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Board of Regents, Murray State Normal School

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MINUTES OF THE MEETING OF THE BOARD OF REGENTS  
MURRAY STATE COLLEGE  
January 21, 1963

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The Board of Regents of Murray State College, at Murray, Kentucky, met in a regular quarterly session on the 21st day of January, 1963, at 1:00 p.m., C.S.T., in the office of the President of the college, on the Campus, in the City of Murray, Kentucky. In the absence of the Chairman, Wendell P. Butler, the meeting was called to order by the Vice Chairman, R. H. White, and upon the roll being called, the following answered present: R. H. White, Vice Chairman, presiding and the following members of the Board: H. Glenn Doran, C. H. Hall, Bob Treas Long, O. B. Springer. There were absent: Wendell P. Butler, Chairman; Max J. Blythe. The Secretary of the Board, Miss Patsy Rowland, was present and duly recorded the Minutes.

Agenda

President Woods presented the following Agenda:

AGENDA  
for  
MEETING OF BOARD OF REGENTS  
MURRAY STATE COLLEGE  
January 21, 1963

- I. Minutes of the Board Meeting held on October 27, 1962.
- II. Report of the Committee on Credits, Certification, and Graduation.

III. Resignations

<u>Name</u>	<u>Assignment</u>	<u>Effective</u>
Priscilla Kropp	Clerk, Pub. Rel. Office	12- 8-62
Beckham Cooper	Janitor, Clark Hall	12- 4-62
H. T. Smith	Janitor, Franklin Hall	11-30-62

IV. Leaves of Absence

<u>Name</u>	<u>Assignment</u>	<u>Effective</u>
Donald G. Hicks	Asst. Prof., Chemistry	9-1-63--8-31-64

V. Sabbatical Leave Requests - Summer 1963

Mr. Donald G. Hicks--Chemistry  
Mr. Robert L. Hendon--Agriculture  
Mr. Josiah Darnall--College High & Fine Arts  
Mrs. Hazel Cowin--Mathematics  
Dr. Ralph Slow--Languages & Literature  
Mrs. Kathryn Carman--Business  
Dr. A. M. Wolfson--Biology  
Miss Nell Griffin--Languages & Literature  
Dr. M. G. Carman--Mathematics

VI. Adjustments in Salary

<u>Name</u>	<u>Assignment</u>	<u>From</u>	<u>To</u>	<u>Effective</u>
Reggie Ellis	Grounds	\$210.00	\$225.00	2-1-63--6-30-63

VII. Employment

<u>Name</u>	<u>Assignment</u>	<u>Monthly Salary</u>	<u>Effective</u>
H. T. Smith	Janitor, Franklin Hall	\$170.00	11-1-62--6-30-63
Beckham Cooper	Janitor, Clark Hall	170.00	11-1-62--6-30-63
T. K. Hale	Janitor, Infirmary & Clark Hall	170.00	11-1-62--6-30-63
Donald Black	Bus Driver	175.00	11-1-62--6-30-63

VII. Employment (con't)

<u>Name</u>	<u>Assignment</u>	<u>Monthly Salary</u>	<u>Effective</u>
Mary J. Carpenter	P-T Inst., Sp. Ed.	\$ 87.50	2-1-63--5-31-63
Dan Scheller	Grad. Lab. Asst. Biol.	40.00	2-1-63--5-31-63
John Rickman	Maintenance	325.00	11-1-62--6-30-63
John Adams	Janitor, Adm. Bldg.	193.33	11-1-62--6-30-63
Nancy Morrow	Clerk, Pub. Rel. Office	175.00	1-1-63--6-30-63

VIII. Off-Campus Classes - 1st Semester, 1962-63

<u>Name</u>	<u>Course</u>	<u>Sem. Hr.</u>	<u>Place</u>	<u>Amount</u>
Robert Alsup	Ed. 604	3	McCracken Co.	\$112.00

IX. Intersession Course - August 1962

<u>Name</u>	<u>Course</u>	<u>Sem. Hr.</u>	<u>Amount</u>
Joe Nell Rayburn	Ed. 231B	4	\$400.00

X. Amending the Sabbatical Leave Policy.XI. Scholarships for students from Pago Pago, American Samoa.XII. Telephones for Wells and Clark Halls.XIII. Science Institute Budget.XIV. 48 Married Student-Faculty Apartments, Project No. Ky-CH-69 (D).

- A. Resolution authorizing the issuance of bonds.
- B. Trust Indenture
- C. Notice of Sale
- D. Official Notice of Sale and Statement of Essential Facts
- E. Parietal and Rate Resolution

XV. Construction of 48 additional Married-Student-Faculty Units.

Bids were opened in Frankfort on November 20. The lowest and best bid was submitted by Seth E. Gien Company of Paducah, Kentucky. His bid for the four buildings--48 apartments--was \$434,490.00. The dirt work has been done and they are working on foundations at this time.

XVI. Possibility of Leasing Land for the Construction of a Theatre.XVII. Installing Coin Laundry Equipment in Woods Hall.

At the time the building was built we put in washers and dryers. We are experiencing a great expense in maintaining the washers and dryers. Miss Tate, Dean Sparkman and others at the College feel that we can well afford to install coin operated washers and dryers in Woods Hall. If the experience proves successful with the operation of the coin machines, we may want to install coin operated machines in the other girls' dormitories and eventually in the boys dormitories. We have already called for proposals which may be considered at the Board Meeting.

XVIII. Scholarships

Of the 50 scholarships which are made available, 46 were awarded during the first semester 1962-63, to the following people:

Beard, Robert Davis	Burton, Leslie Dwight
Bell, Donald Gene	Bush, Eileen Carol
Board, Bobby Joe	Cash, Wanda Dean
Bratcher, Martha	Clark, Sylvia June
Britt, Elizabeth Nell	Crowe, James Hayward
Brockmeyer, Sandra Lee	Davis, Joe Marion
Brown, Betty L.	Davis, Linda Grace
Burchett, Ralph Edward	DeWeese, Billy Carl

XVIII. Scholarships (con't)

Douglass, Susan Mary  
 Dowdy, Phillis Jean  
 Dycus, Dana Ann  
 Gregory, Nancy  
 Goodman, Judith Ann  
 Hall, Kathleen  
 Housley, Linda Jean  
 Hurt, Larry Grady  
 Jones, Glenda Mae  
 Kelley, Martha Dean  
 Kennedy, Kenneth H.  
 Keown, William Kenneth  
 Kindley, Karen Kay  
 Litchfield, Bettye Ruth  
 Mackey, Mary Alice

Mason, Ellen Rose  
 McGaughey, Bob  
 McGinness, Joan Clare  
 Ruley, Beverly June  
 Rutherford, Jane Ann  
 Sharp, Sally Burnett  
 Smith, Mary Helen  
 Stamper, Margaret Nell  
 Sutton, Brenda  
 Thompson, Marilyn  
 Tucker, Sally D.  
 Ward, Patricia Jo  
 Williams, Aloma  
 Wilson, Larry James  
 Wright, Charles James

The final grades are not in for this semester, but the mid-semester report on people receiving the scholarship indicated that their achievement was above average. Forty-five people have been informed that they will have a scholarship for the second semester.

XIX. Status of the Suit Instituted by Charles Williams for the Larry Durham Family.

XX. Plans for issuing bonds for the Classroom Building, Maintenance Service Building, and Re-constructing the present Maintenance Shop into Laboratories

XXI. Report of the Visiting Committee of the Southern Association of Colleges and Schools.

XXII. Report of the Thomas P. Norris Student Loan Fund

XXIII. Report of the National Defense Student Loan Fund

XXIV. Report of the Business Manager

XXV. Other Matters that need to come before the Board.

Respectfully submitted,  
 /s/ R. H. Woods  
 President

RHW:pr

Minutes of the Meeting of the Board of Regents held on October 27, 1962, Approved

Mr. Springer moved that the Board dispense with the reading of the Minutes of the Board Meeting held on October 27, 1962, and that the Minutes be approved as submitted. Mr. Long seconded and the motion carried unanimously.

Report of the Committee on Credits, Certification, and Graduation, Approved

January 21, 1963

To the Board of Regents  
 Murray State College  
 Murray, Kentucky

As per the duties assigned to the Committee on Credits, Certification and Graduation, we report as follows:

For those applying for degrees for January, 1963, we recommend that said degrees be granted as of January 31, 1963, contingent upon the completion of all the requirements.

/s/ Donald B. Hunter  
 Chairman  
 Committee on Credits,  
 Certification and Graduation

Mr. Doran moved that in keeping with the recommendations of the Committee on Credits, Certification, and Graduation that the Board grant diplomas and award degrees as of January 31, 1963, to those who are so recommended. Mr. Springer seconded and the motion carried unanimously.

#### Resignations, Accepted

Mr. Hall moved that the Board accept the resignations of persons as listed in Item III of the Agenda. Mr. Long seconded and the motion carried unanimously.

#### Leaves of Absence, Granted

Mr. Hall moved that the Board grant the leaves of absence to persons as listed in Item IV of the Agenda. Mr. Long seconded and the motion carried unanimously.

#### Sabbatical Leave Requests, Granted

Mr. Hall moved that the Board grant the summer sabbatical leave to persons requesting said leave for the summer of 1963, as listed in Item V of the Agenda. Mr. Long seconded and the roll was called on the adoption of the motion with the following results: Mr. Doran, aye; Mr. Hall, aye; Mr. Long, aye; Mr. Springer, aye; Mr. White, aye.

#### Adjustments in Salary, Approved

Mr. Hall moved that the Board approve the adjustment in salary for Mr. Reggie Ellis of the Grounds Department from \$210.00 to \$225.00 per month effective February 1, 1963, through June 30, 1963. Mr. Long seconded and the roll was called on the adoption of the motion with the following results: Mr. Doran, aye; Mr. Hall, aye; Mr. Long, aye; Mr. Springer, aye; and Mr. White, aye.

#### Employment, Approved

Mr. Hall moved that the Board approve the employment of persons as listed in Item VII of the Agenda upon the recommendation of the President of the College. Mr. Long seconded and the roll was called on the adoption of the motion with the following results: Mr. Doran, aye; Mr. Hall, aye; Mr. Long, aye; Mr. Springer, aye; and Mr. White, aye.

#### Off-Campus Class--1st Semester, 1962-63, Approved

Mr. Doran moved that the Board approve the Off-Campus Class for the 1st semester 1962-63, as listed in Item VIII of the Agenda, and authorize the payment thereof. Mr. Springer seconded and the roll was called on the adoption of the motion with the following results: Mr. Doran, aye; Mr. Hall, aye; Mr. Long, aye; Mr. Springer, aye; and Mr. White, aye.

#### Intersession Course--August 1962, Approved

Mr. Doran moved that the Board approve the Intersession Course held in August as listed in Item IX of the Agenda which was inadvertently omitted from the courses approved on October 27, 1962, and authorize the payment thereof. Mr. Springer seconded and the roll was called on the adoption of the motion with the following results: Mr. Doran, aye; Mr. Hall, aye; Mr. Long, aye; Mr. Springer, aye; and Mr. White, aye.

#### Sabbatical Leave Policy, Amended

Mr. Springer moved that in administering the summer sabbatical leave program, the President be authorized to approve educational experiences equivalent to eight weeks of graduate study.

Mr. Long seconded and the roll was called on the adoption of the motion with the following voting: Mr. Doran, aye; Mr. Hall, aye; Mr. Long, aye; Mr. Springer, aye; and Mr. White, aye.

### Scholarships for Foreign Students, Approved

Dr. Woods stated that he has received numerous requests from students and various foreign governments requesting information on scholarships for students from their countries. Dr. Woods further stated that we have given no scholarships to foreign students before and recommended that the Board consider the feasibility of providing two or three scholarships each year sufficient to take care of room, board, and fees.

Mr. Long moved that the Board authorize two scholarships to be given to foreign students and that the amount and selection of recipient be left to the discretion of the President.

Mr. Doran seconded and the roll was called on the adoption of the motion with the following results: Mr. Doran, aye; Mr. Hall, aye; Mr. Long, aye; Mr. Springer, aye; and Mr. White, aye.

### Telephone Situation in Wells and Clark Halls

For this portion of the Board Meeting, the following people were in attendance: Miss Lillian Tate, Dean of Women; Mr. P. W. Ordway, Business Manager; Mr. R. L. Klausing and Mr. Bill Lawson, representing the Southern Bell Telephone Company.

After discussion, Mr. Springer moved that the College proceed to install telephones in the rooms in Wells Hall and Clark Hall (if room telephones are desired by the men living there), and that it be understood with the Southern Bell Telephone Company that each room shall be wired for a telephone but telephones will not be connected until the Company is requested to do so by the College and that telephone service in these dormitories will be optional for the students.

Mr. Long seconded and the roll was called on the adoption of the motion with the following results: Mr. Doran, aye; Mr. Hall, aye; Mr. Long, aye; Mr. Springer, aye; and Mr. White, aye.

### Science Institute Budget, Approved

Dr. Woods presented the Science Institute Budget that was submitted to the National Science Foundation.

### BUDGET FOR PROPOSED 8-WEEK SUMMER INSTITUTE AT MURRAY STATE COLLEGE

#### A. Support of Participants

1. 50 stipends at \$600 each	\$30,000
2. 125 dependents at \$120 each	15,000
3. 50 travel allowances at \$50 each	2,500
Total for support of participants	\$47,500

#### B. Operational Costs

Staff (including salaries, honoraria, travel, etc.)

5. Director (total amount for institute)	\$1700
6. Associate Director if any (as above)	300
7. Staff (3 full time)	5400
8. Staff (3 full time)	2400
9. Lecturers (4)	800
10. Secretarial and clerical	800
11. Assistants or other staff	600
12. Retirement	---
12. Subtotal for Staff	\$12,000

#### Other Direct Costs

13. Office Supplies, communication, publicity	800
14. Cost of laboratory materials	500
15. Field trips	600
16. Health service or insurance, and similar cost incurred by the institution on behalf of participants	---
17. Miscellaneous direct costs	200
18. Subtotal for direct costs other than Staff	\$ 2,100

19. Total Direct Operational Costs: Add lines 12 and 18	\$14,100
20. Allowance for Indirect Costs (15% of line 19)	2,115
21. Total Operational Costs: add lines 19 and 20	\$16,215
C. Tuition and Fees (registration, credit fees, etc)	---
Total Operational Costs in excess of Tuition and fees:	\$16,215
Total Cost of Institute:	\$63,715
Rounded to:	\$63,700

Mr. Doran moved that the Board approve the Science Institute Budget. Mr. Springer seconded and the roll was called on the adoption of the motion with the following results: Mr. Doran, aye; Mr. Hall, aye; Mr. Long, aye; Mr. Springer, aye; and Mr. White, aye.

Resolution Authorizing the Issuance of Bonds for Project No. Ky-CH-69 (D), Approved

Thereupon, Member Springer introduced and caused to be read a proposed resolution entitled, "A Resolution providing for the issuance, sale and delivery of \$515,000 of Apartment Housing Revenue Bonds of 1962, for account of Murray State College," said resolution being attached to the minutes of this meeting.

Thereupon, Member Hall seconded the motion for adoption of said resolution, and the Vice Chairman having put the question, the roll was called, and the following members voted: Ayes for the Motion: R. H. White, Vice Chairman; H. Glenn Doran, C. H. Hall, Bob Treas. Long, O. B. Springer. Nays against the motion: none.

Whereupon, the Vice Chairman declared that said Resolution had been duly adopted.

Thereupon, Member Long introduced and caused to be read a proposed Resolution entitled, "Parietal and Rate Resolution Regarding the Occupancy and Use of Project No. Ky-CH-69 (D)," said resolution being attached to the minutes of this meeting.

Thereupon, Member Doran seconded the motion for adoption of said resolution and the Vice Chairman having put the question, the roll was called, and the following members voted: Ayes for the motion: R. H. White, Vice Chairman; H. Glenn Doran, C. H. Hall, Bob Treas. Long, O. B. Springer. Nays against the Motion: none.

Whereupon, the Vice Chairman declared that said Resolution had been duly adopted.

Construction of 48 additional Married Student-Faculty Units

The bonds in the foregoing resolution are being sold to finance the construction of the married student-faculty apartments.

Dr. Woods called attention to the statement in the Agenda and reviewed the progress on this construction project.

Possibility of Leasing Land for the Construction of a Theatre.

Dr. Woods reported that Mr. Hiram Tucker had discussed with him the possibility of leasing a tract of land on Chestnut Street for the purpose of building a theatre. It was determined that we would have to secure the approval of the State Property and Buildings Commission to lease this land as it is owned by the Commonwealth of Kentucky for the use and benefit of Murray State College.

After further discussion, Mr. Hall moved, in view of the fact that we will need to secure additional land, that the Board does not consider it feasible at this time to grant a long-term lease for any property under the direction of the Board of Regents of Murray State College.

