

Irregularities

Minutes of the Meeting of the Board of Trustees of the University of Kentucky, April 5, 1949.

The Board of Trustees of the University of Kentucky met in the President's Office at 10:00 a.m., Tuesday, April 5, 1949. The following members were present: Governor Earle C. Clements, Chairman; Judge R. C. Stoll, Vice Chairman; Mrs. Paul G. Blazer, John C. Everett, Grover Creech, T. H. Cutler, Robert Tway, Judge Edward C. O'Rear, Guy A. Huguelet, J. N. Smith, Boswell B. Hodgkin, Harper Gatton and R. P. Hobson. Absent were: Judge Harry F. Walters and E. E. Adams.

Word was received from Judge Walters and Mr. Adams that they were unable to attend the meeting, due to illness.

Assistant Attorney General M. B. Holifield, upon invitation, met with the Board, and President Donovan and Secretary Peterson were present.

A. Approval of Minutes.

The minutes of the Board of Trustees of December 18, 1948, and the minutes of the Executive Committee of January 21, February 22, and March 22, 1949, were approved as published.

B. Honorary Degrees Received.

President Donovan submitted report of a committee of the Graduate Faculty on honorary degrees. He read the list of nominees and a brief personal history of each, and recommended that the degree of Doctor of Laws be conferred upon three, and that the degree of Doctor of Science be conferred upon two of those named. He requested that permission be given not to include the names in the minutes at this time, but that the names be inserted in the minutes of the June, 1949, meeting.

Members of the Board heard the recommendation, and upon motion duly made, seconded and carried, President Donovan was authorized, at the June meeting, to confer upon each the honorary degree recommended.

C. Consideration of Decision in the Lyman T. Johnson Case.

The Chairman stated that Assistant Attorney General M. B. Holifield, who had taken the lead as counsel for the Board of Trustees in the Lyman T. Johnson suit against the University of Kentucky and members of the Board of Trustees, was present by request. He asked General Holifield to make a statement to the Board.

General Holifield made a statement concerning the duty of the Board of Trustees relative to the case in general. He also referred to the contract between the Board of Trustees of the University of Kentucky and the State Board of Education, acting for the Kentucky State College. He reviewed the pre-trial conference between attorneys for the plaintiff and defendants with Judge Ford. He further reviewed the testimony which was presented in briefs and at trial. He offered the services of the Attorney General's office to the Board in whatever action it might see fit to take.

A general discussion, participated in by each member of the Board, pursued, relating to what additional facilities were necessary at Kentucky State College, to comply with requirements of the Court. Judge O'Rear expressed his surprise at the decision rendered by the Court and offered the following resolution:

WHEREAS, one Lyman T. Johnson, negro, filed suit in the United States District Court for Eastern Kentucky against the Board of Trustees and Faculty of the University of Kentucky, asserting that the State discriminated against negroes because of their race and color, in failing to provide equal facilities to students of that race seeking enrollment in a college or school of the grade of "Kentucky Graduate School" a college of this University; and

WHEREAS, the Constitution of Kentucky adopted in 1891 and yet in force, provides that "in distribution of the school funds no distinction shall be made on account of race or color, and separate schools for white and colored children shall be maintained"; and

WHEREAS, the State of Kentucky has long since established and maintains a school for negroes at Frankfort, Kentucky, known as "The Kentucky State College", designed and intended to correspond with the colleges of this University in providing negro students equal facilities for education, in proportion to the number and qualifications of such students; and

WHEREAS, the Kentucky State College at Frankfort has grounds, buildings and equipment comparable in extent and appropriateness with those at this University where white students only are admitted; and

WHEREAS, the State Board of Education of Kentucky has power to employ such teachers, install such curricula and provide for teaching of such grades, as may be required; and

WHEREAS, the said Federal Court has held in said suit that the facilities provided at the Kentucky State College at Frankfort for negro students are not equal or comparably so, to those provided at this University in its Graduate School, and that thereby the applicant Johnson was being discriminated against; and

WHEREAS, if there be such lack of facilities at the Frankfort College, it is not because either the Constitution or legislative provision intends or allows such, but it would result, if at all, from lack of appropriations of public money by the legislature to maintain all the required grades at the Frankfort college; therefore

BE IT RESOLVED: (1) That counsel for this Board be directed to ask the United States Court to extend its opinion and specify wherein and to what extent the facilities fall short, and what specific addition or improvement therein should be made so as to avoid the claims of discrimination; and (2) That the Governor be memorialized by this Board to call into extraordinary session the General Assembly of Kentucky to provide by appropriation such funds, and provide such other authority to the State Board of Education, if said Court finds that Board lacks authority, to so provide the Kentucky State College with equal facilities in all respects to those at this University.

After further discussion, Mr. R. P. Hobson offered a substitute motion that the Lyman T. Johnson case be not appealed, for obvious reasons, and that the decision of the Federal Court be accepted. The motion was seconded by Mr. Hodgkin. After further discussion, the Chairman put the question, and upon roll call, the following voted Aye: Governor Earle C. Clements, Judge R. C. Stoll, Mrs. Paul G. Blazer, Grover Creech, T. H. Cutler, John C. Everett, Harper Gattton, R. P. Hobson, Boswell B. Hodgkin and Guy A. Huguelet. Nay: Judge Edward C. O'Rear, J. N. Smith and Robert Tway.

The Chairman declared the substitute motion carried.

D. Acceptance of Bids on Library and Service Building.

Tabular information concerning proposals for the construction of the Library and Service Building was distributed to members of the Board. President Donovan stated that six bids were received from contractors in Louisville and Lexington as follows:

	<u>Base Bid</u>
Geo. H. Rommel Co., Inc. 958 Logan Street, Louisville, Ky.	\$773,000.00
Hargett Construction Co. 113 Walton Ave., Lexington, Ky.	\$810,103.00
C. W. Mueller 619 Baxter Ave., Louisville, Ky.	\$815,100.00
Struck Construction Co. 147 N. Clay St., Louisville, Ky.	\$856,200.00
The Whittenberg Corporation 2214 S. Floyd St., Louisville, Ky.	\$886,000.00
Perkins Construction Co. 315 High St., Frankfort, Ky.	\$899,000.00

He recalled that bids were taken about three years ago for the construction of this building, and the low bid at that time was \$848,000.00, with an escalator clause. He stated that it was the recommendation of the architect, concurred in by the administration, that the bid of George H. Rommel Co., Inc., 958 Logan Street, Louisville, Ky., in amount of \$773,000.00, with alternate 10, be accepted. He recommended that alternates 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, and 12 be rejected, and stated that when alternate 10 was accepted, the aggregate low bid would be \$769,000.00.

After some discussion, and upon motion duly made, seconded and carried, the Board approved the acceptance of the George H. Rommel Company, Inc., bid, authorized the building erected, and recommended approval to the State Building Commission.

E. Library-Service Building Revenue Bonds Authorization.

President Donovan recalled that the Service Building was destroyed about three years ago and that, since that time, plans and specifications had been prepared for a new building. He also reported that the Executive Committee of the Board had accepted a proceedings contract with a Louisville and Lexington syndicate. He recalled that the University had available funds amounting to approximately \$300,000.00 which could be applied to the construction of the building. He recommended that the University authorize the issuance of revenue bonds under Section 162.340 Kentucky Revised Statutes, to provide the necessary funds with which to complete the Library-Service Building.

The Comptroller reported that the Attorney General had examined the proposed resolution, and approved same. He read the following letter:

Commonwealth of Kentucky
OFFICE OF THE ATTORNEY GENERAL
Frankfort

March 31, 1949

Wyatt, Grafton and Grafton
Attorneys at Law
Marion E. Taylor Building
Louisville, Kentucky

Attention: Mr. Arthur Grafton

Dear Mr. Grafton: Re: University of Kentucky
Service Building Revenue
Bonds

Pursuant to your communication of March 30, 1949, in regard to the above captioned matter, I have carefully examined the proposed bond order which was enclosed with your communication.

I can find nothing to delete from said bond order, neither have I any suggestions as to additions or changes therein. It is, therefore, the opinion of this office that said bond order completely covers the legal and factual statements necessary in order to comply with the Constitution and Statutes relative to the sale of revenue bonds relative to the matter mentioned in the caption.

Therefore, we, of the Attorney General's Office, approve said bond order as prepared.

Very truly yours,

(Signed) A. E. Funk
Attorney General

The Comptroller reported that he and Professor Frank Murray, of the College of Law, had read the proposed resolution providing for the issuance of revenue bonds, and that, in their opinion, the resolution was proper and acceptable. Whereupon Member Harper Gatton introduced and caused to be read in full a proposed resolution entitled

"A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF LIBRARY AND SERVICE BUILDING REVENUE BONDS OF THE UNIVERSITY OF KENTUCKY TO PROVIDE FUNDS (TO THE EXTENT NOT OTHERWISE PROVIDED) FOR THE CONSTRUCTION OF A LIBRARY AND SERVICE BUILDING UPON THE CAMPUS OF THE UNIVERSITY",

which Resolution is as follows:

WHEREAS, the University of Kentucky and its students are not now being provided with adequate buildings for educational purposes and in order to provide the same, the Board of Trustees of the University has heretofore directed that plans and specifications for a library and service building be prepared and such plans and specifications have now been completed and submitted and approved; and

WHEREAS, bids for the construction of said building according to the approved plans and specifications have been received and it has been made to appear, to the satisfaction of the Board of Trustees, that said building may be completed at a cost of not to exceed Eight Hundred Thousand Dollars (\$800,000.00); and the University now has on hand, in available funds, an amount exceeding Three Hundred Thousand Dollars (\$300,000.00) which may be applied against such construction costs, leaving a balance in the sum of approximately Five Hundred Thousand Dollars (\$500,000.00) presently to be raised; and

WHEREAS, under the provisions of Section 162.340 and succeeding sections of the Kentucky Revised Statutes, the Board of Trustees of the University of Kentucky as the governing body of said state educational institution, is authorized to issue bonds as hereinafter provided for the purpose of financing the cost of said new building to the extent not otherwise provided (said library and service building together with appurtenances being hereinafter sometimes referred to as the "Project");

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

Section 1. In order to provide for the payment of the costs of the Project not otherwise provided, there shall be and there are hereby ordered issued by the Board of Trustees of the University of Kentucky, in its corporate capacity and by and through its corporate name, and as a state educational institution and agency, Library and Service Building Revenue Bonds in the aggregate principal amount of Five Hundred Thousand Dollars (\$500,000.00) dated April 1, 1949, consisting of five hundred (500) bonds of the denomination of One Thousand Dollars (\$1,000.00) each, which shall be numbered consecutively from one (1) to five hundred (500), both numbers inclusive, and which shall bear interest to be evidenced by coupons attached to each bond payable semi-annually on each October 1 and April 1 to the respective maturity dates of principal, such interest to be at one or more interest rates (not to exceed three and one-half per cent (3½%) per annum) to be established by competitive bidding when the bonds are offered for public sale as hereinafter provided. Said bonds shall mature serially and in numerical order as follows:

<u>BONDS NUMBERED</u> (Inclusive)	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF MATURITY</u>
1-25	\$25,000.00	April 1, 1951
26-50	\$25,000.00	April 1, 1952
51-75	\$25,000.00	April 1, 1953
76-100	\$25,000.00	April 1, 1954
101-125	\$25,000.00	April 1, 1955
126-150	\$25,000.00	April 1, 1956
151-177	\$27,000.00	April 1, 1957
178-204	\$27,000.00	April 1, 1958
205-231	\$27,000.00	April 1, 1959
232-258	\$27,000.00	April 1, 1960
259-285	\$27,000.00	April 1, 1961
286-312	\$27,000.00	April 1, 1962
313-339	\$27,000.00	April 1, 1963
340-366	\$27,000.00	April 1, 1964
367-396	\$30,000.00	April 1, 1965

<u>BONDS NUMBERED</u> (Inclusive)	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF MATURITY</u>
397-426	\$30,000.00	April 1, 1966
427-456	\$30,000.00	April 1, 1967
457-486	\$30,000.00	April 1, 1968
487-500	\$14,000.00	April 1, 1969

provided, however, that any of said bonds numbered from one hundred and one (101) to five hundred (500), inclusive, shall be redeemable prior to stated maturities, as a whole or from time to time in part, in the inverse order of their numbering, on April 1, 1954, or on any interest payment date thereafter providing a notice specifying the bonds to be redeemed shall have been on file at the place of payment of principal and interest at least thirty (30) days prior to the specified redemption date and provided also that such notice shall have been published at least once not less than thirty (30) days prior to the redemption date in a newspaper having general circulation in Kentucky. In the event any of the bonds shall be called for redemption in the manner above set forth, the University of Kentucky shall pay to the owner and holder of each such bond the face amount thereof together with interest to the redemption date at the applicable coupon rate and together with additional interest which shall be in the sum of Twenty-five Dollars (\$25.00) per bond if the redemption date is prior to April 1, 1957; Twenty Dollars (\$20.00) per bond if the redemption date is on or after April 1, 1957, but prior to April 1, 1960; Fifteen Dollars (\$15.00) per bond if the redemption date is on or after April 1, 1960 but prior to April 1, 1963; Ten Dollars (\$10.00) per bond if the redemption date is on or after April 1, 1963 but prior to April 1, 1966; and Five Dollars (\$5.00) per bond if the redemption date is on or after April 1, 1966. If, on or prior to the specified redemption date, the University of Kentucky shall deposit at the place of payment of said bonds the amounts then due to the bondholders as herein provided, the bonds called for redemption shall cease to bear interest as of the redemption date.

Section 2. Said bonds shall be signed for and on behalf of the Board of Trustees of the University of Kentucky by the Chairman of said Board of Trustees, attested by its Secretary, and sealed with its corporate seal, and the interest coupons attached to said bonds shall be executed with the facsimile signatures of said Chairman and Secretary, and said bonds, together with the interest thereon, shall be payable in lawful money of the United States of America at the principal office of the Security Trust Company Bank in the City of Lexington, Fayette County, Kentucky, but only out of the "Library

and Service Building Revenue Bond and Interest Redemption Fund", hereinafter created, and shall be a valid claim of the holders thereof only against said fund and against 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:

(Form of Bond)

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
UNIVERSITY OF KENTUCKY
LIBRARY AND SERVICE BUILDING REVENUE BOND

No. _____

\$1,000.00

The University of Kentucky, by its Board of Trustees and 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 April, 19____, with interest thereon from the date hereof until paid at the rate of _____ per cent (____%) per annum, payable semi-annually on each October 1 and April 1, except as the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto, such interest as may accrue on and prior to the maturity date of this bond to be paid only upon presentation and surrender of the annexed interest coupons as they severally mature, both principal and interest being payable in lawful money of the United States of America, at the office of the Security Trust Company Bank in the City of Lexington, Kentucky.

