

Minutes of the Meeting of the Board of Trustees of the University of Kentucky, Tuesday, September 21, 1965.

The Board of Trustees of the University of Kentucky convened in their statutory quarterly meeting in the Board Room of the Administration Building on the campus of the University at 10:00 a. m. , EST, on Tuesday, September 21, 1965, as provided in KRS 164.170, with the following members present: Vice Chairman Ralph Angelucci, Dr. Harry Sparks, Dr. Harry Denham, Mr. Smith Broadbent, Jr., Dr. R. W. Bushart, Mr. Sam Ezelle, Mr. W. F. Foster, Dr. H. B. Murray, Mr. Gilbert Kingsbury, Mr. Robert Hillenmeyer, Judge J. A. Sutherland, and the two non-voting faculty members, Professor Paul Oberst and Dr. Stephen Diachun. The following members were unable to be present: Governor Edward T. Breathitt, Chairman, and Mr. Wendell P. Butler, Mr. Clifford E. Smith, and Mr. Floyd Wright. Also present were Dr. John Oswald, President of the University, Dr. A. D. Albright, Executive Vice President, Dr. William R. Willard, Vice President-Medical Center, Mr. Robert F. Kerley, Vice President-Business Affairs, Dr. Glenwood L. Creech, Vice President-University Relations, and Mr. Robert L. Johnson, Vice President-Student Affairs. Representatives of the press were also present.

A. Meeting Opened

In the absence of both the Chairman and Vice Chairman, Mr. Robert Hillenmeyer, Chairman of the Real Estate Committee, called the meeting to order at 10:05 a. m. and the Invocation was pronounced by Judge Sutherland. Dr. Angelucci arrived and assumed the chair. Following roll call to which thirteen answered with only four members being absent, the Vice Chairman announced that a quorum was present for the conduct of business.

B. Oath of Office Administered to Mr. Smith Broadbent and Dr. Stephen Diachun

Judge Sutherland administered the Oath of Office to Mr. Smith Broadbent, Jr., reappointed by Governor Breathitt for a term ending December 31, 1968, and to Dr. Stephen Diachun, non-voting faculty member who was recently elected for a term ending June 30, 1968.

C. Approval of Minutes

On motion by Mr. Ezelle, seconded by Mr. Broadbent, and passed unanimously the reading of the Minutes of the meeting of the Executive Committee of the Board of Trustees on August 20 was dispensed with and the

Minutes were approved as published.

D. President's Report on Activities (PR 1)

Dr. Angelucci requested Dr. Oswald to make his monthly report on activities. Copies of the report are distributed to each member and to representatives of the press and are mailed to the faculty and key alumni following each meeting.

Before giving his report Dr. Oswald introduced Mr. Winston Miller, President of Student Congress, and Mr. John O'Brien, Vice President, indicating that he had invited them to attend the meeting of the Board of Trustees and the luncheon to follow at which time they would give the Board members a report on Student Congress.

President Oswald commented briefly on the items contained in his report on activities and, on motion duly made, seconded, and carried the report was accepted and ordered filed.

E. Recommendations of the President (PR 2)

In advance of each meeting, copies of the President's Recommendations (PR 2) are mailed to members of the Board. Thus the Board is familiar with the contents of the report which contains important but routine items of business. Dr. Oswald indicated that he wished to make no special comment on any item in the report and, if there were no questions, recommended the approval of the report as a whole.

On motion by Mr. Hillenmeyer, seconded by Dr. Sparks, and without objection the recommendations of the President as contained in PR 2 were approved and ordered made a part of the official Minutes of the meeting. (See PR 2 at the end of the Minutes.)

F. Supplemental Recommendations of the President (PR 3)

Each month some important but routine matters reach the President's Office too late for inclusion in PR 2. Attention was called to PR 3, copies of which were available to all those present. The Board members took a few moments to familiarize themselves with the items in the report and Dr. Oswald then called particular attention to the following sections of it:

Section III. Request for authorization to appropriate and expend \$558,300 from fund balances in Auxiliary Services for the purpose of renovation and replacement of furniture and equipment in University Housing-Dining

facilities, and the Student Center. Mr. Kerley explained that the \$50,000 appropriated last spring to replace and refurbish furnishings in the dormitories and provide additional furniture in the Cooperstown Apartments which were being converted to single student housing had been expended to good purpose and that the request for \$558,300 additional was the second phase in a program to upgrade all living-dining facilities so that each might be able to produce the revenue required under the University of Kentucky Housing and Dining System Revenue Bonds. The expenditures deemed necessary to bring these facilities up to standard are outlined in detail in Section III of PR 3, a copy of which is appended to the Minutes. Mr. Kerley emphasized that the money was available from fund balances in Auxiliary Services.

Section V. Injuries Report. Dr. Oswald explained that this was the last such report to be presented to the Board since, effective September 1, 1965, the University of Kentucky would operate under Workman's Compensation on a self-insured basis. In answer to a question by Mr. Ezelle relative to safety standards at the University, Mr. Kerley indicated that there were such standards but that the whole program needed to be improved and strengthened.

Dr. Angelucci called for a motion for approval of PR 3 as a whole. Dr. Bushart so moved. His motion was seconded by Mr. Foster and, without objection the Supplemental Recommendations of the President were approved and ordered made a part of the official record of the meeting. (See PR 3 at the end of the Minutes.)

G. Sale of \$640,000 "Student Housing Bonds of 1964"

The President of the University reminded the members of the Board that at the regular meeting held on April 7, 1964, a Resolution had been adopted, authorizing the issuance of \$64,000.00 of the Board's "Student Housing Bonds of 1964," to provide the costs (not otherwise provided) of four small dormitory buildings, therein identified, under lease arrangements with certain fraternities and sororities. He exhibited to the Board a copy of the "Notice of Sale of Bonds," together with affidavits from employees of the Bond Buyer, New York City, and The Courier-Journal, Louisville, Kentucky, showing publication thereof on September 7, 1965, and September 4, 1965, respectively. He also exhibited a copy of the "Statement of Terms and Conditions of Bond Sale," together with a "Statement of Essential Facts," which he reported had been furnished to all interested parties upon request.

On motion of Judge Sutherland, seconded by Dr. Murray, and unanimously adopted, it was ordered that these instruments be preserved by the Secretary as permanent records of the Board relating to the proper public solicitation of purchase bids, but without reproducing the same as parts of the Minutes of the meeting.

The Vice-Chairman then announced that the time established for the opening and consideration of bids for the purchase of said Bonds had arrived, and that the bidding was closed. The Secretary then produced the only sealed bid theretofore received and the same was opened and given consideration.

It was noted that in conformity with the University's Loan Agreement a bid was received from Housing and Home Finance Agency of the United States Government, offering to purchase the entire Bond issue, or such lesser amount of the Bonds as might be awarded to it if one or more equal or better bid or bids should be received in conformity with the prescribed terms and conditions, such bid being at a price of par or face value plus accrued interest upon condition that all Bonds awarded to said Housing and Home Finance Agency be caused to bear interest at the rate of three and three-eighths per cent (3-3/8%) per annum.

It was noted that no other bids were received. Examination of the bid disclosed that it was submitted in conformity with the HHFA Loan Agreement and with prescribed terms and conditions of the offering and was not required to be accompanied by a certified or bank cashier's check to be held as evidence of good faith.

Thereupon Dr. Murray introduced and moved immediate adoption of a Resolution, as follows:

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY ACCEPTING THE ONLY BID RECEIVED FOR THE PURCHASE OF \$640,000.00 "STUDENT HOUSING BONDS OF 1964," AS AUTHORIZED BY A RESOLUTION ADOPTED BY THE BOARD OF TRUSTEES ON APRIL 7, 1964, AND ESTABLISHING THE INTEREST RATE TO BE MADE APPLICABLE TO SAID BONDS.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY, AS FOLLOWS:

Section 1. It is hereby determined and declared that the only bid received prior to 10:30 A.M., Eastern Standard Time, on September 21, 1965, for the purchase of the University's \$640,000.00 "Student Housing Bonds of 1964," as authorized by a Resolution adopted by the Board on April 7, 1964, was and is the bid of Housing and Home Finance Agency of the United States Government, offering to purchase the same at a price of \$640,000.00 (with accrued interest to delivery) upon condition that all of said Bonds be caused to bear interest at a single uniform rate of three and three-eighths per cent (3-3/8%) per annum from the date thereof to maturity.

It is hereby determined that said bid conforms in all respects to the prescribed terms and conditions of the sale offering and is acceptable as to both

price and interest coupon rate. Said bid is hereby accepted in the name and on behalf of the Board; and, together with this Resolution of acceptance, shall constitute a firm contract for the purchase and sale of said identified Bonds.

Section 2. Said Bonds shall bear interest from their date until paid at the interest rate set forth in Section 1 of this Resolution, and the printer may be instructed to proceed with the preparation of the Bonds in accordance therewith; and Housing and Home Finance Agency shall be requested to advise whether it desires that the Bonds be prepared in Coupon Form or in the Form of a single and "Fully Registered Bond" for which provision has alternatively been made in the "Trust Indenture."

Section 3. This Resolution shall be in full force and effect from and after its adoption.

* * * *

Said Resolution was read in full. The motion for the adoption thereof was seconded by Dr. Bushart. After full discussion, the Vice-Chairman put the question and the motion and Resolution were unanimously carried. The Vice-Chairman then announced that said Resolution had been duly adopted and was in full force and effect.

H. Leases with Sigma Nu, Sigma Alpha Epsilon, Phi Kappa Tau, and Delta Gamma Authorized

Mr. Kerley explained that with the sale of the "Student Housing Bonds of 1964", it would be necessary to execute leases with the groups involved and presented the following recommendation and background statement:

Recommendation: that the Chairman of the Executive Committee be authorized to execute leases with the Sigma Nu, Sigma Alpha Epsilon, and Phi Kappa Tau fraternities and the Delta Gamma sorority upon such terms as will provide for rental payments by the fraternities and sorority in amounts sufficient to provide for the payment of the interest and principal of the "Student Housing Bonds of 1964" as the same become due.

Background: On April 7, 1964 a Resolution adopted by the Board authorized the issuance of \$640,000.00 of the Board's "Student Housing Bonds of 1964" to provide the costs of four small dormitory buildings to be leased to fraternities or sororities. This Resolution authorizes the formal execution of leases with the aforesaid student groups whereby the groups will lease the dormitories at rentals sufficient to retire the bonds as they become due.

On motion by Dr. Murray, seconded by Dr. Bushart, and unanimously carried the recommendation as presented above was approved.

I. Summary of the Creation of the University of Kentucky Housing and Dining System

Dr. Oswald stated that the next item on the agenda relative to the University of Kentucky Housing and Dining System Revenue Bonds had been discussed with Mr. Clifford Smith, Chairman of the Finance Committee, and had his endorsement. In order to give the members of the Board of Trustees a complete background prior to requesting authorization of these bonds, Mr. Kerley read in its entirety PR 5, a copy of which is appended. (See PR 5 at the end of the Minutes.)

J. Establishment of the Board's "Housing and Dining System" at the Main Campus; Authorization of "Housing and Dining System Revenue Bonds"; Exchange of Certain Bonds with HHFA; Public Sale of Certain Bonds

Mr. Broadbent introduced, caused to be read, and moved immediate adoption of a proposed resolution, as follows:

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY (A) PROVIDING FOR THE ESTABLISHMENT OF A "HOUSING AND DINING SYSTEM" CONSISTING OF ALL EDUCATIONAL BUILDINGS AT THE MAIN CAMPUS OF THE UNIVERSITY FOR HOUSING, DINING AND STUDENT UNION PURPOSES, WITH RELATED AUXILIARY ENTERPRISES AND APPURTENANT FACILITIES; (B) AUTHORIZING THE ISSUANCE OF THE BOARD'S "HOUSING AND DINING SYSTEM REVENUE BONDS," IN VARIOUS SERIES FROM TIME TO TIME; (C) PROVIDING THAT SUCH BONDS SHALL BE PAYABLE AS TO PRINCIPAL AND INTEREST SOLELY FROM DEFINED REVENUES OF SUCH SYSTEM; (D) PROVIDING THAT SUCH DEFINED REVENUES SHALL BE COLLECTED, SEGREGATED AND DISTRIBUTED INTO VARIOUS SPECIAL FUNDS; (E) AUTHORIZING AN EXCHANGE OF CERTAIN BONDS WITH HOUSING AND HOME FINANCE AGENCY OF THE UNITED STATES; (F) AUTHORIZING THE PUBLIC SALE OF CERTAIN BONDS; (G) MAKING PROVISION FOR THE FUTURE ISSUANCE OF ADDITIONAL BONDS PAYABLE FROM SUCH DEFINED REVENUES ACCORDING TO SPECIFIED CONDITIONS AND LIMITATIONS; (H) APPROVING THE PROPOSED FORM OF TRUST INDENTURE FOR SECURING SUCH BONDS, AND AUTHORIZING EXECUTION THEREOF; AND (I) VESTING IN THE EXECUTIVE COMMITTEE OF THE BOARD PROPER AUTHORITY TO TAKE NECESSARY ACTION IN THE COMPLETION OF THE TRUST INDENTURE AND IN THE ADVERTISE-
MENT AND SALE OF CERTAIN BONDS

WHEREAS, this Board, as the governing body of the University of Kentucky, is authorized in and by Sections 162.340 to 162.380 of the Kentucky Revised Statutes (KRS) to erect buildings and appurtenances to be used in connection with the institution for educational purposes, and to finance the costs thereof, in whole or in

part, through the issuance by the Board, in its corporate capacity and as an educational institution and agency of the Commonwealth, of bonds which are and will be payable as to principal and interest solely from the income and revenues which are and will be derived from the operation of such educational buildings and appurtenant facilities; and in pursuance of such statutory authority the Board has heretofore caused to be erected upon the Main Campus of the University in Fayette County, Kentucky, certain educational buildings and appurtenant facilities for housing, dining and Student Union purposes, with related auxiliary enterprises and necessary appurtenant facilities, and has heretofore authorized and issued from time to time its revenue bonds according to such statutory authority, such buildings being identified as Bowman Hall, Donovan Hall, Keeneland Hall, the apartment buildings known as Cooperstown, Holmes Hall, the apartment buildings known as Shawneetown, Haggin Hall, Blazer Hall, and the Student Union (or Student Center) Building; and certain revenue bonds of each of the issues relating thereto remain outstanding and unpaid at this time, but without default on the part of the Board in the payment of principal or interest; and

WHEREAS, certain educational buildings of like character and purpose exist on the Main Campus of the University, free and clear of liens and financial encumbrances, the same being identified as Patterson Hall, Boyd Hall, Jewell Hall, Kinkead Hall, Bradley Hall, and Breckinridge Hall; and

WHEREAS, the Board has heretofore determined that all of such buildings and facilities are, in the aggregate, grossly inadequate to provide for the present and foreseeable future needs for the accommodation of students presently enrolled and anticipated to be enrolled for educational instruction at the Main Campus of the University; has heretofore authorized the planning, undertaking and financing of what is presently known and identified as the Board's "First Housing Complex Project," consisting in general terms of eight (8) three-story dormitory buildings designed to accommodate 176 students each, together with two (2) twenty-three-story dormitory buildings designed to accommodate approximately 652 students each, with dining, lounge, recreational and other auxiliary enterprises, and all necessary appurtenant facilities; and it is apparent that the undertaking and financing of further and additional educational buildings and facilities for similar purposes will be and become necessary in the future in order to accommodate the reasonably anticipated continuing growth of student enrollment; and

WHEREAS, it has been caused to appear to the satisfaction of the Board that by reason of currently prevailing construction costs and the relation thereto of rentals and other changes which may economically and feasibly be exacted for the use thereof, the Board will be unable to erect and finance the said "First Housing Complex Project," or future educational buildings and appurtenances for like purposes, unless action is taken to combine and consolidate in the establishment of a single "Housing and Dining System," all of the said named buildings and facilities, together with said "First Housing Complex Project," with provision for the orderly discharge by the Board of all of its contractual obligations to the owners and holders of all of said revenue bonds heretofore issued and presently

outstanding, in order that the aggregate income and revenues derived therefrom may be freed and made available for pledging as the security and source of payment of the Board's new issue of its "Housing and Dining System Revenue Bonds"; but that such necessary purposes may be accomplished in the event such action is taken; and

