

Minutes of the Board of Trustees of the University of Kentucky,  
December 11, 1956.

The Board of Trustees of the University of Kentucky met in the President's Office at 10:40 a.m., CST, Tuesday, December 11, 1956, with the following members present: R. P. Hobson, Vice Chairman; J. Stephen Watkins, Dr. Ralph J. Angelucci, Louis Cox, Dr. Daniel C. Elkin, Harper Gatton, Dr. Harry Denham, Robert C. Stilz, Ben Butler and Carl Dempewolfe. Absent: Governor A. B. Chandler, Chairman; W. F. Foster, Wood Hannah, Sr., Mrs. Paul G. Blazer and Robert R. Martin. President Frank G. Dickey and Secretary Frank D. Peterson met with the Board.

A. Approval of Minutes.

The minutes of the Board of Trustees of September 4, and the minutes of the Executive Committee of October 19, 1956, were approved as published.

B. Governor Chandler Asked to Appoint Committee to Install Dr. Frank G. Dickey as President of the University of Kentucky.

Vice Chairman Hobson stated that he had conferred with Governor Chandler, Chairman of the Board of Trustees, who had planned to be present on this day but found it necessary that he be out of the State, concerning the inauguration of Dr. Frank G. Dickey as President of the University.

Mr. Hobson stated he felt it appropriate, if the members of the Board concurred, to request the Chairman of the Board to appoint a committee to handle the inaugural program. This suggestion was enthusiastically received and, upon motion duly made, seconded and carried, the Governor of the Commonwealth, Chairman of the Board of Trustees, was authorized and requested to appoint a committee to set up the program for the installation of Dr. Frank G. Dickey as President of the University.

C. Report of the Treasurer.

Vice President Peterson made a financial report for the period July 1 through November 30, 1956. The report consisted of balance sheet and other financial statements as follows:



December 10, 1956

Dr. Frank G. Dickey, President  
University of Kentucky  
Lexington, Kentucky

Dear Doctor Dickey:

I am submitting the Financial Report of the University of Kentucky covering fund transactions for the five-months period ended November 30, 1956, consisting of a balance sheet and related financial statements.

An abbreviated review of this report reflects income received during the period for general fund purposes totaled \$6,499,710.36, or 57.32% of the budget estimate of \$11,339,589.64. The expenditures and encumbrances outstanding amounted to \$4,418,492.83, which was 39.78% of the departmental appropriations of \$11,108,071.69.

Respectfully submitted,

Frank D. Peterson  
Vice President,  
Business Administration



University of Kentucky  
BALANCE SHEET  
November 30, 1956

<u>ASSETS</u>				
	Division of Colleges	Agricultural Experiment Station	Agricultural Extension Division	Total
<u>Current Funds</u>				
<u>General:</u>				
Cash in Bank	\$ 37,907.43	\$ 176,073.28	\$ 261,331.16	\$ 475,311.87
Petty Cash Fund	40,000.00	10,000.00		50,000.00
<u>State Allotments:</u>				
Current Year	726,850.92	334,030.68	238,925.52	1,299,807.12
Revolving Funds	797,690.62	536,984.85		1,334,675.47
Inventories	294,988.31			294,988.31
Deferred Charges	52,666.20			52,666.20
Unreal. Income	2,843,872.56	836,129.09	1,159,877.63	4,839,879.28
Total General	\$ 4,793,976.04	\$ 1,893,217.90	\$ 1,660,134.31	\$ 8,347,328.25
<u>Restricted</u>				
Cash in Bank	\$ 34,167.63	\$ 150,100.61	\$ 136,117.96	\$ 320,386.20
Petty Cash Adv.	6,713.85	2,850.00	3,695.00	13,258.85
Due from Other Funds	67,940.49			67,940.49
Investments	1,608,095.46	15,027.00		1,623,122.46
Total Restr.	\$ 1,716,917.43	\$ 167,977.61	\$ 139,812.96	\$ 2,024,708.00
Total Current	\$ 6,510,893.47	\$ 2,061,195.51	\$ 1,799,947.27	\$ 10,372,036.25
<u>Plant Funds</u>				
<u>Unexpended:</u>				
Cash in Bank	\$ 3,013.34	\$	\$	\$ 3,013.34
State Allotment	307,148.77			307,148.77
Revolving Funds	353,777.98	112,101.69		465,879.67
Unrealized Income	164,297.98			164,297.98
Total Unexp.	\$ 828,238.07	\$ 112,101.69	\$	\$ 940,339.76
<u>Investment in Plant:</u>				
Construction Author.	\$ 2,800,000.00	\$	\$	\$ 2,800,000.00
Fixed Assets	34,145,521.12	4,149,270.31		38,294,791.43
Total-Invested	\$36,945,521.12	\$4,149,270.31	\$	\$41,094,791.43
Total-Plant	\$37,773,759.19	\$4,261,372.00	\$	\$42,035,131.19
<u>Other Funds:</u>				
	<u>Loan</u>	<u>Endowment</u>	<u>Agency</u>	
Cash in Bank	\$ 7,628.22*	\$ 4,088.20	\$ 88,614.48	\$ 85,074.46
Notes Receivable	41,271.08			41,271.08
Investments	75,500.00	202,904.83	15,967.19	294,372.02
Total Other Funds	\$ 109,142.86	\$ 206,992.03	\$ 104,581.67	\$ 420,716.56
Total Assets				\$52,827,885.00

\* Overdraft

b

University of Kentucky  
BALANCE SHEET  
As of November 30, 1956

LIABILITIES

	Division of Colleges	Agricultural Experiment Station	Agricultural Extension Division	Total
<u>Current Funds</u>				
<u>General:</u>				
Petty Cash Liability	\$ 40,000.00	\$ 10,000.00	\$	\$ 50,000.00
Res. for Encumb.:				
Current Year	470,761.39	143,592.31	10,442.26	624,795.96
Prior Year	51,006.86	20,624.69		71,631.55
Res. for Inventories	294,988.31			294,988.31
Res. for Fire Loss	85,712.17			85,712.17
Other Liabilities	52,666.20			52,666.20
Unapprop. Surplus	50,945.95	427,009.25		477,955.20
Approp. Bal.	3,747,895.16	1,291,991.65	1,649,692.05	6,689,578.86
Total General	\$ 4,793,976.04	\$ 1,893,217.90	\$ 1,660,134.31	\$ 8,347,328.25
<u>Restricted</u>				
Outstanding Checks	\$ 6,421.55	\$	\$	\$ 6,421.55
Restr. Balance	1,710,495.88	167,977.61	139,812.96	2,018,286.45
Total Restr.	\$ 1,716,917.43	\$ 167,977.61	\$ 139,812.96	\$ 2,024,708.00
Total Current	\$ 6,510,893.47	\$ 2,061,195.51	\$ 1,799,947.27	\$ 10,372,036.25
<u>Plant Funds</u>				
<u>Unexpended:</u>				
Res. for Encumb.:				
Current Year	\$ 116,054.30	\$ 62,396.37	\$	\$ 178,450.67
Prior Year	11,262.60	37,770.00		49,032.60
Due to Other Funds	67,940.49			67,940.49
Approp. Bal.	632,980.68	11,935.32		644,916.00
Total Unexp.	\$ 828,238.07	\$ 112,101.69	\$	\$ 940,339.76
<u>Investment in Plant:</u>				
Bonds Payable	\$ 7,483,000.00	\$	\$	\$ 7,483,000.00
Other Liabilities		200,000.00		200,000.00
Net Invested	29,462,521.12	3,949,270.31		33,411,791.43
Total Invested	\$36,945,521.12	\$4,149,270.31	\$	\$41,094,791.43
Total Plant	\$37,773,759.19	\$4,261,372.00	\$	\$42,035,131.19
<u>Other Funds:</u>				
	<u>Loan</u>	<u>Endowment</u>	<u>Agency</u>	
Bal. as to Principal	\$ 73,399.81	\$ 202,724.05	\$	\$ 276,123.86
Bal. as to Income	35,743.05	4,268.98	104,581.67	144,593.70
Total Other Funds	\$ 109,142.86	\$ 206,993.03	\$ 104,581.67	\$ 420,717.56
Total Liabilities				<u>\$52,827,885.00</u>

University of Kentucky  
 STATEMENT OF UNREALIZED INCOME  
 For the Current Fiscal Period which began  
 July 1, 1956 and ended November 30, 1956

<u>General Fund</u>			
	<u>Budget Estimate</u>	<u>Realized to Date</u>	<u>Unrealized Balance</u>
<u>Division of Colleges</u>			
<u>Educational and General:</u>			
State Appropriations	\$ 4,902,800.00	\$2,842,800.00	\$2,060,000.00
Federal Grants (through the State)	135,860.10	94,487.08	41,373.02
Student Fees	984,500.00	505,371.88	479,128.12
Endowment Income	9,644.50	9,200.00	444.50
Sales and Services and Rentals	20,000.00	9,491.80	10,508.20
Returned Checks		500.45*	500.45
Subtotal	\$ 6,052,804.60	\$3,460,850.31	\$2,591,954.29
		57.18%	
Auxiliary Enterprises	497,272.00	245,353.73	251,918.27
		49.32%	
Total-Colleges	\$ 6,550,076.60	\$3,706,204.04	\$2,843,872.56
		56.58%	
<u>Agricultural Experiment Station</u>			
State Appropriations	\$ 808,000.00	\$ 600,000.00	\$ 208,000.00
Federal Grants (direct)	804,691.00	447,614.00	357,077.00
Sales and Services	560,000.00	288,947.91	271,052.09
Total-Experiment Station	\$ 2,172,691.00	\$1,336,561.91	\$ 836,129.09
		61.52%	
<u>Agricultural Extension Division</u>			
State Appropriations	\$ 828,000.00	\$ 560,000.00	\$ 268,000.00
Federal Grants (direct)	1,788,822.04	896,944.41	891,877.63
Total-Agr. Extension	\$ 2,616,822.04	\$1,456,944.41	\$1,159,877.63
		55.68%	
Total-General	\$11,339,589.64	\$6,499,710.36	\$4,839,879.28
		57.32%	
<u>Plant Fund:</u>			
Debt Service Income	292,006.00	127,708.02	164,297.98
		43.73%	
Combined Total	\$11,631,595.64	\$6,627,418.38	\$5,004,177.26
		56.98%	

\*Negative figure

UNIVERSITY OF KENTUCKY  
STATEMENT OF DEPARTMENTAL APPROPRIATIONS  
For the Current Fiscal Period which began  
July 1, 1956, and ended November 30, 1956

	Dept. Approp.	Expendi- tures	Encum- brances	Approp. Balance
<u>Division of Colleges</u>				
<u>Adm. &amp; General:</u>				
Gen. Adm. Offices	\$ 166,234.19	\$ 74,643.29	\$ 1,925.41	\$ 89,665.49
Student Services	248,765.42	98,443.48	3,227.22	147,094.72
Staff Welfare	71,000.00	24,348.41		46,651.59
Gen. Inst. Serv.	121,910.00	35,207.64	16,022.88	70,679.48
Subtotal	\$ 607,909.61	\$ 232,642.82	21,175.51	\$ 354,091.28
			41.75%	
<u>Instr. &amp; Research</u>				
<u>College of --</u>				
Agr. & Home Econ.	\$ 352,250.79	\$ 124,204.46	\$ 3,448.15	\$ 224,598.18
Arts & Sciences	1,886,659.11	718,690.22	20,692.93	1,147,275.96
Commerce	253,565.74	104,624.64	2,498.68	146,442.42
Education	445,765.77	153,144.64	10,167.32	282,453.81
Engineering	469,977.94	166,548.78	5,789.89	297,639.27
Law	97,754.06	37,070.58	257.87	60,425.61
Pharmacy	103,300.00	32,130.30	1,331.21	69,838.49
Graduate School	15,793.00	6,062.27	97.75	9,632.98
Org. Act. Rel. Edu.	35,124.00	10,925.91	3,747.13	20,450.96
Research	20,000.00	2,387.46	1,854.83	15,757.71
Libraries	322,508.37	128,816.35	6,543.21	187,148.81
Adult & Ext. Edu.	257,154.62	83,243.79	3,501.89	170,408.94
Medicine	42,800.00	19,411.11	5,697.30	17,691.59
Subtotal	\$ 4,302,653.40	\$1,587,260.51	\$ 65,628.16	\$2,649,764.73
			38.42%	
<u>Other Expenses:</u>				
Oper. & Maint. Plant	\$ 1,031,542.00	\$ 273,080.71	\$ 137,049.94	\$ 621,411.35
Auxiliary Enterpr.	379,386.88	120,079.13	35,079.93	224,227.82
Working Capital	75,000.00	41,128.73*	90,895.85	25,232.88
Clearing Accts.		5,900.90	120,932.00	126,832.90*
Subtotal	\$ 1,485,928.88	\$ 357,932.01	\$ 383,957.72	\$ 744,039.15
			49.93%	
Total-Colleges	\$ 6,396,491.89	\$2,177,835.34	\$ 470,761.39	\$3,747,895.16
			41.41%	
Agr. Exper. Station	2,085,691.00	650,107.04	143,592.31	1,291,991.65
			38.05%	
Agr. Extension Division	2,625,888.80	965,754.49	10,442.26	1,649,692.05
			37.18%	
Combined Total	\$11,108,071.69	\$3,793,696.87	\$ 624,795.96	\$6,689,578.86
			39.78%	

\*Negative number.

University of Kentucky  
STATEMENT OF PLANT FUND APPROPRIATIONS  
For the Current Fiscal Period which began  
July 1, 1956, and ended November 30, 1956

<u>Division of Colleges</u>	<u>Dept. Approp.</u>	<u>Expendi- tures</u>	<u>Encum- brances</u>	<u>Free Balance</u>
<u>Construction</u>				
Holmes Hall	\$ 2,031.49	\$	\$	\$ 2,031.49
Men's New Dormitory				
Holmes Hall & Pharm.				
Bldg. Steam Lines	38,000.00		46,100.00	8,100.00*
Medical School	300,000.00	30,851.23	69,954.30	199,194.47
Total Construction	\$ 340,031.49	\$ 30,851.23	\$ 116,054.30	\$ 193,125.96
			43.20%	
<u>Retirement of Indebtedness</u>				
1st W. P. A. Bond Issue	\$ 36,708.97	\$ 54.17	\$	\$ 36,654.80
2nd W. P. A. Bond Issue	19,256.65	9,629.91		9,626.74
Dorm. Rev. Bond Issue	24,449.25			24,449.25
Audit-Field House Issue	61,910.63	53,106.47		8,804.16
Lib. & Serv. Bldg. Issue	45,069.42	5,255.00		39,814.42
Stad. Add. Issue	21,084.71	3,018.75		18,065.96
Dorm. Rev. Issue (456 Rose)	4,301.65	3,393.75		907.90
Jour. Bldg. Bond Issue	15,355.75			15,355.75
Dorm. Rev. Issue (476 Rose)	4,029.43			4,029.43
Stud. Dorms. U.K.	19,662.94	3,853.76		15,809.18
Stud. Dorm. -Kappa Sigma	9,359.51	1,926.88		7,432.63
Stud. Dorm. -Lambda Chi	11,431.28	1,926.87		9,504.41
Stud. Dorm. -Phi Sigma K.	9,359.50	1,926.87		7,432.63
Stud. Dorm. -Pi Kappa A.	11,050.03	1,926.87		9,123.16
Dorm. Rev. Bond 1952	99,051.00			99,051.00
Dorm. Rev. Bonds 1954	58,764.50	10,676.25		48,088.25
Lib. & Serv. Bldg. Res.	34,007.54			34,007.54
Dorm. Rev. Bonds 1955				
Cooperstown Apts.	119,638.00			119,638.00
Total-Retirement of Indebtedness	\$ 604,490.76	\$ 96,695.55	\$	\$ 507,795.21
			16.00%	
Total--Division of Colleges	\$ 944,522.25	\$ 127,546.78	\$ 116,054.30	\$ 700,921.17
			25.79%	
Agr. Exper. Station Construction	82,883.88	8,552.19	\$ 62,396.37	\$ 11,935.32
			85.60%	
Combined Totals	\$1,027,406.13	\$ 136,098.97	\$ 178,450.67	\$ 712,856.49
			30.62%	

\*Negative figure.

University of Kentucky  
**STATEMENT OF OTHER FUND TRANSACTIONS**  
 For the Current Fiscal Period which began  
 July 1, 1956 and ended November 30, 1956

	Balance July 1, 1956	Receipts	Disburse- ments	Balance Nov. 30, 1956
<u>Restricted Funds:</u>				
Division of Colleges	\$1,429,830.77	\$1,832,307.46	\$1,551,642.35	\$1,710,495.88
Agr. Exp. Station	164,146.78	118,627.97	114,797.14	167,977.61
Agr. Exten. Div.	136,305.48	70,473.78	66,966.30	139,812.96
Subtotal	\$1,730,283.03	\$2,021,409.21	\$1,733,405.79	\$2,018,286.45
<u>Loan Fund:</u>				
Principal	\$ 73,399.81	\$	\$	\$ 73,399.81
Income	34,912.99	832.89	2.83	35,743.05
Subtotal	\$ 108,312.80	\$ 832.89	\$ 2.83	\$ 109,142.86
<u>Endowment Funds:</u>				
Principal	\$ 202,724.05	\$	\$	\$ 202,724.05
Income	4,214.76	104.22	50.00	4,268.98
Subtotal	\$ 206,938.81	\$ 104.22	\$ 50.00	\$ 206,993.03
<u>Agency Funds:</u>				
Balances	\$ 92,840.93	\$ 358,964.12	\$ 347,223.38	\$ 104,581.67
Combined Totals	\$2,138,375.57	\$2,381,310.44	\$2,080,682.00	\$2,439,004.01

Members of the Board heard the report read and explained. Upon motion duly made, seconded and carried, the report was authorized received and made of record.

D. Transfer and Sale of Electric Transformers.

Mr. Peterson stated that the University had four surplus electric transformers which had been removed from the Shawneetown Housing Project. He stated that Eastern State College was in need of four electric transformers and recommended that these used transformers be transferred and sold to Eastern State College at one-half price, which is \$119.35 each. Members of the Board were further advised that the transformers had been in use from eight to twelve years.

Upon motion duly made, seconded and carried, the recommendation of the Vice President was approved and the four electric transformers were authorized transferred to Eastern State College, Richmond, Ky., for \$119.35 each.

E. Report of Trustee--Patterson Will.

Mr. Peterson reported that the Security Trust Company, Trustee of the James K. Patterson will, had filed a settlement for the period September 27, 1955, through September 26, 1956. The settlement submitted a list of investments of the principal account, the carrying value of investments held (\$476,863.32), income during the year and disposition of same.

Some members of the Board examined the settlement, and upon motion duly made, seconded and carried, same was authorized received and filed.

F. Report on Suit Concerning Patterson Will.

Members of the Board expressed a desire to know the progress being made concerning a suit requesting the courts to declare that the provisions of the James K. Patterson will had been substantially complied with, to enable the trustee to put into effect certain provisions of the will. Acting Dean W. L. Matthews, Jr., of the College of Law, was asked to report to the Board on the status of the suit.

Professor Matthews advised that the suit had been filed and the case advanced, and he had every reason to believe that an opinion would be received from the Court in the not too far distant future. Mr. Matthews was questioned concerning various phases of the suit.

The Board, being satisfied with the report of Professor Matthews, thanked him for the report and his time, and upon motion duly made, seconded and carried, notation was authorized made in the minutes.

G. Final Settlement--Hallam Estate.

Mr. Peterson submitted final settlement of the Alice S. Hallam Estate as signed by the Executor, Charles S. Adams.

Upon motion duly made, seconded and carried, the report was authorized received and filed.

#### H. Uncollectible Account of W. L. Howell.

Mr. Peterson reported that Mr. W. L. Howell, a former student at the University, had contracted poliomyelitis in the fall of 1952. He has been left completely disabled and unable to move about except in a wheel chair. Mr. Howell and his wife were without means with which to pay an account of \$281.65 due for rent of housing facilities. Mr. Peterson recommended that the account be charged off as uncollectible. He stated that Dean L. L. Martin joined him in the recommendation.

Upon motion duly made, seconded and carried, the Board concurred in the recommendation of Vice President Peterson.

#### I. Sale of U. S. Treasury Bonds for Lances.

Mr. Peterson reported that the President and Secretary of Lances organization had requested that one \$100 U.S. Treasury Bond and two \$25.00 U.S. Treasury Bonds, total \$150.00, be cashed and deposited to the credit of Lances organization. Mr. Peterson stated that, since the minutes show that these bonds are held by the Treasurer, he desired that the minutes also show that the bonds had been cashed at the request of the officers of the organization.

Upon motion duly made, seconded and carried, it was ordered that the bonds be cashed, the minutes so indicate, and the proceeds be credited to the account of Lances organization.

#### J. Purchase of Library and Service Building Bonds.

Mr. Peterson requested authority to purchase three Library and Service Building Bonds due April 1, 1962, and five Library and Service Building Bonds due April 1, 1963, at a price of \$98.00.

Upon motion duly made, seconded and carried, the Treasurer was authorized to purchase eight Library and Service Building Bonds due in 1962 and 1963, at a price of \$98.00, and carry same against the Group Investment Fund.

#### K. Gas Line Easement for Shawneetown--Central Kentucky Natural Gas Company.

Mr. Peterson submitted an easement for gas line across part of the Experiment Station farm leading to the Shawneetown Housing Project. He recommended that the easement be approved, with the stipulation that, if it becomes necessary to lower or move the line in order to provide site for future building of the University, that same be done at the expense of the Central Kentucky Natural Gas Company. He stated that the line would cross about 691 feet of the Experiment Station farm.



Members of the Board examined the easement and upon motion duly made, seconded and carried, authorized same executed on behalf of the University, with the proviso that the line shall be removed or lowered at the expense of the Central Kentucky Natural Gas Company to provide for site for future building of the University, if necessary.

#### L. Purchase of House and Lot.

President Dickey and Mr. Peterson reported that a house and lot at 191 Prall Street owned by Lucretia Adams, with front footage of 21 feet and depth of 100 feet, was available for purchase in the sum of \$1,000.00. Mr. Peterson stated that this house was what might be called "distress" property, that the owner had paid in excess of \$1,600.00, and that she was offering it for a price of \$1,250.00. He stated that, in order to get the property he had personally paid \$1,000.00 and had taken deed in order to hold same for the University if the University desired to purchase. President Dickey recommended that the University purchase the house for \$1,000.00.

Upon motion duly made, seconded and carried, the house was authorized purchased from the Haggin Fund.

#### M. Flight Contract Program.

Mr. Peterson submitted a proposed contract with the Maxwell Air Force Base of Montgomery, Alabama, for flight training for senior AFROTC students. The air force contract provides for 36½ hours flight training to all senior AFROTC students volunteering for flight training.

Mr. Peterson stated that all costs incident to the flight training program, including insurance and transportation of trainees would be covered by the contract with the Armed Services. He recommended that authority be given to execute the contract on behalf of the University and to make a subcontract with one of the flight services in Lexington approved by the CAA for such training.

Upon motion duly made, seconded and carried, the recommendation of Vice President Peterson was concurred in and the contract with Maxwell Air Force Base was authorized executed on behalf of the University; he was further authorized to negotiate a subcontract for training facilities necessary.

#### N. Campus Book Store Contract Renewed.

Mr. Peterson submitted agreement between the University of Kentucky and James E. Morris for lease of the Campus Book Store for a period of two years beginning January 1, 1957. He stated that the renewal lease carries the same conditions that are in effect presently, and recommended that the contract be extended for a two-year period.

Upon motion duly made, seconded and carried, the contract of the Campus Book Store for a period of two years, beginning January 1, 1957, was authorized executed on behalf of the University, under the same conditions and provisions as are now in effect.

and L). O. Sale of Small Dormitory Revenue Bond Issue (G, H, I, J, K

Mr. Peterson submitted the following Resolution for the sale of Revenue Bonds for the construction of six small dormitories (sorority houses).

A RESOLUTION ADOPTED BY THE BOARD OF TRUSTEES  
OF THE UNIVERSITY OF KENTUCKY AT A MEETING HELD  
ON DECEMBER 11, 1956.

WHEREAS, the Executive Committee of the Board of Trustees of the University of Kentucky has reported that, at a meeting held on October 19, 1956, it adopted a Resolution providing for the issuance of \$900,000.00 principal amount of "University of Kentucky Dormitory Revenue Bonds (Student Dormitories G, H, I, J, K and L)", to be dated as of December 1, 1956 for the purpose of providing funds for the construction on land constituting a part of the campus of the University six (6) small student dormitories suitable for occupation by sororities or other campus organizations, or by students generally, upon a rental basis calculated to provide to the University funds sufficient to pay the said bonds and the interest thereon as the bonds and coupons mature from time to time, and also to provide for the accumulation of certain reserves, as more specifically set forth in said Resolution of the Executive Committee; and

WHEREAS, the State Property and Buildings Commission of the Commonwealth of Kentucky, at a meeting held on November 8, 1956, took proper action approving the University's proposal to construct said buildings and to issue \$900,000.00 of its Revenue Bonds to provide for the financing thereof; and

WHEREAS, appropriate notices, regarding the sale of said bonds, were duly published in the Courier-Journal, Louisville, Kentucky, and in the Bond Buyer, New York City, on November 30, 1956, soliciting sealed proposals for the purchasing of said bonds, the same to be received in the Office of the Vice-President (Business Administration) of the University until December 11, 1956, at 10:30 A.M., C.S.T., and referred to this meeting of the Board of Trustees for consideration and action; and

WHEREAS, the Vice President (Business Administration) has exhibited to the Board of Trustees affidavits from employees of said newspapers, showing such publication of the "Notice of Sale of Bonds," and has also produced before the Board the sealed proposals received in his office prior to 10:30 A.M., C.S.T., on December 11, 1956, and the same having been publicly opened, read, and compared, and are listed, as follows:

NAME OF BIDDER	AMOUNT OFFERED	INTEREST COUPON RATE OR RATES STIPULATED
	(Exclusive of accrued interest)	
Pohl & Co. & Associates	\$900,090	1958-64 - 5 1/2% 1965-96 - 5 3/4% Average interest rate - 5.745%
The Bankers Bond Co. & Associates	\$900,000	1958-62 - 4 3/4% 1963-71 - 4 1/4% 1972-77 - 4 1/2% 1978-96 - 4 3/4% Average interest rate - 4.696%

and

WHEREAS, upon comparison of the bids it appears that the best bid is that of The Bankers Bond Co. & Associates, offering to purchase the entire \$900,000.00 of said bonds, as authorized by the Executive Committee, at a price of \$900,000 (plus accrued interest from December 1, 1956 to the date of delivery), providing the same are caused to bear interest at the following respective coupon rates:

1958-62	- 4 3/4%
1963-71	- 4 1/4%
1972-77	- 4 1/2%
1978-96	- 4 3/4%

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

SECTION 1. The action of the Executive Committee, in authorizing the issuance of \$900,000.00 principal amount of "University of Kentucky Dormitory Revenue Bonds (Student Dormitories G, H, I, J, K and L)", dated December 1, 1956, and maturing in various amounts on June 1 in each of the years 1958 to 1996, inclusive, all as shown by a Resolution constituting a part of the minutes of a meeting of said Executive Committee held on October 19, 1956, is hereby adopted, approved, ratified, and confirmed; and all of the terms and provisions as set forth in said Resolution are acknowledged to be binding in all respects upon the Board of Trustees of the University of Kentucky in all respects as if said Resolution had been adopted in its entirety by the Board of Trustees.

