

Upon motion of Mrs. Drake with a second from Mr. Borrone these recommendations were all approved upon roll call.

Upon motion the Board adjourned to visit the Kentucky Building for inspection, etc.

Mattie M. DeLeon.
Secretary

A. B. Peters
Chairman

Minutes of Board Meeting

November 28, 1939.

Pursuant to the call of Superintendent of Public Instruction, Harry W. Peters, the Board of Regents of the Western Kentucky State Teachers College, met at the Owensboro Hotel in the City of Owensboro, Kentucky, at 8:00 P.M. Tuesday, November 28, 1939. Present, Judge Pentecost, Mrs. Drake, Mr. Borrone, Judge Dawson, and President Garrett. Chairman Peters being absent, Mr. Borrone, Vice-chairman, called the Board to order and presided.

Judge Pentecost moved that Sterett Cuthbertson be elected Secretary pro-tem for the meeting. Mrs. Drake seconded the motion and a vote being taken, all voting in the affirmative, he was declared elected.

President Garrett read the minutes of the Board meeting held on September 18, 1939. Upon motion of Judge Dawson, seconded by Mrs. Drake the minutes were approved as read.

President Garrett also read the minutes of two meetings of the Executive Committee held on November 21 and November 25, 1939. Judge Pentecost moved that the minutes of the Executive Committee for two meetings held on November 21 and November 25, 1939, be received and approved and that the action of the Executive Committee at those two meetings be ratified and affirmed and that the minutes of those meetings be incorporated and included in the minutes of this meeting. Judge Dawson seconded the motion and upon a vote being taken, all voting in the affirmative, the motion was declared adopted.

The minutes of the Executive Committee of November 21 and November 25 as read are as follows:

Minutes of Executive Committee
November 21, 1939.

A meeting of the Executive Committee of the Board of Regents of the Western Kentucky State Teachers College was held in the President's office on the afternoon of November 21, 1939. Present-- Mr. Borrone, Mrs. Drake, and President Garrett. Mr. Borrone presided and Sterett Cuthbertson acted as Secretary.

President Garrett recommended that Will Simmons, colored, be employed as janitor for the Kentucky Building at a salary of \$40.00 per month. Mrs. Drake moved that the recommendation be approved and accepted, and the motion was seconded by President Garrett. Upon roll call Mrs. Drake, President Garrett, and Mr. Borrone all voting in the affirmative, the motion was declared adopted.

President Garrett recommended that the salary of Dr. J. A. Corrett be increased \$100.00 per year; that it be increased from the present salary of \$2600.00 to \$2700.00 per annum. Mrs. Drake moved that the recommendation be approved and adopted. The motion was seconded by President Garrett and upon roll call Mr. Borrone, Mrs. Drake, and President Garrett all voting in the affirmative, the motion was declared adopted.

President Garrett explained that at a meeting of the Board of Regents held on September 16, 1939, the contract for the completion of the Kentucky Building had been accepted; however, that at that time certain items of furniture and equipment had not been received, and that the Board by resolution had empowered the Executive Committee to act upon this matter when the items had been received; that these items had now been received and installed, that some were satisfactory and had been approved by the Librarian and Architect as meeting specifications, and recommended their acceptance. Thereupon Mrs. Drake offered the following resolution and moved its acceptance. President Garrett seconded the motion.

WHEREAS: On July 12, 1939, the Board of Regents awarded a contract to the Romington Rand Company of Buffalo, New York, for the furnishing and installation of certain items

of furniture and equipment for the use of the Kentucky Library, amounting in all to the sum of \$4815.65;

AND WHEREAS: The said Remington Rand Company have delivered and installed said items of furniture and equipment and the same have been found according to specifications and have been approved by our Architect, J. M. Ingram.

NOW BE IT RESOLVED: By the Executive Committee of the Board of Regents of the Western Kentucky State Teachers College, pursuant to authority invested in them by the said Board of Regents at a meeting held on the 16th day of September 1939; that the material furnished under the contract entered into by this Board with the Remington Rand Company of Buffalo, New York, amounting to the sum of \$4815.65 be approved and hereby accepted; that President Paul L. Garrett be hereby authorized and directed to accept this material in the name of and on behalf of the Western Kentucky State Teachers College.

Upon roll call Mrs. Drake, President Garrett, and Mr. Borrone all voting in the affirmative the resolution was declared adopted.

President Garrett discussed with the Committee his proposed application for budgetary allotment for the next bi-annual period. He had prepared this application for submission to the Budget Commission and same requested approximately \$360,000 per annum for the general college expenses and \$30,000 per annum for capital outlay.

At this point Mr. Cardwell, representing the brokerage firm of J. J. P. Hilliard and Son of Louisville, Kentucky, came before the Committee and discussed the question of re-financing of the bonds, issued in the building of Cherry Hall. He suggested that these bonds could be refunded at an interest rate of three per centum with a consequent saving over the life of the issue of approximately \$30,000.00.

After some discussion Mr. Cardwell was requested to confer with the Bankers Bond Company of Louisville, Kentucky, and to prepare their proposition and proposal in writing and have same available for a meeting of the Executive Committee to be called for Saturday morning, November 25, 1939.