WHEREAS, in order to provide for the establishment of such "Housing and Dining System" and for the authorization, issuance, security and payment of such proposed "Housing and Dining System Revenue Bonds," Series A to I, inclusive, there has now been tendered for consideration by the Board a proposed form of "Trust Indenture" to be executed by the Board with Farmers Bank & Capital Trust Company, Frankfort, Kentucky, as Trustee, approved as to all material elements of the text thereof by the Housing and Home Finance Agency of the United States (HHFA), including provisions that upon the establishment of such System and authorization of such Revenue Bonds HHFA will effect an exchange of bonds with the Board to the full extent of the HHFA holdings of such previously issued and outstanding revenue bonds, bearing interest at the same respective rates, without premium or penalty, and with adjustments which will prevent duplication of the payment of interest on the part of the Board and no loss of interest to HHFA; thus permitting the Board to make other financially feasible and legally permissible arrangements for the payment at maturity of all of said outstanding revenue bonds which are held otherwise than by HHFA; and it is the considered opinion and judgment of the members of the Board, with the concurrence of the Commissioner of Finance of the Commonwealth and the State Property and Buildings Commission, and upon recommendation of the Business Staff of the University and of Financial Advisors employed in that connection, that all such action should be taken at this time, that the submitted form of Trust Indenture should now be approved, that the Board's "Housing and Dining System Revenue Bonds," Series A to I, inclusive, should be authorized as therein provided, and that necessary future action in certain respects should be delegated by the Board, as permitted by law, to its Executive Committee established and existing according to authority of KRS 164.190; and the Board is fully advised in all respects,

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

Section 1. There is hereby established, effective upon the issuance of the Board's "Housing and Dining System Revenue Bonds," Series A to I, inclusive, as hereinafter authorized, the Board's "Housing and Dining System," (a) initially comprising the housing, dining and Student Center buildings, appurtenant facilities, and related auxiliary enterprises, which are identified with particularity in the preamble of this Resolution and in the form of Trust Indenture hereinafter referred to and approved, (b) including the educational buildings, appurtenant facilities and auxiliary enterprises of the aforesaid "First Housing Complex Project," and (c) such educational buildings for like purposes as may be erected in the future at the Main Campus of the University in Fayette County, Kentucky; but expressly excluding

from such System (i) any such educational buildings and facilities as the Board has erected or may erect in the future in connection with any of its present or future Community Colleges and (ii) any such buildings as the Board may have erected and leased, or may hereafter erect and lease, to fraternities, sororities or other similar student groups, except as provided in said Trust Indenture with reference to the inclusion of some or all thereof under described circumstances.

Section 2. The Board hereby establishes an issue of its "Housing and Dining System Revenue Bonds," initially consisting of nine (9) Series which shall be identified as Series A to Series I, inclusive, and with reservation of right on the part of the Board to issue one or more additional Series thereof from time to time subject to the terms, provisions, conditions and limitations which are prescribed in that connection in the form of Trust Indenture which is hereinafter referred to and approved.

Such Bonds of Series A to Series I, inclusive, shall be dated as of June 1, 1965, shall be in the denomination of Five Thousand Dollars (\$5,000.00), shall mature as to principal serially on June 1 of the respective years as set forth (or in the cases of Series H and Series I to be set forth) according to said Trust Indenture, as the same is hereinafter authorized to be completed, and shall otherwise be in the substance, form and text, and be issued according to the covenants, terms and provisions substantially as set forth in the form of said Trust Indenture.

The Bonds of the respective Series A to Series G, inclusive, shall be in the respective principal amounts and shall bear interest at the respective rates as set forth in the following schedule:

<u>IDENTIFICATION OF SERIES</u>	<u>PRINCIPAL AMOUNT</u>	<u>RATE OF INTEREST</u>
SERIES A BONDS	\$1,000,000	3.01%
SERIES B BONDS	275,000	3.01%
SERIES C BONDS	955,000	2-3/4%
SERIES D BONDS	1,835,000	2-3/4%
SERIES E BONDS	1,580,000	2-7/8%
SERIES F BONDS	1,155,000	3-1/8%
SERIES G BONDS	1,375,000	3-1/2% & 3-3/8%

All of the aforesaid Series A Bonds are hereby authorized to be delivered to HHFA upon HHFA's surrender for cancellation of a like principal amount of the Board's previously issued "Dormitory Revenue Bonds of 1952," dated July 1, 1952 (the Donovan Hall Bonds); HHFA being the owner and holder of all of said outstanding Donovan Hall Bonds.

All of the aforesaid Series B Bonds are hereby authorized to be delivered to HHFA upon HHFA's surrender for cancellation of a like principal amount of the Board's previously issued "Dormitory Revenue Bonds of 1954," dated May 1, 1954

{the Keeneland Hall Bonds}; being all of the outstanding bonds which mature in the years 1985 to 1994, inclusive, (provision being otherwise made for payment at maturity of the outstanding Keeneland Hall Bonds maturing in the years 1966 to 1984, inclusive, as hereinafter provided).

All of the aforesaid Series C Bonds are hereby authorized to be delivered to HHFA upon HHFA's surrender for cancellation of a like principal amount of the Board's previously issued and outstanding "Dormitory Revenue Bonds of 1956, Holmes Hall," dated June 1, 1956; such bonds being outstanding in the principal amount of \$956,000, and provision being made for the payment of \$1,000 thereof, in order that the Series C Bonds may be issued in a multiple of \$5,000.

All of the aforesaid Series D Bonds are hereby authorized to be delivered to HHFA upon HHFA's surrender for cancellation of a like principal amount of the Board's previously issued and outstanding "Housing Revenue Bonds of 1956, Shawneetown," dated October 1, 1956, HHFA being the holder of all of such outstanding bonds in the principal amount of \$1,839,000, and provision being made for payment of \$4,000 thereof in order that the Series D Bonds may be issued in a multiple of \$5,000.

All of the aforesaid Series E Bonds are hereby authorized to be delivered to HHFA upon HHFA's surrender for cancellation of a like principal amount of the Board's previously issued and outstanding "Housing Bonds of 1958," dated March 1, 1958 (the Haggin Hall Bonds); HHFA being the holder of all of such outstanding bonds in the principal amount of \$1,582,000, and provision being made for the payment of \$2,000 thereof in order that said Series E Bonds may be issued in a multiple of \$5,000.

All of the aforesaid Series F Bonds are hereby authorized to be delivered to HHFA upon HHFA's surrender for cancellation of a like principal amount of the Board's previously issued and outstanding "Housing and Dining Hall Bonds of 1961," dated April 1, 1961 (the Blazer Hall Bonds); HHFA being the holder of all of said outstanding bonds maturing in the years 1972 to 2001, inclusive, in the principal amount of \$1,158,000, and provision being made for the payment of \$3,000 thereof in order that said Series F Bonds may be issued in a multiple of \$5,000.

All of said Series G Bonds are hereby authorized to be delivered to HHFA upon HHFA's surrender for cancellation of a like principal amount, in the aggregate, of the Board's previously issued and outstanding "Student Union Bonds of 1962, Series A and Series B," dated July 1, 1962 (the Student Union Bonds); HHFA being the owner and holder of all of said Series A Bonds maturing in 1983 to 1994, inclusive, in the principal amount of \$700,000, and all of said Series B Bonds in the principal amount of \$675,000 (provision being otherwise made for payment at maturity of the outstanding Student Union Bonds maturing in the years 1966 to 1982, inclusive, as hereinafter provided).

The said Series H Bonds shall be in such aggregate principal amount as will be sufficient (a) to provide for payment and retirement in full, both principal and interest, of all of the revenue bonds of the Board heretofore issued and outstanding, and which are payable from income and revenues of any of the buildings initially comprising the "Housing and Dining System" except such revenue bonds as are held by HHFA; such privately held bonds being identified as the outstanding "Dormitory Revenue Bonds of 1946," dated June 1, 1946 (the Bowman Hall Bonds); \$342,000 principal amount of "Dormitory Revenue Bonds of 1954," dated May 1, 1954 (the Keeneland Hall Bonds), maturing in the years 1966 to 1984, inclusive; all of the "Dormitory Revenue Bonds of 1955," dated June 1, 1955 (the Cooperstown Bonds); \$129,000 of the "Housing and Dining Hall Bonds of 1961," dated April 1, 1961 (the Blazer Hall Bonds), maturing in the years 1966 to 1971, inclusive; and \$624,000 of the "Student Union Bonds of 1962, Series A," dated July 1, 1962 (the Series A Student Union Bonds), maturing in the years 1966 to 1982, inclusive; and (b) to provide for payment of all those portions of the costs of the "First Housing Complex Project" as are not eligible or allowable in the expenditure of Government funds according to prevailing statutes, rules and regulations in that respect. Determination of the amount of the Series H Bonds, and of the respective serial maturities thereof, is hereby delegated to and vested in the Executive Committee of this Board; and such determinations may be made by the Executive Committee and inserted in the form of Trust Indenture hereinafter referred to, whenever in the discretion of said Executive Committee, and upon consultation with the Commissioner of Finance of the Commonwealth, the Business Staff of the University, and the Financial Advisors, it is proper that such determinations be made.

The Series I Bonds shall be in such aggregate principal amount as will be sufficient to provide for payment of all those portions of the costs of the "First Housing Complex Project" as are eligible or allowable in the expenditure of Government funds therefor according to prevailing statutes, rules and regulations in that respect, including the agreed HHFA fee for engineering inspection and for review and audit of disbursements, together with provision for payment of interest on such Series I Bonds during the period estimated to be required for construction and development of said First Housing Complex Project (not to exceed in this respect the statutory limit set forth in KRS 162.350 and 162.200, inclusive); such costs otherwise to be determined according to the provisions of the Trust Indenture hereinafter referred to and approved. Determination of the amount of the Series I Bonds, and of the respective serial maturities thereof, is hereby delegated to and vested in the Executive Committee of this Board; and such determinations may be made by the Executive Committee and inserted in the form of Trust Indenture hereinafter referred to, whenever in the discretion of said Executive Committee, and upon consultation with the Commissioner of Finance of the Commonwealth, the Business Staff of the University, and the Financial Advisors, it is proper that such determinations be made.

Section 3. In order that a formal record may be made of the establishment of the Board's aforesaid Housing and Dining System; the dates, maturity schedules, redemption provisions, forms of issuance, places of payment of principal and

interest, provisions for registration, and other details of said "Housing and Dining System Revenue Bonds," Series A to I, inclusive; to prescribe and define the terms, provisions, conditions and limitations pursuant to which the Board may authorize and issue in the future additional Series of such Bonds, equally and ratably payable from the defined Revenues of said System; to prescribe the manner in which the Board shall contractually undertake to establish (and to revise from time to time, if necessary) the rentals and other fees, rates and charges for use or availability of the accommodations and facilities afforded by said Housing and Dining System, and to provide for the establishment and continuous maintenance of special funds or accounts and the orderly disposition of the defined Revenues of said System therein for the security, benefit and protection of the owners and holders from time to time of the Board's issued and outstanding "Housing and Dining System Revenue Bonds"; to give formal recognition and acknowledgment to the statutory mortgage lien upon all properties of said System according to KRS 162.350 and 162.200; to establish and confirm necessary and customary irrevocable covenants and commitments of the Board in connection with all of the foregoing; and to define with particularity the rights and obligations of the Board, the duties and obligations of the aforesaid Trustee, and the rights and limitations of rights of the owners and holders from time to time of such issued and outstanding "Housing and Dining System Revenue Bonds"; approval is hereby given to the form of Trust Indenture which has been prepared and submitted for all of such purposes, the same to be made as of June 1, 1965, by and between this Board and said Farmers Bank & Capital Trust Company, Frankfort, Kentucky, as Trustee; and authority is hereby given for the execution thereof in the name and on behalf of this Board by its Chairman or Vice Chairman, and for the affixation of the corporate seal thereto, attested by the Secretary; and upon full execution of said instrument on behalf of the Board and on behalf of said Trustee, the same shall constitute a valid, binding and continuing contract of this Board with the owners and holders from time to time of all of such issued and outstanding Housing and Dining System Revenue Bonds; and the Board hereby incorporates as a part of this Resolution the entire text thereof and hereby adopts, ratifies and confirms all representations of fact and all terms, provisions, covenants, conditions and restrictions therein set forth, in words and figures substantially as follows:

TRUST INDENTURE
MADE BY
BOARD OF TRUSTEES OF UNIVERSITY OF KENTUCKY
Lexington, Kentucky
TO
FARMERS BANK & CAPITAL TRUST COMPANY
Frankfort, Kentucky,
As Trustee

Dated as of June 1, 1965

SECURING
UNIVERSITY OF KENTUCKY HOUSING AND DINING
SYSTEM REVENUE BONDS

INITIALLY CONSISTING OF

SERIES A BONDS	\$ 1,000,000	
SERIES B BONDS	\$ 275,000	
SERIES C BONDS	\$ 955,000	
SERIES D BONDS	\$ 1,835,000	
SERIES E BONDS	\$ 1,580,000	
SERIES F BONDS	\$ 1,155,000	
SERIES G BONDS	\$ 1,375,000	
SERIES H BONDS	\$	(To be determined)
SERIES I BONDS	\$	(To be determined)

DRAFT SUBMITTED TO THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY AT ITS MEETING OF SEPTEMBER 21, 1965

Submitted by:

GRAFTON, FERGUSON & FLEISCHER
310 West Liberty Street
Louisville, Kentucky 40202

TRUST INDENTURE

UNIVERSITY OF KENTUCKY HOUSING AND DINING
SYSTEM REVENUE BONDS

Dated as of June 1, 1965

	<u>INDEX</u>	<u>Page</u>
ARTICLE I	DEFINITIONS	16
ARTICLE II	RECITALS	23
ARTICLE III	PURPOSES	30
ARTICLE IV	AUTHORIZATION OF THE BOARD'S "UNIVERSITY OF KENTUCKY HOUSING AND DINING SYSTEM REVENUE BONDS," dated June 1, 1965	31
ARTICLE V	PROVISIONS FOR PAYMENT AND/OR REDEMPTION OF THE PRIVATELY-HELD BONDS OF THE PREVIOUS- LY ISSUED BONDS; EXCHANGE OF BONDS WITH HHFA; RELEASE OF CERTAIN TRUST INDENTURES WITH REGARD THERETO	43
ARTICLE VI	BONDS OF SERIES H AND I (AND FUTURE SERIES) TO BE OFFERED AT PUBLIC SALE	57
ARTICLE VII	CUSTODY AND APPLICATION OF BOND PROCEEDS	57
ARTICLE VIII	REDEMPTION PROVISIONS	61
ARTICLE IX	THE HOUSING AND DINING SYSTEM; REVENUES; SEGREGATION; SPECIAL FUNDS	64
ARTICLE X	FORMS: COUPON BONDS, AND COUPONS; BONDS IN FULLY REGISTERED FORM; CERTIFICATION OF COM- MISSIONER OF FINANCE; TRUSTEE'S AUTHENTICATION CERTIFICATE; REGISTRATION; ASSIGNMENT; ETC.	72
ARTICLE XI	ISSUANCE OF PARITY BONDS; ISSUANCE OF BONDS OR OTHER OBLIGATIONS OF SUBORDINATE AND INFERIOR STATUS; ISSUANCE OF REFUNDING BONDS; PROVISIONS FOR ADVANCE REFUNDING	88
ARTICLE XII	SUPPLEMENTAL TRUST INDENTURES	94
ARTICLE XIII	REMEDIES (Including Reference to Statutory Mortgage Lien)	95
ARTICLE XIV	PARTICULAR COVENANTS OF THE BOARD	99

