

Minutes of Called Meeting of the Board of Trustees of the University of Kentucky, August 3, 1938.

The Board of Trustees of the University of Kentucky met in President McVey's office Wednesday, August 3, 1938, at 10:30 a.m., pursuant to a call issued July 21, 1938, by the Chairman of the Board of Trustees, Governor Albert B. Chandler. The members present were Judge Richard C. Stoll, Chairman of the Executive Committee, who, in the absence of the Chairman of the Board of Trustees, acted as Chairman of the meeting; D. D. Stewart, H. S. Cleveland, James Park, R. Miller Holland, J.C. Newcomb, J. S. Cooper, Louis E. Hillenmeyer, Harper Gatton, and Marshall Barnes. Assistant Attorney General, J. W. Jones, Dean James H. Graham, President Frank L. McVey, and Secretary of the Board, D. H. Peak, were present.

The Chairman called the meeting to order and asked the Secretary to read the letter-of-call, as issued by Governor Albert B. Chandler under date of July 21, 1938, and mailed to each member of the Board. Upon the reading of this letter, it was ordered to be placed within the minutes of the meeting.

The letter was signed by Governor Chandler and mailed to each member of the Board as follows:

Harper Gatton, Madisonville, Kentucky
Judge R. G. Gordon, Marion E. Taylor Building, Louisville, Kentucky
Louis E. Hillenmeyer, Georgetown Pike, Lexington, Kentucky
Judge Richard C. Stoll, 602 City Bank Building, Lexington, Kentucky
James Park, 602 City Bank Building, Lexington, Kentucky
H. S. Cleveland, Franklinton (Henry County), Kentucky
D. D. Stewart, 504 West Ormsby Avenue, Louisville, Kentucky
Judge John Cooper, Somerset, Kentucky
R. Miller Holland, Owensboro, Kentucky
J. C. Newcomb, New Hope, Kentucky
Marshall Barnes, Beaver Dam, Kentucky
H. W. Peters, Superintendent of Public Instruction, Frankfort, Kentucky
Garth Ferguson, Commissioner of Agriculture, Frankfort, Kentucky
G. C. Wells, Paintsville, Kentucky.

"Frankfort, Kentucky
July 21, 1938

A special meeting of the Board of Trustees of the University of Kentucky is called herewith to meet at 10:30 a.m. of August 3, 1938, in the office of President Frank L. McVey. The purpose of this meeting is to take such action as may be deemed advisable upon proposals for (a) the refinancing of a lease agreement now in force, between the University and the Security Trust

Company of Lexington, upon the Men's Dormitories, made and executed under the act of the General Assembly of 1928, and (b) the sale by the University of revenue bonds, under the Act of the 1934 General Assembly, for the purpose of constructing a south wing to the women's residence hall, a building to house the Department of Home Economics, College of Agriculture, a building to house a cooperative home for women, and the completion of the Biological Sciences Building; and to approve the construction of such of these buildings as may be deemed advisable.

(Signed) Albert B. Chandler
Chairman of the Board of
Trustees."

The Chairman then stated that during the meetings of the Executive Committee of the Board of Trustees on July 20 and 28, 1938, the matter of refinancing the lease agreement between the University and the Security Trust Company of Lexington and the question of the sale of the additional University revenue bonds had been discussed; that it was decided the matter of refinancing the lease agreement should be placed before the Attorney General for his opinion as to its legal phases; that between the two aforesaid meetings the entire matter had been presented to Hubert Meredith, Attorney General of the Commonwealth, and that he had delegated Assistant Attorney General J. W. Jones to handle the matter and to meet with the Committee and the Board, which he had done during the meeting of July 28 and had presented a written opinion concerning the matter.

The Chairman then presented and read the aforesaid opinion of Assistant Attorney General Jones and upon motion made and seconded this opinion was ordered to be placed within the minutes of the meeting.

"Frankfort, Kentucky
July 30, 1938

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

"Gentlemen:

"Your request of the Attorney General for the official advice of this office as to your right to refinance the two dormitories, built on the University campus by the Security Trust Company and leased back to the University by it, has been referred to the writer.

"The land for these dormitories was conveyed by the University to the Security Trust Company, which, in turn, erected the dormitories and leased them back, under the plan provided for by Chapter 64 of the Acts of the General Assembly of 1928 (now appearing as Section 4535 cc-1 to 4535 cc-3, inclusive, of the Kentucky Statutes). The constitutionality of that Act of 1928 was upheld, as you doubtless know, by the Court of Appeals in the case of McDonald v. University of Kentucky, 225 Kentucky 205, 7 S. W. (2d) 1046 (1928).

"When the University conveyed the ground to the Trust Company under the provisions of that Act of 1928, the Trust Company agreed to build the dormitories, and leased them back to the University by lease dated December 6th, 1928, for the term of one year from September 1st, 1929, at the rental of \$2,792.40 per year, payable in instalments of \$1,982.70 each month, and in that lease it gave the University an option to renew the lease from year to year for a total of 19 additional years. And the above mentioned rental was calculated so as to cover, in the course of 20 years, (if the lease should be renewed for 19 years), the total cost of construction of the dormitories, plus interest. And the lease also gave the University the option to buy back the property at the end of any lease year, at a fixed price,--the re-purchase price diminishing each year, and being such an amount as, with the rentals paid to that date, would likewise cover the original cost of construction, plus interest thereon. Interest was calculated at the then prevailing rate of around 6%.

"Now you ask whether or not the University can take advantage of lower interest rates now prevailing, and also reduce the amount of each annual payment of rent by extending the time for a longer period of years; and, more specifically, you ask whether or not, in order to obtain these benefits, you can exercise your option contained in the present lease to re-purchase the property, and at the same time direct the lessor, Security Trust Company, instead of re-conveying the property direct to the University, to convey to your nominee, with whom you would at the same time enter into a new lease, for a longer period of time (say an additional 20 years), and at a reduced rate of interest.

"After giving this matter careful study and thought, I am of the opinion that you can lawfully and properly do this, provided only the proposed deed of re-conveyance from the Security Trust Company, the present holder of the legal title, to your new lessor (whoever that may be) shall likewise provide for the option to re-purchase, by referring to the proposed new lease and requiring

J. D. Van Hooser & Company, Lexington, Kentucky
W. E. Hutton & Company, Cincinnati, Ohio
Weil, Roth & Irving Company, Cincinnati, Ohio
Charles A. Hinsch & Company, Cincinnati, Ohio
Holton, Foster & Company, Lexington, Kentucky.