Mr. Long seconded and the roll was called on the adoption of the motion with the following results: Mr. Doran, aye; Mr. Hall, aye; Mr. Long, aye; Mr. Springer, aye; and Mr. White, aye.

### Installing Coin Laundry Equipment in Woods Hall

Mr. Ordway presented the bids submitted by O. B. Boone, Sr., John B. Simpson, and Ward-Elkins.

Due to the difference in the capacity of the machines and the variance of drying time, Mr. Doran moved that all previous bids be rejected and that Mr. Ordway and Dr. Woods set up specifications on capacity of machines, time of washing and drying cycles and ask that the College be provided a commission for furnishing space and utilities and advertise for bids, and that upon receipt of these bids, Dr. Woods and Mr. Ordway be authorized to award the contract.

Mr. Hall seconded and the roll was called on the adoption of the motion with the following results: Mr. Doran, aye; Mr. Hall, aye; Mr. Long, aye; Mr. Springer, aye; and Mr. White, aye.

### Scholarships

The report regarding scholarships in Item XVIII of the Agenda was reviewed.

Mr. Springer moved that the Board continue to award up to fifty scholarships for \$50.00 per semester to students who meet the requirements.

Mr. Long seconded and the roll was called on the adoption of the motion with the following results: Mr. Doran, aye; Mr. Hall, aye; Mr. Long, aye; Mr. Springer, aye; and Mr. White, aye.

### Status of the Suit Instituted by Charles Williams for the Larry Durham Family

On November 12, 1962, the President of the College received a statement from J. Keller Whittaker, Executive Secretary of the Board of Claims of Kentucky, along with a claim signed by Charles A. Williams, Attorney for the Administrator of the Estate of Larry W. Durham. Said claim requested is in the amount of \$10,000 plus cost. The President of the College contacted the Attorney General; and Assistant Attorney General, Ray Corns, answered Claim No. 2286, denying each and every allegation in the complaint other than the fact that Larry W. Durham was a student at Murray State College. This answer was signed on the 21st day of November, 1962.

### Plans for Issuing Bonds for the Classroom Building, Maintenance Service Building, and Reconstructing the present Maintenance Shop.

Mr. Hall presented the following resolution and moved that it be adopted:

WHEREAS, Murray State College issued Consolidated Educational Buildings Revenue Bonds, Series A, with which to construct the Business and Education Building, and

WHEREAS, the College desperately needs additional space for sciences, agriculture, home economics, and industrial arts, and

WHEREAS, the College badly needs a Maintenance Service Building and to reconstruct the present maintenance shop for laboratories, classrooms, and offices, and

WHEREAS, the Consolidated Educational Buildings Revenue Bond Resolution provides for the issuance of Series B. bonds under this general resolution,

NOW, THEREFORE, BE IT RESOLVED that Murray State College issue sufficient "B" bonds to provide for the constructing and reconstructing and furnishing the aforementioned facilities.

BE IT FURTHER RESOLVED that the President of the College, R. H. Woods, be authorized to ask the legal council and fiscal agents to proceed with the preparation of documents incident to the issuance of Consolidated Educational Buildings Revenue Bonds, Series B, pursuant to the initial agreement with C. W. Grafton and Blyth and



Company in keeping with the resources available for such bonds.

BE IT FURTHER RESOLVED that the President and officers of the Board be authorized to sign any and all papers necessary and in connection with this project.

Mr. Springer seconded and the roll was called on the adoption of the resolution with the following results: Mr. Doran, aye; Mr. Hall, aye; Mr. Long, aye; Mr. Springer, aye; and Mr. White, aye.

Report of the Southern Association of Colleges and Schools Visiting Committee.

Dr. Woods presented the following statements regarding the report of the Visiting Committee of the Southern Association of Colleges and Schools:

Report of the Visiting Committee  
of  
The Southern Association of Colleges and Schools

I am presenting herewith excerpts of the Report of the Visiting Committee of the Southern Association of Colleges and Schools in connection with its recent appraisal of Murray State College.

Certain appraisal statements that appear important:

(1) Discussion with several members of the faculty reveals to the Visiting Committee that the purposes of the institution as defined in the Report are accurate and reflect themselves in the total program of the College.

(2) The portion of total operational expenditures allotted to instruction increased from 55.2% in 1956-57 to 62.9% in 1960-61.

(3) Sound budgetary procedures and fiscal control are in evidence at Murray.

(4) The grading system at Murray is, in general, fair and sufficiently vigorous.

(5) The Committee commends the College on its new general education requirement.

(6) The Committee observed that the morale of the faculty at Murray is good.

(7) The faculty of Murray State College, is, on the whole, well qualified.

(8) Facilities and personnel for health and medical care seem to be adequate.

(9) The major portion of facilities for student housing is of the highest quality.

(10) Ample opportunity is available for students to participate in worthwhile extracurricular activities.

(11) There is a well organized program for maintaining contacts with alumni.

Some important recommendations made by the Visiting Committee:

(1) The President should be given some measure of relief from dealing with the various faculty committees and by reducing the number of persons reporting directly to him. At some appropriate time or times the College should give consideration to creating or combining positions so as to have four areas reporting directly to the President. These areas are instruction, finance, student affairs, and public affairs. It is further suggested that the titles may be dean, director, or vice president. It is also suggested that consideration be given, at the appropriate time, to the employment of a Dean of Men to work under the Dean of Students.

(2) The office of Dean of Women should be moved to be adjacent to the Dean of Students.

(3) Committee believes that the Department of Social Sciences and the Department of Languages and Literature are much too inclusive and recommends that planning be begun with a view to breaking them up and reorganizing the components. It is suggested that Foreign Languages be separated from English, journalism, and speech. It is also suggested that theatre be joined with English and speech. [President's comment: There are many advantages in having music, art, and dramatics in a department.]

(4) Salaries are low when calculated on a nine-month's basis and compared with those at larger institutions, and are barely competitive with those of other institutions of Murray's class and region. The Committee recommends that the College considers load lightening--perhaps a load of 9 hours for medium and large department heads and some reduction in loads for those who are active in study and scholarly pursuits.

(5) In connection with the library, it was pointed out that there is at the present time seating space for approximately 14% of the enrollment. National standards suggest seating space for 25% of the student body. [President's comment: Efforts are being made to add tables and chairs to accommodate 300 more students.]

(6) It is also a recommendation that more full time secretaries be employed thereby reducing the number of students that are employed in the library. [President's comment: This recommendation might add to the efficiency of the library service, but in so doing, it would deprive many students of an opportunity for needed part-time work.]

(7) The point is made that the librarians do not have academic rank. [President's comment: Librarians in a great many of the leading colleges and universities do not have professorial rank. An example of this situation is the University of Kentucky.]

(8) The point is also made that the assistant librarians are not paid as much as some instructors and assistant professors on the teaching staff. [President's comment: Teaching faculty members have papers to grade and lessons to prepare. The librarians work is done for the most part during the working hours, and according to their schedules a good many of them do not work over 35 hours a week.]

(9) The committee recommends the appropriation of substantially increased funds for the purchase of library materials within the next decade.

(10) The matter of tenure is mentioned and is stated, "Tenure should be regarded for all professional ranks as continuous after a tentative period has expired."

(11) The Committee points out that it finds no real evidence of a strong effort to promote correspondence and off-campus classes. A committee representing a cross-section of the faculty should be appointed to work with the director of off-campus services in a careful appraisal of the program. If the program is expanded, it may be necessary to employ a person to devote full time to promoting and directing off-campus classes.

(12) The Committee recommends that administration of the graduate program be centered in a graduate dean who has no additional administrative responsibilities, but who may teach and/or direct research.

(13) The Committee recommends that specific criteria be established to govern the approval of faculty who teach for graduate credit, and that the faculty for graduate instruction participate in a continuing evaluation of the graduate program.

(14) The Committee recommends that definite steps be taken to assure that each graduate student is required to demonstrate some proficiency in the techniques of research and the reporting of research findings.

(15) The Committee recommends that each department judiciously expand its graduate offerings so as to meet more adequately the academic needs of the classroom teachers without, in the process, endangering the quality of the undergraduate program, and that additional degree programs be offered only when and if there is a definite need for such programs and the departments involved are sufficiently strong in faculty and library holdings.

(16) The Committee recommends that immediate steps be taken to improve library resources for graduate study and research.

(17) The Committee recommends that the teaching load of graduate faculty be reduced to permit research on the part of the faculty and the direction of student research.

Report of the Thomas P. Norris Student Loan Fund, Accepted

Mr. Long moved that the Board accept the Report of the Thomas P. Norris Student Loan Fund. Mr. Doran seconded and the roll was called on the adoption of the motion with the following results: Mr. Doran, aye; Mr. Hall, aye; Mr. Long, aye; Mr. Springer, aye; and Mr. White, aye.

Report of the National Defense Student Loan Fund, Accepted

Mr. Springer moved that the Board accept the Report of the National Defense Student Loan Fund. Mr. Doran seconded and the roll was called on the adoption of the motion with the following results: Mr. Doran, aye; Mr. Hall, aye; Mr. Long, aye; Mr. Springer, aye; and Mr. White, aye.

Report of the Business Manager, Accepted

Mr. P. W. Ordway, Business Manager, reviewed the following report:

REPORT OF P. W. ORDWAY, BUSINESS MANAGER  
TO THE PRESIDENT AND BOARD OF REGENTS OF  
MURRAY STATE COLLEGE  
January 21, 1963

The following report is submitted for the information and consideration of the President and Board of Regents of Murray State College:

I. SUMMARY OF FUND OPERATIONS - July 1, 1962 - December 31, 1962

<u>Account Number</u>	<u>Allotments or Receipts</u>	<u>Encumbrances</u>	<u>Unencumbered Balance</u>
<u>State Appropriation - Ordinary Recurring Expenses</u>			
36-2-01-001 State Appropriation	\$1,195,445.00	\$1,106,013.34	\$ 89,431.66
<u>Trust &amp; Agency</u>			
36-2-13-001 Revolving Fund	575,927.27	563,706.91	12,220.36
<u>Bond Redemption &amp; Interest Fund</u>			
36-9-32-501-358 Amount of student fees collected which have been transferred from Agency funds to various bond retirement accounts	187,781.96	187,781.96	-0-

State Allotments - Special Funds

Cr.

Receipts:

Expenditures:

Receipts Exceeding Expenditures

## Receipts

Expenditures:

Expenditures Exceeding Receipts

Receipts:

Expenditures:

Salaries & Wages	\$ 43,713.92	
Student Wages	7,131.70	
Food Products	78,307.85	
Utilities	2,000.00	
Laundry	348.96	
Office Supplies	33.01	
China and utensils	1,963.69	
Other supplies	3,330.11	
Repairs to equipment	303.81	
Other expenses	727.83	
Sales tax	21.76	
FICA Taxes	1,358.92	
KERS	2,005.00	\$141,246.56

Profit for period	\$29,361.62
Capital Outlay: New Equipment	3,771.44
Net Profit	<u>\$25,590.18</u>

Comparative Statements

June 1, 1961 - November 30, 1961	Profit	\$22,955.54
June 3, 1960 - November 30, 1960	Profit	\$24,110.66
June 15, 1959 - November 30, 1959	Profit	\$18,969.85

V. Orchard Heights Cafeteria Statement - September 14, 1962 - Nov. 30, 1962Receipts:

Cash received at door	\$ 2,777.50	
Meal tickets	<u>60,118.10</u>	\$ 62,895.60

Expenditures:

Salaries & Wages	\$15,099.60	
Student Wages	2,255.75	
Food Products	37,505.27	
Utilities	200.00	
Laundry	74.82	
Office Supplies	174.62	
China & Utensils	651.39	
Other Supplies	1,232.41	
Repairs to equipment	90.82	
Other expenses	293.28	
FICA Taxes	471.84	
KERS	<u>659.16</u>	\$ 58,708.96

Profit for period	\$ 4,186.64
Capital Outlay: New Equipment	821.93
Net Profit	<u>\$ 3,364.71</u>

VI. Snack Bar Statement - June 1, 1962 - December 31, 1962Sales:

Snack Bar	\$34,554.09	
Cigarette Machine	4,421.75	
Candy Machine	421.70	
Juke Box	355.00	
Total Sales	<u>\$39,752.54</u>	
Cost of Goods Sold	18,508.26	
Gross Profit on Sales		\$ 21,244.28

Operating Expenses:

Salaries & Wages	\$11,587.68	
Student Wages	869.59	
Travel Expenses	23.95	
Repairs to equipment	273.21	
Laundry	59.82	
Household & Kitchen supplies	419.96	
Sales Tax	995.52	
Miscellaneous	<u>52.50</u>	
Total Operating Expenses		<u>14,282.23</u>

Profit for period	\$ 6,962.05
Capital Outlay: New Equipment	3,116.50
Net Profit	<u>\$ 3,845.55</u>

VII. Recreation Room Statement - July 1, 1962 - December 31, 1962Receipts:

Pool	\$ 6,284.37	
Ping Pong Balls	38.50	
Coca-Cola & Pepsi Cola Machine	1,080.10	
Tom's Machine	<u>374.53</u>	
Total Receipts		\$ 7,777.50

Operating Expenses:

Salaries & Wages	\$ 1,026.58	
Student Wages	636.59	
Repairs to Equipment	308.76	
Commercial Supplies	1,036.93	
Supplies & Materials	225.48	
Sales Tax	<u>40.70</u>	
		<u>3,275.04</u>

Profit for period  
Capital Outlay - New Equipment  
Net Profit

\$ 4,502.46  
3,291.95  
\$ 1,210.51

#### VIII. Auction Sale

On November 14, 1962, at 10:00 a.m., we held a public auction sale disposing of obsolete, unneeded and surplus items at the Doran Loose Leaf Floor. The sale was authorized by Mr. Maurice Carpenter, Director of the Division of Purchases, Department of Finance in accordance with Kentucky Statutes. The proceeds of the sale amounted to \$815.35.

Included in the auction sale advertisement were apartment buildings no. 52 and 53, which were located in Orchard Heights. We did not receive a bid on either of the apartment buildings at the public auction but sold them by private treaty on November 17, 1962, to Mr. Joe Hal Spann for \$1.00 per building. Mr. Spann is to remove the buildings and clear the site. He has already removed one building and is now working on the other building and is to have it removed from the site by February 1, 1963.

#### IX. Apartment Building Fire

At approximately 9:30 a.m. on December 13, 1962, a fire broke out in apartment building no. 57, located in Orchard Heights, which contained eight student apartments. This building was insured with the State Fire and Tornado Insurance Fund of Frankfort, Kentucky with \$16,100.00 insurance on the building and \$1,320.00 on furniture and movable contents.

Mr. Roger Bain of the State Fire and Tornado Insurance Fund engaged the General Adjustment Bureau of Paducah, Kentucky to appraise and settle this loss and Mr. R. P. Tandy and Mr. Maxey have made an appraisal of the loss and are recommending to Mr. Bain that we be paid \$9,805.54 for the fire damage to the building and \$636.00 for the fire damage to the contents.

It will be several days before this claim will be settled but I am confident that Mr. Bain will accept the recommendations by Mr. Tandy and Mr. Maxey.

#### X. Financial Examination for Fiscal Year ending June 30, 1962.

Representatives from the office of the Auditor of Public Accounts of the Commonwealth of Kentucky, namely, Harold Smith, Russell Cornelius, and Robert Goodwin, made an audit of the Murray State College records for the fiscal year beginning July 1, 1961 and ending June 30, 1962.

This audit was received at Murray State College on January 5, 1963, and a copy is furnished each member of the Board of Regents for examination.

REPORT OF JAMES A. ROGERS, TREASURER  
TO THE PRESIDENT AND BOARD OF REGENTS OF  
MURRAY STATE COLLEGE  
January 21, 1963

#### BONDED ACCOUNTS - Statements of December 31, 1962

##### I. 1954 Revenue Bond & Interest Account (Basketball Fieldhouse)

Balance in Bond & Interest Account	\$ 11,450.17	Deposited Bank of Murray
Original amount of bond issue dated July 1, 1954		\$200,000.00
Bonds outstanding on this account		9,000.00
Amount to be paid during period January 1, 1963 - January 1, 1964, for bonds \$9,000.00, interest \$292.50		\$ 9,292.50

##### II. 1955 Dormitory Revenue Bonds - Woods Hall

Balance in Dormitory Revenue Account	\$ 59,048.90	Deposited Peoples Bank
Balance in Sinking Fund Account	5,639.41	The Ky Trust Co.
Balance in Sinking Fund-Income Account	5,582.83	The Ky. Trust Co.
Balance in Depreciation Fund-Income Acct.	1,381.25	The Ky. Trust Co.
	\$ 71,652.39	Louisville, Ky.