	<u>INDEX</u>	<u>Page</u>
ARTICLE XV	CONCERNING THE TRUSTEE	104
ARTICLE XVI	AMENDMENTS AND MODIFICATIONS OF THIS INDENTURE	108
ARTICLE XVII	RELEASE AND DISCHARGE OF INDENTURE; PARTIAL RELEASES	110
ARTICLE XVIII	MISCELLANEOUS PROVISIONS	111

TRUST INDENTURE

SECURING

UNIVERSITY OF KENTUCKY HOUSING AND DINING SYSTEM
REVENUE BONDS

Dated as of June 1, 1965

ISSUED BY BOARD OF TRUSTEES OF UNIVERSITY OF KENTUCKY,
LEXINGTON, KENTUCKY

INITIALLY CONSISTING OF

SERIES A BONDS	\$ 1,000,000	
SERIES B BONDS	\$ 275,000	
SERIES C BONDS	\$ 955,000	
SERIES D BONDS	\$ 1,835,000	
SERIES E BONDS	\$ 1,580,000	
SERIES F BONDS	\$ 1,155,000	
SERIES G BONDS	\$ 1,375,000	
SERIES H BONDS	\$ _____	(To be determined)
SERIES I BONDS	\$ _____	(To be determined)

This TRUST INDENTURE, dated as of the first day of June, 1965, made by and between BOARD OF TRUSTEES OF UNIVERSITY OF KENTUCKY, a public body corporate and an educational institution and agency of the Commonwealth of Kentucky, at Lexington, Kentucky, (hereinafter called the "Board"), party of the

first part, and FARMERS BANK & CAPITAL TRUST COMPANY, a combined bank and trust corporation duly organized and existing according to the laws of the Commonwealth of Kentucky, having full powers to act as a corporate Trustee, and having its principal office and place of business in the City of Frankfort, County of Franklin, Commonwealth of Kentucky, as Trustee (hereinafter called the "Trustee"), party of the second part;

W I T N E S S E T H :

That by reason of the circumstances, in order to accomplish the purposes, and for the mutual considerations hereinafter set forth, the Board and the Trustee hereby agree, as follows:

ARTICLE I - DEFINITIONS

Section 101. In and throughout this Trust Indenture it will be appropriate and necessary to make repetitive references to certain words, designations, phrases and clauses; and for convenience of reference it is deemed desirable that certain abbreviations thereof be adopted and defined. Accordingly, it is agreed that wherever in this Trust Indenture the following words, designations, phrases and clauses are used, the same, unless the context shall clearly indicate another or different meaning or intent, shall be construed, are used, and are intended to have meanings and to be inclusive, as follows:

- (a) "KRS" -- The Kentucky Revised Statutes of the Commonwealth of Kentucky, as the same are now in full force and effect (and, to the extent that the same may hereafter be amended in such manner as will not unconstitutionally impair the obligations of contracts created hereunder, any future amendments thereof).
- (b) "University" -- University of Kentucky, having its Main Campus at Lexington, Fayette County, Kentucky (KRS 164.100, et seq.).
- (c) "Board" -- The Board of Trustees of the University, a body corporate, as provided in KRS 164.160.
- (d) "Executive Committee" -- a statutory Committee of the Board, for which provision is made in KRS 164.190.
- (e) "Main Campus" -- The Campus of the University, in Fayette County, Kentucky, including all lands, educational buildings, and appurtenant facilities in said County which are, or may hereafter be, used in the operation of the University as such; but excluding such lands, educational buildings and appurtenant facilities as are, or may hereafter be, used by the Board of the University in the operation of any Community College of the University, whether now or hereafter situated in the Commonwealth of Kentucky.

- (f) "Community College" -- Any Community College now or hereafter operated by the Board of the University, and identified by the Board as a "Community College"; separate and distinct from the principal operations of the University at its Main Campus; whether the same be situated in Fayette County, Kentucky, or elsewhere in the Commonwealth of Kentucky.
- (g) "Trustee" -- The Trustee named and identified in the caption of this Indenture, or any successor trustee designated pursuant to the provisions of this Indenture.
- (h) "This Trust Indenture" or "this Indenture" -- this instrument.
- (i) "Housing and Dining System" or "Systems"
 The "University of Kentucky Housing and Dining System," created and particularly identified in this Indenture, (a) initially comprising the housing, dining, and student center buildings, appurtenant facilities, and related auxiliary enterprises, identified as Bowman Hall, Donovan Hall, Keeneland Hall, Cooperstown, Holmes Hall, Shawneetown, Haggin Hall, Blazer Hall, the Student Union (or Student Center) Building, Patterson Hall, Boyd Hall, Jewell Hall, Kinkead Hall, Bradley Hall, and Breckinridge Hall; (b) the proposed new "First Housing Complex Project," the construction and financing of which is about to be undertaken, as hereinafter provided; and (c) as said System may be added to in the future by including therein any other housing, dining, and student center facilities, or related auxiliary enterprises, all with necessary appurtenant facilities, in accordance with the provisions of this Indenture; but expressly excluding therefrom (i) any such buildings and facilities as the Board has erected or may erect in connection with any Community College; and (ii) any such buildings as the Board may have erected and leased, or may hereafter erect and lease, to fraternities, sororities, and similar student groups, except as hereinafter provided in connection with future inclusion of some or all thereof under certain circumstances.
- (j) "Bonds" (without further identification) --
 The "University of Kentucky Housing and Dining System Revenue Bonds," authorized or permitted to be issued by the Board of the University pursuant to the terms, provisions, conditions, and limitations set forth in this Indenture.
- (k) "Series of Bonds" -- Any alphabetically (or otherwise) designated and identified Series of Bonds, as initially authorized with particularity in this Indenture, or as may hereafter be authorized and issued on

a basis of parity and equality with the same as to security and source of payment, for the purpose of defraying, in whole or in part, the costs of future System buildings, facilities, and necessary utility and other appurtenances, for housing, dining, student union or related auxiliary enterprises, upon compliance with the conditions and restrictions prescribed in this Indenture in that connection.

- (l) "HHFA" -- The Housing and Home Finance Agency of the United States.
- (m) "Previously Issued Bonds" (without further identification) -- collectively, all revenue bonds heretofore issued by the Board of the University for financing, in whole or in part, educational buildings and facilities, with necessary utility and other appurtenances, for housing, dining, student union or related auxiliary enterprises, which are made parts of the System.

For clarification at the outset, the said term "Previously Issued Bonds" means and includes only the "Bowman Hall bonds," the "Donovan Hall bonds," the "Keeneland Hall bonds," the "Cooperstown bonds," the "Holmes Hall bonds," the "Shawnee-town bonds," the "Haggin Hall bonds," the "Blazer Hall bonds," and the "Student Union bonds" -- all of which are more particularly identified as to date and original designation as set forth in ARTICLE II (the Recitals) hereof.

- (n) "HHFA Bonds" -- The Previously Issued Bonds which are held by HHFA at the "Closing Date," hereinafter defined.
- (o) "HHFA Loan Agreement" -- An agreement made by the Board with HHFA contemplating issuance by the Board of revenue bonds to defray the costs, in whole or in part, of a "Project" (as hereinafter defined); and containing a contractual commitment of HHFA to appear at the public sale of such bonds and tender an offer to purchase all or designated portions thereof upon specified terms.
- (p) "Privately-Held Bonds" -- The Previously Issued Bonds which are held otherwise than by HHFA, at the "Closing Date," hereinafter defined.
- (q) "Closing Date" -- The date (not earlier than December 1, 1965), upon which the Board of the University shall (a) issue the Board's "Housing and Dining System Revenue Bonds, Series A to G," inclusive, as authorized in and by this Indenture, in exchange for and upon HHFA's surrender for cancellation of the HHFA Bonds; (b) simultaneously deliver, whether to HHFA or to others, the Board's "Housing and Dining System Revenue Bonds, Series H and

Series I," after public sale thereof, as hereinafter provided; and (c) cause to be deposited at the respective proper places, and in the respective proper amounts, moneys (or such investments or combinations of investments as are described in paragraphs (a), (b) and (c) of Section 501 of ARTICLE V of this Indenture), having the effect of legally discharging all of the Board's obligations to the holders of the Privately-Held Bonds.

- (r) "Certificate of Time Deposit," or, for convenience of reference, "CD" -- A certificate issued by an incorporated State Bank or National Banking Association, evidencing its unqualified promise to pay a specified sum, on a specified date (without privilege of prior payment), either (A) bearing interest to maturity, payable at maturity, at a specified rate, and secured in all respects (both principal and interest to maturity) by a valid pledge of direct obligations of the United States Government, or obligations the payment of which is fully guaranteed by the United States Government, in which event the aggregate principal and interest shall be deemed to be "assured" within the meaning of that term as hereinafter used; or (B) bearing interest to maturity at a specified rate, such interest being payable periodically (whether semiannually or otherwise), secured as to principal by a valid pledge of direct obligations of the United States Government, or obligations the payment of which is fully guaranteed by the United States Government, in which event the principal only shall be deemed to be "assured" within the meaning of that term as hereinafter used, and the interest shall not be deemed to be "assured" for refinancing purposes but shall be deposited as received from time to time in the System Revenue Fund as hereinafter defined.

- (s) "Revenues" -- As related to the aforesaid "Housing and Dining System," from and after the "Closing Date":

- (i) The gross amount of rentals generated to the Board and the University from time to time, from use and occupancy of the housing facilities of the System;
- (ii) The gross amount generated to the Board and the University from the exaction and collection of the "Student Center Fee" (identified as a part of the "Student Activity Fee"), to the extent that the same (A) is herein pledged in the sum of \$12.00 per full-time student enrolled at the Main Campus of the University, for each of the two semesters of the regular academic year, and \$6.00 per full-time student for the regular summer session, or (B) as the same may hereafter be increased and irrevocably pledged in terms of irreducible rates by the Board as constituting continuing revenues of the System;

(iii) Any future student fees which may hereafter be irrevocably and irreducibly established by the Board, to the extent that the same are identified, made applicable to all full-time students enrolled at the Main Campus of the University, and ordered to be segregated and pledged as constituting revenues of the System; and

(iv) The Net Profits (as hereinafter defined), from the operation of dining facilities and other related auxiliary enterprises now or hereafter housed and accommodated in and by the buildings and facilities of the System, to the extent the same are identified and irrevocably pledged by the Board as constituting revenues of the System, as determined in the manner, and to be deposited from time to time in the "System Revenue Fund," as hereinafter defined and set forth in this Indenture.

- (t) "Current Expenses" (as applied to the System, as distinguished from the University and the Board) -- All necessary operating expenses, current maintenance charges, expense of upkeep and repairs, the properly allocated share of charges for insurance, utilities and all other expenses incident to the operation of the System, including cost of food and other goods sold, depreciation and all properly allocated general administrative expenses of the Board and of the University.
- (u) "Net Profits" (as applied to the operation of dining facilities and other related auxiliary enterprises) --
The gross receipts thereof, less the "Current Expenses" thereof, as hereinabove defined.
- (v) "costs of operating and maintaining the System" (as used in the covenant of the Board and the Commonwealth appearing in Section 909 of ARTICLE IX, and in the text of the prescribed Bond forms appearing in ARTICLE X of this Indenture) -- All necessary operating expenses, current maintenance charges, expense of upkeep and repairs, the properly allocated share of charges for insurance, utilities and all other expenses incident to the operation of the System, but excluding cost of food and other goods sold, depreciation and all general administrative expenses of the Board and of the University.
- (w) "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.
- (x) "Secretary" -- The Secretary and each and every Assistant Secretary and each and every other officer of the Board authorized to exercise the powers and authority reposed in the Secretary of the Board.

- (y) "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.
- (z) "Architect" or "Engineer" -- Any licensed architect or engineer appointed by the Board, the Commissioner or the Commission, including any such architect or engineer in the employ of any of them, and so appointed.
- (aa) "Fiscal Year" -- shall mean the 12-months' period beginning July 1, and ending the following June 30, inclusive.
- (ab) "FDIC" -- The Federal Deposit Insurance Corporation of the United States.
- (ac) "Commissioner of Finance" or "Commissioner" --
The Commissioner of Finance of the Commonwealth of Kentucky, each and every officer of the Commonwealth who may hereafter be authorized to exercise powers and authority similar to those presently vested by law in said Commissioner; and each and every Deputy Commissioner or other similar officer authorized by law to exercise the power and authority presently vested by law in said Commissioner.
- (ad) "State Property and Buildings Commission" or "Commission" --
The State Property and Buildings Commission of the Commonwealth of Kentucky, a corporate body presently created and existing pursuant to the provisions of Chapter 56 of the Kentucky Revised Statutes, and any other corporate body, Commission, Authority, officer or officers hereafter authorized by law to exercise the powers and functions presently vested in said existing Commission.
- (ae) "System Revenue Fund" -- The "University of Kentucky Housing and Dining System Revenue Bonds Revenue Fund Account," created and established in and by this Indenture.
- (af) "System Sinking Fund" -- The "University of Kentucky Housing and Dining System Revenue Bond and Interest Sinking Fund Account," created and established in and by this Indenture.
- (ag) "System Debt Service Reserve" -- The Debt Service Reserve created and established in and by this Indenture as a part of the System Sinking Fund.
- (ah) "System Repair and Maintenance Reserve" -- The Repair and Maintenance Reserve provided to be accumulated and maintained pursuant

to the provisions of this Indenture.

- (ai) "Project" -- The System building or buildings, facilities, and necessary utility and other appurtenances designated to be financed, in whole or in part, by the Board's issuance of a Series of Bonds.
- (aj) "First Housing Complex Project" -- The Project referred to in the Board's HHFA Loan Agreement for Project No. CH-Ky-72(D) Rev., and intended to be financed in part through application of the proceeds of the Series I Bonds, hereinafter authorized, the same being described in general terms as comprising eight (8) three-story dormitory buildings designed to accommodate 176 students each, together with two (2) 23-story dormitory buildings designed to accommodate approximately 652 students each, with dining, lounge, recreational and other auxiliary enterprises, and all necessary appurtenant facilities.
- (ak) "Construction Fund, Series ____" (with appropriate alphabetical identification) -- The Construction Fund (with alphabetical designation), provided in this Indenture to be established in the custody of the Depository (as hereinafter defined), for defraying the costs of a Project, in whole or in part.
- (al) "Depository" (as used in connection with the "Construction Fund" of any Series of Bonds) -- The Treasurer of the Commonwealth; provided, however, that in the event deposits of moneys in such Construction Funds shall hereafter be permitted by law to be made with the Trustee, the Board may, in the proceedings authorizing and providing for any future Series of Bonds, and in the "Supplemental Trust Indenture" executed in connection therewith, make provision for deposit of the Construction Fund moneys with the Trustee.
- (am) "Previous Revenue Funds" -- Such funds or accounts, howsoever designated and identified, as have previously been established in the trust indentures or other proceedings of the Board in the issuance of Previously Issued Bonds, wherein provisions have been made for the deposit from time to time of the gross amount of the income and revenues of the respective buildings and facilities for which such Previously Issued Bonds were authorized.
- (an) "Previous Sinking Funds" -- Such funds or accounts, howsoever designated and identified, as have previously been established in the trust indentures or other proceedings of the Board in the authorization of Previously Issued Bonds, wherein provisions have been made for the setting aside and pledging of moneys to pay interest as it becomes due, and to provide for the payment at or before maturity, of any of the Previously Issued Bonds.

(ao) "Previous Repair and Replacement Reserves" -- Such funds or accounts, howsoever designated and identified, as have previously been established in the trust indentures or other proceedings of the Board in the authorization of Previously Issued Bonds, wherein provisions have been made for the deposit, accumulation and/or investment of moneys intended for the purpose of maintaining in good condition the buildings and facilities financed, in whole or in part, by the respective Previously Issued Bonds, and of repairing and replacing such property.