After an explanation and discussion of the bids as received and filed with the Executive Committee it was decided that the bid of the group composed of J. D. Van Hooser & Company, Lexington, Kentucky; W. E. Hutton & Company, Cincinnati, Ohio; Weil, Roth & Irving Company, Cincinnati, Ohio; Charles A. Hinsch & Company, Cincinnati, Ohio, and Holton, Foster & Company, Lexington, Kentucky, was the best bid offered for the aforesated refinancing of the lease agreement.

The Chairman then stated that in accord with the aforesated opinion of the Attorney General, the Executive Committee had authorized and directed its Chairman to notify the Security Trust Company of Lexington, Kentucky, that the University of Kentucky would not extend the lease between the Security Trust Company and the University of Kentucky, dated December 6, 1928, beyond September 1, 1938; and that such notification had been made in due course and acknowledged by the Security Trust Company through its President, C. N. Manning.

Upon motion duly made and seconded, it was ordered that this letter be placed within the minutes of the meeting:

"Lexington, Kentucky
July 30, 1938

"Security Trust Company,
Lexington, Kentucky

"Gentlemen:

"As is provided in the lease between the University of Kentucky and Security Trust Company, dated December 6, 1928, the University of Kentucky hereby notifies you that it will not extend the said lease beyond September 1, 1938, and that on that day it will exercise its option to purchase from you the real estate and building described in said lease and will pay to you the purchase price then remaining unpaid.

"The University of Kentucky will advise you on or before September 1, 1938, to whom it wishes the property to be conveyed.

Yours very truly,

UNIVERSITY OF KENTUCKY

By (Signed) Richard C. Stoll
Chairman of Executive Committee."

RCS:SM

"Lexington, Kentucky
August 3, 1938

"Hon. Richard C. Stoll,
Chairman of the Executive Committee
of the University of Kentucky,
Lexington, Kentucky.

Dear Judge Stoll:

"We acknowledge receipt of your letter dated July 30, 1938, notifying this Company that the University of Kentucky will not extend the lease between the Security Trust Company and the University of Kentucky, dated December 6, 1928, beyond September 1, 1938, and that on the latter date it will exercise its option to purchase from this Company the real estate and building described in said lease and will pay to us the purchase price then remaining unpaid.

"We further note that the University of Kentucky will advise us on or before September 1, 1938, to whom it wishes the property to be conveyed.

Very truly yours,

SECURITY TRUST COMPANY

By (Signed) C. N. Manning
President."

CNM:MG

After a general discussion of the whole matter as heretofore presented and upon motion made by Mr. H. S. Cleveland and seconded by Mr. D. D. Stewart, it was resolved:-

Whereas, under the provisions of Chapter 64 of the Acts of 1928 (Section 4535 cc-1 to 4535 cc-3 inc., Ky. St.) the University in the year 1928 conveyed a part of the campus to Security Trust Company, for the erection thereon of two dormitories, and took back from said Trust Company a lease of said property, dated December 6, 1928, for the term of one year, with the right in the lessee to renew the lease from year to year for a total of 19 additional years; and the annual rental under said lease is \$23,792.40, and is calculated to amortize the original cost of construction of the dormitories, and interest thereon at 6%, in 20 years; but said lease also gives the University an option to re-purchase the property at the end of any lease year at a price therein fixed,--such re-purchase price diminishing from year to year, and being such an amount as, with the rentals previously paid, likewise amortizes the cost of construction, with 6% interest; and whereas in order to exercise said option to re-purchase, the University must give the Security Trust Company at least 30 days notice before the end of any lease year, and the end of the current lease year will be at the end of August, 1938; and

Whereas it is desirable, and is for the best interests of the University, to extend the period for the completion of the amortization payments for an additional eleven years from September 1, 1938, so as to make a corresponding reduction henceforth in the amount of each amortization payment; and a new arrangement can now be entered into with some other lessor for such an extension of time, and with the additional benefit of a reduction in the interest rate from 6% to approximately 4.54%, by exercising the above mentioned option to re-purchase from the Security Trust Company and by directing the Security Trust Company, instead of re-conveying the property direct to the University, to convey it to the University's nominee, that is, to such other person or corporation as will agree to such extension of time and to such reduction in the interest rate;

Now, therefore, be it resolved that the University shall not renew the above mentioned lease from and after the end of the current term, i.e., the end of August, 1938, but shall exercise its option to re-purchase the property from the Security Trust Company on September 1, 1938, at the price of \$174,261.44, as fixed in the current lease; and

Be it further resolved that the action of the Executive Committee of the Board of Trustees of the University of Kentucky, in directing Richard C. Stoll, its Chairman, to so notify the Security Trust Company, and the action of said Stoll, as Chairman, in giving such notice to said Security Trust Company on the 30th day of July, 1938, be, and it hereby is, ratified, approved and confirmed; a copy of said notice to said Security Trust Company is attached to this resolution.

Be it further resolved that the Executive Committee of the Board of Trustees, be, and it hereby is, authorized to furnish to said Security Trust Company on or before August 31, 1938, the name of the person or corporation to whom, as the nominee of the University, the re-conveyance of said property shall be made, and to direct said Trust Company to make the conveyance to said nominee, and to request said Trust Company to include in its deed of conveyance of the property a provision that the grantee shall simultaneously lease the property back to the University on terms substantially similar, so far as may be, to the above mentioned lease of December 6, 1928,--except as to the lengthened time, and the reduced interest rate, -- and particularly to include an option to the University to re-purchase the property, similar to the option in the existing lease; and

Be it further resolved that the Executive Committee be, and it hereby is, authorized and directed to cause a new lease to be prepared, under date the first day of September, 1938, from the person or corporation to whom the property is to be conveyed, leasing the property back to the University on terms substantially similar, so far as may be, to the existing lease of December 6, 1928,--except as to the extended time, which shall run for a total of 21 years, and except as to the reduced interest rate, which shall be approximately 4.54%-, and to cause such lease to be

executed and delivered for and on behalf of the University, as lessee, by Richard C. Stoll, the Chairman of the Executive Committee, or, in his absence or inability to act, by such other member of the Executive Committee of the Board of Trustees as the Executive Committee may designate.

Be it further resolved that the Executive Committee be, and it hereby is, authorized and directed to execute and deliver all such documents, papers and the like, and to do and perform any and all such acts and things, as may in its judgment be necessary or proper in the premises, for the purpose of carrying the above outlined plan of re-financing into effect.