The right is hereby reserved to call and redeem bonds numbered one hundred and one (101) to five hundred (500), inclusive, of the series of which this bond is a part prior to their respective stated maturities, as a whole or from time to time in part, in the inverse order of their numbering, on April 1, 1954, or on any interest payment date thereafter, providing a notice specifying the bonds to be redeemed shall have been on file at the place of payment of principal hereof and interest hereon at least thirty (30) days prior thereto, and provided such notice shall have been published at least once not less than thirty (30) days prior to the redemption date in a newspaper having general circulation in Kentucky. In the event this bond shall be called for redemption prior to its stated maturity, as herein provided, the University

of Kentucky will pay to the owner and holder hereof the face amount of this bond together with interest to the specified redemption date at the coupon rate, and together with additional interest which shall be in the sum of Twenty-five Dollars (\$25.00) if the redemption date is prior to April 1, 1957; Twenty Dollars (\$20.00) if the redemption date is on or after April 1, 1957 but prior to April 1, 1960; Fifteen Dollars (\$15.00) if the redemption date is on or after April 1, 1960 but prior to April 1, 1963; Ten Dollars (\$10.00) if the redemption date is on or after April 1, 1963 but prior to April 1, 1966; and Five Dollars (\$5.00) if the redemption date is on or after April 1, 1966. If, on or prior to such redemption date, the University of Kentucky shall have deposited at the place of payment of principal and interest the sum to which the holder of this bond will be entitled, as herein provided, then this bond shall cease to bear interest as of the redemption date.

This bond is issued for the purpose of financing the cost, not otherwise provided, of a library and service building and appurtenances for educational purposes in connection with the University of Kentucky, under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including, among others, Sections 162.340 to 162.380, inclusive of the Kentucky Revised Statutes.

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

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

This bond is fully negotiable but may be registered as to principal only on the books of the Secretary of the Board of Trustees 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 at the written request of the registered owner or his authorized representative 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 and its Board of Trustees, does not exceed any limit prescribed by the Constitution or Statutes of Kentucky; that said library and service building and appurtenances will be continuously operated by said University of Kentucky, and that a sufficient portion of the gross income and revenues therefrom has been pledged to and will be set aside into a special account for the payment of the principal of and interest on this bond and the series of which it is a part, as the same will respectively become due.

IN WITNESS WHEREOF, the Board of Trustees of 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 said Chairman and said Secretary, who, by the signing of this bond, do adopt said facsimile signatures, and each of them, to be their respective authorized and official signatures, all as of the First day of April, 1949.

Chairman, Board of Trustees

Attest:

Secretary, Board of Trustees

(SEAL)

(Form of Coupon)

Number _____

\$ _____

*Unless the bond to which this coupon is attached shall have been called for prior redemption

On the First day of _____, 19____, the Board of Trustees of the University of Kentucky will pay to bearer _____ Dollars (\$_____) out of its "Library and Service Building Revenue Bond and Interest Redemption Fund", at the _____ Bank, in the City of Lexington, Kentucky, as provided in and for interest then due on its Library and Service Building Revenue Bond, dated April 1, 1949, Number _____.

Chairman, Board of Trustees

Secretary, Board of Trustees

*Note - This redemption provision to be omitted from coupons maturing on and prior to April 1, 1954.

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

Date of Registration:	Name of Registered Holder:	Signature of Secretary of Board of Trustees
:	:	:
:	:	:
:	:	:
:	:	:
:	:	:

Section 4. The Project shall be completed as expeditiously as may be (the estimated completion date being March 31, 1950), and continuously thereafter it shall be operated as a revenue-producing undertaking on a fiscal year basis ending on March 31st of each year, and on that basis the gross income and revenues of said Project shall be sufficient so as to set aside the required amounts (hereinafter

specified) into a separate and special fund designated the "Library and Service Building Revenue Fund" (hereinafter designated the "Revenue Fund").

It is hereby represented and declared that in addition to other charges fixed and imposed for attendance at the University, the Board of Trustees of said University has heretofore and so long as any of the bonds herein authorized are outstanding, will continue to fix, impose, charge, and collect an "Incidental Registration Fee" which all students have been and will continue to be required to pay and a portion of which has been and will continue to be allocated annually to the library of the University. Inasmuch as a substantial portion of the library and service building has been designed to accommodate a portion of the necessary library facilities of the University, it is covenanted and agreed on behalf of said Board of Trustees that said portion of said building will continuously be set aside and used for that purpose and that a substantial portion of the fees allocated to the library of the University from said "Incidental Registration Fee" will constitute income and revenues of the library and service building.

It is hereby represented and declared that the remainder of said library and service building has been designed to accommodate and will continuously be used for the purpose of accommodating the general service facilities of the University, including but not limited to equipment and facilities for the maintenance, repairing, and renewing of all properties belonging to the University and the storage of supplies procured for the use of the University and all of its various departments and branches; that the University has in the past, does now, and so long as any of the bonds hereby authorized remain outstanding will continue to charge to itself and to all of its independent departments and agencies sums representing a fair and reasonable value of the services so rendered; that such charges have been and will continue to be fixed in such amounts as to defray all expenses in connection with the rendering of said services and in addition thereto yield a profit; and that such profit will constitute and represent income and revenues of the library and service building.

It is therefore hereby covenanted and agreed on behalf of said Board of Trustees that annually when fixing the amount of such "Incidental Registration Fee" and from time to time when fixing the amounts of charges for other services rendered by said general service building, due account will be taken of the services and facilities provided in that connection by said library and service building; that the portion of the "Incidental Registration Fee" allocated annually to the library, and the charges from time to time

fixed for other services rendered by said building will continue to take into account the services and facilities of said library and service building; that the aggregate of all amounts thus allocated and charged will be sufficient each year to discharge all expenditures properly chargeable to said building and the services operated therein and in addition an amount which will be sufficient at all times to make the required payments into the "Library and Service Building Revenue Bond and Interest Redemption Fund" and pay costs of operation and maintenance (including insurance) of said library and service building.

There shall be and there is hereby created a fund to be known as the "Library and Service Building Revenue Bond and Interest Redemption Fund" (hereinafter called the "Bond Fund") into which there shall be set aside from the moneys held in the revenue fund such amounts as will be sufficient to pay the interest on and principal of the bonds hereby authorized, as may be outstanding from time to time. It is hereby agreed that during the fiscal year ending March 31, 1950, the amount to be set aside into said fund shall be \$17,500.00, same to include all sums received as accrued interest in the issuance of said bonds and also a sufficient portion of the proceeds of said bonds equal to the interest to accrue thereon during the construction period of the Project. The amount to be set aside into said fund each fiscal year thereafter so long as any of said bonds remain outstanding shall be not less than as set forth in the following schedule:

For the fiscal year ending March 31, 1951,	\$42,500.00
For the fiscal year ending March 31, 1952,	\$41,625.00
For the fiscal year ending March 31, 1953,	\$40,750.00
For the fiscal year ending March 31, 1954,	\$39,875.00
For the fiscal year ending March 31, 1955,	\$39,000.00
For the fiscal year ending March 31, 1956,	\$38,125.00
For the fiscal year ending March 31, 1957,	\$39,250.00
For the fiscal year ending March 31, 1958,	\$38,305.00
For the fiscal year ending March 31, 1959,	\$37,360.00
For the fiscal year ending March 31, 1960,	\$36,415.00
For the fiscal year ending March 31, 1961,	\$35,470.00
For the fiscal year ending March 31, 1962,	\$34,525.00
For the fiscal year ending March 31, 1963,	\$33,580.00
For the fiscal year ending March 31, 1964,	\$32,635.00
For the fiscal year ending March 31, 1965,	\$34,690.00
For the fiscal year ending March 31, 1966,	\$33,640.00
For the fiscal year ending March 31, 1967,	\$32,590.00
For the fiscal year ending March 31, 1968,	\$31,540.00
For the fiscal year ending March 31, 1969,	\$14,490.00

The amounts set forth above for the respective fiscal years have been computed upon the assumption that after proposals for the sale and purchase of said bonds have been received, the interest rate with respect to said bonds will be fixed by the Executive Committee of the Board of Trustees at three and one-half per cent ($3\frac{1}{2}\%$) per annum, the amount set forth for each fiscal year being a sum sufficient to pay interest (at that assumed rate) maturing on October 1 of such fiscal year and upon April 1 of the ensuing fiscal year together with principal maturing on April 1 of such succeeding fiscal year. In the event that the interest rate or rates established by resolution of the Executive Committee of the Board of Trustees at the time of sale shall differ from said assumed rate of $3\frac{1}{2}\%$ per annum, the minimum annual amounts to be set aside into the Bond Fund shall be higher or lower in order to accomplish the same results.

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 bonds equal to the interest to accrue thereon during the construction period of the Project, shall be paid into said Bond Fund at the time of the issuance and delivery of the bonds hereby authorized, and shall be used for the payment of the interest on said bonds next thereafter becoming due.

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 whenever and so long as 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, there be a failure 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 or principal 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; provided, however, that such reserve may be applied to the redemption of bonds prior to maturities.

All moneys 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 moneys held as reserve for contingencies may be invested in direct obligations of the United States of America; provided, however, that sale of a sufficient amount of such obligations shall be made in the event that it shall prove necessary to draw upon said reserve.

The payments hereinabove provided into said Bond Fund from the Revenue 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 and from time to time remaining in the Library and Service Building Revenue Fund may be set aside for the necessary expenses of operation and maintenance, as hereinafter more fully provided. In the event that the moneys held in the 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 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 moneys remaining in the Revenue Fund after the aforesaid payments into the Bond Fund shall be set aside into an "Operation and Maintenance Account", hereby created, and all moneys in said account shall be used for proper operation and maintenance of said Project, including an amount sufficient to pay the cost of insurance.

Section 5. While the bonds authorized hereunder, or any of them remain outstanding and unpaid, the rents and charges for all services rendered by the Project and fees charged to the students of the University of Kentucky 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 of Kentucky such amounts for services rendered by the Project as shall be adequate,

together with rents and fees charged to students, to meet the requirements of this and the two preceding sections hereof.

Section 6. The Board of Trustees of 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 all duties with reference to said Project required by the Constitution and laws of the Commonwealth of Kentucky will be faithfully and punctually performed, including the charging and collection from the University of Kentucky and its students reasonable and sufficient amounts for services rendered by said Project.

The Board of Trustees of 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 reasonable and sufficient amounts as rent and for services rendered by the Project in furnishing educational facilities 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 7. 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 Sections 162.350 and 162.200 of the Kentucky Revised Statutes, which said statutory mortgage lien is hereby recognized and declared to be valid and binding upon 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 law, including the charge, collection and accounting for sufficient rents, student fees and charges, 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, 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 8. 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 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 9. While any of the bonds herein authorized are outstanding no additional bonds payable from the revenues of the said Project shall be authorized or issued unless the lien and security for payment of such additional bonds are made junior and subordinate in all respects to the lien and security of the bonds herein authorized.

Section 10. So long as any of said bonds are outstanding the Board of Trustees of the University of Kentucky shall:

(a) Maintain insurance on the Project against loss or damage by fire, lightning and windstorm in an amount equal to the full insurable value, 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, and furnish the original purchaser of said bonds and any subsequent holder of any of 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 relating thereto.

Section 11. Upon the adoption of this Resolution, the Secretary of the Board of Trustees of the University of Kentucky is hereby authorized and directed to cause notice to be published in THE BOND BUYER, a Financial Newspaper printed and published in the City of New York, New York, reciting in such notice that a Resolution providing for the issuance of the bonds as herein authorized has been adopted and that at a time and place stated therein, which shall be the time and place of a scheduled meeting of the Executive Committee of the Board of Trustees of the University of Kentucky, the matter of issuing bonds numbered one (1) to four hundred ninety (490), inclusive, will be further considered and also that at said meeting anyone interested may present sealed written proposals for the purchase of the bonds as herein authorized. Each such proposal should specify the interest rate or rates for the bonds which shall be a multiple of $\frac{1}{8}$ of 1% and not exceeding three and one-half per cent ($3\frac{1}{2}\%$) per annum, and the bid price must be 101.75% of par plus accrued interest or better. Said Executive Committee of the Board of Trustees of the University of Kentucky is hereby authorized and directed to consider all proposals made pursuant to such published notice, and to award the bonds in the manner and for the purposes as herein provided.

Bonds numbered four hundred ninety-one (491) to five hundred (500), inclusive, shall be held unexecuted and unissued and may later be sold if additional funds for the Project should prove to be necessary, such sale to be held at such time and place and upon such conditions as may be ordered by the Board of Trustees of the University of Kentucky or by the Executive Committee of said Board.

Section 12. All sums received as accrued interest when the bonds are delivered and paid for shall be deposited in the Bond Fund. From said proceeds there shall next be paid all expenses incident to the authorization, issuance and sale of the bonds herein described. Thereafter as authorized by KRS 162.350 and 162.200, there shall be set aside from said proceeds and deposited in the Bond Fund the sum of Seventeen Thousand Five Hundred Dollars (\$17,500) representing interest during the construction period, such sum to be credited by the amount of accrued interest received when the bonds are delivered and paid for as above set forth. All sums then remaining shall be transmitted to the State Treasury of the Commonwealth of Kentucky to be held and used, together with other available funds, for the completion of the Project.

Section 13. That the provisions of this Resolution shall constitute a contract between the Board of Trustees of the University of Kentucky and the holder or holders of the bonds herein authorized to be issued and after the issuance of any of said bonds no change or alteration of any kind in the provisions of this Resolution may be made

until all of the bonds have been paid in full as to both principal and interest or funds sufficient therefor shall have been duly provided and deposited for that exclusive purpose at the place of payment thereof.

Section 14. That if any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder thereof shall remain in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity of such section, paragraph, clause or provision.

Section 15. That all resolutions and orders, or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and that this Resolution shall take effect from and after its adoption.

Adopted and approved, _____, 1949.

Chairman

ATTEST:

Secretary

and moved that all rules be suspended and that said proposed resolution be adopted, which motion was duly seconded by Member J. C. Everett; and said motion having been duly considered, the Chairman put the question, and upon roll being called, the following voted Aye: Governor Earle C. Clements, Judge R. C. Stoll, Mrs. Paul G. Blazer, John C. Everett, Grover Creech, T. H. Cutler, Robert Tway, Judge Edward C. O'Rear, Guy A. Huguelet, J. N. Smith, Boswell B. Hodgkin, Harper Gatton and R. P. Hobson. Nay: None. Whereupon, the Chairman declared the said motion duly carried and said resolution duly adopted.

