids were opened for the construction of the Steam Distributing System for a Central Heating Plant for the University of Kentucky on December 6 at 10:00 a.m. pursuant to a resolution heretofore adopted by this Board of Trustees, whereas the Executive Committee has considered and studied said bids, has reported that the bid of the Meyer Plumbing and Heating Company, of Louisville, Kentucky, has the lowest and best bid and that the acceptance of such bid will be for the best interest of the University, now, therefore, be it resolved by the Board of Trustees of the University of Kentucky --

Section 1. That the bid of the Meyer Plumbing and Heating Company, be and the same is hereby accepted subject to approval of said bid by the Acting State Director of the Public Works Administration.

Section 2. That Richard C. Stoll, Vice-Chairman of the Board of Trustees of the University of Kentucky is hereby authorized and directed to sign and execute contract for the construction of said work for and on behalf of this Board.

Section 3. That the Business Manager of the University of Kentucky is hereby authorized and directed to return all the certified checks deposited by bidders at the time of filing of their respective bids, except the check of the Meyer Plumbing and Heating Company, the check of the Northeastern Piping and Construction Company of North Tonawanda, New York, and the check of George F. Voigt, Jeffersonville, Indiana, that the certified checks, upon the approval of the bid of the Meyer Plumbing and Heating Company of Louisville, Kentucky, as herein provided by the Acting State Director of the Public Works Administration and the execution of the construction contract together with the surety bond as provided by contract documents, of the Meyer Plumbing and Heating Company of Louisville, Kentucky, the Northeastern Piping and Construction Company, and George F. Voigt, shall forthwith be returned.

Section 4. That in the event the bid of the Meyer Plumbing and Heating Company of Louisville, Kentucky, is not approved by said Acting State Director the Executive Committee of the Board of Trustees of the University of Kentucky is hereby authorized to award the contract for the construction of said work to the next lowest bidder. (For copy of bid see Appendix A).

The Secretary was authorized to certify as follows:

I certify that the above Resolution was offered and passed by the unanimous vote of the Board of Trustees meeting December 7, 1935.

(Signed) D. H. Peak
Secretary, Board of Trustees of the University of Kentucky.

(SEAL)

The President presented a letter from Frankel and Curtis, Architects, of Lexington, Kentucky, addressed to the Dean of the College of Engineering, which sets forth the results of the bids opened at 2:00 p.m., December 6, in the office of the President of the University of Kentucky, for the construction of the Annex to the Experiment Station, College of Agriculture, and wherein the Smith-Haggard Lumber Company of Lexington, Kentucky, was found to be the low bidder. Upon action duly made and seconded, the following resolution was passed:

RESOLUTION

WHEREAS, bids were opened for the construction of an addition to the Kentucky Agricultural Experiment Station, University of Kentucky, on December 6 at 2:00 p.m., pursuant to a resolution heretofore adopted by this Board of Trustees, whereas the Executive Committee has considered and studied said bids, has reported that the bid of the Smith-Haggard Lumber Company of Lexington, Kentucky, is the lowest and best bid, and that the acceptance of such bid will be for the best interest of the University of Kentucky, now therefore, be it resolved by the Board of Trustees of the University of Kentucky -

Section 1. That the bid of the Smith-Haggard Lumber Company, be and the same is hereby accepted subject to approval of said bid by the Acting State Director of the Public Works Administration.

Section 2. That Richard C. Stoll, Vice Chairman of the Board of Trustees of the University of Kentucky is hereby authorized and directed to sign and execute contract for the construction of said work for and on behalf of this Board.

Section 3. That the Business Manager of the University of Kentucky is hereby authorized and directed to return all the certified checks deposited by bidders at the time of filing of their respective bids, except the check of the Smith-Haggard Lumber Company, and the check of the Gilson-Taylor, Incorporated, of Lexington, Kentucky, that the certified checks, upon the approval of the bid of the Smith-Haggard Lumber Company as herein provided by the Acting State Director of the Public Works Administration and the execution of the construction contract together with the surety bond as provided by contract documents, of the Smith-Haggard Lumber Company and Gilson-Taylor, Incorporated, shall forthwith be returned.