Be it further resolved that if a new lease, as herein provided for, can be made with the Security Trust Company, which now holds the title to the real estate herein referred to, then the deed herein referred to to be made by the Security Trust Company to another, shall not be executed and the new lease shall be made with the Security Trust Company.

Be it further resolved that the bid of J. D. Van Hooser & Company, Lexington, Kentucky; W. E. Hutton & Company, Cincinnati, Ohio; Weil, Roth & Irving Company, Cincinnati, Ohio; Charles A. Hinsch & Company, Cincinnati, Ohio; and Holton, Foster & Company, Lexington, Kentucky, dated July 20, 1938, be accepted as follows:

"In the event, for legal reasons or otherwise, 'the holding company' set-up is not acceptable to you, then as an alternate, we will agree to acquire from the Security Trust Company, Trustee, the dormitory and site, as permitted under the terms of the option extended to you in the lease contract dated December 6, 1928. Upon acquisition of the property, we will lease same to you for a period approximating twenty-one (21) years, the form of lease to be substantially the same as the lease with the Security Trust Company, Trustee, above referred to, the rental charges averaging approximately thirteen thousand, five hundred dollars (\$13,500) per year, the exact amount of the rental being a schedule to be prepared by you and ourselves that would be sufficient to figure 4% (interest) rental and extinguish an issue of land trust certificates during the life of the lease (21 years), the amount of the land trust certificates to be a par amount that when sold for \$950.10 per \$1,000 certificate will produce \$174,261.44.

"The form of lease and the form of land trust certificate are to be approved by Messrs. Woodward, Dawson & Hobson, Louisville, Kentucky.

"This bid is for prompt acceptance and prompt compliance. Subject to receipt of P. W. A. grant on the larger issue.

J. D. VAN HOOSER & COMPANY
Lexington, Kentucky

W. E. HUTTON & COMPANY
WEIL, ROTH & IRVING COMPANY,
CHARLES A HINSCH & COMPANY,
Cincinnati, Ohio

HOLTON, FOSTER & COMPANY
Lexington, Kentucky

(Signed) J. D. Van Hooser
Joint Agent"

The following is the maturity schedule submitted with the above bid, and approved:

<u>Date</u>	<u>Balance</u>	<u>Retirement</u>	<u>Interest</u>	<u>Total</u>
3-1 1939	\$183,000	\$-----	\$3,660	\$3,660
9-1 1939	183,000	-----	3,660	3,660
3-1 1940	180,000	3,000	3,660	6,660
9-1 1940	177,000	3,000	3,600	6,600
3-1 1941	174,000	3,000	3,540	6,540
9-1 1941	171,000	3,000	3,480	6,480
3-1 1942	168,000	3,000	3,420	6,420
9-1 1942	165,000	3,000	3,360	6,360
3-1 1943	162,000	3,000	3,300	6,300
9-1 1943	158,000	4,000	3,240	7,240
3-1 1944	154,000	4,000	3,160	7,160
9-1 1944	150,000	4,000	3,080	7,080
3-1 1945	146,000	4,000	3,000	7,000
9-1 1945	142,000	4,000	2,920	6,920
3-1 1946	138,000	4,000	2,840	6,840
9-1 1946	134,000	4,000	2,760	6,760
3-1 1947	130,000	4,000	2,680	6,680
9-1 1947	126,000	4,000	2,600	6,600
3-1 1948	122,000	4,000	2,520	6,520
9-1 1948	118,000	4,000	2,440	6,440
3-1 1949	114,000	4,000	2,360	6,360
9-1 1949	109,000	5,000	2,280	7,280
3-1 1950	104,000	5,000	2,180	7,180
9-1 1950	99,000	5,000	2,080	7,080
3-1 1951	94,000	5,000	1,980	6,980
9-1 1951	89,000	5,000	1,880	6,880
3-1 1952	84,000	5,000	1,780	6,780
9-1 1952	79,000	5,000	1,680	6,680
3-1 1953	74,000	5,000	1,580	6,580
9-1 1953	69,000	5,000	1,480	6,480
3-1 1954	64,000	5,000	1,380	6,380
9-1 1954	58,000	6,000	1,280	7,280

<u>Date</u>	<u>Balance</u>	<u>Retirement</u>	<u>Interest</u>	<u>Total</u>
3-1 1955	\$52,000	\$6,000	\$1,160	\$7,160
9-1 1955	46,000	6,000	1,040	7,040
3-1 1956	40,000	6,000	920	6,920
9-1 1956	34,000	6,000	800	6,800
3-1 1957	28,000	6,000	680	6,680
9-1 1957	22,000	6,000	560	6,560
3-1 1958	16,000	6,000	440	6,440
9-1 1958	10,000	6,000	320	6,320
3-1 1959	5,000	5,000	200	5,200
9-1 1959		5,000	100	5,100
		<u>\$183,000</u>	<u>\$91,080</u>	<u>\$274,080</u>

Average Life 12.4 Years, Money Cost 4.53%

Thereupon President McVey presented the Chairman with a telegram, signed by H. T. Cole, Regional Director P. W. A., for the Administrator and dated July 29, 1938, at Atlanta, Georgia, and also a confirmatory letter of the same dating, advising the University of Kentucky that a "grant" in the sum of \$247,500 had been allotted to the University for the construction of certain buildings upon the campus of the University in accord with a "Certificate of Purpose" stated within an application for a grant made by the University under date of June 17, 1938, and now designated as Docket No. KY-1305-F.

Upon motion duly made and seconded the aforesaid telegram and letter were ordered to be placed within the minutes of the meeting.

"Atlanta, Georgia
July 29, 1938

Colonel James H. Graham
Dean, College of Engineering
University of Kentucky
Lexington, Kentucky

"Allotment made your Docket No. Ky-1305 college buildings grant \$247,500. Complete plans and specifications so as to get construction under way as soon as possible. Formal offer follows.

H. T. Cole, Regional Director
P. W. A.
For the Administrator."

"Federal Emergency Administration
of Public Works
Hurt Building
Atlanta, Georgia
July 29, 1938

ADMIN. JLMI: ebs
Docket No. KY-1305
College Buildings
Lexington, Ky.

"Colonel James H. Graham
Dean, College of Engineering
University of Kentucky
Lexington, Kentucky

"Dear Sir:

"You have been notified by wire of the allotment
on your project

GRANT: \$247,500.00

The formal offer will be mailed you within the next few
days.

"The main purpose of the Public Works Adminis-
tration is to create employment quickly on worth-
while projects and we urge your cooperation.