F. Notice of Sale of Bonds for Library and Service Building.

President Donovan stated that it would be necessary to adopt a resolution on the Notice of Sale of Bonds; whereupon Member R. P. Hobson introduced and caused to be read in full, a Notice of Sale of Library and Service Building Revenue Bonds, which Notice of Sale of Bonds is as follows:

NOTICE OF SALE OF BONDS

The Board of Trustees of the University of Kentucky, an educational institution and agency of the Commonwealth of Kentucky, hereby gives public notice that until the 20th day of April, 1949, at the hour of 10:30 a.m., it will

receive in the office of the Comptroller of the University at Lexington, Kentucky, sealed competitive bids for \$490,000.00 principal amount of its "Library and Service Building Revenue Bonds" dated April 1, 1949, and consisting of 490 bonds of the denomination of \$1,000.00 each, numbered consecutively from 1 to 490, inclusive, and maturing in consecutive order on April 1, \$25,000.00 in each of the years 1951 to 1956, inclusive; \$27,000.00 in each of the years 1957 to 1964, inclusive; \$30,000.00 in each of the years 1965 to 1968, inclusive; and \$4,000.00 in 1969. These bonds are a part of a series in the total principal amount of \$500,000.00 duly authorized by a Resolution adopted by the Board of Trustees at a meeting held on April 5, 1949. Bonds numbered 491 to 500, inclusive, are not offered for sale at this time but may be sold in the future if so ordered by the Board of Trustees or its Executive Committee. These bonds will bear interest from their date until paid, such interest to be evidenced by coupons attached to the bonds, maturing on each October 1 and April 1. Bids should be for the entire \$490,000.00 principal amount of bonds offered for sale and should be for cash. No bid will be given favorable consideration which offers to purchase the bonds at a price of less than \$1,017.50 per \$1,000.00 bond, plus accrued interest. Bidders shall stipulate one or more interest rates of their own choosing in multiples of $\frac{1}{4}$ of 1% per annum, not to exceed $3\frac{1}{2}$ % per annum and not to exceed three separate interest rates. If more than one interest rate is stipulated the bid shall clearly indicate the number of the bonds which are to bear each separate rate. At the above-mentioned time the sealed bids which have been received will be opened and submitted to the Executive Committee of said Board of Trustees, which Executive Committee has been authorized to consider said bids and to take action thereon. If a bid is accepted the Executive Committee will adopt a resolution providing that the bonds shall bear interest at the rates stipulated by the successful bidder. The Board of Trustees will furnish the printed bond blanks and an opinion of Messrs. Chapman and Cutler, Attorneys at Law of Chicago, Illinois, approving the legality of the bonds and all proceedings incident to the issuance thereof, which opinion will accompany the bonds when delivered without expense to the purchaser. Each bid should be accompanied by a certified or bank check payable to the order of the University of Kentucky in the sum of \$10,000.00. Bonds numbered in excess of 100 will be subject to redemption at the option of the Board of Trustees of the University, as a whole or from time to time in part, in the inverse order of their numbering, on April 1, 1954, or on any interest payment date thereafter upon 30 days prior public notice in a newspaper of general circulation in Kentucky. In the event of redemption prior to stated maturities the bondholders will be entitled to receive the face amount

of each bond redeemed together with accrued interest to the redemption date at the applicable coupon rate and together with additional interest which shall be in the sum of \$25.00 per bond if the redemption date is prior to April 1, 1957; \$20.00 if the redemption date is on or after April 1, 1957, but prior to April 1, 1960; \$15.00 if the redemption date is on or after April 1, 1960 but prior to April 1, 1963; \$10.00 if the redemption date is on or after April 1, 1963, but prior to April 1, 1966; and \$5.00 if the redemption date is on or after April 1, 1966. Principal and interest will be payable at the office of the Security Trust Company Bank in Lexington, Kentucky. A "Statement of Terms and Conditions of Bond Sale" containing a further description of the bonds and prescribing the terms and conditions upon which bids will be received may be obtained by addressing Frank D. Peterson, Comptroller of the University of Kentucky, at Lexington, Kentucky. Bidders are warned that bids which do not conform to the prescribed terms and conditions will not be given favorable consideration.

BY ORDER OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY:

Secretary

and moved that all rules be suspended and that said Notice of Sale of Bonds be adopted, which motion was duly seconded by Member T. H. Cutler, and said motion having been duly considered, the Chairman put the question, and upon the roll being called, the following voted Aye: Governor Earle C. Clements, Judge R. C. Stoll, Mrs. Paul G. Blazer, John C. Everett, Grover Creech, T. H. Cutler, Robert Tway, Judge Edward C. O'Rear, Guy A. Huguelet, J. N. Smith, Boswell B. Hodgkin, Harper Gatton and R. P. Hobson. Nay: None. Whereupon, the Chairman declared the said motion duly carried and said Notice of Sale duly adopted.

G. Mr. Huguelet Requested to Take Chair.

Governor Clements, Chairman of the Board, requested to be excused from further deliberation in order to keep a previous engagement. He requested Mr. Guy Huguelet, Chairman of the Executive Committee, to take the chair. Mr. Huguelet took the chair and the Board continued its consideration of the agenda.

Judge R. C. Stoll, Vice Chairman of the Board, stated that, upon order of his physician, it was necessary that he withdraw from further deliberation of the Board. The members of the Board expressed their appreciation of Judge Stoll for his attendance at the meeting.

H. Red Cross Buildings for Cooperstown and Shawneetown.

President Donovan read a letter from the Comptroller explaining a request of the local American Red Cross for cooperative arrangement to provide buildings in Cooperstown and Shawneetown to be used as recreation buildings by the children of the residents of these villages. He read the following letter:

April 2, 1949

Dr. H. L. Donovan, President
University of Kentucky

My dear President Donovan:

In or about April, 1948, Mrs. James W. Whitt, Jr., apparently a representative of the local chapter of the American Red Cross, conferred with you concerning obtaining a building for Cooperstown and a building for Shawneetown that might be used for recreational purposes by the children of the residents of these villages. At that time, it was thought by Mrs. Whitt that the University could acquire these buildings from one of the government agencies then disposing of housing or facilities to educational institutions.

This office corresponded with the following agencies: Public Housing Administration in Chicago, Federal Works Agency in Chicago, State Department of Education in Frankfort, Federal Works Agency in Chicago (a second time), Army District Engineer in Louisville, Public Housing Administration in Chicago (a second time) and the Army District Engineer in Louisville (a second time). We did not accomplish anything. Each agency referred to another agency, and we were finally advised that federal facilities were not available for recreational purposes under the conditions of the federal acts. We so advised Mrs. Whitt, who, I assume, in turn advised the Red Cross. It should be recalled, however, that you tentatively agreed to recommend spending as much as a thousand dollars on each building toward transportation and activation of the buildings, if acquired.

This project has been dormant since about September, 1948. Mrs. Whitt now advises that the American Red Cross has agreed to purchase two new pre-fabricated buildings from Sears & Roebuck Company, size 40' x 20', to be erected on Cooperstown and Shawneetown premises. Mrs. Whitt requests that the University make available funds necessary to transport and erect the buildings, up to \$1,000.00 for

each building, if needed. She states that each building will come with all fixtures necessary for two piece baths to be installed. Each building will be equipped with an oil Heatrola furnished by the Red Cross. The site for each building is to be selected by the University, and it will be necessary for the University to furnish pipe, plumbing and labor, as well as the installation of the electrical wiring.

The Red Cross desires to retain the ownership of the buildings, with the privilege of removing the buildings from the sites when either Cooperstown or Shawneetown ceases to be used as a housing project for students at the University. The Red Cross also promises to equip, operate and supervise the recreational facilities in the buildings.

Since the Red Cross has approved the purchase of these buildings, and Sears and Roebuck has given them a special discount, the request is made that a definite decision be given as soon as possible.

Respectfully submitted,

(Signed) Frank D. Peterson,
Comptroller.

There was some discussion concerning the request of the Red Cross for permission to remove the buildings. After due deliberation, and upon motion duly made, seconded and carried, an amount not exceeding \$1,000.00 for each building was appropriated from unappropriated surplus of the University budget for the purpose of transportation and erection of the two buildings to be purchased by the American Red Cross, with the understanding that all conditions enumerated be complied with and that complete supervision of the activities and operation of the buildings remain with the University authorities.

I. Gifts.

From Mr. Randall Dawson, Bloomfield, Ky. -- \$500.00.

President Donovan reported gift of \$500.00 from Mr. Randall Dawson, President of R. R. Dawson Bridge Company, Bloomfield, Ky., to be used by the Kentucky Research Foundation, and stated that it is the desire of Mr. Dawson that this sum of money be used to cover an annual award to a freshman student interested in studying Civil and Highway Engineering. He recommended that the gift be accepted. The Board expressed gratification at this interest on the part of Mr. Dawson in assisting the University in its attempt to build up a series

of scholarships by means of which outstanding high school students may be brought to the University, and upon motion duly made, seconded and carried, the gift was ordered accepted, and the President was requested to write a letter of appreciation to the donor.

From Lexington Council of Jewish Women - \$800.00.

President Donovan read the following letter from Dean White, of the College of Arts and Sciences:

April 1, 1949

President H. L. Donovan
University of Kentucky
Administration Building

My dear President Donovan:

I am enclosing a check drawn by the Lexington Council of Jewish Women in the amount of \$800.00 to be used by the Department of Psychology in conducting its Speech Clinic this summer. Last summer the Council gave \$400.00 and this year they doubled the amount. This amount is to be used to employ an assistant to the director of the Speech Clinic.

Without the aid of this group it would be impossible for the Department to conduct the Speech Clinic. I hope, therefore, that it will be possible for you to accept the check.

Respectfully yours,

(Signed) M. M. White.

After expressing their appreciation to the Lexington Council of Jewish Women for their continued help to the Department of Psychology's Speech Clinic, and upon motion duly made, seconded and carried, the Board authorized the acceptance of \$800.00 to be used to employ an assistant to the director of the Speech Clinic in the Department of Psychology, and requested the President to write a letter of appreciation to the donors.

From the Committee for Distribution, French
Gratitude Train.

President Donovan reported that he had received a letter from Mrs. Rudy F. Vogt, Chairman, Committee for Distribution, French Gratitude Train, announcing that the Committee had allotted to the University of Kentucky a plaster cast of a statue of "King Solomon", and a group of books on French art, history and philosophy. He recommended that the gifts be accepted, and stated that he had asked Mrs. Vogt to furnish, if possible, names of the individual donors or groups of donors of the various items, so that he might write to each one, expressing the appreciation of the University. The Board concurred in the recommendation of the President, and on motion duly made, seconded and carried, the gifts were ordered accepted, and the President was asked to convey to the donors the gratitude of the Board of Trustees and the University.

J. College of Agriculture and Home Economics Course Fees Approved.

President Donovan reported that he had conferred with Dean Cooper concerning course fees in the College of Agriculture and Home Economics, and read the following letter:

April 5, 1949

President H. L. Donovan
University of Kentucky

Dear President Donovan:

In accordance with our discussion of yesterday, I request that the following course fees be authorized:

Animal Industry 27 and 127 - A survey of the dairy industry	\$40.00
Animal Industry 46 and 146 - A survey of the poultry industry	\$40.00
Agronomy 119 - Soil origin, classification and mapping	\$15.00

Also I wish to request that the course fee for Animal Industry 102, Advanced livestock judging, as approved by the Executive Committee August 23, 1946 be cancelled and the following substituted:

Animal Industry 102 - Advanced livestock judging \$35.00

For your information, I enclose a list of the course fees heretofore approved by the Board which will be in force in addition to the above if authorized.

Sincerely yours,

(Signed) Thomas Cooper
Dean and Director.

President Donovan recommended that the request be granted, and upon motion duly made, seconded and carried, the recommendation of the President was concurred in, and the course fees for

Animal Industry 27 and 127 - A survey of the dairy
industry..... \$40.00

Animal Industry 46 and 146 - A survey of the poultry
industry \$40.00

Animal Industry 102 - Advanced livestock judging ... \$35.00

Agronomy 119 - Soil origin, classification and
mapping..... \$15.00

were authorized as recommended, and course fee for Animal Industry 102, Advanced Livestock Judging, as approved by the Executive Committee August 23, 1946, was ordered cancelled.

K. Plans and Specifications for Science Building Accepted.

President Donovan submitted plans and specifications for a new Science building. He read the following letter:

April 4, 1949

Dr. H. L. Donovan, President
University of Kentucky

My dear President Donovan:

On May 1, 1946, with the approval of the Board of Trustees, I made application to the Federal Works Agency for an advance to pay for the plans and specifications of the New Science Building, University of Kentucky. The application was approved. Brock & Johnson, architects, were employed to do the work. They have completed the plans and specifications, and I submit with this letter the following documents:

1. One complete set of drawings (103 sheets)
2. One complete set of specifications
3. A copy of letter from the State Fire Marshal's Office approving the plans and specifications
4. A copy of the letter from the State Department of Health approving the plans and specifications
5. A copy of the letter from the Secretary of the State Property and Building Commission approving the plans and specifications.

The plans and specifications have been examined by Mr. E. B. Farris, Chief Engineer of the University Division of Maintenance and Operations and by Dr. L. M. Chamberlain, Vice President. I recommend that the plans and specifications and the documents attached hereto be submitted to the Board of Trustees for acceptance.

Respectfully submitted,

(Signed) Frank D. Peterson,
Comptroller.

President Donovan stated that he understood that the plans were complete in every detail, and recommended acceptance by the Board and payment of the architects according to contract.

The complete set of drawings, consisting of 103 sheets, and the complete set of specifications were available to the Board. After due consideration, upon motion duly made, seconded and carried, the drawings and specifications were accepted, and the Comptroller was directed to pay the architects according to the contract.

L. Extension to McLean Stadium Approved, and Bid Accepted for Completion.

President Donovan stated that bids had been received for extension to McLean Stadium, Stoll Field. Tabulation of the bids was submitted to members of the Board.

Bids were received from the following contractors:

Perkins Construction Company
315 High Street, Frankfort, Ky.
Base Bid Item 1\$291,400.00
Base Bid Item 2 10,610.00

The Whittenberg Corporation
2214 South Floyd St., Louisville, Ky.
Base Bid Item 1\$297,000.00
Base Bid Item 2 10,700.00

It was explained that Base Bid Item 1 was for the extension of the Stadium and would add approximately 4,000 seats; and that Base Bid Item 2 was for the completion of box seats on north and south sides, according to plans and specifications, and would add something over 200 box seats.

A general discussion followed as to whether or not the Board could afford to issue bonds for the extension to the Stadium, and, after considerable discussion, upon motion duly made, seconded and carried, the low bid of Perkins Construction Company, 315 High Street, Frankfort, Ky., on Base Bid Items 1 and 2, in the amount of \$302,010.00, was accepted and approved, and the State Building Commission was requested to approve the extension to McLean Stadium.