Section 4. That in the event the bid of the Smith-Haggard Lumber Company of Lexington, Kentucky, is not approved by said Acting State Director the Executive Committee of the Board of Trustees of the University of Kentucky is hereby authorized and directed to consider the Gilson-Taylor, Incorporated, to present such bid to the said Acting State Director for approval, and in the event it is so approved, the said Executive Committee is hereby authorized to award the contract for the construction of said work to said Gilson-Taylor, Incorporated. (For copy of bid, see Appendix B.)

The Secretary was authorized to certify as follows:

I certify that the above Resolution was offered and passed by the unanimous vote of the Board of Trustees, meeting December 7, 1935.

(Signed) D. H. Peak
Secretary, Board of Trustees, University of Kentucky.

(SEAL)

With the passage of the foregoing Resolution, the meeting again discussed the best means for the University to provide the funds necessary to match the Government's Offer of a grant of \$40,950, in the ratio of 55 to 45, or \$50,000, for the construction of the Annex to the Experiment Station Building, College of Agriculture (Federal Emergency Administration of Public Works Docket No. KY-1114). After a general discussion, it was the opinion of the Board that the same general plan and procedure outlined in Resolution No. 3, already voted and passed in this meeting of the Board for the sale of the University bonds to the Government should be used also to provide the funds necessary

to complete the financing of the construction of said Annex. Thereupon Mr. R. Miller Holland offered the following Resolution, which was seconded by Mr. Richard C. Stoll:

A RESOLUTION PROVIDING FOR THE CONSTRUCTION OF AN ANNEX TO THE EXPERIMENT STATION BUILDING, COLLEGE OF AGRICULTURE, UNIVERSITY OF KENTUCKY, DECLARING SAID CONSTRUCTION TO BE A NECESSITY, ORDERING THE CONSTRUCTION OF SAID BUILDING AND PROVIDING FOR THE ISSUANCE AND SALE OF REVENUE BONDS IN ACCORDANCE WITH CHAPTER 72 OF THE 1934 ACTS OF THE GENERAL ASSEMBLY OF KENTUCKY TO FINANCE SAID CONSTRUCTION

WHEREAS, additional laboratory and office space are necessary for the proper functioning of the Experiment Station of the College of Agriculture, and

WHEREAS, plans and specifications have been prepared by Frankel and Curtis, architects, for the construction of an annex to the said Experiment Station Building, and

WHEREAS, said plans and specifications have been approved and adopted heretofore by this Board, together with advertising for bids for said construction and the awarding of a contract for same, all being done in accordance with the rules and regulations of the Federal Emergency Administration of Public Works, and

WHEREAS, an OFFER made by the United States of America in the sum of \$40,950 to aid in the financing of said construction has been accepted heretofore by this Board, and

WHEREAS, under the provisions of Chapter 72 of the 1934 Acts of the General Assembly of Kentucky, the Board of Trustees of the University of Kentucky is authorized to issue bonds as therein provided for the purpose of constructing said improvement:

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY RESOLVE AS FOLLOWS:

Section 1. That there shall be constructed an Annex to the Experiment Station Building, College of Agriculture, (hereinafter designated the "Project"), substantially in accordance with the plans and specifications heretofore presented to, and approved by this Board of Trustees.

Section 2. In order to provide for the payment of the cost, in excess of the grant made to the Board of Trustees of the University of Kentucky by the United States Government (hereinafter designated the "Government") of constructing the Project for said University, as designated in Section 1 hereof, there shall be issued by the Board of Trustees of the University of Kentucky in its corporate capacity and by and through its corporate name "University of Kentucky", \$50,000 of University of Kentucky Building Revenue Bonds of 1935, dated as of December 1, 1935, of the denomination of \$1,000 each, to be numbered from one to fifty inclusive, bearing interest at the rate of four per centum (4%) per annum, payable on June 1, 1935, and semiannually thereafter on the first days of December and June in each year, which said bonds shall mature serially on December 1 of each year as follows, to-wit:

<u>YEAR</u>	<u>BOND RETIREMENT</u>
Dec. 1, 1936	\$10,000
Dec. 1, 1937	10,000
Dec. 1, 1938	10,000
Dec. 1, 1939	10,000
Dec. 1, 1940	10,000

Section 3. Said bonds shall be issued in a temporary printed form, without coupons attached, and such temporary form shall continue in use for so long as the Executive Committee of this Board shall deem desirable and expedient.