U. S. Treasury notes and bonds purchased  
from surplus in Sinking Fund Account:

		<u>Date of Purchase</u>
U. S. Treasury 4-3/4% Notes	\$ 4,000.00	July 28, 1959
U. S. Treasury 4-3/4% Notes	24,000.00	Nov. 9, 1959
U. S. Treasury 3% Bonds	14,000.00	Dec. 13, 1960
U. S. Treasury 3-1/4% Notes	15,000.00	Oct. 13, 1961
U. S. Treasury 3-1/4% Notes	54,000.00	Oct. 23, 1961
U. S. Treasury 3-3/4% Notes	18,000.00	Oct. 5, 1962
	<u>\$129,000.00*</u>	

\*Of this amount \$40,000.00 of U. S. Treasury 3-1/4% notes have been transferred to the Depreciation Fund.

Original amount of bond issue dated Dec. 1, 1955	\$818,000.00
Bonds outstanding on this account	753,000.00
Amount to be paid during period January 1, 1963-- January 1, 1964, for bonds \$16,000.00, interest \$20,707.50	36,707.50
Interest rate 2-3/4%, final maturity date Dec. 1, 1995	

### III. Student Union Bonds of 1957

### Deposited

Balance in Student Union Revenue Acct.	\$131,692.37	Peoples Bank
Balance in Bond & Interest Sinking Fund Acct.		
Principal Acct	\$6,671.73	
Interest Income Acct.	<u>6,012.72</u>	1st National
	12,684.45	Lincoln Bank
	<u>\$144,376.82</u>	Louisville, Ky.

U. S. Treasury notes and bonds purchased  
from surplus in Sinking Fund Account:

### Date of Purchase

U. S. Treasury Notes 4-7/8% Nov. 15, 1963	\$20,000.00	Oct. 24, 1961
U. S. Treasury Notes 4-7/8% Nov. 15, 1964	40,000.00	Oct. 24, 1961
U. S. Treasury Bonds 2-5/8% Feb. 15, 1965	40,000.00	Oct. 24, 1961
U. S. Treasury Bonds 3-3/4% May 15, 1966	39,000.00	Oct. 24, 1961
U. S. Treasury Bonds 3-3/8% Nov. 15, 1966	4,000.00	May 8, 1962
U. S. Treasury Notes 3-1/2% Nov. 15, 1965	15,000.00	Oct. 29, 1962
U. S. Treasury Notes 3-5/8% Nov. 15, 1967	13,000.00	Oct. 31, 1962
	<u>\$171,000.00</u>	

Balance in Student Union Revenue Bonds  
Maintenance Account:

### Deposited

Principal Acct.	\$ 360.93	1st National
Interest Income Acct.	<u>2,541.39</u>	Lincoln Bank
	\$2,902.32	Louisville, Ky.

U. S. Treasury notes and bonds purchased  
from Maintenance Fund Account:

### Date of Purchase

U. S. Treasury Notes 4-7/8% Nov. 15, 1963	\$15,000.00	Oct. 24, 1961
U. S. Treasury Notes 4-7/8% Nov. 15, 1964	15,000.00	Oct. 24, 1961
U. S. Treasury Bonds 2-5/8% Feb. 15, 1965	15,000.00	Oct. 24, 1961
U. S. Treasury Bonds 3-3/4% May 15, 1966	12,000.00	Oct. 24, 1961
U. S. Treasury Bonds 3-3/4% May 15, 1966	2,000.00	June 19, 1962
U. S. Treasury Notes 3-1/2% Nov. 15, 1965	5,000.00	Oct. 29, 1962
	<u>\$64,000.00</u>	

Original amount of bond issue dated Nov. 1, 1957	\$670,000.00
Bonds outstanding on this account	640,000.00
Amount to be paid during period January 1, 1963 - January 1, 1964, for bonds \$11,000, interest \$18,400	29,400.00
Interest rate 2-7/8%, final maturity date Nov. 1, 1997	

### IV. Dormitory Revenue Bonds dated Feb. 1, 1960 - Richmond Hall

### Deposited

Balance in Dormitory Revenue Account	\$52,458.79	Bank of Murray
Balance in Bond & Int. Sink. Fund	<u>32,045.82</u>	Citizens Fidelity
	\$84,504.61	Bank & Trust Co.
		Louisville, Ky.

Original amount of bond issue dated Feb. 1, 1961	\$683,000.00
Bonds outstanding on this account	683,000.00
Amount to be paid during period January 1, 1963 - January 1, 1964 for bonds \$10,000, int. \$21,187.50	31,187.50
Interest rate 3-1/8%, final maturity date Feb. 1, 2000	

V. Dormitory Revenue Bonds dated June 1, 1960 - Clark Hall

		<u>Deposited</u>
Balance in Dormitory Revenue Account	\$35,877.82	Bank of Murray
Balance in Bond & Interest Sinking Fund	19,902.78	Citizens Fidelity
	<u>\$55,780.60</u>	Bank & Trust Co.
Original amount of bond issue dated June 1, 1960		\$800,000.00
Bonds outstanding on this account		800,000.00
Amount to be paid during period January 1, 1963 -		
January 1, 1964 for bonds \$12,000, interest \$24,812.50		36,812.50
Interest rate 3-1/8%, final maturity date June 1, 2000		

VI. Student Housing Revenue Bonds of 1961 - Apartments

		<u>Deposited</u>
Balance in Building Revenue Account	\$24,109.40	Peoples Bank
Balance in Bond & Interest Sinking Fund	---	Ky. Trust Co. ✓
	<u>\$24,109.40</u>	Louisville, Ky.
Original amount of bond issue dated April 1, 1961		\$415,000.00
Bonds outstanding on this account		415,000.00
Amount to be paid during January 1, 1963 - January 1, 1964, for bonds, none, interest \$14,525.00		14,525.00
Interest rate 3-1/2%, final maturity date April 1, 2001		

VII. Consolidated Education Building Revenue Bonds of 1961 Deposited

Balance in Building Revenue Account	\$141,707.31	Bank of Murray
Balance in Bond & Interest Sinking Fund	10,725.52	Citizens Fidelity
	<u>\$152,432.83</u>	Bank & Trust Co.
U. S. Treasury notes and bonds purchased from surplus in Sinking Fund Account:		<u>Date of Purchase</u>
U. S. Treasury Bonds 2-1/2% Aug. 15, 1963 \$ 34,500.00		Feb. 1, 1962
U. S. Treasury Notes 3-1/4% May 15, 1963 40,000.00		Feb. 1, 1962
U. S. Treasury Bonds 3-3/4% Aug. 15, 1964 99,000.00		Dec. 26, 1962
	<u>\$173,500.00</u>	
Original amount of bond issue dated May 1, 1961		\$1,400,000.00
Bonds outstanding on this account		1,370,000.00
Amount to be paid during period January 1, 1963 -		
January 1, 1964, for bonds \$35,000, for interest \$51,762.50		86,762.50
Interest rate 3% - 4-1/8%, final maturity date May 1, 1986		

VIII. Housing & Dining Hall Revenue Bonds of 1961 - Orchard Heights Cafeteria and Franklin Hall

		<u>Deposited</u>
Balance in Revenue Fund Account	\$73,465.68	Peoples Bank
Balance in Bond & Interest Sinking Fund	2,598.63	Ky. Trust Co.
	<u>\$76,064.31</u>	Louisville, Ky.
Original amount of bond issue dated Sept. 1, 1961		\$1,469,000.00
Bonds outstanding on this account		1,469,000.00
Amount to be paid during period January 1, 1963 -		
January 1, 1964, for bonds, none, interest \$51,075.00		51,075.00
Interest rate 3-1/4% - 3-1/2%, final maturity date Sept. 1, 2001		

Mr. Hall moved that the Board accept the report of the Business Manager. Mr. Doran seconded and the roll was called on the adoption of the motion with the following results: Mr. Doran, aye; Mr. Hall, aye; Mr. Long, aye; Mr. Springer, aye; and Mr. White, aye.

Audit Reports

Members of the Board were presented copies of the Audit Report for the fiscal year ending June 30, 1962, prepared by Joe Schneider, Auditor of Public Accounts.

Policy regarding Participation in Partisan Politics by Members of the Faculty and Staff of Murray State College.

Mr. Hall presented the following statement and moved that it be adopted by the Board of Regents as the Board's policy regarding participation in partisan politics by members of the faculty and staff of Murray State College:



For the mutual protection of the faculty and staff members and the college, faculty and staff members campaigning as political candidates for state or federal offices shall do so on their own time. A person who is unopposed in the primary may continue to work at the college even though he has filed as a candidate provided that he does not campaign on college time. If he has opposition and finds it necessary to campaign, the faculty or staff member shall obtain a leave of absence from his position at the college. In the general election, it will be necessary to take a leave of absence at the beginning of active campaigning. A leave of absence may be given for one year or fraction thereof, and may be renewed at the option of the Board.

Leaves of absence are not required of staff or faculty members who become candidates for office of a temporary or part-time nature--such as membership of a school board or member of a city council.

Mr. Long seconded and the roll was called on the adoption of the motion with the following results: Mr. Doran, aye; Mr. Hall, aye; Mr. Long, aye; Mr. Springer, aye; and Mr. White, aye.

#### Kentucky School Boards Association

Dr. Woods stated that he received an invitation from the Kentucky School Boards Association for the Board of Regents to join this organization and that he had sent a membership fee of \$25.00 and had joined the Kentucky School Board Association for our Board.

The Board concurred in the action of the President in having the Board of Regents become a member of the Kentucky School Boards Association.

#### Adjournment

Motion was then made by Member Springer that the meeting be adjourned, which motion was seconded and unanimously carried. Whereupon the meeting was adjourned.

  
Vice Chairman

  
Secretary

This page is left blank due to the attachments to the meeting held on January 21, 1963.

  
Vice Chairman

  
Secretary

hereinafter fixed as a result of competitive bidding for the purchase of said Bonds, as hereinafter provided, and shall be in substantially the form and in all respects conform to the specifications and details set forth in the Trust Indenture referred to in and set out under Section 3 of this Resolution.

Section 3. Said Bonds shall be issued pursuant to and secured by a Trust Indenture between the Board of Regents of Murray State College, party of the first part, and The Kentucky Trust Company, a combined bank and trust company having corporate 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 the City of Louisville, Kentucky, party of the second part. The Chairman and the Secretary of the Board of Regents 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 Regents hereby approves, ratifies and confirms all of the covenants, provisions, and stipulations as set out in such Trust Indenture, to wit:

Section 4. The entire Five Hundred and Fifteen Thousand Dollars (\$515,000) of Bonds authorized by the aforementioned Trust Indenture shall be offered for sale, which shall be publicly advertised as required by law, upon the basis of sealed, competitive bids, which shall be publicly opened and acted upon by the Board of Regents. To that end, the Secretary of this Board is hereby authorized and directed to cause a "Notice of Sale" 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, which newspaper has been designated by the Department of Finance of the State of Kentucky, meeting the requirements of KRS 424.180 and KRS 424.360, and one time in The Bond Buyer, a financial journal published in New York City, New York, of general circulation throughout the United States of America, soliciting sealed competitive proposals for the purchase of said Bonds, the same to be received in the office of said Secretary in Murray, Kentucky, until some day and hour when the Board of Regents will be in session. Publication in The Courier-Journal shall be made once not less than ten days and not more than twenty-one days preceding the advertised day on which the sale is held, which is in compliance with KRS 424.130, and publication in The Bond Buyer shall be made once not less than fifteen days nor more than twenty-one days prior to the advertised date on which the sale is to be held. In said Notice, purchasers shall be instructed that proposals may be for the purchasing of (a) the entire issue; or (b) Bonds maturing in the years 1965 to 1972, inclusive; or (c) Bonds maturing in the years 1973 to 1977, inclusive; or (d) Bonds maturing in the years 1978 to 1982, inclusive; or (e) Bonds maturing in the years 1983 to 1987, inclusive; or (f) Bonds maturing in the years 1988 to 1992, inclusive; or (g) Bonds maturing in the years 1993 through 2002, inclusive; that bidders may stipulate one or more interest coupon rates with respect to said Bonds, providing the aggregate interest cost does not exceed three and three-eighths percent (3-3/8%) per annum, and only one coupon rate may be stipulated for Bonds maturing on the same date. A minimum bid of par plus accrued interest shall be required. The Board reserves the right not to sell any part or all of the \$47,000 of bonds maturing in the years 2001 to 2002, and all bids made shall be subject to that reservation. The right to reject bids shall be expressly reserved. In connection with such sale, the Secretary of the Board is additionally

A RESOLUTION providing for the issuance, sale and delivery of \$515,000 of Apartment Housing Revenue Bonds of 1962, for account of Murray State College

WHEREAS, the existing buildings used for educational purposes at Murray State College, at Murray, Kentucky, are wholly inadequate, and it has been heretofore determined to be necessary that a new Project consisting of four buildings, with appurtenant facilities, containing a total of forty-eight married student and faculty apartment units, be constructed on the campus of the College, the total cost of which is estimated to be not less than \$515,000; and

WHEREAS, it is necessary that funds (not otherwise provided) to defray such costs, be provided through the issuance of Revenue Bonds to the amount of \$515,000, pursuant to Section 162.340, et seq. of the Kentucky Revised Statutes;

NOW, THEREFORE, THE BOARD OF REGENTS OF MURRAY STATE COLLEGE, AT MURRAY, KENTUCKY, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. That the erection of a new Project consisting of four buildings, with appurtenant facilities, containing a total of forty-eight married student and faculty apartment units, according to the plans and specifications heretofore prepared and approved, is hereby ratified and confirmed.

Section 2. In order to defray the cost of erecting said buildings, Apartment Housing Revenue Bonds of 1962 shall be and are hereby ordered issued by the Board of Regents of said Murray State College in the aggregate principal amount of Five Hundred and Fifteen Thousand Dollars (\$515,000), dated September 1, 1962, of the denomination of \$1,000, to be numbered consecutively from 1 to 515, inclusive, bearing interest to be evidenced by coupons attached to each Bond, payable semi-annually on the first days of March and September in each year. At the option of the purchaser, the Bonds will be in fully registered form dated September 1, 1962, in the denominations of \$1,000 or any whole multiple thereof. Said Bonds shall bear interest at such rate or rates not exceeding an aggregate interest cost of three and three-eighths per cent ( $3\frac{3}{8}\%$ ) per annum, as may be

authorized to sign, cause to be reproduced in mimeographed, printed or other multiple copy form, and to supply any interested party upon request, the "OFFICIAL NOTICE OF SALE OF BONDS AND STATEMENT OF ESSENTIAL FACTS," giving a more detailed description of the Bonds, and setting forth terms and conditions calculated to bring about uniformity in bidding. Suggested forms of a "Notice of Sale," and the "OFFICIAL NOTICE OF SALE OF BONDS AND STATEMENT OF ESSENTIAL FACTS," having been prepared and submitted by the approving bond attorney, and the same having been examined by the Board of Regents and found to be in order, the same are hereby approved and may be used for the purposes of this Section 4.

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

Adopted by the Board of Regents of Murray State College at a meeting held on the 21st day of January, 1963.

(Seal)

  
Vice Chairman, Board of Regents

Attest:

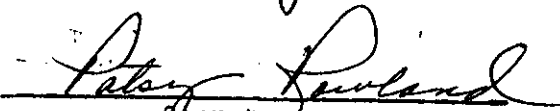
  
Secretary

COMMONWEALTH OF KENTUCKY) SS  
COUNTY OF CALLOWAY )

I, Patsy Rowland, Secretary of the Board of Regents of Murray State College, at Murray, Kentucky, do hereby certify that the foregoing constitutes a true, correct and complete copy of a Resolution duly adopted by said Board of Regents (on January 21, 1963) relating to and providing for the issuance of \$515,000 of Apartment Housing Revenue Bonds of 1962, to be dated September 1, 1962.

WITNESS my official signature and the official seal of said Board of Regents on this 21st day of January, 1963.