M. McLean Stadium Revenue Bonds Authorization.

President Donovan stated that it would be necessary to issue revenue bonds under Section 162.340 Kentucky Revised Statutes, to provide the necessary funds with which to extend the seating capacity of McLean Stadium and to construct a new press box. Whereupon, T.H. Cutler introduced and caused to be read in full a proposed Resolution entitled

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF STADIUM REVENUE BONDS OF THE UNIVERSITY OF KENTUCKY TO PROVIDE FUNDS (TO THE EXTENT NOT OTHERWISE PROVIDED) FOR THE COMPLETION OF THE STADIUM OF THE UNIVERSITY, INCLUDING APPURTENANCES.

which Resolution and Notice of Sale of Bonds are as follows:

WHEREAS, the University of Kentucky and its students are not now being provided with adequate buildings and structures for educational purposes and in order to provide the same, the Board of Trustees of the University has heretofore directed that plans and specifications be prepared for the completion of the Stadium upon the Campus at the University, (including the acquisition of appurtenances), in connection with the expanded Athletic and Physical Education program of the University, and said plans and specifications have now been completed, submitted and approved; and

WHEREAS, bids for such construction according to the approved plans and specifications have been received and it has been made to appear to the satisfaction of the Board of Trustees that the same can be financed by the issuance of Three Hundred Thousand Dollars (300,000.00) principal amount of Revenue bonds, in addition to which the University will pay from available funds the cost of certain incidental elements including interior, wiring, plumbing, etc.; and

WHEREAS, under the provisions of Section 162.340 and succeeding sections of the Kentucky Revised Statutes, the Board of Trustees of the University of Kentucky as the governing body of said State Educational Institution is authorized to issue bonds as hereinafter provided for the purpose of financing the cost of such construction to the extent not otherwise provided (the said Stadium as it now exists, and as completed, together with all appurtenances are hereinafter sometimes referred to as the "Project");

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

Section 1. In order to provide for the payment of the costs of the Project not otherwise provided, there shall be and there are hereby ordered issued by the Board of Trustees of the University of Kentucky, in its corporate capacity and by and through its corporate name, and as a state educational institution and agency, Stadium Revenue Bonds in the aggregate principal amount of Three Hundred Thousand Dollars (\$300,000.00) dated April 1, 1949, consisting of three hundred (300) bonds of the denomination of One Thousand Dollars (\$1,000.00) each, which shall be numbered consecutively from one (1) to three hundred (300), both numbers inclusive, and which shall bear interest to be evidenced by coupons attached to each bond payable semi-annually on each October 1 and April 1 to the respective maturity dates of principal, such interest to be at one or more interest rates (not to exceed three and one-half per cent (3½%) per annum) to be established by competitive bidding when the bonds are offered for public sale as

hereinafter provided. Said bonds shall mature serially and in numerical order as follows:

<u>BONDS NUMBERED</u> (Inclusive)	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF MATURITY</u>
1-15	\$15,000.00	April 1, 1950
16-30	\$15,000.00	April 1, 1951
31-45	\$15,000.00	April 1, 1952
46-60	\$15,000.00	April 1, 1953
61-75	\$15,000.00	April 1, 1954
76-90	\$15,000.00	April 1, 1955
91-105	\$15,000.00	April 1, 1956
106-120	\$15,000.00	April 1, 1957
121-135	\$15,000.00	April 1, 1958
136-150	\$15,000.00	April 1, 1959
151-165	\$15,000.00	April 1, 1960
166-180	\$15,000.00	April 1, 1961
181-195	\$15,000.00	April 1, 1962
196-210	\$15,000.00	April 1, 1963
211-225	\$15,000.00	April 1, 1964
226-240	\$15,000.00	April 1, 1965
241-255	\$15,000.00	April 1, 1966
256-270	\$15,000.00	April 1, 1967
271-285	\$15,000.00	April 1, 1968
286-300	\$15,000.00	April 1, 1969

provided, however, that any of said bonds numbered from seventy-six (76) to three hundred (300) inclusive, shall be redeemable prior to stated maturities, as a whole or from time to time in part, in the inverse order of their numbering, on April 1, 1954, or on any interest payment date thereafter providing a notice specifying the bonds to be redeemed shall have been on file at the place of payment of principal and interest at least thirty (30) days prior to the specified redemption date and provided also that such notice shall have been published at least once not less than thirty (30) days prior to the redemption date in a newspaper having general circulation in Kentucky. In the event any of the bonds shall be called for redemption in the manner above set forth, the University of Kentucky shall pay to the owner and holder of each such bond the face amount thereof together with interest to the redemption date at the applicable coupon rate and together with additional interest which shall be in the sum of Twenty-five Dollars (\$25.00) per bond if the redemption date is prior to April 1, 1957; Twenty Dollars (\$20.00) per bond if the redemption date is on or after April 1, 1957 but prior to April 1, 1960; Fifteen Dollars (\$15.00) per bond if the redemption date is on or after April 1, 1960 but prior to April 1, 1963; Ten Dollars (\$10.00) per bond if the redemption date is on or after April 1, 1963 but prior to April 1, 1966; and Five Dollars (\$5.00) per bond if the redemption date is on or after April 1, 1966. If, on or prior to the specified redemption date, the University of Kentucky shall deposit at the place of payment of said bonds the amounts then due to the bondholders as herein provided, the bonds called for redemption shall

cease to bear interest as of the redemption date.

Section 2. Said bonds shall be signed for and on behalf of the Board of Trustees of the University of Kentucky by the Chairman of said Board of Trustees, attested by its Secretary, and sealed with its corporate seal, and the interest coupons attached to said bonds shall be executed with the facsimile signatures of said Chairman and Secretary, and said bonds, together with the interest thereon, shall be payable in lawful money of the United States of America at the principal office of The Louisville Trust Company in the City of Louisville, Kentucky, but only out of the "Stadium Revenue Bond and Interest Redemption Fund", hereinafter created, and shall be a valid claim of the holders thereof only against said fund and against 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:

(Form of Bond)
 UNITED STATES OF AMERICA
 COMMONWEALTH OF KENTUCKY
 UNIVERSITY OF KENTUCKY
 STADIUM REVENUE BOND

No. _____

\$1,000.00

The University of Kentucky, by its Board of Trustees and 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 April, 19____, with interest thereon from the date hereof until paid at the rate of _____ per cent (____%) per annum, payable semi-annually on each October 1 and April 1, except as the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto, such interest as may accrue on and prior to the 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 Louisville Trust Company in the City of Louisville, Kentucky.

The right is hereby reserved to call and redeem bonds numbered seventy-six (76) to three hundred (300), inclusive, of the series of which this bond is a part prior to their respective stated maturities, as a whole or from time to time in part, in the inverse order of their numbering, on April 1, 1954 or on any interest payment date thereafter, providing a notice specifying the bonds to be redeemed shall have been

on file at the place of payment of principal hereof and interest hereon at least thirty (30) days prior thereto, and provided such notice shall have been published at least once not less than thirty (30) days prior to the redemption date in a newspaper having general circulation in Kentucky. In the event any of said bonds shall be called for redemption prior to the stated maturity thereof, as herein provided, the University of Kentucky will pay to the owner and holder the face amount thereof together with interest to the specified redemption date at the coupon rate, and together with additional interest which shall be in the sum of Twenty-five Dollars (\$25.00) if the redemption date is prior to April 1, 1957; Twenty Dollars (\$20.00) if the redemption date is on or after April 1, 1957, but prior to April 1, 1960; Fifteen Dollars (\$15.00) if the redemption date is on or after April 1, 1960 but prior to April 1, 1963; Ten Dollars (\$10.00) if the redemption date is on or after April 1, 1963 but prior to April 1, 1966; and Five Dollars (\$5.00) if the redemption date is on or after April 1, 1966. If, on or prior to such redemption date, the University of Kentucky shall have deposited at the place of payment of principal and interest the sum to which the holder will be entitled, as herein provided, then such bond shall cease to bear interest as of the redemption date.

This bond is issued for the purpose of financing the cost, not otherwise provided, of completing the stadium of the University including appurtenances for educational purposes in connection with the University of Kentucky, under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including, among others, Sections 162.340 to 162.380, inclusive of the Kentucky Revised Statutes.

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

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

This bond is fully negotiable but may be registered as to principal only on the books of the Secretary of the Board of Trustees 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 at the written request of the registered owner or his authorized representative 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 and its Board of Trustees, does not exceed any limit prescribed by the Constitution or Statutes of Kentucky; that said Stadium and appurtenances will be continuously operated by said University of Kentucky, and that a sufficient portion of the gross income and revenues therefrom has been pledged to and will be set aside into a special account for the payment of the principal of and interest on this bond and the series of which it is a part, as the same will respectively become due.

IN WITNESS WHEREOF, the Board of Trustees of 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 said Chairman and said Secretary, who, by the signing of this bond, do adopt said facsimile signatures, and each of them, to be their respective authorized and official signatures, all as of the First day of April, 1949.

Attest:

Chairman, Board of Trustees

Secretary, Board of Trustees

(SEAL)

(Form of Coupon)

Number _____ \$ _____

*Unless the bond to which this coupon is attached shall have been called for prior redemption

On the First day of _____, 19____, the Board of Trustees of the University of Kentucky will pay to bearer _____ Dollars (\$ _____) out of its "Stadium Revenue Bond and Interest Redemption Fund", at The Louisville Trust Company, in the City of Louisville, Kentucky, as provided in and for interest then due on its Stadium Revenue Bond, dated April 1, 1949, Number _____.

Chairman, Board of Trustees

Secretary, Board of Trustees

*Note - This redemption provision to be omitted from coupons maturing on and prior to April 1, 1954.
(Form for Registration to be printed on the back of each bond)

Date of Registration:	Name of Registered Holder:	Signature of Secretary of Board of Trustees
:	:	:
:	:	:
:	:	:
:	:	:
:	:	:

Section 4. The Project shall be completed as expeditiously as may be (the estimated completion date being March 31, 1950), and continuously thereafter it shall be operated as a revenue-producing undertaking on a fiscal year basis ending on March 31st of each year, and on that basis the gross income and revenues of said Project shall be sufficient so as to set aside the required amounts (hereinafter specified) into a separate and special fund designated the "Stadium Revenue Fund" (hereinafter designated the "Revenue Fund").

It is hereby represented and declared that in addition to all other charges fixed and imposed for attendance at the University, the Board of Trustees of said University has heretofore and so long as any of the bonds herein authorized are

outstanding, will continue to fix, impose, charge and collect an "Incidental Registration Fee" which all students have been and will continue to be required to pay and a portion of which has been and will continue to be allocated annually to the Athletic Program at the University. A portion of the funds so allocated has heretofore been set aside by action of the Board of Trustees as constituting a portion of the income and revenues of a Memorial Auditorium-Field House which is presently under construction upon the Campus of the University and said portion has been pledged for the payment of certain "Memorial Auditorium-Field House Revenue Bonds" issued as of August 1, 1948. Subject to such prior commitment and pledge the Board of Trustees hereby covenants that a substantial portion of the funds so allocated to the Athletic Program of the University will represent income and revenues of the Stadium.

IT IS THEREFORE HEREBY COVENANTED AND AGREED on behalf of said Board of Trustees that annually when fixing the amount of such "Incidental Registration Fee", due account will be taken of the services and facilities of the Stadium as well as of said "Memorial Auditorium-Field House"; that the portion thereof allocated annually to the Athletic Program by the University will continue to take into account the services and facilities of said Stadium as well as of said Memorial Auditorium-Field House; that the amount thus allocated to the Athletic program will be sufficient each year to discharge all expenditures properly chargeable thereto and in addition an amount which, with the other annual gross income in revenues received as direct admission charged in connection with athletic events and other activities conducted in and carried on in said Stadium, will constitute said "Stadium Revenue Fund" and will be sufficient at all times to make the required payments into the "Stadium Revenue Bond and Interest Redemption Fund" and pay costs of operation and maintenance (including insurance) of said Stadium.

There shall be and there is hereby created a fund to be known as the "Stadium Revenue Bond and Interest Redemption Fund" (hereinafter called the "Bond Fund") into which there shall be set aside from the moneys held in the revenue fund such amounts as will be sufficient to pay the interest on and principal of the bonds hereby authorized, as may be outstanding from time to time. It is hereby agreed that during the fiscal year ending March 31, 1950, the amount to be set aside into said fund shall be \$23,925.00, same to include all sums received as accrued interest in the issuance of said bonds and also a sufficient portion of the proceeds of said bonds equal to the interest to accrue thereon during the construction period of the Project. The amount to be set aside into said fund each fiscal year thereafter so long as any of said bonds remain outstanding shall be not less than as set forth in the following schedule:

For the fiscal year ending March 31, 1951,	\$23,512.50
For the fiscal year ending March 31, 1952,	\$23,100.00
For the fiscal year ending March 31, 1953,	\$22,687.50
For the fiscal year ending March 31, 1954,	\$22,275.00
For the fiscal year ending March 31, 1955,	\$21,862.50
For the fiscal year ending March 31, 1956,	\$21,450.00
For the fiscal year ending March 31, 1957,	\$21,037.50
For the fiscal year ending March 31, 1958,	\$20,587.50
For the fiscal year ending March 31, 1959,	\$20,137.50
For the fiscal year ending March 31, 1960,	\$19,687.50
For the fiscal year ending March 31, 1961,	\$19,237.50
For the fiscal year ending March 31, 1962,	\$18,787.50
For the fiscal year ending March 31, 1963,	\$18,337.50
For the fiscal year ending March 31, 1964,	\$17,887.50
For the fiscal year ending March 31, 1965,	\$17,437.50
For the fiscal year ending March 31, 1966,	\$16,950.00
For the fiscal year ending March 31, 1967,	\$16,462.50
For the fiscal year ending March 31, 1968,	\$15,975.00
For the fiscal year ending March 31, 1969,	\$15,487.50.

The amounts set forth above for the respective fiscal years have been computed upon the assumption that after proposals for the sale and purchase of said bonds have been received, the interest rates with respect to said bonds will be fixed by the Executive Committee of the Board of Trustees at two and three-fourths per cent (2-3/4%) per annum, for bonds numbered one (1) to one hundred five (105) inclusive, three per cent (3%) per annum for bonds numbered one hundred six (106) to two hundred twenty-five (225) inclusive, and three and one-fourth per cent (3 1/4%) per annum for bonds numbered two hundred twenty-six (226) to three hundred (300), the amount set forth for each fiscal year being a sum sufficient to pay interest (at those assumed rates) maturing on October 1 of such fiscal year and upon April 1 of the succeeding fiscal year, together with principal maturing on April 1 of such succeeding fiscal year. In event that the interest rate or rates established by resolution of the Executive Committee of the Board of Trustees at the time of sale shall differ from said assumed rates, the minimum annual amounts to be set aside into the Bond Fund shall be higher or lower in order to accomplish the same results.

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 bonds equal to the interest to accrue thereon during the construction period of the Project, shall be paid into said Bond Fund at the time of the issuance and delivery of the bonds hereby authorized, and shall be used for the payment of the interest on said bonds next thereafter becoming due.