SECTION 2. It is hereby determined and declared that the best bid received prior to 10:30 A.M., C.S.T., on December 11, 1956, for the purchasing of the bonds as so authorized by the Executive Committee, is the bid of The Bankers Bond Co. & Associates, offering \$900,000 and accrued interest for the

entire \$900,000.00 principal amount of said bonds, providing the same are caused to bear interest at the following respective coupon rates:

1958-62	- 4 3/4%
1963-71	- 4 1/4%
1972-77	- 4 1/2%
1978-96	- 4 3/4%

Said bid is hereby found and declared to be acceptable as to both price and interest coupon rates, and the same is hereby accepted by the Board of Trustees. Said bid, together with this Resolution of acceptance, shall constitute a firm contract for the purchasing and selling of said bonds subject to the conditions set forth in the published "Notice of Sale of Bonds." The bonds shall bear interest from their date until paid at the respective coupon rates set forth in said bid, and the printer shall be instructed to prepare the bonds and interest coupons accordingly, and upon execution of the bonds by the Chairman and Secretary of the Board of Trustees, the same shall be tendered to the purchaser, and delivered to said purchaser upon payment of the purchase price.

SECTION 3. The good faith checks accompanying all unsuccessful bids shall immediately be returned to the respective bidders. The good faith check of the purchaser in the sum of \$18,000.00 shall be held uncashed by the Vice-President (Business Administration) of the University until such time as the bonds are delivered and paid for; whereupon, it may be returned to the purchaser upon payment of the full bid price with accrued interest to delivery, or cashed and allowed as a credit upon the purchase price, as the purchaser may elect.

SECTION 4. The affidavits, above referred to, showing publication of the "Notice of Sale of Bonds," shall be retained by the Secretary as permanent records of the Board of Trustees, to show proper advertisement of the sale, as contemplated by law.

SECTION 5. This Resolution shall be in full force and effect from and after its adoption.

ADOPTED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY at a meeting held on December 11, 1956.

(SEAL)  
ATTEST:

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary

CERTIFICATION

I, Frank D. Peterson, Secretary of the Board of Trustees of the University of Kentucky, hereby certify that the foregoing is a true copy of a Resolution adopted by said Board of Trustees at a meeting held on December 11, 1956, in Lexington, Kentucky.

WITNESS my hand and the seal of said University this 11th day of December, 1956.

\_\_\_\_\_  
Secretary

(SEAL)

Upon motion by Member Watkins, seconded by Member Butler, the above Resolution was unanimously authorized approved and adopted.

P. College of Medicine to Elect Faculty Member to University Faculty.

President Dickey stated that, according to the Governing Regulations of the University of Kentucky, the Board of Trustees may authorize the appointment of additional members to the University Faculty. At various times in past years, when new Colleges have been created, the Board has taken action, adding new members to the Faculty.

The President stated further that, with the establishment of the College of Medicine, he would like to recommend that that group be authorized to elect one member to serve on the University Faculty. In addition, Doctor Willard, Dean of the School, would be a member of the Faculty automatically by virtue of his position. At such time after January, 1959, as the faculty of the Medical School increases in size, it would seem desirable to reevaluate this situation and perhaps authorize the addition of more Faculty members. At the present time, however, only one Faculty representative from the College of Medicine was being requested. He recommended that the Board approve this action.

Upon motion duly made, seconded and carried, the recommendation of President Dickey was concurred in and the College of Medicine was authorized to elect one faculty representative from the College of Medicine to serve on the University Faculty.

Q. Change-of-Work for Dean D. V. Terrell, J. S. Horine and Clifford D. Kennard.

President Dickey stated that Dean D. V. Terrell had reached his seventieth birthday on October 5, 1956, and was eligible for change-of-work at such time as the President and the Board might authorize same.

The President stated that he was recommending a change-of-work for Dean Terrell to take effect June 30, 1957, his salary to be fixed according to Rules and Regulations of the Board of Trustees.

President Dickey reported that Professor John Sherman Horine would reach his 70th birthday on January 24, 1957, and would be eligible for change-of-work. He recommended that Professor Horine be given a change-of-work, effective June 30, 1957, and his compensation fixed according to the Rules and Regulations of the Board of Trustees.

President Dickey reported that Mr. Clifford D. Kennard would reach his 70th birthday on December 30, 1956, and would be eligible for change-of-work. President Dickey recommended that Mr. Kennard be given a change-of-work, effective June 30, 1957, his salary to be fixed according to Rules and Regulations of the Board of Trustees.

Upon motion duly made, seconded and carried, Dean D. V. Terrell, Professor John Sherman Horine and Mr. Clifford D. Kennard were granted change-of-work, effective June 30, 1957, at salaries according to Rules and Regulations of the Board of Trustees, assignment of duties to be fixed by President Dickey and reported to the Board at a later date.

R. Various Members of the Staff Approved as Consultants for Organizations.

President Dickey stated that Mr. Frank D. Peterson had been requested by the National Federation of College and University Business Officers to serve as a consultant for the National Federation from time to time; Mr. Lewis W. Cochran had been requested to serve as consultant to the Wesson Metals Corporation; and Messrs. J. C. Eaves, Ernest McDaniel, Dana Card, Robert H. Stroup and Vincent F. Cowling had been requested to serve as consultants for I.B.M. Corporation.

President Dickey stated that the consultant services rendered by these staff members would not interfere with their regular duties at the University and would be on a part-time basis. The services rendered by these gentlemen are not readily obtainable elsewhere and he recommended that the request be granted.

Upon motion duly made, seconded and carried, Messrs. Frank D. Peterson, Lewis W. Cochran, J. C. Eaves, Ernest McDaniel, Dana Card, Robert H. Stroup and Vincent F. Cowling were granted permission to serve as consultants to the organizations involved.

S. Change-of-Work Policy for Personnel of the Department of Athletics.

President Dickey stated that he had appointed a Committee to consider change-of-work plan for personnel employed by the University Athletics Association. The recommendation of the Committee was submitted to the Board of Trustees of the University of Kentucky Athletics Association and approved by that Board, with the recommendation that the policy be submitted to the Board of Trustees of the University for ratification and approval. He read the statement of policy.

The members of the Board discussed the Governing Regulations of the University and the recommended Governing Regulations of the University of Kentucky Athletics Association and, being advised, upon motion duly made, seconded and carried, the following Regulation was adopted:

All regulations governing Change of Employment (Governing Regulations of the University of Kentucky, 1955, Section XI-10) shall apply to employees of the University Athletics Association with the following stipulations:

1. A coach or assistant coach, for this particular purpose, shall be classed as a "teacher or administrative officer".
2. All other employees of the Athletics Association shall be classed as "other than a teacher or administrator".
3. If the salary of any Association employee at age sixty-five exceeds the average salary of University department heads and professors, the latter figure will be used as a basis for computing the change-of-work payment rather than the actual salary.
4. With the exception noted below, all change-of-work payments to employees of the Athletics Association shall be covered in the Association budget and shall be paid from Association funds.
5. For persons who are employees of the University, but who receive a part of their salaries from the Athletics Association, the base pay at age sixty-five shall include the salaries from both the University and the Association, and change-of-work payments shall be shared by the two in proportion to the amounts paid at age sixty-five.
6. If any employee of the Athletics Association transfers to a University assignment before becoming eligible for change-of-work, his status thereafter shall be governed in all respects by University regulations covering change of employment, and change-of-work payments shall be covered in the University budget and made from University funds for the total period of time employed by both the Association and the University.

T. Committee of Fifteen--The University of Kentucky, Its Functions and Objectives.

President Dickey related that he had sent to each member of the Board a copy of the statement submitted by the Committee of Fifteen on "The University of Kentucky, Its Functions and Objectives", and asked for consideration of the statement. Various members stated that they had read the report not only once but twice, and thought it was very fine.

THE UNIVERSITY OF KENTUCKY  
ITS FUNCTIONS AND OBJECTIVES

INTRODUCTION

Much of the strength of American higher education resides in its diversity. Institutions vary in terms of their constituencies, in terms of their curricula, in their relative emphasis on teaching as opposed to research and service, in their complexity, in the type of student served, in qualitative standards, and in many other important respects. It can almost be said that no two of the 1,800 colleges and universities in the United States are alike; no two would want to state their functions or objectives in exactly the same way. The degree of independence varies, but in all cases it is extensive.

However, this is not to say that an institution is entirely free of limitations in the determination of its goals and in the definition of its educational pattern. On the contrary, there are several limiting factors. These include the peculiar origin of the institution, the character and scope of its constituency, the laws governing it, its accredited relations, the adequacy of its financial support, and tradition and custom.

The University of Kentucky is a state university, with its income derived largely from taxes. Its constituency includes all the people of the state with their varying agricultural, business, industrial, and professional interests, and with their many and varied civic, moral, and cultural problems. As such, its decisions with respect to the services it is to render or the students it is to serve are not entirely of its own choice. It cannot ignore entirely the legitimate interests of any one of the three million people of Kentucky.

The University of Kentucky must operate in accordance with the state laws governing it and in accordance with administrative regulations derived therefrom. While it properly exercises great freedom in all internal matters, decisions relative to its purposes or aims are necessarily affected by such legal provisions as the following:

The said state university shall be maintained by the commonwealth with such endowments, incomes, buildings and equipment as shall enable it to do work such as is done in other institutions of corresponding rank, both undergraduate and postgraduate, and embracing the work of instruction as well as research.



The University of Kentucky is a land-grant institution. As such, its functions and its objectives were in part determined by the Morrill Act passed by Congress in 1862, three years prior to the University's beginning. By the Morrill Act and subsequent legislation of a related character, the University of Kentucky has been committed to a considerable emphasis on "agriculture and the mechanic arts", and to the education of the "industrial classes in the several pursuits and professions of life." At the same time it has been charged not to neglect "other scientific and classical subjects". Thus the University of Kentucky has evolved, like other land-grant universities, into an institution with relatively prominent colleges of agriculture and engineering, and with extensive programs of agricultural research and extension. Moreover, because the University is a land-grant institution, military science has always had a place in its program of studies.

In considerable measure the University's goals and its educational pattern are dictated by its accredited relations. Its regional accreditation can be assured only when it provides a program of studies in the humanities, sciences, and social studies that is broad in scope and of good quality; only when it reflects in its operations the spirit of democracy; and only when it guarantees freedom of thought and learning. Specialized accrediting agencies insist likewise that minimum standards be maintained in particular disciplines or in professional schools. Just as long as it places high value on accreditation the University of Kentucky must plot its future, in part at least in terms of the standards and guideposts set up by a number of accrediting bodies.

What a particular university can accomplish is determined in a large measure by its financial support. It is a rare institution that can do everything that its faculty and leadership might consider legitimate and desirable. In practically all situations, and certainly in the case of the University of Kentucky, the issue is one of relative values. Among many laudable functions and aims, which are to have priority and which are to have larger emphasis? The success of the faculty and administration in finding answers to this question will determine in a large measure the degree of distinction the University will achieve.

When the University of Kentucky elected to be a "university" as opposed to a liberal arts college or professional school, it was bound by the traditions of American higher education to function in certain ways. It thereby established itself as a complex institution with a number of professional schools. It committed itself to a research program of breadth and quality; it embarked upon an extensive program of graduate studies; and it dedicated itself to the accumulation and preservation of knowledge and to the maintenance of an atmosphere conducive to high intellectual endeavor.

In summary, then, there are a variety of factors (the above are only illustrative) which establish the setting in which the University of Kentucky functions and within which its objectives must be defined.

In this setting the University's governing agencies (board of trustees, administrative officers, and faculty) can and should exercise a large degree of independence in determining its purpose and direction. Within such limits as are outlined above, the University of Kentucky can be as distinctive and as distinguished as its faculty and administration are capable of making it.

### THE MAJOR FUNCTIONS OF THE UNIVERSITY

The primary responsibility of an institution of higher learning is the betterment of human welfare. Higher education is the chief instrument that society has designed to provide the leadership necessary to the upward march of civilization and to the advancement of culture and morality. A university must be responsive to the complex needs of the immediate and more remote societies in which it has its setting. However, its position must be positive, not neutral. It responds to society's needs, but it exerts strong leadership in the determination of these needs. While the university, in the last analysis, must render to society the services that society wants, it will endeavor at the same time to see that the services wanted and the services needed are essentially the same.

In accomplishing its social purpose, the university functions in four important ways: (1) as a teaching institution, (2) as a center for research, (3) as a service agency, and (4) as a center for the preservation of knowledge. These four functions are further defined in the following paragraphs, particularly as they apply to a state institution such as the University of Kentucky.

The Teaching Function. Out of the undergraduate colleges and the graduate schools of America should come the greater portion of the nation's leaders and its more exemplary citizenship. The curricula of a state university should be so designed and its teaching so directed that there will accrue to the state and to the nation men and women of intellect; men and women possessing character, ideas, ingenuity, moral responsibility, and general competence; men and women who can provide the knowledge and technical skills to cope with a national and world situation growing ever more complex and difficult.

Obviously the education of yesterday will not suffice for the problems of today and tomorrow. Specialization is the order of the day and vocational and professional competence must be a major objective of university teaching. But competence is not enough. Somehow the university must supply a common culture and a background for intelligent communication, in order that understanding and cooperation may be possible and in order that life may be richer and more meaningful. Somehow general education and professional study must be reconciled and put in balance; both competence and understanding must result. The university must respond not only to the needs of its immediate constituency, the state, but it must contribute, as well, to the solution of national and international problems. A basic objective should be the maintenance of American concepts of democracy and freedom. At the same time the university should make a major contribution to international understanding and world peace.

The Research Function. It is the business of a state university to advance the frontiers of knowledge in all areas and specializations of concern to modern society. Whether such efforts in all cases are properly described as research is of little significance. What is important is that the intellectual inheritance of the human race be augmented, that the creative impulses of the individual be released, and that genius be not restricted or stifled. The university may properly engage in both basic and applied research, but the emphasis should be upon the extension of knowledge rather than upon its applications. Much research, in other words, should be done with no compulsion other than the urge to see beyond the present borders of man's knowing.

On the other hand, the research program of a state university, and particularly a land-grant institution, cannot ignore the contemporary requirements of state and nation. Rather the program should be effectively correlated with non-university research and it should seek solutions to the acute problems of society whether they be economic, technological, social, cultural, or moral. A land-grant university naturally will place appropriate emphasis on research in agriculture and engineering, and the related sciences. It will not be fulfilling its larger purpose, however, if it neglects to aid, through research, the other professions, business, industry and government; or if it fails to lend assistance in improving the moral tone of state and nation, in the solution of social and civic problems, in the elimination of want and fear, and in the promotion of the richer and happier life.

The Extended-Services Function. The "ivory-tower" concept of higher education is outmoded. The state university may still provide, on occasion, a retreat for the professor who wishes only to teach and to pursue his studies apart from the bustling, changing world beyond the campus walls. But in the main such an institution is characterized by a concern for the life about it and by a zeal for service to the people whom it represents and who lend it support. The state university has found that it cannot have the desired impact on society unless its teaching is extended beyond the campus classroom, unless its research is in some measure translated into economic and social improvements, and unless its leadership and example elevate the cultural and moral tone of the nearer and farther communities in which it has its setting. In the latter half of this century, the boundaries of the state-university campus are truly the boundaries of the state itself, and such an institution will be found closely in tune with the economic, social, and cultural life of its constituency.

The best illustration of this concept presently is found in the extension service of the land-grant university in agriculture and home management. It would appear that experience in these areas has long since made a case for similar service to all people, irrespective of vocation or place of residence. The questionable aspect of the service at this date is the imbalance in favor of the rural citizen and agriculture. And so the publicly supported university finds itself appropriately engaged, in cooperation with other agencies, in an ever-expanding program of adult education and public services involving, in addition to the extension services in agriculture and home economics, a

variety of activities: (1) off-campus teaching at extension centers or in isolated classes, (2) correspondence study, (3) institutes or seminars for professional groups, (4) night classes for adults, (5) cooperation with business and industry in the training of employees, and in a variety of other ways, (6) high school clinics and conferences in a number of areas, and (7) consultative services.

The principal issue to be resolved is not the merits or importance of the service function but rather its extent and balance. With limited resources, how much can a university extend itself, what areas of service shall receive principal emphasis, and what particular device will prove most effective and most economical?

The Library and Museum Function. Without an adequate library collection, a university would find it impossible properly to perform its teaching and research functions. For this reason alone the maintenance of libraries would be a proper university purpose. But over and above the requirements of teaching and research, the university has an obligation to join with other agencies in the preservation of the books and other material evidences of the achievements of civilization. Its library and museum facilities should, therefore, be in keeping with the size of its student body and faculty, the scope and character of its program, and its peculiar or unique interests.

However, the libraries and museums of a particular university cannot be all things to all people. Choices must be made in terms of financial resources. Proper balance must be maintained among the undergraduate working library, the research library, and special collections. Areas of strength must find support in appropriate library and museum holdings, but not at the expense of new and developing interests. State and regional materials will receive special emphasis, and proper attention will be given to the available resources of other universities and of government libraries and museums. A major problem before every university is to define the scope of its library and museum function to the end that its holdings may be adequate to its purposes, that balance may be maintained, and that it may discharge its proper responsibility for the collection and preservation of knowledge. At the same time it is obligated to define clearly its areas of principal emphasis, to coordinate its program with other institutions and agencies, to avoid unnecessary duplication within its own holdings and between these and the collections of other accessible libraries and museums, to discard boldly useless and valueless materials, to make the fullest use of microfilming and other money saving devices, and to avoid collecting merely for the sake of collecting.

#### OBLIGATIONS TO STUDENTS, TO SOCIETY, AND TO SCHOLARSHIP

The effective performance of the foregoing functions involves the university in a variety of obligations to students, to society at large, and to learning and scholarship. These obligations, as outlined in the following paragraphs, may be said to constitute the university's objectives or aims.

Obligations to Students. The student, undergraduate or graduate, has a right to expect from a university, teaching that is characterized as follows:

1. It is dynamic and stimulating.
2. It is based on expertness and specialization within the particular discipline.
3. It makes use of research, and the new knowledge derived therefrom.
4. It is free from bias or prejudice; it permits and encourages "freedom of learning".
5. It involves an awareness both of the immediate aims of the discipline and of the broader objectives of the institution.
6. It gives heed to varying abilities and makes paramount the maximum progress of the individual student.

Less than 50 per cent of the students who enter a freshman class in a state university will ever graduate from that or any other institution of higher learning. The majority group, in other words, is composed of those who will remain in college fewer than eight semesters. For the greater proportion of these the period of attendance will be two years or less. This is not all educational waste as is so frequently charged. There is no reason why a student's stay in a university should not be profitable both to himself and society, even when it is as short as a single semester. Whether, in a particular case, there is to be waste or gain will be determined by the institution's underlying philosophy, its success in adapting its organization and programs of study to individual differences, and the effectiveness of its counseling and guidance services. In this connection students have a right to expect:

1. That each may make his way up the educational ladder as far as his ability and effort will permit, assuming defensible standards at all levels.
2. That those of superior capacity will find their intellectual and creative abilities challenged to the fullest.
3. That each will be helped to approximate as closely as possible his educational potential.
4. That the education of the non-graduate may have coherence and relative completeness; that it may generate confidence and a sense of accomplishment rather than frustration and defeat.

When a university has concluded its work with a student it should have equipped him in ways highly beneficial both to himself and to society. The results are likely to be more significant as the period of study is extended but in general the university product should be characterized as follows:

1. He will have established permanent and widening intellectual interests, and he will have progressed in the direction of a free, uninhibited and inquiring mind. He will have been made fully aware that "to become a man of learning is an enterprise of a lifetime."
2. He will be the possessor of a stock of knowledge broad in scope and coherent; he will be thoroughly at home in the area of his primary interest.
3. He will possess a high degree of competence in his chosen vocation or profession.
4. He will have gained a cultural background and an appreciation of the finer things of life; he will possess broad understanding and moral purpose; he will have a functional knowledge of the physical and social environment in which he lives. He will not only know how; he will know why.
5. He will have developed habits of employing logic, reason, and objective appraisal as the intellectual stronghold against bias, prejudice, and passion. He will be capable of straight and independent thinking and of critical judgment.
6. He will have the power of self-control and self-mastery; and he will possess dignity, integrity, humility, and sympathy.
7. He will have gained some insight into the maintenance of physical health and vigor.
8. He will possess civic consciousness and have a will to assume fully the responsibilities of citizenship.

Obligations to Society. The citizens of a state have every right to expect their university to bring all of its resources in teaching, research and public service to bear on the state's problems. More specifically they may call on the university:

1. To lead in the conquest of ignorance; to maintain our cultural heritage; and to extend the boundaries of human knowledge.
2. To provide new ideas, leadership, and technical skills in all areas of human endeavor--economic, social, cultural, and moral.
3. To plot in the best interests of mankind the future of government, agriculture, business, industry, and the various professions.
4. To further the cause of justice, individual freedom, and democracy.
5. By criticism to refine and define our values.
6. To instill a sense of duty and loyalty to the fundamentals of organized society.

7. To promote active and intelligent citizenship at all levels.
8. To leave nothing undone to insure that the benefits of higher education will be bestowed, not in terms of economic privilege, but in terms of the gains (individual and social) to be derived therefrom.

Obligations to Scholarship. In the discharge of its responsibilities to students and society, a university cannot disregard its obligation to the higher learning and to scholarship. There are minimum standards which must prevail, irrespective of pressures that may be exerted to lower them. A university is first and primarily concerned with the intellect. It deals in "higher" learning in the fullest sense of that term. Regardless of the size of its student body, the number and grandeur of its buildings, or the variety of its activities, an institution of higher learning is a genuine university only when it encourages high intellectual endeavor and a continuous and relentless search for truth; only when it maintains an atmosphere in which freedom of teaching and learning can flourish; and only when it is dedicated to the highest social and moral purpose.

A University is a place; it is a spirit. It is men of learning; it is a collection of books; it is laboratories where work in science goes forward; it is the source of the teaching of the beauties of literature and the arts; it is the center where ambitious youth gathers to learn; it protects the traditions, honors the new and tests its value; it believes in truth, protests against error and leads men by reason rather than by force.  
(McVey)

Statie Erikson  
O. T. Koppius  
J. W. Martin  
W. L. Matthews  
Ernest Nesius  
Elvis J. Stahr  
Amry Vandenbosch  
William S. Ward  
Leo M. Chamberlain, Chairman.

After a general discussion and upon motion duly made, seconded and carried, the report was adopted, and authorized printed in a brochure and given wide distribution. The President was requested to write the Committee through the Chairman and thank him on behalf of the Board of Trustees for an excellent statement on the functions and objectives of the University.

#### U. Location of City-County Health Building.

President Dickey read a letter that he had received from the Chairman and Secretary of the City of Lexington-Fayette County Board of Health requesting that consideration be given to a new health building to be located on the University



of Kentucky campus. President Dickey reported that he and other administrative officers of the University, and Mr. J. Stephen Watkins, member of the Board, had conferred with three or four campus planning firms with the view of contracting with one firm to make a study of the University's campus program. He stated that the expansion of the University made it desirable to take a new look at the land usage at the University and plan building sites for future expansion. He advised that, in his opinion, the University would be unable to make any move towards locating sites for buildings badly needed for University expansion until a campus plan in relation to existing facilities and future needs of the University had been studied and reported. It was stated that some desirable good might come from the fact that the City of Lexington-Fayette County Board of Health building might be near the University of Kentucky Medical Center, but further consideration would have to wait until we have received the report on the possible uses of our land resources.

Members of the Board discussed the request, and upon motion duly made, seconded and carried, the request was received for further study.

#### V. Appropriation for Scholarships for Summer Session.

President Dickey reported that the Board of Trustees during the year 1956 appropriated the sum of \$5,000 for scholarships in the fields of chemistry, English, mathematics and physics. He stated that the reports of the program for the past summer indicated that it should be continued in 1957. He stated that the work would be very helpful to teachers in the fields mentioned above who had not received adequate preparation in their major subjects. He recommended appropriation of \$5,000 from the Haggin Fund for summer session 1957, the funds to be used to make available \$100 scholarships for teachers who might attend the workshop.

Upon motion duly made, seconded and carried, \$5,000.00 was appropriated from the Haggin Fund to be used for summer school scholarships as recommended by the President.

#### W. Secondary School Principals' Conference--Appropriation.

President Dickey stated that last summer Doctor Donovan recommended to the Board of Trustees an allocation of \$1,500 for the first in a proposed series of conferences of secondary school principals. This conference, which was held last summer, was a very successful venture. He stated that he considered such conferences helpful to the University in establishing good relations with the secondary schools of Kentucky and at the same time rendering some aid to the secondary school principals. He recommended that the sum of \$1,500 be appropriated for a conference to be held in the spring of 1957.

Upon motion duly made, seconded and carried, the recommendation of the President was concurred in, and the sum of \$1,500 was appropriated from the Haggin Fund.



#### X. Additions to Graduate Faculty.

President Dickey reported recommendation of Dr. Herman E. Spivey, Dean of the Graduate School, that Professors Thomas R. Ford, Associate Professor of Sociology; Drayton T. Kinard, Head of the Department of Agricultural Engineering, and Abby Lindsey Marlatt, Director, School of Home Economics, be appointed to the Graduate Faculty. President Dickey requested that the Board concur in the recommendation, and upon motion duly made, seconded and carried, Dr. Thomas R. Ford, Dr. Drayton T. Kinard and Dr. Abby Lindsey Marlatt were appointed members of the Graduate Faculty of the University of Kentucky.

#### Y. Resolution on Death of Earl G. Welch.

President Dickey stated that he was sorry to report the death of Earl G. Welch, Extension Specialist of the Agricultural Engineering Department, who died November 4, 1956. He thought it was very appropriate that a Resolution be passed and submitted the following Resolution which he requested adopted:

On November 4, 1956, death came to Earl G. Welch, Extension Specialist of the Agricultural Engineering Department of the University of Kentucky.