(ap) "Bond Counsel" - initially, and in connection with the proceedings and transactions hereunder which are to be completed and consummated on the Closing Date -- the Louisville, Kentucky, Law Firm of Grafton, Ferguson & Fleischer; and, in connection with the issuance of additional Series of parity Bonds from time to time, said law firm, or any other law firm, or any other attorney at law, or firm of attorneys at law as may be employed to issue the customary approving legal opinion to the purchaser or purchasers thereof.

Section 102. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

Section 103. The words "Bond," "bondholder," "owner," "holder," and "person" shall include the plural as well as the singular number unless the context shall otherwise indicate. The term "bondholders" means and contemplates, unless the context otherwise indicates, the holders of the Bonds at the time issued and outstanding hereunder. Each of the words "person" and "corporation" shall include the other, unless the context shall otherwise indicate.

Section 104. Whenever in this Indenture it is provided that any fact 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 II - RECITALS

Section 201. The University, having its Main Campus at Lexington, in Fayette County, Kentucky, is an educational institution of higher learning of the Commonwealth of Kentucky, so recognized by name in KRS 164.100. Its lawful governing body, having control of the management and affairs of said University, is its "Board of Trustees" (the "Board"), as provided in KRS 164.130; and said

Board, as provided in KRS 164.160, is a body corporate, having the usual powers of corporations generally; and with specific powers, according to KRS 162.340 to 162.380, inclusive (and other Sections of KRS which are incorporated therein by reference), to issue bonds to erect buildings and appurtenances to be used in connection with the University for educational purposes, including the authority and power to refund the same, and to finance additional similar buildings and appurtenances. The Board is authorized by law to delegate powers to its Executive Committee, for which provision is made in KRS 164.190.

Section 202. Farmers Bank & Capital Trust Company is a combined bank and trust corporation duly organized and existing according to the laws of the Commonwealth of Kentucky, having full power to act as a corporate Trustee, and having its principal office and place of business in the City of Frankfort, Franklin County, Kentucky, as hereinbefore stated.

Section 203. In 1946 the Board authorized its \$430,000.00 "Dormitory Revenue Bonds of 1946," dated June 1, 1946 (the Bowman Hall bonds), and applied the proceeds thereof (to the extent funds were not otherwise provided) in defraying the costs of erecting an educational building, with necessary appurtenant facilities, upon the Main Campus of the University, such building being subsequently designated, and now known, as "Bowman Hall." At public sale, all of said bonds were purchased by private investors; such thereof as have heretofore matured have been duly paid, with interest thereon; and as of the Closing Date \$194,000.00 thereof will be outstanding and unpaid, maturing in various amounts on June 1 in each of the years 1966 to 1976, inclusive, of which \$156,000.00, maturing on and prior to June 1, 1974, bear interest at 2% per annum, and \$38,000.00 maturing in 1975 and 1976, bear interest at 1-3/4% per annum. Provision is hereinafter made for payment thereof from the proceeds of the Series H Bonds, hereinafter authorized, pursuant to an HHFA Loan Agreement identified as Project CH-Ky-72(D) Rev.

In 1952 the Board authorized its \$1,400,000.00 "Dormitory Revenue Bonds of 1952," dated July 1, 1952 (the Donovan Hall bonds), and applied the proceeds thereof (to the extent funds were not otherwise provided) in defraying the costs of erecting an educational building, with necessary appurtenant facilities, upon the Main Campus of the University, such building subsequently designated, and now known as "Donovan Hall" (HHFA Project Ky-15-CH-2). At public sale, all of said bonds were purchased by HHFA at a uniform interest rate of 3.01% per annum; but it proved to be necessary to issue (and there were in fact issued) only \$1,255,000.00 thereof, maturing in various amounts on July 1 in each of the years 1955 to 1990, inclusive. All of said bonds maturing on and prior to July 1, 1965 have been paid with interest thereon; and as of the Closing Date \$1,000,000.00 thereof will be outstanding and unpaid, maturing in various amounts on July 1 in each of the years 1966 to 1990, inclusive. Provision is hereinafter made for issuance to HHFA of the Series A Bonds, hereinafter authorized, upon HHFA's surrender of said outstanding Donovan Hall bonds.

In 1954 the Board authorized its \$722,000.00 "Dormitory Revenue Bonds of 1954," dated May 1, 1954 (the Keeneland Hall bonds), and applied the proceeds thereof (to the extent funds were not otherwise provided) in defraying the costs of erecting an educational building, with necessary appurtenant facilities, upon the Main Campus of the University, such building being subsequently designated, and now known, as "Keeneland Hall," (HHFA Project Ky-15-CH-4(D)). At public sale, the bonds maturing on and prior to May 1, 1984, were purchased by private investors, and the bonds maturing on May 1 in each of the years 1985 to 1994, inclusive, were purchased by HHFA. Such of said bonds as matured on and prior to May 1, 1965, have been duly paid, with interest thereon, and as of the Closing Date, there will remain outstanding in the hands of private investors \$342,000.00 thereof, maturing in various amounts on May 1 in each of the years 1966 to 1984, inclusive, of which the bonds maturing on and prior to May 1, 1973, bear interest at 2-3/4% per annum, and the bonds maturing on May 1 in each of the years 1974 to 1984, inclusive, bear interest at 3% per annum. Provision is hereinafter made for payment thereof from the proceeds of the Series H Bonds, hereinafter authorized. At the Closing Date, \$275,000.00 will be held by HHFA, maturing in various amounts on May 1 in each of the years 1985 to 1994, inclusive, bearing interest at 3.01% per annum; and provision is hereinafter made for issuance to HHFA of the Series B Bonds, hereinafter authorized, upon HHFA's surrender thereof.

In 1954 the Board authorized its \$2,800,000.00 "Dormitory Revenue Bonds of 1955," dated June 1, 1955 (the Cooperstown bonds), and applied the proceeds thereof (to the extent funds were not otherwise provided) in defraying the costs of eight apartment buildings for the accommodation of married student families upon the Main Campus of the University, such buildings being subsequently designated in the aggregate, and now known, as "Cooperstown." At public sale all of said bonds were purchased by private investors; such thereof as have heretofore matured have been duly paid, with interest thereon; and as of the Closing Date \$2,433,000.00 thereof will be outstanding and unpaid, maturing in various amounts on June 1 in each of the years 1966 to 1995, inclusive, of which the bonds maturing on and prior to June 1, 1989, bear interest at 3-1/4% per annum and the bonds maturing on and after June 1, 1990, bear interest at 3% per annum. Provision is hereinafter made for payment thereof from the proceeds of the Series H Bonds, hereinafter authorized.

In 1956 the Board authorized its \$1,131,000.00 "Dormitory Revenue Bonds of 1956, Holmes Hall," dated June 1, 1956 (the Holmes Hall bonds), and applied the proceeds thereof (to the extent funds were not otherwise provided) in defraying the costs of erecting an educational building, with necessary appurtenant facilities, upon the Main Campus of the University, such building being designated, and now known, as "Holmes Hall," (HHFA Project Ky-15-CH-12(D)). At public sale, all of said bonds were purchased by HHFA at a uniform interest rate of 2-3/4% per annum; such thereof as have heretofore matured have been duly paid, with interest thereon; certain of the bonds maturing on June 1, 1996, were paid and retired from surplus moneys remaining in the Construction Fund after payment of all costs

thereof; and as of the Closing Date \$956,000.00 thereof will remain outstanding and unpaid, maturing in various amounts on June 1 in each of the years 1966 to 1996, inclusive; and provision is hereinafter made for issuance to HHFA of the Series C Bonds, hereinafter authorized, upon HHFA's surrender thereof.

In 1956, the Board authorized its \$2,156,000.00 "Housing Revenue Bonds of 1956, Shawneetown," dated October 1, 1956 (the Shawneetown bonds), and applied the proceeds thereof (to the extent funds were not otherwise provided) in defraying the costs of erecting six apartment buildings, with necessary appurtenant facilities, for the accommodation of married student families, upon the Main Campus of the University, such buildings being designated, in the aggregate, as "Shawneetown," (HHFA Project No. Ky-15-CH-15(D)). At public sale, all of said bonds were purchased by HHFA at a uniform interest rate of 2-3/4% per annum; such thereof as have heretofore matured have been duly paid, with interest thereon; \$39,000.00 thereof will mature on October 1, 1965 (prior to the Closing Date), and will be paid in due course; certain of said bonds maturing October 1, 1996, were paid and retired from surplus moneys in the Construction Fund after payment of all costs thereof; and as of the Closing Date \$1,839,000.00 thereof will remain outstanding and unpaid, maturing in various amounts on October 1 in each of the years 1966 to 1996, inclusive. Provision is hereinafter made for issuance to HHFA of the Series D Bonds, hereinafter authorized, upon HHFA's surrender thereof.

In 1959 the Board authorized its \$1,800,000.00 "Housing Bonds of 1958," dated March 1, 1958 (the Haggin Hall bonds) and applied the proceeds thereof (to the extent funds were not otherwise provided) in defraying the costs of erecting an educational building, with necessary appurtenant facilities, upon the Main Campus of the University, such building being subsequently designated, and now known, as "Haggin Hall," (HHFA Project Ky-15-CH-26(D)). At public sale, all of said bonds were purchased by HHFA at a uniform interest rate of 2-7/8% per annum; such thereof as have heretofore matured have been duly paid, with interest thereon; all of the bonds maturing March 1, 1998 and certain of the bonds maturing March 1, 1997, were paid and retired from surplus moneys in the Construction Fund after payment of all costs thereof; and as of the Closing Date \$1,582,000.00 thereof will remain outstanding and unpaid, maturing in various amounts on March 1 in each of the years 1966 to 1997, inclusive. Provision is hereinafter made for issuance to HHFA of the Series E Bonds, hereinafter authorized, upon HHFA's surrender thereof.

By various proceedings which were duly had and taken from time to time by the Board of the University in 1960/62, inclusive, the Board authorized its \$1,325,000.00 "Housing and Dining Hall Bonds of 1961," dated April 1, 1961 (the Blazer Hall bonds) and applied the proceeds thereof (to the extent funds were not otherwise provided) in defraying the costs of erecting an educational building, with necessary appurtenant facilities, upon the Main Campus of the University, such building being subsequently designated, and now known, as "Blazer Hall," (HHFA Project Ky-15-CH-36(DS)). At public sale, the bonds maturing on and prior

to April 1, 1971, were purchased by private investors, and the bonds maturing on April 1, 1972 to April 1, 2001, inclusive, were purchased by HHFA. Such of said bonds as matured on and prior to April 1, 1965, have been duly paid, with interest thereon, and as of the Closing Date there will remain outstanding in the hands of private investors \$129,000.00 thereof, maturing in various amounts on April 1 in each of the years 1966 to 1971, inclusive, of which the bonds maturing on and prior to April 1, 1968, bear interest at 3-1/8% per annum, and the bonds maturing on April 1 in each of the years 1969 to 1971, inclusive, bear interest at 3% per annum; and provision is hereinafter made for payment thereof from the proceeds of the Series H Bonds, hereinafter authorized. At the Closing Date, \$1,158,000.00 thereof will be held by HHFA, maturing in various amounts on April 1 in each of the years 1972 to 2001, inclusive, bearing interest at 3-1/8% per annum; and provision is hereinafter made for issuance to HHFA of the Series F Bonds, hereinafter authorized, upon HHFA's surrender thereof.

By various proceedings which were duly had and taken from time to time by the Board of the University in 1962/63, inclusive, the Board authorized its \$2,025,000.00 "Student Union Bonds of 1962," dated July 1, 1962, comprising \$1,350,000.00 Series A and \$675,000.00 Series B (the Student Union bonds) and applied the proceeds thereof (to the extent not otherwise provided) to defraying the costs of reconstructing and enlarging an educational building, with necessary appurtenant facilities, upon the Main Campus of the University, such building (as previously existing and as so reconstructed and enlarged) being known as the "Student Union Building" or "Student Center Building," (HHFA Project CH-Ky-50(S)). At public sale, the Series A bonds maturing on and prior to July 1, 1982, were purchased by private investors; the Series A bonds maturing on July 1, 1983 to July 1, 1994, inclusive, were purchased by HHFA; and the Series B bonds maturing on July 1 in each of the years 1995 to 2002, inclusive, were purchased in their entirety by HHFA. Such of said Series A bonds as matured on July 1, 1965, have been duly paid, with interest thereon, and as of the Closing Date, there will remain outstanding in the hands of private investors \$624,000.00 thereof maturing in various amounts on July 1 in each of the years 1966 to 1982, inclusive, all of which bear interest at 3-1/2% per annum except for the bonds maturing on July 1, 1972/74, inclusive, which bear interest at 3-1/4% per annum; and provision is hereinafter made for payment thereof from the proceeds of the Series H Bonds, hereinafter authorized. At the Closing Date, the remaining \$700,000.00 Series A bonds, maturing on July 1 in each of the years 1983 to 1994, inclusive, will be held by HHFA, bearing interest at 3-1/2% per annum; and all of the Series B bonds maturing on July 1 in each of the years 1995 to 2002, inclusive, will be held by HHFA, bearing interest at 3-3/8% per annum; and provision is hereinafter made for issuance to HHFA of the Series G Bonds, hereinafter authorized, upon HHFA's surrender thereof.

Section 204. The Board of the University represents, covenants and agrees that (a) its Bowman Hall bonds, Donovan Hall bonds, Keeneland Hall bonds, Coopers-town bonds, Holmes Hall bonds, Shawneetown bonds, Haggin Hall bonds, Blazer Hall

bonds, and Student Union bonds, as particularly recited, described and identified in the foregoing Section 203 of this ARTICLE II hereof, constitute all of its issued and outstanding Previously Issued Bonds, as that term is defined in Section 101 of ARTICLE I of this Indenture; and that as of the Closing Date it has paid or has or will have duly made provision for the payment of the principal thereof and interest thereon maturing prior to the Closing Date.

Section 205. The Board of the University has heretofore determined that there is an urgent need for the immediate erection at its Main Campus of substantial new and additional educational buildings for housing, dining and related auxiliary purposes, with necessary utility and other appurtenances; and in that connection has caused plans, specifications and working drawings to be prepared for the First Housing Complex Project. In order to defray the costs of such First Housing Complex Project, the Board has heretofore applied to HHFA for a Loan Agreement (HHFA Project No. CH-Ky-72(D) Rev.), and HHFA has tendered and offered to make such a Loan Agreement with the Board, containing a commitment on the part of HHFA that if the Board will authorize and offer at public sale its revenue bonds in an amount sufficient to defray all costs of the said First Housing Complex Project (to the extent that such costs are eligible and allowable according to pertinent Federal Statutes and Regulations), HHFA will appear at the occasion of such public sale and submit its offer to purchase the same, to the amount of \$8,000,000.00, upon specified terms as to price and interest rate or rates; such Loan Agreement or commitment of HHFA being conditioned upon the successful sale by the Board to private investors, upon the same occasion, of similar revenue bonds in such amount or amounts as are deemed by mutual agreement to be sufficient to defray all costs of erecting and fully furnishing and equipping said First Housing Complex Project, with necessary utility and other appurtenances (including not only such costs as are eligible and allowable in that connection under prevailing Federal Statutes and Regulations, but also such portions of said costs as are ineligible and unallowable thereunder); together with such amount as may be required to pay and discharge, or to make provision in every legal sense for the payment and discharge in the future, as the respective bonds and coupons become due, of all of the Privately-Held Bonds, as defined in Section 101 of ARTICLE I hereof. Said HHFA Loan Agreement further provides that upon the successful sale by the Board of the University of its revenue bonds sufficient in the aggregate to provide for all of the foregoing, then upon the Closing Date, and simultaneously with the issuance and delivery thereof and payment therefor, HHFA will surrender all of the HHFA Bonds (as defined in Section 101 of ARTICLE I hereof) in exchange for the Board's issuance and delivery to HHFA of Bonds substantially equivalent thereto in principal amounts, bearing interest at the same rates, and maturing as to principal (as nearly as may be), as the HHFA Bonds which are so surrendered to the Board, with any adjustments of interest accruals as may be necessary in order to prevent loss of interest on the part of HHFA or duplication of interest on the part of the Board.