Yours very truly,

H. T. COLE
Regional Director, Region No. 3

By: (Signed) J. L. M. Irby
Asst. Regional Director

For the Administrator".

The President then reminded the Board that the 1928 lease agreement upon the Men's Dormitories was costing the University the sum of approximately \$24,000 per year and that under the re-financing plan just approved, by lowering the annual interest rate and extending the time of the principal payments, these annual rentals would be reduced to approximately \$13,000, thus making available the sum of \$11,000 to service largely an issue of the University's revenue bonds in order to provide the funds in the sum of \$302,500 necessary to offset and secure the payments of the aforesaid P. W. A. "grant" in the sum of \$247,500; and that the remainder of the necessary service funds, additional to this \$11,000, would accrue safely from the added income to be derived from the proposed Women's Dormitory addition. Therefore, in order to benefit from the aforesaid "offer of a grant" by

P. W. A., the bankers, as heretofore listed, had been asked to submit bids for the purchase of University of Kentucky revenue bonds in sufficient number to provide the needed \$302,500, and that two such bids had been received and offered during the meeting of the Executive Committee on July 20, 1938, and held thereafter for the consideration and action of the Board of Trustees.

Thereupon the two bids, signed and executed by the same parties as had signed the aforestated refinancing bids, were read, explained and discussed. As both bids followed the same set-up to bear a coupon rate of 3% per annum and a serial maturity rate based upon an average maturity of seventeen years and eight months, it was found that the bid of the Security & Bond Company, Lexington, Kentucky; Almstedt Brothers, Louisville, Kentucky; Bankers Bond Company, Louisville, Kentucky; J. J. B. Hilliard & Sons, Louisville, Kentucky, and Stein Bros & Boyce, Louisville, Kentucky, was the best bid submitted, disclosing an average life of bonds of 17-3/4 years, coupon rate 3%, price bid per bond \$960.00, net interest cost 3.30%,--and this bid, upon motion duly made and seconded was declared to be the best bid and was ordered to be placed upon the minutes of the meeting.

"A' Trustees' Revenue Bonds

"We offer to purchase a sufficient amount of the Trustees' Revenue Bonds to produce approximately \$302,500.00 under the following conditions:

"(1) The bonds shall be dated on or about September 1, 1938, and shall mature in accordance with the maturity schedule hereto attached which is marked 'Schedule A'.

"(2) We will retain our own counsel to cooperate with your counsel in the working out of the legal details and will pay the expense of such counsel. The University shall furnish evidence satisfactory to our counsel that the property to be improved is owned in fee simple by the University and shall take such action as may be necessary to the legal issuance of said bonds.

"(3) The bonds shall be payable at the office of the Treasurer of the Board of Trustees or at the option of the holder of the bonds at some bank in New York to be designated by you in the bonds.

"(4) Subject to the approving legal opinion of our counsel, we will pay for such bonds such a price as will make the net yield to the average maturity thereof 3.30% per annum, in accordance with the standard tables of bond values, plus accrued interest on said bonds at the rate set out therein if delivery is made after the issuance date.

SECURITY & BOND COMPANY, Lexington, Kentucky
 ALMSTEDT BROTHERS, Louisville, Kentucky
 BANKERS BOND COMPANY, Louisville, Kentucky
 J.J. B. HILLIARD & SONS, Louisville, Kentucky
 STEIN BROS. & BOYCE, Louisville, Kentucky

By: (Signed) W. R. Springate
 Group Manager"

The following is the maturity schedule submitted with the above bid, and approved:

<u>Date</u>	<u>Bond Balance</u>	<u>Bond Retirement</u>	<u>Interest</u>	<u>Payment</u>
Sept. 1, 1938	\$316,000	\$-----	\$-----	\$-----
March 1, 1939	316,000	-----	4,740.00	4,740.00
Sept. 1, 1939	316,000	-----	4,740.00	4,740.00
March 1, 1940	316,000	3,000	4,740.00	7,740.00
Sept. 1, 1940	313,000	3,000	4,695.00	7,695.00
March 1, 1941	310,000	3,000	4,650.00	7,650.00
Sept. 1, 1941	307,000	3,000	4,605.00	7,605.00
March 1, 1942	304,000	4,000	4,560.00	8,560.00
Sept. 1, 1942	300,000	4,000	4,500.00	8,500.00
March 1, 1943	296,000	4,000	4,440.00	8,440.00
Sept. 1, 1943	292,000	4,000	4,380.00	8,380.00
March 1, 1944	288,000	4,000	4,320.00	8,320.00
Sept. 1, 1944	284,000	4,000	4,260.00	8,260.00
March 1, 1945	280,000	4,000	4,200.00	8,200.00
Sept. 1, 1945	276,000	4,000	4,140.00	8,140.00
March 1, 1946	272,000	4,000	4,080.00	8,080.00
Sept. 1, 1946	268,000	4,000	4,020.00	8,020.00
March 1, 1947	264,000	4,000	3,960.00	7,960.00
Sept. 1, 1947	260,000	4,000	3,900.00	7,900.00
March 1, 1948	256,000	4,000	3,840.00	7,840.00
Sept. 1, 1948	252,000	4,000	3,780.00	7,780.00
March 1, 1949	248,000	4,000	3,720.00	7,720.00
Sept. 1, 1949	244,000	4,000	3,660.00	7,660.00
March 1, 1950	240,000	4,000	3,600.00	7,600.00
Sept. 1, 1950	236,000	5,000	3,540.00	8,540.00
March 1, 1951	231,000	5,000	3,465.00	8,465.00
Sept. 1, 1951	226,000	5,000	3,390.00	8,390.00
March 1, 1952	221,000	5,000	3,315.00	8,315.00
Sept. 1, 1952	216,000	5,000	3,240.00	8,240.00
March 1, 1953	211,000	5,000	3,165.00	8,165.00
Sept. 1, 1953	206,000	5,000	3,090.00	8,090.00
March 1, 1954	201,000	5,000	3,015.00	8,015.00
Sept. 1, 1954	196,000	5,000	2,940.00	7,940.00
March 1, 1955	191,000	5,000	2,865.00	7,865.00
Sept. 1, 1955	186,000	5,000	2,790.00	7,790.00
March 1, 1956	181,000	6,000	2,715.00	8,715.00
Sept. 1, 1956	175,000	7,000	2,625.00	9,625.00
March 1, 1957	168,000	7,000	2,520.00	9,520.00