He was born in 1892 in Hamilton County, Iowa. He secured his B. S. degree in Agricultural Engineering from the Iowa State College in 1914. That year he married Harriet A. McCrory and then went to the University of Georgia, Athens, Georgia, where he served as a Junior Professor. He was appointed as an Extension Agricultural Engineer at the University of Kentucky March 1, 1920, where he served faithfully for approximately thirty-six years.

He was a member of the Porter Memorial Baptist Church, the Alpha Kappa Chapter of the Epsilon Sigma Phi National Honorary Extension Fraternity, and the American Society of Agricultural Engineers.

In June, 1956, he received a citation from the Secretary of Agriculture, Ezra Taft Benson, for outstanding and superior service in the field of Agriculture.

Now, whereas Almighty God has seen fit to call Earl G. Welch from his place among his fellow workers, his community, his Church, and from the State of Kentucky, all of which he served so faithfully and so well, therefore be it resolved:

That in the passing of Earl G. Welch we have sustained heavy loss, that his absence from his accustomed place and duties leaves all his associates with a realization of bereavement.

That in Earl Welch all persons who came in contact with him found a sincere friend of even temperament and constant mind ever ready to do his part and much in addition.

That he was a well qualified, effective and diligent worker in his profession as an engineer and also in his moral obligations as a good citizen and helpful friend to all who knew him.

That the State of Kentucky has received benefits from his work that will outlast all persons now living.

And further be it resolved that these resolutions be spread upon the Minutes of the Board of Trustees of the University of Kentucky and that a copy be sent to the members of his family who survive.

Upon motion duly made, seconded and carried, the Resolution was approved and authorized spread upon the minutes. A copy was ordered sent to the family.

#### Z. Resolution on Death of Carl W. Jones.

President Dickey stated that Carl W. Jones, who had been with the University for many years, died August 1, 1956. He submitted the following Resolution with the request that it be adopted and a copy sent to the family.

Carl W. Jones was born February 4, 1895, at Polk, Nebraska. He died on August 1, 1956, after being stricken by a heart attack several days earlier.

He was reared on a farm and attended the University of Nebraska at Lincoln, Nebraska, where he received his Bachelor of Science degree in Agriculture.

He served two years in the United States Army during World War I, and had foreign service in Germany.

In February 1928 Carl Jones came to Kentucky as a County Agent, and later became Field Agent in the 4-H Club Department. Upon the introduction of the Utopia Branch he was placed in charge and continued in this position until his death.

His contribution was his never-ending ability to make friends for the University wherever he went, and he was at his best in conducting foreign students who came to Kentucky to study 4-H Club Work. Probably no Kentuckian has done more than Carl Jones in creating good will and friendly relationships with our foreign student visitors.

His family devotion and deep religious nature marked him as a model husband and community leader. We pause in our busy life to pay tribute so richly deserved by this kindly spirit who contributed so much to our happiness and appreciation of our fellow man. He was affectionately known by the young people as "Pop Jones." The Utopia Members came to Lexington in February 1954 to share in a Testimonial Dinner in his honor, at which time he was presented a gold watch.

Be it therefore resolved that these resolutions be adopted by the Board of Trustees as an expression of regard for Carl W. Jones; and be it further resolved that they be spread upon the minutes and a copy of them sent to his wife.

Upon motion duly made, seconded and carried, the Resolution was adopted and a copy authorized sent to Mrs. Jones.

A-1. Condemnation Proceedings Authorized for Land Site for Northern Extension Center.

President Dickey reported that the University in, 1948, established the University of Kentucky Northern Extension Center. The Center had been housed in facilities leased from the Covington City Board of Education. He said that the enrollment had increased from year to year and currently there were enrolled more than 800 students. The Covington City Board of Education has found it difficult to continue leasing facilities to the University for the educational program. It, therefore, becomes necessary for the University to make other arrangements. The University officials have surveyed the situation in Covington and Kenton County and believe that its educational program can best be served by acquiring certain land in Covington known as Devou Park. President Dickey recommended that the State Property and Building Commission be requested for authorization to acquire the land, that the Attorney General of the State of Kentucky be asked to serve as counsel and, if desirable, local counsel be employed.

Members of the Board discussed the desirability of continuing the Northern Kentucky Extension Center, acquiring land area suited for educational purposes, and upon motion duly made, seconded and carried, the following resolution was passed:

Whereas the University of Kentucky has established at Covington, Kentucky, and is now operating a Northern Center for instruction in certain types of college work, and

Whereas a proper home for that Center is essential and necessary to the long range effectiveness, and

Whereas the Board of Trustees has determined that a part of the property known as Devou Park is suitable for such purpose and may be acquired by condemnation,

Now, therefore, it is hereby resolved by the Board of Trustees of the University of Kentucky and found as a fact that said property situated on the Dixie Highway in Covington, Ky., just west of the Big Bend and lying north of the Highway, approximating 40 acres, is essential and necessary to the long range service of this Commonwealth, and that the condemnation of this property be and the same is hereby ordered and directed.

B-1. Report on Grant of National Advisory Council on Health Research Facilities.

President Dickey reported that the last Congress appropriated a sum of money to be used to aid research facilities in medical schools. The money was made available to the National Advisory Council on Health Research Facilities. The University of Kentucky made application for a grant of approximately \$1,400,000 to assist in the construction of the University of Kentucky medical sciences building. President Dickey reported that he had been advised by the National Advisory Council, Senator John Sherman Cooper and Congressman John C. Watts that the grant had been approved in the amount of \$1,208,992.00.

Members of the Board expressed delight and commended the administration for its quick action, and upon motion duly made, seconded and carried, authorized the grant received, and gave full authority to President Dickey and his associates to take any additional steps necessary to receive the funds granted.

C-1. Election--Alumni Member of Board of Trustees.

President Dickey read the following letter from the Secretary of the Board of Trustees reporting on the election among the alumni of the University of Kentucky to fill the vacancy on the board January 1, 1957.

December 10, 1956

Dr. Frank G. Dickey, President  
University of Kentucky  
Administration Building

Dear President Dickey:

Pursuant to rules and regulations of the Board of Trustees, an election has been held among the alumni of the University of Kentucky for suggested alumni member of the Board of Trustees. The votes have been received in the Secretary's office, opened, and tabulated under his supervision and the results are as follows: Ralph Angelucci, 2,216; Robert H. Hillenmeyer, 2,205; Howell J. Davis, 1,772; Grant F. Knuckles, 1,222; Virgil O. Watson, 1,215; and Leon S. McCrosky, 939.

Write-ins were as follows:

John Crawford	1
M.C. Kedwine	1
L. Dummit	1
Homer Baker	1
E. Hubbard	1
W. Duty	1
W. E. Milward	1

A. B. Chandler	1
H. D. Palmore	1
Jacob C. Darnell	1
R. Wallace Pember	1
Scott Davenport	1
George Stewart	1
W. King Shinnick	1
D. V. Terrell	1
John B. Breckenridge	1
H. H. Wilson	1
John L. Davis	1
Ruby Drimond	1
A. J. Rankin	1
Virgil Christian	1
William Gant	2
Pat Tanner	1
Howard Stevenson	1
Lee Miles	1
Catherine C. Adams	1
Herman H. Morgan	1
Helen G. King	2
Paul G. Sears	1
Walter Hillenmeyer	2
George Hailey	1
Lydia Fisher	1
Edwin G. Holliday	1
Col. Eugene Cropper	1
Edward M. Denny	1
Robert S. Hart	1
Joe Smith	1
Porter Gilbert	1
William H. Townsend	1
J. Winston Coleman, Jr.	1
J. C. Eaves	1
W. W. Owsley	1
T. E. Parks, Jr.	1
Thomas Garrett	1
Ralph Hayes	1
O. L. McElroy	2
Carl Camenisch	1
Howard Bowles	1
Smith Broadbent, Jr.	1
Bart N. Peak	1
Margaret Ingles	1
H. Clyde Reeves	1
William A. Stoll	1
James R. Taylor	1
Irvin J. Kupper	1
Gerald Thomas O' Danial	1
Hal Johnson, Jr.	1
Fred C. Miller	1
Paul Holleman	1
William R. Gentry, Jr.	1
Paul R. Jordan	1

Simpson J. Lawson	1
R. R. Dawson	1
Mrs. Leer Buckley	1
Robert D. Shipman	1
George W. Boston	1
James M. Carigan	1
John G. Webb	1
W. M. Adams	1
Bert Combs	3
Hobart Skidmore	1
Job D. Turner, Jr.	1
Gilbert Kingsbury	2
John Y. Brown	1
Harry Carloss	1
D. Champ Ligon	1
Elizabeth Ragland	1
Anna Louise Connor	1
D. H. Robinson	1
Steve Watkins	1
Mrs. Hammond Dugan	1
John Ed Pearce	1
Shelby C. Kinkead	1
Don C. Sullivan	1
Ophelia Carr	1
Marshall Barnes	1
Arch Bennett	1
Ray V. Scott	1
Ben M. Combs	1

Please submit the results of the election to the Board of Trustees with the request that the Secretary be authorized to certify the names of the three receiving the largest number of votes from which list the Governor may appoint one to fill the term of Ralph Angelucci which expires December 31, 1956.

Very truly yours,

(Signed) Frank D. Peterson,  
Secretary  
Board of Trustees

President Dickey suggested that the Board of Trustees authorize the Secretary to certify the names of the three alumni receiving the largest number of votes to Governor A. B. Chandler, from which list the Governor may appoint one to fill the term of Dr. Ralph J. Angelucci which expires December 31, 1956.

Upon motion duly made, seconded and carried, the Secretary was authorized to certify the names of Dr. Ralph J. Angelucci, 2,216 votes; Robert H. Hillenmeyer, 2,205 votes; Howell J. Davis, 1,772 votes.

#### D-1. Appointments and Other Staff Changes.

President Dickey 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

James Minor Bicknell, part-time Engineer, Radio Arts Department, effective November 1, 1956, for a period of five months.

Mrs. Frances Neale, Secretary, Military Department, effective October 30, 1956.

James R. Bryan, Storekeeper, Department of Chemistry, effective November 5, 1956, for a period of eight months.

Joseph Prewitt Welman, Instrument Maker, Department of Physics, effective November 1, 1956, for a period of eight months.

Mrs. Tilly Yvonne Koek, Part-time Clerk-Stenographer, Department of Sociology, effective November 10, 1956, for a period of eight months.

#### Resignations

Monroe F. Shepherd, Jr., Storekeeper, Department of Chemistry, effective November 5, 1956.

Clinton Adams, Professor and Head of Department of Art, effective January 31, 1957.

#### Salary Adjustment

Roger B. Potts, Draftsman, Kentucky Geological Survey, salary adjustment, effective November 1, 1956.

#### Leave of Absence

James W. Gladden, Associate Professor, Sociology Department, sabbatic leave for five months, effective February 1, 1957.

#### Changes in Status

Clifford Amyx, Associate Professor of Art, to Associate Professor of Art and Acting Head, Department of Art.

George Faust, Associate Professor of English and Director of Freshman English, relieved of the responsibilities as Director of Freshman English at his request, effective November 1, 1956.

Maurice A. Hatch, Assistant Professor of English, to Assistant Professor of English and Director of Freshman English, effective November 1, 1956.

## COLLEGE OF AGRICULTURE AND HOME ECONOMICS

### Appointments

Mary Margaret Turner, Stenographer, Experiment Station, effective November 1, 1956.

Bettye M. Reed, Clerk-Stenographer, Extension, effective November 1, 1956.

Lela M. Mitchell, Clerk-Stenographer, Animal Husbandry, effective November 1, 1956.

Barbara Barnett Carter, Clerk-Stenographer, Extension, effective October 8, 1956.

Mrs. Louise Barr Bryant, Technician in Dairying, effective October 30, 1956.

John W. Stroud, Assistant Professor of Animal Nutrition and Assistant Animal Nutritionist, Department of Animal Husbandry, effective January 1, 1957.

Mrs. Dorothy Bradford Gaston, Laboratory Aid in Animal Pathology, Experiment Station, effective November 1, 1956.

Earl T. True, Route man on milk truck, effective November 1, 1956.

Everett Coy Simpson, Assistant in Genetics, Animal Husbandry Department, effective December 1, 1956.

Jerome E. Lawson, Assistant County Agricultural Agent in Training, Johnson County, effective December 1, 1956.

Mrs. Toy Crafton Smith, Assistant County Home Demonstration Extension Agent in Training, Warren County, effective December 1, 1956.

Helen R. Marshall, Associate Home Economist in Child Development, School of Home Economics, effective December 1, 1956.

Jasper E. Cole, Assistant County Agricultural Extension Agent in Training, Scott County, effective February 1, 1957.

Ted Howard, Instructor in Dairying and Assistant in Dairying, effective January 2, 1957.



Dana H. Saylor, Assistant in Animal Husbandry, effective February 1, 1957.

Charles Robert Harrod, Aid in Agronomy, effective December 1, 1956.

Phyllis Ann Dean, Secretary, Extension, effective October 1, 1956.

Mrs. Susan Stephens Waters, Clerk-Stenographer, Experiment Station, effective December 1, 1956.

Mrs. Mary Ruth Reynolds, Secretary, Department of Entomology and Botany, effective December 3, 1956.

### Resignations

Shirley Jean Rechenbach, Clerk-Stenographer, Extension and Experiment Station, effective October 22, 1956.

Mrs. Roxie C. Perkins, County Home Demonstration Extension Agent, Harlan County, effective November 30, 1956.

Mrs. Eloise C. Layman, Associate County Home Demonstration Extension Agent, Warren County, effective October 31, 1956.

Robert Clarence Griggs, Route man on milk truck, effective October 24, 1956.

Benn Hornbeck, Forester, Experiment Station, effective November 30, 1956.

Dora Athalene Ashbrook, Clerk-Typist, Experiment Station, effective October 20, 1956.

R. E. Burchett, Farm Laborer, West Kentucky Substation, effective November 26, 1956.

Robert Holden, Research Assistant, Experiment Station, effective November 1, 1956.

Ronald Botkin, Laboratory Assistant, Experiment Station, effective October 31, 1956.

### Leaves of Absence

Conrad Feltner, Extension Specialist in 4-H and Utopia, Extension Division, sabbatic leave for nine months, effective October 1, 1956.

James S. Brown, Associate Rural Sociologist and Associate Professor of Rural Sociology, continuation of leave, effective October 19, 1956 through January 31, 1957.

John C. Bach, Associate County Agricultural Extension Agent, Clay and nearby counties, leave, effective October 17, 1956 through January 25, 1957.

Ray H. Dutt, Associate Professor of Genetics and Associate Geneticist, Experiment Station, sabbatic leave for ten months, effective February 1, 1957.

#### Salary Adjustments

Stella Elizabeth Helton, Extension Specialist in Foods and Nutrition, Experiment Station, adjust in salary, effective October 1, 1956.

Elwood S. Combs, Assistant County Agricultural Extension Agent in Training, Whitley County, adjustment in salary, effective December 1, 1956.

#### Change in Status

Ira E. Massie, Extension Specialist in Tobacco, Extension and Experiment Station, change in salary for five months, effective October 1, 1956.

H. B. Price, Professor of Agricultural Economics, Agricultural Economist, and Administrative Assistant, Agricultural Experiment Station, to Acting Dean, College of Agriculture and Home Economics, October 22, 1956 to December 20, 1956.

P. E. Karraker, Agronomist and Professor of Soils, Experiment Station, to Agronomist and Professor on Special Assignment, effective December 1, 1956, with adjustment in salary.

#### Change in Title

Viola K. Hansen, Chairman of Home Demonstration, Agricultural Extension, to Chairman of Home Economics Extension Programs, Agricultural Extension, effective November 1, 1956.

Mrs. Claribel B. Buchanan, Assistant County Home Demonstration Extension Agent in Training, Clark County, to County Home Demonstration Extension Agent, Clark County, with adjustment in salary, effective November 1, 1956.

Mrs. Novella Tillery Wininger, Assistant County Home Demonstration Extension Agent in Training, Barren County, to County Home Demonstration Extension Agent, Barren County, with adjust in salary, effective November 1, 1956.

Garnett J. McKenney, Extension Specialist in 4-H and Utopia, Extension, to Field Agent in 4-H Extension Programs, Extension, effective November 8, 1956.

Ernest E. Fish, Extension Specialist in 4-H and Utopia, Extension, to Field Agent in 4-H Extension Programs, Extension, effective November 8, 1956.

Conrad Feltner, Extension Specialist in 4-H and Utopia, Extension, to Field Agent in 4-H Extension Programs, Extension, effective November 9, 1956.

Margaret Gulley, Extension Specialist in 4-H and Utopia, Extension, to Field Agent in 4-H Extension Programs, Extension, effective November 8, 1956.

Edith Lacy, Extension Specialist in 4-H and Utopia, Extension, to Field Agent in 4-H Extension Programs, Extension, effective November 8, 1956.

Sally Newell, Extension Specialist in 4-H and Utopia, Extension, to Field Agent in 4-H Extension Programs, Extension, effective November 8, 1956.

James Pheane Ross, Extension Specialist in 4-H and Utopia, Extension, to Extension Specialist in Recreation, Extension, effective November 8, 1956.

Matthew S. Garside, Extension Specialist in 4-H and Utopia, Extension, to Field Agent in 4-H Extension Programs, Extension, effective November 8, 1956.

#### Change in Location

Mrs. Nannie Belle Huffman, County Home Demonstration Extension Agent, Leslie County, to County Home Demonstration Extension Agent, Harlan County, effective December 1, 1956.

Dixie Della Trapp, Assistant County Home Demonstration Extension Agent in Training, Morgan County, to Assistant County Home Demonstration Extension Agent, Floyd County, with adjustment in salary, effective November 1, 1956.

Mrs. Josephine Mann Chestnut, Assistant County Home Demonstration Extension Agent, Green County, to Assistant County Home Demonstration Extension Agent, Taylor County, with adjustment in salary, effective November 1, 1956.

Mrs. Lucille E. Warren, County Home Demonstration Extension Agent, Clark County, to Temporary Extension Specialist in Foods, Experiment Station, Lexington, Ky., Fayette County, effective November 1, 1956.

Mrs. Marjorie B. Gabbard, Assistant County Home Demonstration Extension Agent in Training, Montgomery County, to County Home Demonstration Extension Agent, Boyd County, with adjustment in salary, effective November 1, 1956.

Betty Jean Lamb, Assistant County Home Demonstration Extension Agent in Training, Lincoln County, to Assistant County Home Demonstration Extension Agent, Garrard County, with adjustment in salary, effective December 1, 1956.

#### Deceased

Earl G. Welch, Extension Specialist in Agricultural Engineering, Agricultural Engineering Division, November 4, 1956.

#### Transfer

Lillian Beatrice Hutzler, Technician in Animal Pathology, to Assistant Parasitologist, with adjustment in salary, effective December 1, 1956.

Lucy Hogan, Administrative Assistant, President's Office, to Secretary, Agricultural Experiment Station, effective December 1, 1956. This transfer and change of title will not affect Miss Hogan's status as it pertains to change-of-work.

### COLLEGE OF ENGINEERING

#### Appointment

Alvin L. Wittwer, one-half time Assistant, Aero Research Laboratory, effective October 15, 1956.

#### Resignation

Morris Vaughn Johnson, Research Engineer, Aero Research Laboratory, effective October 31, 1956.

### COLLEGE OF EDUCATION

#### Appointment

Ann Gilbar Royse, Secretary, Bureau of School Service, effective October 22, 1956.

#### Resignations

Minnie Lou Kleiser, Secretary, Bureau of School Service, effective November 13, 1956.

Mrs. Jimmie McMakin, Secretary, Industrial Education, effective December 18, 1956.

#### Salary Adjustments

Morris B. Cierley, Associate Professor, adjustment in salary for a period of nine months because of added responsibilities, effective October 1, 1956.

Mrs. Stella S. Gilb, Critic Teacher, University School, adjustment in salary for a period of nine months because of added responsibility, effective October 1, 1956.

#### Leave of Absence

Harold Plank Adams, Associate Professor of Education and Assistant Director, Bureau of School Service, leave from November 19, 1956, through August 31, 1958.

#### Transfer

Annabel S. Walden, Secretary, transferring to the College of Education, Office of the Dean, from the College of Adult and Extension Education, effective November 1, 1956.

### COLLEGE OF ADULT AND EXTENSION EDUCATION

#### Appointments

Mary Cathryn Rich, Secretary, effective October 22, 1956.

John L. Fleming, Assistant in the Home Study Department, effective October 15, 1956.

Donald C. Rose, Part-time Instructor in Mathematics, employed for correspondence instruction from July 1, 1956 to October 26, 1956.

#### Resignations

Elizabeth Ann Bicknell, Secretary, effective November 12, 1956.

John L. Fleming, Assistant in the Home Study Department, effective October 31, 1956.

#### Salary Adjustment

Willard H. Dean, Secretary, adjustment in salary, due to increased responsibilities.

### Sabbatic Leave

Glenn E. Wills, Bursar-Recorder, Northern Center, sabbatic leave for ten months, effective September 1, 1956.

### Appointments (continued)

Robert Nevin Witte, Assistant in Chemistry, Northern Center, for five months, effective September 1, 1956.

Mrs. Naomi C. Wilhoit, Instructor in Education, Northern Center, for five months, effective September 1, 1956.

Rosamond Dell Haskell, Part-time Secretary, Northern Center, for seven months, effective November 1, 1956.

Helen M. Reed, Assistant Professor of Education, employed as Extension Instructor from May 28, 1956 to October 27, 1956.

## MEDICAL SCHOOL

### Appointments

Myrna Arlene Walters, Secretary, on a temporary basis, effective November 1, 1956.

Richard Wittrup, Administrator of the University Hospital and Assistant Professor of Hospital Administration, for a three-year term, effective January 1, 1957.

## OFFICE OF THE PRESIDENT

### Appointment

Miss Hart Hagin II, Secretary, Office of Information, effective November 29, 1956.

### Resignation

Frances B. Wilson, Secretary, Office of Information, effective November 1, 1956.

### Salary Adjustment

Mary Lena Murphy, Stenographer, Placement Service, adjustment in salary, effective November 1, 1956.

## OFFICE OF PUBLIC RELATIONS

Change of Title

Boyd R. Keenan, News Editor, to Director of News Bureau, effective December 1, 1956.

John S. Newland, Associate News Editor, to News Editor, effective December 1, 1956.

Kenneth L. Kuhn, Sports Publicity Editor, to Director of Sports Publicity, effective December 1, 1956.

Barbara Hickey, Local News Writer, to Student News Editor, effective December 1, 1956.

## OFFICE OF THE VICE PRESIDENT

## UNIVERSITY LIBRARY

Appointments

Hunter M. Adams, Assistant Acquisitions, effective November 1, 1956.

Kathleen S. Webster, Senior Catalog Library Clerk, effective October 10, 1956.

Roberta Fay McCarthy, Senior Catalog Library Clerk.

Leave of Absence

Mrs. Carolyn R. Hammer, Acquisition Librarian, remainder of sabbatic leave (original request was for six months in 1954 but only three months was taken) for three months effective April 1, 1956. This leave does not constitute a commitment on the part of the University to allow, at a subsequent date, any part of a leave of absence not taken at the time it was due.

## IBM OFFICE

Resignation

Billie Jean Smith, Key Punch Operator, effective November 24, 1956.

## UNIVERSITY PRESS

Appointment

Mrs. Virginia Hearn Varney, Secretary, effective November 2, 1956.

Resignation

Dorothy Davis Clay, Secretary, effective November 2, 1956.

## INDONESIAN CONTRACT

Appointments

Frank Edward Ince, Electrical Engineer-Power & Machinery, effective September 14, 1956.

William W. Wichman, Architectural Engineer, effective October 24, 1956.

Roy Stanley Swinton, Engineering Mechanics, effective September 28, 1956.

Deceased

Roy Stanley Swinton, Engineering Mechanics, October 20, 1956.

## OFFICE OF THE DEAN OF WOMEN

Appointment

Edna R. Edwards, Secretary, effective October 8, 1956.

Salary Adjustment

Doris W. Anderson, Secretary of Housing, adjustment in salary, effective November 1, 1956.

## OFFICE OF THE VICE PRESIDENT (BUSINESS ADMINISTRATION)

Resignation

Alice V. Weedon, Secretary, effective November 12, 1956.

## FOOD STORAGE CENTER

Resignation

Mary F. Hazlett, Inventory Clerk, effective September 30, 1956.

Appointment

Jimmie Dale Bruce, Meat Room, effective October 15, 1956.



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

E-1. Gifts.

From: International Nickel Company--  
\$933.00.

President Dickey reported receipt by the College of Engineering of check for \$933.00 from the International Nickel Company. He recommended that the check be accepted and earmarked as The International Nickel Company Scholarship Fund.

Upon motion duly made, seconded and carried, the gift of the International Nickel Company was ordered accepted, and the President was requested to thank officials of the Company.

From: Bloomer Brothers Manufacturing  
Company--\$25.00.

President Dickey presented check for \$25.00 from Bloomer Brothers Manufacturing Company, Cincinnati, Ohio, and stated that the money is to be used towards a scholarship in Dairy Manufacturing. He recommended that the gift be accepted.

Upon motion duly made, seconded and carried, the Board concurred in the recommendation of the President and requested him to thank the donors.

From: Armco Foundation of Middle-  
town, Ohio--\$1,000.00.

President Dickey announced that he held a check for \$1,000.00 made to the Kentucky Research Foundation from the Armco Foundation of Middletown, Ohio, and explained that the check is in payment for two scholarships awarded in the field of Metallurgy for the year 1956-57. He recommended that the check be accepted.

Upon motion duly made, seconded and carried, the Board authorized acceptance of the gift and requested the President to thank the Armco Foundation for its interest in the University's educational program.

From: General Electric Company--two checks, \$350.00 and \$325.00, respectively.

President Dickey reported that the General Electric Company had given to the University two checks, for \$350.00 and \$325.00, respectively, and stated that the check in the amount of \$325.00 had been used toward the General Electric Scholarship. He recommended that both checks be accepted, and that the second check be used in the interest of the Department of Electrical Engineering.

Upon motion duly made, seconded and carried, the Board concurred in the recommendation of the President and requested him to write a letter of appreciation to the General Electric Company.

From: Cincinnati Chapter of the Institute of Scrap Iron and Steel, Cincinnati, Ohio--\$250.00.

President Dickey stated that the University was in receipt of a check for \$250.00 from the Cincinnati Chapter of the Institute of Scrap Iron and Steel, Cincinnati, Ohio, to be used in support of a scholarship which the Institute has been supporting for the past several years. He recommended that it be accepted.