Section 206. The Board acknowledges and recognizes that according to prevailing Federal Statutes and Regulations, HHFA is not permitted to purchase

Bonds of the Board, or otherwise in any manner to provide Federal moneys to the Board, (a) for the payment and discharge of the Board's Privately-Held Bonds, or (b) for the payment of such portions of the costs of the First Housing Complex Project as are not eligible or allowable as proper Federal costs thereof. It is agreed, nevertheless, by and between the Board and HHFA, that the Board may otherwise lawfully and properly issue its Bonds for the said purposes to private investors.

In view of the foregoing considerations, it has been agreed by and between the Board and HHFA, and as set forth in the aforesaid HHFA Loan Agreement for Project No. CH-Ky-72(D) Rev., as follows:

(a) That in order to provide for the contemplated exchange of bonds as between the Board and HHFA, the Board will authorize, as hereinafter provided, the issuance of its Bonds pursuant to this Indenture, hereinafter identified as Series A to G, inclusive, corresponding as nearly as may be feasible, in principal amount and interest rate or rates to the various HHFA Bonds of the Previously Issued Bonds;

(b) That the Board will authorize, as hereinafter more particularly provided, its Series H Bonds in principal amount of \$ _____, in order to provide, in the aggregate, (i) for the payment and discharge, or full provision for the payment and discharge, as and when due from time to time, of all of the Privately-Held Bonds of the Previously Issued Bonds and (ii) an additional sum of money estimated to be the amount required to defray the costs of the First Housing Complex Project, to the extent that the same are ineligible or disallowable under prevailing Federal Statutes and Regulations (including off-site utilities, movable furniture, fixtures and other items) -- such Bonds of Series H to be offered by the Board at public sale simultaneously with the Board's offering at public sale of the Series I Bonds immediately hereinafter referred to; and

(c) That the Board will authorize, as hereinafter particularly provided, its Series I Bonds under the provisions of this Indenture, in an aggregate principal amount agreed by the Board and HHFA to be sufficient, (upon the basis of awarded construction contracts or reasonable estimates), to defray all such costs of the First Housing Complex Project as are eligible and allowable in the expenditure of HHFA funds under prevailing Federal Statutes and Regulations; that the said Series I Bonds will be offered at public sale, simultaneously with the aforesaid public offering of the Series H Bonds, and upon terms and conditions complying with prevailing HHFA requirements; and that upon the occasion of such public offering HHFA will appear and tender a bid for the purchase of up to \$8,000,000.00 in principal amount of said Series I Bonds, upon terms of price and interest rate or rates as set forth in the aforesaid HHFA Loan Agreement for Project No. CH-Ky-72(D) Rev., with an agreement on the part of HHFA to accept upon such terms any of the aforesaid Series I Bonds which are not upon that occasion offered to be purchased by private investors upon permissible terms and conditions -- such purchase bid of HHFA to be conditioned that upon the same occasion the Board shall receive and accept (i) a purchase bid of one or more private investors for the entire Series H

Bonds and (ii) a purchase bid of one or more private investors for such amount of the Series I Bonds as, together with the Series I Bonds offered to be purchased by HHFA, will be sufficient to effect a legal sale by the Board of all of the Series I Bonds, according to the terms and conditions of the public offering thereof.

ARTICLE III - PURPOSES

Section 301. The Board of the University represents that the aggregate of its existing educational buildings and facilities at its Main Campus for housing and dining purposes, and related auxiliary enterprises (including Student Center purposes) are grossly and critically inadequate for the accommodation of its existing student enrollment, and for increasing enrollment according to all conservative and reasonable projections. The Board of the University acknowledges an urgent and critical necessity for the immediate undertaking and financing of additional educational buildings to provide accommodations and facilities of such nature, with particular reference and emphasis to the immediate undertaking and financing of the First Housing Complex Project herein referred to; but also in contemplation of the urgent necessity for undertaking and financing, as rapidly as the same may be or become feasible, additional educational buildings to provide accommodations of comparable character. The Board of the University further acknowledges that in view of present and prospective high and increasing costs of construction, the Board is and will be wholly unable to finance at this time, or to provide for sound financing in the future, of any material or appreciable portion of the present or prospective urgently needed housing and dining buildings, with related auxiliary enterprises, and necessary appurtenant facilities, unless such of its educational buildings and facilities as are presently subject to the liens, pledges and other security rights incident to its Previously Issued Bonds are combined and consolidated in the establishment of a single "Housing and Dining System," as provided in this Indenture, in order that the aggregate income and revenues of the entire Housing and Dining System, hereinafter established, may be and become available for such financing purposes.

In view of all of the foregoing, it is the purpose of the Board, with the prior consent and agreement of HHFA, as represented in the aforesaid HHFA Loan Agreement for Project No. CH-Ky-72(D) Rev., (a) to combine and consolidate all of such identified educational buildings and appurtenant facilities for housing and dining purposes, related auxiliary enterprises (including Student Union purposes) and necessary appurtenant facilities in the establishment of the Board's "Housing and Dining System"; (b) to refinance the Board's Previously Issued Bonds, by exchanging the Bonds of Series A to G, inclusive, as hereinafter authorized, with HHFA upon its surrender of the HHFA Bonds of such Previously Issued Bonds; and by issuing the Series H Bonds in part to pay or provide for the payment at maturity of all of the outstanding Privately-Held Bonds of its Previously Issued Bonds and in part to finance those portions of the costs of the First Housing Complex Project as are not eligible and allowable under controlling Statutes and Regulations; (c) to provide for the financing of the Federally eligible and allowable costs of its First

Housing Complex Project through the issuance of the Series I Bonds, as hereinafter provided; and (d) to prescribe terms, conditions and restrictions governing and controlling the future issuance by the Board of additional Series of its "Housing and Dining System Revenue Bonds," which will be equally and ratably secured by this Indenture, and payable from the defined Revenues of said System, in order to provide in provident fashion for the financing of future similar educational buildings and facilities, to the extent that the same may from time to time become necessary and are financially feasible.

ARTICLE IV - AUTHORIZATION OF THE BOARD'S "UNIVERSITY
OF KENTUCKY HOUSING AND DINING SYSTEM
REVENUE BONDS"

Section 401. For the purposes hereinbefore and hereafter set forth in this Trust Indenture, the Board (by resolution duly adopted), has authorized and hereby authorizes the issuance of its "University of Kentucky Housing and Dining System Revenue Bonds," (the "Bonds"); and each and every one thereof, issued in accordance with the terms, provisions, conditions and restrictions hereinafter set forth (when authenticated by the Trustee, as hereinafter provided), shall be equally secured by and payable on a basis of parity and equality from, and as the first charge upon, the defined Revenues derived from the operation of the educational buildings, appurtenances and facilities of said Board's "Housing and Dining System," as hereinafter provided.

Section 402. The Bonds and parity Bonds issued under authority of this Indenture shall each be designated a "Housing and Dining System Revenue Bond" of the Board, and shall further be identified as to each Series thereof, alphabetically or otherwise, in order to distinguish the same. The Bonds of each Series shall be numbered in appropriate fashion, and shall be in such denomination or denominations, whether in the form of "Coupon Bonds" having attached thereto appurtenant coupons representing the semiannual accrual of interest, or in the form of "Bonds in Fully Registered Form" without appurtenant interest coupons, as herein authorized or as may from time to time be authorized by appropriate action of the Board, as evidenced by one or more "Supplemental Trust Indentures," executed and delivered to the Trustee in the manner hereinafter provided.

Section 403. The word "Bonds" as hereinbefore defined in this Trust Indenture shall indiscriminately be applied to (a) Bonds issued hereunder in Coupon Form, as hereinafter provided, and (b) corresponding installments of principal of Bonds issued in Fully Registered Form, whatever the aggregate denomination of such Bonds in Fully Registered Form may be.

Section 404. With respect to any Bonds which are herein or may hereafter be authorized and issued by the Board under the terms and provisions of this Trust Indenture in Fully Registered Form, and of a denomination or denominations exceeding the comparable Coupon Bonds of any particular Series, said Board hereby covenants and agrees that it will, at its own expense, and within ninety (90) days of

its receipt of a written request of the owner and holder of such Bond issued in Fully Registered Form, issue in substitution for such Bond issued in Fully Registered Form, and upon surrender thereof to the Board and the Trustee for cancellation, one or more comparable Coupon Bonds of the same aggregate principal amount, identified as being of the same alphabetical or otherwise identified Series, in such denomination or denominations as are authorized to be issued for such comparable Series, maturing as to principal, bearing interest, subject to redemption, and otherwise in all respects in accordance with the "Form of Coupon Bond" hereinafter prescribed and set forth; provided, however, there shall be an appropriate adjustment of interest upon such surrender and substitution, such as to relieve the Board and the University of any duplication of interest with regard thereto, and the Bondholder of any loss of interest with regard thereto.

Section 405. Except as is herein provided in respect of mutilated, lost, destroyed or stolen Bonds (and Coupon Bonds issued in exchange for Bonds issued in Fully Registered Form, as herein authorized), Series A Bonds may be issued hereunder to the aggregate principal amount of no more than One Million Dollars (\$1,000,000.00); Series B Bonds may be issued hereunder to the aggregate principal amount of no more than Two Hundred Seventy-Five Thousand Dollars (\$275,000.00); Series C Bonds may be issued hereunder to the aggregate principal amount of no more than Nine Hundred Fifty-Five Thousand Dollars (\$955,000.00); Series D Bonds may be issued hereunder to the aggregate principal amount of no more than One Million Eight Hundred Thirty-Five Thousand Dollars (\$1,835,000.00); Series E Bonds may be issued hereunder to the aggregate principal amount of no more than One Million Five Hundred Eighty Thousand Dollars (\$1,580,000.00); Series F Bonds may be issued hereunder to the aggregate principal amount of no more than One Million One Hundred Fifty-Five Thousand Dollars (\$1,155,000.00); Series G Bonds may be issued hereunder to the aggregate principal amount of no more than One Million Three Hundred Seventy-Five Thousand Dollars (\$1,375,000.00); Series H Bonds may be issued hereunder to the aggregate principal amount of no more than _____ Dollars (\$ _____); and Series I Bonds may be issued hereunder to the aggregate principal amount of no more than _____ Dollars (\$ _____); but the Board expressly reserves the right to issue additional Bonds ratably payable from the defined Revenues of the aforesaid Housing and Dining System, subject to the conditions and restrictions hereafter specifically set forth in this Indenture.

Section 406. The Bonds shall be issued as Coupon Bonds in denominations which are a multiple of One Thousand Dollars (\$1,000.00), registrable as to principal only, or as one or more Bonds in Fully Registered Form, in form or forms substantially as hereinafter set forth.

The Bonds of Series A to I, inclusive, shall be of the denomination of Five Thousand Dollars (\$5,000.00) each; but subject, nevertheless, to issuance of all or parts of each such Series in one or more "Bonds in Fully Registered Form," each

of a larger denomination, as otherwise provided and permitted in this Indenture.

Section 407. The principal of each Bond and the interest thereon shall be payable 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.

Section 408. In addition to performing its duties as Trustee hereunder, the Trustee shall also serve as one of the Paying Agents; and, at the option of the holder, the principal of each Bond and the interest thereon shall be payable at the office of the Trustee, or of its successor or successors in trust under this Indenture. Additionally, each Bond of Series A to Series G, inclusive, and the interest thereon, shall be payable, at the option of the holder, at the principal office of an Alternate Paying Agent in the City of New York, New York, as may be designated by the Board, with the approval of HHFA, and certified to the Trustee by the Board prior to the issuance of said Bonds of Series A to Series G, inclusive. In the cases of the Series H Bonds, the Series I Bonds, and any future Series of Bonds authorized by the Board and issued hereunder, the Board reserves the right to designate the same Alternate Paying Agent in the City of New York, New York, or one or more other Alternate Paying Agents, whether in said City or elsewhere; and in the case of each such Series the Board shall certify the name and address (or names and addresses, as the case may be) of such designated Alternate Paying Agent or Alternate Paying Agents to the Trustee prior to the issuance thereof.

In the case of Bonds in Fully Registered Form which are stated to be payable to the United States of America, Housing and Home Finance Administrator, principal and interest shall be payable at such place or places as may be designated from time to time by said Housing and Home Finance Administrator, as set forth in the "Form of Fully Registered Bond," hereafter appearing in this Indenture.

Section 409. The Bonds (and any interest coupons appertaining thereto), shall respectively be substantially in the forms hereinafter set forth, with such omissions, variations and insertions as are required or permitted by the terms of this Indenture to evidence the terms thereof.

Section 410. The said Bonds of Series A to I, inclusive, shall be dated as of June 1, 1965. The Bonds of future Series authorized and issued in accordance with the provisions of this Indenture may be dated as provided in the proceedings relating to the issuance of each such Series.

The said Series A Bonds shall bear interest at 3.01% per annum; the said Series B Bonds shall bear interest at 3.01% per annum; the said Series C Bonds shall bear interest at 2-3/4% per annum; the said Series D Bonds shall bear interest at 2-3/4% per annum; the said Series E Bonds shall bear interest at 2-7/8% per annum; the said Series F Bonds shall bear interest at 3-1/8% per annum; and the said Series G Bonds shall bear interest at 3-1/2% per annum with respect to

the Bonds of said Series maturing in the years 1983 to 1994, inclusive, and 3-3/8% per annum with respect to the Bonds of said Series maturing in the years 1995 to 2002, inclusive.

The Series H and the Series I Bonds (and any future Series issued hereunder) shall bear interest at a rate or rates to be established upon the basis of competition among bidders when the same are sold at one or more advertised, public, competitive sales, as hereinafter provided. In the case of each Series of Bonds, the interest rate or rates shall be certified by the Board to the Trustee prior to the issuance thereof.

Section 411. All such interest to the respective maturity dates of principal of Bonds issued in Coupon Form shall be evidenced by coupons attached to the Bonds, payable on each June 1 and December 1, beginning upon the first June 1, or December 1, as the case may be, subsequent to the issuance thereof, and semi-annually thereafter to the respective stated maturity dates, and the principal of Bonds of all Series issued hereunder shall mature on June 1 of the year or years in which principal is scheduled to be payable.