There being no further business the Committee adjourned to meet in the President's office at 9:30 A. M., November 25, 1939.

B. J. Borrone
Chairman

Sterett Cuthbertson
Secretary

Minutes of Executive Committee
November 25, 1939

The Executive Committee of the Board of Regents of the Western Kentucky State Teachers College met in the President's office on the morning of November 25, 1939. Present--Mrs. Drake, President Garrett, and Mr. Borrone. Mr. Borrone presided and Sterett Cuthbertson acted as Secretary.

Mr. Thomas Graham, representing the Bankers Bond Company of Louisville, Kentucky, met with the Board. He presented a copy of a proposed contract from the Bankers Bond Company, J. J. E. Hilliard and Son and their Associates, in which they agree to re-finance the bonds issued for the construction of the Henry Hardin Cherry Hall at a rate of 3 per cent per annum and set forth certain conditions. A copy of the said proposed contract follows and is made a part of the minutes of this meeting.

Contract

Louisville, Kentucky
November 24, 1939.

Hon. Paul L. Garrett and Members of the Executive Committee,
Western Kentucky State Teachers College,
Forking Branch, Ky.

Gentlemen:

We submit briefly herewith a tentative refunding plan and proposal for refunding \$280,000.00 principal amount of Western Kentucky State Teachers College 4 1/2 Building Revenue bonds maturing serially from Jan. 1, 1940 to Jan. 1, 1966, optional on any interest payment date on 30 days' notice as follows:

1. The refunding bonds to be dated Jan. 1, 1940, bearing interest at the rate of 3 1/2 per annum with

interest payable semi-annually, Jan. 1 and July 1, and to mature \$10,000 in each of the years 1941 to 1942, inclusive, \$11,000 in each of the years 1943 to 1945 inclusive, \$12,000 in each of the years 1946 to 1948 inclusive, \$13,000 in each of the years 1949 to 1951 inclusive, \$14,000 in each of the years 1952 to 1954 inclusive, \$15,000 in each of the years 1955 to 1957 inclusive, \$16,000 in each of the years 1958 to 1960 inclusive, and \$17,000 due in 1961.

2. That the presently outstanding 4 $\frac{1}{2}$ bonds be called on or prior to December 1, 1939 for payment on Jan. 1, 1940, in accordance with the terms and conditions as set forth in bond ordinance.

3. We would propose to have our attorneys draft at our expense, all the ordinances, resolutions and notices necessary to the refunding of the 4 $\frac{1}{2}$ bonds and to the issuance of the refunding bonds. We would further agree to pay for the legal opinion and for the printing of the blank bonds.

4. Due to the fact that the bonds to be refunded must be called on or before December 1st, it is essential now that the College will have completed its financial arrangements for the accomplishment of the refunding prior to that date. We would therefore agree to guarantee to the College a bid on a date to be set for the purpose of receiving public bids around Dec. 10th, of \$990.00 per \$1000.00 bond, for bonds bearing interest at the rate of 3 $\frac{1}{2}$ per annum. It being understood that the College, in consideration of our expenses, service and risk would compensate us therefor in an amount equal to the difference between our guaranteed price of 99 and the actual price received at public sale but, in no event, shall such compensation exceed 2 $\frac{1}{2}$ %. To illustrate - if the bonds bring only 101 at public sale, regardless of who purchases them, our compensation would be 2%; if the bonds bring 102 at public sale, our compensation would then be 2 $\frac{1}{2}$ % and the additional $\frac{1}{2}$ of 1% would go to the College. In other words, 2 $\frac{1}{2}$ % is our ceiling and if the winning bid at public sale is less than 101 $\frac{1}{2}$ then our compensation is reduced accordingly.

5. We would make our proposal of sufficient duration of time to cover the period required for the refunding.

6. As stated above, this plan and proposal is purely tentative and informative but, in the event the Board

of Regents decided to go ahead, we would then expect to meet with them on Monday or Tuesday of next week at the latest with a signed proposal and the proceedings necessary to set the refunding in motion.

Respectfully submitted,

Almstedt Bros.
Bankers Bond Co.
Fidelity & Columbia Trust Co. (Bond Dept.)
Security & Bond Co. (Lexington, Ky.)
Stein Bros. & Boyce
O'Neal, Alden & Co.
J. J. B. Hilliard & Son

By Marion H. Cardwell

Mr. Graham also submitted a schedule prepared by Cotton and Eskew of Louisville, Kentucky. This schedule sets forth a proposed scale of bond redemptions covering period of January 1, 1941, to January 1, 1961, inclusive and computing the savings to be gained by refinancing at a lower rate. However after examining and discussing this report, the Committee suggested that a new schedule be prepared following the payment schedule as set out in the original bond issue, that is from January 1, 1941, to January 1, 1965. This suggestion was agreed to by Mr. Graham and he stated he would immediately have the schedule prepared.

After discussing the report as made by Mr. Graham, the Committee decided to request the Superintendent of Public Instruction to call a meeting of the Board of Regents to meet at the Owensboro Hotel in the City of Owensboro, Kentucky, at 8:00 P.M., Tuesday, November 20, 1939. The meeting was called to meet at Owensboro for the convenience of Judge Dawson and Judge Pentecost. There being no further business the Committee adjourned.