<u>Date</u>	<u>Bond Balance</u>	<u>Bond Retirement</u>	<u>Interest</u>	<u>Payment</u>
Sept. 1, 1957	\$161,000	\$7,000	\$2,415.00	\$9,415.00
March 1, 1958	154,000	7,000	2,310.00	9,310.00
Sept. 1, 1958	147,000	7,000	2,205.00	9,205.00
March 1, 1959	140,000	7,000	2,100.00	9,100.00
Sept. 1, 1959	133,000	7,000	1,995.00	8,995.00
March 1, 1960	126,000	7,000	1,890.00	8,890.00
Sept. 1, 1960	119,000	7,000	1,785.00	8,787.00
March 1, 1961	112,000	7,000	1,680.00	8,680.00
Sept. 1, 1961	105,000	7,000	1,575.00	8,575.00
March 1, 1962	98,000	8,000	1,470.00	9,470.00
Sept. 1, 1962	90,000	8,000	1,350.00	9,350.00
March 1, 1963	82,000	8,000	1,230.00	9,230.00
Sept. 1, 1963	74,000	8,000	1,110.00	9,110.00
March 1, 1964	66,000	8,000	990.00	8,990.00
Sept. 1, 1964	58,000	8,000	870.00	8,870.00
March 1, 1965	50,000	8,000	750.00	8,750.00
Sept. 1, 1965	42,000	7,000	630.00	7,630.00
March 1, 1966	35,000	7,000	525.00	7,525.00
Sept. 1, 1966	28,000	7,000	420.00	7,420.00
March 1, 1967	21,000	6,000	315.00	6,315.00
Sept. 1, 1967	15,000	5,000	225.00	5,225.00
March 1, 1968	10,000	5,000	150.00	5,150.00
Sept. 1, 1968	5,000	5,000	75.00	5,075.00
		\$316,000	\$168,270.00	\$484,270.00

Average maturity 17-3/4 years.

In response to questions made by several members, concerning the need for the buildings and building program under discussion, President McVey made the following statement:

That as of August 1, 1938, all the available rooms within the Women's Dormitories had been reserved and that all other applications of women students, between that date and opening of the University on September 12, must be refused and referred to private boarding and rooming houses, and, further, that the rooms, to be provided by the new dormitory space, would not meet the immediate needs of the situation, and failed to anticipate the future growth of the University.

That the Departments of Physiology and Zoology, together with the Dean of the Graduate School, were all housed at present in the old Science Building, which was erected in 1896, when there was less than five hundred students upon the entire campus, while now the Department of Physiology alone gives instruction to approximately three hundred and fifty students. Manifestly the present facilities for these schools are inadequate for laboratory work and enforce the assigning of classroom space in many scattered and odd places in other buildings, thereby adding to confusion in student and instructor assignments, and compelling such men as Dean Funkhouser to carry valuable equipment and specimens about the campus in all sorts of weather.

That the Department of Home Economics was originally housed in the old Agricultural Building and despite its rapid growth and popular need throughout the State, no other space has been available for it. This difficult problem has been under serious discussion for more than three years.

That the Department of Music and the Department of Art have been crowding each other in the temporary wood-frame building facing on Euclid Avenue. In order to solve this difficulty, at least for the present, it is contemplated to move the Art Department into an unassigned section of the proposed new Science Building and thus allow the whole of the space now used by both Music and Art to be assigned to Music. Again this does not provide for future necessities, due to the growth of the University, but only urgent and immediate needs.

President McVey then presented a bid made by Walter, Woody and Heimerdinger of Cincinnati, Ohio, which had been filed with him on August 3. This bid was examined also and was found to carry a higher interest rate and lower price offer per bond than either of the other bids received and considered, and Mr. Woody was so informed by the Chairman.

It was then stated that as any issue and sale of revenue bonds of the University must be performed under and in accord with the Act of the 1934 General Assembly of the Commonwealth of Kentucky (Chapter 72), and that therefore a disposal of the "offer of a grant" in the sum of \$247,500 as set forth in the telegram and confirmatory letter from the Regional Director P. W. A. under date of July 29, 1938, was in order, with the unanimous consent of the meeting: Therefore, upon motion duly made and seconded, it was unanimously resolved that the following resolution be considered as being directly connected with and as being a part of the approval of the sale of additional revenue bonds of the University of Kentucky.

"A RESOLUTION TO ACCEPT THE OFFER OF THE UNITED STATES OF AMERICA, MADE BY AND THROUGH THE PUBLIC WORKS ADMINISTRATION, IN THE SUM OF \$247,500 AS STATED IN THE LETTER OF THE REGIONAL DIRECTOR P. W. A. UNDER DATE OF JULY 29, 1938, TO AID IN FINANCING THE ERECTION OF CERTAIN DESCRIBED COLLEGE BUILDINGS UPON THE CAMPUS OF THE UNIVERSITY OF KENTUCKY, AND TO APPROVE THE SALE OF REVENUE BONDS OF THE UNIVERSITY OF KENTUCKY IN SUFFICIENT NUMBER TO PROVIDE \$302,500 IN CASH AND TO APPROVE THE BUILDING CONSTRUCTION PROGRAM, AS SET FORTH IN THE APPLICATION FOR AID IN THE FINANCING AS FILED WITH THE PUBLIC WORKS ADMINISTRATION UNDER DATE OF JUNE 17, 1938, BY THE UNIVERSITY OF KENTUCKY AND KNOWN AS DOCKET NO. KY.-1305-F, AND TO ORDER SUCH OTHER PROCEDURE AS MIGHT BE NECESSARY FROM TIME TO TIME TO CONSUMMATE SUCCESSFULLY THE AFORESAID PROPOSED BUILDING PROGRAM, WITHIN THE AFORESAID DOCKET."

Whereas, the United States of America, acting by and through the Public Works Administration, has offered, by letter of the Regional Director P. W. A. under date of July 29, 1938, to aid in

financing the construction of certain college buildings upon the campus of the University of Kentucky by the offer of a "grant" in the sum of \$247,500 in response to an "Application" and "Certificate of Purpose" filed with the Public Works Administration under date of June 17, 1938, and

Whereas, building construction plans and specifications having been prepared by the College of Engineering, and under the direction of Frank L. McVey, President of the University of Kentucky, and with the approval of the Executive Committee of the Board of Trustees, and these having been included within the "Certificate of Purpose" filed with the Regional Director P. W. A. under date of June 17, 1938, and having been approved by him, and

Whereas, the Executive Committee of the Board of Trustees has received and presented to this Board bids for the purchase of Revenue Bonds of the University of Kentucky in sufficient number to provide funds in the sum of \$302,500, which sum is in the same ratio to the sum of the aforesaid "offer of grant" or \$247,500 as 55 is to 45, and

Whereas, the element of time is deemed to be the essence of the "offer of grant" to aid in the financing of the aforesaid construction program.