Upon motion duly made, seconded and carried, the gift of the Cincinnati Chapter of the Institute of Scrap Iron and Steel was ordered accepted and the President was requested to thank the donors.

From: Carrier Foundation, Inc., of Syracuse, New York--\$1,500.00.

President Dickey reported that the Carrier Foundation, Inc., of Syracuse, New York, had presented to the Kentucky Research Foundation \$1,500.00 to be used in payment of two scholarships awarded in the name of J. Irvine Lyle, a graduate of the University of Kentucky and organizer of the Carrier Corporation. He recommended that the gift be accepted.

Upon motion duly made, seconded and carried, the gift of \$1,500.00 by the Carrier Foundation, Inc., was ordered accepted, and the President was requested to thank an officer of the Foundation.

From: Swift and Company--\$300.00.

President Dickey stated that Swift and Company had presented to the University \$300.00 which they wished used for improvement of the quality of cream and milk in Kentucky. He explained that this fund would be of great help in promoting a Four-Day Grading Plan, and recommended that it be accepted.

Upon motion duly made, seconded and carried, the gift of \$300.00 by Swift and Company was authorized accepted, and the President was requested to thank the donors.

From: Livestock Research Foundation  
-- \$350.00.

President Dickey reported that the Livestock Research Foundation wished to give to the University \$350.00 to be used in establishing a fund to provide adequate new stables for the light horse course currently being conducted by the University, with the further stipulation that if the new barn is not built within the next two or three years, the fund will be used for some other purpose of the Animal Husbandry Department. He recommended that the gift be accepted and used in accordance with the wishes of the Foundation.

Upon motion duly made, seconded and carried, the gift of \$350.00 from the Livestock Research Foundation was authorized accepted, and the President was requested to express to the donors the appreciation of the Board of Trustees and the University.

From: Lexington Business and Professional Women's Club--\$100.00.

President Dickey reported that the Lexington Business and Professional Women's Club had presented to the Kentucky Medical Foundation \$100.00 to be used for the benefit of the new School of Medicine. He recommended that it be accepted.

Upon motion duly made, seconded and carried, the gift of the Lexington Business and Professional Women's Club was authorized accepted, and the President was requested to thank officials of the Club for the generous donation.

From: Kentucky Broadcasters Association--\$150.00.

President Dickey presented check in the amount of \$150.00, made payable to the Kentucky Research Foundation by the Kentucky Broadcasters Association, to cover renewal of the Charles C. Warren Memorial Scholarship for the 1956-57 school year. He recommended that it be accepted and placed to the Association's account.

Upon motion duly made, seconded and carried, the gift of the Kentucky Broadcasters Association was ordered accepted, and the President was requested to thank the Association on behalf of the Board of Trustees and the University.

From: Purcell Company, Inc. --\$750.00.

President Dickey reported that the Kentucky Research Foundation was in receipt of \$750.00 from the Purcell Company, Inc., to be used to cover the Purcell scholarships for the 1956-57 school year. He recommended acceptance of the gift.

Upon motion duly made, seconded and carried, the gift of the Purcell Company, Inc., was ordered accepted and the President was requested to thank the donors.

From: Henry Fischer Packing Company  
--\$500.00.

President Dickey stated that the Henry Fischer Packing Company, through its president, Mr. Carl Fischer, had presented five \$100.00 scholarships to the five members of the Experiment Station's meats judging team. He explained that this gift will mean much to the recipients of these scholarships and also to the University and its program, and recommended that it be accepted.

Upon motion duly made, seconded and carried, the gift of \$500.00 from the Henry Fischer Packing Company was ordered accepted and the President was requested to write a letter of appreciation to Mr. Fischer.

From: American Cyanamid Company,  
Agricultural Chemical Division  
-- \$2,000.00.

President Dickey presented check for \$2,000.00 from the American Cyanamid Company, Agricultural Chemical Division, to be used for cooperative plant bed work for an additional year. He stated that these funds have been most helpful in forwarding the project and recommended acceptance of the check.

Upon motion duly made, seconded and carried, the Board concurred in the recommendation of the President and requested him to write a letter to the donors.

From: WHAS Crusade for Children--  
\$3,608.00.

President Dickey stated that the WHAS Crusade for Children had offered \$3,608.00 to the Audiology Clinic in the Department of Psychology for the purchase of a needed piece of apparatus and the employment of a graduate assistant. He recommended that the gift be accepted.

Upon motion duly made, seconded and carried, the Board authorized acceptance of the gift of WHAS and requested the President to thank officials of the radio station.

From: General Electric Company,  
New York, \$85.00.

President Dickey reported receipt of check for \$85.00 from the General Electric Educational and Charitable Fund, to match the sum of individual gifts made by alumni during the third quarter of 1956 under the terms of the Corporate Alumnus Program. He recommended that this be accepted.

Upon motion duly made, seconded and carried, the Board concurred in the recommendation of the President and requested him to thank the donors.

From: Upjohn Company--\$1,200.00.

President Dickey presented check for \$1,200.00 from Upjohn Company for a grant-in-aid to determine the effectiveness of Parvex Suspension against internal parasites of horses as determined by critical tests and field trials. He stated that these funds will be most helpful in this work and recommended acceptance of the check.

Upon motion duly made, seconded and carried, the Board concurred in the recommendation of the President and requested him to write a letter of appreciation to the Upjohn Company.

From: American Dairy Association  
of Kentucky, Louisville, Ky. --  
\$400.00.

President Dickey stated that Mr. Robert Wilson, Manager of the American Dairy Association of Kentucky, Louisville, Ky., had transmitted to the University two checks in the amount of \$200.00 each for the purpose of awarding undergraduate scholarships in the fields of dairy manufacturing and dairy production. He recommended that these be accepted.

Upon motion duly made, seconded and carried, the gift of \$400.00 by the American Dairy Association of Kentucky was ordered accepted and the President was requested to thank the Association.

From: Cudahy Packing Company, Harrods-  
burg, Ky. -- \$200.00.

President Dickey presented check for \$200.00 from Cudahy Packing Company, to be used towards a scholarship in Dairy Manufacturing, and recommended that it be accepted.

Upon motion duly made, seconded and carried, the gift of the Cudahy Packing Company was ordered accepted, and the President was requested to thank the Company.

From: Mr. L. R. Cooke, L. R. Cooke  
Company, Lexington, Ky. --one  
1957 V-8 Chevrolet Engine.

President Dickey reported that Mr. L. R. Cooke, of the L. R. Cooke Company, Lexington, had offered to the Department of Mechanical Engineering a 1957 V-8 Chevrolet Engine, to be used in the Aeronautical Research Laboratory, replacing an old model engine now being used. He recommended that this gift be accepted.

Upon motion duly made, seconded and carried, the Board concurred in the recommendation of the President and requested him to write a letter of appreciation to Mr. Cooke.

#### F-1. Holmes Hall Bond Issue Authorized.

President Dickey stated that although a resolution was adopted on September 4, 1956, authorizing Revenue Bonds for financing in part the construction of an additional dormitory to be known as Holmes Hall, it was necessary to make certain changes in such resolution and the simplest procedure would be to rescind and repeal entirely such resolution adopted on September 4, 1956, and adopt a new resolution incorporating all of such changes.

Whereupon, J. Stephen Watkins introduced and caused to be read in full a proposed Resolution entitled "A RESOLUTION RESCINDING AND REPEALING ENTIRELY 'A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY, AUTHORIZING AND PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF "DORMITORY REVENUE BONDS OF 1956, HOLMES HALL, " OF THE UNIVERSITY OF KENTUCKY TO PAY THE COSTS (NOT OTHERWISE PROVIDED) OF CONSTRUCTING AN ADDITIONAL DORMITORY UPON THE CAMPUS OF THE UNIVERSITY, '"

WHEREAS, the Board of Trustees, on September 4, 1956, adopted a resolution the title of which is included in the heading of this Resolution, and

WHEREAS, it is deemed desirable and for the best interests of the University that such resolution be rescinded and repealed entirely and completely and that a new Resolution be adopted with reference to the matters referred to in said resolution adopted on September 4, 1956,

NOW, THEREFORE, the Board of Trustees of the University of Kentucky hereby resolves that the said resolution adopted on September 4, 1956, entitled "A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY, AUTHORIZING AND PROVIDING FOR THE ISSUANCE, SALE

AND DELIVERY OF 'DORMITORY REVENUE BONDS OF 1956, HOLMES HALL,' OF THE UNIVERSITY OF KENTUCKY TO PAY THE COSTS (NOT OTHERWISE PROVIDED) OF CONSTRUCTING AN ADDITIONAL DORMITORY UPON THE CAMPUS OF THE UNIVERSITY," be and is hereby rescinded and repealed in its entirety and shall have no further force or effect.

Adopted by the Board of Trustees of the University of Kentucky at a meeting held on December 11, 1956.

\_\_\_\_\_  
Vice Chairman, Board of Trustees of  
the University of Kentucky.

(SEAL)

ATTEST:

\_\_\_\_\_  
Secretary.

and moved that all rules be suspended and that said proposed Resolution be adopted, which Resolution was duly seconded by Member Harper Gatton, and said motion having been duly considered, the Vice Chairman of the Board of Trustees put the question, and upon the roll being called the following voted:

Aye: R. P. Hobson, J. Stephen Watkins, Dr. Ralph Angelucci, Louis Cox, Dr. Daniel C. Elkin, Harper Gatton, Dr. Harry Denham, Robert C. Stilz, Ben Butler and Carl Dempewolfe.

Nay: None.

Whereupon, the Vice Chairman of the Board of Trustees declared the said motion duly carried, and said Resolution duly adopted.

Whereupon, J. Stephen Watkins introduced and caused to be read in full a proposed Resolution entitled "A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY, AUTHORIZING AND PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF 'DORMITORY REVENUE BONDS OF 1956, HOLMES HALL,' OF THE UNIVERSITY OF KENTUCKY TO PAY THE COSTS (NOT OTHERWISE PROVIDED) OF CONSTRUCTING AN ADDITIONAL DORMITORY UPON THE CAMPUS OF THE UNIVERSITY, TO BE KNOWN AS HOLMES HALL."

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 it is necessary that there be constructed an additional dormitory upon a site which is hereinafter described and which is a part of the campus of the University, and

WHEREAS, preliminary plans and specifications for such construction have been prepared and submitted to the Board of Trustees, and

WHEREAS, under the provisions of Section 162.340 et seq. 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 all or a part of the cost of said additional dormitory and appurtenances, and

WHEREAS, it is necessary that the Board of Trustees provide at this time for the borrowing of not to exceed \$1,131,000 to provide for the estimated total costs thereof,

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

Section 1. It is hereby determined and declared that the proper accommodation of the students of the University of Kentucky for educational purposes requires that an additional dormitory be constructed upon the campus of the University at Lexington, Kentucky, the same to house approximately 298 female students and other necessary appurtenant facilities (collectively referred to herein as the "Project"). The plans and specifications of said Project as prepared and submitted to this Board are hereby in all respects approved.

Section 2. In order to provide for the payment of the costs of the Project 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, Dormitory Revenue Bonds of 1956, Holmes Hall, in the aggregate principal amount of \$1,131,000, dated June 1, 1956, of the denomination of \$1,000 each, to be numbered consecutively from 1 to 1131, both numbers inclusive, bearing interest to be evidenced by coupons attached to each Bond at a rate or rates which, when averaged to maturity on the Bonds covered by the bid, shall not result in an average interest rate on such Bonds in excess of Two and Three-quarters per cent ( $2\frac{3}{4}\%$ ) per annum (the exact rate or rates to be determined at the time of the receipt and consideration of bids for the purchasing of said Bonds, as hereinafter provided), payable on the first day of December, 1956, and semi-annually thereafter on the first days of June and December in each year until maturity, and provided that in the event any installment of principal of such Bonds or any interest coupon or coupons thereon shall be overdue or in default because of the failure of the Board to have in the hands of the Paying Agents on the due date of such principal and/or interest coupon or coupons sufficient moneys to pay same, such overdue installments of principal and interest coupons in default shall from their due date bear interest of five (5%) per cent per annum, payable semi-annually. Said Bonds shall in all respects conform to and be issued in accordance with the provisions of the Trust Indenture referred to in Section 4 hereof. The Chairman and Secretary of the Board of Trustees are hereby authorized and directed to execute said Bonds, and the Secretary is hereby authorized and directed to affix to each of said Bonds the corporate seal of the Board of Trustees. The interest coupons shall bear the facsimile signatures of said officers. After said Bonds have been sold by the Board of Trustees or by its Executive Committee, which is hereby authorized to act in that connection, at an advertised public competitive sale, and as soon as said Bonds have been received from the printer and executed by the Chairman and Secretary of the Board of Trustees, the same shall be delivered for authentication to the Trustee named in said Trust Indenture, accompanied by appropriate certifications as provided in said Trust Indenture, including a certification of the identity of the purchaser or purchasers of said Bonds and the terms upon which the same may be delivered to said purchaser or purchasers.



Section 3. The Secretary of this Board is hereby authorized and directed to execute an appropriate form of "Notice of Sale of Bonds" and cause the same to be published one time in The Courier-Journal, a daily newspaper published in Louisville, Kentucky, and of general circulation throughout the Commonwealth of Kentucky, and one time in The Bond Buyer, a financial newspaper published in New York, New York, of general circulation throughout the United States of America, soliciting sealed competitive proposals for the purchasing of said Bonds, the same to be received in the office of said Secretary on the campus of the University at Lexington, Kentucky, until some day and hour when the Board of Trustees or its Executive Committee will be in session. Publication in each of said newspapers shall be made not less than two weeks prior to the time stated in said "Notice of Sale of Bonds" for the opening and consideration of such purchase proposals. In said notice, purchasers shall be instructed that proposals may be for the purchasing of (a) the entire \$1,131,000 of authorized Bonds; or (b) Bonds maturing on June 1 in the years 1959 to 1971, inclusive; or (c) Bonds maturing on June 1 in the years 1972 to 1986, inclusive; or (d) Bonds maturing on June 1 in the years 1987 to 1996, inclusive; that the bidders may stipulate one or more interest coupon rates with respect to said Bonds, providing the average of such rates does not exceed Two and Three-quarters per cent ( $2\frac{3}{4}\%$ ) per annum, and only one coupon rate may be stipulated for Bonds maturing on the same date. If a bid carries two or more interest rates on a single block of Bonds, or on combined blocks of Bonds, an average interest rate shall be computed on the basis of the total interest costs at par for such single block, or combined blocks, covered by the bid at the offered rates; and if the average rate so obtained is not more than Two and Three-quarters per cent ( $2\frac{3}{4}\%$ ), the bid shall be considered to qualify. A minimum bid of par value (plus accrued interest to the date of delivery and payment) shall be required. The right to reject bids shall expressly be reserved.

The Secretary is further authorized and directed to execute in multiple copies a statement giving a more complete and particular description of the Bonds, provisions for the security and payment thereof, disposition of Bond proceeds, etc., than is possible within the limits of said published notice; and to furnish copies of such statement to all interested bidders upon request. Such statement may also contain a particular description of the terms and conditions upon which the Bonds are offered for sale, in order to bring about uniformity in the proposals which may be submitted for the purchasing of said Bonds.

Section 4. Said Bonds shall be secured by a Trust Indenture between the Board of Trustees of the University of Kentucky, party of the first part, and Farmers Bank and Capital Trust Company, a combined bank and trust company having corporate trust powers, organized and existing under and by virtue of the laws of the Commonwealth of Kentucky, and having its principal office and place of business in Frankfort, Franklin County, Kentucky, party of the second part. The Chairman and Secretary of the Board of Trustees are hereby authorized and directed to make, execute and deliver such Trust Indenture in substantially the form, text, terms and provisions hereinafter set out, and this Board of Trustees hereby approves, ratifies and confirms all of the covenants, provisions and stipulations as set out in such Trust Indenture, to-wit:

(Form of Indenture)

TRUST INDENTURE

This INDENTURE dated as of the first day of June, in the year Nineteen Hundred Fifty-six (1956), made by and between BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY, a body corporate, as an Educational Institution and Agency of the Commonwealth of Kentucky (hereinafter called the "Board"), party of the first part, and FARMERS BANK AND CAPITAL TRUST COMPANY, a combined bank and trust company organized and existing under and by virtue of the laws of the Commonwealth of Kentucky, having full powers to act as a corporate Trustee, and having its principal office and place of business in the City of Frankfort, Franklin County, Kentucky, as Trustee (hereinafter called the "Trustee"), party of the second part,

WITNESSETH:

THAT WHEREAS, pursuant to Section 164.160 of the Kentucky Revised Statutes now in full force and effect, the Board is a body corporate with all powers generally invested in corporations and as such is the governing body of the University of Kentucky, an Educational Institution and Agency of the Commonwealth of Kentucky, having full control of the management and operation of said University together with the property and funds thereof, and

WHEREAS, pursuant to the provisions of Section 162.340 et seq. of said Kentucky Revised Statutes, said Board as the governing body of said State Educational Institution and Agency, is authorized to erect buildings and appurtenances to be used in connection with said Institution for educational purposes, and

WHEREAS, the Board has determined that said University and its students are not at this time provided with adequate buildings and accommodations for educational purposes; and has determined that it is necessary to construct an additional dormitory building, designed to accommodate 298 female students with other necessary appurtenant facilities (collectively referred to herein as the "Project"), such building to be situated upon a site which is a part of the campus of said University in the City of Lexington, Fayette County, Kentucky, and which is hereinafter described and identified for the purpose of identifying the Project, and

WHEREAS, pursuant to Section 162.340 et seq. of the Kentucky Revised Statutes now in full force and effect, the Board is authorized to provide all or a part of the costs of said Project through the issuance and sale of its Revenue Bonds, payable solely from the income and revenues provided to the University through the operation of said Project, and

WHEREAS, the Board of Trustees of the University of Kentucky has duly adopted an appropriate form of Resolution authorizing the issuance of "University of Kentucky Dormitory Revenue Bonds of 1956, Holmes Hall," dated June 1, 1956, as hereinafter described, and has duly authorized the execution of this Trust Indenture in the form hereof for the purpose of securing the payment of said Bonds and the interest thereon and to provide for the proper and orderly administration of the revenues of said Project and of the Bond proceeds, and

WHEREAS, the Bonds of said series and the coupons appertaining thereto and a Trustee's certificate with respect to all such Bonds and provisions for the registration of said Bonds as to principal only, are to be substantially in the following form with appropriate insertions, omissions and variations, as in this Indenture provided or permitted:

(Form of Bond)

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
UNIVERSITY OF KENTUCKY  
DORMITORY REVENUE BOND OF 1956, HOLMES HALL

Number \_\_\_\_\_

\$1,000.00

The Board of Trustees of the University of Kentucky, a body corporate, as an Educational Institution and Agency of the Commonwealth of Kentucky, for value received, hereby promises to pay, solely from the special fund provided therefor as hereinafter set forth, to the bearer, or, if this Bond be registered, to the registered owner thereof, as hereinafter provided, the sum of \$1,000 on the first day of June, 19\_\_\_\_, and to pay, solely from said special fund, interest thereon from the date hereof until payment of principal at the rate of \_\_\_\_\_ per centum (\_\_\_\_\_% ) per annum, such interest being payable on December 1, 1956, and semiannually thereafter on the first days of June and December in 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 coupons as they severally mature, and interest at the rate of five per cent (5%) per annum, payable semi-annually, on such principal amount from the stated due date of same until paid and on all interest coupons appertaining to this Bond from their stated dates of maturity until paid, if the failure to pay such principal and/or interest coupon or coupons is due to the failure of such Board of Trustees to have on hand sufficient funds on such due date or due dates at the places of payment hereinafter stated to pay such principal and/or interest coupon or coupons, both principal and interest being payable in any coin or currency which, on the respective dates of payment of such principal and interest is legal tender for the payment of debts due the United States of America, at the principal office of Farmers Bank and Capital Trust Company in the City of Frankfort, Franklin County, Kentucky, or, at the option of the holder or registered owner, at the principal office of Chemical Corn Exchange Bank, in the Borough of Manhattan, City of New York, State of New York.

This Bond is one of a duly authorized series of Bonds in the aggregate principal amount of \$1,131,000, all of said Bonds being of the same form, tenor and effect (except for numbers and maturity dates), issued for financing the costs, not otherwise provided, of an additional dormitory and necessary appurtenant facilities 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 162.350 to 162.380, inclusive, of the Kentucky Revised Statutes now in full force and effect.

All of said Bonds are issued under and pursuant to an indenture (said indenture, together with all indentures supplemental thereto as therein permitted, being herein called the "Indenture") of even date herewith executed by and between Board of Trustees of the University of Kentucky and Farmers Bank and Capital Trust Company, Frankfort, Franklin County, Kentucky, as Trustee (said Trustee and any successor Trustee under said Indenture being herein called the "Trustee"), an executed counterpart of which is on file at the office of said Trustee in the City of Frankfort, Kentucky. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and the application of the proceeds of the Bonds, the collection and disposition of the revenues, the fund charged with and pledged to the payment of the interest on and the principal of said Bonds, the nature and extent of the security, the rights, duties and obligations of said Board of Trustees and of the Trustee and the rights of the holders of the Bonds, and, by the acceptance of this Bond the holder hereof assents to all of the provisions of said Indenture. Under authority of the statutes pursuant to which this Bond is issued, this Bond shall have all the qualities and incidents of a negotiable instrument, and, subject to the provisions for registration endorsed hereon and contained in the Indenture, nothing contained in this Bond or in said Indenture shall affect or impair the negotiability of this Bond.

The holder of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. The Indenture provides for fixing, charging and collecting rentals and other charges for the use of said dormitory and appurtenant facilities, identified by a description of the site upon which the same will be constructed upon the campus of the University of Kentucky at Lexington, Kentucky, which rents and charges will be sufficient to pay the cost of maintenance, repair and operation thereof and the principal of and the interest on said Bonds as the same shall become due and to provide reserves for such purposes. The Indenture provides for the creation of a special fund designated "1956 Dormitory Revenue Bond and Interest Sinking Fund Account, Holmes Hall," (herein called the "Sinking Fund"), and for the deposit to the credit of said Sinking Fund of a sufficient amount of the revenues of said dormitory and appurtenant facilities over and above the cost of such maintenance, repair, and operation, to pay the principal of and the interest on the Bonds as the same become due, and to provide a reserve for such purposes, which Sinking Fund is pledged to and charged with the payment of said principal and interest.

This Bond and the series of which it is one are payable only from a fixed amount of the gross income and revenues to be derived from the operation of said dormitory and appurtenances which will be set aside as a special fund and pledged for that purpose and identified as the "1956 Dormitory Revenue Bond and Interest Sinking Fund Account, Holmes Hall," and this Bond does not constitute any indebtedness of the University of Kentucky or of its Board of Trustees or of the Commonwealth of Kentucky within the meaning of any provisions or limitations of the Constitution of the Commonwealth of Kentucky.

Bonds numbered 1 to 152, inclusive, maturing June 1, 1959, to June 1, 1966, inclusive, of the series of which this Bond is part, are non-callable. The right is hereby reserved to call and redeem the Bonds numbered

153 to 1131, inclusive, maturing June 1, 1967, to June 1, 1996, inclusive, of the series of which this Bond is part, prior to maturity, as a whole, or from time to time in part, in the inverse order of their numbering, said Bonds numbered 909 to 1131, inclusive, maturing June 1, 1992, to June 1, 1996, inclusive, being so redeemable on any interest payment date upon terms of par plus accrued interest to the redemption date, and Bonds numbered 153 to 908, inclusive, maturing June 1, 1967, to June 1, 1991, inclusive, being so redeemable on any interest payment date on or after December 1, 1966, upon terms of par plus accrued interest to the redemption date, plus a redemption premium of 3% of the principal amount thereof if called for redemption on or prior to June 1, 1971, 2 1/2% of the principal amount thereof if called for redemption thereafter and on or prior to June 1, 1976, 2% of the principal amount thereof if called for redemption thereafter and on or prior to June 1, 1981, 1 1/2% of the principal amount thereof if called for redemption thereafter and on or prior to June 1, 1986, and 1% of the principal amount thereof if called for redemption thereafter. Notice of any such intended redemption, identifying the Bonds to be redeemed, shall be on file at the office of the Trustee named in the aforementioned Indenture (or at the office of any successor Trustee which may be designated as in said Indenture provided) at least 30 days prior to the specified redemption date, and such notice shall be published at least once not less than 30 days prior to said redemption date in a financial publication published in the English language in the Borough of Manhattan, City and State of New York. Any Bonds called for redemption and for the payment of which funds are deposited with said Trustee (or successor trustee) on the specified redemption date shall cease to bear interest on said redemption date. Priority as to prior redemption shall extend to Bonds numbered 909 to 1131, inclusive, over bonds numbered 153 to 908, inclusive.

This Bond shall pass by delivery unless registered as to principal in the holder's name on the books of said Board of Trustees at the office of Farmers Bank and Capital Trust Company in the City of Frankfort, Kentucky, or at the office of its successor as Trustee under the Indenture, and such registration noted hereon, after which no valid transfer hereof can be made except at such office, until after registered transfer to bearer, but after such registered transfer to bearer, this Bond shall be again transferable by delivery, and may again from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the interest coupons which shall always remain payable to bearer and transferable by delivery merely. The Board of Trustees and the Trustee may deem and treat the bearer of this Bond, if not registered as to principal, and the bearer of any coupon hereto appertaining, whether or not this Bond be so registered, or if this Bond be registered as herein authorized, the person in whose name the same is registered, as the absolute owner for the purpose of receiving payment and for all other purposes.

A statutory mortgage lien, which is hereby recognized as valid and binding on said dormitory and appurtenant facilities, 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 and appurtenant facilities shall remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on this Bond and the series of which it is a part.

This Bond shall not be valid or become obligatory for any purpose, or be entitled to any security or benefit, under the Indenture, until it shall have been authenticated by the execution by the Trustee of the certificate hereon endorsed.

It is hereby certified, recited and declared, that all acts, conditions, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and the amount of this Bond together with all other obligations of said Board of Trustees and of said University of Kentucky does not exceed any limit prescribed by the Constitution or Statutes of Kentucky; that said dormitory and appurtenances will be continuously operated by said Board of Trustees, 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 TESTIMONY WHEREOF, 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 its Secretary, and the coupons hereto attached to be executed with the facsimile signatures of the said Chairman and Secretary, which officers, by the execution of this Bond, do adopt said facsimile signatures to be their respective authorized and proper signatures, all being done as of the first day of June, 1956.