B. J. Borrone
Chairman

Storrett Duthbertson
Secretary

President Barrett stated that he had prepared his budget request for the bi-annual period (July 1, 1940 to July 1, 1942) and would file same with the Budget Commission. That he was requesting an appropriation of \$380,000.00 per annum for general expenses and an appropriation of \$20,000.00 for capital outlay. This report met with the approval of the members.

President Jarrett also reported that he was engaged in negotiations with the other Teachers Colleges with the purpose of reaching an agreement in the establishment of a summer school of eight weeks (teaching six days a week, equal to a nine week term), in lieu of the present two terms of five weeks each.

Mr. Marion Cardwell, representing J. J. B. Williard and Sons, and Mr. Wood Hanna, representing the Bankers Bond Company, both of Louisville, Kentucky, came before the Board and discussed the matter of refunding the present outstanding 4% bonds, issued as of January 1, 1937, for the purpose of meeting cost of construction of Henry Hardin Cherry Hall. They explained that they represented a syndicate composed of Almstead Brothers, The Bankers Bond Company, J. J. B. Williard and Son, Stein Brothers, and Joyce, O'Neal, Alden and Company, all of Louisville, Kentucky, and the Security and Bond Company of Lexington, Kentucky. It was to the low interest rates now prevailing in the money market that this syndicate would undertake to refinance this issue at a rate of three per cent per annum. These gentlemen also presented a proposed contract in the form of a letter which was read to the Board by Judge Dawson. The letter as read is set out in full below:

Hon. Paul L. Jarrett, President, and
Board of Regents of the Western Kentucky
State Teachers College,
Bowling Green, Kentucky.

Gentlemen:

You have now outstanding \$287,000.00 principal amount of Western Kentucky State Teachers College 4% Building Revenue Bonds issued originally as of January 1, 1937, maturing serially from January 1, 1940, to January 1, 1952, callable on any interest payment date on thirty days notice. Of these bonds \$2000.00 principal amount matures on January 1, 1940, and we are advised that you have in your sinking fund enough money to meet these maturing bonds with the 4% interest which accrues on that date, and to continue through your sinking fund for six months approximately \$5,000.00.

We have 3 proposals prepared and now submit to you figures which show net savings to the College over the balance of the life of these bonds, if you would refund them as of January 1st, with a refunding issue bearing three per cent per annum in place of the four per cent they now carry. We believe that it is to the best interest of the College to make this refunding.

In order to refund as of January 1, 1940, it is necessary that you call the bonds as December 1, 1939, and

that refunding bonds be sold in some manner so as to assure you that having made such call you will have on hands January 1, 1940, refunds sufficient to meet the call. Such bonds must be sold at public competitive sale and there is not sufficient time to advertise and hold such sale before December 1, 1939.

In order, therefore, to meet your problem, we make the following proposal:

- (1) We will cause our counsel to draft at our expense all resolutions and notices necessary to call the presently outstanding bonds as of January 1st, 1940, by a notice to be given pursuantly to the terms of the original bonds on or before December 1st, 1939.
- (2) We will cause our counsel to prepare the resolutions necessary to the authorization of the refunding bonds and for the holding of a public sale thereof on or about December 10th, 1939. We will further cause the refunding bonds to be printed and will pay the expenses of procuring an acceptable marketable legal opinion in connection therewith.
- (3) For our services and expenses in connection with the foregoing paragraphs (1) and (2), the Board of Regents shall agree to pay us a fee equal to 1% of the face amount of the bonds to be called on January 1st, 1940, from which we will pay all the expenses in connection with the foregoing.
- (4) We further undertake and agree with you to ourselves submit at the public sale to be held on or about December 10th, a bid for the refunding bearing interest at the rate of 3% per annum and maturing as follows:

\$ 7000.00	on January 1st, 1941	\$15,000.00	on January 1st, 1954
7000.00	" " 1st, 1942	14,000.00	" " 1st, 1953
7000.00	" " 1st, 1943	14,000.00	" " 1st, 1952
6000.00	" " 1st, 1944	14,000.00	" " 1st, 1951
10,000.00	" " 1st, 1945	15,000.00	" " 1st, 1950
11,000.00	" " 1st, 1946	15,000.00	" " 1st, 1949
11,000.00	" " 1st, 1947	15,000.00	" " 1st, 1948
11,000.00	" " 1st, 1948	15,000.00	" " 1st, 1947
12,000.00	" " 1st, 1949	15,000.00	" " 1st, 1946
13,000.00	" " 1st, 1950	15,000.00	" " 1st, 1945
13,000.00	" " 1st, 1951		
13,000.00	" " 1st, 1952		
15,000.00	" " 1st, 1953		

the price of \$1,215.00 per each \$1000.00 bond if for such guaranteed bid the Board of Regents will agree to pay us a fixed underwriting fee of 1-1/2 per cent of the face amount

of the bonds sold at such public sale, which fee of 1-1/2 per cent is to compensate us for risk involved in guaranteeing such a bid in advance.