Section 412. Subject to the reserved right of redemption of a portion of each Series of said Coupon Bonds (and of corresponding principal installments of Bonds issued in Fully Registered Form), prior to maturity as hereinafter provided in this Indenture, said Coupon Bonds of Series A to I, inclusive, shall mature as to principal on June 1 of the respective years, in accordance with the following schedules, which also represent the amounts and maturity dates of installments of principal of such Bonds as may be issued in Fully Registered Form:

SERIES A BONDS (\$1,000,000)

<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>
\$ 30,000	1966	\$ 40,000	1978
30,000	1967	40,000	1979
30,000	1968	40,000	1980
30,000	1969	45,000	1981
30,000	1970	45,000	1982
35,000	1971	45,000	1983
35,000	1972	50,000	1984
35,000	1973	50,000	1985
35,000	1974	50,000	1986
35,000	1975	50,000	1987
40,000	1976	55,000	1988
40,000	1977	55,000	1989
		30,000	1990

* * * * *

SERIES B BONDS (\$275,000)

<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>
\$ 25,000	1985	\$ 30,000	1990
25,000	1986	30,000	1991
25,000	1987	30,000	1992
25,000	1988	30,000	1993
25,000	1989	30,000	1994

* * * * *

SERIES C BONDS (\$955,000)

<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>
\$ 20,000	1966	\$ 25,000	1973
20,000	1967	25,000	1974
20,000	1968	25,000	1975
25,000	1969	25,000	1976
25,000	1970	30,000	1977
25,000	1971	30,000	1978
25,000	1972	30,000	1979

\$ 30,000	1980	\$ 35,000	1988
35,000	1981	40,000	1989
35,000	1982	40,000	1990
35,000	1983	40,000	1991
35,000	1984	40,000	1992
35,000	1985	45,000	1993
35,000	1986	45,000	1994
35,000	1987	45,000	1995

* * * * *

SERIES D BONDS (\$1,835,000)

<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>
\$ 40,000	1966	\$ 60,000	1981
40,000	1967	60,000	1982
40,000	1968	65,000	1983
45,000	1969	65,000	1984
45,000	1970	65,000	1985
45,000	1971	70,000	1986
45,000	1972	70,000	1987
50,000	1973	70,000	1988
50,000	1974	75,000	1989
50,000	1975	75,000	1990
50,000	1976	80,000	1991
55,000	1977	80,000	1992
55,000	1978	85,000	1993
55,000	1979	85,000	1994
60,000	1980	85,000	1995
		20,000	1996

* * * * *

SERIES E BONDS (\$1,580,000)

<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>
\$ 30,000	1966	\$ 40,000	1973
30,000	1967	40,000	1974
35,000	1968	40,000	1975
35,000	1969	40,000	1976
35,000	1970	40,000	1977
35,000	1971	45,000	1978
35,000	1972	45,000	1979

\$ 45,000	1980	\$ 60,000	1989
50,000	1981	60,000	1990
50,000	1982	60,000	1991
50,000	1983	65,000	1992
50,000	1984	65,000	1993
55,000	1985	70,000	1994
55,000	1986	70,000	1995
55,000	1987	70,000	1996
55,000	1988	70,000	1997

* * * * *

SERIES F BONDS (\$1,155,000)

<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>
\$ 25,000	1972	\$ 40,000	1987
25,000	1973	40,000	1988
25,000	1974	40,000	1989
25,000	1975	40,000	1990
25,000	1976	45,000	1991
30,000	1977	45,000	1992
30,000	1978	45,000	1993
30,000	1979	45,000	1994
30,000	1980	50,000	1995
30,000	1981	50,000	1996
35,000	1982	50,000	1997
35,000	1983	50,000	1998
35,000	1984	55,000	1999
35,000	1985	55,000	2000
35,000	1986	55,000	2001

* * * * *

SERIES G BONDS (\$1,375,000)

<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>
\$ 45,000	1983	\$ 65,000	1993
50,000	1984	70,000	1994
55,000	1985	75,000	1995
55,000	1986	80,000	1996
55,000	1987	80,000	1997
55,000	1988	80,000	1998
60,000	1989	85,000	1999
60,000	1990	90,000	2000
65,000	1991	90,000	2001
65,000	1992	95,000	2002

* * * * *

SERIES H BONDS (\$ _____)

<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>
\$	1966	\$	1986
	1967		1987
	1968		1988
	1969		1989
	1970		1990
	1971		1991
	1972		1992
	1973		1993
	1974		1994
	1975		1995
	1976		1996
	1977		1997
	1978		1998
	1979		1999
	1980		2000
	1981		2001
	1982		2002
	1983		2003
	1984		2004
	1985		2005

* * * * *

SERIES I BONDS (\$ _____)

<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>
\$	1966	\$	1981
	1967		1982
	1968		1983
	1969		1984
	1970		1985
	1971		1986
	1972		1987
	1973		1988
	1974		1989
	1975		1990
	1976		1991
	1977		1992
	1978		1993
	1979		1994
	1980		1995

\$

1996
1997
1998
1999
2000

\$

2001
2002
2003
2004
2005

* * * * * * * * * * * * * * * *

Section 413. The Bonds of each Series (whether of the initially authorized Series A to I, inclusive, or of any further Series of Bonds authorized pursuant to the conditions and restrictions hereinafter prescribed in that connection), shall at one time or from time to time be executed on behalf of the Board by the manual or reproduced facsimile of the signature of its Chairman; and the corporate seal shall be impressed thereon or a facsimile reproduction of the corporate seal shall be imprinted thereon, attested by the manual signature or reproduced facsimile signature of its Secretary; provided, however, that at least one of said signatures shall be manually signed, as the Board may from time to time prescribe; and the interest coupons appurtenant to any Bonds issued in Coupon Form shall be executed by the reproduced facsimile signatures of the Chairman and Secretary. The Bonds shall then be delivered to the Trustee for authentication by it; and thereupon the Trustee shall, upon receipt by the Trustee of evidence satisfactory to the Trustee of the proper execution of this Indenture (or of any Supplemental Indenture required in such connection), and of the establishment of interest rates and designation of one or more Paying Agents, authenticate said Bonds, and deliver the same to such officer or officers of the Board as may be designated to the Trustee. Such officer or officers shall make delivery of said Series A, B, C, D, E, F, and G Bonds to HHFA in exchange for outstanding HHFA Bonds, as hereinafter provided; and shall make delivery of said Series H and I Bonds (and any future Series hereafter authorized and issued pursuant to the conditions and restrictions hereinafter provided in that connection), to the purchaser or purchasers, but only upon payment, in each case, of the stated purchase price, which shall immediately be deposited, as hereinafter provided.

Section 414. Only Bonds as shall bear thereon endorsed a certification of authentication substantially in the form hereinafter recited, executed on behalf of the Trustee by an authorized officer thereof, 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.

Section 415. The Bonds shall be prepared and printed in compliance with standard requirements and specifications.

Section 416. In case any person who shall have signed, sealed or attested

any Bond issuable under this Indenture as an officer of the Board (or whose facimile signature as such officer shall have been caused to appear on any Bond or interest coupon) shall have ceased to be such officer before the Bond so signed, sealed or attested (by facsimile signature or otherwise) 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 who signed, sealed or attested such Bond or appurtenant coupons (by facsimile signature or otherwise) had not ceased to be such officer.

Any Bond issuable hereunder may be signed, sealed or attested on behalf of the Board (by facsimile signature, or manual signature, as herein provided) by any person who at the actual date of the execution or authentication of such Bond is the proper officer of the Board, notwithstanding that at the date of such Bond such person shall not have been such officer.

The coupons to be attached to Coupon Bonds issued hereunder shall be signed by the facsimile signatures of the present Chairman and Secretary or of any future Chairman and Secretary of the Board, and the Board may adopt and use for that purpose the facsimile signatures of any persons who shall have been such Chairman 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 417. 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, and is hereby officially designated as the Registrar for such purposes.

All Coupon Bonds issued hereunder shall be negotiable and shall pass by delivery unless registered as to principal in the manner herein 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 Bond; but such Coupon Bond 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 Coupon Bond may again, from time to time, be registered, or transferred to bearer, as before. Such registration, however, shall not affect the negotiability of the coupons, but every such coupon shall continue to be transferable by delivery merely, and shall remain payable to bearer. Such registrations and discharges from registration shall be without expense to the holder of the Coupon Bonds, except that the

holder may be required to pay any taxes or other governmental charges required to be paid with respect to the same.

Section 418. 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; provided, however, that if at the time the Coupon Bonds are caused to be printed or otherwise manufactured, it shall be apparent that one or more interest coupons will be past due by the time of delivery thereof, the manufacturer may be instructed not to manufacture such past-due coupons, in which event a certificate or letter of the printer or manufacturer of the Bonds shall be furnished to the Trustee, and may be accepted by the Trustee as evidence thereof.

Section 419. Upon 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 numbering in lieu of such lost, stolen, destroyed or mutilated Bond or Bonds. Each such new Bond may bear such endorsement, if any, 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.

In the event such destroyed or mutilated Bonds, or any of them, shall be due and payable within a reasonable time after notice to the Board and the Trustee of such destruction or mutilation, the Board and the Trustee may, by agreement with the claimant, with like security provisions to protect the Board and the Trustee from loss, enter into a written agreement to pay the same when due, instead of causing a Bond or Bonds to be manufactured or delivered for that purpose.

Section 420. 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, the Trustee, and the Paying Agents may deem and treat the bearer of any Coupon Bond which shall not at the time be registered as to principal, otherwise than to bearer, 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 purposes of receiving payment thereof, and for all other purposes whatsoever, and the Board, the Trustee and the Paying Agents shall not be affected by any notice to the contrary.

Section 421. In the event any Bond issued in Fully Registered Form shall

be tendered to the Trustee with a request that Coupon Bonds be issued in substitution therefor, according to the Board's covenant and agreement in that connection, as set forth in the FORM OF FULLY REGISTERED BOND, hereinafter set forth, the Trustee shall be authorized to cause appropriate Coupon Bonds to be prepared, whereupon the proper officers of the Board shall execute the same as hereinabove provided, and return the same to the Trustee; and the Trustee shall thereupon authenticate the same and make delivery thereof upon surrender of the aforesaid Bond in Fully Registered Form, which shall then immediately be cancelled by the Trustee.

ARTICLE V - PROVISIONS FOR PAYMENT AND/OR REDEMPTION
OF THE PRIVATELY-HELD BONDS OF THE PRE-
VIOUSLY ISSUED BONDS; EXCHANGE OF BONDS
WITH HHFA; RELEASE OF CERTAIN TRUST
INDENTURES WITH REGARD THERETO

Section 501. Provision for Payment of the Bowman Hall bonds. The Bowman Hall bonds, described in Section 203 of ARTICLE II of this Indenture, are not secured by a trust indenture, but are payable as to principal and interest at the office of Security Trust Company, Lexington, Kentucky. The Treasury of the Commonwealth has been the depository and custodian of the "1946 Dormitory Bond and Interest Redemption Fund," provided to be accumulated and maintained from time to time and irrevocably pledged solely and only for the purpose of paying principal of and interest on said Bowman Hall bonds and of creating and maintaining therein a "reserve for contingencies"; with provision, however, that no further payments need be made into said fund whenever and so long as such amount of the bonds shall have been retired that the amount then held therein, including the reserve for contingencies, is equal to the entire amount of the principal and interest that is to be paid on all of such bonds then remaining outstanding.

The Board does not elect to call any of said Bowman Hall bonds for redemption and payment prior to the respective maturity dates thereof; but elects to provide for the payment of such bonds, and the interest thereon, as and when the respective bonds and appurtenant coupons are scheduled to become due and payable, with full provision for investment and security in accordance with the provisions of that certain resolution adopted by the Board at a meeting held on April 2, 1946, pursuant to which said Bowman Hall bonds were issued, and as hereinafter provided.

Prior to December 1, 1965, the Board shall cause the Treasury of the Commonwealth, as the depository and custodian of the "1946 Dormitory Bond and Interest Redemption Fund," to transfer from such fund and make available at the place of payment of the aforesaid Bowman Hall bonds a sum sufficient to pay the interest coupons of said Bowman Hall bonds maturing on December 1, 1965.

Upon the Closing Date the Treasurer of the Board shall invest for the account of the aforesaid "1946 Dormitory Bond and Interest Redemption Fund,"

from the proceeds of the Series H Bonds authorized in this Indenture, a sum sufficient to assure payment on each June 1 and December 1 thereafter, to and including June 1, 1976, of the principal of and interest on the Bowman Hall bonds, as the bonds and appurtenant interest coupons thereof respectively become due; such investment to be in one or another of the following manners (or some combination thereof), and not otherwise:

- (a) In one or more Certificates of Time Deposit (as defined in paragraph (r) of Section 101 of ARTICLE I of this Indenture) in which event the assured and secured amounts payable from time to time according thereto may be taken into account in determining that such outstanding Bowman Hall bonds, and the interest thereon, will be paid when due; or
- (b) In interest-bearing obligations of the United States Government (or interest-bearing obligations with respect to which the payment of both principal and interest, when due, is unconditionally guaranteed by the United States Government), which mature at or within thirty (30) days prior to the time or times when the invested funds will be required, and which are not subject to prior redemption or payment at the option of the issuer thereof; in which event the principal and assured interest earnings may be taken into account in determining that such outstanding Bowman Hall bonds, and interest thereon, will be paid when due; or
- (c) In interest-bearing obligations of the United States Government (or interest-bearing obligations with respect to which the payment of both principal and interest, when due, is unconditionally guaranteed by the United States Government), maturing or subject to prior payment at the option of the issuer at any time; in which event (i) the principal amount only thereof may be taken into account in determining that such outstanding Bowman Hall bonds, and interest thereon, will be paid when due, (ii) the interest anticipated to be received therefrom may not be so taken into account, (iii) provision shall be made for reinvestment of the cash proceeds thereof from time to time, if required, in other securities meeting one or another of the qualifications set forth in (a), (b) or (c), and (iv) interest income therefrom payable to and actually received by the Trustee shall, to the extent that such income is or may be in excess of the "assured" amounts required for payment and retirement of said Bowman Hall bonds and the interest thereon (as the word "assured" is referred to in Section 101(r) of ARTICLE I hereof), be paid over, as received, by the Trustee to the Treasurer; and the Treasurer shall, upon receipt thereof, immediately deposit the same in the System Revenue Fund, wherein the same

shall be available for distribution, the same as in the case of Revenues of the System, but inasmuch as such interest income will not represent continuing Revenues over the useful life of the System facilities, the same shall be clearly reflected upon the books and records in order that the same may be excluded in all computations relating to the permissible issuance of parity Bonds, as specifically provided in ARTICLE XI of this Indenture.

Said permissible investments shall be delivered into the custody of the Trustee under this Indenture upon execution and delivery of an escrow agreement, in form and substance acceptable to the Trustee and to Bond Counsel, by the terms and provisions of which the Trustee shall acknowledge to the Board its receipt thereof and shall agree that as the same, and interest thereon, mature and are paid, sufficient amounts of the proceeds thereof (and of the proceeds of re-investments, if applicable) will be applied to the maturing interest and/or interest and principal of said Bowman Hall bonds on each June 1 and December 1, until such time as all of said Bowman Hall bonds and appurtenant coupons have been paid; and will in due and timely fashion be transmitted to or made available to said Security Trust Company (or its legal successor as paying agent), in order that such moneys will, without fail, be available at the appointed time and place for payment of the principal of and interest on the said Bowman Hall bonds as and when the bonds and interest coupons thereof are stated to be due and payable. The Treasurer shall preserve a copy of said escrow agreement as evidence that the Board has made full provision for the payment of the Bowman Hall bonds, and the interest thereon, as and when the said bonds and appurtenant coupons mature from time to time.

Section 502. Discharge of the Donovan Hall bonds by exchange; Release of trust indenture. The Donovan Hall bonds, described in Section 203 of ARTICLE II of this Indenture, are secured by a trust indenture made by the Board with Farmers Bank & Capital Trust Company, Frankfort, Kentucky, under date of July 1, 1952. The outstanding \$1,000,000 of said bonds are all owned and held by HHFA, and according to the terms and provisions of the Board's aforesaid HHFA Loan Agreement for Project No. CH-Ky-72(D) Rev., it has been agreed that on the Closing Date HHFA will surrender the same to the Board for cancellation, upon the Board's issuance to HHFA of the Series A Bonds, with such cash adjustment of interest accruals as will result in no duplication of interest payments on the part of the Board, and no loss of interest on the part of HHFA.

In ARTICLE TEN of said trust indenture securing the said Donovan Hall bonds, it is provided that whenever the Board shall present to the trustee for the bondholders, for cancellation, all outstanding bonds which have been authenticated by the trustee, with all unmatured coupons thereunto appertaining, and shall request that the trustee cancel such bonds and coupons, then it shall be the duty of

said trustee to execute and deliver to the Board all proper instruments necessary to evidence the satisfaction and termination of said trust indenture.

Upon the Closing Date the Treasurer is authorized (a) to deliver the Series A Bonds to HHFA, (b) to make the agreed adjustment of interest accruals, (c) to receive all of the outstanding Donovan Hall bonds from HHFA, (d) to tender the same to Farmers Bank & Capital Trust Company, Frankfort, Kentucky, for cancellation, (e) to make settlement with said trustee for its proper compensation and expenses, (f) to provide to the trustee any supporting documentation which may reasonably be required by the trustee to evidence all of the foregoing, (g) to demand and receive from the trustee a complete and final discharge of said trust indenture in form acceptable to Bond Counsel, and (h) to receive from said trustee any surplus balances then remaining in all special funds maintained with said trustee in connection therewith, whether represented by cash or by investments, and to give a receipt therefor in the name of the Board.