(Seal)

  
Secretary

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TRUST INDENTURE  
DATED AS OF SEPTEMBER 1, 1962  
MURRAY STATE COLLEGE APARTMENT HOUSING REVENUE BONDS OF 1962

PROJECT NO. KY-CH-69 (D)

THE KENTUCKY TRUST COMPANY, TRUSTEE

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TRUST INDENTURE

This INDENTURE dated as of the first day of September, 1962, made by and between BOARD OF REGENTS OF MURRAY STATE COLLEGE, a body corporate, as an Educational Institution and Agency of the Commonwealth of Kentucky, at Murray, Kentucky (hereinafter sometimes called the "Board"), party of the first part, and THE KENTUCKY 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 Louisville, Kentucky, as Trustee (hereinafter sometimes called the "Trustee"), party of the second part,

WITNESSETH:

THAT WHEREAS, pursuant to Section 164.350 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 Murray State College, an Educational Institution and Agency of the Commonwealth of Kentucky, having full control of the management and operation of said College, together with the property and funds thereof; and

WHEREAS, pursuant to the provisions of Sections 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 College for educational purposes and issue its revenue bonds, payable from the income and revenue or revenues of such buildings to be erected; and

WHEREAS, the Board has determined that said College 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 four buildings, with appurtenant facilities, containing a total of forty-eight married student and faculty apartment units (sometimes hereinafter referred to as the "Project"), to be situated upon a site which is a part of the Campus of said College, and which is hereinafter described for the purpose of identifying the Project; and

WHEREAS, temporary funds for the cost of said Project have been arranged by said Board of Regents, and it is necessary that \$515,000 of the cost of said Project be provided through the issuance of revenue bonds to the amount of Five Hundred and Fifteen Thousand Dollars (\$515,000), and the Board has adopted an appropriate Resolution authorizing the issuance of such bonds, to be designated as "Murray State College Apartment Housing Revenue Bonds of 1962," 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 Bond Proceeds and of revenues arising from the operation and ownership of said Project; and

WHEREAS, said bond issue shall be either coupon bonds registerable as to principal only or a fully registered bond or bonds as hereinafter provided in this Indenture; and

WHEREAS, the execution and delivery of this Indenture and the issuance of said Bond Issue have been in all respects duly and validly authorized by the Board pursuant to a resolution adopted by said Board on the 21st day of January, 1963 (hereinafter sometimes called the "Resolution"), and

WHEREAS, the coupon Bonds of said series, and the coupons appertaining thereto, and the Trustee's Authentication Certificate with respect to all of such Bonds and the 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 COUPON BOND)

UNITED STATES OF AMERICA

COMMONWEALTH OF KENTUCKY

COUNTY OF CALLOWAY

MURRAY STATE COLLEGE

APARTMENT HOUSING REVENUE BOND OF 1962

Number \_\_\_\_\_

\$1,000.00

The Board of Regents of Murray State College, a body corporate, as an Educational Institution and Agency of the Commonwealth of Kentucky, at Murray, 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 hereof, as hereinafter provided,

the sum of One Thousand Dollars (\$1,000),

on the first day of September, 19\_\_\_\_,

and to pay, solely from said special fund, interest thereon from the date hereof, until the principal amount hereof has been paid, at the rate of

\_\_\_\_\_ per centum

(\_\_\_\_\_ per cent) per annum, such interest being payable semi-annually on the first days of March and September in each year, commencing on March 1, 1963, 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 the principal of and the interest on this Bond are 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 the Trustee (The Kentucky Trust Company, in the City of Louisville, Kentucky) or, at the option of the holder or registered owner hereof, or the holder of the interest coupons hereunto appertaining, at the principal office of Chemical Bank New York Trust Company, 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 \$515,000, all of said Bonds being of like form, tenor and effect (except for numbers, maturity dates, provisions with respect to redemption prior to maturity, and possible variations in interest rates), numbered from 1 to 515, inclusive, of the denomination of One Thousand Dollars (\$1,000.00) each, issued for the purpose of financing

the cost of four buildings, with appurtenant facilities, containing a total of forty-eight married student and faculty apartment units, in connection with Murray State College at Murray, Kentucky (said proposed new buildings being hereinafter referred to as the "Project"), 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 a Trust Indenture (said Indenture, together with all indentures supplemental thereto as therein permitted, being hereinafter sometimes called the "Indenture") of even date herewith, executed by and between said Board of Regents and The Kentucky Trust Company, as Trustee (said Trustee and any successor Trustee under said Indenture being hereinafter sometimes called the "Trustee"). An executed counterpart of said Indenture is on file at the office of said Trustee in the City of Louisville, Kentucky, and an executed counterpart thereof has been recorded at the office of the Clerk of the County Court of Calloway County, Kentucky, as provided by the law for the recording of mortgages on real estate in Kentucky. Reference is hereby made to said Indenture for a more specific identification of the Project and 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 of said Project, the fund charged with and pledged to the payment of the interest on and the principal of said Bonds, a description of the property subject to a statutory mortgage lien and the revenues pledged thereunder, the nature and extent of the security thereby created, the rights, duties and obligations of said Board of Regents and of the Trustee and the rights of the holders or registered owners 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 and does have all of 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 or registered owner 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 Project, which rents and charges will be sufficient to pay the principal of and the interest on said Bonds as the same become due and to provide reserves for such purposes and also to pay the cost of maintenance, operation and repair of the Project. The Indenture provides for the creation of a special fund designated as "Murray State College Apartment Housing Revenue Bonds of 1962 Bond and Interest Sinking Fund Account" (herein called the "Sinking Fund"), and for the deposit to the credit of said Sinking Fund of a fixed amount of the gross revenues of said Project, in order to pay the principal of and the interest on the Bonds as the same become due, and to provide a reserve for such purpose, 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 Project, which income and revenues will be set aside in said Sinking Fund, and this Bond does not constitute any indebtedness of Murray State College or of its Board of Regents or of the Commonwealth of Kentucky within the meaning of any provisions or limitations of the Constitution of the Commonwealth of Kentucky.

Bonds of the issue of which this Bond is one, are numbered consecutively from 1 to 515, in the order of maturity. Bonds of such issue numbered 1 through 64, inclusive, maturing September 1, 1965, through September 1, 1972, inclusive, are not callable. Bonds numbered 65 through 405, inclusive, maturing September 1, 1973, through September 1, 1997, inclusive, may be called at the option of the Board prior to the stated maturity thereof, in whole or in part and in inverse numerical order on any interest payment date falling after September 1, 1972, at the principal amount thereof, plus accrued interest to the date of redemption and a

premium for each Bond equal to

3% of the principal amount thereof,

if redeemed March 1, 1973, through September 1, 1977, inclusive;

2-1/2% if redeemed March 1, 1978, through September 1, 1982, inclusive;

2% if redeemed March 1, 1983, through September 1, 1987, inclusive;

1-1/2% if redeemed March 1, 1988, through September 1, 1992, inclusive; and

1% if redeemed after September 1, 1992, and prior to final maturity.

Bonds numbered 406 through 515, inclusive, maturing September 1, 1998, through September 1, 2002, inclusive, are callable at the option of the Board in whole or in part and in inverse numerical order on any interest payment date prior to final maturity, at par plus accrued interest to the date of redemption. Priority as to call shall extend to Bonds numbered 406 through 515, inclusive, over Bonds numbered 65 to 405, inclusive.

Notice of any such intended redemption, identifying the Bonds to be redeemed, will be on file at the office of the Trustee at least thirty days prior to the specified redemption date, and such notice shall be published at least once not less than thirty days prior to said redemption date in a financial newspaper or journal of general circulation published in the English language in the City of New York, New York. Any Bonds called for redemption and for the payment of which funds are deposited with said Trustee on the specified redemption date, shall cease to bear interest on said redemption date.

This Bond is transferable by delivery unless registered as to principal in the owner's name on the books of said Board of Regents to be kept for that purpose at the office of the Trustee under the Indenture, such registration to be noted hereon. After such registration, no transfer of this Bond shall be valid or effective unless made on said books and similarly endorsed hereon at the written request of the registered owner hereof, or his duly authorized agent, but this Bond may be discharged from registration by being in like manner transferred and registered to bearer, whereupon full negotiability and transferability by delivery shall be restored; but this Bond may again from time to time be registered or made



payable to bearer as aforesaid. 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 Regents 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 the buildings of said Project and those portions of the site physically occupied thereby and all necessary appurtenances, including adequate provision for ingress, egress and the rendering of necessary services, is hereby created and granted in favor of the holder or holders of this Bond and the issue of which it forms a part and in favor of the holder or holders of coupons attached to said Bonds, and said Project property and any appurtenances thereto shall remain subject to said statutory mortgage lien until the payment in full of the principal and interest on this Bond and the issue of which it forms a part. The revenue pledge securing this Bond and the series of which it is a part applies to the identical property as said statutory mortgage lien.

In case an event of default, as defined in the Indenture, shall occur, the principal of this Bond and all other Bonds outstanding may be declared or may become due and payable prior to stated maturity in the manner and with the effect provided in the Indenture.

No recourse shall be had for the payment of the principal of or interest on this Bond against any officer, or member of the Board of Regents of the College, as such, all such liability (if any) being hereby expressly waived and released by every holder or registered holder hereof by the acceptance hereof, and as a part of the consideration hereof as provided in the Indenture.

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 Regents and of said Murray State College, does not violate any provision or exceed any limit prescribed by the Constitution or Statutes of Kentucky; that said Project will be continuously operated, and that a sufficient portion of the gross income and revenues therefrom has been pledged to and will be set aside into said Sinking Fund 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, the Board of Regents of Murray State College at Murray, Kentucky, has caused this Bond to be signed in its corporate name by the duly authorized reproduced facsimile signature of its Chairman, and the facsimile of its corporate seal to be imprinted

hereon, has caused all of said Bonds to be attested by the manual signature of the Secretary of the Board of Regents of the College, and the interest coupons hereto attached to be executed with the duly authorized facsimile signatures of both said Chairman and said Secretary, all being done as of the date of this Bond, which is the first day of September, 1962.

Wendell P. Butts  
Chairman, Board of Regents

(Seal)

Attest:

\_\_\_\_\_  
Secretary, Board of Regents

(Form of Coupon)  
(First paragraph of coupon form goes in coupons  
attached to Bonds numbered 65 - 515.)

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

Unless the Bond to which this coupon appertains is redeemable and accordingly shall have been theretofore called for prior redemption,

On the first day of \_\_\_\_\_, 19\_\_\_\_, the Board of Regents of Murray State College at Murray, Kentucky, will pay to bearer the amount shown hereon 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 "Murray State College Apartment Housing Revenue Bonds of 1962 Bond and Interest Sinking Fund Account," at the principal office of The Kentucky Trust Company in the City of Louisville, Kentucky, or at the option of the holder hereof, at the principal office of Chemical Bank New York Trust Company in the Borough of Manhattan, City of New York, State of New York, as provided in and for interest then due on its Murray State College Apartment Housing Revenue Bond of 1962, numbered \_\_\_\_\_.

Wendell P. Butts  
Chairman, Board of Regents

\_\_\_\_\_  
Secretary, Board of Regents

(Form of Authentication Certificate)

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

THE KENTUCKY TRUST COMPANY, Trustee

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

(Form of Registration to be printed on Back of Each Bond)

It is hereby certified that, at the request of the holder of the within Bond, I have this day registered it as to principal in the name of such holder as indicated on the registration blank below, on the books kept by me for such purpose. The principal of this Bond shall be payable to the registered owner hereof named in the registration blank below, or his legal representative, and this Bond shall be transferable only on the books of the Registrar and by an appropriate notation in such registration blank. If the last transfer recorded on the books of the Registrar, and in the registration blank below, shall be to bearer, the principal of this Bond shall be payable to bearer and it shall be in all respects negotiable. In no case shall negotiability of coupons attached hereto be affected by any registration as to principal.

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

WHEREAS, the fully registered Bond or Bonds without coupons, issuable hereunder, shall be in substantially the form set forth below (with appropriate insertions and changes therein as to principal amounts, dates, dates of maturity of principal installments, names of payee, and otherwise as may be required in the event that only certain maturities of the Bonds shall have been purchased by the Government of the United States and/or by any other purchaser or purchasers), to wit:

(FORM OF FULLY REGISTERED BOND)

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
COUNTY OF CALLOWAY  
MURRAY STATE COLLEGE  
APARTMENT HOUSING REVENUE BOND OF 1962

The Board of Regents of Murray State College, a body corporate, as an educational institution and agency of the Commonwealth of Kentucky, at Murray, Kentucky (hereinafter sometimes called the "Board"), for value received, hereby promises to pay to

the UNITED STATES OF AMERICA, HOUSING AND HOME FINANCE ADMINISTRATOR, or his successor (herein sometimes called the "Payee"), or his registered assigns (herein sometimes called the "Alternate Payee"<sup>\*</sup>), the principal sum of

FIVE HUNDRED AND FIFTEEN THOUSAND DOLLARS (\$515,000.00),

(This fully registered Bond might be less than that amount, in which event it would be necessary to state "this being part of an issue in the total authorized principal amount of \$515,000")

on the first day of September, in years and installments as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1965	\$ 8,000	1978	\$ 11,000	1991	\$ 17,000
1966	8,000	1979	11,000	1992	17,000
1967	8,000	1980	11,000	1993	17,000
1968	8,000	1981	11,000	1994	17,000
1969	8,000	1982	11,000	1995	17,000
1970	8,000	1983	14,000	1996	20,000
1971	8,000	1984	14,000	1997	20,000
1972	8,000	1985	14,000	1998	20,000
1973	8,000	1986	14,000	1999	20,000
1974	8,000	1987	14,000	2000	23,000
1975	11,000	1988	14,000	2001	23,000
1976	11,000	1989	14,000	2002	24,000
1977	11,000	1990	14,000		

\*This designation is to be used where bonds have been awarded to the Government.

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, and to pay interest on the balance of said principal sum from time to time remaining unpaid, in like coin or currency, at the rate of 3-3/8% per annum, semi-annually, on March 1 and September 1 of each year, commencing on March 1, 1963, until the principal amount hereof has been paid. During the time the Payee is the registered owner of this Bond, payment of the principal installments and interest due shall be made at the Federal Reserve Bank of Richmond, Richmond, Virginia, or such other fiscal agent as the Payee shall designate (herein called the "Fiscal Agent"). During such time as an Alternate Payee is the registered owner hereof, said payments shall be made at the principal office of The Kentucky Trust Company, the Trustee under the Indenture, hereinafter mentioned, pursuant to which this Bond is issued, in the City of Louisville, Kentucky, or its successor as such Trustee, or, at the option of the Alternate Payee, at the principal office of Chemical Bank New York Trust Company, in the Borough of Manhattan, City and State of New York (herein called the "Alternate Paying Agent"). Payments of principal and interest, including pre-payments of installments of principal as hereinafter provided, shall be noted on the Payment Record made a part of this Bond, and if payment is made at the office of the Fiscal Agent or Alternate Paying Agent, written notice of such payment and of the making of such notations shall be promptly sent to the Board at the Office of the Trustee, and such payment shall fully discharge the obligation of the Board hereon to the extent of the payments so made. Upon final payment of principal and interest this Bond shall be submitted to the Trustee for cancellation and surrender to the Board.

This Bond, designated as the "Murray State College Apartment Housing Revenue Bond of 1962" (herein referred to as the "Bond"), is a duly authorized revenue bond duly issued by the Board for or is one of a duly authorized issue of bonds in the aggregate principal amount of Five Hundred and Fifteen Thousand Dollars (\$515,000.00), all of said Bonds being of the same form, tenor and effect (except for numbers, maturity dates, provisions with respect to redemption prior to maturity, and possible

variation in interest rates), issued for<sup>7</sup> the purpose of financing the costs of constructing four buildings, with appurtenant facilities, containing a total of forty-eight married student and faculty apartment units, in connection with Murray State College at Murray, Kentucky (hereinafter referred to as the "Project"), 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.

As provided in the Indenture, this Bond is exchangeable at the sole expense of the Board at any time, upon ninety days' notice, at the request of the registered owner hereof and upon surrender of this Bond to the Board at the office of the Trustee in the City of Louisville, Kentucky, for negotiable coupon Bonds, payable to bearer, registrable as to principal only, of the denomination of One Thousand Dollars (\$1,000) each, in an aggregate principal amount equal to and maturing in conformity with the unpaid principal amount of this Bond, and in the form of such coupon Bond as provided in the Indenture.

This Bond is issued under and pursuant to a Trust Indenture (said Indenture, together with all indentures supplemental thereto as therein permitted, being hereinafter sometimes called the "Indenture"), of even date, herewith executed by and between said Board of Regents and The Kentucky Trust Company, as Trustee (said Trustee and any successor Trustee under said Indenture being hereinafter sometimes called the "Trustee"). An executed counterpart of said Indenture is on file at the office of said Trustee in the City of Louisville, Kentucky, and an executed counterpart thereof has been recorded at the office of the Clerk of the County Court of Calloway County, Kentucky, as provided by the law for the recording of mortgages on real estate in Kentucky. Reference is hereby made to said Indenture for a more specific identification of the Project and for the provisions, among others, with respect to the custody and the application of the proceeds of this Bond, the collection and disposition of the revenues of said Project, the fund charged with and pledged to the payment of the interest on and the principal of this Bond, a description of the property subject to a statutory mortgage lien and the revenues pledged thereunder

the nature and extent of the security thereby created, the rights, duties and obligations of said Board and of the Trustee and the rights of the registered owner of this Bond, and of other holders or registered owners or Alternate Payees, and, by the acceptance of this Bond, the holder hereof assents to all of the provisions of said Indenture.