(5) The new refunding bonds shall be callable on any interest payment date upon thirty days' published notice as follows:

All of said bonds at any time outstanding shall be redeemable in whole, or in part in the reverse order of their numbering, prior to maturity on any interest payment date, and in the event of such redemption additional interest shall be paid to any such bonds at the time of such redemption equal to 3/4% of the principal amount thereof if called for redemption on or before January 1st., 1948; 2 1/4% of the principal amount thereof if called for redemption on or before January 1st., 1950; 1 1/2% of the principal amount thereof if called for redemption on or before January 1st., 1956; 1% of the principal amount thereof if called for redemption on or before January 1st., 1960; and without payment of any additional interest if called for redemption after January 1st., 1960.

(6) It is understood that the compensation herein specified shall be payable only upon the sale of such refunding bonds and the payment thereof.

If this proposal is accepted by your Board of Regents, you may safely proceed with the calling of the old bonds, as you will know first, that the work necessarily involved, including legal expenses, printing of the bonds, advertising and all other expenses, can not exceed 1%, and you will further know that at the public sale, to be held on or near December 10th you will receive funds sufficient to meet the bonds called for payment January 1st., 1940, and thus effect a substantial saving to the College without risk.

This proposal should be accepted or rejected by you at once in order that the call may be prepared and published by December 1st. If accepted we will at once place with you our certified check for \$5000. as evidence of our good faith and to guarantee the making of the agreed bid at the public sale.

Yours very truly,

Almstead Brothers
Stein Brothers and Boyce
The Bankers Bond Company
O'Neal, Alden and Company
Security and Bond Company, Lexington, Ky.
J. J. B. Hilliard and Son
By Marion Cardwell
of J. J. B. Hilliard and Son

Judge Dawson moved that this letter, and that the provisions and terms of the contract as set out in same be accepted by the Board of Regents. This motion was seconded by Judge Pentecost, and upon the Chairman putting the question the roll was called and the following members voted:

Aye: Judge Pentecost, Mrs. Drake, Judge Dawson and Mr. Ferrone.
Nay: None

Whereupon the Chairman declared the motion duly adopted.

RESOLUTION calling for redemption of \$280,000 Building Revenue Bonds of 1936 of the Board of Regents of Western Kentucky State Teachers College at Bowling Green, Kentucky.

WHEREAS there are now outstanding the Building Revenue Bonds of 1936 of this Board of Regents of Western Kentucky State Teachers College at Bowling Green, Kentucky, in the amount of \$280,000, being a portion of an issue of \$600,000, dated January 1, 1936, maturing serially on January 1 of each of the years 1941 to 1966 inclusive, bearing interest at the rate of four per cent (4%) per annum, payable semi-annually, which bonds by their terms are optional for redemption as of January 1, 1940, on notice; and

WHEREAS this Board of Regents deems it advisable that all of said bonds be called for redemption as of January 1, 1940, in order that same may be retired and refunded in the manner provided by law, and in order to effect such redemption it is necessary that notice thereof be given;

NOW, THEREFORE, Be It and It is Hereby Resolved and ordered by the Board of Regents of Western Kentucky State Teachers College at Bowling Green, Kentucky, as follows:

1. That the outstanding Building Revenue Bonds of 1936 of the Board of Regents of Western State Teachers College at Bowling Green, Kentucky, in the amount of \$280,000, as referred to and described in the preamble hereto, are hereby called for redemption as of January 1, 1940.
2. That the Secretary and Treasurer of the Board of Regents be and they are hereby ordered and directed to cause a notice of redemption in substantially the

Following form to be published once each week for at least four consecutive weeks in the Park City Daily News a newspaper printed and published and having general circulation in the City of Bowling Green, Kentucky, and for a like period in The Bond Buyer, a financial publication of general circulation in the Borough of Manhattan, City, County and State of New York, the first of each of said series of publications to be at least thirty days prior to the redemption date and all of such publications to be in substantially the following form:

NOTICE OF REDEMPTION

Public notice is hereby given that the Board of Regents of Western Kentucky State Teachers College at Bowling Green, Kentucky, has called for redemption as of January 1, 1940, all of its outstanding Building Revenue Bonds of 1938, dated January 1, 1938, bearing interest at the rate of four per cent (4%) per annum, payable semi-annually. All holders of any of said bonds are hereby notified and directed to present same at the place of payment designated therein, as of January 1, 1940, and all bonds not so presented shall cease to bear interest on and after January 1, 1940.

This notice is given by order of said Board of Regents and is issued under date of November 29, 1939.

Mattie M. McLean
Secretary

H. W. Sublett
Treasurer

3. It is hereby found by this Board of Regents that the only known holders (registered or otherwise) of any of said bonds are as follows:

Mutual Benefit Life Insurance Co. - Newark, N. J.

Said Secretary and Treasurer are hereby advised and directed to notify the known holders as hereinbefore mentioned, by letter, at least thirty days prior to January 1, 1940, of the redemption of said bonds, and in said letter there shall be set forth in substance the information hereinbefore provided to be incorporated in the published notice of redemption.