Now, therefore, be it resolved:

(1) That the "Offer of a Grant" in the sum of \$247,500 by the United States of America, made by and through the Public Works Administration and as evidenced by a telegram and a confirmatory letter under date of July 29, 1938, and signed by the Regional Director P. W. A. and known as P. W. A. Docket No. 1305-F, be and is hereby accepted under the terms and conditions thereof, and the Executive Committee of this Board of Trustees be and hereby is authorized and directed to do and perform any and all such acts and things, as in its judgment may be necessary and proper in the premises, for the purpose of initiating and carrying the program to a successful conclusion.

(2) That if and when a more formal draft or form of the aforesaid "Offer of a Grant" be received by the University, then the Executive Committee of this Board is hereby authorized and directed to likewise accept same, by proper resolution, if such action prove to be advisable or necessary.

(3) That the Dean of the College of Law, University of Kentucky, is hereby named as "Attorney for the Applicant" in relation to legal matters pertaining to the aforesaid Docket No. KY-1305-F and is hereby authorized and directed to approve and sign such documents as may be needful under the terms, conditions and regulations of the Public Works Administration.

(4) That the resolution of the Executive Committee of this Board under date of June 30, 1938, wherein James H. Graham, Dean of the College of Engineering, University of Kentucky, was named and appointed the "Authorized Correspondent" of the University of

Kentucky in all matters pertaining to Docket No. KY-1305-F is hereby approved, and furthermore the said James H. Graham is hereby authorized and directed to complete all building plans and specifications and the appurtenances thereto, in accord with the aforesaid "Certificate of Purpose" as filed with the Regional Director P. W. A. under date of June 17, 1938; to forward these to the Regional Director for approval, to prepare all necessary plans and contract documents in due form for the approval of the Executive Committee, and to supervise, to inspect and to certify as Chief Engineer all construction work performed and executed thereunder, by and with the approval and direction of the Executive Committee of this Board.

(5) That the construction of the buildings set forth and named in the "Certificate of Purpose" filed with the Public Works Administration under date of June 17, 1938, to-wit: An additional dormitory building for women, the completion of the Biological Sciences Building, the construction of a building to house the Department of Home Economics, College of Agriculture, and a Cooperative House for Women, be and is hereby approved, with priority in the order named, in accord with the recommendations of Frank L. McVey, President.

(6) That the Business Agent of the University of Kentucky is hereby authorized and directed to advertise for contract bids as and when these are approved in due form.

(7) That Frank L. McVey, President of the University, is hereby authorized and directed to receive and to publicly open all contract bids in accord with the advertising and to report these to the Executive Committee for such action as it may deem advisable and necessary in awarding and executing the several contracts.

Upon motion made by Mr. Stewart and seconded by Mr. Gatton, this resolution was unanimously approved and adopted and the Chairman of the meeting was authorized and directed to certify copies of it and forward the same to the Regional Director of the Public Works Administration in due course.

A RESOLUTION MAKING PROVISIONS FOR THE ISSUANCE AND SALE OF BUILDING REVENUE BONDS OF THE UNIVERSITY OF KENTUCKY, IN ACCORDANCE WITH CHAPTER 72 OF THE ACTS OF THE GENERAL ASSEMBLY OF KENTUCKY, 1934, TO PAY FOR THE COST OF CONSTRUCTING UNIVERSITY BUILDINGS CONSISTING OF AN ADDITION TO THE WOMEN'S DORMITORY KNOWN AS BOYD HALL, AN ADDITION TO THE BIOLOGICAL SCIENCES BUILDING, A BUILDING TO HOUSE THE DEPARTMENT OF HOME ECONOMICS OF THE COLLEGE OF AGRICULTURE, AND A COOPERATIVE HOME FOR WOMEN IN THE DEPARTMENT OF HOME ECONOMICS IN THE COLLEGE OF AGRICULTURE.

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 an addition to the women's dormitory known as

Boyd Hall, an addition to the Biological Sciences Building, and a building to house the Department of Home Economics in the College of Agriculture, and a Cooperative Home for Women in the Department of Home Economics in the College of Agriculture, and

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

WHEREAS, said plans and specifications have been and are hereby generally approved, 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 financing the construction of said improvements.

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

Section 1. That the plans and specifications prepared and submitted to this Board for the construction of an addition to the women's dormitory known as Boyd Hall, the completion of the Biological Science building, the building to house the Department of Home Economics of the College of Agriculture, and the Cooperative Home for Women in the Department of Home Economics of the College of Agriculture (all of said buildings and improvements hereinafter to be designated the "1938 Project") are hereby in all respects approved.

Section 2. In order to provide for the payment of the costs of the proposed undertaking in excess of the grant made to the Board of Trustees of the University of Kentucky by the United States Government, 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", and as a State educational institution and agency, building revenue bonds in the aggregate principal amount of Three Hundred Sixteen Thousand Dollars (\$316,000.00), dated September 1, 1938, of the denomination of One Thousand Dollars (\$1,000.00) each, to be numbered consecutively from one (1) to three hundred sixteen (316), both inclusive, bearing interest at the rate of 3% per annum, payable on March 1, 1939, and semi-annually thereafter on the 1st days of September and of March in each year, which said bonds shall mature serially and in numerical order as follows:

\$3,000.00 on March 1st and \$3,000.00 on
September 1st of each of the years 1940-
1941, inclusive;

\$4,000.00 on March 1st and \$4,000.00 on
September 1st of each of the years 1942-
1949, inclusive;

\$4,000.00 on March 1st, 1950;
 \$5,000.00 on September 1st, 1950;
 \$5,000.00 on March 1st and \$5,000.00
 on September 1st of each of the years
 1951-1955, inclusive;
 \$6,000.00 on March 1st, 1956;
 \$7,000.00 on September 1st, 1956;
 \$7,000.00 on March 1st and \$7,000.00
 on September 1st of each of the years
 1957-1961, inclusive;
 \$8,000.00 on March 1st and \$8,000.00
 on September 1st of each of the years
 1962-1964, inclusive;
 \$8,000.00 on March 1st, 1965;
 \$7,000.00 on September 1st, 1965;
 \$7,000.00 on March 1st, 1966 and
 \$7,000.00 on September 1st, 1966;
 \$6,000.00 on March 1st, 1967;
 \$5,000.00 on September 1st, 1967;
 \$5,000.00 on March 1st and \$5,000.00
 on September 1st of the year 1968.