(SEAL)

\_\_\_\_\_  
Chairman, Board of Trustees

ATTEST:

\_\_\_\_\_  
Secretary, Board of Trustees

(Form of Coupon)

Number \_\_\_\_\_ \$ \_\_\_\_\_

On the first day of \_\_\_\_\_, 19\_\_\_\_, unless the Bond to which this coupon is attached shall have been called for prior redemption, Board of Trustees of the University of Kentucky will pay to bearer \_\_\_\_\_ Dollars (\$\_\_\_\_\_) in any coin or currency which at said date of payment is legal tender for the payment of debts due the United States of America, out of its "1956 Dormitory Revenue Bond and Interest Sinking Fund Account, Holmes Hall," at the principal office of Farmers Bank and Capital Trust Company in the City of Frankfort, Kentucky, or, at the option of the holder hereof, at the principal office of Chemical Corn Exchange Bank in the



Borough of Manhattan, City of New York, State of New York, as provided in and for interest then due on its Dormitory Revenue Bond of 1956, Holmes Hall, dated June 1, 1956, Number \_\_\_\_\_.

\_\_\_\_\_  
Chairman, Board of Trustees

\_\_\_\_\_  
Secretary, Board of Trustees

(Form of Authentication)  
( Certificate )

This Bond is one of the Bonds described or provided for in the within mentioned Indenture.

FARMERS BANK AND CAPITAL TRUST  
COMPANY, Trustee

\_\_\_\_\_  
Authorized Officer

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

Date of Registration	Name of Registered Holder	Signature of Officer of Indenture Trustee
:	:	:
:	:	:
:	:	:
:	:	:
:	:	:

AND WHEREAS, the Board has duly authorized the issuance of the Bonds and the execution and delivery of this Indenture and all other acts and things necessary to make the Bonds when duly executed on behalf of the Board and authenticated by the Trustee and issued, valid and binding legal obligations of the Board in accordance with their terms and to make this Indenture a valid and binding Indenture of Trust for the security of the Bonds, have been duly done and performed;

NOW, THEREFORE, this Indenture witnesseth:

That in consideration of the premises, of the acceptance by the Trustee of the Trust hereby created, and of the purchase and acceptance of the Bonds by the holders thereof, and also for and in consideration of the sum of One Dollar

(\$1.00) to the Board in hand paid by the Trustee at or before the execution and delivery of this Indenture, the receipt of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds and interest coupons are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become holders thereof, and in order to secure the payment of all the Bonds at any time issued and outstanding hereunder, and the interest thereon according to their tenor, purport, and effect, and in order to secure the performance and observance of all of the covenants, agreements, and conditions therein and herein contained, the Board has pledged and does hereby pledge to the Trustee, to the extent provided in this Indenture, the revenues of the Project as security for the payment of the Bonds and the interest thereon, and it is mutually agreed and covenanted by and between the parties hereto, for the equal and proportionate benefit and security of all and singular the present and future holders of the Bonds and interest coupons issued and to be issued under this Indenture, without preference, priority, or distinction as to lien or otherwise, except as otherwise herein provided, of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof or otherwise, as follows:

## ARTICLE ONE

### DEFINITION OF TERMS

Section 1.01. In each and every place in and throughout this Indenture wherein the following terms, or any of them, are used, the same, unless the context shall indicate another or different meaning or intent, shall be construed, are used, and are intended to have meanings and to be inclusive, as follows:

- (a) "University"--the University of Kentucky, situated in Lexington, Fayette County, Kentucky.
- (b) "Board"--the Board of Trustees of the University of Kentucky, as such, or acting through its Executive Committee, to the extent that the powers of said Board of Trustees may have been delegated to such Executive Committee as permitted by Section 164.190 of the Kentucky Revised Statutes.
- (c) "Trustee"--Farmers Bank and Capital Trust Company, a combined bank and trust company created under and existing by virtue of the laws of the Commonwealth of Kentucky, having proper trust powers, and having its principal office and place of business in the City of Frankfort, Franklin County, Kentucky, or any successor trustee designated pursuant to the provisions of this Indenture.
- (d) "Paying Agents"--the Trustee or any successor trustee as defined in the foregoing paragraph (c), and, at the option of the holders of the Bonds and coupons issued under the provisions hereof, the principal office of Chemical Corn Exchange Bank in the Borough of Manhattan, City of New York, State of New York.
- (e) "Bonds"--Bonds issued pursuant to the provisions of this Indenture.



- (f) "Sinking Fund"--the "1956 Dormitory Revenue Bond and Interest Sinking Fund Account, Holmes Hall," of the University of Kentucky, as created in this Indenture.
- (g) "Construction Fund"--the special account or fund created in this Indenture, into which provision is made for the deposit of the Bond proceeds (exclusive of accrued interest received from the purchaser or purchasers and exclusive of interest during construction) together with any other funds appropriated by the Board of Trustees of the University of Kentucky as a contribution to the costs of the Project, (as hereinafter defined).
- (h) "Project"--the dormitory building including necessary appurtenant facilities for educational purposes, to be constructed through application of the proceeds of the Construction Fund, upon a portion of the campus of the University at Lexington, Kentucky, said portion or site being particularly described in Article THIRTEEN hereof.
- (i) "Chairman"--the Chairman and each and every Vice Chairman and each and every other officer of the Board authorized to exercise the powers and authority reposed in the Chairman of the Board.
- (j) "Secretary"--the Secretary and each and every Assistant Secretary and each and every other officer of the Board authorized to exercise the powers and authority reposed in the Secretary of the Board.
- (k) "Treasurer"--the Treasurer and each and every Assistant Treasurer and each and every other officer of the Board authorized to exercise the powers and authority reposed in the Treasurer of the Board.
- (l) "Counsel"--any Counsel appointed by the Board, including any Counsel in the employ of the Board or of the University and so appointed.
- (m) "Engineer"--any licensed architect or engineer appointed by the Board, including any such architect or engineer in the employ of the Board or of the University and so appointed.
- (n) "Accountant"--any accountant appointed by the Board and approved by the Trustee, including any accountant in the employ of the Board or of the University and so appointed and approved.
- (o) "Certified copy of a Resolution"--a resolution certified by the Secretary to have been duly passed and adopted by the Board or by the Executive Committee of the Board acting within the scope of the powers duly delegated to it by the Board, and certified by said Secretary to have been adopted by the requisite majority of said Board or its Executive Committee at a meeting duly and properly called and convened.

Section 1.02. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

Section 1.03. The words "Bond," "owner," "holder," and "person" shall include the plural as well as the singular number unless the context shall otherwise indicate. The term "Bondholders" means and contemplates, unless the context otherwise indicates, the holders of the Bonds at the time issued and outstanding hereunder. Each of the words "person" and "corporation" shall include the other, unless the context shall otherwise indicate.

Section 1.04. Whenever in this Indenture it is provided that any facts or opinion be evidenced to the Trustee by means of a certificate, statement, opinion, or other document, it shall constitute compliance herewith if the various facts and/or opinions intended so to be evidenced to the Trustee be included in different certificates, statements, opinions, or other documents signed by the same person or different persons of the same qualifications.

## ARTICLE TWO

### EXECUTION, AUTHENTICATION, REGISTRATION

#### AND EXCHANGE OF BONDS

Section 2.01. Save as is herein provided in respect of mutilated, lost, destroyed or stolen Bonds and in respect of transfers and exchanges, Bonds may be issued hereunder to the aggregate principal amount of One Million One Hundred and Thirty-one Thousand Dollars (\$1,131,000) and no more. The Bonds shall be issued as coupon Bonds in the denomination of One Thousand Dollars (\$1,000.00) each, registerable as to principal only and numbered as hereinafter provided. The principal of each Bond and the interest thereon shall be payable at the office of Farmers Bank and Capital Trust Company, in the City of Frankfort, Kentucky, or of its successors in trust under this Indenture, or, at the option of the holder, at the principal office of Chemical Corn Exchange Bank, in the City of New York and State of New York in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America. The Bonds and the interest coupons appertaining thereto shall be respectively substantially in the forms hereinbefore set forth, with such omissions, variations, and insertions as are required or permitted by the terms of this Indenture to evidence the terms thereof. This Indenture shall be a continuing lien to secure the full and final payment of the principal of and interest on all Bonds issued, authenticated and delivered pursuant to the terms hereof.

Section 2.02. This Indenture shall secure the payment of the principal of and interest on said Bonds in the aggregate principal amount of One Million One Hundred and Thirty-one Thousand Dollars (\$1,131,000), the same to be designated "University of Kentucky Dormitory Revenue Bonds of 1956, Holmes Hall." The said Bonds shall be dated June 1, 1956, and numbered 1 to 1,131, inclusive, and shall bear interest at one or more interest coupon rates to be established upon the basis of competition among bidders when said Bonds are sold at an advertised public competitive sale, as hereinafter provided, but none of said interest coupon rates shall exceed Two and Three-quarters per cent (2 3/4%) per annum, and in the event any of the principal and/or interest

coupon or coupons appertaining to such Bonds should not be paid on the stated date of maturity of same due to the fact that such Board does not have on hand at the Paying Agents' on the due date or dates thereof sufficient moneys to pay such principal and/or interest coupon or coupons, there shall be paid from such stated date of maturity to the date of payment of such principal and/or interest coupon or coupons interest at the rate of five per cent (5%) per annum, payable semi-annually. All such interest to the respective maturity dates of principal shall be evidenced by coupons attached to the Bonds, maturing on December 1, 1956, and on each June 1 and December 1 thereafter. The Bonds shall mature as to principal in accordance with the following schedule:

<u>BONDS NUMBERED</u> (Inclusive)	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF MATURITY</u>
1-17	\$17,000	June 1, 1959
18-35	18,000	June 1, 1960
36-53	18,000	June 1, 1961
54-72	19,000	June 1, 1962
73-91	19,000	June 1, 1963
92-111	20,000	June 1, 1964
112-131	20,000	June 1, 1965
132-152	21,000	June 1, 1966
153-173	21,000	June 1, 1967
174-195	22,000	June 1, 1968
196-218	23,000	June 1, 1969
219-241	23,000	June 1, 1970
242-265	24,000	June 1, 1971
266-290	25,000	June 1, 1972
291-315	25,000	June 1, 1973
316-341	26,000	June 1, 1974
342-368	27,000	June 1, 1975
369-395	27,000	June 1, 1976
396-423	28,000	June 1, 1977
424-452	29,000	June 1, 1978
453-482	30,000	June 1, 1979
483-512	30,000	June 1, 1980
513-543	31,000	June 1, 1981
544-575	32,000	June 1, 1982
576-608	33,000	June 1, 1983
609-642	34,000	June 1, 1984
643-677	35,000	June 1, 1985
678-713	36,000	June 1, 1986
714-750	37,000	June 1, 1987
751-788	38,000	June 1, 1988
789-827	39,000	June 1, 1989
828-867	40,000	June 1, 1990
868-908	41,000	June 1, 1991
909-951	43,000	June 1, 1992
952-995	44,000	June 1, 1993
996-1040	45,000	June 1, 1994
1041-1085	45,000	June 1, 1995
1086-1131	46,000	June 1, 1996

Bonds numbered 1 to 152, inclusive, maturing June 1, 1959, to June 1, 1966, inclusive, are and shall be non-callable. The right is hereby reserved to call and redeem the Bonds numbered 153 to 1,131, inclusive, maturing June 1, 1967, to June 1, 1996, inclusive, prior to maturity, as a whole, or from time to time in part, in the inverse order of their numbering, said Bonds numbered 909 to 1,131, maturing June 1, 1992, to June 1, 1996, inclusive, being so redeemable on any interest payment date upon terms of par plus accrued interest to the redemption date, and Bonds numbered 153 to 908, maturing June 1, 1967, to June 1, 1991, inclusive, being so redeemable on any interest payment date on or after December 1, 1966, upon terms of par plus accrued interest to the redemption date, plus a redemption premium of 3% of the principal amount thereof if called for redemption on or prior to June 1, 1971, 2 1/2% of the principal amount thereof if called for redemption thereafter and on or prior to June 1, 1976, 2% of the principal amount thereof if called for redemption thereafter and on or prior to June 1, 1981, 1 1/2% of the principal amount thereof if called for redemption thereafter and on or prior to June 1, 1986, and 1% of the principal amount thereof if called for redemption thereafter. Such right of redemption shall be at the option of the Board or through the application of (a) the proceeds of insurance as provided in Section 5.04 of this Indenture, or (b) the balance of moneys in the Construction Fund as provided in Section 7.06 of this Indenture. In each such case such redemption shall be upon the notice and in the manner and with the effect provided in Article Three of this Indenture, and upon payment of the principal amount of the Bond or Bonds to be redeemed and accrued interest thereon to the date fixed for redemption. If the Bonds are redeemed in part, they shall be redeemed in inverse numerical order. Priority as to prior redemption shall extend to Bonds numbered 909 to 1,131, inclusive, over Bonds numbered 153 to 908, inclusive.

Section 2.03. The Bonds shall be offered for sale by the Board, without the intervention of the Trustee, at such time or times as the Board or the Executive Committee may direct upon the basis of notices published by the Board or the Executive Committee in a newspaper of general circulation throughout the Commonwealth of Kentucky and in The Bond Buyer, a financial news medium published in New York, New York, of general circulation throughout the United States of America, and upon the basis of sealed competitive bids which shall be opened, considered, and acted upon by the Board or by its Executive Committee, as the Board or said Executive Committee may deem desirable. The Bonds shall at one time or from time to time be executed on behalf of the Board by its Chairman under its corporate seal, attested by its Secretary, and shall be delivered to the Trustee for authentication by it, and thereupon the Trustee shall, upon receipt by the Trustee of evidence satisfactory to the Trustee of the proper execution of this Indenture, authenticate and shall deliver the said Bonds in principal amount not exceeding One Million One Hundred and Thirty-one Thousand Dollars (\$1,131,000) upon the order of the Board, signed by its Chairman and designating the identifying numbers, maturities and interest coupon rates of the Bonds contemplated thereby; the name of the purchaser thereof and the amount of the purchase price. The Trustee shall make delivery to such purchaser or purchasers, but only upon payment of the stated purchase price, which shall immediately be deposited to the credit of the University in the various special funds or accounts, as hereinafter provided.

Only Bonds as shall bear thereon endorsed a certification of authentication substantially in the form hereinbefore recited, executed by the Trustee, shall be secured by this Indenture or be entitled to any right or benefit hereunder. The authentication by the Trustee upon any Bond shall be conclusive evidence and the only evidence that the Bond so authenticated has been duly issued hereunder and that the holder thereof is entitled to the benefit of the trusts hereby created.

The Bonds must be in compliance with the following specifications:

- (a) The Bond forms used must not be purchasable in blank by printers or others, but must be purchased only in the form of completed Bonds. The name of the engraving company must appear on each Bond and coupon. The size of the Bonds and coupons must conform to standard practice and the paper used must be of sufficient weight and strength to prevent deterioration through ordinary handling.
- (b) Face of Bond--
  - (1) Border and Denominational Counter (including Figure) steel-engraved, but the Denomination Figure may be printed on steel-engraved background.
  - (2) Text from type composition.
  - (3) Steel-engraved under-tint underlying all or part of the text.
- (c) Back of Bond--
  - (1) Borders, Denominational Counter and Denominational Figure lithographed, but the Denominational Figure may be printed on lithographed background.
  - (2) Lithographed under-tint underlying the denomination.
  - (3) Text from type composition.
- (d) Face of coupon--
  - (1) Text from type composition.
  - (2) Lithographed under-tint.
- (e) Back of coupon--

Lithographed, with or without coupon numbers or such other minimum specifications as may be required at the time of the issuance of the Bonds by the Housing and Home Finance Agency of the United States of America in connection with Bonds to be purchased under any Act of Congress.

Section 2.04. In case any person who shall have signed, sealed, or attested any Bond issuable under this Indenture as an officer of the Board of Trustees of the University shall have ceased to be such officer before the Bond so signed, sealed or attested shall have been actually authenticated and delivered by the Trustee, such Bond nevertheless may be authenticated and delivered and issued as though the person who signed, sealed or attested such Bond had not ceased to be such officer of the Board of Trustees of the University.

Any Bond issuable hereunder may be signed, sealed or attested in behalf of the Board by any person at the actual date of the execution or authentication of such Bond being the proper officer of the Board of Trustees of the University, although at the date of such Bond such person shall not have been such officer of such Board of Trustees.

The coupons to be attached to Bonds issued hereunder shall be signed by the facsimile signatures of the present Chairman and Secretary or of any future Chairman and Secretary of the Board, and the Board may adopt and use for that purpose the facsimile signatures of any persons who shall have been such Chairman and Secretary, notwithstanding the fact that they may have ceased to be such Chairman and Secretary at the time when such Bonds shall be actually authenticated and delivered.

Section 2.05. The Board shall keep at the office of the Trustee books for the registration and transfer of Bonds issued hereunder, which, at all reasonable times, shall be open for inspection by the holder of any Bond issued hereunder, and upon presentation for the purpose at such office, the Board will register or transfer or cause to be registered or transferred therein, as hereinafter provided, and under such reasonable regulations as it may prescribe, any Bonds issued under this Indenture and entitled to be so registered or transferred. The Trustee shall act as registrar in effecting all registrations on the books kept at its office.

All Bonds issued hereunder shall be negotiable and shall pass by delivery unless registered as to principal in the manner hereinafter provided. The holder of any Bond issued hereunder may have the ownership of the principal thereof registered on said books of the Board at the office of the Trustee and such registration shall be noted on the Bond. After such registration no transfer shall be valid unless made on the said books by the registered owner in person, or by his duly authorized attorney, and similarly noted on the Bond; but the same may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored; and such Bond may again, from time to time, be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the coupons, but every such coupon shall continue to be transferable by delivery merely, and shall remain payable to bearer. Such registrations and discharges from registration shall be without expense to the holder of the Bonds, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the party requesting such registration or discharge from registration as a condition precedent to the exercise of such privilege.

The Board shall not be required to make transfers of Bonds as provided in this Section 2.05 during a period of ten (10) days next preceding any interest payment date.

Section 2.06. Before authenticating any Bonds the Trustee shall cut off, cancel and cremate all matured coupons thereon and the Trustee shall deliver to the Board a certificate of cremation thereof.

Section 2.07. Upon the receipt by the Board and the Trustee of evidence satisfactory to them of the loss, theft, destruction or mutilation of any outstanding Bond hereby secured, and of indemnity satisfactory to them, and upon surrender and cancellation of such Bond if mutilated, the Board may execute and the Trustee may authenticate and deliver, upon the lapse of such period of time as they may deem advisable, a new Bond of like tenor and maturity bearing the same or different serial numbers, to be issued in lieu of such lost, stolen, destroyed or mutilated Bond. Such new Bond may bear such endorsement as may be agreed upon by the Board and by the Trustee and which at the time is necessary to conform to the requirements of any stock exchange or of any governmental body having jurisdiction. The Board may require the payment of a sum not exceeding Two Dollars (\$2.00) for each new Bond issued under this Section 2.07. The Trustee shall incur no liability for anything done by it under this Section.

Section 2.08. As to all Bonds registered as to principal, the person in whose name the same shall be registered shall be deemed and regarded as the owner thereof, for all purposes of this Indenture, and thereafter payment of or on account of the principal of such Bond shall be made only to or upon the order in writing of such registered owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums so paid. The Board and the Trustee may deem and treat the bearer of any Bond which shall not at the time be registered as to principal, and the bearer of any coupon for interest on such Bond, whether such Bond shall be registered or not, as the absolute owner of such Bond or coupon for the purpose of receiving payment thereof, and for all other purposes whatsoever, and the Board and the Trustee shall not be affected by any notice to the contrary.

### ARTICLE THREE

#### REDEMPTION OF BONDS

Section 3.01. Bonds numbered 1 to 152, inclusive, maturing June 1, 1959, to June 1, 1966, inclusive, are and shall be non-callable. In case the Board shall desire to exercise its right of redemption of all, or, as the case may be, any part of the Bonds numbered 153 to 1,131, both numbers inclusive, or in case any Bonds are to be redeemed otherwise than at the option of the Board, it shall file with the Trustee (at least 30 days in advance of the redemption date) a copy of a notice specifying the redemption date and the numbers of the Bonds to be redeemed, and shall publish in a financial publication published in the English language in the Borough of Manhattan, City and State of New York, at least once not less than 30 days before the date fixed for redemption, a notice to the effect that the Board will redeem all the Bonds or a part thereof, as the case may be, on a date therein designated, specifying the maturity dates and in the case of partial redemption of the Bonds of any maturity, the distinctive numbers of the Bonds of such maturity to be redeemed, and in every case stating that on said redemption date there will become and be due and payable upon each Bond so



to be redeemed, at the offices of the Paying Agents, the principal thereof, together with accrued interest to such date, and such premium thereon, if any, as may be stipulated, as hereinbefore set forth, and that from and after such redemption date interest thereon will cease to accrue. If any of the Bonds to be redeemed are registered as to principal, similar notice shall be sent by the Board through the mails, postage prepaid, at least thirty (30) days prior to such redemption date, to the persons respectively who shall appear by the transfer register of the Board to be the registered owners of such Bonds, at their addresses as the same shall appear, if at all, upon the transfer record of the Board at the office of the Trustee, but such mailing shall not be a condition precedent to such redemption, and failure so to mail any notice shall not affect the validity of the proceedings for the redemption of such Bonds. In case the Board shall have elected at its option to redeem less than all of the outstanding redeemable Bonds, the Bonds to be redeemed shall be taken in inverse numerical order. Priority as to prior redemption shall extend to Bonds numbered 909 to 1,131, inclusive, over Bonds numbered 153 to 908, inclusive.

If all of the Bonds to be redeemed are Bonds registered as to principal, notice of redemption need not be published, but may be sent by registered mail to the registered owners of the Bonds to be redeemed at their addresses appearing upon the registration books. Such notice shall be mailed by the Board not less than thirty (30) days nor more than forty-five (45) days prior to the date fixed for redemption.

In case of redemption of Bonds through the application of the proceeds of insurance or the balance of moneys in the Construction Fund, such redemption shall be made upon publication and/or mailing of notice in the manner and with the effect provided in this Article, except that such publication and/or mailing may, at the option of the Trustee, be made by and in the name of the Trustee.

On or before the redemption date specified in the notice above provided for, the Board shall, and it hereby covenants that it will, deposit with the Trustee an amount of cash sufficient to effect the redemption of the Bonds specified in such notice, or cause the Trustee to apply to such purpose moneys theretofore deposited with the Trustee under the provisions hereof and properly available for such purpose. All moneys deposited by the Board with the Trustee, or set apart by the Trustee, under the provisions of this Indenture, for the redemption of Bonds, shall be held in trust for account of the holders thereof and shall be paid to them respectively upon presentation and surrender of said Bonds accompanied by all interest coupons maturing after the date fixed for redemption thereof; provided, however, if any such Bonds shall be registered, the same shall be endorsed in blank for transfer if the Trustee shall so require.

From and after the date of redemption designated in such notice (such notice having been given as aforesaid and such deposit having been made or moneys set apart as aforesaid), no further interest shall accrue upon any of the Bonds so to be redeemed, and any coupons for interest pertaining to any such Bonds and maturing after such date shall be void, and all such Bonds, in so far as such deposit shall have been made or moneys set apart as aforesaid, and all such coupons shall cease to be entitled to the benefit of the lien of this Indenture, and the Board shall be under no further liability in respect thereof.

Section 3.02. All Bonds so redeemed shall forthwith be cancelled by the Trustee, which shall deliver such cancelled Bonds to the Board.



## ARTICLE FOUR

## DISPOSITION OF INCOME AND REVENUES OF THE PROJECT

Section 4.01. As soon as any portion of the Project becomes revenue-producing, all rentals, charges, income and revenue arising from the operation or ownership of the Project shall be deposited to the credit of a special fund to be known as the "Dormitory Revenue Fund of 1956, Holmes Hall," (hereinafter sometimes referred to as the "Revenue Fund"), which Revenue Fund is hereby created. Such Revenue Fund shall be held in the custody of the Treasurer of the Board, separate and apart from all other funds. Such Revenue Fund shall be maintained so long as any of the Bonds are outstanding as a trust fund in a bank which is a member of the Federal Deposit Insurance Corporation and shall be expended and used by the Treasurer only in the manner and order hereinafter specified.

Section 4.02. There is hereby created a separate account, or accounts, herein collectively called the "1956 Dormitory Revenue Bond and Interest Sinking Fund Account, Holmes Hall," (hereinafter sometimes referred to as the "Sinking Fund"). The said Sinking Fund shall be established, maintained, deposited and in the custody of the Trustee and maintained so long as any of the Bonds are outstanding. Such Sinking Fund shall be used by the Trustee to pay interest as it becomes due on Bonds from time to time, and to pay and to retire the Bonds as they mature or as otherwise herein provided.

In connection with the establishment and maintenance of the Sinking Fund, the Board covenants and agrees as follows:

- (1) That initially or from time to time there will be deposited in the Sinking Fund the accrued interest, if any, received at the time or times of the sale or sales of the Bonds, together with such further sum from the Bond proceeds as will cause the total so deposited to equal all interest maturing until the Project becomes revenue-producing.
- (2) That as soon as any portion of the Project becomes revenue-producing the Board shall transfer from the Revenue Fund and deposit to the credit of the Sinking Fund the amount of \$31,500 on or before each May 15 and November 15, until the funds and/or investments therein are sufficient to meet debt service requirements on the outstanding Bonds for the then current year, plus a debt service reserve of \$98,000, and, thereafter, on or before each May 15 and November 15, such sums as may be necessary to meet the then current year's debt service and maintain the accumulated debt service reserve of \$98,000 on the outstanding Bonds.

Section 4.03. Immediately prior to each December 1 and June 1, the Trustee (or any successor trustee under the provisions of this Indenture) shall transfer from the Sinking Fund to the principal office of Chemical Corn Exchange Bank, City of New York, State of New York, in its capacity as the New York Paying Agent named herein, funds sufficient to enable said New York Paying Agent to pay maturing Bonds and interest coupons as are there presented by the persons entitled to receive payment therefor; or shall make such arrangements with said New York Paying Agent as to assure the prompt payment of

maturing Bonds and coupons as are there presented. The Trustee shall make similar arrangements in the event of redemption of any Bonds pursuant to Article Three of this Indenture. All such arrangements shall include provisions for the payment to the New York Paying Agent of its reasonable fees and charges for its services in paying and cancelling Bonds and coupons, in order that the persons entitled to receive payment therefor may receive the full amount due and payable without deduction of any sum for the compensation of the New York Paying Agent.