4. That this resolution be effective forthwith upon its passage.

Judge Dawson introduced, read in full and moved the adoption of a RESOLUTION hereinafter set out and entitled RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF 1938,000 BUILDING REVENUE BONDS OF THE BOARD OF REGENTS OF WESTERN KENTUCKY STATE TEACHERS COLLEGE. Judge Fentecost seconded the motion for the adoption of this resolution and, upon the Chairman putting the question and a roll call, the following members voted:

Aye: Judge Fentecost, Mrs. Drake, Judge Dawson,
and Mr. Barrone.
Nay: None

Whereupon the Chairman declared the resolution duly adopted.

RESOLUTION providing for the issuance, sale and delivery of 1938,000 Building Revenue Refunding Bonds of the Board of Regents of Western Kentucky State Teachers College at Bowling Green, Kentucky.

WHEREAS the Board of Regents of Western Kentucky State Teachers College at Bowling Green, Kentucky, heretofore, pursuant to the Constitution and Statutes of the Commonwealth of Kentucky, and particularly Chapter 72 of the Acts of the General Assembly of Kentucky, 1934, did authorize and issue its Building Revenue Bonds of 1938 in the aggregate principal sum of Three Hundred Nine Thousand Dollars (\$389,000), dated January 1, 1938, and bearing interest at the rate of four per cent (4%) per annum, for the purpose of paying the cost of erecting a class room and laboratory building at the College, which building has been completed, equipped and is now used and occupied by the College for educational purposes; and

WHEREAS the bonds of said issue have heretofore been retired and cancelled to the amount of \$22,000 and bonds to the amount of \$7,000 are scheduled to mature on January 1, 1940, thereby leaving a balance of bonds in the principal amount of \$380,000 which are to be presented for redemption as of January 1, 1940, and, there being no funds available as of that date for the retirement of said bonds to the amount of \$380,000, said bonds may be refunded by the issuance of \$380,000 Building Revenue Refunding Bonds bearing a less rate of interest; and

WHEREAS interest has been paid on said bonds promptly when due and none of said bonds has ever been adjudicated to be invalid and no litigation is pending

or threatened involving the validity of any of said bonds, and said bonds are in such form and of such character that they can be legally refunded in the manner hereinafter provided:

RESOLUTION, Be It and It Is Hereby Resolved by the Board of Regents of Western State Teachers College at Bowling Green, Kentucky, as follows:

Section 1. That for the purpose of refunding the bonds of said Board of Regents in the net amount of \$280,000, referred to in the preamble of this resolution, there be issued the Building Revenue Refunding Bonds of said Board of Regents in the sum of \$280,000, dated January 1, 1940, numbered from 1 to 280 inclusive, of the denomination of \$1,000 each, and subject to right of prior redemption as hereinafter provided shall mature serially and in numerical order as follows: \$7000 on January 1 of each of the years 1941 and 1942; \$8000 on January 1 of each of the years 1943 to 1944 inclusive; \$10,000 on January 1, 1945; \$11,000 on January 1 each of the years 1946 to 1948 inclusive; \$12,000 on January 1 of each of the years 1949 to 1951 inclusive; \$13,000 on January 1 of each of the years 1952 to 1954 inclusive; \$14,000 on January 1 of each of the years 1955 to 1957 inclusive; \$15,000 on January 1 of each of the years 1958 to 1962 inclusive. All of said bonds at any time outstanding shall be redeemable in whole, or in part in the inverse order of their numbering, prior to maturity on any interest payment date, and in the event of such redemption additional interest will be paid as to any such bonds at the time of such redemption equal to 3% of the principal amount thereof if called for redemption on or before January 1, 1945; 2% of the principal amount thereof if called for redemption on or before January 1, 1950; 1% of the principal amount thereof if called for redemption on or before January 1, 1955; and no additional payment of any such additional interest is called for redemption after January 1, 1955. All bonds called for redemption as aforesaid shall be so to bear interest as of the redemption date, provided notice specifying by number the bonds to be redeemed shall have been on file at the places of payment of the principal and interest at least thirty days prior thereto, and provided also that such notice shall have been published at least once not less than thirty days prior to the redemption date in a newspaper having general circulation in Kentucky. That said bonds bear interest at the rate of three per cent (3%) per annum, payable July 1, 1940, and semi-annually thereafter on the first days of January and July in each year, and that such bonds be payable in lawful money of the United States of

America at the office of the Treasurer of said Board of Regents in the City of Bowling Green, Kentucky, or at the option of the respective bondholders at the Chemical Bank and Trust Company in the City and State of New York. That said bonds be signed by the Chairman of this Board of Regents, countersigned and attested by the Secretary of said Board, and that the corporate seal of said Board be affixed to each of said bonds. That the interest accruing upon said bonds at the rate aforesaid be evidenced by coupons thereto attached, and that such coupons be signed by said Chairman and Secretary of said Board of Regents by their facsimile signatures, and said officials, by the execution of said bonds, shall adopt as and for their own proper signatures their respective facsimile signatures appearing upon each of said coupons. Both principal and interest as aforesaid shall be payable from and secured by a sufficient portion of the income and revenues to be derived from the class room and laboratory building erected from the proceeds of the bonds herein authorized to be refunded, which is hereby pledged and hereinafter provided to be set aside as a special fund for that purpose and identified as the "Building Revenue Refunding Bond and Interest Redemption Fund" and none of said bonds shall constitute or be considered a debt for which the full faith and credit of said Board of Regents or of the Commonwealth of Kentucky is pledged.