Section 503. Provision for Payment of the Privately-Held Keeneland Hall bonds; Discharge of the HHFA Keeneland Hall bonds by Exchange; Release of trust indenture. The Keeneland Hall bonds, described in Section 203 of ARTICLE II of this Indenture, are secured by a trust indenture made by the Board with Farmers Bank & Capital Trust Company, Frankfort, Kentucky, under date of May 1, 1954. The outstanding \$342,000 of said bonds which mature in various amounts on May 1 in each of the years 1966 to 1984, inclusive, are held by private investors and are subject to redemption at the option of the Board on any interest payment date upon terms of face amount, accrued interest to the date of redemption at the respective applicable coupon rates, and various specified premiums varying from a high rate of 3% to a low rate of 1/2 of 1%, all as more particularly provided in said bonds and in said trust indenture. The Board does not elect to call any of said outstanding Privately-Held Keeneland Hall Bonds for redemption and payment prior to stated maturities, but elects to provide for the payment of said bonds, and the interest thereon, as and when the respective bonds and coupons are scheduled to become due and payable, with full provision for investment and security in accordance with the provisions of the trust indenture securing the same. Upon the Closing Date the Treasurer is authorized to deposit with said trustee from the proceeds of the Series H Bonds (and said trustee shall be required to invest in such securities, or combinations thereof, as are described in Section 501 of this Indenture), a sum sufficient to provide for the payment of all of said Privately-Held Keeneland Hall bonds and the interest coupons appurtenant thereto, as and when said bonds and coupons are stated to mature, according to the provisions of the trust indenture securing the same. Such deposit shall be evidenced by an escrow agreement in form and substance acceptable to said trustee and to Bond Counsel; and it shall be provided therein that interest income payable to and actually received by said trustee from investments thereunder shall, to the extent the same may be in excess of the "assured" amounts required for payment and retirement of the Privately-Held

Keeneland Hall bonds, and interest thereon, be paid over by the trustee to the Treasurer, who shall make disposition thereof in the same manner as is provided in Section 501 with respect to excess interest income, if any, in the case of the deposit to be made for payment and retirement of the Bowman Hall bonds.

The outstanding \$275,000 of said Keeneland Hall bonds which mature on May 1 in each of the years 1985 to 1994, inclusive, are held by HHFA, and according to the terms and provisions of the Board's aforesaid HHFA Loan Agreement for Project No. CH-Ky-72(D) Rev., it has been agreed that on the Closing Date HHFA will surrender the same to the Board for cancellation, upon the Board's issuance to HHFA of the Series B Bonds, with such cash adjustment of interest accruals as will result in no duplication of interest payments on the part of the Board, and no loss of interest on the part of HHFA.

In ARTICLE TEN of said trust indenture it is provided that whenever the Board shall satisfy all of its obligations to the holders of outstanding bonds which have been authenticated by the trustee, by depositing with the trustee, for the discharge of such bonds and coupons, the entire amount due and to become due thereon, and when the Board shall present such bonds to the trustee for cancellation, with all unmatured coupons thereunto appertaining, and shall pay to the trustee its compensation and expenses; then the trustee shall execute and deliver to the Board all proper instruments that may be necessary to evidence the satisfaction and termination of said trust indenture.

When, upon the Closing Date, the Treasurer shall have deposited with said trustee the full amount necessary to provide for payment of the Privately-Held Keeneland Hall bonds and appurtenant interest coupons, as and when said bonds and coupons are due and payable, and when upon the Closing Date the Treasurer shall tender to said trustee for cancellation all of the HHFA Keeneland Hall bonds; then the Board will have fully discharged all of its obligations to the holders of all of said Keeneland Hall bonds. Accordingly, upon the Closing Date the Treasurer is hereby authorized to take all of such actions, to deliver the Series B Bonds to HHFA, to make the agreed adjustment of interest accruals, to receive the HHFA Keeneland Hall bonds from HHFA, to tender the same to the trustee for cancellation, to deposit with said trustee the prescribed amount for payment of the Privately-Held Keeneland Hall bonds pursuant to such escrow agreement, to demand and receive on behalf of the Board a full and complete release of said trust indenture in form acceptable to Bond Counsel, and to receive from said trustee any surplus balances then remaining in all special funds maintained with said trustee in connection therewith, whether represented by cash or investments, and to give a receipt therefor in the name of the Board.

Section 504. Provision for Payment of the Cooperstown bonds. The Cooperstown bonds, described in Section 203 of ARTICLE II of this Indenture, are not secured by a trust indenture, but are payable as to principal and interest at the principal office of Chemical Bank New York Trust Company, New York, New York. The Treasury of the Commonwealth has been the depository and custodian of the "1955 Dormitory Bond and

Interest Redemption Fund," provided to be accumulated and maintained from time to time and irrevocably pledged solely and only for the purpose of paying principal of and interest on said Cooperstown bonds and of creating and maintaining therein a "reserve for contingencies"; with provisions, however, that no further payments need be made into said fund whenever and so long as such amount of the bonds shall have been retired that the amount then held therein, including the reserve for contingencies, is equal to the entire amount of the principal and interest that is to be paid on all of such bonds then remaining outstanding.

The Board does not elect to call any of said Cooperstown bonds for redemption and payment prior to the respective maturity dates thereof; but elects to provide for the payment of such bonds, and the interest thereon, as and when the respective bonds and appurtenant coupons are scheduled to become due and payable, with full provision for investment and security in accordance with the provisions of that certain resolution adopted by the Board at a meeting held on April 5, 1955, pursuant to which said Cooperstown bonds were issued, and as hereinafter provided.

In order that such may be accomplished, the Board shall (a) cause the interest coupons of said Cooperstown bonds maturing on December 1, 1965, to be paid from the aforesaid "1955 Bond and Interest Redemption Fund," and (b) cause a sufficient portion of the proceeds of the Series H Bonds authorized in this Indenture to be invested by the Treasurer of the Board, upon the Closing Date, in the same securities, or combinations thereof, as are described with particularity in Section 501 hereof, in such manner as to assure the payment of interest and/or interest and principal becoming due on the aforesaid Cooperstown bonds on each June 1 and December 1, to and including June 1, 1995. Said permissible investments shall be delivered into the custody of the Trustee under this Indenture, upon execution and delivery of an escrow agreement, in form and substance acceptable to the Trustee and to Bond Counsel, by the terms and provisions of which said Trustee shall acknowledge to the Board its receipt of said permissible investments and shall agree that a sufficient amount of the proceeds thereof will be applied in payment of the maturing interest and/or interest and principal of said Cooperstown bonds, until all of the same have been paid in full, both principal and interest; and that such amounts will in due and timely fashion be transmitted to or made available to said Chemical Bank New York Trust Company in order that such moneys will, without fail, be available at the appointed time and place for payment of the principal of and interest on said Cooperstown bonds, as and when the bonds and interest coupons thereof are stated to be due and payable. It shall be provided in such escrow agreement that interest income payable to and actually received by the Trustee shall, to the extent the same is or may be in excess of the amounts required to "assure" payment of said Cooperstown bonds and the interest thereon, as and when said bonds and coupons are scheduled to become due and payable, be paid over by the Trustee to the Treasurer for disposition by the Treasurer as in the case of similar excess interest income received by the Trustee in connection with securities deposited for the Bowman Hall bonds, according to Section 501 of this Indenture. The Treasurer shall preserve a copy of the said escrow agreement

as evidence that the Board has made full provision for the payment of the Cooperstown bonds, with interest thereon, as and when the said bonds and appurtenant coupons mature from time to time.

Section 505. Discharge of the Holmes Hall bonds by Exchange; Release of trust indenture. The Holmes Hall bonds, described in Section 203 of ARTICLE II of this Indenture, are secured by a trust indenture made by the Board with Farmers Bank & Capital Trust Company, Frankfort, Kentucky, under date of June 1, 1956. The outstanding \$956,000 of said bonds are all owned and held by HHFA, and according to the terms and provisions of the Board's aforesaid HHFA Loan Agreement for Project No. CH-Ky-72(D) Rev., it has been agreed that on the Closing Date, and upon payment by the Board of \$1,000 principal amount thereof (to reduce the unpaid principal to \$955,000), HHFA will surrender the same to the Board for cancellation, upon the Board's issuance to HHFA of the \$955,000 Series C Bonds, with such cash adjustment of interest accruals as will result in no duplication of interest payments on the part of the Board, and no loss of interest on the part of HHFA.

In ARTICLE TEN of said trust indenture securing the said Holmes Hall bonds, it is provided that whenever the Board shall present to the trustee for the bondholders, for cancellation, all outstanding bonds which have been authenticated by the trustee, with all unmatured coupons thereunto appertaining, and shall request that the trustee cancel such bonds and coupons, then it shall be the duty of said trustee to execute and deliver to the Board all proper instruments necessary to evidence the satisfaction and termination of said trust indenture.

Upon the Closing Date the Treasurer is authorized (a) to pay to HHFA \$1,000 for retirement of a like principal amount of the outstanding Holmes Hall bonds, (b) to deliver the Series C Bonds to HHFA, (c) to make the agreed adjustment of interest accruals, (d) to receive all of the outstanding Holmes Hall bonds from HHFA, (e) to tender the same to Farmers Bank & Capital Trust Company, Frankfort, Kentucky, for cancellation, (f) to make settlement with said trustee for its proper compensation and expenses, (g) to provide to the trustee any supporting documentation which may reasonably be required by the trustee to evidence all of the foregoing, (h) to demand and receive from the trustee a complete and final discharge of said trust indenture in form acceptable to Bond Counsel, and (i) to receive from said trustee any surplus balances then remaining in all special funds maintained with said trustee in connection therewith, whether represented by cash or by investments, and to give a receipt therefor in the name of the Board.

Section 506. Discharge of the Shawneetown bonds by Exchange; Release of trust indenture. The Shawneetown bonds, described in Section 203 of ARTICLE II of this Indenture, are secured by a trust indenture made by the Board with Farmers Bank & Capital Trust Company, Frankfort, Kentucky, under date of October 1, 1956. Inasmuch as it is provided herein that the Closing Date shall not

be prior to December 1, 1965, the trustee will have paid by said date, from moneys accumulated for such purpose in the "1956 Housing Revenue Bond and Interest Sinking Fund Account, Shawneetown," maintained under the provisions of said trust indenture, the \$39,000 of said Shawneetown bonds which mature on October 1, 1965, together with the interest coupons maturing on that date with respect to all of the outstanding Shawneetown bonds.

It has been agreed in the Board's HHFA Loan Agreement for Project No. CH-Ky-72(D) Rev., that on the Closing Date, and upon payment by the Board of \$4,000 principal amount thereof (to reduce the unpaid principal to \$1,835,000), HHFA will surrender the remaining outstanding \$1,835,000 of said Shawneetown bonds to the Board for cancellation, upon the Board's delivery to HHFA of the \$1,835,000 Series D Bonds, with such cash adjustment of interest accruals as will result in no duplication of interest payments on the part of the Board, and no loss of interest on the part of HHFA.

In ARTICLE TEN of said trust indenture securing the said Shawneetown bonds, it is provided that whenever the Board shall present to the trustee for the bondholders, for cancellation, all outstanding bonds which have been authenticated by the trustee, with all unmatured coupons thereunto appertaining, and shall request that the trustee cancel such bonds and coupons, then it shall be the duty of said trustee to execute and deliver to the Board all proper instruments necessary to evidence the satisfaction and termination of said trust indenture.

Upon the Closing Date the Treasurer is authorized (a) to pay to HHFA \$4,000 for retirement of a like principal amount of the outstanding Shawneetown bonds, (b) to deliver the Series D Bonds to HHFA, (c) to make the agreed adjustment of interest accruals, (d) to receive all of the outstanding Shawneetown bonds from HHFA, (e) to tender the same to Farmers Bank & Capital Trust Company, Frankfort, Kentucky, for cancellation, (f) to make settlement with said trustee for its proper compensation and expenses, (g) to provide to the trustee any supporting documentation which may reasonably be required by the trustee to evidence all of the foregoing, (h) to demand and receive from the trustee a complete and final discharge of said trust indenture in form acceptable to Bond Counsel, and (i) to receive from said trustee any surplus balances then remaining in all special funds maintained with said trustee in connection therewith, whether represented by cash or by investments, and to give a receipt therefor in the name of the Board.

Section 507. Discharge of the Haggin Hall bonds by Exchange; Release of trust indenture. The Haggin Hall bonds, described in Section 203 of ARTICLE II of this Indenture, are secured by a trust indenture made by the Board with Farmers Bank & Capital Trust Company, Frankfort, Kentucky, under date of March 1, 1958. The outstanding \$1,582,000 of said bonds are all owned and held by HHFA, and according to the terms and provisions of the Board's aforesaid HHFA Loan Agreement for Project No. CH-Ky-72(D) Rev., it has been agreed that on the Closing Date, and upon payment by the Board of \$2,000 principal amount

thereof (to reduce the unpaid principal to \$1,580,000), HHFA will surrender the same to the Board for cancellation, upon the Board's issuance to HHFA of the \$1,580,000 Series E Bonds, with such cash adjustment of interest accruals as will result in no duplication of interest payments on the part of the Board, and no loss of interest on the part of HHFA.

In ARTICLE TEN of said trust indenture securing the said Haggin Hall bonds, it is provided that whenever the Board shall present to the trustee for the bondholders, for cancellation, all outstanding bonds which have been authenticated by the trustee, with all unmatured coupons thereunto appertaining, and shall request that the trustee cancel such bonds and coupons, then it shall be the duty of said trustee to execute and deliver to the Board all proper instruments necessary to evidence the satisfaction and termination of said trust indenture.

Upon the Closing Date the Treasurer is authorized (a) to pay to HHFA \$2,000 for retirement of a like principal amount of the outstanding Haggin Hall bonds, (b) to deliver the Series E Bonds to HHFA, (c) to make the agreed adjustment of interest accruals, (d) to receive all of the outstanding Haggin Hall bonds from HHFA, (e) to tender the same to Farmers Bank & Capital Trust Company, Frankfort, Kentucky, for cancellation, (f) to make settlement with said trustee for its proper compensation and expenses, (g) to provide to the trustee any supporting documentation which may reasonably be required by the trustee to evidence all of the foregoing, (h) to demand and receive from the trustee a complete and final discharge of said trust indenture in form acceptable to Bond Counsel, and (i) to receive from said trustee any surplus balances then remaining in all special funds maintained with said trustee in connection therewith, whether represented by cash or by investments, and to give a receipt therefor in the name of the Board.

Section 508. Provision for Payment of the Privately-Held Blazer Hall bonds; Exchange of the HHFA Blazer Hall bonds; Release of trust indenture. The Blazer Hall bonds, described in Section 203 of ARTICLE II of this Indenture, are secured by a trust indenture made by the Board with Farmers Bank & Capital Trust Company, Frankfort, Kentucky, under date of April 1, 1960. The outstanding \$129,000 of said bonds which mature in various amounts on May 1 in each of the years 1966 to 1971, inclusive, are held by private investors and are not subject to redemption prior to maturity. Upon the Closing Date the Treasurer is authorized to deposit with said trustee from the proceeds of the Series H Bonds a sum sufficient to provide for the payment of such bonds, and the interest thereon, as and when the respective bonds and appurtenant coupons are scheduled to become due and payable, with full provision for investment and security in accordance with the provisions of the aforesaid trust indenture pursuant to which said Blazer Hall bonds were issued.