Section 4.04. As soon as the required reserve is accumulated in the Sinking Fund the Board shall establish with the Trustee a separate account called the "Dormitory Maintenance and Equipment Reserve Fund of 1956, Holmes Hall," (hereinafter sometimes referred to as the "Maintenance Fund"), into which shall be deposited from the Revenue Fund on or before the close of each fiscal year the sum of \$8000 annually until the funds and/or investments in said Maintenance Fund shall aggregate \$80,000 and, thereafter, such sums, but not more than \$8000, annually, as may be required to maintain a balance of \$80,000 in the Maintenance Fund, which reserve may be drawn on and used by the Board for the purpose of paying the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and the renovating or replacement of the furniture or equipment not paid as part of the ordinary and normal expense of dormitory operation. However, in the event the funds in the Sinking Fund should be reduced below the amount required to meet the then current year's and the next succeeding two years' debt service on the outstanding Bonds, funds on deposit in the Maintenance Fund shall be transferred to the Sinking Fund to the extent required to eliminate the deficiency in such Sinking Fund.

Section 4.05. Subject to the foregoing, moneys remaining in the Revenue Fund may be used for current expenses of the Project and for insuring the Project as provided in Article Five hereof (including use and occupancy insurance whenever required under the provisions of Section 5.04 hereof).

Section 4.06. If at the end of any fiscal year a balance shall remain in the Revenue Fund after the required sums have been deposited in the Sinking Fund and in the Maintenance Fund, all or any part of such balance may, by order of the Board, be transferred to and deposited in the Sinking Fund and applied to or held for the redemption of Bonds, or may be transferred to and deposited in the Maintenance Fund for application to the costs of any improvements, extensions or additions to the Project or may be used for current expenses of the Project so long as any Bonds are outstanding pursuant to the provisions of this Indenture. Moneys from time to time set aside into the Revenue Fund shall be applied solely as set forth in this Article Four and under no circumstances shall any moneys deposited in the Revenue Fund be used for the general purpose and functions of the University.

## ARTICLE FIVE

### PARTICULAR COVENANTS OF THE BOARD

Section 5.01. The Board covenants and agrees that it is the lawful owner of the property which is to be the site of the Project, as hereinafter described in Article Thirteen hereof, that said property is free from any and all

liens and encumbrances prior to or on a parity with the lien of these presents, and that it will warrant and defend the title thereto against all claims and demands whatsoever.

Section 5.02. The Board covenants and agrees that it will not suffer or permit any default to occur under this Indenture, but will faithfully observe and perform all of the conditions, covenants and requirements hereof obligatory upon it.

Section 5.03. The Board covenants and agrees that it will duly and punctually pay or cause to be paid the principal sum, and the interest accruing on said principal, on each and every one of the Bonds issued hereunder, at the dates and places, and in the manner provided in said Bonds and in the coupons thereunto appertaining, according to the terms thereof and of this Indenture; and that so long as any of the Bonds shall remain outstanding and unpaid, it will not directly or indirectly extend or assent to the extension of the time for the payment of any interest coupon or claim for interest of or upon any Bond, and will not directly or indirectly be a party to any arrangement therefor, either by purchasing or refunding or in any manner keeping alive such interest coupon or claim for interest, or otherwise; that in case the payment of any such interest coupon or claim for interest shall be so extended by or with or without the consent of the Board, then, anything in this Indenture contained to the contrary notwithstanding, such interest coupon or claim for interest so extended shall not be entitled, in case of default hereunder, to any benefit of or from this Indenture, except after the prior payment in full of the principal of all Bonds issued hereunder and of such interest coupons and claims for interest as shall not have been so extended.

Section 5.04. Upon acceptance of the Project from the contractor, the Board shall procure and maintain so long as any of the Bonds are outstanding fire and extended coverage insurance on the Project, and any other of its buildings the revenues of which are pledged as security for the loan hereunder, in amounts sufficient to provide for not less than full recovery whenever the loss from causes covered by such insurance does not exceed 80 per centum (80%) of the full insurable value of the damaged building. Such insurance shall be in an amount at least equal to the aggregate principal amount of the Bonds from time to time outstanding hereunder in reputable insurance companies and by policies in form satisfactory to the Trustee, loss, if any, to be made payable to the Trustee as its interest may appear. The Board will within a reasonable time after the execution hereof and within four (4) months after the close of each calendar year thereafter, furnish to the Trustee a statement in writing, signed by an officer of the Board, setting forth the full insurable value of the Project and fully describing all insurance then in force, but the Trustee may, at its option, require the Board to deposit with it any or all of such insurance policies, and shall require such deposit if any event of default occurs. If the total received by the Trustee upon all policies shall, in the case of one loss, be less than the sum of Ten Thousand Dollars (\$10,000) the amount shall be paid to the Board by the Trustee, to be used by the Board to pay for replacement or repairs of or substitutes for the damaged or destroyed property, but the Trustee shall not be obligated to see to the application thereof; that in all other cases the proceeds of any and all insurance on any part of such property which may be received by the Trustee shall be held and applied by the Trustee as hereinafter in this Section provided. In the event of

any damage to, or the destruction of, any of said building or buildings, the Board shall promptly arrange for the repair or reconstruction of the damaged or destroyed portion thereof or retire the outstanding Bonds, and shall arrange for the application of the proceeds of the insurance for that purpose, as is hereinafter in this Section provided.

So long as the funds and investments of the Sinking Fund are insufficient to provide debt service for the current year plus the required reserve, the Board will procure and maintain use and occupancy insurance on each building the revenues of which are pledged to the payment of the Bonds, in an amount sufficient to enable the Board to deposit in the Sinking Fund out of the proceeds of such insurance an amount equal to the sum which would normally have been available for deposit in such Sinking Fund from the revenues of the damaged building during the time the damaged building is non-revenue producing as a result of loss of use caused by hazards covered by fire and extended coverage insurance.

All insurance moneys (except the proceeds of use and occupancy insurance, which shall be deposited in the Sinking Fund; and all property insurance in amounts of less than Ten Thousand Dollars (\$10,000) above provided to be paid over to the Board) received by the Trustee under the provisions of this Section shall be held by the Trustee as substituted security, and the same shall be by the Trustee paid out from time to time upon written orders of the Board, signed by the Chairman and Secretary, and accompanied by an approving certificate of an architect or engineer, for the purpose of paying the reasonable cost of repairing or replacing part or all of the property damaged or destroyed; provided, however, that the Board shall have furnished, in addition to the proceeds of such insurance, such moneys as may be required to complete such repairs or replacements, and said insurance moneys shall be paid out by the Trustee only when the same shall be fully sufficient to complete such repairs or replacements, as shown by the said certificate of an architect or engineer. Every such order of the Board for the payment of insurance moneys shall state that the Board is not in default under any of the terms and provisions of this Indenture. The Trustee shall be fully protected in paying any such cash to or upon the order of the Board upon receipt of the showings above specified, but the Trustee shall have the right, but shall not be obliged, to require the Board to furnish such additional evidence in the premises as the Trustee may deem necessary in order to establish the right of the Board to the withdrawal of any such insurance moneys. In the event insurance proceeds shall remain after the completion of such repairs or replacements, then the Trustee shall deposit such moneys in the Sinking Fund provided for by Article Four hereof, and such moneys shall be applied to the retirement of Bonds in the manner provided in Section 7.06 hereof, upon the first permissible redemption date.

Section 5.05. The Board covenants and agrees that it will at all times maintain, preserve, and keep the Project and every part thereof in good condition, repair and working order and will from time to time make all needful and proper repairs, replacements, additions, betterments and improvements so that the operations and business of and pertaining to the Project and every part thereof shall at all times be conducted properly and advantageously; and whenever any portion of the Project shall have been worn out or destroyed or shall have become obsolete, inefficient or otherwise unfit for use, the Board

will procure and install substitutes of at least equal value, utility and efficiency so that the value and efficiency of the Project shall at all times be fully maintained, and the Board will set apart, use and apply for the foregoing purposes so much of the revenues of the Project as may be required.

Section 5.06. The Board covenants and agrees that if it shall fail to perform any of the covenants in Sections 5.03, 5.04 and 5.05 hereof, the Trustee, or any receiver appointed hereunder, as herein provided, may make advances to perform the same in its behalf; and it hereby agrees to pay all sums so advanced in its behalf, on demand, with interest at the rate of six per cent (6%) per annum after demand, and all sums so advanced with interest as aforesaid shall be secured hereby, having the benefit of the lien hereby created, in priority to the indebtedness evidenced by the Bonds and coupons issued hereunder; but no such advance shall be deemed to relieve the Board from any default hereunder.

Section 5.07. The Board covenants and agrees that if, in the opinion of counsel, it is necessary to do so, it will cause this Indenture and each supplemental indenture to be kept filed, recorded and indexed in such manner and in such places as may be required by law for the filing, recordation and indexing of a real estate mortgage, and as a chattel mortgage in order fully to preserve and protect the security of the holders of the Bonds and all rights of the Trustee.

Section 5.08. The Board covenants and agrees that it will furnish to the Trustee promptly, after the execution and delivery of this Indenture and of each supplemental indenture, an opinion of counsel (who may be of counsel for the Board) stating that in his opinion (a) this Indenture or such supplemental indenture has been filed, recorded and indexed, as set forth in Section 5.07 hereof, or (b) no such action is necessary to make such lien effective.

Section 5.09. The Board covenants and agrees that whenever necessary to avoid or fill a vacancy in the office of the Trustee the Board in the manner provided in Section 11.05 hereof will appoint a trustee so that there shall at all times be a trustee hereunder which shall at all times be a bank or trust company having its principal office and place of business in the Commonwealth of Kentucky, if there be such a bank or trust company willing and able to accept the trust upon reasonable or customary terms, and which shall at all times be a corporation organized and doing business under the laws of the United States or of the Commonwealth of Kentucky, with a capital and surplus of at least One Million and no/100 Dollars (\$1,000,000), and authorized under such laws to exercise corporate trust powers and subject to supervision or examination by Federal or State authority.

Section 5.10. The Board covenants and agrees that it will not go into voluntary bankruptcy or insolvency, or apply for or (subject to the provisions of Section 9.02 hereof) consent to the appointment of a receiver or trustee of itself or of its property or make any general assignment for the benefit of its creditors, or suffer any order adjudicating it to be bankrupt or insolvent or appointing a receiver of it or of its property.

Section 5.11. The Board covenants and agrees that it is duly authorized under the laws of Kentucky and under all other applicable provisions of law to create and issue the Bonds herein provided for, to execute and deliver this Indenture, and to pledge the income and revenues of the Project, as herein

provided, that all corporate and/or other action on its part for the creation and issue of said Bonds and the execution of this Indenture has been duly and effectually taken, that said Bonds when issued and in the hands of the holders thereof are and will be valid and enforceable obligations of the Board, and that this Indenture is and always will be a valid Indenture of Trust, to secure the payment of said Bonds; and that the Board now has complete and lawful authority and privilege to maintain and operate the Project and that no permits, rights, franchises or privileges of the Board will be allowed to lapse or be forfeited so long as the same shall be necessary for the operations of the Board; provided, however, that the expiration by lapse of time of any right, franchise or privilege shall not constitute a violation of this covenant, but the Board hereby expressly covenants that it will exercise its best efforts and any and every proper means to procure extension or renewal of each and every right, franchise or privilege so expiring and necessary or desirable for the operation of the Project or for the operations of the Board.

Section 5.12. The Board covenants and agrees that it will not issue, or permit to be issued, any Bonds hereunder in any manner other than in accordance with the provisions of this Indenture and the agreements in that behalf herein contained, and that it will faithfully observe and perform all conditions, covenants and requirements of this Indenture and of all indentures supplemental thereto.

Section 5.13 The Board will maintain an office or agency while any of the Bonds are outstanding at each place at which the principal of or interest on any of the Bonds shall be payable, where notices, presentations and demands to or upon the Board in respect of this Indenture or of such Bonds or coupons as may be payable at such places may be given or made, and will give the Trustee written notice of the location of and any change in the location of each such office or offices, agency or agencies. In case the Board shall at any time fail to designate and maintain any such office or offices, agency or agencies, the principal office of the Trustee shall be conclusively deemed to be the office or agency of the Board for all such purposes, and the Board hereby appoints the Trustee its agent on its behalf to receive all such notices, presentations and demands.

The Board covenants and agrees to keep Books at the office of the Trustee for the transfer and registration of Bonds as hereinbefore provided. The Trustee shall be under no duty with respect to any presentation, demand or notice served upon it except such duty, if any, with respect thereto as may exist by reason of any other of the provisions of this Indenture.

Section 5.14. The Board covenants and agrees that it will do and perform all matters or things necessary or expedient to be done or performed by reason of any law of the United States of America, or of any State or States thereof, or of any competent authority, for the purpose of creating, performing and maintaining the trust hereby created for the security of the payment of the Bonds and the interest thereon, and to perform all of the obligations hereby imposed upon the Board.

Section 5.15. The Board covenants and agrees upon completion of the Project, to provide from sources other than the proceeds of the sale of the Bonds secured hereby and from sources other than the funds pledged hereunder and in a manner which will not jeopardize the security of the Bonds,



the furnishings and equipment necessary to the full enjoyment of the use and occupancy of the Project.

Section 5.16. The Board covenants and agrees that it will establish and maintain so long as any Bonds are outstanding under this Indenture such parietal rules, rental rates and charges as may be necessary (1) to assure maximum occupancy of the Project, and (2) to pay the interest on and principal of the Bonds as they respectively mature and that it will set up and maintain reserves specifically required hereunder, and such further reserves as may be reasonable, with respect to the operation of the Project, for maintenance, depreciation, and other reserves customarily provided for in the accounting of business corporations for profit.

The Board further covenants and agrees that while any of the Bonds are outstanding hereunder, it will if necessary provide all replacements of furniture and movable equipment from funds other than the revenue derived from the operation of the Project.

Section 5.17. The Board covenants that there shall be no free use or occupancy of the Project so long as any of the Bonds hereunder are outstanding.

Section 5.18. The Board covenants that it will keep accurate financial records and proper books relating to the Project, and such records and books shall be open to inspection by the Bondholders and their agents and representatives. It further covenants that not later than 90 days after the close of each fiscal year it will furnish to the Trustee and any Bondholder who shall request same, copies of annual reports prepared by either the University Treasurer or appropriate State official, reflecting in reasonable detail the financial condition and record of operation of the Project and the University. The Board covenants and agrees that it will furnish to the Trustee within 120 days after the end of each fiscal year, beginning with the fiscal year ending May 31, 1957, a detailed report prepared by and accompanied by the opinion of a Certified Public Accountant or a firm of independent Certified or Registered Public Accountants who shall be satisfactory to the Trustee, containing a detailed report of the income and expenses of operation of the Project during said preceding fiscal year.

## ARTICLE SIX

### DEPOSITORIES OF MONEYS, SECURITY OF DEPOSITS

#### AND INVESTMENT OF FUNDS

Section 6.01. All moneys deposited with the Trustee or any other bank or banks under the provisions of this Indenture shall be trust funds under the terms hereof and shall not be subject to lien or attachment by any creditor. Such moneys shall be held in trust and applied in accordance with the provisions of this Indenture.

All moneys deposited with the Trustee or any other bank or banks hereunder shall be continuously secured, for the benefit of the Board and the holders of the Bonds, either (a) by lodging with a bank or trust company

approved by the Treasurer of the Board as custodian, as collateral security, direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) as to all or any part of such deposit, by lodging with the Treasurer of the Board the indemnifying bond or bonds of a surety company or companies qualified as surety for United States Government deposits and qualified to transact business in the Commonwealth of Kentucky in a penal sum not less than the amount of moneys so deposited or such part thereof, such bond or bonds to be approved in writing by the Treasurer of the Board, or (c) if the furnishing of security as provided in clause (a) of this Section is not permitted by applicable law, then in such manner as may then be required or permitted by applicable State or Federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for either of the Paying Agents to give security for the deposit of any moneys with it for the payment of the principal of or the interest on any Bonds issued hereunder.

Section 6.02. Moneys held for the credit of the Sinking Fund and the Maintenance Fund shall be invested by the Trustee, if so directed by resolution of the Board, in direct obligations of, or obligations the principal and interest of which are guaranteed by, the United States Government. Obligations so purchased shall be deemed at all times to be a part of the Sinking Fund, and the interest accruing thereon and any profit realized from such investment shall be credited to the Sinking Fund. The Trustee shall sell at the best price obtainable any obligations so purchased whenever it shall be necessary so to do in order to provide moneys to meet any payment from the Sinking Fund. Neither the Trustee nor the Board shall be liable or responsible for any loss resulting from any such investment.

## ARTICLE SEVEN

### CUSTODY AND APPLICATION OF PROCEEDS OF BONDS

Section 7.01. A fund is hereby created and designated "University of Kentucky 1956 Dormitory Construction Fund of 1956, Holmes Hall," (herein sometimes called the "Construction Fund"), to the credit of which there shall be deposited, as received, the proceeds of the Bonds, with the exception of accrued interest, if any, received from the purchaser or purchasers of the Bonds and a further sum equal to interest which will accrue on the Bonds during the construction period, which sums are required by Section 4.02 hereof to be deposited in the Sinking Fund. The moneys in the Construction Fund shall be held in trust and applied to the payment of the costs of the Project in accordance with and subject to the provisions of this Article, and, pending such application, shall be subject to a lien and charge in favor of the holders of the Bonds issued and outstanding under this Indenture and shall be held for the further security of such holders until paid out as herein provided.

Section 7.02. The Board covenants and agrees that prior to the awarding of any contract for the construction of the Project or any part thereof, it will deposit or cause to be deposited in the Construction Fund, from sources other than Bond proceeds and from sources and in a manner that will not jeopardize the security pledged to the payment of the principal of and the interest



on the Bonds, such amount of its own funds as, together with the Bond proceeds, will assure payment of all costs of constructing the Project.

Section 7.03. For the purposes of this Article the cost of the Project shall include, without intending thereby to limit or restrict or extend any proper definition of such cost under any applicable laws or under this Indenture, the following:

(a) obligations incurred for labor and to contractors, builders and materialmen in connection with the construction of the Project;

(b) the interest accruing upon the Bonds prior to the commencement of and during the construction of the Project;

(c) the fees and expenses of the depository or depositories of the Construction Fund during construction, and premiums on insurance in connection with the Project during construction, unless such insurance during construction is carried by the respective contractors and builders pursuant to the terms of their respective construction contracts;

(d) fees and expenses of engineers and architects for surveys and estimates and other preliminary investigations, preparation of plans, drawings and specifications and supervising construction, as well as for the performance of all other duties of engineers and architects in relation to the construction of the Project or in connection with the issuance therefor;

(e) expense of administration properly chargeable to the Project, legal expenses and fees, financing charges, advertising expenses, cost of printing bonds, cost of audits and of issuing the Bonds and all other items of expense not elsewhere in this Section specified, incident to the construction of the Project and placing it in operation, specifically including the sum of Five Thousand One Hundred and Sixty-five Dollars (\$5,165.00) which is the agreed fixed fee of the Housing and Home Finance Agency of the United States Government in supervising and inspecting the work appertaining to the development of the Project and of auditing the books, records, and accounts pertaining to the Project as set forth in Section 5 of a certain Loan Agreement between the Board and the United States of America, dated as of June 1, 1956;

(f) any obligation or expense heretofore or hereafter incurred by the Board or by any other Agency of the Commonwealth of Kentucky for any of the foregoing purposes, including the repayment of any advances made by the United States of America, with interest thereon, as provided in and by the Loan Agreement identified in the foregoing sub-paragraph (e)

Section 7.04. Before any payment shall be made by any depository from the Construction Fund, there shall be filed with such depository a requisition for such payment signed by the President and Comptroller of the University

of Kentucky, acting for that purpose as agents of the Board, stating each amount to be paid, the name of the person, firm or corporation to whom payment is due, and the purpose for which the obligation was incurred, and certifying:

(1) that obligations in the stated amounts have been incurred and are a proper charge against the Construction Fund and have not been paid;

(2) that, so far as they are aware, there has not been filed with or served upon the Board or any proper officer or agent of the University notice of institution of any claim or legal proceeding challenging the legality of any proceedings theretofore had in connection with the authorization, issuance, sale and delivery of Bonds pursuant to this Indenture, or challenging the right or authority of the Board or University with respect to the application of moneys in the Construction Fund to the costs of constructing the Project, or claiming or asserting any lien or other legal right to perfect a lien upon the Project or any moneys in the Construction Fund, except such claims, actions, liens or asserted rights as have been released or will be released simultaneously with the payment of the obligations identified in such certificate;

(3) that in so far as any obligation mentioned in such requisition was incurred for work, materials, supplies or equipment in connection with the construction of the Project, such work was actually performed, or such materials, supplies or equipment was actually delivered or installed at the site of the Project for that purpose, or delivered for fabrication at a place approved by the President of the University and by the Engineer having supervision of the construction of the Project; and

(4) that the amount which will remain in the Construction Fund after payment of the obligations mentioned in such requisition, plus an amount equal to the proceeds to be derived from the sale of any Bonds authorized under this Indenture, but not theretofore issued, will be sufficient to pay all costs of the Project.

Section 7.05. All requisitions received by any depository of the Construction Fund as required in this Article shall be retained in the possession of said depository, subject at all times to inspection by the Board, any officer or agent of the Board or of the University, any other officer or agent or agency of the Commonwealth of Kentucky, representatives or agents of the Housing and Home Finance Agency of the United States of America and any other interested person.

Section 7.06. When the Project shall have been completed and equipped and opened for use and occupancy, a certificate to that effect shall be signed by the President and Comptroller of the University and by the Engineer having supervision of construction of the Project so stating, accompanied by an opinion of Counsel that an examination of the appropriate public records reveals no uncanceled liens or claims or liens of mechanics, laborers, contractors or materialmen with respect to the Project, and that, in the opinion of such Counsel, the time within which such liens (whether legally permissible

or not) can be filed, has expired. Any balance remaining in Construction Fund after the filing of such certificate and opinion with the Board and not necessary in the opinion of the Board to be reserved by it for the payment of any remaining part of the costs of the Project shall be deposited with the Trustee to the credit of the Sinking Fund, and, except for any portion of such balance remaining under \$1,000 shall be used by the Trustee for the redemption of Bonds then outstanding under this Indenture, and in accordance with the redemption provisions set forth in said Bonds and in this Indenture upon the earliest permissible redemption date. The Trustee may take such action to redeem outstanding Bonds as soon as redemption is legally permissible after the transferring of moneys from the Construction Fund to the Sinking Fund, and without specific authorization on the part of the Board; but the Trustee shall in any event report its actions in the connection promptly to the Board and to the President of the University.

## ARTICLE EIGHT

### SUPPLEMENTAL INDENTURES

Section 8.01. The Board and the Trustee, from time to time and at any time, subject to the restrictions in this Indenture contained, may, and when so required by this Indenture shall, enter into such indentures supplemental hereto as may or shall by them be deemed necessary or desirable for any one or more of the following purposes, among others:

- (1) To add to the covenants or agreements of the Board for the protection of the Bondholders and of the trust estate other and additional covenants and/or agreements;
- (2) To evidence the succession of another corporation to the Board or successive successions, and the assumption by such successor corporation of the covenants and obligations of the Board in the Bonds hereby secured and in this Indenture and in any and every supplemental indenture contained; and
- (3) For any other purpose not inconsistent with the terms of this Indenture, and which shall not impair the security of the same, or for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any supplemental indenture.

Section 8.02. The Trustee is authorized to join with the Board in the execution of any supplemental indenture, to make the further agreements and stipulations which may be therein contained.

Any supplemental indenture executed in accordance with any of the provisions of this Article shall thereafter form a part of this Indenture; and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 8.03. Any and every such supplemental indenture entered into as required or permitted by the provisions of this Article, may be simultaneously executed in any number of counterparts, and all such counterparts executed and delivered each as an original shall constitute but one and the same instrument.

## ARTICLE NINE

## REMEDIES

Section 9.01. No coupon which in any way before, at, or after maturity shall have been transferred or pledged separate and apart from the Bond to which it appertains shall, unless accompanied by such Bonds, be entitled, in case of default hereunder, to any benefit of or from this Indenture, except after the prior payment in full of the principal of all Bonds and of all coupons not so transferred or pledged. In case the time for the payment of any coupon shall be extended, whether or not such extension be by or with the consent of the Board, such coupon shall not be entitled in case of default hereunder to the benefit or security of this Indenture except subject to the prior payment in full of the principal of all Bonds then outstanding and of all coupons the time for the payment of which shall not have been extended.

Section 9.02. Each of the following events is hereby declared an "event of default," that is to say: If

(a) payment of the principal of any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) payment of any installment of interest shall not be made when the same shall become due and payable or within thirty (30) days thereafter; or

(c) the Board shall discontinue or unreasonably delay or fail to carry on with reasonable dispatch the construction of the Project; or

(d) the Board shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(e) the Project shall be destroyed or damaged and shall not be promptly repaired, replaced or reconstructed (whether such failure promptly to repair, replace or reconstruct the same be due to the impracticability of such repair, replacement or reconstruction or to lack of funds therefor or for any other reason) or

(f) an order or decree shall be entered, with the consent or acquiescence of the Board, appointing a receiver or receivers of the Project or of the income therefrom, or if such order or decree, having been entered without the acquiescence or consent of the Board, shall not be vacated or discharged or stayed on appeal within sixty (60) days after entry; or

(g) the Board shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture on the part of the Board to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to

be remedied shall have been given to the Board by the Trustee, which may give such notice in its discretion and shall give such notice upon the written request of the holders of not less than fifteen per centum (15%) in principal amount of the Bonds then outstanding.

Section 9.03. Upon the happening and continuance of any event of default specified in Section 9.02 of this Article, then and in every such case the Trustee may, and upon the written request of the holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then outstanding shall, by a notice in writing to the Board, declare the principal of all the Bonds then outstanding to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or in this Indenture to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Indenture, moneys shall have accumulated in the Sinking Fund sufficient to pay all arrears of interest, if any, upon all the Bonds then outstanding (except the interest accrued on such Bonds since the last interest payment date), and the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and all other amounts then payable by the Board hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Bonds or in this Indenture (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this Section) shall have been remedied to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then outstanding shall, by written notice to the Board, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

If the principal of the Bonds shall be declared due and payable as hereinabove provided, the Board covenants and agrees to pay the principal of such Bonds and the interest thereon (solely from moneys in the Sinking Fund and the income of the Project pledged to the payment of the Bonds by this Indenture) to the Trustee as trustee of an express trust for the Bondholders.