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 whenever and so long as 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, there be a failure 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 or principal 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; provided, however, that such reserve may be applied to the redemption of bonds prior to maturities.

All moneys 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 moneys held as reserve for contingencies may be invested in direct obligations of the United States of America; provided, however, that sale of a sufficient amount of such obligations shall be made in the event that it shall prove necessary to draw upon said reserve.

The payments hereinabove provided into said Bond Fund from the Revenue 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 and from time to time remaining in the Stadium Revenue Fund may be set aside for the necessary expenses of operation and maintenance, as hereinafter more fully provided. In the event that the moneys held in the 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 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 moneys remaining in the Revenue Fund after the aforesaid payments into the Bond Fund shall be set aside into an "Operation and Maintenance Account", hereby created, and all moneys in said account shall be used for proper operation and maintenance of said Project, including

an amount sufficient to pay the cost of insurance.

Section 5. While the bonds authorized hereunder, or any of them remain outstanding and unpaid, the rates and charges for all services rendered by the Project and fees charged to the students of the University of Kentucky 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 of Kentucky such amounts for services rendered by the Project as shall be adequate, together with rents and fees charged to students, to meet the requirements of this and the two preceding sections hereof.

Section 6. The Board of Trustees of 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 all duties with reference to said Project required by the Constitution and laws of the Commonwealth of Kentucky will be faithfully and punctually performed, including the charging and collection from the University of Kentucky and its students reasonable and sufficient amounts for services rendered by said Project.

The Board of Trustees of 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 reasonable and sufficient amounts as rent and for services rendered by the Project in furnishing educational facilities 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 7. 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 including additions and improvements is granted and created by Sections 162.350 and 162.200 of the Kentucky Revised Statutes, which said statutory mortgage lien is hereby recognized and declared to be valid and binding upon 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 law, including the charge, collection and accounting for sufficient rents, student fees and charges,

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, 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 8. 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 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 9. While any of the bonds herein authorized are outstanding no additional bonds payable from the revenues of the said Project shall be authorized or issued unless the lien and security for payment of such additional bonds are made junior and subordinate in all respects to the lien and security of the bonds herein authorized.

Section 10. So long as any of said bonds are outstanding the Board of Trustees of the University of Kentucky shall:

(a) Maintain insurance on the Project against loss or damage by fire, lightning and windstorm in an amount equal to the full insurable value, 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, and furnish the original purchaser of said bonds and any subsequent holder of any of 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 relating thereto.

Section 11. Upon the adoption of this Resolution, the Secretary of the Board of Trustees of the University of Kentucky is hereby authorized and directed to cause notice to be published in THE BOND BUYER, a Financial Newspaper printed and published in the City of New York, New York, reciting in such notice that a Resolution providing for the issuance of the bonds as herein authorized has been adopted and that at a time and place stated therein, which shall be the time and place of a scheduled meeting of the Executive Committee of the Board of Trustees of the University of Kentucky, the matter of issuing said bonds will be further considered and also that at said meeting anyone interested may present sealed written proposals for the purchase of the bonds as herein authorized. Each such proposal should specify the interest rate or rates for the bonds which shall be a multiple of $\frac{1}{4}$ of 1% and not exceeding three and one-half per cent ($3\frac{1}{2}\%$) per annum, and the bid price must be 101.75% of par plus accrued interest or better. Said Executive Committee of the Board of Trustees of the University of Kentucky is hereby authorized and directed to consider all proposals made pursuant to such published notice, and to award the bonds in the manner and for the purposes as herein provided.

Section 12. All sums received as accrued interest when the bonds are delivered and paid for shall be deposited in the Bond Fund. From said proceeds there shall next be paid all expenses incident to the authorization, issuance and sale of the bonds herein described. Thereafter as authorized by KRS 162.350 and 162.200, there shall be set aside from said proceeds and deposited in the Bond Fund the sum of Eight Thousand Nine Hundred Twenty-five Dollars (\$8,925.00) representing interest during the construction period, such sum to be credited by the amount of accrued interest received when the bonds are delivered and paid for as above set forth. All sums then remaining shall be transmitted to the State Treasurer of the Commonwealth of Kentucky to be held and used, together with other available funds, for the completion of the Project.

Section 13. That the provisions of this Resolution shall constitute a contract between the Board of Trustees of the University of Kentucky and the holder or holders of the bonds herein authorized to be issued and after the issuance of any of said bonds no change or alteration of any kind in the provisions of this Resolution may be made until all of the bonds have been paid in full as to both principal and interest or funds sufficient therefor shall have been duly provided and deposited for that exclusive purpose at the place of payment thereof.

Section 14. That if any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder thereof shall remain in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity of such section, paragraph, clause or provision.

Section 15. That all resolutions and orders, or parts thereof in conflict ^{herewith} are, to the extent of such conflict, hereby repealed, and that this Resolution shall take effect from and after its adoption.

Adopted and approved, _____, 1949.

Chairman

Attest:

Secretary

NOTICE OF SALE

The Board of Trustees of the University of Kentucky, an educational institution and agency of the Commonwealth of Kentucky, hereby gives public notice that until the

20th day of April, 1949

at the hour of 10:30 A.M., it will receive in the office of the Comptroller of the University at Lexington, Kentucky, sealed competitive bids for \$300,000 principal amount of its "Stadium Revenue Bonds" dated April 1, 1949, and consisting of 300 bonds of the denomination of \$1,000 each, numbered consecutively from 1 to 300, inclusive, and maturing in consecutive order on April 1, \$15,000 in each of the years 1950 to 1969, inclusive. These bonds have been duly authorized by a Resolution adopted by the Board of Trustees at a meeting held on April 5, 1949. These bonds will bear interest from their date until paid, such interest to the respective maturity dates of principal to be evidenced by coupons attached to the bonds, maturing on each October 1 and April 1. Bids should be for the entire series of bonds and should be for cash. No bid will be given favorable consideration which offers to purchase the bonds at a price of less than \$1,017.50 per \$1,000 bond, plus accrued interest. Bidders shall stipulate one or more interest rates of their own choosing in multiples of 1/4 of 1% per annum, not to exceed 3 1/2% per annum, and

not to exceed three separate interest rates. If more than one interest rate is stipulated, the bid shall clearly indicate the numbers of the bonds which are to bear each separate rate. At the above-mentioned time the sealed bids which have been received will be opened and submitted to the Executive Committee of said Board of Trustees, which Executive Committee has been authorized to consider said bids and to take action thereon. If a bid is accepted the Executive Committee will adopt a resolution providing that the bonds shall bear interest at the rates stipulated by the successful bidder. The Board of Trustees will furnish the printed bond blanks and an opinion of Messrs. Chapman and Cutler, Attorneys at Law of Chicago, Illinois, approving the legality of the bonds and all proceedings incident to the issuance thereof, which opinion will accompany the bonds when delivered without expense to the purchaser. Each bid should be accompanied by a certified or bank check payable to the order of the University of Kentucky in the sum of \$6,000. Bonds numbered in excess of 75 will be subject to redemption at the option of the Board of Trustees of the University, as a whole or from time to time in part, in the inverse order of their numbering, on April 1, 1954, or on any interest payment date thereafter upon 30 days prior public notice in a newspaper of general circulation in Kentucky. In the event of redemption prior to stated maturities the bondholders will be entitled to receive the face amount of each bond redeemed together with accrued interest to the redemption date at the applicable coupon rate and together with additional interest which shall be in the sum of \$25 per bond if the redemption date is prior to April 1, 1957; \$20 if the redemption date is on or after April 1, 1957 but prior to April 1, 1960; \$15 if the redemption date is on or after April 1, 1960 but prior to April 1, 1963; \$10 if the redemption date is on or after April 1, 1963 but prior to April 1, 1966; and \$5 if the redemption date is on or after April 1, 1966. Principal and interest will be payable at the office of The Louisville Trust Company in Louisville, Kentucky. A "Statement of Terms and Conditions of Bond Sale" containing a further description of the bonds and prescribing the terms and conditions upon which bids will be received may be obtained by addressing Frank D. Peterson, Comptroller of the University of Kentucky, at Lexington, Kentucky. Bidders are warned that bids which do not conform to the prescribed terms and conditions will not be given favorable consideration.

BY ORDER OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY:

Frank D. Peterson, Secretary.

and moved that all rules be suspended and said proposed Resolution and Notice of Sale of Bonds be adopted, which motion was duly seconded by J. C. Everett; and said motion having been duly considered, the Chairman pro tem put the question, and upon the roll being called, the following voted Aye: Mrs. Paul G. Blazer, John C. Everett, Grover Creech, T. H. Cutler, Robert Tway, Judge Edward C. O'Rear, Guy A. Huguelet, J. N. Smith, Boswell B. Hodgkin, Harper Gattton and R. P. Hobson. Nay: None.

Whereupon the Chairman pro tem declared the said motion duly carried and said Resolution and Notice of Sale of Bonds duly adopted.

N. Naming of "The Memorial Coliseum."

President Donovan made the following statement:

"When I came to the University in 1941 there was a demand on the part of the public for the erection of a fieldhouse. Sentiment was so strong, in fact, that no other building could be planned ahead of this structure. I persuaded all parties interested in this matter to plan a dual purpose building instead of one devoted wholly to athletics. It has been called a fieldhouse and an auditorium fieldhouse, but neither of these names properly describes this building.

"After discussing various names with a number of people, we finally decided that the building is a coliseum. Webster's Unabridged Dictionary defines a coliseum as a theatre, a music hall, a large building in which sports may be held, a stadium. That is a perfect definition of what this building actually is. In this great hall we shall expect to have frequently pageants, and musical programs by great orchestras, glee clubs, choral societies, and renowned artists. Convocations of students will be held here. Commencements, farm and home assemblies, 4-H Club meetings, conventions, and, of course, basketball games, witnessed by 12,000 spectators, can be held here. It is a building that can serve the University in manifold ways; not just a part of the University, but all of the University.

"I recommend to the Trustees that this building be officially named "The Memorial Coliseum", in honor of the 9,445 men and women from Kentucky who sacrificed their lives for their country in World War II. In this building when completed will be inscribed the names of these Kentuckians. This memorial is evidence that a grateful state has not forgotten."

Upon motion duly made, seconded and carried, the recommendation of the President was concurred in, and the name "The Memorial Coliseum" was adopted.

O. Recess for Luncheon.

The Board recessed at 12:55 p.m. for luncheon, the members being joined by Mrs. E. C. O'Rear and Mrs. H. L. Donovan. A delightful luncheon was served in the Student Union Building, and at 1:40 p.m. the members took up again the business on the agenda.

P. Report of the Committee on Buildings for Sororities and Fraternities.

President Donovan stated that, pursuant to authorization of the Board of Trustees June 4, 1946, a committee was appointed to study the problem of developing a plan for the construction of sorority and fraternity houses. He stated that the committee was submitting a partial report at this time. He read the report:

President Herman L. Donovan
University of Kentucky

Dear President Donovan:

In June, 1946, the Board of Trustees of the University appointed a Committee consisting of Robert P. Hobson, Frank D. Peterson and Cecil C. Carpenter to draw up a plan for improvements in the housing of fraternities and sororities. It was suggested that such housing should be built by the University, financed by revenue bonds and rented to eligible organizations on long-term leases. Because of the uncertainties of building conditions and the failure of the fraternities to agree to the conditions proposed informally by this Committee, no report was submitted to the Board of Trustees. It now appears that one organization is ready to participate in such a plan and the present report will give attention first to this case.

The Chi Omega Sorority owns three lots on Rose Street which cost approximately \$8,000 in 1929, and has a building fund in cash of \$10,000. Its representatives have recently requested aid from the University in its house construction plans. The estimates presented suggested a cost of construction of approximately \$50,000. Since this applicant can substantially fulfill the requirements of a general plan for fraternity building described below, it is recommended that officers of the University should be authorized to perfect an agreement with Chi Omega leading to the construction of a new sorority house on the lots on Rose Street.

General principles to be followed in the agreement with Chi Omega or other petitioning organizations are recommended as follows:

1. Organizations requesting construction of houses should furnish land or cash equal to 25 per cent of the cost of construction. This contribution should stand as a credit to accrue without interest for the benefit of the organization. It will assure priority of tenancy and if the building is destroyed by fire or other type of loss the University shall be obligated to rebuild the house.

2. The location of the house and complete building plans must be approved by the University.

3. Title of the property is to remain with the University forever.

4. The University will lease such property for a long term of years (or renewable lease) to the organization to be used for its educational purposes by an annual rental to be based upon the amortization costs of the balance furnished by the University on the construction, insurance, annual maintenance expenses and such utilities as the University is able to furnish. The lease should contain the usual provisions of real estate leases establishing the relation of landlord and tenant with such additional covenants and stipulations as may be peculiar to the situation. The petitioning organization should be allowed to select a period of amortization not to exceed thirty years.

5. The necessary funds to pay the balance on cost of construction above the sum furnished by the organization should be obtained through the sale of revenue bonds on the property to be issued by the University. The rate of interest to be charged to the tenant on the amortized balance should depend upon the rate of interest at which the bonds are sold.

It is further recommended that the above listed principles should be applied in the case of new construction only. The purchase of old houses and the purchase of present equities in existing fraternity houses involve problems which would require further study by the Committee.

Very truly yours,

(Signed) Robert P. Hobson
 " Frank D. Peterson
 " Cecil C. Carpenter

Upon motion duly made, seconded and carried, the report of the committee was accepted and adopted.

Q. Proposal, Chi Omega Sorority.

President Donovan reported that the Alumnae Committee of Chi Omega offered to give to the University three lots which the sorority owns on Rose Street opposite the Fine Arts Building, and to donate \$10,000.00 towards the construction of a house adequate to house the sorority. He stated that the architect, Mr. Robert W. McMeekin, had submitted a floor plan and perspective of the proposed sorority house.

The President said that the Alumnae Committee of Chi Omega proposes to enter into a lease at a stipulated sum which will be sufficient to operate and maintain the house, and amortize the indebtedness over a period of time. The conditions of acceptance, erection and lease are to be in accordance with the policy recommended by the Committee on Housing for Sororities and Fraternities and adopted by this Board.

After due deliberation, and upon motion duly made, seconded and carried, the lots and cash gift were accepted, the Comptroller was directed to secure title to same in the name of the Commonwealth of Kentucky for use and benefit of the University, and a bond issue adequate to complete the structure was authorized.