The registered owner 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 thereof, except as provided in the Indenture. The Indenture provides for fixing, charging and collecting rentals and other charges for the use of said Project, which rents and charges will be sufficient to pay the principal of and the interest on this Bond as the same become due and to provide reserves for such purposes and also to pay the cost of maintenance, operation and repair of the Project. The Indenture provides for the creation of a special fund designated as "Murray State College Apartment Housing Revenue Bonds of 1962 Bond and Interest Sinking Fund Account" (herein called the "Sinking Fund"), and for the deposit to the credit of said Sinking Fund of a fixed amount of the gross revenues derived from the Project, in order to pay the principal of and the interest on this Bond as the same become due, and to provide a reserve for such purpose, 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 is payable only from a fixed amount of the gross income and revenues to be derived from the operation of said Project, which income and revenues will be set aside in said Sinking Fund, and this Bond does not constitute any indebtedness of Murray State College or of its Board of Regents or of the Commonwealth of Kentucky within the meaning of any provisions or limitations of the Constitution of the Commonwealth of Kentucky.

In addition to the installments of principal required to be paid by the Board as hereinabove set forth, the Board shall have the right to prepay on any interest payment date the principal installments due on



or after September 1, 1998, or any portion thereof as it may determine, in inverse chronological order of said installments, and in multiples of One Thousand Dollars, at the principal amount plus accrued interest to the date of prepayment. After payment of the aforesaid installments, the Board shall have the right to prepay on any interest payment date after September 1, 1972, the entire principal amount hereof then remaining unpaid, or such lesser portion thereof as it may determine upon, in inverse chronological order of said installments and in multiples of One Thousand Dollars, at the following prices, expressed in terms of a percentage of the principal amount of such prepayment, plus accrued interest to the date of prepayment:

- 103% if paid on or prior to September 1, 1977;
- 102-1/2% if paid on or after March 1, 1978, through September 1, 1982;
- 102% if paid on or after March 1, 1983, through September 1, 1987;
- 101-1/2% if paid on or after March 1, 1988, through September 1, 1992; and
- 101% if paid after September 1, 1992, and prior to final maturity.

Notice of any such optional prepayment shall be given at least thirty days prior to the prepayment date by mailing to the registered owner of this Bond a notice fixing such prepayment date, the amount of principal and the premium, if any, to be prepaid.

This Bond may be assigned and upon such assignment, the assignor shall promptly notify the Board at the office of the Trustee by registered mail, and the Alternate Payee shall surrender the same to the Trustee either in exchange for a new fully registered Bond or for the transfer on the registration records and verification of the endorsements made on the Payment Record attached hereto of the portion of the principal amount hereof and interest hereon paid or prepaid, and every such assignee shall take this Bond subject to such condition.

A statutory mortgage lien, which is hereby recognized as valid and binding on the buildings of said Project and those portions of the site physically occupied thereby and all necessary appurtenances, including adequate provision for ingress, egress and the rendering of necessary services, is hereby created and granted in favor of the Payee and in favor of any Alternate Payee or Payees, and said Project property and any appurtenances thereto shall remain subject to said statutory mortgage lien until the payment in full of the principal and interest on this Bond. The revenue pledge securing this Bond applies to the identical property as said statutory mortgage lien.

In case an event of default, as defined in the Indenture, shall occur, the principal of this Bond may be declared or may become due and payable prior to stated maturity in the manner and with the effect provided in the Indenture.

No recourse shall be had for the payment of the principal of or interest on this Bond against any officer, or member of the Board of Regents of the College, as such, all such liability (if any) being hereby expressly waived and released by every registered holder or transferee hereof by the acceptance hereof, and as a part of the consideration hereof as provided in the Indenture.

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 and of said College, does not violate any provision or exceed any limit prescribed by the Constitution or statutes of Kentucky; that said Project will be continuously operated, and that a sufficient portion of the gross income and revenues from both has been pledged to and will be set aside into said Sinking Fund for the payment of the principal of and interest on this Bond as the same will respectively become due.

IN WITNESS WHEREOF, the Board of Regents of Murray State College has caused this Bond to be executed in its name by the Chairman of said Board, and its Corporate Seal to be hereto affixed and attested by the Secretary of said Board, all as of the first day of September, 1962.

(Seal)

Wendell P. Butts  
Chairman, Board of Regents

Attest:

\_\_\_\_\_  
Secretary of the Board of Regents

(FORM OF TRUSTEE'S CERTIFICATE)

CERTIFICATE OF TRUSTEE

This Bond is the single registered installment Bond described in the within mentioned Indenture.

THE KENTUCKY TRUST COMPANY, Trustee

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

(FORM OF ASSIGNMENT)

For value received, this Bond is hereby assigned, without recourse and subject to all of its terms and provisions unto \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

Witnessed by:

\_\_\_\_\_  
Payee

By \_\_\_\_\_  
Authorized Agent

\_\_\_\_\_  
Official Designation

PAYMENT RECORD

<u>Due Date</u>	<u>Prin- cipal Pay- ment</u>	<u>Princi- pal Bal- ance Due</u>	<u>Interest Payment (       %)</u>	<u>Date Paid</u>	<u>Name of Paying Agent, Authorized Official and Title</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
(Enter (dates (principal and interest)	(Enter (amounts	(Leave (blank	(Leave (blank	(Leave (blank	

(80 due dates - leave one-half inch space between each due date, etc. for manual interlining, if necessary; also half a page at end for any explanation which might be required)

SCHEDULE A

(This should be separate sheet)

Principal Installments on Which Payments  
Have Been Made Prior to Maturity

<u>Principal Due Date</u>	<u>Amount</u>	<u>Principal Payment</u>	<u>Balance</u>	<u>Date Paid</u>	<u>Name of Paying Agent, Authorized Official and Title</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

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 or required by the Laws of the Commonwealth of Kentucky, or otherwise, to make the Bonds when duly executed on behalf of the Board and authenticated by the Trustee and issued, the valid, binding and legal obligations of the Board in accordance with their terms and to make this Indenture a valid and binding Indenture for the security of said 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 and registered owners 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, and for other good and valuable consideration, the receipt of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which said Bonds and interest coupons are to be and may 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 both the principal of and interest on all of 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 by the Board 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 said Project, has granted and does grant to said Trustee a first lien on said revenues, 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 or coupon over any other Bond or coupon by reason of priority in the issue, sale or negotiation thereof or otherwise, as follows:

#### ARTICLE ONE

##### DEFINITION OF TERMS

Section 1.01. General Terms. In each and every place in and throughout this Indenture (and in any Indenture supplemental hereto) 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, equally applicable to both the singular and plural forms, and to be inclusive, as follows:

- (a) "College" -- Murray State College, situated in Murray, Calloway County, Kentucky.
- (b) "Board" -- The Board of Regents of Murray State College.
- (c) "Trustee" -- The Kentucky 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 Louisville, Kentucky, or any successor Trustee designated pursuant to the provisions of this Indenture.
- (d) "Bonds" -- Bonds issued pursuant to the provisions of this Indenture.
- (e) "Sinking Fund" -- The "Murray State College Apartment Housing Revenue Bonds of 1962 Bond and Interest Sinking Fund Account," as created in this Indenture.
- (f) "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 such other funds as may be legally available and required to pay fully the development costs of the Project.
- (g) "Project" -- The four buildings, with appurtenant facilities, containing a total of forty-eight married student and faculty apartment units, to be constructed through application of the proceeds of the Construction Fund, upon a portion of the Campus of the Murray State College, at Murray, Kentucky, said portion or site being particularly described as the "Project site description" in Article Twelve hereof.
- (h) "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.
- (i) "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 on the Secretary of the Board.
- (j) "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.
- (k) "Architect" or "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 College and so appointed.
- (l) "Fiscal Year" -- shall mean the 12-months period beginning September 1, and ending the following August 31, inclusive.
- (m) "Fully Registered Bond" -- shall refer to a single non-negotiable bond payable to the United States of America, Housing and Home Finance Administrator, or his successor, or his registered assigns (or such other named owner as may elect to take a fully registered bond) of the form set out above under the title "(FORM OF FULLY REGISTERED BOND)."

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

Section 1.03. Single - Plural. 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 "Bondholder" 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. Certifications. 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

### GENERAL PROVISIONS REGARDING EXECUTION, AUTHENTICATION AND REGISTRATION OF BONDS.

Section 2.01. Form of Bonds. Save as is herein provided in respect of mutilated, lost, destroyed or stolen Bonds, Bonds may be issued hereunder to the aggregate principal amount of no more than Five Hundred and Fifteen Thousand Dollars (\$515,000). The Bonds, other than fully registered Bonds, shall be issued as Coupon Bonds in the denomination of One Thousand Dollars (\$1,000) each, registrable as to principal only and numbered 1 to 515, inclusive. The principal of each Bond and the interest thereon shall be payable at the principal office of The Kentucky Trust Company, in the City of Louisville, Kentucky, or of its successors or registered owner, in trust under this Indenture, or, at the option of the holder, at the principal office of Chemical Bank New York Trust Company, in the City of New York, 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; provided, however, that until such time as the purchaser or purchasers of the Bonds request(s) the preparation of the definitive Bonds, a fully registered Bond or Bonds shall be issued in an amount equal to the Bonds contracted for by said purchaser or purchasers.

Section 2.02. Interest and Maturities. The said Bonds shall be dated September 1, 1962, and shall bear interest at one or more interest coupon rates not to exceed an aggregate interest cost of three and three-eighths per cent (3-3/8%) per annum, to be established upon the basis of competition among bidders when said Bonds are sold at an advertised public competitive sale, as herein provided. All such interest to the respective maturity dates of principal shall be evidenced by coupons attached to the Bonds, payable semi-annually on each March 1 and September 1. Subject to the reserved right of redemption of a portion of said Bonds prior to maturity as provided in Article Three of this Indenture, said series of Bonds shall mature as to principal on September 1 of the respective years, in accordance with the following schedule:



<u>DATE OF MATURITY,</u> <u>September 1,</u>	<u>BONDS NUMBERED</u> <u>(Inclusive)</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>
1965	1-8	\$ 8,000
1966	9-16	8,000
1967	17-24	8,000
1968	25-32	8,000
1969	33-40	8,000
1970	41-48	8,000
1971	49-56	8,000
1972	57-64	8,000
1973	65-72	8,000
1974	73-80	8,000
1975	81-91	11,000
1976	92-102	11,000
1977	103-113	11,000
1978	114-124	11,000
1979	125-135	11,000
1980	136-146	11,000
1981	147-157	11,000
1982	158-168	11,000
1983	169-182	14,000
1984	183-196	14,000
1985	197-210	14,000
1986	211-224	14,000
1987	225-238	14,000
1988	239-252	14,000
1989	253-266	14,000
1990	267-280	14,000
1991	281-297	17,000
1992	298-314	17,000
1993	315-331	17,000
1994	332-348	17,000
1995	349-365	17,000
1996	366-385	20,000
1997	386-405	20,000
1998	406-425	20,000
1999	426-445	20,000
2000	446-468	23,000
2001	469-491	23,000
2002	492-515	24,000

Section 2.03. Sale of Bonds. The Bonds shall be offered for sale by the Board, without the intervention of the Trustee, at such time or times as the Board may direct upon the basis of notices published by the Board in a newspaper of general circulation throughout the Commonwealth of Kentucky and in The Bond Buyer, a financial journal 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.

Section 2.04. Execution of Bonds. The officers of Murray State College specifically designated to execute the Bonds and coupons, which may be executed in accordance with Section 61.390 of the Kentucky Revised Statutes, in the form required in Section 2.01 of this Trust Indenture, are as follows:

THE COUPON BONDS

(a) The Coupon Bonds shall be signed by the reproduced facsimile signature of the Chairman of the Board of Regents of the College.

(b) The Coupon Bonds shall have the Seal of the College affixed by means of the reproduced imprinted facsimile of the Seal of the College and shall be attested by the manual signature of the Secretary of the Board of Regents of the College.

(c) The coupons shall be executed by the imprinted facsimile signatures of the Chairman and the Secretary of the Board of Regents of the College.

THE FULLY REGISTERED BOND

(d) The fully registered Bond shall be signed by the Chairman of the Board of Regents of the College.

(e) The Seal of the College shall be manually affixed to the fully registered Bond and attested by the Secretary of the Board of Regents of the College.

Section 2.05. Authentication of Bonds. The Trustee shall not authenticate the initial Bond or Bonds to be issued and delivered pursuant to the Indenture unless theretofore or simultaneously therewith there shall have been delivered to the Trustee the following:

(a) A copy of a resolution of the Board of Regents of the College, certified by its Secretary, authorizing the issuance of the Bond or Bonds and the execution and delivery of the Indenture;

(b) The written order of the College, signed by the President of the College, directing the delivery of the Bond or Bonds described therein to or on the order of the purchaser upon payment of the purchase price set forth therein;

(c) The approving legal opinion of Mr. Joseph R. Rubin, Louisville, Kentucky, bond counsel for the College (or any successor mutually agreeable to the College, the Trustee and the purchaser of the Bond or Bonds), concerning the validity and legality of all of the Bonds proposed to be issued, which opinion shall cover generally all of the Bonds and shall be specific, final and unqualified as to the Bonds then being delivered;

(d) An Order for Authentication of Bonds, as referred to in Section 2.04 of this Trust Indenture, shall be signed by the President of the College.

Upon receipt of the foregoing, the Trustee shall authenticate said Bonds. The Board shall make delivery of said Bonds to the purchaser or purchasers, but only upon payment of the stated purchase price, which shall immediately be deposited to the credit of the 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 on behalf of the Trustee by its authorized officer, 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 this Indenture.

The Bonds shall be prepared and printed in compliance with standard requirements and specifications.

Section 2.06. Change of Officers After Execution. In case any person whose signature, or a facsimile of whose signature, shall appear on any Bonds or coupons issuable under this Indenture as an officer of the Board, shall have ceased to be such officer before the Bond bearing such signature shall have been actually authenticated by the Trustee and delivered to the purchaser, such Bond nevertheless may be authenticated and delivered and issued as though the person whose signature appears thereon in such manner had not ceased to be such officer.

Any Bonds issuable hereunder may be signed, sealed, or attested on 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 although on the date of such Bond such person shall not have been such officer.

The coupons to be attached to the Coupon Bonds issued hereunder shall be executed by the imprinted 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 or Secretary, notwithstanding the fact that either or both of them may have ceased to be such Chairman or Secretary at the time when such Bonds shall be actually authenticated and delivered.

Section 2.07. Registration of Bonds. The Board shall keep at the office of the Trustee, books for the registration and transfer of registration 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 such 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, except a fully registered Bond, shall be negotiable and shall pass by delivery unless registered as to principal in the manner hereinafter provided. The holder of any Coupon 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 at the written request of the registered owner or his duly authorized attorney, and similarly noted on the Coupon Bond; but the same may be discharged from registration by being in like manner transferred to bearer, and thereupon

negotiability and transferability by delivery shall be restored; and such Bonds 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, except any taxes or other governmental charges required to be paid with respect to the same.

Section 2.08. Coupons Maturing Before Delivery. Before authenticating any Coupon Bonds, the Trustee shall cut off and cancel all matured coupons, if any, thereon, and the Trustee shall deliver to the Board a certificate of such cancellation.

Section 2.09. Lost or Mutilated Bonds. 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 or Bonds hereby secured, and of indemnity satisfactory to them, and upon surrender and cancellation of such Bond or Bonds if mutilated, the Board may execute and the Trustee may authenticate and there may be delivered, a new Bond or Bonds of like tenor, maturity and serial numbering in lieu of such lost, stolen, destroyed or mutilated Bond or Bonds. Each such new Bond may bear such endorsement as may be agreed upon by the Board and by the Trustee to be necessary to evidence that it has been issued in lieu of a lost, stolen, destroyed or mutilated Bond. The Board may require the payment of the expenses which may be incurred by the Board and the fees and expenses of the Trustee in the premises.

Section 2.10. Effect of Registration of Bonds. 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. 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.

Section 2.11. Fully Registered Bond. Issuance; Exchange for Coupon Bonds and Assignability. (a) In the event that the United States Government is awarded all or any part of the Bonds authorized by this Indenture, the Board, upon request, shall execute, and the Trustee shall authenticate and deliver to the Government a single, fully registered Bond without coupons, registered in the name of "The United States of America, Housing and Home Finance Administrator, or his successor (herein sometimes called the "Payee") or his registered assigns (herein sometimes called the "Alternate Payee")," in the form of the fully registered Bond hereinbefore set forth, and calling for the same payments of interest and principal as the Bonds awarded to the Government.

(b) In the event that all or any part of the Bonds authorized by this Indenture shall be awarded to any purchaser or purchasers other than the Government, the Board, upon request, shall execute and the Trustee shall authenticate and deliver to each such purchaser a fully registered Bond without coupons in the form of the fully registered Bond hereinbefore set forth, registered in the name of such purchaser or such purchasers, and calling for the same payments of interest and principal as the Bonds awarded to such purchaser or purchasers.