Section 9.04. Upon the happening and continuance of any event of default specified in Section 9.02 of this Article, then and in every such case the Trustee may proceed, and upon the written request of the holders of not less than fifteen per centum (15%) in principal amount of the Bonds then outstanding hereunder shall proceed, subject to the provisions of Section 9.08 of this Indenture, to protect and enforce its rights and the rights of the Bondholders under the laws of the Commonwealth of Kentucky or under this Indenture by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by

counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under this Indenture the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Board for principal, interest or otherwise under any of the provisions of this Indenture or of the Bonds and unpaid with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Board, but solely as provided herein and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (solely from moneys in the Sinking Fund and the income of the Project pledged to the payment of the Bonds by this Indenture) in any manner provided by law, the moneys adjudged or decreed to be payable.

Section 9.05. If at any time the moneys in the Sinking Fund shall not be sufficient to pay the principal or the interest on the Bonds as the same become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 9.03 of this Article), such moneys, together with any moneys then available or thereafter becoming available for such purposes, whether through the exercise of the remedies in this Article provided for or otherwise, shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied

first: to the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

second: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or preference; and

third: to the payment of the interest on and the principal of the Bonds and to the redemption of Bonds, all in accordance with the provisions of Article NINE of this Indenture.



(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

(c) If the principal of all of the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of Section 9.03 of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys then remaining in and thereafter accruing to the Sinking Fund shall be applied in accordance with the provisions of paragraph (a) of this Section.

The provisions of this Section are in all respects subject to the provisions of Section 9.01 of this Article.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the banks or trust companies at which the Bonds shall be payable, or otherwise setting aside such moneys, in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Board, to any Bondholder or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such funds, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the holder of any unpaid coupon or any Bond until such coupon or such Bond shall be surrendered to the Trustee for appropriate endorsement.

Section 9.06. In case any proceeding taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Board, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

Section 9.07. Anything in this Indenture to the contrary

notwithstanding, the holders of a majority in principal amount of the Bonds then outstanding hereunder shall have the right, subject to the provisions of Section 9.08 of this Indenture, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Section 9.08. No holder of less than all of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder or for any other remedy hereunder unless such holder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be taken, nor unless the holders of not less than ten per centum (10%) in principal amount of the Bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, nor unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture or for any other remedy hereunder. It is understood and intended that no holder of less than all the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all holders of such outstanding Bonds and coupons.

Section 9.09. All rights of action under this Indenture or under any of the Bonds secured hereby, enforceable by the Trustee or by the holder of the Bonds, may be enforced by the Trustee or by such holder without the possession of any of the Bonds or the coupons appertaining thereto or the production thereof on the trial or other proceeding relative thereto. Any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the holders of such Bonds and coupons, subject to the provisions of this Indenture.

Section 9.10. No remedy herein conferred upon or reserved to the Trustee or to the holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 9.11. No delay or omission of the Trustee or of any holder of the Bonds to exercise any right or power accruing upon any default shall



impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article to the Trustee and the holders of the Bonds, respectively, may be exercised from time to time and so often as may be deemed expedient.

The Trustee may, and upon the written request of the holders of not less than fifteen per centum (15%) in principal amount of the Bonds then outstanding shall, waive any default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Indenture or before the completion of the enforcement of any other remedy under this Indenture, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Section 9.12. The Trustee shall mail to the registered owners of the Bonds then outstanding at their addresses as they appear on the registration books, and to all other Bondholders who shall have filed their names and addresses with the Trustee for such purpose, written notice of the occurrence of any event of default set forth in clause (a) or in clause (b) of Section 9.02 of this Article within thirty (30) days after any such event of default shall have occurred. If any year ending June 1 the total amount of deposits to the credit of the Sinking Fund shall be less than the amounts required so to be deposited under the provisions of Article FOUR of this Indenture, the Trustee, on or before the first day of July following the end of such year, shall mail to the registered owners of the Bonds then outstanding at their addresses as they appear on the registration books, and to all other Bondholders who shall have filed their names and addresses with the Trustee for such purpose, written notice of the failure to make such deposits. The Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail any notice required by this Section.

## ARTICLE TEN

### RELEASE AND DISCHARGE OF INDENTURE

Section 10.01. Whenever the Board shall pay, or cause to be paid, the principal and interest due and to become due upon all the Bonds hereby secured and then outstanding, or shall provide for full payment thereof by depositing with the Trustee hereunder, for the discharge of such Bonds and coupons, the entire amount due and to become due thereon for principal and interest, and shall, in case of redemption of all of the outstanding Bonds, deliver to the Trustee proof satisfactory to it that notice of redemption of all of the outstanding Bonds has been duly given, or a written instrument executed by the Board under its corporate seal and expressed to be irrevocable, authorizing the Trustee to give such notice for and on behalf of the Board, together with the moneys necessary to pay the cost of giving such notice, and shall pay the Trustee in full for all services rendered by it hereunder, and all lawful claims accruing to it by virtue of this instrument, and shall well and truly keep and perform all of the things herein required to be kept and performed by it, according to the true intent and meaning of this Indenture, then and in that event these presents and the trust hereby created shall cease and terminate,

and future payments from the revenues hereby pledged to the Trustee shall thereupon cease, terminate and become void, except as to the moneys deposited for payment of principal and interest due or to become due on said Bonds and coupons which shall be held by the Trustee and shall be applied by said Trustee to the payment of such Bonds and coupons upon the presentation and surrender thereof. Any deposit of money with the Trustee for the purpose of paying and sufficient in amount to pay certain of the Bonds and interest due and to become due thereon, or certain of the coupons appertaining thereto, shall discharge the liability of the Board on the Bonds and/or coupons for payment of which such deposit shall be made, and in case of full payment of all the Bonds and coupons and the discharge of all other obligations on the part of the Board as herein provided, or in case of the deposit of a sufficient sum of money for the full payment of the Bonds and coupons, and the discharge of all other obligations on the part of the Board, as herein provided, the Trustee, in either case, if the Trustee first shall have received:

- (1) A certificate of the Chairman and the Treasurer of the Board stating that the conditions precedent to the release and discharge of this Indenture have been complied with, and
- (2) An opinion of Counsel stating that in his opinion the conditions precedent to the release and discharge of this Indenture have been complied with,

shall execute and deliver to the Board on demand, at the cost and expense of the Board, all proper instruments that may be necessary to evidence the satisfaction and termination of this Indenture.

Section 10.02. Whenever the Board shall present to the Trustee for cancellation ~~all~~ Bonds (with all coupons thereunto appertaining), which have been authenticated by the Trustee and delivered to or upon the direction of the Board, and have not previously been paid or redeemed, or otherwise retired and cancelled, and shall request the Trustee upon cancellation of such Bonds and coupons to acknowledge satisfaction and termination of this Indenture, and shall pay the Trustee in full for all services rendered by it hereunder and all lawful claims accruing to it by virtue of this instrument, then and in that event the Trustee, if the Trustee first shall have received the certificate and the opinion mentioned, respectively, in paragraphs (1) and (2) of Section 10.01 of this Article, shall execute and deliver to the Board all proper instruments that may be necessary to evidence the satisfaction and termination of this Indenture.

Section 10.03. The satisfaction and discharge of this Indenture pursuant to ~~Section 10.01~~ and 10.02 of this Article shall be without prejudice to the right of the Trustee to be paid any compensation then due it hereunder and to be protected and saved harmless by the Board from any and all losses, liabilities, costs and expenses, including counsel fees, at any time incurred by the Trustee hereunder or connected with any Bond issued hereunder, and the Board hereby covenants to protect and save the Trustee harmless from any and all such losses, liabilities, costs and expenses incurred in acting under this Indenture, except such as may be caused by the gross negligence or willful default of the Trustee.

ARTICLE ELEVEN  
CONCERNING THE TRUSTEE

Section 11.01. The Trustee hereby accepts the trusts imposed upon it by this Indenture, but only upon and subject to the following express terms and conditions:

- (a) The Trustee may execute any of the trusts or powers hereof and perform any duties required of it, by or through attorneys, agents, receivers, or employees, and shall be entitled to advice of counsel concerning all matters of trust hereof and its duties hereunder, and may in all cases pay such reasonable compensation as it shall deem proper to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof and the Board covenants and agrees to repay upon demand all such outlays and expenditures so incurred.
- (b) The Trustee shall not be responsible for any recitals herein or in said Bonds, or for insuring the Project or collecting any insurance moneys, or for the execution of this Indenture or of any supplemental indenture or instrument of further assurance or for the validity thereof or for the affixing or cancellation of any revenue stamps, or for the sufficiency of the security for the Bonds issued under or intended to be secured hereby, or for the value or title of the Board to any of the Project, or for the payment of or for keeping down taxes, charges, assessments or liens upon the same, or otherwise as to the maintenance of the security hereof; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Board contained herein; but the Trustee may require of the Board full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the Project.
- (c) All moneys received by the Trustee under any provision of this Indenture shall, until used or applied as provided in this Indenture, be held in trust for the purpose for which such moneys were received, but need not be segregated from other funds except to the extent required by law. The Trustee shall not be obliged to pay interest on such moneys, save such as it shall agree to pay thereon. Holders of Bonds and/or coupons shall not be entitled to interest on funds deposited for payment of such Bonds and/or coupons. The Trustee may become the owner of Bonds and coupons

secured hereby with the same rights which it would have if not Trustee.

- (d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and the Trustee shall not be bound to recognize any person as a holder of any Bond or coupon or to take any action at his request unless such Bond or coupon shall be deposited with the Trustee, or submitted to it for inspection. Any action taken by the Trustee pursuant to this Indenture, upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond secured hereby, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.
- (e) The Trustee shall not be compelled to do any act hereunder, or to take any action toward the execution or enforcement of the trusts hereby created or to prosecute or to defend any suit in respect hereof, unless indemnified to its satisfaction against loss, cost, liability and expense.
- (f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate of the Board signed by the Chairman and attested by the Secretary as sufficient evidence of the facts therein contained, and shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may, in its discretion, at the reasonable expense of the Board, in every case secure such further evidence as it may think necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Secretary of the Board, under its corporate seal, to the effect that a resolution in the form therein set forth has been adopted by the Board, or its Executive Committee, as conclusive evidence that said resolution has been duly adopted, and is in full force and effect. The Trustee may in relation to this Indenture act upon the opinion or advice of any attorney, valuator, surveyor, engineer, accountant, or other expert, whether retained or selected by the Trustee, the Board, or otherwise, and shall not be responsible for any loss resulting from any action or non-action in accordance with any such opinion or advice.

- (g) The Trustee shall not be liable for any action taken or omitted to be taken by it in good faith and believed by it to be within the discretion or power conferred upon it by this Indenture, and the Trustee shall be answerable only for its own acts, receipts, neglects and defaults, and not for those of any person employed and selected with reasonable care, nor for any loss unless the same shall happen through neglect or negligence.
- (h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder unless the Trustee shall be specifically notified in writing of such default by the holders of at least five per cent (5%) in principal amount of the Bonds hereby secured and then outstanding, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the office of such Trustee.
- (i) At any and all reasonable times, the Trustee, and its duly authorized agents, attorneys, experts, engineers, architects, accountants and representatives, shall have the right fully to inspect any and all of the Project, including all books, papers and contracts of the Board and University, and to take such memoranda from and in regard thereto as may be desired.
- (j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.
- (k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property or securities, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, and by the Trustee deemed desirable for the purpose of establishing the right of the Board to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee. The Trustee shall not be required, except as otherwise herein provided, to authenticate any Bonds, permit the withdrawal of any cash, or take any other action if at the time there exists to its knowledge any default in respect of any of the covenants, agreements or provisions of this Indenture.

Section 11.02. The Trustee shall have a first lien hereunder upon the pledged funds for reasonable compensation, expenses, advances and counsel fees incurred in and about the execution of the trusts hereby created and the exercise and performance of the powers and duties of the Trustee hereunder and the cost and expense of defending against any liability in the premises of any character whatsoever, and the Board hereby covenants and agrees to pay unto the Trustee reasonable compensation for its services in the premises as well as all advances, counsel fees and other expenses reasonably made or incurred in and about the execution of the trusts hereby created. The compensation of the Trustee shall not be limited to or by any provision of law in regard to the compensation of a trustee of an express trust.

Section 11.03. The Trustee may at any time resign and be discharged of the trusts hereby created by mailing written notice to the Board or to the President of the University and to each registered owner of Bonds specifying the day upon which such resignation shall take effect, and thereafter, unless all outstanding Bonds are registered as to principal, causing notice thereof to be published (a) in a daily newspaper of general circulation at the time published in the English language in the City of Louisville, Kentucky, and (b) in a financial newspaper published in New York, New York, once a week for three (3) consecutive weeks prior to the date upon which such resignation shall take effect; and such resignation shall take effect upon the day specified in such notice unless previously a successor Trustee shall have been appointed by the Bondholders or the Board in the manner hereinafter provided in Section 11.05 of this Article and in such event such resignation shall take effect immediately on the appointment of such successor Trustee.

Section 11.04. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Trustee and to the Board, and signed by the holders of a majority in principal amount of the Bonds hereby secured and then outstanding.

Section 11.05. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation or otherwise become incapable of acting hereunder, or in case the Trustee shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holders of a majority in principal amount of the Bonds hereby secured and then outstanding by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of any such event the Board by an instrument executed by order of its Board of Trustees, and signed by the Chairman, and attested by the Secretary, under its corporate seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondholders in the manner above provided; and any such temporary Trustee so appointed by the Board shall immediately and without further act be superseded by the Trustee so appointed by such Bondholders. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank of the character specified in Section 5.09 hereof.

Section 11.06. Every successor trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Board, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts,



duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Board or of its successor, execute and deliver an instrument transferring to such successor Trustee all the estate, properties, rights, powers, and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it to its successor. Should any deed, conveyance or instrument of writing from the Board be required by any successor for more fully and certainly vesting in such Trustee the estates, rights, powers and duties hereby vested or intended to be vested, in the predecessor Trustee, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Board.

## ARTICLE TWELVE

### MISCELLANEOUS PROVISIONS

Section 12.01. In case the principal of any of the Bonds shall not be punctually paid when due at maturity, whether by declaration or lapse of time, and/or in case any installment of interest thereon shall not be punctually paid when due, then upon deposit with or receipt by the Trustee of moneys sufficient to pay such overdue principal and/or installments of interest (together with moneys sufficient to pay interest due and to become due thereon up to the date when interest upon such overdue principal and/or installment or installments of interest shall cease as herein provided), interest on such overdue principal and/or installment or installments of interest thereon shall cease to accrue one week after the mailing of notice, stating that said moneys have been so deposited or received, to each registered owner of Bonds, or if all of the outstanding Bonds are not registered as to principal, then one week after the date of publication by the Board of such notice in a financial publication published in the English language in the Borough of Manhattan, City and State of New York. A copy of such notice shall be delivered by the Board to the Trustee prior to the mailing or publication thereof and the Trustee shall mail a copy of such notice to registered owners of Bonds, but notwithstanding failure so to mail such notice, in case of the publication thereof, interest shall nevertheless cease to accrue as above provided.

Section 12.02. (a) In the event that any Bond issued hereunder shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for the redemption thereof, or in the event that any coupon shall not be presented for payment at the due date thereof, the Board having deposited with the Trustee in trust for the purpose, or left with it if previously so deposited, funds sufficient to pay the principal of such Bond together with all interest due thereon to the date of the maturity of such Bond or to the date fixed for the redemption thereof, or to pay such coupon, as the case may be, for the use and benefit of the holder thereof, then and in every such case, interest on said Bond or on said unpaid coupon, and all liability of the Board to the holder of said Bond for the payment of the principal thereof and interest thereon or to the holder of said unpaid coupon for the payment thereof and interest thereon, as the case may be, shall forthwith cease, determine and be completely discharged; and thereupon it shall be the duty of the Trustee to hold the funds, so deposited in trust, for the benefit of the holder of such Bond or unpaid coupon, as the case may be, who shall thereafter, as long as the funds deposited or left on

deposit for the payment thereof shall remain on deposit with the Trustee, be restricted exclusively to said funds for any claim of whatsoever nature on the part of such holder under this Indenture or on said Bond or any coupons appertaining thereto, or on said unpaid coupon.

(b) In case the holder of any Bond or coupon shall not within six (6) years after such Bond or coupon, as the case may be, shall have become due and payable, and funds for the payment thereof shall have been deposited with the Trustee, claim the amount deposited pursuant to subsection (a) of this Section for the payment thereof, or in case the holder of any Bond or coupon shall not, within six (6) years after the deposit or receipt of moneys under Section 12.01 of this Article, claim the amount so deposited, the Trustee shall upon demand pay over to the Board such amount so deposited if the Board is not at the time in default hereunder to the knowledge of the Trustee. The Trustee shall be free from any and all liability or responsibility for money so paid over by the Trustee, and the Board shall be liable to the holder of such Bond or coupon only to the extent of the Funds so returned to it.

Section 12.03. Except as in this Section otherwise expressly provided, the holders of sixty-five per cent (65%) or more in principal amount of the Bonds at any time outstanding shall have the power, by an instrument or instruments in writing signed by such holders in person or by their duly authorized agents or attorneys or by a committee constituted by an agreement to which any portion of the Bonds shall have been made subject by deposit or otherwise, and delivered to the Trustee, to authorize any modification or alteration of this Indenture or any indenture supplemental hereto or the rights and obligations of the Board under this Indenture or of the holders of Bonds and coupons issued under this Indenture in any particular, approved by the Board, including without limitation by reason of the foregoing (1) release from the statutory mortgage lien of any part of the Project covered thereby, and (2) waiver of any default and of any rights arising by reason of any default under any of the provisions of the Indenture; and any action herein authorized to be taken with the assent or authority, given as aforesaid of the holders of sixty-five per cent (65%) or more in principal amount of the Bonds at the time outstanding shall be binding upon the holders of all of the Bonds then or from time to time thereafter outstanding under the Indenture as fully as though such action were specifically and expressly authorized by the terms of the Indenture; provided always that no such modification or alteration (a) shall change or impair the obligation of the Board to pay the principal of and interest on the Bonds at the respective dates and at the places and in the respective amounts, as provided in the Bonds, (b) shall give to any Bond or Bonds secured by the Indenture any preference over any other Bond or Bonds so secured, (c) shall authorize the creation of any lien prior to or on a parity with the said statutory mortgage lien, (d) shall deprive any Bondholder of the security afforded by this Indenture, or (e) shall reduce the percentage required by the provisions of this Section for any action under this Section. Any modification of the provisions of the Indenture, made as aforesaid, shall be set forth in a supplemental indenture between the Trustee and the Board in the manner provided in Article Seven.

Section 12.04. Whenever in this Indenture the holders of a percentage or fraction of the Bonds or of the principal amount of the Bonds, or the Bonds outstanding, are given or granted any power, right or authority to do any act or thing, and/or to direct or consent that any act or thing be done in respect of this Indenture, the Bonds secured hereby and/or the funds pledged hereunder,



or property subject to the statutory mortgage lien, such percentage or fraction in each case shall be exclusive of Bonds owned by the Board, or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Board, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction or consent, only Bonds which the Trustee knows are so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as outstanding for the purpose of this Section, if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by or under direct or indirect common control with the Board. In case of a dispute as to such right any decision of the Trustee taken upon the advice of counsel shall be full protection to the Trustee, and the Trustee may accept a certificate of the Chairman and Treasurer as to the amount of the Bonds held directly or indirectly by or for the benefit of the Board, and shall be liable to no one for acting in reliance thereon.

Section 12.05. Whenever in this Indenture any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, and all the covenants, promises and agreements in this Indenture contained by or on behalf of the Board, or by or on behalf of the Trustee shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

Section 12.06. Nothing in this Indenture, expressed or implied, is intended or shall be construed to confer upon or give to any person or corporation, other than the parties hereto and the holders of the Bonds and of coupons, any right, remedy or claim under or by reason of this Indenture, or any covenant, condition or stipulation hereof, and all the covenants, stipulations, promises, agreements and conditions in this Indenture contained, by or on behalf of the Board, shall be for the sole and exclusive benefit of the parties hereto, their successors and assigns, and of the holders of the Bonds and of coupons.

Section 12.07. The Board and the Trustee agree, and each holder or owner of any Bond or coupon by his acceptance thereof shall be conclusively deemed to have agreed, that any court may in its discretion require in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorney's fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding in the aggregate more than ten per cent (10%) in principal amount of the Bonds outstanding, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal of or interest on any Bond, on or after the respective due dates expressed in such Bond.

Section 12.08. Any request, declaration or other instrument required or permitted by this Indenture to be signed and executed by Bondholders may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Bondholders in person or by attorney appointed in

writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such attorney, and of the holding by any person of Bonds transferable by delivery or interest coupons shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee as against the person signing such request and all future holders of the Bonds held by such person and otherwise hereunder with regard to due action taken by the Trustee under such request or other instrument, if made in the following manner:

The fact and date of the execution by any person of any such request or other instrument or writing may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the place where such acknowledgments are taken, that the person signing such request or other instrument acknowledged to him the execution thereof, or by any affidavit of a witness to such execution.

The amount of interest coupons held by any person executing such request or other instrument as a Bondholder, and the amounts and issue numbers of the Bonds transferable by delivery held by such person, and the date of his holding the same, may be proved by a certificate executed by any trust company, bank, bankers, institution or other depository (wherever situated), if such certificate shall be deemed by the Trustee to be satisfactory, showing therein that at the date therein mentioned such person had on deposit with or exhibited to such depository, the Bonds and/or interest coupons described in such certificate. The Trustee may, nevertheless, in its discretion, require further proof in cases where it deems further proof desirable.

The ownership of registered Bonds shall be proved by the registry books.

Section 12.09. The descriptive headings of the various Articles of this Indenture were formulated, used and inserted in this Indenture for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

Section 12.10. This Indenture may be simultaneously executed in any number of counterparts, and all said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument. The date of actual execution of this Indenture shall be the date of execution by the Trustee.

Section 12.11. If there should be any misapplication of the proceeds of the Bonds, such misapplication shall not affect the validity of the Bonds.

Section 12.12. If any section, paragraph, clause or provision of this Indenture shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Indenture.

## ARTICLE THIRTEEN

## IDENTIFICATION OF THE PROJECT

Section 13.01. The "Project" as defined in Section 1.01 hereof and as referred to throughout this Indenture, is hereby identified as a new dormitory building and all appurtenances thereto, to be constructed by the Board pursuant to plans and specifications prepared by Brock and Johnson, Architects, Lexington, Kentucky, upon a portion of the campus of the University in the City of Lexington, Fayette County, Kentucky, described as follows:

Beginning at a point 63 feet from the curb of Euclid Avenue and 40 feet from the stonewall on Limestone Street; thence North with a line parallel to Limestone Street a distance of 330 feet and 4 inches to a point; thence at right angles to the right in an Easterly direction a distance of 45 feet and 4 inches to a point; thence at right angles to the right in a Southerly direction and parallel with Limestone Street a distance of 330 feet and 4 inches to a point, said point being 59 feet from the Southwest corner of Jewell Hall; thence at right angles to the right in a Westerly direction and approximately parallel to Euclid Avenue a distance of 45 feet and 4 inches to the point of beginning (as shown on University of Kentucky Plot Plan dated March 1956) and being part of the same property conveyed to the University of Kentucky by deed dated September 6, 1902 from James K. Patterson and wife and Walter K. Patterson of record in Deed Book 128, page 101 in the office of the Fayette County Clerk; being also part of the property conveyed to the University of Kentucky by deed dated March 1, 1910 from the Martin McLaughlin heirs of record in Deed Book 161, page 247 and being further part of the same property conveyed to the University of Kentucky by deed dated March 1, 1911 from Rebecca Calvert of record in Deed Book 162, page 588 in said Clerk's office and being finally part of the property conveyed to the University of Kentucky by deed dated October 1, 1925 from Louise E. Fugazzi and others of record in Deed Book 233, page 376 in the Fayette Clerk's office.

IN WITNESS WHEREOF, the party of the first part has caused its corporate name to be hereunto subscribed by the Chairman or the Vice Chairman of its Board of Trustees and its corporate seal to be hereto affixed, and said seal to be attested and this Indenture to be countersigned by the Secretary or Assistant Secretary of its Board of Trustees, and said Farmers Bank and Capital Trust Company to evidence its acceptance of the trusts hereby created and vested in it, has caused its corporate name to be hereunto subscribed by its President or by one of its Vice Presidents, and its corporate seal to be hereto affixed and said seal to be attested and this Indenture to be countersigned by its Trust Officer, all as of the day and year first above written, but actually on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY

By \_\_\_\_\_  
Vice Chairman

(SEAL)

ATTEST:  
Countersigned

\_\_\_\_\_  
Secretary

WITNESSES TO THE EXECUTION  
HEREOF BY SAID BOARD OF  
TRUSTEES:

\_\_\_\_\_  
\_\_\_\_\_

FARMERS BANK AND CAPITAL TRUST  
COMPANY

By \_\_\_\_\_  
President

(SEAL)

ATTEST:

COUNTERSIGNED:

\_\_\_\_\_  
Trust Officer

WITNESSES TO THE EXECUTION  
HEREOF BY SAID TRUSTEE:

\_\_\_\_\_  
\_\_\_\_\_

STATE OF KENTUCKY    )  
                              ) SS  
COUNTY OF FAYETTE    )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1956, before me,  
\_\_\_\_\_, a Notary Public in and for said County in the State  
aforesaid, appeared \_\_\_\_\_ and \_\_\_\_\_  
to me personally known and to me known to be the Vice Chairman and duly  
elected Secretary, respectively, of Board of Trustees of the University of

Kentucky, one of the corporations described in and which executed the within and foregoing instrument and who being by me severally duly sworn each for himself did say that he, the said \_\_\_\_\_ is the \_\_\_\_\_ Chairman of said Board of Trustees, and he, the said \_\_\_\_\_, is the \_\_\_\_\_ Secretary of said Board of Trustees of University of Kentucky; that the seal affixed to the within and foregoing instrument is the corporate seal of said corporation, that said instrument was executed, signed and sealed in behalf of said corporation by authority of its Board of Trustees; and said \_\_\_\_\_ and \_\_\_\_\_ each acknowledged the execution of said instrument to be and said instrument to be the free and voluntary act and deed of said corporation by it voluntarily executed.

WITNESS my hand and notarial seal this \_\_\_\_\_ day of December, 1956.

\_\_\_\_\_  
Notary Public in and for the County  
and State aforesaid.