Section 2. That each of said bonds be subject to registration as to principal in the name of the holder on the books of the Treasurer of said Board of Regents, such registration being noted upon each bond so registered, and after such registration payment of the principal thereof shall be made only to the registered holder. Any bonds so registered, upon the request in writing of such holder, personally or by attorney in fact, may be transferred either to a designated transferee or to bearer, and the principal of any bonds so transferred and registered to bearer shall thereupon be and become payable to bearer in like manner as if such bond had never been registered. Registration of any bonds as to principal shall not restrain the negotiability of the coupons thereto attached by delivery thereof.

Section 3. That said bonds, coupons and provisions for registration be in substantially the following forms:

(FORM OF BOND)

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UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
BOARD OF REGENTS OF WESTERN KENTUCKY STATE TEACHERS COLLEGE
BUILDING REVENUE REFUNDING BOND

No. _____ \$1,000

KNOW ALL MEN BY THESE PRESENTS: That the Board of Regents of Western Kentucky State Teachers College at Bowling Green, Kentucky, for value received, promises to pay to bearer, or if this bond be registered as to principal, to the registered holder hereof, as hereinafter stated, the sum of One Thousand Dollars (\$1,000) on the first day of January, 19___, and interest on said sum from the date hereof until paid at the rate of three per cent (3%) per annum, payable July 1, 1940, and semi-annually thereafter on the first days of January and July in each year, such interest to the maturity of this bond to be paid only on presentation and surrender of the interest coupons hereto attached as they severally mature. Both principal and interest of this bond are payable in lawful money of the United States of America at the office of the Treasurer of said Board of Regents in the City of Bowling Green, Kentucky, or at the option of the holder hereof at the principal office of the Chemical Bank and Trust Company in the City and State of New York.

The bonds of the series of which this bond is one, at any time outstanding are redeemable in whole, or in part in the inverse order of their numbering, prior to maturity on any interest payment date, and in the event of such redemption additional interest will be paid as to any such bonds at the time of such redemption equal to 3% of the principal amount thereof if called for redemption on or before January 1, 1945; 2 $\frac{1}{4}$ % of the principal amount thereof if called for redemption thereafter and on or before January 1, 1950; 1 $\frac{1}{4}$ % of the principal amount thereof if called for redemption thereafter and on or before January 1, 1955; 1% of the principal amount thereof if called for redemption thereafter and on or before January 1, 1960; and without payment of any such additional interest if called for redemption after January 1, 1960. All bonds called for redemption as aforesaid shall cease to bear interest as of the redemption date, provided notice specifying by number the bonds to be redeemed shall have been on file at the places of payment of the principal and interest at least thirty days prior thereto, and provided also that such notice shall have been published at least once not

less than thirty days prior to the redemption date in a newspaper having general circulation in Kentucky.

This bond is issued for the purpose of refunding and retiring the outstanding bonds of said Board heretofore issued for erecting a class room and laboratory building for use in connection with said Western Kentucky State Teachers College, under and in full compliance with the Constitution and Statutes of Kentucky, including, among others, Chapter 72 of the Acts of the General Assembly of Kentucky, 1934.

This bond is payable only from a fixed amount of the gross income and revenues to be derived from said building which will be set aside as a special fund and pledged for that purpose and identified as the "Building Revenue Refunding Bond and Interest Redemption Fund," and this bond does not constitute an indebtedness of the said Board of Regents nor of said College, nor of the Commonwealth of Kentucky within the meaning of any constitutional provisions or limitations.

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

This bond is fully negotiable but may be registered as to principal only on the books of the Treasurer of the Board of Regents of Western Kentucky State Teachers College at Bowling Green, Kentucky, such registration to be evidenced by notation thereof on the reverse hereof by said Treasurer; after which no transfer of this bond shall be valid unless made on said books by the registar and owner in person or by attorney; and similarly noted on the reverse hereof. But this bond may be discharged from registry by being registered to bearer and thereafter transferability by delivery shall be restored. Registration of this bond as aforesaid shall not affect the negotiability of the coupons appurtenant hereto, which shall continue to be transferable by delivery merely and shall remain payable to bearer.

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IT IS HEREBY CERTIFIED, RECITED AND DECLARED,
that all acts, conditions and things required to exist,
happen and be performed precedent to and in the issuance
of this bond and the series of which it is a part, and
precedent to and in the issuance of the bonds refunded
thereby, 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 obliga-
tions of said Western Kentucky State Teachers College
and its Board of Regents does not exceed any limit
prescribed by the Constitution or Statutes of Kentucky;
that said building will be continuously operated by
said Western Kentucky State Teachers College, and
that a sufficient portion of the gross income and
revenues of said building has been pledged to and will
be set aside into a special account in its treasury
for the payment of the principal of and interest on
this bond and the series of which it is a part, as the
same will respectively become due.