(c) Such fully registered Bonds shall be numbered from R-1 consecutively upward, and except as to principal amounts maturing September 1, 1965, through September 1, 1972, shall be subject to redemption as a whole or in part, and if in part, in the inverse order of the maturity dates of the unpaid principal installments of such fully registered Bonds, all as provided more fully in Section 3.01 of this Indenture, and payment of the redemption price for Bonds or portions of Bonds so redeemed shall be made by the Board in the manner provided in said Section 3.01. Payments of the principal and interest, other than upon full redemption, made in respect of any such fully registered Bonds, may be made to the registered holder or holders thereof, or to their designated agent, without presentation or surrender of such Bonds, and all such payments shall fully discharge the

obligations of the Board in respect of such Bonds to the extent of the payments so made. During the time that the Government is the registered owner of any such fully registered Bond, payments shall be made at the Federal Reserve Bank of Richmond, Richmond, Virginia, or at such other Fiscal Agent as the Government shall designate, and such payments shall be noted on the payment record made a part of the Bond, and written notice of the making of such notation shall be promptly sent to the Board at the office of the Trustee.

(d) An order for authentication of Bonds, signed in the name of the Board by the President of the College, shall be delivered to the Trustee, specifying the aggregate principal amount of each fully registered Bond to be issued, the maturity dates of the principal installments thereof, serial number thereof, and the name of the purchaser in whose name such Bond shall be registered by the Trustee, the amount of the purchase price of such Bond and the amount of such purchase price representing accrued interest, and requesting the Trustee to authenticate and deliver such Bond, upon execution by the Board.

(e) The Board covenants and agrees that, within ninety days after the receipt by the Board of the written request of the registered owner of any such fully registered Bond, the Board will at its own expense prepare and execute bearer coupon Bonds of the denomination of \$1,000.00, in the form hereinbefore set forth, of type composition and printed on paper of customary weight and strength, in an aggregate principal amount equal to the unpaid principal amount of such fully registered Bond, and having maturities corresponding to the principal installments of such fully registered Bond then unpaid, with coupons annexed thereto maturing after the date to which interest on such fully registered Bond shall have been fully paid; and the Board will cause such coupon Bonds to be authenticated by the Trustee and delivered to the registered owner of such fully registered Bond upon the surrender and cancellation of such fully registered Bond. The Board shall, at the time of any such written request for exchange of its fully registered Bond for coupon Bonds, deliver to the Trustee a Certificate certifying the principal amount then unpaid on any fully registered Bond and the date to which interest on such fully registered

Bond shall have been fully paid. Any fully registered Bond so surrendered shall be cancelled by the Trustee and delivered to the Board. The Trustee shall be fully protected in relying on any such Certificate or Order delivered to it under the provisions of Subsections (d) or (e) of this Section.

(f) The fully registered Bond may be assigned by the execution of the Form of Assignment printed on the back of the fully registered Bond. Upon the execution of such Form of Assignment, the assignor shall promptly send the Board written notice of such assignment by registered mail at the office of the Trustee, and the Alternate Payee shall surrender the same to the Trustee either in exchange for a new fully registered Bond or for the transfer on the registration records and verification of the endorsements made on the Payment Record attached to the fully registered Bond, of the portion of the principal amount thereof and interest thereon paid or pre-paid, and every such assignee shall take such fully registered Bond subject to such condition.

### ARTICLE THREE

#### REDEMPTION OF BONDS

Section 3.01. Redemption Provisions. The coupon Bonds, and the respective installments of principal corresponding thereto in the case of a fully registered Bond, shall be subject to redemption or pre-payment prior to maturity at the option of the College, as follows:

(a) Bonds numbered 1 through 64, inclusive, maturing September 1, 1965, through September 1, 1972, inclusive, are noncallable.

(b) Bonds numbered 65 through 405, inclusive, maturing September 1, 1973, through September 1, 1997, inclusive, may be called at the option of the Board prior to the stated maturity thereof, in whole or in part and in inverse numerical order on any interest payment date after September 1, 1972, upon at least thirty days' prior notice, at the principal amount thereof, plus accrued interest to the date of redemption and a premium for each Bond as follows:

- 3% if redeemed March 1, 1973, through September 1, 1977, inclusive;
- 2-1/2% if redeemed March 1, 1978, through September 1, 1982, inclusive;
- 2% if redeemed March 1, 1983, through September 1, 1987, inclusive;
- 1-1/2% if redeemed March 1, 1988, through September 1, 1992, inclusive; and
- 1% if redeemed after September 1, 1992, and prior to final maturity.



(c) Bonds numbered 406 through 515, inclusive, maturing September 1, 1998, through September 1, 2002, inclusive, are callable at the option of the Board in whole or in part and in inverse numerical order on any interest payment date prior to final maturity, upon at least thirty days' prior notice, at par plus accrued interest to the date of redemption.

(d) Priority as to call shall extend to Bonds numbered 406 through 515, inclusive, over Bonds numbered 65 through 405, inclusive.

Section 3.02. Notice of Redemption. In case the Board shall desire to exercise its right of redemption, it shall cause to be filed with the Trustee (at least thirty days in advance of the redemption date) a copy of a written notice, signed by the President of the College, specifying the redemption date and the numbers of the Bonds to be redeemed, and shall cause notice of such redemption to be published in a financial newspaper or journal, of general circulation, published in the English language in the City of New York, New York, at least once not less than thirty days before the date fixed for redemption, such published notice to identify the Bonds to be redeemed and to state that interest will cease to accrue thereon from and after the specified redemption date. If any of the Bonds to be redeemed are at the time 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 to be bondholders; by the transfer register 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; provided further that said notice of redemption need not be published in the event that a fully registered Bond or all of the Bonds to be so redeemed are held by a single owner, and notice in writing by certified or registered mail is given to such owner not less than thirty (30) days before the date fixed for redemption.

Section 3.03. Redemption Funds. 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, if any, 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.

Section 3.04. Bonds Called for Redemption Cease to Bear Interest.

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, insofar 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.

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

ARTICLE FOUR

DISPOSITION AND CUSTODY OF INCOME  
AND REVENUES OF THE PROJECT

Section 4.01. Revenue Fund. As soon as any portion of the Project becomes revenue producing, all rentals, charges, income and revenues arising from the operation or ownership of the Project and the pledged Incidental Fees shall be deposited to the credit of a special fund upon the books and records of the Board, to be designated "Murray State College Apartment Housing Revenue Bonds of 1962 Revenue Fund Account" (hereinafter sometimes referred to as the "Revenue Fund"), and 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. Sinking Fund. The Board covenants and agrees, immediately upon the sale and delivery of any of the Bonds, to create and establish with the Trustee, a separate account or accounts, recorded on the Books of the Board, to be individually or collectively designated "Murray State College Apartment Housing Revenue Bonds of 1962 Bond and Interest Sinking Fund Account" (hereinafter sometimes referred to as the "Sinking Fund"). So long as any of the Bonds are outstanding, the said Sinking Fund shall be maintained and deposited, either directly or through banking channels, into the custody of the Trustee, and 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 at or before maturity in accordance with the provisions of this Indenture.

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

- (1) That initially, 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 or from the Construction Fund or other sources as interest during construction, and all revenues, if any, derived from the Project, remaining after payment of "Current Expenses", from the date of completion of any portion of the Project to the date of delivery of any of the Bonds. In any event there shall be deposited in said Sinking Fund such amounts as will cause the total so deposited to equal all interest maturing until the Project becomes revenue-producing.
- (2) The Board shall transfer from the Revenue Fund to the deposit of the Bond and Interest Sinking Fund Account, on or before February 15, 1963, August 15, 1963, February 15, 1964, and August 15, 1964, respectively, such sums as will be sufficient, together with balances in said Sinking Fund, to pay interest to become due on the outstanding Bonds on March 1, 1963, September 1, 1963, March 1, 1964, and September 1, 1964, respectively, provided, however, that such requirements shall not apply with reference to any interest coupon which matures (and is therefore detached and cancelled) prior to the delivery of the Bonds.
- (3) Thereafter, the Board shall transfer from said Revenue Fund Account and deposit to the credit of the Sinking Fund the

sum of at least \$16,000 on or before February 15, 1965, and on or before Each February 15 and August 15, thereafter, until the amounts accumulated in said Sinking Fund, including any investments carried to the credit of said Sinking Fund, are sufficient to meet the interest due on the outstanding Bonds on the next ensuing interest payment date, plus an amount equal to one-half of the principal maturity due within the next ensuing year, plus a debt service reserve of \$50,000.

- (4) Thereafter, on or before each succeeding February 15 and August 15, the Board shall transfer, in like manner, such sums from said source as may be necessary to meet the interest on the Bonds due on the next interest payment date and one-half of principal due within the succeeding twelve months and to maintain a debt service reserve in the amount of \$50,000.00.

Section 4.03. Sinking Fund Reserve. The amount by which the aforesaid payments into the Sinking Fund exceeds the aggregate amount of interest on and principal of said Bonds then currently becoming due shall be held as a reserve; provided, however, that no further payments need be made into said Sinking Fund whenever and so long as such amount of the Bonds shall have been retired that the amount then held therein, including the reserve, is sufficient to accomplish retirement of all of the bonds then outstanding and to pay all interest that is to be paid on all of such Bonds prior to such retirement.

If, for any reason, there shall be a failure to make any payments into said Sinking Fund as aforesaid, any sums then held as a reserve shall be used for the payment of any portion of the interest or principal as to which there would otherwise be default, but such reserve shall be reimbursed therefor from the first available payments made into the Sinking Fund by increasing the subsequent semi-annual payments to at least 120 per cent of the minimum amounts otherwise required to be made into the Sinking Fund.

All moneys held in the Sinking Fund shall be held, secured, and invested by the Trustee, as provided by Sections 4.08 and 4.09 of this Indenture. Said Sinking Fund shall be used solely and only for the purpose of paying the interest on said Bonds secured hereby and accomplishing retirement of said Bonds at or before maturity, and is hereby irrevocably pledged for that purpose, and shall be used for no other purpose whatsoever, and only the amount in said Sinking Fund in excess of the debt service requirements

on the outstanding Bonds during the current year and debt service reserve of \$50,000 may be used at any time for the retirement of Bonds in advance of their maturity.

Section 4.04. Transfer of Funds to New York Paying Agent. During the thirty days preceding each March 1 and September 1, the Trustee shall transfer from the Sinking Fund to the principal office of the Chemical Bank New York Trust Company, 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; or the Trustee 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.

Section 4.05. Current Expenses. Current Expenses of the Project shall be payable after compliance with the provisions of Section 4.02 hereof from the Revenue Fund as the same become due and are payable. Current Expenses shall include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance and all other expenses incident to the operation of the Project; but shall exclude depreciation, all general administrative expenses of the Board and the payment into the "Murray State College Apartment Housing Revenue Bonds of 1962 Repair and Replacement Reserve Account," hereinafter provided for.

Section 4.06. Repair Fund. There is hereby created a special account upon the books of the Board, separate and apart from all other accounts and funds, the same to be designated "Murray State College Apartment Housing Revenue Bonds of 1962 Repair and Replacement Reserve Account" (hereinafter sometimes referred to as the "Repair Fund"). So long as any of the Bonds are outstanding the said Fund shall be maintained and deposited either directly or through banking channels into the custody of the Trustee. As soon as the reserve is accumulated in the Sinking Fund as required by Section 4.02, the Board shall deposit from the Revenue Fund, on or before the close of each fiscal year, the sum of at least \$3,500.00,

or such portion thereof as is available for transfer, annually, until the amount accumulated in said Repair Fund, including any investments carried to the credit of said Repair Fund, shall aggregate \$35,000, and, thereafter, such sums, but not more than \$3,500.00 annually, as may be required to restore and maintain a balance of \$35,000 in the Repair Fund. All monies in said Fund 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 and equipment not paid as part of the ordinary and normal expense of the Project operation. However, in the event the funds in the Sinking Fund should be reduced below the required debt service reserve of \$50,000, funds on deposit in the Repair Fund shall be transferred to the Sinking Fund to the extent required to eliminate the deficiency in such Sinking Fund.

Section 4.07. Use of Excess Funds in Revenue Fund. Subject to the foregoing maximum annual deposits, which are cumulative, the Board may use the balance of excess funds in the Revenue Fund at the close of each fiscal year (1) to redeem outstanding Bonds on the next interest payment date, in inverse numerical order and in amounts of not less than \$5,000 par value at one time, on the next interest payment date, at a price which is not in excess of the call price on the next date on which bonds are callable; (2) for any expenditures, including the payment of debt service, in improving or adding to or restoring the Project, or any part thereof, or (3) for any lawful purpose.

Section 4.08. Deposits Held In Trust. All moneys deposited with and in the custody of the Trustee under the provisions of this Indenture shall be trust funds 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 and shall be secured in such manner as may at the time 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.

Section 4.09. Investment of Funds. Moneys held for the credit of the Repair Fund and the amount thereof in the Sinking Fund in excess of

all Bond principal and interest requirements for the ensuing twelve months' period 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 unconditionally guaranteed by the United States Government, which mature or are redeemable at the option of the holder within five years from the date of investment therein. Obligations so purchased shall be deemed at all times to be a part of the Repair Fund and Sinking Fund respectively. 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 Repair Fund or Sinking Fund. Neither the Trustee nor the Board shall be liable or responsible for any loss resulting from any such investment. In determining the adequacy of Reserves, all such investments shall be valued in terms of their market value on the then next preceding June 30 or December 31, whichever was later.

#### ARTICLE FIVE

##### PARTICULAR COVENANTS OF THE BOARD

Section 5.01. Ownership of Pledged Site. The Board covenants and agrees that it has the lawful control of the site of the Project, as hereinafter described in Article Twelve hereof, that said property is free from any and all liens and encumbrances and that the Board will warrant and defend the title thereto against all claims and demands whatsoever.

Section 5.02. Payment of Principal and Interest. 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 secured hereby, 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.

Section 5.03. Insurance on Properties. The Board covenants and agrees that upon acceptance of the Project from the contractor or upon occupancy of the Project, whichever shall occur first, the Board shall procure and maintain, so long as any of the Bonds are outstanding, fire and

extended coverage insurance on the Project, 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 Project, and also boiler explosion insurance covering any steam boilers serving the Project, to the extent authorized by law. Such insurance shall be in the State Fire and Tornado Insurance Fund of the Commonwealth of Kentucky or 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 College, 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 case of any particular loss, be less than the sum of Ten Thousand Dollars (\$10,000), the amount shall be paid over by the Trustee to or upon the order of the Board, and shall be applied to the extent required, 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. 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, the Project, the Board, unless it elects to pay and redeem all outstanding Bonds, shall promptly arrange for the repair and reconstruction of the damaged or destroyed portion thereof, and shall arrange for the application of the proceeds of the insurance for that purpose, as is hereinafter in this Section provided.

Immediately upon occupancy of the Project and so long thereafter 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 the Project 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 or buildings during the time the damaged building or buildings are 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 paid out by the Trustee from time to time upon written order of the Board, signed by the Chairman and the 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 replacement, 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.

Section 5.04. Public Liability Insurance. The Board covenants and agrees that so long as any of the Bonds are outstanding the Board will, if such insurance is not already in force, procure and maintain public liability insurance to the extent authorized by law, to protect the Board from claims for bodily injury and/or death which may arise from the operation of the Project, including any use or occupancy of its grounds, structures and vehicles.

Section 5.05. Maintenance. 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 operation 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 to the extent that other funds are not available, the Board shall set apart, use and apply funds in the Repair Fund for the foregoing purposes.

Section 5.06. Rentals, Rates, Charges, Incidental Fees. It is hereby represented, covenanted and agreed that Murray State College, with the approval of the Council of Public Higher Education, has heretofore established, and so long as any of the Bonds are outstanding, will continue to fix, impose, charge and collect such rentals, charges, income, revenues and incidental fees arising from the operation and ownership of the Project, and shall establish initially a base rental of not less than \$58.00 monthly for each one bedroom apartment for use and occupancy of the Project Apartments and not less than \$75.00 monthly for each two bedroom apartment for use and occupancy of the Project Apartments, and thereafter shall maintain such rates and charges for use and occupancy of the Project, as, together with the amount produced by the pledged incidental fees, shall be sufficient to pay principal and interest requirements and reserve requirements of the Bonds herein authorized, plus the costs of maintaining and operating

the Project, and all such charges shall be set apart and paid into the Revenue Fund hereinbefore created, as payment for the services and facilities afforded by said Project. It is hereby specifically certified and pledged that of the charges assessed to each student, not less than \$29.00 per semester during the regular term and not less than \$15.00 per summer session (which \$29.00 and \$15.00, respectively, will be assessed each student occupant of the Project as Incidental Fees) are hereby declared to constitute and shall constitute income and revenues from said Project, and shall be paid into the Project Revenue Fund Account the same as other income and revenues.

Section 5.07. Replacement of Trustee. 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 Article Eleven 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.

Section 5.08. Validity of Indenture. 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 to secure the payment of said Bonds; and that the Board has complete and lawful authority and privilege to construct, maintain and operate the Project.

Section 5.09. Compliance with Indenture. 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 5.10. Furnishings and Equipment. 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 movable equipment necessary to the full enjoyment of the use and occupancy of the Project.