R. University of Kentucky Dormitory Revenue Bonds, 456 Rose Street.

President Donovan stated that the Chi Omega Sorority had donated to the University three city lots on Rose Street opposite the University campus, and \$10,000 in cash. He recommended that Building Revenue Bonds be issued under Section 162.340 Kentucky Revised Statutes to provide the necessary funds with which to construct the building. Whereupon, Member Mrs. Paul G. Blazer introduced and caused to be read in full proposed Resolution entitled "A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF DORMITORY REVENUE BONDS TO PAY THE COST (NOT OTHERWISE PROVIDED) OF A DORMITORY BUILDING UPON PREMISES OWNED BY THE UNIVERSITY AND GENERALLY KNOWN AND DESIGNATED AS NO. 456 ROSE STREET IN LEXINGTON, KENTUCKY", and Notice of Sale of Bonds, which Resolution and Notice of Sale of Bonds are as follows:

RESOLUTION

WHEREAS, the University of Kentucky and its students are not now being provided with adequate buildings for educational purposes and in order to provide same, it is necessary that there be constructed a dormitory building upon premises owned by the University and generally known and designated as No. 456 Rose Street in Lexington, Kentucky; and

WHEREAS, plans and specifications for such construction have been prepared and submitted to this Board and the same have been approved and construction contracts have been received and provisionally accepted, indicating to the Board of Trustees that the cost of such building will exceed the available funds on hand and which have been set aside for that purpose, by not more than Forty-seven Thousand Five Hundred Dollars (\$47,500.00); and

WHEREAS, under the provisions of Section 162.340 and succeeding sections of the Kentucky Revised Statutes, the Board of Trustees of the University of Kentucky, as the governing body of said state educational institution, is authorized to issue bonds as hereinafter provided for the purpose of financing the cost of said building and appurtenances to the extent not otherwise provided;

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 a dormitory building upon premises owned by the University and generally known and designated as No. 456 Rose Street in Lexington, Kentucky, are hereby in all respects approved. Said building and appurtenances are hereinafter sometimes referred to as the "Project".

Section 2. In order to provide for the payment of the costs of the Project not otherwise provided, there shall be and there are hereby ordered to be issued by the Board of Trustees of the University of Kentucky, in its corporate capacity and by and through its corporate name, and as a state educational institution and agency, bonds which shall be designated "University of Kentucky Dormitory Revenue Bonds (456 Rose Street)" in the aggregate principal amount of Forty-seven Thousand Five Hundred Dollars (\$47,500.00), dated May 1, 1949, consisting of ninety-five (95) bonds of the denomination of Five Hundred Dollars (\$500.00) each, to be numbered consecutively from one (1) to ninety-five (95), both numbers inclusive, bearing interest to be evidenced by coupons attached to each bond and maturing on November 1 and May 1 of each year to the respective maturity dates of principal at a rate not exceeding three and one-half per cent ($3\frac{1}{2}\%$) per annum (the exact rate to be determined at the time of the receipt and consideration of financing proposals as hereinafter provided). Said bonds shall mature serially and in

numerical order as follows:

<u>Bonds Numbered</u> (Inclusive)	<u>Principal Amount</u>	<u>Dates of Maturity</u>
1 - 3	\$1,500.00	May 1, 1950
4 - 6	\$1,500.00	May 1, 1951
7 - 9	\$1,500.00	May 1, 1952
10 -12	\$1,500.00	May 1, 1953
13 -15	\$1,500.00	May 1, 1954
16-18	\$1,500.00	May 1, 1955
19-21	\$1,500.00	May 1, 1956
22-24	\$1,500.00	May 1, 1957
25-27	\$1,500.00	May 1, 1958
28-30	\$1,500.00	May 1, 1959
31-33	\$1,500.00	May 1, 1960
34-36	\$1,500.00	May 1, 1961
37-39	\$1,500.00	May 1, 1962
40-42	\$1,500.00	May 1, 1963
43-45	\$1,500.00	May 1, 1964
46-48	\$1,500.00	May 1, 1965
49-51	\$1,500.00	May 1, 1966
52-54	\$1,500.00	May 1, 1967
55-57	\$1,500.00	May 1, 1968
58-60	\$1,500.00	May 1, 1969
61-63	\$1,500.00	May 1, 1970
64-66	\$1,500.00	May 1, 1971
67-69	\$1,500.00	May 1, 1972
70-72	\$1,500.00	May 1, 1973
73-75	\$1,500.00	May 1, 1974
76-79	\$2,000.00	May 1, 1975
80-83	\$2,000.00	May 1, 1976
84-87	\$2,000.00	May 1, 1977
88-91	\$2,000.00	May 1, 1978
92-95	\$2,000.00	May 1, 1979

provided, however, that any of said bonds shall be redeemable prior to maturity in whole, or from time to time in part, in the inverse order of their numbering, on any interest payment date, providing a notice specifying the bonds to be redeemed shall have been on file at the place of payment of the principal and interest at least thirty (30) days prior thereto, and provided also that such notice shall have been published at least once not less than thirty (30) days prior to the redemption date in a newspaper having general circulation in Kentucky. In the event of redemption prior to stated maturities in accordance with these provisions the holder of each bond so redeemed shall be entitled to receive on the specified redemption date the face amount of the bond, together with interest to the redemption date at the coupon rate and together with additional interest in the sum of Fifteen Dollars (\$15.00) if the redemption date is prior to May 1, 1954; Ten Dollars (\$10.00) if the redemption date is on or after May 1, 1954 but prior to May 1, 1959; and Five Dollars (\$5.00) if the redemption date is on or after May 1, 1959 but prior to May 1,

1964. In the event of redemption on or after May 1, 1964, no additional interest shall be due or payable. All bonds called for redemption as herein provided shall cease to bear interest as of the redemption date.

Said bonds shall be signed for and on behalf of the Board of Trustees of the University of Kentucky by the Chairman of said Board of Trustees, attested by its Secretary, and sealed with its corporate seal, and the interest coupons attached to said bonds shall be executed with the facsimile signature of said Chairman and said Secretary, and said bonds together with interest thereon shall be payable in lawful money of the United States of America at the office of Security Trust Company in the City of Lexington, Kentucky, but only out of the "456 Rose Street Dormitory 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:

(Form of Bond)

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
UNIVERSITY OF KENTUCKY
DORMITORY REVENUE BOND
(456 Rose Street)

No. _____

\$500.00

The Board of Trustees of 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 Five Hundred Dollars (\$500.00) on the first day of May, 19_____, with interest thereon from the date hereof until paid at the rate of _____ per cent (____%) per annum, payable semiannually on November 1 and May 1 of each year, except as the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto, such interest as may accrue on and prior to the maturity date of this bond to be paid only upon presentation and surrender of the annexed interest coupons as they severally mature, both principal and interest being payable in lawful money of the United States of America at Security Trust Company, in the City of Lexington, Kentucky.

The right is hereby reserved to call and redeem bonds of the series of which this bond is a part prior to stated maturities, in whole, or from time to time in part, in the inverse order of their numbering, on any interest payment date providing

a notice specifying the bonds to be redeemed shall have been on file at the place of payment of the principal and interest at least thirty (30) days prior thereto and providing also that such notice shall have been published at least once not less than thirty (30) days prior to the redemption date in a newspaper having general circulation in Kentucky. Upon the specified redemption date the holder of each bond so redeemed shall be entitled to receive the face amount of the bond, together with interest to the redemption date at the coupon rate and together with additional interest which shall be in the sum of Fifteen Dollars (\$15.00) if the redemption date is prior to May 1, 1954; Ten Dollars (\$10.00) if the redemption date is on or after May 1, 1954 but prior to May 1, 1959; and Five Dollars (\$5.00) if the redemption date is on or after May 1, 1959 but prior to May 1, 1964. In the event of redemption on or after May 1, 1964 no additional interest will be due or payable. Bonds called for redemption as herein provided shall cease to bear interest as of the redemption date.

This bond is issued for financing the cost not otherwise provided of a dormitory building and appurtenances for educational purposes in connection with the University of Kentucky, under and in full compliance with the Constitution and Statutes of Kentucky, including, among others, Sections 162.350 to 162.380, inclusive, of the Kentucky Revised Statutes.

This bond is payable only from a fixed amount of the gross income and revenues to be derived from the operation of said dormitory building and appurtenances which will be set aside as a special fund and pledged for that purpose and identified as the "456 Rose Street Dormitory Revenue Bond and Interest Redemption Fund", and this bond does not constitute an indebtedness of the University of Kentucky or its Board of Trustees or of the Commonwealth of Kentucky within the meaning of any constitutional provisions or limitations.

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

This bond is fully negotiable but may be registered as to principal only on the books of the Secretary of the Board of Trustees 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 at the written request of the registered owner or his authorized representative 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 and its Board of Trustees, does not exceed any limit prescribed by the Constitution or Statutes of Kentucky; that said dormitory building and appurtenances will be continuously operated by said University of Kentucky, and that a sufficient portion of the gross income and revenues therefrom has been pledged to and will be set aside into a special account for the payment of the principal of and interest on this bond and the series of which it is a part, as the same will respectively become due.

IN WITNESS WHEREOF, the Board of Trustees of 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, who, by the signing of this bond, do adopt said facsimile signatures, and each of them to be their respective authorized and official signatures, all as of the First day of May, 1949.

Chairman, Board of Trustees

ATTEST:

Secretary, Board of Trustees

(SEAL)

(Form of Coupon)

Number _____

\$ _____

Unless the bond to which this coupon is attached shall have been called for prior redemption

On the First day of _____, 19____, the Board of Trustees of the University of Kentucky will pay to bearer _____ Dollars (\$_____) out of its "456 Rose Street Dormitory Revenue Bond and Interest Redemption Fund", at the Security Trust Company, in the City of Lexington, Kentucky, as provided in and for interest then due on its Dormitory Revenue Bond (456 Rose Street), dated May 1 1949, Number _____.

Chairman, Board of Trustees

Secretary, Board of Trustees

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

Date of Registration:	Name of Registered Holder	Signature of Secretary, Board of Trustees
:	:	:
:	:	:
:	:	:
:	:	:

Section 4. The Project shall be completed as expeditiously as may be (the estimated completion date being April 30, 1950), and continuously thereafter it shall be operated as a revenue-producing undertaking on a fiscal year basis ending on April 30 of each year, and on that basis the gross income and revenues of said Project shall be sufficient so as to set aside the required amounts (hereinafter specified) into a separate and special fund designated the "456 Rose Street Dormitory Revenue Fund" (hereinafter designated the "Revenue Fund").

There shall be and there is hereby created a fund to be known as the "456 Rose Street Dormitory Revenue Bond and Interest Redemption Fund" (hereinafter called the "Bond Fund") into which there shall be set aside from the moneys held in the Revenue Fund such amounts as will be sufficient to pay the interest on and

principal of the bonds hereby authorized, as may be outstanding from time to time. It is hereby agreed that during the fiscal year ending April 30, 1950, the amount to be set aside into said fund shall be \$3,162.50, same to include all sums received as accrued interest in the issuance of said bonds and also a sufficient portion of the proceeds of said bonds equal to the interest to accrue thereon during the construction period of the Project. The amount to be set aside into said fund during each fiscal year thereafter so long as any of said bonds remain outstanding shall be not less than as set forth in the following schedule:

During the fiscal year ending April 30, 1951	-	\$3,110.00
During the fiscal year ending April 30, 1952	-	\$3,057.50
During the fiscal year ending April 30, 1953	-	\$3,005.00
During the fiscal year ending April 30, 1954	-	\$2,952.50
During the fiscal year ending April 30, 1955	-	\$2,900.00
During the fiscal year ending April 30, 1956	-	\$2,847.50
During the fiscal year ending April 30, 1957	-	\$2,795.00
During the fiscal year ending April 30, 1958	-	\$2,742.50
During the fiscal year ending April 30, 1959	-	\$2,690.00
During the fiscal year ending April 30, 1960	-	\$2,637.50
During the fiscal year ending April 30, 1961	-	\$2,585.00
During the fiscal year ending April 30, 1962	-	\$2,532.50
During the fiscal year ending April 30, 1963	-	\$2,480.00
During the fiscal year ending April 30, 1964	-	\$2,427.50
During the fiscal year ending April 30, 1965	-	\$2,375.00
During the fiscal year ending April 30, 1966	-	\$2,322.50
During the fiscal year ending April 30, 1967	-	\$2,270.00
During the fiscal year ending April 30, 1968	-	\$2,217.50
During the fiscal year ending April 30, 1969	-	\$2,165.00
During the fiscal year ending April 30, 1970	-	\$2,112.50
During the fiscal year ending April 30, 1971	-	\$2,060.00
During the fiscal year ending April 30, 1972	-	\$2,007.50
During the fiscal year ending April 30, 1973	-	\$1,955.00
During the fiscal year ending April 30, 1974	-	\$1,902.50
During the fiscal year ending April 30, 1975	-	\$2,350.00
During the fiscal year ending April 30, 1976	-	\$2,280.00
During the fiscal year ending April 30, 1977	-	\$2,210.00
During the fiscal year ending April 30, 1978	-	\$2,140.00
During the fiscal year ending April 30, 1979	-	\$2,070.00.

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 bonds equal to the interest to accrue thereon during the construction period of the Project, shall be paid into said Bond Fund at the time of the issuance and delivery of the bonds hereby authorized, and shall be used for the payment of the interest on said bonds next thereafter becoming due.

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 whenever and so long as 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, there be a failure 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 or principal 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 moneys 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 moneys held as reserve for contingencies may be invested in direct obligations of the United States of America; provided, however, that sale of a sufficient amount of such obligations shall be made in the event that it shall prove necessary to draw upon said reserve, and provided further that moneys so held may be applied to the redemption of bonds prior to their maturities.

The payments hereinabove provided into said Bond Fund from the Revenue 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 and from time to time remaining in the Dormitory Revenue Fund may be set aside for the necessary expenses of operation and maintenance, as hereinafter more fully provided. In the event that the moneys held in the 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 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 moneys remaining in the Revenue Fund after the aforesaid payments into the Bond Fund shall be set aside into an "Operation and Maintenance Account", hereby created, and all moneys in said account shall be used for proper operation and maintenance of said Project, including an amount sufficient to pay the cost of insurance.

Section 5. While the bonds authorized hereunder, or any of them remain outstanding and unpaid, the rents and charges for all services rendered by the Project and fees charged to the students of the University of Kentucky 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 of Kentucky such amounts for services rendered by the Project as shall be adequate, together with rents and fees charged to students, to meet the requirements of this and the two preceding sections hereof.

Section 6. The Board of Trustees of 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 all duties with reference to said Project required by the Constitution and laws of the Commonwealth of Kentucky will be faithfully and punctually performed, including the charging and collection from the University of Kentucky and its students reasonable and sufficient amounts for services rendered by said Project.

The Board of Trustees of 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 reasonable and sufficient amounts as rent and for services rendered by the Project in furnishing educational facilities 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 7. 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 Sections 162.350 and 162.200 of the Kentucky Revised Statutes, which said statutory mortgage lien is hereby recognized and declared to be valid and binding upon 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 law, including the charge, collection and accounting for sufficient rents, student fees and charges, 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, 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 8. 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 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 9. While any of the bonds herein authorized are outstanding no additional bonds payable from the revenues of the Project shall be authorized or issued unless the lien and security for payment of such additional bonds are made junior and subordinate in all respects to the lien and security of the bonds herein authorized.