Section 4. Said bonds, in either temporary printed form or in engraved coupon form, shall be signed for and on behalf of the University of Kentucky by its Chairman or Vice-Chairman and sealed with the corporate seal and attested by its Secretary.

Section 5. All payments of monies made on such bonds, in both principal and interest, shall be payable only out of a special fund, to be hereinafter created, segregated and termed the "University of Kentucky Experiment Station Annex Building Revenue Bond and Interest Redemption Fund" and shall be a valid claim of the holders thereof only against said Fund and the gross revenues of the said Annex Building pledged hereafter to said Fund.

Section 6. Said bonds shall be callable at par plus accrued interest, at the pleasure of this Board on any regular interest date.

Section 7. The aforesaid bonds, whether in temporary printed form or in engraved coupon form shall be substantially as follows:

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
UNIVERSITY OF KENTUCKY EXPERIMENT STATION ANNEX
BUILDING REVENUE BOND OF 1935

No. _____

\$1,000

The University of Kentucky for value received hereby promises to pay to the bearer, or if this bond be registered as hereinafter provided, to the registered holder thereof, the sum of

ONE THOUSAND (\$1,000) DOLLARS

on the first day of December, and to pay interest thereon at the rate of four per centum (4%) per annum on June 1, 1936, and semi-annually thereafter on December 1 and June 1 of each year, both principal and interest being payable in any coin or currency which, on the respective dates of payment of the principal of and interest on this bond, is legal tender for payment of public and private debts, at the office of the Treasurer of the University of Kentucky in Lexington, Kentucky, or, at the option of the holder, at the principal office of the First National Bank or the Security Trust Company at Lexington, Kentucky.

This bond is issued for the purpose of constructing an Annex to the Experiment Station Building, College of Agriculture, University of Kentucky, under and in full compliance with the Constitution and Statutes of Kentucky, including among others, Chapter 72 of the 1934 Acts of the General Assembly of Kentucky.

This bond is payable, in both interest and principal, only from a Fund to be derived from a minimum monthly rental for the use and occupation of said Annex Building of \$1,000 to be paid each consecutive month during the life of this bond by the College of Agriculture, University of Kentucky. The Board of Trustees of the University of Kentucky may, at its discretion, increase said monthly rental but said \$1,000 shall be the minimum monthly rental throughout the life of this bond. Except for the aforesaid rental and said Fund to be derived and received from said rental and identified herein as "The University of Kentucky Experiment Station Annex Building Revenue Bond and Interest Redemption Fund" this Board does not constitute an indebtedness of the University of Kentucky or the Commonwealth of Kentucky within the meaning of any constitutional provisions or limitations.

The mortgage lien which is hereby recognized as valid and binding on said Annex Building, is created and granted to and in favor of the holder, or holders of this bond and the issue of which it forms a part, and in favor of the holder or holders of the coupons which may be attached to said bonds, and said building shall remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on this bond and the issue of which it forms a part.

This bond may be registered as to principal only or as to both principal and interest, at the option of the holder on the books of the Secretary of the University of Kentucky, and said Registration shall be noted 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 reverse hereof. But this bond may be discharged from registry by registered transfer to the bearer and thereafter transferability by delivery shall be restored. Upon registration of this bond as to both principal and interest, all unmatured appurtenant coupons, if there should be such, shall be detached by the Secretary and upon subsequent reregistration hereof as to principal or to bearer, such of said coupons as shall not then have matured, shall be again attached hereto. This bond if registered as to principal, may be reregistered as to both principal and interest and vice versa and if discharged from registration, it may again be registered as herein provided. Registration of this bond as to principal only, however, shall not affect the negotiability of the Coupons appurtenant hereto, which shall continue to be transferable by delivery merely and shall remain payable to bearer.

This bond is exempted from taxation in Kentucky.

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 University of Kentucky does not exceed any limit prescribed by the Constitutions or Statutes of Kentucky, and said Annex Building will be continuously operated by said University of Kentucky and that a sufficient portion of the income and revenues of said building have been pledged to and will be set aside into a special account in the treasury of said University of Kentucky for the payment of the principal of and interest on this bond, and the issue of which it is one.