IN WITNESS WHEREOF, the Board of Regents of
Western Kentucky State Teachers College has caused
this bond to be signed by its Chairman, and its
corporate seal to be hereto affixed, countersigned
and attested by the Secretary, and the coupons hereto
attached to be executed with the facsimile signatures
of the said Chairman and said Secretary, all as of
the first day of January, 1940.

H. W. Peters
Chairman, Board of Regents

Countersigned and Attest:

Nattie M. McLean
Secretary, Board of Regents

()

No. _____

In the first day of _____, 19____, the Board
of Regents of Western Kentucky State Teachers College
will pay to bearer _____ Dollars (\$_____)
out of its "Building Revenue Refunding Bond and Interest
Redemption Fund," at the office of the Treasurer of said
Board in Bowling Green, Kentucky, or, at the option of
the holder, at the principal office of the Chemical

Bank and Trust Company in the City of New York,
New York, as provided in and for interest thereon
on its Building Revenue Refunding Bond dated
January 1, 1948, No. _____.

Chairman, Board of Regents

Secretary, Board of Regents

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

Date of Registration	Name of Regis- tered Holder	Signature of Treasurer of Board of Regents
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Section 4. That the bonds hereby authorized be
issued as herein provided and be thereupon deposited
with the Treasurer of said Board of Regents for delivery
to the purchaser as determined by said Board at a price
of not less than par and accrued interest. The proceeds
from said bonds shall be converted into a special fund to
be used only for the purpose of paying and retiring a
like principal amount of the bonds hereby authorized and
authorized to be refunded. Said special fund shall be
deposited in a special account with the bank or banks
in which the proceeds of the bonds to be refunded are to
be deposited.

The Secretary of said Board of Regents is hereby
authorized and directed to cause notice to be published
at least once in the Louisville Courier-Journal, a
newspaper printed and published in the City of Louisville,
Kentucky, and of general circulation throughout Kentucky,
that at a meeting of said Board of Regents to be held at
10:00 o'clock noon, on December 9, 1948, in Room 1205
Farm Life Building in the City of Louisville, Kentucky,
bids will be received and considered for the purchase
of the bonds hereby authorized. Such notice shall be so

published at least eight days prior to the date fixed as aforesaid for the receipt and consideration of bids, it hereby being found and declared that such notice will afford an opportunity to everyone interested in purchasing said bonds to present a bid at said time and place.

Section 5. From and after the delivery of any bond issued under the provisions of this resolution, the said class room and laboratory building shall be operated on a fiscal year basis, commencing on January 1 of each year and ending on December 31 of the following year, and on that basis the gross income and revenues of said building shall be set aside into a separate and special fund designated the "Western Kentucky State Teachers College Building Revenue Fund" (hereinafter designated the "Building Revenue Fund").

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

During the first ten years commencing January 1, 1940, the amounts so payable into the Bond Fund in each month shall equal one-fifth of the next maturing installment of interest and one-tenth of the next maturing installment of principal. During each of the following years (after the first ten) the amount so payable in each month to the Bond Fund shall equal one-sixth of the next maturing installment of interest and one-twelfth of the next maturing installment of principal in the bond. In the event that the amount held in the Building Revenue Fund in any month shall be insufficient to make the above payments in full, any such deficit shall be made up by the amount available to be paid into the Bond Fund in the following month.

The amount by which any such payment in any fiscal year exceeds the aggregate amount of interest on and principal of said bonds becoming due in such year shall be held in said Bond Fund as a reserve for contingencies and used solely as herein provided; provided, however, that no further payments need be made into said Bond Fund after such amount of the bonds shall have been retired so that the amount then held in the Bond Fund, including the

reserve for contingencies, is equal to the entire amount of the principal and interest that will be payable at and prior to the time of redemption of all of the bonds then remaining outstanding.

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

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

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

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

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

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

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

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

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

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

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

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

Section 9. The bonds authorized to be issued hereunder and from time to time outstanding shall not be entitled to priority, one over the other, in the application of the revenues of said building, or with respect to the statutory mortgage lien securing their payment, regardless of the time or times of their issuance, it being the intention of the Board that there shall be no priority among the bonds authorized to be issued under the provisions of this resolution, regardless of the fact that they may be actually issued and delivered at different times.

Section 10. While any of the bonds herein authorized are outstanding the Board shall not issue any additional bonds payable from the revenues of said building unless the lien of such bonds on the revenues of said building as improved or extended is made junior and subordinate in all respects to the lien of the bonds herein authorized.

Section 11. So long as any of said bonds are outstanding the Board shall:

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

(b) Keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to said building. The Board of Regents of the Western Kentucky State Teachers College will furnish to the original purchaser of said bonds, and to any holder of any of the said bonds, at the written request of such holder, not more than thirty days after the close of each six months' fiscal period, complete operating and income statements of the said building in reasonable detail covering such six months period, and, not more than sixty days after the close of each fiscal year, complete financial statements of the said building and the Board in reasonable detail covering such fiscal year certified by independent auditors; and

(c) Grant to any holder or holders of twenty-five per cent of said bonds then outstanding the right at all reasonable times to inspect the said building and all records, accounts and data of the College relating thereto.