Said bonds shall be signed for and on behalf of the University of Kentucky by the Chairman of its Board of Trustees and sealed with the corporate seal of the University of Kentucky, attested by its Secretary, 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 only out of the "University of Kentucky 1938 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

No. _____

\$1,000.00

The University of Kentucky, as a state educational institution and agency, 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 (\$1,000.00) on the first day of September, 19--, with interest thereon from the date hereof until paid at the rate of three per centum (3%) per annum, payable March 1, 1939, and semi-annually thereafter on September 1st and March 1st of each year 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 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 buildings for use in connection with 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 will be set aside as a special fund and pledged for that purpose and identified as the "University of Kentucky 1938 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.

A statutory 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 thereto, 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 is fully negotiable but may be registered as to principal only on the books of the Secretary of the University of 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 reverse 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 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 University of Kentucky does not exceed any limit prescribed by the Constitution or Statutes of Kentucky; that said buildings will be continuously operated by said University of Kentucky and that a sufficient portion of the gross income and revenues of said buildings 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, as the same will respectively become due.

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 1st day of September, 1938.

UNIVERSITY OF KENTUCKY,

BY _____
Chairman, Board of Trustees.

(SEAL)
ATTEST:

Secretary, Board of Trustees.

(FORM OF COUPON)

No. _____

\$15.00

On the first day of _____, 19____, the University of Kentucky will pay to bearer Fifteen Dollars (\$15.00) out of its "University of Kentucky 1938 Building Revenue Bond and Interest Redemption Fund", 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 of New York in the Borough of Manhattan, City, County and State of New York, as provided in and for interest then due on its University of Kentucky Building Revenue Bond dated September 1, 1938. No. _____

Chairman, Board of Trustees

Secretary, Board of Trustees.

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

Date of Registration	Name of Register- ed Holder	Signature of Secre- tary, Board of Trus- tees
_____	_____	_____
_____	_____	_____
_____	_____	_____

Section 4. From and after the delivery of any of the bonds under the provisions of this resolution, the Project of said University of Kentucky shall be operated on a fiscal year basis, commencing on September 1st of each year and ending on August 31st 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 1938 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 1938 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:

For the six (6) months ending:

March 1, 1939	\$4,740.00
September 1, 1939	4,740.00
March 1, 1940	7,740.00
September 1, 1940	7,695.00
March 1, 1941	7,650.00
September 1, 1941	7,605.00

March 1, 1942	\$8,560.00
September 1, 1942	8,500.00
March 1, 1943	8,440.00
September 1, 1943	8,380.00
March 1, 1944	8,320.00
September 1, 1944	8,260.00
March 1, 1945	8,200.00
September 1, 1945	8,140.00
March 1, 1946	8,080.00
September 1, 1946	8,020.00
March 1, 1947	7,960.00
September 1, 1947	7,900.00
March 1, 1948	7,840.00
September 1, 1948	7,780.00
March 1, 1949	7,720.00
September 1, 1949	7,660.00
March 1, 1950	7,600.00
September 1, 1950	8,540.00
March 1, 1951	8,465.00
September 1, 1951	8,390.00
March 1, 1952	8,315.00
September 1, 1952	8,240.00
March 1, 1953	8,165.00
September 1, 1953	8,090.00
March 1, 1954	8,015.00
September 1, 1954	7,940.00
March 1, 1955	7,865.00
September 1, 1955	7,790.00
March 1, 1956	8,715.00
September 1, 1956	9,625.00
March 1, 1957	9,520.00
September 1, 1957	9,415.00
March 1, 1958	9,310.00
September 1, 1958	9,205.00

For the six (6) months ending:

March 1, 1959	9,100.00
September 1, 1959	8,995.00
March 1, 1960	8,890.00
September 1, 1960	8,785.00
March 1, 1961	8,680.00
September 1, 1961	8,575.00
March 1, 1962	9,470.00
September 1, 1962	9,350.00
March 1, 1963	9,230.00
September 1, 1963	9,110.00
March 1, 1964	8,990.00
September 1, 1964	8,870.00
March 1, 1965	8,750.00
September 1, 1965	7,630.00
March 1, 1966	7,525.00
September 1, 1966	7,420.00
March 1, 1967	6,315.00

September 1, 1967	\$5,225.00
March 1, 1968	5,150.00
September 1, 1968	5,075.00

All funds received as accrued interest at the time of the issuance of said bonds, together with a sufficient amount of the proceeds of said bond to make up the total sum of \$4,740.00, shall be paid into said Bond Fund on or prior to February 15, 1939, and shall be used for the payment of the interest on said bonds due March 1, 1939. In the event the construction of the project is not completed by March 1, 1939, there shall be placed in said Bond Fund from the proceeds of the bonds, an additional sum sufficient to pay interest on said bonds until the completion of the project. 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 the payments in any fiscal year exceed the aggregate amount of interest on and principal of said bonds then currently becoming due 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 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 is to be paid on all of such bonds then remaining outstanding.

If, for any reason, the University of Kentucky shall fail to make any 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 such month shall be on a Sunday or a legal holiday, in which event such payment shall be made on the next succeeding secular day. The balance then remaining shall be set aside for the operation and maintenance, as herein-after 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 hereinbefore 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 on 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 two preceding sections 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 remains 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 Colleagues, 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 and the same are hereby pledged for that purpose.

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 charge, collection, and accounting for sufficient rents and student fees and the segregation and application of the income and revenues as provided by this resolution.

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 bond 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 lien and security for payment of such bonds are made junior and subordinate in all respects to the lien and security 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 record 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, complete operating and income statements of the said Project in reasonable detail covering each six months' period, and same shall be available not later than thirty days after the close of each six months' period; and

(c) Grant to the holder of any of said bonds 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. That the bonds hereby authorized be executed as soon after September 1, 1938, as may be, and thereupon said bonds shall be sold and delivered to Security & Bond Company, Lexington, Kentucky, Almstedt Bros., The Bankers Bond Co., J. J. B. Hilliard & Son, and Stein Bros. & Boyce, all of Louisville, Kentucky, in accordance with the terms and provisions of and bid therefor dated July 20, 1938, as amended July 27, 1938, and accepted by the Board on said latter date, at a price equivalent to an interest cost basis of 3.30% per annum, and the Treasurer of said University of Kentucky be and he is hereby authorized and directed to deliver said bonds to W. R. Springate, as agent for said purchasers upon receipt of such payment therefor.