My commission expires \_\_\_\_\_

STATE OF KENTUCKY    )  
                                  ) SS  
COUNTY OF FRANKLIN )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public in and for said County in the State aforesaid, appeared \_\_\_\_\_ and \_\_\_\_\_ to me personally known and to me known to be the \_\_\_\_\_ and \_\_\_\_\_, respectively, of Farmers Bank and Capital Trust Company, one of the corporations described in and which executed the within and foregoing instrument and who being by me severally duly sworn each for himself did say that he, the said \_\_\_\_\_ is the \_\_\_\_\_ of said corporation, and he, the said \_\_\_\_\_ is \_\_\_\_\_ of said corporation; that the seal affixed to the within and foregoing instrument is the corporate seal of said corporation, that said instrument was executed, signed and sealed in behalf of said corporation by authority of its Board of Directors; and said \_\_\_\_\_ and \_\_\_\_\_ each acknowledged the execution of said instrument to be and the said instrument to be the free and voluntary act and deed of said corporation by it voluntarily executed.

WITNESS my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.  
\_\_\_\_\_

\_\_\_\_\_  
Notary Public in and for the County and  
State aforesaid

(Seal of Notary)

My commission expires \_\_\_\_\_.

(End of Form of Indenture)

Section 5. Simultaneously with the delivery of any of said Bonds to the purchaser or purchasers thereof, from time to time, disposition shall be made of the proceeds as provided in said Indenture.

Section 6. This Resolution shall be in full force and effect from and after its adoption.

Section 7. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Adopted by the Board of Trustees of the University of Kentucky at a meeting held on December 11, 1956.

\_\_\_\_\_  
Vice Chairman of Board of Trustees  
of the University of Kentucky

(SEAL)

ATTEST:

\_\_\_\_\_  
Secretary

and moved that all rules be suspended and that said proposed Resolution be adopted, which Resolution was duly seconded by Member Harper Gatton, and said motion having been duly considered, the Vice Chairman of the Board of Trustees put the question, and upon roll being called the following voted:

Aye: J. Stephen Watkins, Dr. Ralph Angelucci, Louis Cox, Dr. Daniel C. Elkin, Harper Gatton, Dr. Harry Denham, Robert C. Stilz, Ben Butler, Carl Dempewolfe and R. P. Hobson.

Nay: None.

Whereupon, the Vice Chairman of the Board of Trustees declared the said motion duly carried, and said Resolution duly adopted.

Thereupon, Ben Butler introduced and caused to be read in full a proposed Resolution entitled "A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY DELEGATING TO ITS EXECUTIVE COMMITTEE FULL POWER AND AUTHORITY TO TAKE ALL ADDITIONAL NECESSARY OR DESIRABLE STEPS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF ' DORMITORY REVENUE BONDS OF 1956, HOLMES HALL,' OF THE UNIVERSITY OF KENTUCKY."

WHEREAS, further action may be necessary in connection with the issuance, sale and delivery of Dormitory Revenue Bonds of 1956, Holmes Hall, of the University of Kentucky to pay the cost not otherwise provided for of constructing an additional dormitory upon the campus of the University, and it is

deemed advisable and for the best interests of the University of Kentucky that the Executive Committee be given full power to take all action which may be necessary or desirable in connection with the foregoing,

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

Section 1. The Board of Trustees of the University of Kentucky hereby delegates to the Executive Committee of such Board of Trustees the full right, power and authority to take any and all action or actions which may be necessary or desirable in connection with completing the entire transaction pertaining to the financing of a dormitory to be known as Holmes Hall and the appurtenances thereto, and, without limiting the generality of the foregoing, to take any and all action which may be necessary in connection with the authorization, issuance, sale and delivery of \$1,131,000 of University of Kentucky Dormitory Revenue Bonds of 1956, Holmes Hall, to amend, extend or change any resolution, resolutions or action previously taken by the Board of Trustees with reference to such transaction and to take any and all action which may be necessary in carrying out the provisions of the Loan Agreement dated as of June 1, 1956, between the Board of Trustees of the University of Kentucky and the United States of America with reference to the financing of Holmes Hall and the appurtenances thereto, such project being referred to in such Loan Agreement as Project No. Ky. 15-CH-12(D).

Section 2. That such Executive Committee is hereby authorized and directed to take any and all other action which may be necessary or desirable to carry out the intent of the foregoing.

Section 3. That if and when any action is taken by such Executive Committee in connection with such Project, all parties shall have the right to rely upon such action as being equivalent to the action as if same had been taken by the Board of Trustees of the University of Kentucky, and such Executive Committee shall have the right to complete such financing and such Project upon behalf of the University of Kentucky without any further authorization, consideration or approval by the Board of Trustees of the University of Kentucky, it being the intent of this Resolution to give such Executive Committee as full and complete power with reference to such Project as if the Board of Trustees were acting upon its own behalf.

Section 4. That all resolutions, motions, orders and parts thereof which are inconsistent with the provisions of this Resolution are hereby repealed to the extent, but only to the extent, of such inconsistency.

Adopted by the Board of Trustees of the University of Kentucky at a meeting held on December 11, 1956.

(SEAL)

ATTEST:

\_\_\_\_\_  
Vice Chairman of Board of Trustees of  
the University of Kentucky

\_\_\_\_\_  
Secretary

and moved that all rules be suspended and that said proposed Resolution be adopted, which Resolution was duly seconded by Member Dr. Harry Denham, and said motion having been duly considered, the Vice Chairman of the Board of Trustees put the question, and upon the roll being called the following voted:

Aye: J. Stephen Watkins, Dr. Ralph Angelucci, Louis Cox, Dr. Daniel C. Elkin, Harper Gatton, Dr. Harry Denham, Robert C. Stilz, Ben Butler, Carl Dempewolfe, and R. P. Hobson.

Nay: None.

Whereupon, the Vice Chairman of the Board of Trustees declared that the said motion was duly carried and said Resolution was duly adopted.

G-1. Bond Issue, Small Dormitory, 338 Clifton Avenue.

Mr. Peterson stated that the Bond Resolution in connection with small dormitory to be located at 338 Clifton Avenue, sometime referred to as Phi Delta Theta Fraternity House, had been prepared in keeping with the authorization of the Executive Committee of the Board of Trustees of October 19, 1956, authorizing the amount of the bond issue raised to \$150,000. The Bond Resolution was available and ready for consideration by the Board.

President Dickey stated that the construction of this building would help provide housing facilities for students of the University. He stated that it would be necessary to issue Dormitory Revenue Bonds to provide necessary funds with which to construct it.

Whereupon Member J. Stephen Watkins introduced and caused to be read in full a proposed Resolution entitled

A RESOLUTION OF THE EXECUTIVE COMMITTEE 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 CONSTRUCTING AND EQUIPPING A DORMITORY BUILDING UPON A SITE GENERALLY KNOWN AND DESIGNATED AS NO. 338 CLIFTON AVENUE, IN LEXINGTON, KENTUCKY.

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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 the University construct a dormitory building upon premises generally known and designated as No. 338 Clifton Avenue, in Lexington, Kentucky; and

WHEREAS, said building can be constructed and equipped for \$150,000.00; and

WHEREAS, under the provisions of Chapter 58 of the Kentucky Revised Statutes, the Board of Trustees of the University of Kentucky, as a



governmental agency, is authorized to issue bonds, as hereinafter provided, for the purpose of financing the construction of said building, appurtenances, and equipment; and the Board of Trustees of the University, at its regular statutory meeting, held on April 3, 1956, expressly authorized the Executive Committee to take all necessary action; and authorization of the said project and financing has been given by the State Property and Buildings Commission and by the Department of Finance, as required by law;

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

SECTION 1. It is hereby determined that in order to provide the University of Kentucky with additional and needed accommodations for educational purposes, it is necessary and desirable that there be constructed upon the premises generally known and designated as No. 338 Clifton Avenue, in Lexington, Kentucky, a building which is suitable for use and occupancy for dormitory purposes, at a cost to the University not to exceed \$150,000.00. The said building, appurtenances, and equipment are collectively sometimes hereinafter referred to as the Project; and are hereby declared to be a "public Project" within the meaning and application of Chapter 58 of the Kentucky Revised Statutes.

SECTION 2. In order to provide for the payment of the costs and expenses of the Project, 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 (338 Clifton Avenue)" in the aggregate principal amount of One Hundred Fifty Thousand Dollars (\$150,000.00), dated December 1, 1956, consisting of one hundred fifty (150) bonds of the denomination of One Thousand Dollars (\$1,000.00) each, to be numbered consecutively from One (1) to One Hundred Fifty (150), both numbers inclusive, bearing interest to be evidenced by coupons attached to each bond and maturing on June 1 and December 1 of each year to the respective maturity dates of principal at a rate, or rates, to be determined at the time of the receipt and consideration of financing proposals as hereinafter provided, none of which may exceed 6% per annum. Said bonds shall mature serially and in numerical order, as follows:

<u>BONDS NUMBERED</u> <u>(Inclusive)</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF MATURITY</u>
1-2	\$2,000.00	June 1, 1958
3-4	2,000.00	June 1, 1959
5-6	2,000.00	June 1, 1960
7-8	2,000.00	June 1, 1961
9-10	2,000.00	June 1, 1962
11-12	2,000.00	June 1, 1963
13-14	2,000.00	June 1, 1964
15-16	2,000.00	June 1, 1965
17-18	2,000.00	June 1, 1966
19-20	2,000.00	June 1, 1967
21-22	2,000.00	June 1, 1968
23-25	3,000.00	June 1, 1969
26-28	3,000.00	June 1, 1970

29-31	\$3,000.00	June 1, 1971
32-34	3,000.00	June 1, 1972
35-37	3,000.00	June 1, 1973
38-40	3,000.00	June 1, 1974
41-43	3,000.00	June 1, 1975
44-46	3,000.00	June 1, 1976
47-50	4,000.00	June 1, 1977
51-54	4,000.00	June 1, 1978
55-58	4,000.00	June 1, 1979
59-62	4,000.00	June 1, 1980
63-66	4,000.00	June 1, 1981
67-70	4,000.00	June 1, 1982
71-74	4,000.00	June 1, 1983
75-79	5,000.00	June 1, 1984
80-84	5,000.00	June 1, 1985
85-89	5,000.00	June 1, 1986
90-94	5,000.00	June 1, 1987
95-99	5,000.00	June 1, 1988
100-105	6,000.00	June 1, 1989
106-111	6,000.00	June 1, 1990
112-117	6,000.00	June 1, 1991
118-123	6,000.00	June 1, 1992
124-129	6,000.00	June 1, 1993
130-136	7,000.00	June 1, 1994
137-143	7,000.00	June 1, 1995
144-150	7,000.00	June 1, 1996

provided, however, that any of said numbered 15 to 150, inclusive, bonds shall be redeemable prior to maturity as a whole or from time to time in part, in the inverse order of their numbering on December 1, 1964, 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 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 throughout 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 applicable coupon rate and together with additional interest in the sum of Thirty Dollars (\$30.00) if the redemption date is on or prior to June 1, 1971; Twenty-five Dollars (\$25.00) if the redemption date is on or after December 1, 1971, but on or prior to June 1, 1976; Twenty Dollars (\$20.00) if the redemption date is on or after December 1, 1976, but on or prior to June 1, 1981; Fifteen Dollars (\$15.00) if the redemption date is on or after December 1, 1981, but on or prior to June 1, 1986; Ten Dollars (\$10.00) if the redemption date is on or after December 1, 1986, but on or prior to June 1, 1991; and Five Dollars (\$5.00) if the redemption date is on or after December 1, 1991 to final maturity. All bonds called for redemption, as herein provided, funds for the payment of which are duly deposited at the place of payment of principal and interest at or prior to the specified redemption date, shall cease to bear interest from and after such specified 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 signatures 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 principal office of Farmers Bank & Capital Trust Company, in the City of Frankfort, Kentucky, but only out of the "338 Clifton Avenue 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. If any officer whose signature, or a facsimile of whose signature, appears on said bonds or coupons shall cease to be such officer prior to the delivery of such bonds, such signature or facsimile signature shall, nevertheless, be valid for all purposes, the same as if such officer had continued to hold such office until such delivery.

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  
(338 CLIFTON AVENUE)

No. \_\_\_\_\_

\$1,000.00

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, 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 June, 19\_\_\_\_, with interest thereon from the date hereof until paid at the rate of \_\_\_\_\_ per cent (\_\_\_\_%) per annum, payable semiannually on each June 1 and December 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 principal office of Farmers Bank & Capital Trust Company, in the City of Frankfort, Kentucky.

The right is hereby reserved to call and redeem bonds numbered Fifteen (15) to One Hundred Fifty (150), inclusive, 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 on or after December 1, 1964, 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 throughout 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 in the sum of Thirty Dollars (\$30.00) if the redemption date is on or prior to June 1, 1971; Twenty-five Dollars (\$25.00) if the redemption date is on or after December 1, 1971, but on or prior to June 1, 1976; Twenty Dollars (\$20.00) if the redemption date is on or after December 1, 1976, but on or prior to June 1, 1981; Fifteen Dollars (\$15.00) if the redemption date is on or after December 1, 1981, but on or prior to June 1, 1986; Ten Dollars (\$10.00) if the redemption date is on or after December 1, 1986, but on or prior to June 1, 1991; and Five Dollars (\$5.00) if the redemption date is on or after December 1, 1991 to final maturity. All bonds called for redemption as herein provided, funds for the payment of which are duly deposited at the place of payment of principal and interest at or prior to the specified redemption date, shall cease to bear interest from and after such specified redemption date.

This bond is issued to finance the cost of constructing and equipping 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 58.010 to 58.140, 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 "338 Clifton Avenue Dormitory Revenue Bond and Interest Redemption Fund," and this bond does not constitute an indebtedness of the University of Kentucky or of its Board of Trustees or of the Commonwealth of Kentucky within the meaning of any constitutional provisions or limitations.

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 of 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 December, 1956.

(SEAL)

\_\_\_\_\_  
Chairman  
Board of Trustees

ATTEST:

\_\_\_\_\_  
Secretary  
Board of Trustees

(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 "338 Clifton Avenue Dormitory Revenue Bond and Interest Redemption Fund," at the principal office of Farmers Bank & Capital Trust Company, in the City of Frankfort, Kentucky, as provided in and for interest then due on its Dormitory Revenue Bond (338 Clifton Avenue) dated December 1, 1956, Number \_\_\_\_\_.

\_\_\_\_\_  
Chairman, Board of Trustees

\_\_\_\_\_  
Secretary, Board of Trustees

(\* This redemption legend to appear only upon interest coupons attached to bonds maturing on and after June 1, 1965.)

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

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

SECTION 4. The Project shall be operated as a revenue-producing undertaking on a fiscal year basis commencing on June 1 of each year and ending on May 31 of the ensuing 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 "338 Clifton Avenue Dormitory Revenue Fund" (hereinafter designated the "Revenue Fund").

There shall be and there is hereby created a fund to be known as the "338 Clifton Avenue 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. The amount to be set aside into said fund during each fiscal year 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 or period ending May 31, 1957	.....	\$3,000.00
(from bond proceeds and accrued interest)		
During the fiscal year ending May 31, 1958	.....	8,000.00
(partly from bond proceeds, as hereinafter provided; the remainder from rentals)		
During the fiscal year ending May 31, 1959	.....	7,920.00
During the fiscal year ending May 31, 1960	.....	7,840.00
During the fiscal year ending May 31, 1961	.....	7,760.00
During the fiscal year ending May 31, 1962	.....	7,680.00
During the fiscal year ending May 31, 1963	.....	7,600.00
During the fiscal year ending May 31, 1964	.....	7,520.00
During the fiscal year ending May 31, 1965	.....	7,440.00
During the fiscal year ending May 31, 1966	.....	7,360.00
During the fiscal year ending May 31, 1967	.....	7,280.00
During the fiscal year ending May 31, 1968	.....	7,200.00
During the fiscal year ending May 31, 1969	.....	8,120.00
During the fiscal year ending May 31, 1970	.....	8,000.00
During the fiscal year ending May 31, 1971	.....	7,880.00
During the fiscal year ending May 31, 1972	.....	7,760.00
During the fiscal year ending May 31, 1973	.....	7,640.00
During the fiscal year ending May 31, 1974	.....	7,520.00
During the fiscal year ending May 31, 1975	.....	7,400.00
During the fiscal year ending May 31, 1976	.....	7,280.00

During the fiscal year ending May 31, 1977	.....	\$8,160.00
During the fiscal year ending May 31, 1978	.....	8,000.00
During the fiscal year ending May 31, 1979	.....	7,840.00
During the fiscal year ending May 31, 1980	.....	7,680.00
During the fiscal year ending May 31, 1981	.....	7,520.00
During the fiscal year ending May 31, 1982	.....	7,360.00
During the fiscal year ending May 31, 1983	.....	7,200.00
During the fiscal year ending May 31, 1984	.....	8,040.00
During the fiscal year ending May 31, 1985	.....	7,840.00
During the fiscal year ending May 31, 1986	.....	7,640.00
During the fiscal year ending May 31, 1987	.....	7,440.00
During the fiscal year ending May 31, 1988	.....	7,240.00
During the fiscal year ending May 31, 1989	.....	8,040.00
During the fiscal year ending May 31, 1990	.....	7,800.00
During the fiscal year ending May 31, 1991	.....	7,560.00
During the fiscal year ending May 31, 1992	.....	7,320.00
During the fiscal year ending May 31, 1993	.....	7,080.00
During the fiscal year ending May 31, 1994	.....	7,840.00
During the fiscal year ending May 31, 1995	.....	7,560.00
During the fiscal year ending May 31, 1996	.....	7,280.00

Provided, however, that the minimum annual amounts to be set aside into said Bond Fund, as set forth in the foregoing schedule are based upon an arbitrary assumption that when said bonds are publicly sold on a competitive basis, a single interest coupon rate of four per cent (4%) will be established and made applicable thereto, and the minimum amount to be so set aside in each year is sufficient to provide for the payment of the interest coupons maturing on December 1 in such fiscal year, and the bonds and coupons maturing on June 1 immediately following the end of such fiscal year. If less than all of the bonds are sold and outstanding, or if the interest coupon rates established and made applicable, as herein provided, are otherwise than four per cent (4%) for all of the bonds, the minimum annual amounts to be so set aside in said Bond Fund shall automatically be adjusted to such sums as shall be sufficient to accomplish the purposes set forth in this paragraph, without further action by the Board of Trustees, or of its Executive Committee.

All funds received as accrued interest at the time of the issuance of said bonds shall be paid into said Bond Fund at the time of the issuance and delivery of the bonds hereby authorized, together with such additional sum from bond proceeds as will cause the total of said deposit to equal all interest which will accrue on the bonds during the estimated construction period (to October 1, 1957), 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 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. 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, 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 (30) 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. The Secretary of the Board of Trustees is hereby authorized to cause a notice to be published in the COURIER-JOURNAL, Louisville, Kentucky, soliciting sealed competitive bids for the purchasing of the bonds authorized by this Resolution, the same to be received in the office of the Vice-President (Business Administration) of the University until the \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, and opened and acted upon at that time by the Board of Trustees or its Executive Committee. The right to reject bids shall be reserved. No bid offering less than 98% of the par or face value of the bonds sold shall be given favorable consideration. The Secretary having submitted to the Board a copy of a "Notice of Sale of Bonds," to be furnished to interested bidders upon request, and said instrument having been examined, the same is hereby approved, and may be used in soliciting proposals for the purchasing of said bonds.

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, together with an additional sum from bond proceeds as provided in Section 4 hereof, representing interest during the anticipated construction period (to October 1, 1957). From said proceeds there shall next be paid all expenses incident to the authorization, issuance and sale of the bonds herein described. All sums then remaining shall be transmitted to the State Treasurer of the Commonwealth of Kentucky, to be held and used to pay the costs 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.

SECTION 16. The site of the said Dormitory Building Project, authorized herein, and to be financed through the issuance of the bonds authorized hereby, is described and identified, as follows:

"A tract of land on Clifton Avenue in Lexington, Fayette County, Kentucky, composed of all of lot number 109 and part of lot 110 in Clifton Heights Subdivision (lot 109 being known as 338 Clifton Avenue and lot 110 being known as 340 Clifton Avenue), and more particularly described as follows:

"Beginning at a point in the south line of Clifton Avenue and adjacent to the Church of Christ property; thence in a southwesterly direction and with the line of the Church a distance of 301 feet to a pin; thence turning and running with an alley in a southeasterly direction a distance of 72 feet to a point; thence turning and running along a new line, approximately parallel to the Church line, a distance of 240 feet more or less to the south line of Clifton Avenue; thence turning and running with the curve of Clifton Avenue in a northerly direction a distance of 68 feet more or less to a stake by the sidewalk; thence continuing with the south line of Clifton Avenue along the sidewalk a distance of 40 feet to the point of beginning; being part of the same property conveyed to the Commonwealth of Kentucky for the use and benefit of the University of Kentucky by deed dated January 26, 1956, from Frank D. Peterson and Audrey W. Peterson, his wife, of record in Deed Book 596, page 60, in the Fayette County Clerk's Office and being also part of the property conveyed to the Commonwealth of Kentucky for the use and benefit of the University of Kentucky by deed dated March 2, 1956, from Kentucky Epsilon of Phi Delta Theta of record in Deed Book 596, page 185, in the Fayette County Clerk's Office."

ADOPTED AND APPROVED \_\_\_\_\_, 1956.

\_\_\_\_\_  
Chairman  
Executive Committee of the  
Board of Trustees of the  
University of Kentucky

ATTEST:

\_\_\_\_\_  
Secretary

and moved that all rules be suspended and that said proposed Resolution be adopted, which Resolution was duly seconded by Member Ben Butler, and said

motion having been duly considered, the Vice Chairman of the Board of Trustees put the question, and upon roll being called the following voted:

Aye--R. P. Hobson, J. Stephen Watkins, Dr. Ralph J. Angelucci, Louis Cox, Dr. Daniel C. Elkin, Harper Gatton, Dr. Harry Denham, Robert C. Stiliz, Ben Butler and Carl Dempewolfe.

Nay--None.

Whereupon the Vice Chairman of the Board of Trustees declared the said motion duly carried and said Resolution duly adopted.

#### H-1. Notice of Sale of Bonds (Phi Delta Theta).

Mr. Peterson submitted Notice of Sale of Bonds and recommended that same be approved and authorized.

Whereupon Member J. Stephen Watkins introduced and caused to be read in full the following Notice of Sale of Bonds:

The Board of Trustees of the University of Kentucky, as an educational institution and agency of the Commonwealth of Kentucky, acting through its duly authorized Executive Committee which exists pursuant to statutory authority, hereby gives public notice that until the \_\_\_\_\_ day of November, 1956, at the hour of \_\_\_\_\_ . M., \_\_\_\_\_ Time, it will receive in the office of the Vice-President (Business Administration) of the University, upon its campus in Lexington, Kentucky, sealed, competitive bids for \$150,000.00 principal amount of its "University of Kentucky Dormitory Revenue Bonds (338 Clifton Avenue)", dated December 1, 1956, consisting of 150 bonds of the denomination of \$1,000.00 each, numbered consecutively from 1 to 150, inclusive, bearing coupons for the payment of semiannual interest on each June 1 and December 1. The bonds will mature as to principal on June 1, two bonds in each of the years 1958 to 1968, inclusive; three bonds in each of the years 1969 to 1976, inclusive; four bonds in each of the years 1977 to 1983, inclusive; five bonds in each of the years 1984 to 1988, inclusive; six bonds in each of the years 1989 to 1993, inclusive; and seven bonds in each of the years 1994 to 1996, inclusive; but all bonds maturing on and after June 1, 1965 will be subject to redemption at the option of the issuer on December 1, 1964, or on any interest payment date thereafter upon thirty (30) days prior notice at 103 on or prior to June 1, 1971; thereafter at 102½ on or prior to June 1, 1976; thereafter at 102 on or prior to June 1, 1981; thereafter at 101½ on or prior to June 1, 1986; thereafter at 101 on or prior to June 1, 1991; and thereafter at 100½ to final maturity. Principal and interest will be payable at the principal office of Farmers Bank & Capital Trust Company, in Frankfort, Kentucky. The bonds have been authorized pursuant to KRS Chapter 58, to provide all, or a part of, the costs

of constructing and equipping a dormitory building and appurtenances for educational purposes in connection with the University of Kentucky.

Bidders shall offer a specified price in dollars and cents (exclusive of accrued interest) per \$1,000.00 bond, and shall agree to accept at such price whatever number of the bonds (not less than 145 nor more than 150) the Board of Directors or its Executive Committee may determine that it is necessary to sell in order to provide the costs of the Project. If less than all of the bonds are sold, those sold will bear the lowest numbers. No bid offering less than 98% of par value with accrued interest to the date of delivery will be given favorable consideration. Bidders shall stipulate one or more interest coupon rates of their own choosing, providing each is a multiple of 1/4 of 1%, only one interest rate shall be stipulated for bonds maturing on the same date, and no coupon rate may exceed 6% per annum. Each bid shall be accompanied by a certified or bank cashier's check payable to the order of the University of Kentucky in the sum of \$3,000.00. Checks of unsuccessful bidders will immediately be returned to them. The check of the purchaser will be held uncashed and the amount thereof will be credited upon the purchase price when the bonds are delivered and paid for; but will be forfeited as agreed liquidated damages if the purchaser shall wrongfully fail or refuse to accept the bonds when tendered for delivery. In the opinion of counsel, the receipt of interest on these bonds will be exempt from income taxation by the United States of America and the Commonwealth of Kentucky, and the bonds will be exempt from all Kentucky ad valorem taxation. If the contrary should be true at the time of delivery, the purchaser will be entitled to avoid the purchase contract by giving notice to the Comptroller of the University; whereupon the good faith check will be returned and the University will be free to readvertise and re-sell the bonds. The University will provide the printed bond blanks and the unqualified approving legal opinion of Wyatt, Grafton & Grafton, Lawyers, of Louisville, Kentucky, without expense to the purchaser. The right to reject bids is expressly reserved. Financial information may be obtained by addressing an inquiry to George R. Kavanaugh, Comptroller of the University, at Lexington, Kentucky.

BY ORDER OF THE EXECUTIVE  
COMMITTEE OF THE BOARD OF  
TRUSTEES

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Secretary

(SEAL)

and moved that all rules be suspended and that said Notice of Sale of Bonds be adopted, which motion was duly seconded by Member Ben Butler, and said motion having been duly considered, the Vice Chairman of the Board put the question, and upon roll being called, the following voted:

Aye--R. P. Hobson, J. Stephen Watkins, Dr. Ralph J. Angelucci, Louis Cox, Dr. Daniel C. Elkin, Harper Gatton, Dr. Harry Denham, Robert C. Stilz, Ben Butler and Carl Dempewolfe.

Nay--None.

Whereupon, the Vice Chairman of the Board declared the said motion duly carried, and the Notice of Sale of Bonds duly adopted.

I-1. Adjournment.

The Board adjourned at 12:50 p. m. and went to the Student Union where a delightful luncheon was served. Vice President Leo M. Chamberlain joined the Board for luncheon.

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