Section 12. That the bonds hereby authorized shall constitute a merger of the bonds to be refunded thereby and all obligation, security and source of payment of the bonds thus refunded shall inure to the bonds hereby authorized. The rates and fees now being charged and collected from the students enrolled in said College and from the College for the services and facilities furnished by said building shall be continued and remain in effect, all, however, subject to the right and obligation of revision as hereinbefore provided. Said rates and fees now being charged are hereby certified and represented to be as follows:

First Semester - - - - -	\$5.00
Second Semester- - - - -	\$3.00
Summer School- - - - -	\$3.60

201 of Fees

Section 13. If any section, paragraph, clause or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

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

Section 15. This resolution shall take effect immediately.

Passed by the Board of Regents of the Western Kentucky State Teachers College and approved this 29th day of November, 1939.

Mrs. Drake offered the following resolution and moved its adoption. Judge Pentecost seconded the motion for adoption.

BE IT RESOLVED: That President Paul L. Garrett be directed to request Harry W. Peters, Superintendent of Public Instruction, to call a meeting of the Board of Regents of Western Kentucky State Teachers College to meet in Room 1205 Kentucky Home Life Building, (office of member Chas. L. Dawson) in the City of Louisville, Kentucky, at 12:00 o'clock noon, on Saturday, December 9, 1939.

To receive open bids and make awards for the sale of \$250,000.00 three per cent Refunding Building Revenue Bonds.

To pass upon any other business which might properly come before the Board.

A vote being taken and all members voting in the affirmative the Chairman declared the motion duly adopted.

By the direction of the Chairman a copy of the MOTION FOR SALE OF BONDS as agreed upon is hereby incorporated in the minutes of this meeting and is hereinafter set out in full.

NOTICE OF BIDDING

Sealed bids will be received until 12:00 o'clock noon, December 9, 1939, at the office of the Secretary of the Board of Regents of Western Kentucky State Teachers

College at Bowling Green, Kentucky, for the purchase of Building Revenue Refunding Bonds of said Board in the principal amount of 1,000,000.00, at which time they will be referred to said Board at its meeting to be then held in Room 1805 Kentucky Home Life Building, Louisville, Kentucky, and after the receipt and consideration of open bids the bonds will be sold to the highest bidder for cash.

Said bonds shall be dated January 1, 1940, bearing interest at the rate of Three Per Cent (3%) per annum, payable July 1, 1940, and semi-annually thereafter, and will mature serially as follows:

- \$ 7000.00 on January 1st. of each of the years 1941 and 1942 inclusive.
- 3000.00 on January 1st. of each of the years 1943 and 1944 inclusive.
- 10,000.00 on January 1st. 1945.
- 11,000.00 on January 1st. of each of the years 1946 to 1948 inclusive.
- 12,000.00 on January 1st. of each of the years 1949 to 1951 inclusive.
- 13,000.00 on January 1st. of each of the years 1952 to 1954 inclusive.
- 14,000.00 on January 1st. of each of the years 1955 to 1957 inclusive.
- 15,000.00 on January 1st. of each of the years 1958 to 1963 inclusive.

All of said bonds at any time outstanding shall be redeemable in whole, or in part in the inverse order of their numbering, prior to maturity on any interest payment date, and in the event of such redemption additional interest will be paid as to any such bonds at the time of such redemption equal to 3% of the principal amount thereof if called for redemption on or before January 1, 1945; 2% of the principal amount thereof if called for redemption on or before January 1, 1950; 1% of the principal amount thereof if called for redemption on or before January 1, 1955; 1% of the principal amount thereof if called for redemption on or before January 1, 1960; and 1% of the principal amount of any such additional interest if called for redemption after January 1, 1960. Both principal and interest of the bonds will be payable at the office of the Treasurer of the Board, Bowling Green, Kentucky, or the Chemical Bank and Trust Company, in New York City, New York, at the option of the holder.

The Board will furnish the approving opinion of Messrs. Chapman and Cutler, Lawyers, Chicago, Illinois, and all bids must be so conditioned. A certified check on

a State or National Bank for two per cent (2%) of the principal amount of bonds bid for, as guarantee of good faith, must be furnished by bidders, this amount to be forfeited by the successful bidder upon failure to take up and pay for any of the bonds when ready. The right is reserved to reject any or all bids.

By order of the Board of Regents.

Dated November 29, 1939.

Mattie M. McLean
Secretary, Board of Regents

W. W. Sublett
Treasurer, Board of Regents

There being no further business the Board adjourned to meet in Louisville, Kentucky, at 12:00 o'clock, noon, December 2th.

B. Borrone
Vice-Chairman

Stuart Luthert
Secretary

Minutes of Board Meeting

December 9, 1939.

The Board of Regents of the Western Kentucky State Teachers College at Bowling Green, Kentucky, met pursuant to adjournment and the call of its Chairman W. W. Peters, Superintendent of Public Instruction, in room 1206 Kentucky Home Life Building, in the City of Louisville, Kentucky, at 12:00 o'clock noon, Saturday, December 7, 1939.

Chairman Peters being absent, vice-chairman Borrone presided and called the meeting to order. Upon roll call it was ascertained that Mrs. W. P. Drake, Judge Chas. I. Dawson, and Mr. B. J. Borrone were present and the Chairman declared a quorum.