Section 10. So long as any of said bonds are outstanding the Board of Trustees of the University of Kentucky shall:

(a) Maintain insurance on the Project against loss or damage by fire, lightning and windstorm in an amount equal to the full insurable value, 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, and furnish the original purchaser of said bonds and any subsequent 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 relating thereto.

Section 11. Upon the adoption of this Resolution the Secretary of the Board of Trustees of the University of Kentucky is hereby authorized and directed to cause notice to be published in the COURIER-JOURNAL, a newspaper printed and published in the City of Louisville, Kentucky, reciting in such notice that a Resolution providing for the issuance of the bonds as herein authorized has been adopted and that at a time and place stated therein, which shall be the time and place of a scheduled meeting of the Executive Committee of the Board of Trustees of the University of Kentucky, the matter of issuing said bonds will be further considered and also that at said meeting any one interested may present sealed, written proposals for the purchase of the bonds as herein authorized. Each such proposal should specify a single interest rate for the bonds, such interest rate to be a multiple of $1/4$ of 1% and not exceeding $3-1/2\%$ per annum, and the bid price must be 100.5% of par, plus accrued interest, or better. Said Executive Committee of the Board of Trustees of the University of Kentucky is hereby authorized and empowered to consider all proposals made pursuant to such public notice, to award the bonds in the manner and for the purposes herein provided, and to establish the interest rate which the bonds shall bear.

Section 12. That the provisions of this Resolution shall constitute a contract between the Board of Trustees of the University of Kentucky and the holder or holders of the bonds herein authorized to be issued and after the issuance of any of said bonds no change or alteration of any kind in the provisions of this Resolution may be made until all of the bonds have been paid in full as to both principal and interest or funds sufficient therefor shall have been duly provided and deposited for that exclusive purpose at the place of payment thereof.

Section 13. All sums received as accrued interest when the bonds are delivered and paid for shall be deposited in the Bond Fund. From said proceeds there shall next be paid all expenses incident to the authorization, issuance and sale of the bonds herein described. Thereafter as authorized by KRS 162.350 and 162.200 there shall be set aside from said proceeds and deposited in the Bond Fund the sum of \$1,662.50 representing interest during the construction period, such sum to be credited by the amount of accrued interest received when the bonds are delivered and paid for as above set forth. All sums then remaining shall be transmitted to the State Treasurer of the Commonwealth of Kentucky to be held and used, together with other available funds, for the completion of the Project.

Section 14. That if any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason the remainder thereof shall remain in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity of such section, paragraph, clause or provision.

Section 15. That all resolutions and orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby repealed, and that this resolution shall take effect from and after its adoption.

Notice of Sale of Bonds

The Board of Trustees of the University of Kentucky, an educational institution and agency of the Commonwealth of Kentucky, hereby gives public notice that until the 11th day of May, 1949, at the hour of 11:30 a.m., it will receive in the office of the Comptroller of the University at Lexington, Kentucky, sealed competitive bids for \$47,500 principal amount of its "Dormitory Revenue Bonds (456 Rose Street)", dated May 1, 1949, and consisting of 95 bonds of the denomination of \$500 each, numbered consecutively from 1 to 95, inclusive, and maturing in consecutive order on May 1, \$1,500 in each of the years 1950 to 1974, inclusive, and \$2,000 in each of the years 1975 to 1979, inclusive. These bonds have been duly authorized by a Resolution adopted by the Board of Trustees at a meeting held on April 5, 1949, and the issuance thereof has been approved by the State Property and Buildings Commission as required by law. These bonds will bear interest from their date until paid, such interest to the respective maturity dates of principal to be evidenced by coupons attached to the bonds, maturing on each November 1 and May 1. Bids should be for the entire series of bonds and should be for cash. No bid will be given favorable consideration which offers to purchase the bonds at a price of less than \$502.50 per \$500 bond, plus accrued interest. Bidders shall stipulate a single interest rate of their own choosing which shall be a multiple of 1/4 of 1% per annum and which shall not exceed 3-1/2% per annum. At the above-mentioned time, the sealed bids which have been received will be opened and submitted to the Executive Committee of the Board of Trustees, which has been authorized to consider said bids and take action thereon. If a bid is accepted, the Executive Committee will adopt a Resolution providing that the bonds shall bear interest at the rate stipulated by the successful bidder. The Board of Trustees will furnish the printed bond blanks and an opinion of Messrs. Chapman and Cutler, Attorneys at Law of Chicago, Illinois, approving the

legality of the bonds and all proceedings incident to the issuance thereof. Each bid should be accompanied by a certified or bank check payable to the order of the University of Kentucky in the sum of \$1,000. These bonds will be subject to redemption at the option of the Board of Trustees of the University, as a whole, or from time to time in part, in the inverse order of their numbering, on any interest payment date, at face value, accrued interest and a premium of 3% if redemption is prior to May 1, 1954; 2% if redemption is on or after May 1, 1954 but prior to May 1, 1959; and 1% if redemption is on or after May 1, 1959 but prior to May 1, 1964. If redemption is effected after May 1, 1964, no premium will be payable. Principal and interest will be payable at the office of Security Trust Company in Lexington, Kentucky. A "Statement of Terms and Conditions of Bond Sale" containing a further description of the bonds and prescribing the terms and conditions upon which bids will be received may be obtained by addressing Frank D. Peterson, Comptroller of the University of Kentucky at Lexington, Kentucky. Bidders are warned that bids which do not conform to the prescribed terms and conditions will not be given favorable consideration.

Secretary

and moved that all rules be suspended and that said proposed Resolution and proposed Sale of Bonds be adopted, which motion was duly seconded by Member B. B. Hodgkin, and said motion having been duly considered, the Chairman pro tem put the question, and upon the roll being called, the following voted Aye: Mrs. Paul G. Blazer, John C. Everett, Grover Creech, T. H. Cutler, Robert Tway, Judge Edward C. O'Rear, Guy A. Huguélet, J. N. Smith, Boswell B. Hodgkin, Harper Gatton and R. P. Hobson. Nay: None. Whereupon, the Chairman pro tem declared the said motion duly carried, and said Resolution and Notice of Sale of Bonds duly adopted.

S. Proceedings Contracts.

R. P. Hobson called attention to the fact that the Board was without proceedings contracts for the extension to McLean Stadium and construction of the Chi Omega house. He proposed that the Louisville and Lexington Syndicate, which was accepted as a fiscal agent in connection with the issuance of Revenue Bonds on the Library and Service Building, be employed as a fiscal agent for these bond issues, provided the Syndicate or any member of the Syndicate, in writing, agreed to comply with the conditions under which the Library and Service Building Bonds are issued.

After due consideration and upon motion duly made, seconded and carried, the Louisville and Lexington Syndicate, composed of

The Bankers Bond Company
 Almstedt Brothers
 J. J. B. Hilliard & Son
 O'Neal, Alden & Company
 Stein Bros. & Boyce, of Louisville, and
 Russell, Long & Burkholder
 Security & Bond Company
 J. D. Van Hooser & Company, of Lexington,

were employed as fiscal agent in connection with the issuance of Revenue Bonds for extension to McLean Stadium, and the construction of the Chi Omega Sorority house.

T. Executive Committee Authorized to Complete Bond Issues.

The members of the Board took note that they had at this meeting authorized the issuance of Revenue Bonds for the completion of the Library and Service Building, the extension of McLean Stadium, and the construction of the Chi Omega Sorority house, and authorized Notices of Sale of Bonds.

Upon motion duly made, seconded and carried, the Executive Committee was given full authority to do all things necessary to complete the issuance, sale and delivery of bonds, in connection with the Library and Service Building, the extension of McLean Stadium, and the construction of Chi Omega Sorority house.

U. Member of Board Withdraws from Meeting.

Judge E. C. O'Rear withdrew from the meeting and the Board continued the agenda.

V. Adoption of 1949-50 Budget.

President Donovan stated that he desired to present to the Board the annual internal budget for the fiscal year 1949-50. Each member was given a complete copy of the budget. President Donovan read the following prepared statement on the budget for the fiscal year ending June 30, 1950:

In previous reports to the Board, I have stated that our objective with respect to the salaries of our instructional and research staffs is to maintain at least an average position among the land-grant institutions and other state universities of the country. We aspire to an even better than average position, and we must stay at least at that level to secure and hold the kind of teaching and research personnel we deem necessary. A first-rate university must be built essentially on first-rate men.

I am proposing, therefore, some increases in salaries to be effective as of April 1. These are not blanket increases. They are rather merit increases varying considerably in amounts. In some cases no increase is recommended, while in a few instances the increment suggested is as much as \$500. The largest increases are recommended at the higher ranks (professor and associate professor) since it is at these levels that we have lagged most as compared to other universities.

The new salaries proposed in the budget for 1949-50, which is before you, were determined in general on the following policies:

Professors and Department Heads. The objective was an average increase of \$350, with the maximum to be \$500.

Associate Professors. The objective was an average increase of \$200, with the maximum to be \$350.

Assistant Professors. The objective was an average increase of \$150, with the maximum to be \$200.

Instructors. The objective was an average increase of \$125, with the maximum to be \$200.

Secretarial and Clerical. The objective was an average increase of \$100, with no increase to exceed \$150, and no increase to exceed \$120 where the present salary is \$1800 or more.

Extension, Experiment Station, Libraries, et cetera. Increases are proposed in keeping with the above schedules and in terms of equivalent rank or position.

Division of Maintenance and Operations. For engineers, foremen and clerical personnel, the recommended increases range from 0 to \$200. For skilled and unskilled labor the suggested increment is 3¢ per hour.

The overall budget changes may be summarized as follows. Increases result primarily, but not entirely, from the recommended salary advances.

Budget Division	Departmental Appropriations 1948-49 ¹	Recommended Appropriations 1949-50	Increase or (Decrease)	Per Cent of Increase (Decrease)
Administrative and General Expense	\$ 315,238.13	\$ 327,142.50	\$ 11,904.37	3.8
Instruction and Research				
Arts & Sciences	\$1,288,357.83	\$1,343,799.66	\$ 55,441.83	4.3
Engineering	354,965.00	385,570.00	30,605.00	8.6
Commerce	165,573.16	168,226.00	4,852.84	3.0
Agriculture & Home Economics	268,946.83 ²	224,442.00	(44,504.83)	(16.5)
Law	70,218.95	66,586.00	(3,632.95)	(5.2)
Education	292,326.66	309,620.11	17,293.45	5.9
Pharmacy	94,481.00	91,880.00	(2,601.00)	(2.8)
Graduate School	7,941.01	7,160.00	(781.01)	(9.8)
University Extension	105,369.89	137,190.00	31,820.11	30.2
University Research	30,000.00	30,000.00		
Subtotal	\$2,675,980.53	\$2,764,473.77	\$ 88,493.44	3.3
Other Appropriations				
Agricultural Experiment Station	\$ 975,135.48	\$1,119,982.17	\$ 144,846.69	14.9
Agricultural Extension Division	1,465,496.64	1,465,496.64		
Organized Activities Related to Instruction	19,935.00	20,050.00	115.00	.6
Libraries	237,890.94	255,670.00	17,779.06	7.5
Maintenance and Operation of Physical Plant	870,861.15	730,576.00	(140,285.15)	(16.1)
Stores and Acquisition of Surplus Property	100,000.00	50,000.00	(50,000.00)	(50.0)
Subtotal	\$3,669,319.21	\$3,641,774.81	\$ (27,544.40)	(0.8)
Auxiliary Enterprises	\$ 701,802.00 ³	\$ 499,096.00	\$ (202,706.00)	(28.9)
Totals	\$7,362,339.67	\$7,232,487.08	\$ (129,852.59)	(1.8)

1. As of February 28, 1949, not including recommended salary increases for the last quarter.
2. Includes a provision for purchase of equipment for Dairy Products Building amounting to \$53,698.20.
3. Includes a provision for equipment for various buildings.

If we place into effect the increases recommended, the median and maximum salaries (12 months' basis) at the various levels will be approximately as follows:

Department Heads and Professors: median, \$6,190; maximum, \$7,300.

Associate Professors: median, \$5,100; maximum, \$6,150.

Assistant Professors: median, \$4,430; maximum, \$5,700.

Instructors: median, \$3,520; maximum, \$4,400.

In comparison with the salaries that prevailed at the University prior to the recent war, the above figures may seem high. However, it is not difficult to demonstrate that they are not high. Last summer we carefully compared the salaries paid at the University with those paid in similar institutions. At that time we were below the average for land-grant institutions and other state universities at the two upper levels, and we approximated the average at the ranks of assistant professor and instructor. The great majority of the states have their legislatures in session this year, and there is ample evidence that most state universities and colleges will receive significant increases in their budgets. The additions will be reflected in salary increases after July 1. While we cannot speak with certainty, it appears probable that we shall scarcely maintain our position at or near the national average if the recommended increases are approved. It may be, in fact, that these increments may still leave us in a difficult bargaining situation when we seek new staff members at the ranks of associate professor and professor, or attempt to hold here our outstanding men of these ranks.

Furthermore, it should be noted that in general the faculty member at the University of Kentucky today has very little, if any more, purchasing power than he had in 1941. The average increase in the gross salary of the instructional staff has been about 67 per cent during the last eight years. This very closely approximates the change that has taken place in the cost of living index.

A recent study of the instructional staff of the University shows that only 38 per cent of these people own their homes. Even at the top rank, where 91 per cent are married and where the average size of the family is 3.6, only 62 per cent own their homes. Granted that a small proportion of these professors may prefer to rent, it must be assumed that the chief reason why about 38 per cent of these top ranking men do not own their homes is that their salaries over the years have not made it possible.

Finally, it should be kept in mind that the University is competing for top talent not only with other colleges and universities, but likewise with government, business, industry, and private practice in the professions. "One can properly assume that the incomes which these competing professions offer are attracting many who would like to and should be college teachers. For them, it is not only a matter of salary but also a matter of satisfactory living. In education one needs, in addition to the necessities of life, sufficient income for the satisfaction of cultural tastes and interests, for travel and for

the acquisition of materials and experiences necessary for professional growth and advancement . . . It is difficult for one of a scientific and scholarly mind who has contemplated teaching to carry out his plans when, upon completion of his work for the degree of Doctor of Philosophy, industry offers him salaries twice as great as those paid the beginning teacher."¹

The point is well illustrated by figures recently released by the University of Notre Dame. A survey of the earnings of the graduates of this institution shows that the average income ten years after graduation is \$6,322; fifteen years after, \$8,248; twenty years after, \$11,133; and thirty years after, \$16,268. Twenty years after graduation the alumni of the University of Notre Dame practicing medicine have an average income of \$13,324; those in general business, \$11,575; those in Law, \$12,745; and those in Engineering and Science, \$9,998. A study of the male alumni of almost any large university would, no doubt, show quite similar results.