Section 5.11. Parietal Rates, Rentals, Rates and Charges. 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 for the use of the Project facilities as may be necessary (1) to assure maximum occupancy and use of the Project, (2) to pay the interest on and principal of the Bonds as they respectively mature, (3) to provide the required reserves therefor and the Repair Fund, and (4) 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.

Section 5.12. Records. The Board covenants and agrees 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 after the close of each fiscal year, consistent with fiscal policies of the Commonwealth of Kentucky, it will furnish to the Trustee, or any bondholder who requests same in writing, copies of the audit report prepared by an independent public accountant, or by the State Auditor of Public Accounts, as may be required by law, reflecting in reasonable detail the financial condition and record of operation of the Project and the College.

#### ARTICLE SIX

#### CUSTODY AND APPLICATION OF BOND PROCEEDS

Section 6.01. Construction Fund. A fund is hereby created and designated as "Murray State College September 1, 1962, Apartment Housing Project Construction Fund" (herein sometimes called the "Construction Fund"), to the credit of which there shall be deposited initially, prior to the delivery of the Bonds herein authorized, the sum of \$1,000.00, plus such amount, or amounts, if any, as shall be needed to provide any difference between the minimum anticipated proceeds of the sale of said Bonds, and the estimated development cost of the Project, plus the proceeds of any temporary loans or Government advances representing interim financing, if any, and there shall thereafter be deposited, as received, the proceeds of the Bonds (with the exception of accrued interest, if any, which is required by Section 4.02 hereof to be deposited in the Sinking Fund). The moneys in the Construction Fund shall be paid to the State Treasurer of the Commonwealth of Kentucky and held in trust and applied on orders of the Board 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 6.02. Items Included in "Cost of Project." 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 material men in connection with the construction of this Project;
- (b) the interest accruing upon the Bonds during the construction of the Project, after which it is hereby represented that the Project will be revenue producing;
- (c) fees and expenses of engineers and architects for surveys and estimated 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 planning or construction of the Project or in connection with the issuance of the Bonds;
- (d) 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 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 the Loan Agreement between the Board and the United States of America, dated as of October 1, 1962.

Section 6.03. Capitalized Interest. Within the thirty days preceding each March 1 and September 1 prior to the date the first payment is made into the Sinking Fund from the Revenue Fund, pursuant to the provisions of Section 4.02 of this Indenture, there shall be transferred and paid into the Sinking Fund from the Construction Fund an amount sufficient to pay the interest on the Bonds becoming due on such March 1 and September 1, and the Board covenants and agrees to cause each such transfer and payment to be so made.

Section 6.04. Surplus in Construction Fund. When the Project shall have been completed, any balance remaining in the Construction Fund and not necessary in the opinion of the Board to be reserved for the payments of any remaining part of the cost 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.

Section 6.05. Investment of Surplus in Construction Fund. If it be determined at any time by the Board that the moneys on deposit in the Construction Fund exceed the estimated disbursements on account of the Project for the ensuing three (3) months, such excess may be invested by the State Treasurer, upon orders of the Board, in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government, having a maturity date or being subject to redemption at the option of the holder, not later than three (3) years from the date of such investment and all such investments as well as all income therefrom shall be carried to the credit of said Construction Fund.

## ARTICLE SEVEN

### SUPPLEMENTAL INDENTURES

Section 7.01. Successions and Clarifications. The Board and the Trustee, from time to time and at any time, subject to the restrictions contained in this Indenture, 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 evidence the succession of another public corporation or state agency to the Board, and the assumption by such successor of the covenants and obligations of the Board, in the Bonds hereby secured and in this Indenture;
- (2) To evidence the succession of another bank or trust company, as Trustee as herein otherwise permitted and provided and the acceptance by and on behalf of such successor of the provisions of this Indenture; 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 7.02. Execution of Supplemental Indentures. 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 is deemed to be part of the terms and conditions of this Indenture for any and all purposes.

## ARTICLE EIGHT

### REMEDIES

Section 8.01. Statutory Mortgage Lien; Enforcement. That for the protection of the holders of the Bonds secured by this Indenture and the interest coupons thereto attached, a statutory mortgage lien upon the

buildings of said Project and those portions of the site physically occupied thereby and all necessary appurtenances, is granted and created by Sections 162.350 and 162.200 of the Kentucky Revised Statutes, which said statutory mortgage lien is hereby recognized and declared to be valid and binding as provided by law, and shall take effect immediately upon the delivery of any of said Bonds; provided, however, that said statutory mortgage lien is and shall be restricted in its application to the Project buildings and appurtenances thereto financed by the Bonds, and such easements and rights of way for ingress, egress and the rendering of services thereto as may be necessary for the proper use and maintenance of the same; the right being hereby expressly reserved to erect or construct upon the site described in the Trust Indenture authorizing and securing the issuance of said Bonds, other independently financed College building projects, free and clear of said statutory mortgage lien, which other independently financed college building projects may or may not have a party wall (or walls) with and adjoin the Project buildings and appurtenances which are subject to said statutory mortgage lien, provided no part of the cost of said other independently financed College building projects is paid from the proceeds of the sale of said Bonds, and provided the necessary easements for ingress, egress, sewage lines, septic tank lines and other utility lines shall be deemed to exist and continue to exist for all College projects, buildings, improvements and additions financed by these or other bonds. The revenue pledge securing these Bonds applies to the identical property as said statutory mortgage lien and is subject to the same conditions as said statutory mortgage lien. The Trustee may, and upon the written request of the holders of



not less than twenty-five per cent (25 per cent) of the principal amount of the Bonds then outstanding, shall, 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 charging, collection and accounting for sufficient rents, fees and charges, and the segregation and application of the income and revenues as provided by this Indenture.

Section 8.02. Events of Default. 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 the 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 cent (15%) in principal amount of the Bonds then outstanding.

Section 8.03. Procedure on Default. Upon the happening and continuance of any event of default specified in Section 8.02 of this Article, then and in every case the Trustee may, and upon the written request of the holders of not less than twenty-five per cent (25%) in principal amount of the Bonds then outstanding shall, by a notice in writing to the Board, declare the principal of all of 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 of 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 cent (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.

Section 8.04. Legal Action on Default. Upon the happening and continuance of any event of default specified in Section 8.02 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 cent (15%) in principal amount of the Bonds then outstanding hereunder, shall proceed 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, 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 8.05. Majority Rights on Default. Anything in this Indenture to the contrary notwithstanding, the holders of a majority in principal amount of the Bonds at the time outstanding hereunder shall have the right, 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 8.06. Trustee's Rights. All rights of action under this Indenture or under any of the Bonds secured hereby, enforceable by the Trustee, may be enforced by the Trustee without the possession of any of the Bonds or the coupons appertaining thereto or the production thereof on the trial or other proceedings relative thereto. Any such suit, action or proceeding instituted by the Trustee, shall be brought in its name for the benefit of all of the holders of such Bonds and coupons, subject to the provisions of this Indenture. No remedy herein conferred upon or reserved to the Trustee 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. 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 to the holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

#### ARTICLE NINE

##### RELEASE AND DISCHARGE OF INDENTURE

Section 9.01. Deposit of Balance Due. Whenever the Board shall pay, or cause to be paid, the full amount due and to become due upon all of 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, 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, and shall pay the Trustee in full for all services rendered by it hereunder, 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 further payments from the revenues

hereby pledged to the Trustee shall thereupon cease, terminate and become void, except as to payment of the moneys held by the Trustee, which 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 thereafter such Bonds and coupons shall not be entitled to any of the benefits of this Indenture, 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 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 9.02. Trustee's Compensation. The satisfaction and discharge of this Indenture pursuant to 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 incurred in acting under this Indenture, except such as may be caused by the gross negligence or willful default of the Trustee.

#### ARTICLE TEN

##### CONCERNING THE TRUSTEE

Section 19.01. Duties and Immunities of Trustee. 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) Except for the authentication of Bonds, 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 indentures or instrument of further assurance or for the validity thereof, 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 the Project, or 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 obligated to pay interest on such moneys, save such as it shall agree to pay thereon. 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 required 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 and holders of such Bonds.
- (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 form

therein set forth has been adopted by the Board, 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 in the absence of negligence or fault 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 reasonably believed by it to be within the discretion or power conferred upon it by this Indenture or in the absence of negligence or fault be responsible for the consequences of any oversight or error of judgment, and the Trustee shall be answerable only for its own acts, receipts, neglects and defaults.
- (h) 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 College, and to take such memoranda from and in regard thereto as may be desired.
- (i) 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 to the premises.

Section 10.02. Resignation of Trustee. The Trustee may at any time resign and be discharged of the trusts hereby created by mailing written notice to the Board 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 or journal published in the English language 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 in this Article provided, and in such event such resignation shall take effect immediately on the appointment of such successor Trustee.

Section 10.03. Removal of Trustee. 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 10.04. Approval of Successor Trustee. 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 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. Each successor Trustee appointed pursuant to the provisions of this Indenture shall be a trust company or bank with its principal office in the Commonwealth of Kentucky and having a reported combined capital and surplus of at least One Million Dollars (\$1,000,000).

Section 10.05. Acceptance of Successor Trustee. 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 of the rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of the Board, execute and deliver an instrument transferring to such Successor Trustee all of the 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 conveyance or instrument



in writing from the Board be required by any successor for more fully and certainly vesting in such Trustee the rights, powers and duties hereby vested or intended to be vested, in the predecessor Trustee, any and all such conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Board.

#### ARTICLE ELEVEN

##### MISCELLANEOUS PROVISIONS

Section 11.01. Matured Bonds and Coupons. 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, as hereinbefore provided, 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 funds sufficient to pay such Bonds, 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, 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, terminate 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 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.

Section 11.02. Modification by 75% of Bondholders. Except as in this Section otherwise expressly provided, the holders of seventy-five per cent (75%) 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 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 or revenue pledge prior to or on a parity with the statutory mortgage lien or revenue pledge herein created, upon any of the property subject to such statutory mortgage lien or revenue pledge, (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. All provisions of this Trust Indenture are, of course, subject to the provisions, terms and conditions contained in the forms of the proposed Coupon Bonds and fully registered Bond, which appear in the preamble to this Bond Indenture. 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.

Section 11.03. Successors to Parties. 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 of the covenants, promises and agreements in this Indenture shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

Section 11.04. Third Parties. 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 of 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 11.05. Agreements of Holders or Registered Owners. Any request, declaration or other instrument required or permitted by this Indenture to be made or given 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, declaration, 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 with regard to due action taken by the Trustee under such request, declaration, or other instrument, if made in the following manner:

The amount of interest coupons held by any person executing such 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 an accompanying 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 11.06. Indenture Counterparts. 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 11.07. Rights of Bondholders, Couponholders, Registered Bond Owners and Owners of Fully Registered Bonds Identical. Wherever and whenever in this Indenture, or in the bond forms set out herein, it is provided that bondholders have certain rights or security or may take certain action or may require the Trustee hereunder to take certain action, such provisions shall also apply to any couponholders, registered Bond owners and the owner or owners of any fully registered Bond or Bonds hereunder, as the case may be.

## ARTICLE TWELVE

### IDENTIFICATION OF THE PROJECT

Section 12.01. Legal Description of Property Encumbered. The "Project" as referred to throughout this Indenture, is hereby identified as four buildings, with appurtenant facilities, containing a total of forty-eight married student and faculty apartment units, to be constructed by the Board, upon a portion of the campus of the College in the City of Murray, Calloway County, Kentucky, described as follows:

Beginning at a point 847.5 feet East and 1149.75 feet North 4 degrees 16 minutes West of the SW Qr. to Sec. 22, T. 2, R. 4, East. Beginning at an iron stake; thence South 85 degrees 44 minutes West, 200 feet; thence North 4 degrees 16 minutes West, 450 feet; thence North 85 degrees 44 minutes East, 200 feet; thence South 4 degrees 16 minutes East, 450 feet to the point of beginning.

Said property having been acquired by Murray State College by Deed lodged for record November 20, 1959, and recorded in Deed Book 109, Page 295, in the Calloway County Clerk's office.

IN WITNESS WHEREOF, the party of the first part has caused its corporate name to be hereunto subscribed by the Chairman of its Board of Regents and its corporate seal to be hereto affixed, and said seal to be attested and this Indenture to be countersigned by the Secretary of its Board of Regents; and said The Kentucky 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 10<sup>th</sup> day of May, 1963.

BOARD OF REGENTS OF MURRAY STATE COLLEGE  
AT MURRAY, KENTUCKY

By Wendell P. Butler  
Chairman

(SEAL)

Attest:

Countersigned:

Patsy Rowland  
Secretary

WITNESS TO THE EXECUTION HEREOF ON  
BEHALF OF SAID BOARD OF REGENTS

Charlotte M. Douglas  
W. W. Wadd

THE KENTUCKY TRUST COMPANY

By Joseph B. Battaght  
Vice President

(SEAL)

Attest:

Countersigned:

C. B. Easter  
TRUST OFFICER

WITNESS TO THE EXECUTION HEREOF  
ON BEHALF OF SAID TRUSTEE:

James R. McCabe Jr.  
W. A. Zachary Jr.

STATE OF KENTUCKY )  
COUNTY OF CALLOWAY ) SS

On this 10<sup>th</sup> day of May, 1963,  
before me, M. O. Wrather, a Notary Public in and for said County in the  
state aforesaid, appeared Wendell P. Butler and Patsy Rowland, to me per-  
sonally known and to me known to be the Chairman and the Secretary,

respectively, of the Board of Regents of Murray State College, 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 Wendell P. Butler, is the Chairman of said Board of Regents, and she, the Patsy Rowland, is the Secretary of said Board of Regents; that the seal affixed to this 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 Regents; and said Wendell P. Butler and Patsy Rowland 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 10<sup>th</sup> day of May, 1963.

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

MY COMMISSION EXPIRES APRIL 24, 1966

(Seal of Notary)

W. O. Weather  
Notary Public in and for the County  
and State aforesaid

STATE OF KENTUCKY )  
COUNTY OF JEFFERSON ) SS

On this 27th day of May, 1963,  
before me, Marie Mattingly, a Notary Public in and  
for said County in the State aforesaid, appeared Joseph R. Gathright  
and C. B. Eastes, to me personally known and to  
me known to be the Vice President and the Trust Officer, respectively,  
of The Kentucky 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  
Joseph R. Gathright, is the Vice President of said  
Corporation, and he, the said C. B. Eastes, is  
the Trust Officer 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  
Joseph R. Gathright and said C. B. Eastes  
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 27th day  
of May, 1963.

My Commission expires: My commission expires April 17, 1966.

(Seal of Notary)

Mavis Mattingly  
Notary Public in and for the County  
and State aforesaid  
Notary Public, Jefferson County, Ky.

CERTIFICATE OF COUNTY CLERK

I, W. D. SHOEMAKER, Clerk of the County Court of Calloway  
County, Kentucky, hereby certify that the foregoing Trust  
Indenture was on the 19 day of June,  
1963, at 4:00 P.M., C.S.T., filed in my office, to be and  
has been, together with the foregoing certificates attached  
thereto, recorded in Mortgage <sup>Book</sup> No. 121, Page 1.

WITNESS my hand and official seal this 19 day of  
June, 1963.

W. D. Shoemaker  
County Clerk of Calloway County,  
Kentucky

(County Seal)

By Denny Rogers  
D.C.

# NOTICE OF SALE

Sealed competitive bids will be received by the Board of Regents of Murray State College at Murray, Kentucky, at the office of its Secretary, in the City of Murray, Kentucky, until 11:00 A.M., C.S.T., on July 21, 1963, for the purchase of all or any of the hereinafter designated blocks of \$515,000 of Murray State College Apartment Housing Revenue Bonds of 1962.

The Bonds will be dated September 1, 1962, will mature serially on September 1, 1965, through 2002, and will bear interest at such rate or rates, averaging not greater than the maximum acceptable interest cost of three and three-eighths percent (3-3/8%) per annum, as are specified in the successful bid. Interest is payable March 1, 1963, and semi-annually thereafter; however, any interest coupons maturing prior to the delivery of the Bonds will be detached and cancelled prior to delivery. The maturity and redemption schedules are set forth in the Official Notice of Sale of Bonds.

The Bonds will be special obligations of the College, payable solely from and secured by a pledge of a sufficient portion of the gross income and revenues to be derived from the operation of a new Project, consisting of four buildings, with appurtenant facilities, containing a total of 48 married student and faculty apartment units, which revenues shall in part include \$29.00 of the Incidental Fee assessed each student occupant of said Project, for each semester of the regular term of two semesters, and \$15.00 of the Incidental Fee of each student occupant of said Project for each regular summer session, and by a statutory mortgage lien on such Project.

Bids will be considered on the following basis: (1) The entire issue; or (2) Bonds maturing in the years 1965 to 1972, inclusive; or (3) Bonds maturing in the years 1973 to 1977, inclusive; or (4) Bonds maturing in the years 1978 to 1982, inclusive; or (5) Bonds maturing in the years 1983 to 1987, inclusive; or (6) Bonds maturing in the years 1988 to 1992, inclusive; or (7) Bonds maturing in the years 1993 through 2002, inclusive.