IN WITNESS WHEREOF, the University of Kentucky has caused this bond to be signed by its Chairman or Vice-Chairman and its corporate seal to be hereunto affixed, attested by the Secretary and the coupons hereto attached to be executed with the facsimile signatures of the said Chairman and said Secretary, all as of the first day of December, 1935.

UNIVERSITY OF KENTUCKY

By _____

Chairman

ATTEST:

Secretary

Section 8. The Bond Fund hereinabove created and described, shall be used solely and only for the purpose of paying principal of and interest on the bonds herein authorized to be issued, and is hereby irrevocably pledged for that purpose and shall be used for no other purpose whatsoever.

Section 9. The balance of the monies remaining in the Annex Building Revenue Fund after the aforesaid payments into the Bond Fund in each month shall be set aside as follows:

There shall be created an "Operation and Maintenance Account" to be used for the proper operation and maintenance of said Project, into which there shall be set aside from the monies hereinabove referred to, an amount sufficient to provide for the payment of reasonable and necessary expenses of operating and maintaining the Project.

Section 10. All monies received from any bonds issued pursuant hereto, exclusive of accrued interest, shall be applied solely for the construction of said Project, as herein authorized, provided that such proceeds, together with all sums received as accrued interest of said bonds shall be used also to pay interest on said bonds during the period of construction of said Project.

Section 11. The University of Kentucky hereby irrevocably covenants, binds and obligates itself not to sell, lease, mortgage or in any manner dispose of said Annex Building, except by the mortgage provided for in Section 12 hereof, until all of the bonds herein authorized to be issued shall have been paid in full, both principal and interest. The University of Kentucky further covenants and agrees with the holder of said bonds to maintain in good condition and continuously to operate said Project, so long as the principal of or interest on any of the bonds herein authorized remains outstanding and unpaid and to charge and segregate a minimum rent of \$1,000 per month.

Section 12. That for the further protection of the holders of the bonds herein authorized to be issued and the coupons that may be thereto attached, a statutory mortgage lien upon said Annex Building and all properties connected therewith and belonging thereto is granted and created by Chapter 72 of the Acts of the General Assembly of Kentucky of 1934, which said statutory mortgage lien is hereby recognized and declared to be valid and binding upon the University of Kentucky and all the property constituting this Project, as provided by law, and shall take effect immediately upon the delivery of any bonds authorized to be issued under the provisions of this Resolution. Any holder of said bonds or of any of the coupons may, either at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties required by said Act, including the payment by the University of sufficient rents and student fees and segregation of the income and revenues and the application thereof.

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

Section 13. 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 the revenues of said Project, or with respect to the statutory mortgage lien securing their payment, regardless of the time or times of their issuance, it being the intention of the University of Kentucky 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 14. While any of the bonds herein authorized are outstanding, the University of Kentucky shall not issue any additional bonds payable from the revenues of the said Annex Building, unless the lien of such bonds on the revenues of said Project as improved or extended is made junior and subordinate in all respects to the liens of the bonds herein authorized.

Section 15. So long as any of said bonds are outstanding, the University of Kentucky shall:

(a) Maintain insurance for the benefit of the holders of the bonds, herein authorized of a kind and in an amount which usually would be carried by private companies engaged in a similar type of business, and pay the cost of such insurance from the Operation and Maintenance Fund hereinbefore described.

(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 Annex Building. The University of Kentucky will furnish to the original purchaser of said bonds, and to any holder of any of the said bonds, at the written request of such holder, not more than thirty days after the close of each six months' fiscal period, complete operating and income statements of the said Project in reasonable detail covering such six months' period, and, not more than sixty days after the close of each fiscal year, complete financial statements of the said Project and the University of Kentucky in reasonable detail covering such fiscal year certified by independent auditors, and

(c) Grant to any holder, or holders of 25 per cent of said bonds then outstanding the right at all reasonable times to inspect the said Project and all records, accounts and data of the University of Kentucky relating thereto.

Section 16. 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 17. All resolutions or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

Section 18. This Resolution shall take effect from and after its passage and approval by the Chairman of the University of Kentucky.

Passed by the Board of Trustees of the University of Kentucky and approved this 7th day of December, 1935.

(SEAL)

Attest:

D. H. Peak
Secretary

Ruby Laffoon
Chairman, University of
Kentucky

The Minutes of the meeting of November 15 were approved and, on motion, the meeting of the Board adjourned.

D. H. Peak
Secretary