1. Current Problems in Higher Education. Department of Higher Education, National Education Association of the United States, Washington, D.C., October, 1947, p. 146.

President Donovan requested the Comptroller to read the comments of the Comptroller on the annual internal budget for the fiscal year 1949-50:

INTRODUCTION

This is the proposed budget of the University of Kentucky for the fiscal year ending June 30, 1950. It is a carefully planned financial program prepared under the supervision and direction of the President and designed to distribute the available resources among the various budget units in a manner which will best serve the objectives of the University. The budget document consists of detailed and summary statements of estimated income and other resources together with detailed and summary statements which indicate the manner in which the University proposes to spend the available resources. For the purpose of comparison, most of the statements include the 1948-1949 budget in its original form together with the budget as revised on April 1, 1949. The revised 1948-1949 budget provides for the proposed increase in salaries effective April 1, 1949.

GENERAL BUDGET

Resources

The available resources for the fiscal year 1949-50 will consist of the unappropriated surplus as of June 30, 1949 plus the estimated income for the fiscal year 1949-50.

Unappropriated Surplus

The unappropriated surplus as of June 30, 1949 will consist of the excess of income realized during the current and prior fiscal years over the net sum of all expenditures, encumbrances and other charges and adjustments. A calculation of the estimated unappropriated surplus as of June 30, 1949 follows:

	<u>Division of Colleges</u>	<u>Agricultural Experiment Station</u>	<u>Agricultural Extension Division</u>	<u>Total</u>
Unappropriated Surplus, July 1, 1948	\$670,381.68	\$291,084.46	\$1,267.76	\$ 962,733.90
Additions:				
Estimated excess of realized income or estimated income	1.00	\$ 50,000.00	\$	\$ 50,001.00
Estimated increase due to liquidated prior year encumbrances	(7,549.43)	26,214.54		18,665.11
Estimated excess of appropriations over charges	280,000.00	1.00		280,001.00
Total-Additions	\$272,451.57	\$ 76,215.54	\$	\$ 348,667.11
Total-Credits	\$942,835.25	\$367,300.00	\$1,267.76	\$1,311,401.01
Deductions:				
Estimated excess of appropriations over estimated income	\$250,833.25	\$ 71,300.00	\$1,267.76	\$ 323,401.01
Estimated transfers to Plant Fund	150,000.00	20,000.00		170,000.00
Total-Deductions	\$400,833.25	\$ 91,300.00	\$1,267.76	\$ 493,401.01
Estimated Unappropriated Surplus, June 30, 1949	\$542,000.00	\$276,000.00	\$	\$ 818,000.00

Estimated Income

The details of estimated income are shown in the first statements of the budget. The details are summarized below:

<u>Particulars</u>	<u>1948-49 Budget</u>	<u>1949-50 Budget</u>	<u>Increase (Decrease)</u>
State Appropriations	\$3,125,800.00	\$3,230,977.50	\$105,177.50
Federal Grants-in-Aid	1,498,182.23	1,547,544.22	49,361.99
Endowment Income	9,644.50	9,644.50	
Sales, Services & Rentals	410,600.00	482,400.00	71,800.00
Student Fees	1,622,175.00	1,332,117.50	(290,057.50)
Subtotal	\$6,666,401.73	\$6,602,683.72	\$(63,718.01)
Auxiliary Enterprises	352,975.00	360,357.00	7,382.00
Totals	\$7,019,376.73	\$6,963,040.72	\$(56,336.01)

Recapitulation

General Fund

Division of Colleges	\$4,547,692.37	\$4,177,830.87	(\$369,861.50)
Agricultural Experiment Sta.	933,835.48	1,150,452.21	216,616.73
Agricultural Extension Div.	1,464,228.88	1,465,496.64	1,267.76
Subtotal	\$6,945,756.73	\$6,793,779.72	(\$151,977.01)

Plant Fund

Division of Colleges	73,620.00	169,261.00	95,641.00
Totals	\$7,019,376.73	\$6,963,040.72	(\$ 56,336.01)

State appropriations will increase by \$105,177.50. The Hope-Flannagan State Appropriation increased by \$100,000.00 in the second year of the biennium. The remainder of the increase, \$5,177.50, is the additional amount to be received from the Vocational Education Appropriation through the State Department of Education.

The estimated incomes from Federal Grants-in-Aid are tentative estimates. At the time this budget was prepared, Congress had taken no action on the appropriation for the fiscal year 1949-50. It may be necessary to revise the estimates at a later date. The increase indicated in the above summary for Federal Grants-in-Aid consists of Hope-Flannagan Act, \$44,184.49 and Smith-Hughes Teaching Act, \$5,177.50.

The estimate for endowment income indicates no change over the preceding year.

The estimate of income from sales, services and rentals increased by the net amount of \$71,800.00. The estimate is based upon past experience.

The student fees are expected to decrease by \$290,057.50. The estimate is based upon an expected enrollment of 2,500 in the Summer Session and 6,000 for each of the two semesters, making allowance for non-resident students of 155 in the Summer Session and 385 in each of the two semesters. The estimate takes into account veterans' tuition for 2500 veterans in the Summer Session and 3000 veterans in the Fall and Winter Semesters.

The estimate for Auxiliary Enterprises is based upon normal occupancy and operations. A small increase of \$7,382.00 is expected over the preceding year.

PROPOSED EXPENDITURES (DEPARTMENTAL APPROPRIATIONS)

The estimated, or budgeted expenditures are shown in the following statement:

<u>Particulars</u>	<u>Revised 1948-49 Budget</u>	<u>1949-50 Budget</u>	<u>Increase or (Decrease)</u>
Administration & General Expense	\$ 321,793.65	\$ 327,142.50	\$ 5,348.85
Instruction, Research and Related Activities	2,798,703.82	3,040,193.77	241,489.95
Agricultural Experiment Station	975,135.48	1,119,982.17	144,846.69
Agricultural Extension Svs.	1,465,496.64	1,465,496.64	
Maintenance & Operation of Physical Plant	875,861.15	730,576.00	(145,285.15)
Acquisition of Stores and Surplus Property	100,000.00	50,000.00	(50,000.00)
Current Plant Commitments	3,852,625.61*	169,261.00	(3,683,364.61)
Subtotal	<u>\$10,589,616.35</u>	<u>\$6,902,652.08</u>	<u>(\$3,686,964.27)</u>
Auxiliary Enterprises	<u>702,167.00</u>	<u>499,096.00</u>	<u>(203,071.00)</u>
Total	<u>\$11,091,783.35*</u>	<u>\$7,401,748.08</u>	<u>(\$3,690,035.27)</u>

*Includes prior year continued appropriations

	Revised 1948-49 Budget	1949-50 Budget	Increase or (Decrease)
<u>Recapitulation</u>			
General Fund:			
Division of Colleges	\$ 4,798,525.62	\$4,647,008.27	(\$ 151,517.35)
Agricultural Experiment Station	975,135.48	1,119,982.17	144,846.69
Agricultural Extension Div.	<u>1,465,496.64</u>	<u>1,465,496.64</u>	
Subtotal	\$ 7,239,157.74	\$7,232,487.08	(\$ 6,670.66)
Plant Fund:			
Division of Colleges	<u>3,852,625.61*</u>	<u>169,261.00</u>	(3,683,364.61)
Totals	<u>\$11,091,783.35*</u>	<u>\$7,401,748.08</u>	<u>(\$5,690,035.27)</u>

*Includes prior year continued appropriations

Although the over-all expenditure budget has decreased, the proposed expenditures for Instruction, Research, Experimentation and Related Activities have increased.

Budget Summary

The entire general budget for the year 1949-50 may be summarized as follows:

	Division of Colleges	Agricultural Experiment Station	Agricultural Extension Division	Total
<u>General Fund</u>				
Resources:				
Estimated Income	\$4,177,830.87	\$1,150,452.21	\$1,465,496.64	\$6,793,779.72
Estimated Surplus July 1, 1949	<u>542,000.00</u>	<u>276,000.00</u>		<u>818,000.00</u>
Estimated Resources	\$4,719,830.87	\$1,426,452.21	\$1,465,496.64	\$7,611,779.72
Approps.	<u>4,647,008.27</u>	<u>1,119,982.17</u>	<u>1,465,496.64</u>	<u>7,232,487.08</u>
Excess of Re- sources over Approps.	<u>\$ 72,822.60</u>	<u>\$ 306,470.04</u>	<u>\$</u>	<u>\$ 379,292.64</u>
<u>Plant Fund</u>				
Resources:				
Estimated Income	\$ 169,261.00	\$	\$	\$ 169,261.00
Approps.	<u>169,261.00</u>			<u>169,261.00</u>
Excess of Resources over Ap- props.	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

PLANT FUND BUDGET

The Plant Fund Budget is included in the General Budget. The proposed expenditures include only the bond interest on principal due during 1949-1950 and other fixed charges. It is understood that the unexpended balance of 1948-49 appropriations will be carried forward.

BONDED INDEBTEDNESS

The total bonded indebtedness of the University as of February 28, 1949 represented by revenue bonds was as follows:

First P.W.A. Refunding Issue Dated July 1, 1945	\$ 453,000.00
Second P.W.A. Issue Dated January 1, 1936	248,000.00
Dormitory Revenue Issue Dated June 1, 1946	430,000.00
Auditorium-Fieldhouse Issue Dated August 1, 1948	<u>800,000.00</u>
	<u>\$1,931,000.00</u>

RESTRICTED FUND BUDGETS

The Board of Trustees has authorized the establishment of various funds classified as Restricted or Trust Funds. The Board directed that these funds be retained and deposited in a local bank. Budgets are included herein for several of these funds. Those not included were omitted because sufficient data were not available. In all cases Restricted Fund budgets are submitted for approval at the time the Board considers the General Budget, or submitted to the Board at the time of receipt of funds. In the latter case, acceptance of the funds by the Board is considered to be authorization for spending the funds in accordance with the terms of acceptance.

The Restricted Budgets of the Agricultural Experiment Station and the Agricultural Extension Division are included in the detail of the General Budgets of those divisions.

President Donovan submitted an amendment to the budget and requested that same be added to the formal document. Members of the Board of Trustees examined the budget and after some discussion took the following action:

Upon motion duly made, seconded and carried, it was ordered that the budget as submitted and amended, for the fiscal year 1949-50, be accepted as a basis of maximum expenditures, and that inclusion of the name of any person in the budget shall not be considered as a contract of employment, and the Board of Trustees and Executive Committee shall be authorized to make such changes in the budget as may from time to time be deemed necessary or advisable. A copy of the budget as amended was ordered filed with the Secretary of the Board.

The budget for restricted funds submitted for the fiscal year 1949-50 was accepted under all conditions applicable to the general University budget. Copies of all restricted fund budgets were ordered filed with the Secretary of the Board.

It was also ordered that increases in salaries be effective April 1, 1949, and the current year's budget was authorized adjusted accordingly.

W. Appointments and Other Staff Changes.

President Donovan submitted staff appointments, reappointments, salary adjustments, leaves of absence, resignations, promotions and other staff changes requested by deans and heads of departments.

College of Arts and Sciences

Appointments

Arthur K. Moore, Assistant Professor, Department of English, on a twelve-month basis, effective July 1, 1949.

Richard Griffith, Instructor, Department of English, on a twelve-month basis, effective September 1, 1949.

Guy Whitehead, Instructor, Department of English, on a twelve-month basis, effective September 1, 1949.

Ulman E. Long, part-time Instructor, Department of English, on a twelve-month basis, effective September 1, 1949.

Martha Lawrence Yates, part-time Instructor, Department of English, on a twelve-month basis, effective September 1, 1949.

Mabel Tyree, part-time Instructor, Department of English, on a twelve-month basis, effective September 1, 1949.

Keller J. Dunn, part-time Instructor, Department of English, for a period of ten months, effective September 1, 1949.

Clements Michalski, Graduate Assistant, Department of English, effective September 1, 1949.

Gordon E. Bigelow, Instructor, Department of English, for ten months, effective September 1, 1949.

Warren W. Lutz, Graduate Assistant, Department of Music, for ten months, effective September 1, 1949.

Elenora C. Alexander, Director of the Workshop, Department of Library Science, for a period of three weeks, beginning June 20, 1949.

Elbert Daymond Turner, Assistant Professor, Department of Romance Languages, on a twelve-month basis, effective September 1, 1949.

Lotte L. Margulies, Graduate Assistant, Department of English, for a period of ten months, effective September 1, 1949.

Arnold Blackburn, Assistant Professor (Organ), Department of Music, on a twelve-month basis, effective September 1, 1949.

Salary Adjustment

Carol Sue Caton, Laboratory Assistant, Kentucky Geological Survey, adjustment in salary, effective April 1, 1949.

College of Agriculture and Home Economics

Appointment

Geneva Robey, Clerk, Department of Entomology and Botany, Experiment Station, effective March 18, 1949.

Leave of Absence

Maurice L. Denton, Field Assistant, Department of Agronomy, Experiment Station, on leave on account of illness since February 7, returned to his duties March 28, 1949.

College of Engineering

Appointment

William B. Drake, Instructor, part-time, Department of Civil Engineering, effective February 1, 1949.

Resignations

Edwin C. Wade, mechanic, Aeronautical Research Laboratory, effective March 23, 1949.

McClellan J. Heath, mechanic, Aeronautical Research Laboratory, effective March 23, 1949.

Robert F. Baker, Assistant Professor, part-time, Department of Civil Engineering, effective January 31, 1949.

College of Commerce

Appointment

Ruby Bartlett, Assistant Secretary, Bureau of Business Research, effective March 18, 1949. Miss Bartlett is transferring from the Department of Business Management and Control.

Salary Adjustment

Anita Milby, Assistant Secretary, Bureau of Business Research, made Secretary, with adjustment in salary, effective March 18, 1949.

Resignation

Virginia Buckner, Reading Assistant, effective March 1, 1949.

University ResearchAppointment

G. C. McMurtry, Research Assistant, for three months, effective March 1, 1949.

Department of Business Management and ControlResignation

Ruby Bartlett, Bookkeeping Machine Operator, Accounting Division, effective March 16, 1949. Miss Bartlett is transferring to the Bureau of Business Research.

University Station Post OfficeResignation

Bess Moore, Clerk, effective April 7, 1949.

Little Commons CafeteriaAppointment

Ruby J. Sallee, Bookkeeper, effective March 22, 1949.

Radio StudiosResignation

Arnold H. Haven, Jr., Chief Engineer, effective March 26, 1949.

On motion duly made, seconded and carried, on President Donovan's recommendation, the above appointments, reappointments, salary adjustments, leaves of absence, resignations, promotions and other staff changes were concurred in and record ordered made in the minutes.

x. Adjournment

Upon motion duly made, seconded and carried, the meeting of the Board of Trustees was adjourned at 2:30 p.m.

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