The Board reserves the right not to sell any part or all of the \$47,000 of bonds maturing in the years 2001-2002, and all bids made shall be subject to that reservation.

All bids shall be for cash, and a minimum bid of par and accrued interest is required. The Board reserves the right to reject any and all bids.



The Housing and Home Finance Agency has entered into a Loan Agreement with such Board of Regents, pursuant to which the former has agreed to buy these Bonds at a three and three-eighths percent (3-3/8%) interest rate, provided no other equal or more favorable bids are submitted.

The successful bidder will be furnished, without cost, the prepared Bonds and the approving legal opinion of Mr. Joseph R. Rubin, Municipal Bond Attorney, of Louisville, Kentucky.

A copy of the Official Notice of Sale of Bonds and Statement of Essential Facts for this issue may be obtained from the undersigned, Patsy Rowland, Secretary, Board of Regents, Murray State College, Murray, Kentucky.

The foregoing was approved by the Board of Regents of Murray State College on the 21st day of January, 1963.

\_\_\_\_\_  
Secretary, Board of Regents

(Seal of College)

OFFICIAL NOTICE OF SALE OF BONDS AND STATEMENT OF ESSENTIAL FACTS

A. OFFICIAL NOTICE OF SALE OF BONDS

The Board of Regents of Murray, Kentucky, State College, Murray, Kentucky, in its corporate capacity, and by and through its corporate name, as a State educational institution of higher learning and an agency of the Commonwealth of Kentucky, hereby gives notice that until Wednesday, the 31st day of July, 1963, at the hour of eleven o'clock A. M., C.S.T., it will receive at the office of its Secretary in the City of Murray, Kentucky, sealed competitive bids for the purchase of an aggregate of \$515,000 principal amount of its Murray State College Apartment Housing Revenue Bonds of 1962, dated September 1, 1962, registrable as to principal only, of the denomination of \$1,000 each, numbered consecutively from 1 to 515, inclusive, and maturing in numerical order on September first in each of the respective years, as follows: 1965-74, \$8,000; 1975-82, \$11,000; 1983-90, \$14,000; 1991-95, \$17,000; 1996-99, \$20,000; 2000-01, \$23,000; and in 2002, \$24,000.

At the option of the purchasers, the Bonds will be in fully registered form dated September 1, 1962, in the denominations of \$1,000 or any whole multiple thereof.

Bonds of such issue numbered 1 through 64, inclusive, maturing September 1, 1965, through September 1, 1972, inclusive, are not callable. Bonds numbered 65 through 405, inclusive, maturing September 1, 1973, through September 1, 1997, inclusive, may be called at the option of the Board prior to the stated maturity thereof, in whole or in part and in inverse numerical order on any interest payment date falling after September 1, 1972, at the principal amount thereof, plus accrued interest to the date of redemption and a premium for each Bond equal to:

- 3% of the principal thereof,  
if redeemed March 1, 1973, through September 1, 1977, inclusive;
- 2-1/2% if redeemed March 1, 1978, through September 1, 1982, inclusive;
- 2% if redeemed March 1, 1983, through September 1, 1987, inclusive;
- 1-1/2% if redeemed March 1, 1988, through September 1, 1992, inclusive; and
- 1% if redeemed after September 1, 1992, and prior to final maturity.

Bonds numbered 406 through 515, inclusive, maturing September 1, 1998, through September 1, 2002, inclusive, are callable at the option of the Board in whole or in part and in inverse numerical order on any interest payment date prior

to final maturity, at par plus accrued interest to the date of redemption. Priority as to call shall extend to Bonds numbered 406 through 515, inclusive, over Bonds numbered 65 to 405, inclusive.

In the event of such prior redemption, notice thereof must be given in accordance with the Trust Indenture, at least thirty days prior to the redemption date.

Principal and interest will be payable at the principal office of The Kentucky Trust Company in Louisville, Kentucky, or at the option of the holder or registered owner, at the principal office of Chemical Bank New York Trust Company in the City of New York, New York. The Bonds will bear interest at such rate or rates averaging not greater than three and three-eighths percent (3-3/8%) per annum, as are specified in the successful bid. Interest is payable on March 1, 1963, and semi-annually thereafter; however, any interest coupons maturing prior to the delivery of the Bonds will be detached and cancelled prior to delivery.

The Bonds will be special obligations of the College, secured by:

A first lien on and pledge of the gross revenues derived from the operation of the Project, consisting of four buildings, with appurtenant facilities, containing a total of forty-eight married student and faculty apartment units, which revenues shall in part include \$29.00 of the Incidental Fee assessed each student occupant of said Project for each semester of the regular term of two semesters and \$15.00 of the Incidental Fee of each student occupant of said Project for each regular summer session (and also include rentals from the apartments to be initially established at \$58.00 per month for one bedroom apartments and \$75.00 per month for two bedroom apartments), and a statutory mortgage lien on said Project, as permitted and defined by the applicable statutes.

Bids will be considered on the following basis:

- (1) The entire issue; or
- (2) Bonds maturing in the years 1965 to 1972, inclusive; or
- (3) Bonds maturing in the years 1973 to 1977, inclusive; or
- (4) Bonds maturing in the years 1978 to 1982, inclusive; or
- (5) Bonds maturing in the years 1983 to 1987, inclusive; or
- (6) Bonds maturing in the years 1988 to 1992, inclusive; or
- (7) Bonds maturing in the years 1993 through 2002, inclusive.

The Board reserves the right not to sell any part or all of the \$47,000 of bonds maturing in the years 2001 to 2002, and all bids made shall be subject to that reservation.

Interest on the Bonds will be evidenced by coupons maturing on each March 1 and September 1 at rates determined on the basis of competitive bidding. Bidders may stipulate one or more interest coupon rates with respect to said bonds, providing the average of such rates does not exceed three and three-eighths percent ( $3\frac{3}{8}\%$ ) per annum, and only one (1) rate may be stipulated for Bonds maturing on the same date. Only one coupon shall represent interest for any single interest period on each Bond. If a bid carries two or more interest rates on a single block of Bonds, an average interest rate shall be computed on the basis of the total interest costs, at par, for such single block of Bonds or combined blocks covered by the bid at the offered rates; and if the average rate so obtained is not more than three and three-eighths per cent ( $3\frac{3}{8}\%$ ), the bid shall be considered to qualify. A bid of par value (plus accrued interest from September 1, 1962, or <sup>from</sup> the most recent interest payment date prior to delivery of the Bonds, to the date of delivery and payment) shall be required. Bids must be made in multiples of one-eighth per cent ( $1/8\%$ ). The Bonds will be awarded to the bidder offering to purchase the Bonds, or any portion thereof, at the lowest interest cost to the Board.

The Housing and Home Finance Agency has entered into a Loan Agreement with the Board of Regents of Murray, Kentucky, State College, pursuant to which said Agency proposes to buy these Bonds at a three and three-eighths per cent ( $3\frac{3}{8}\%$ ) interest rate, providing no other equal or more favorable bids are submitted. These bonds are issued under authority contained in Sections 162.350 through 162.380, inclusive, of the Kentucky Revised Statutes, and the issuance of these Bonds has been authorized and approved by the State Property and Buildings Commission and the Department of Finance of the Commonwealth of Kentucky.

The Board of Regents will provide the printed bond blanks, and the unqualified, unconditional, approving legal opinion of Mr. Joseph R. Rubin, Municipal Bond Attorney, of Louisville, Kentucky, together with the customary non-litigation certificate, the same to accompany the Bonds when delivered, without expense to the purchaser.

A copy of the Trust Indenture securing these Bonds is available at the office of the Board of Regents, and may be obtained without cost by any interested bidder.


Each bid, except any bid or bids made by or on behalf of an agency or instrumentality of the United States of America, or the Commonwealth of Kentucky, shall be accompanied by a certified or bank cashier's check, payable to the order of said Board of Regents, in a sum equal to two per cent (2%) of the par value of the Bonds referred to herein, the same to be held uncashed until the Bonds are delivered and paid for, at which time the amount thereof, but without interest thereon, will be allowed as a credit upon the purchase price. Otherwise, if any purchaser should wrongfully refuse to accept and pay for the Bonds when tendered, the Board of Regents will be authorized to cash such check and retain the proceeds thereof as agreed liquidated damages for the breach of the purchase contract. The checks of unsuccessful bidders will be returned following the meeting of the Board to be held on the date of sale referred to above.

Delivery will be tendered to the successful bidder within sixty (60) days following the date of sale, in Atlanta, Georgia, Nashville, Tennessee, Cincinnati, Ohio, Louisville, Kentucky, or Lexington, Kentucky, without expense to the purchaser, or elsewhere at the purchaser's expense.

The Board reserves the right, in its discretion, to determine the best bid or bids, to waive any informalities and to reject any or all bids.

No particular bid forms shall be required, but all bids must be made unconditionally and in conformity with the provisions of this official notice. (Signed) Patsy Rowland, Secretary, Board of Regents, Murray State College, Murray, Kentucky.

The foregoing was approved by the Board of Regents of Murray State College on the 21st day of January, 1963.

  
Secretary, Board of Regents

(Seal of College)

## B. STATEMENT OF ESSENTIAL FACTS

### (MURRAY STATE COLLEGE APARTMENT HOUSING REVENUE BONDS OF 1962)

#### 1. NAME AND LOCATION OF COLLEGE

Murray State College, the borrower or obligor on the above-styled bonds, is located in the City of Murray, in Calloway County, Kentucky.

#### 2. BRIEF HISTORY

##### (a) Date Established, Name and Location.

Murray State College was established in 1922 by the General Assembly of the Commonwealth of Kentucky as a two-year normal school. In 1926, it became a four-year college, and the name was changed to Murray State Teachers College and Normal School. In 1928, the name was changed to Murray State Teachers College. In 1948, the name was changed to Murray State College. All the above changes were made by the Kentucky General Assembly. The location has not been changed since establishment.

##### (b) Significant Expansion Programs.

The College has continued to expand annually, except during the war years. The enrollment has increased from 87 in 1923 to a total enrollment of 3609 in the fall of 1962. Buildings have increased from one in 1922 to 21 major educational buildings at the present time.

##### (c) Scope of Educational Program.

Murray State College is a multi-purpose college with primary emphasis on teacher education. It includes pre-professional programs in medicine, dentistry, law, theology, engineering, forestry and others. The following degrees are awarded: A. B., B. S., B. S. in Agriculture, B. S. in Home Economics, B. S. in Music Education, B. S. in Music, B. S. in Medical Technology. The College also has a graduate program leading to the Master of Arts in Education.

#### 3. ACCREDITATION

Murray State College is accredited by the Southern Association of Colleges and Schools. It maintains membership in the National Council

for Accreditation of Teacher Education, the National Association of Schools of Music, American Council on Education, National Association for Business Teacher Education, and others.

#### 4. THE RELATIONSHIP OF THE COLLEGE TO THE STATE GOVERNMENT.

For the fiscal year ending June 30, 1960, Murray State College received state funds in the amount of \$1,156,125, which represented 66.94% of the total income of the College.

For the fiscal year ending June 30, 1961, the state funds received amounted to \$1,559,849. This represented 76.82% of the total income of the College.

For the fiscal year ending June 30, 1962, state funds received amounted to \$1,899,350. This represented 68.50% of the total income of the College.

#### 5. NATURE OF THE STUDENT BODY.

Murray State College is a co-educational, integrated, state-supported public institution. The total enrollment for Fall, 1962, was 3609, which consisted of 1494 freshmen, 799 sophomores, 550 juniors, 538 seniors, 198 graduates, and 30 other students.

#### 6. PAST ENROLLMENT.

##### Full-time Fall Enrollment

<u>Year</u>	<u>Total</u>	<u>Single Males</u>	<u>Single Females</u>	<u>Married</u>
1939-40	1,100	648	452	*
1944-45	455	86	369	*
1947-48	1,380	965	415	*
1950-51	1,255	879	376	*
1958-59	2,185	1,136	646	403
1959-60	2,440	1,342	753	345
1960-61	2,677	1,478	841	358
1961-62	3,147	1,550	922	675
1962-63	3,392	1,671	994	727

#### 7. ESTIMATED FUTURE ENROLLMENT

The College estimates its future enrollment as follows:

<u>Year</u>	<u>Total</u>	<u>Single Males</u>	<u>Single Females</u>	<u>Married</u>
1965-66	4,410	2,116	1,411	883
1970-71	7,560	3,629	2,419	1,512

Enrollment has increased at the rate of 10% or more per year and it is anticipated that enrollment may increase 20% in 1964-65, and

\* Information not available.

30% in 1965-66.

#### 8. COLLEGE HOUSING POLICY.

The housing register is maintained for men, women, and married students and is filled on a "first come, first served" basis. The College does not have sufficient dormitory facilities to require students to live on campus. The College intends and anticipates that in several years, it will require freshmen students to live on campus.

#### 9. DESCRIPTION OF THE PROPOSED PROJECT.

The proposed project will consist of the following:

Four two-story buildings with 12 apartments in each building.

Walls are to be concrete block, exterior walls brick veneered, steel joist, and concrete slab floors with vinyl tile. Three buildings (36 apartments) will consist of a living room, one bedroom, bathroom, and kitchenette-dining space. One building (12 apartments) will consist of a living room, two bedrooms, bathroom, and kitchenette-dining space. The Project will consist of a total of 48 apartments for married students and members of the faculty.

#### 10. STATEMENT OF NEED FOR PROPOSED FACILITIES.

The College now has two temporary apartment buildings with eight apartments in each building which are substandard dwellings. As soon as this project is completed, the College will demolish the temporary buildings to make room for additional dormitories. At the present time, the College has 82 applicants for the project apartments for the fall semester of 1963.

#### 11. INCOME AND EXPENSE STATEMENTS.

Copies of Statements of Receipts and Expenditures of the College for Fiscal Years ended June 30, 1960-62, are attached hereto.

#### 12. STATEMENT OF BONDED INDEBTEDNESS.

A copy of Statement of Bonded Accounts, showing the amounts of bonds of the College outstanding and the funds in the respective applicable Bonded Accounts, is attached hereto.



13. OTHER FINANCIAL INFORMATION.

Murray State College has met and paid all bond obligations by due date, and the College has called bonds for payment before maturity in many cases. The bonded accounts at Murray State College are in excellent condition. Murray State College has never postponed or defaulted bond payments when due.

The foregoing Statement of Essential Facts was approved by the Board of Regents of Murray State College at a duly held meeting on this 21st day of January, 1963.

Patsy Lowland  
Secretary

Board of Regents  
Murray State College

PARIETAL AND RATE RESOLUTION REGARDING THE  
OCCUPANCY AND USE OF PROJECT NO. KY-CH-69 (D).

WHEREAS, Murray State College has entered into a Loan Agreement with the Housing and Home Finance Agency with respect to the issuance of Apartment Housing Revenue Bonds of 1962, in the amount of \$515,000, with which to construct a new Project consisting of four buildings, with appurtenant facilities, containing a total of forty-eight married student and faculty apartment units, and

WHEREAS, the College, in keeping with the Loan Agreement, has agreed, in connection with the use of said proposed new Project, to establish and maintain, so long as any of the Bonds are outstanding, certain rates and charges, including incidental fees of not less than \$29.00 per semester per regular term and not less than \$15.00 during the summer session, for each student occupant of the project, and

WHEREAS, said College has agreed to establish initially and to maintain a base rental for use and occupancy of the Project facilities in the amount of \$58.00 per month for each one bedroom apartment and \$75.00 per month for each two bedroom apartment, respectively, and

WHEREAS, the Loan Agreement provides that Murray State College shall give priority in assigning students and faculty of the College to this Project KY-CH-69 (D) and other bonded Projects, identified as Projects Nos. KY-CH-10 (D), 22 (S), 33 (D), 38 (D), 56 (D) and 58 (DS), over non-bonded projects.

NOW, THEREFORE, BE IT RESOLVED that the foregoing rates, charges and procedures shall be applicable to Project No. KY-CH-69 (D).

Adopted by the Board of Regents of Murray State College at a meeting held on the 21st day of January, 1963.

(Seal)

[Signature]  
Vice Chairman, Board of Regents

Attest:

[Signature]  
Secretary

COMMONWEALTH OF KENTUCKY) SS  
COUNTY OF CALLOWAY )

I, Patsy Rowland, Secretary of the Board of Regents of Murray State College, at Murray, Kentucky, do hereby certify that the foregoing constitutes a true, correct and complete copy of a Parietal and Rate Resolution duly adopted by said Board of Regents (on January 21, 1963) regarding the occupancy and use of Project No. KY-CH-69 (D).

WITNESS my official signature and the official seal of said Board of Regents on this 21st day of January, 1963.

(Seal)

[Signature]  
Secretary