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 repealed.

Section 15. This resolution will take effect from and after its passage and approval.

Passed and approved by the Board of Trustees of the University of Kentucky this third day of August, 1938.

(Signed) Albert B. Chandler
Chairman, Board of Trustees,
University of Kentucky.

President McVey thereupon presented the following statement of the average rental income and service charges of the dormitories now in use and the estimated income from the proposed new dormitory to be erected under Docket No. KY-1305-F, together with suggested allocation and distribution of income for servicing the new refinanced lease agreement and the new issue of University Revenue Bonds:

Average gross annual rental income collected on present dormitory facilities for past eight years and proposed additional building:

Women's Dormitories	\$22,000	per year	
Men's Dormitories	16,800	"	"
Additional Women's Dormitory	7,200	"	"
Total	<u>\$46,000</u>	"	"

Average service charges -			
water, heating and lighting -	\$10,000	"	"
Net available for financial service .	<u>\$36,000</u>	"	"

Allocation of income to be pledged for servicing proposed new lease agreement and new Revenue Bonds:

All Women's Dormitories	\$ 7,000	per year	
All Men's Dormitories	12,000	"	"
Home Economics Building	3,500	"	"
Cooperative Home	1,500	"	"
Science Building	6,000	"	"
Total	<u>\$30,000</u>	"	"

A RESOLUTION FIXING AND DETERMINING THE RENTALS TO BE CHARGED THE UNIVERSITY OF KENTUCKY FOR DORMITORY, LABORATORY AND OTHER EDUCATIONAL FACILITIES FURNISHED THE UNIVERSITY BY A DORMITORY BUILDING, A BIOLOGICAL SCIENCE BUILDING, A HOME ECONOMICS BUILDING AND A COOPERATIVE HOME FOR WOMEN STUDENTS, AND THE FEES TO BE CHARGED THE STUDENTS OF THE UNIVERSITY AND COLLEGES FOR THE SERVICES RENDERED BY THE AFORESAID BUILDINGS TO BE CONSTRUCTED BY BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY AND FINANCED BY THE ISSUANCE OF BUILDING REVENUE BONDS OF SEPTEMBER 1, 1938, AND BY A GRANT MADE TO SAID BOARD BY THE UNITED STATES OF AMERICA BY AND THROUGH THE PUBLIC WORKS ADMINISTRATION.

Whereas the Board of Trustees of the University of Kentucky will construct a new Dormitory Building for Women; an addition to the Biological Science Building, a Home Economics Building and a Cooperative Home for Women, and

Whereas in order to provide a sum sufficient to pay the interest and the principal of the bonds of the Board of Trustees as

heretofore authorized, it is necessary that rental and fees for services rendered and to be 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 1938 Building Revenue Bond and Interest Redemption Fund", created by a Resolution of this Board of this date entitled, "A Resolution making provision for the issuance and sale of Building Revenue Bonds of the University of Kentucky, in accordance with Chapter 72 of the Acts of the General Assembly of Kentucky, 1954, to pay for the cost of constructing University Buildings consisting of an addition to the Women's Dormitory known as Boyd Hall, an addition to the Biological Science Building, a Building to house the Department of Home Economics of the College of Agriculture, and a Cooperative Home for Women in the Department of Home Economics in the College of Agriculture", as follows:

1. For dormitory and other educational facilities furnished the University in connection with its operation of the additional Dormitory for Women, the sum of \$7,000 per annum;

2. For laboratory, classroom, and other educational facilities furnished the University and students thereof by the Biological Sciences Building, the sum of \$7,000 per annum;

3. For laboratory, classroom, and other educational facilities furnished the University and the students thereof by the Home Economics Building, the sum of \$2,500 per annum;

4. For dormitory and other educational facilities furnished the University and the students thereof by the Cooperative Home for Women, the sum of \$1,500 per annum.

The foregoing rentals shall be paid at the rate of \$1,500 per month as such services accrue. The aggregate of said annual rentals in the sum of \$18,000 shall represent payment for services rendered to the University of Kentucky by the aforesaid buildings.

Section 2. In order to provide to the University funds sufficient to pay for the services rendered in accordance with the schedule set out in Section 1 hereof, there shall be charged to the students of the University for services rendered to students in the College of Arts and Sciences, Department of the Biological Sciences by the Biological Sciences Building, and for services rendered to the students of the College of Agriculture, Department of Home Economics by the Home Economics Building, by the Cooperative Home for Women, and for services rendered to students residing in the new Women's Dormitory, the following fees:

1. A classroom fee for each student in Biological Sciences equals \$6.00 per semester.

2. For each student in the Department of Home Economics, a classroom fee equal to \$6.00 per semester.

3. For each student using the new Dormitory facilities, a charge of \$6.00 per month.

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 in the College of Arts and Sciences, Department of Biological Science, and the Department of Home Economics of the College of Agriculture, and to the students residing in said Women's Dormitory.

The monies realized from fees herein established shall, upon collection, be forthwith paid into the "University of Kentucky 1938 Building Bond and Interest Redemption Fund", referred to in Section 1 hereof.

Section 3. Said charges to the University and to its students shall be hereafter revised from time to time as may appear necessary in order to realize a sum sufficient to make payments into the Bond and Interest Redemption Fund, mentioned in Section 1, as provided in the resolution creating said fund, above referred to. If the foregoing schedule of fees in any year should be insufficient to make the payments provided for by the resolution creating such fund, the foregoing schedule of fees shall be increased so as to produce sufficient revenue for said purpose.

Section 4. 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 1938-1939.

Section 5. 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 6. All resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

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 third day of August, 1938.

Use of Stoll Field by Candidates.

The following resolution was presented:

Be it resolved that, with the permission of the President of the University first obtained, candidates of political parties authorized by law to have representation on the State Board of Election Commissioners, for President of the United States, United States Senator, and Governor of Kentucky, but no others, shall be authorized to use Stoll Field for the purpose of making political speeches before any primary or general election.

Upon motion duly made and seconded, this resolution was un-
animously approved.

Approval of Minutes.

Upon motion duly made and seconded, the minutes of the Executive Committee of the Board of Trustees in meeting on April 28, 1938; June 17, 1938; June 29, 1938, and July 20, 1938, were approved.

On motion, duly seconded, the Board adjourned.

D. H. Peak
Secretary, Board of Trustees