In order that such may be accomplished, a sufficient portion of the proceeds of the Series H Bonds authorized in this Indenture shall, upon the Closing Date, be

invested by the Treasurer in the same securities or combinations thereof, as are described with particularity in Section 501 hereof, in such manner as to assure the payment of interest and/or interest and principal becoming due on the aforesaid Blazer Hall bonds on each May 1 and November 1, to and including May 1, 1971. Said permissible securities shall be delivered into the custody of said Farmers Bank & Capital Trust Company, Frankfort, Kentucky, upon execution and delivery to the Board of an escrow agreement, in form and substance acceptable to Bond Counsel, by the terms and provisions of which said Farmers Bank & Capital Trust Company shall acknowledge receipt thereof and shall agree that as the same mature and are paid, sufficient amounts from the proceeds thereof will be applied to the maturing interest and/or interest and principal of said Privately-Held Blazer Hall bonds, until all of the same have been paid in full, both principal and interest; and it shall further be provided in said escrow agreement (a) that interest income payable to and actually received by the said trustee shall, to the extent the same is or may be in excess of the amounts required to "assure" payment of said Privately-Held Blazer Hall bonds and the interest thereon, as and when said bonds and coupons are scheduled to become due and payable, be paid over by the trustee to the Treasurer for disposition by the Treasurer as in the case of similar excess interest income received by the Trustee in connection with securities deposited for the Bowman Hall bonds, according to Section 501 of this Indenture; and (b) that if on the Closing Date there shall remain any surplus balance in any special fund maintained in the custody of said trustee, whether represented by cash or investments, the same shall at that time be paid over by said trustee to the Treasurer of the Board. The Treasurer of the Board shall deliver to the Trustee under this Indenture an executed copy of such escrow agreement, and the Trustee shall preserve the same as evidence that the Board has made full provision for the payment of the said Privately-Held Blazer Hall bonds, with interest thereon, as and when the said bonds and appurtenant coupons mature from time to time.

The remaining outstanding \$1,158,000 of said Blazer Hall bonds, which mature on May 1 in each of the years 1972 to 2001, inclusive, are held by HHFA, and according to the terms and provisions of the Board's aforesaid HHFA Loan Agreement for Project No. CH-Ky-72(D) Rev., it has been agreed that on the Closing Date, and upon payment by the Board of \$3,000 principal amount thereof (to reduce the unpaid principal to \$1,155,000), HHFA will surrender the same to the Board for cancellation, upon the Board's issuance to HHFA of the \$1,155,000 Series F Bonds, with such cash adjustment of interest accruals as will result in no duplication of interest payments on the part of the Board, and no loss of interest on the part of HHFA.

In ARTICLE TEN of said trust indenture securing the Blazer Hall bonds, it is provided that whenever the Board shall satisfy all of its obligations to the holders of outstanding bonds which have been authenticated by the trustee, by depositing with the trustee, for the discharge of such bonds and coupons, the entire amount due and to become due thereon, or when the Board shall present such bonds for cancellation, and shall pay to the trustee its compensation and expenses; then the trustee shall execute and deliver to the Board all proper instruments that may be necessary to evidence the satisfaction and termination of said trust indenture.

When, upon the Closing Date, the Treasurer shall have deposited with said trustee the full amount necessary to effect payment of the aforesaid Privately-Held Blazer Hall bonds, with interest to the respective maturity dates thereof, as above authorized, and when upon the Closing Date the Treasurer shall tender to said trustee for cancellation all of the HHFA Blazer Hall bonds; then the Board will have fully discharged all of its obligations to the holders of all of said Blazer Hall bonds. Accordingly, upon the Closing Date, the Treasurer is hereby authorized to take all of such actions, to pay \$3,000 to HHFA for retirement of \$3,000 principal amount of the HHFA Blazer Hall bonds, to deliver the \$1,155,000 Series F Bonds to HHFA, to make the agreed adjustment of interest accruals, to receive the HHFA Blazer Hall bonds from HHFA, to tender the same to the trustee for cancellation, and to demand and receive on behalf of the Board a full and complete release of said trust indenture in form acceptable to Bond Counsel, and to receive from said trustee, the surplus accumulations in all special funds, as aforesaid, and to give a receipt therefor in the name and on behalf of the Board.

Section 509. Provision for Redemption and Payment of the Privately-Held Student Union Bonds; Discharge of the HHFA Student Union bonds by Exchange; Release of trust indenture. The Student Union bonds, consisting of Series A and Series B, described in Section 203 of ARTICLE II of this Indenture, are secured by a trust indenture made by the Board with The Citizens Union National Bank & Trust Co., Lexington, Kentucky, under date of July 1, 1962. The \$624,000 of said Series A bonds maturing in various amounts on July 1, 1966 to 1982, inclusive, are held by private investors and such of them as mature on and after July 1, 1973, are subject to redemption at the option of the Board on any interest payment date after July 1, 1972, upon terms of face amount, together with accrued interest to the date of redemption at the respective applicable coupon rates, and a premium of 3% if redeemed January 1, 1973 through July 1, 1977, all as more particularly provided in said bonds and in said trust indenture. The Board does not elect to call and redeem any of said redeemable Privately-Held Student Union bonds prior to the stated maturities thereof; but elects to provide for the payment of all bonds, and the interest thereon, as and when the respective bonds and appurtenant coupons are scheduled to become due and payable, with full provision for investment and security in accordance with the provisions of the aforesaid trust indenture securing the same, and pursuant to which said bonds were issued. On or prior to the Closing Date, the Treasurer shall cause to be paid to the aforesaid trustee, from the "University of Kentucky Student Union Project Revenue Fund Account of 1962," maintained for such purpose, the amount of the interest coupons maturing January 1, 1966, with respect to all of the Privately-Held Student Union bonds. Upon the Closing Date, the Treasurer is authorized to deposit with said trustee from the proceeds of the Series H Bonds a sum sufficient in the aggregate to provide for payment at maturity of the aforesaid Privately-Held Student Union bonds and the interest coupons appurtenant thereto, on July 1, 1966 and on each January 1 and July 1 thereafter, to final maturity thereof.

In order that such may be accomplished, a sufficient portion of the proceeds of the Series H Bonds authorized in this Indenture shall, upon the Closing Date, be invested by the Treasurer in the same securities, or combinations thereof, as are described with particularity in Section 501 hereof, in such manner as to assure the payment of interest and/or interest and principal becoming due on the aforesaid Privately-Held Student Union bonds on the stipulated due dates of the principal thereof and interest thereon. Said permissible securities shall be delivered into the custody

of said The Citizens Union National Bank & Trust Co., Lexington, Kentucky, upon execution and delivery of an escrow agreement, in form and substance acceptable to said trustee and to Bond Counsel, by the terms and provisions of which said The Citizens Union National Bank & Trust Co. shall acknowledge receipt thereof and shall agree that sufficient amounts from the proceeds thereof will be applied to the maturing interest and/or interest and principal of said Privately-Held Student Union bonds on each July 1 and January 1 until the final maturity thereof. It shall further be provided in said escrow agreement (a) that interest income payable to and actually received by the said trustee shall, to the extent the same is or may be in excess of the amounts required to "assure" payment of the Privately-Held Student Union bonds, and the interest thereon, as and when said bonds and coupons are scheduled to become due and payable, be paid over by the trustee to the Treasurer for disposition by the Treasurer as in the case of similar excess interest income received by the Trustee in connection with securities deposited for the Bowman Hall bonds according to Section 501 of this Indenture; and (b) that if on the Closing Date there shall remain any surplus balance in any of the special funds maintained in the custody of said trustee, whether represented by cash or investments, the same shall at that time be paid over by said trustee to the Treasurer of the Board. The Treasurer of the Board shall deliver to the Trustee under this Indenture an executed copy of such escrow agreement, and the Trustee shall preserve the same as evidence that the Board has made full provision for payment, redemption and retirement of the said Privately-Held Student Union bonds, in accordance herewith.

The remaining outstanding \$700,000 of said Series A Student Union bonds which mature on July 1 in each of the years 1983 to 1994, inclusive, and all of the outstanding \$675,000 of said Series B Student Union bonds, which mature on July 1 in each of the years 1995 to 2002, inclusive, are held by HHFA, and according to the terms and provisions of the Board's aforesaid HHFA Loan Agreement for Project No. CH-Ky-72(D) Rev., it has been agreed that on the Closing Date HHFA will surrender all of the same to the Board for cancellation, upon the Board's issuance to HHFA of the \$1,375,000 Series G Bonds, with such cash adjustment of interest accruals as will result in no duplication of interest payments on the part of the Board, and no loss in interest on the part of HHFA.

In ARTICLE NINE of said trust indenture it is provided that whenever the Board shall satisfy all of its obligations to the holders of outstanding bonds which have been authenticated by the trustee, by depositing with the trustee, for the discharge of such bonds and coupons, the entire amount due and to become due thereon, or when the Board shall present such bonds to the trustee for cancellation, and shall pay to the trustee its compensation and expenses; then the trustee shall execute and deliver to the Board all proper instruments that may be necessary to evidence the satisfaction and termination of said trust indenture.

When, upon the Closing Date, the Treasurer shall have deposited with said trustee the full amount necessary to effect payment of all of the Privately-Held Student Union bonds, and interest thereon, as aforesaid, and when upon the Closing Date the Treasurer shall tender to said trustee, for cancellation, all of the HHFA Student Union bonds; then the Board will have fully discharged all of its obligations to the holders of all of said Student Union bonds. Accordingly, upon the Closing Date the Treasurer is hereby authorized to take all of such actions, to deliver the Series G Bonds to HHFA, to make the agreed adjustment of interest accruals, to receive the HHFA Student Union bonds from HHFA, to tender the same to the trustee for cancellation and to demand and receive on behalf of the Board a full and complete release of said trust

indenture in form acceptable to Bond Counsel, and to receive from said Trustee any surplus balances in special funds maintained in the custody of said trustee, as aforesaid, and to give a receipt therefor in the name and on behalf of the Board.

Section 510. The provisions of the foregoing Sections 501 to 509, inclusive, of this ARTICLE V of this Indenture are such as to make provision for complete discharge of all of the Board's contractual obligations and commitments to the owners and holders of all of the aforesaid Previously Issued Bonds as will be outstanding and unpaid as of the Closing Date, without regard for such amount or amounts, if any, as may at the Closing Date have been deposited and accumulated in any special funds or accounts provided to be established, accumulated and maintained according to the respective proceedings of the Board incident to the issuance thereof.

Such being the case, the Board will be entitled, on the Closing Date, to receive from (a) the State Treasury, as the depository and custodian of any such funds in connection with the Bowman Hall bonds and the Cooperstown bonds, and (b) the respective trustees, above identified, in connection with the Donovan Hall bonds, the Keeneland Hall bonds, the Holmes Hall bonds, the Shawneetown bonds, the Haggin Hall bonds, the Blazer Hall bonds, and the Student Union bonds -- all sums which have been deposited from time to time by the Board, have not previously been disbursed for authorized purposes, and are accumulated and held in any such special funds, whether represented by cash or by permissible investments.

When, upon the Closing Date, the Treasurer shall have complied in all respects with the provisions hereinabove set forth in Sections 501 to 509, inclusive, of this ARTICLE V, the Treasurer shall be entitled to demand from each such depository, custodian or trustee, as the case may be, a remittance to the Board of any and all such accumulated cash and/or investments; and upon receipt thereof, the Treasurer is authorized and directed, acting in the name and on behalf of the Board and without further affirmative action upon the part of the Board, to execute and deliver one or more proper receipts therefor, in such form or forms as may reasonably be requested in that connection. Each such custodian, depository or trustee, as the case may be, is hereby authorized to make such remittance to the Treasurer, and to accept and to rely upon such receipt or other acknowledgments thereof, signed by the Treasurer, as herein authorized and provided.

Section 511. When the Treasurer shall have received from each such custodian, depository or trustee, as the case may be, the remittances to the Board of the moneys and/or investments referred to in the foregoing Section 510 of this ARTICLE V, the Treasurer shall make disposition of all cash and/or investments so received, as provided in this Indenture; but it shall not be the responsibility of any such custodian, depository or trustee to see to the proper application and distribution thereof on the part of the Treasurer.

Section 512. In order to clarify the duties of the Treasurer with reference to the disposition of any and all surplus moneys and/or investments which have been or may have been deposited and accumulated with any custodian, depository or trustee in connection with any of the Previously Issued Bonds, and which on the Closing Date or thereafter may be or become surplus to all provisions made in this Indenture for fulfilling and discharging the obligations and commitments of the Board to the owners and holders of such Previously Issued Bonds, the Treasurer is hereby authorized and directed to make disposition of such surplus moneys and/or investments as follows:

- (a) Surplus moneys and/or investments recovered or to be recovered from any Previous Sinking Fund (including any debt service reserve or reserve for contingencies therein) shall be deposited in the System Sinking Fund; and, to the extent that the same may at the time be in excess of the payments then currently required to be made into the System Sinking Fund to meet principal and interest requirements of the Bonds maturing in the then current Fiscal Year, the same shall be credited to the Debt Service Reserve in the System Sinking Fund;
- (b) Surplus moneys and/or investments recovered from Previous Repair and Replacement Reserves shall be deposited with the Trustee for credit to the System Repair and Maintenance Reserve for which provision is made in this Indenture; and
- (c) Surplus moneys and/or investments in the Previous Revenue Funds, as provided to be maintained in the custody of the Treasurer of the Board, shall be transferred to and deposited in the System Revenue Fund for which provision is made in this Indenture.

It is declared to be the purpose of the Board, as in this Section sought to be clarified, that all deposits and accumulations heretofore made, or herein contemplated to be made prior to the Closing Date in all Previous Sinking Funds, all Previous Repair and Replacement Reserves, and all previous Revenue Funds, shall first be applied, to whatever extent may be necessary, in satisfying the Board's obligations and commitments to the owners and holders of all of its Previously Issued Bonds; and shall thereafter be transferred and deposited, but only to the extent of the surplus thereof, to the corresponding special funds or accounts which are created in this Indenture for the security and source of payment of Bonds and parity Bonds issued under authority of this Indenture.

ARTICLE VI - BONDS OF SERIES H AND I (AND FUTURE
SERIES) TO BE OFFERED AT PUBLIC SALE

Section 601. The Bonds of Series H and of Series I, as specifically authorized in and secured by the terms and provisions of this Indenture (and any future Series of Bonds for additional housing and dining facilities or related auxiliary enterprises, hereafter authorized by the Board subject to the conditions and restrictions set forth in ARTICLE XI of this Indenture) shall be sold in such manner as the Board may provide from time to time.

Section 602. Within a reasonable time after the Board has sold Bonds of any Series, the Board shall deliver to the Trustee a properly authenticated copy of the award proceedings, specifying the name or names of the successful purchase bidders, prices, interest rates, and such other details as may be material to the Trustee in the performance of its functions and duties under this Indenture. The Trustee shall be authorized to accept and rely upon the facts set forth in such authenticated copy of the award proceedings in its authentication of Bonds.

ARTICLE VII - CUSTODY AND APPLICATION OF
BOND PROCEEDS

Section 701. Effective as of the Closing Date, two special funds are hereby established and created in the custody of the Depository under this Indenture, and the same are respectively designated the "System Construction Fund, Series H" (the "Series H Construction Fund") and the "System Construction Fund, Series I" (the "Series I Construction Fund").

Section 702. On the Closing Date, and upon the Treasurer's receiving, on behalf of the Board, the cash proceeds of the Series H Bonds, the Treasurer shall deposit in the System Sinking Fund all sums received from the purchaser or purchasers of the Series H Bonds as representing accrued interest to the date of delivery of such Series H Bonds, the same to be applied toward the payment of the next maturing interest coupons appurtenant to such Series H Bonds.

From the remaining proceeds of the Series H Bonds, the Treasurer shall deduct, segregate and cause to be invested such amounts and in such manner as are required to be so deducted, segregated and invested by Section 501 hereof with respect to the Bowman Hall bonds, Section 503 hereof with respect to the Keeneland Hall bonds, Section 504 hereof with respect to the Cooperstown bonds, Section 508 hereof with respect to the Blazer Hall bonds, and Section 509 hereof with respect to the Student Union bonds.

From such cash proceeds of the Series H Bonds, the Treasurer is further authorized to make payment of \$10,000 to HHFA for retirement of a like principal amount of HHFA Previously Issued Bonds, as provided in Sections 505, 506, 507 and 508 hereof, and to make payment to HHFA of any cash adjustments which may then be due from the Board to HHFA in order to make up to HHFA any loss of interest on the part of HHFA which would otherwise result upon the exchange by the Board with HHFA of the Donovan Hall bonds as provided in Section 502 hereof; the Keeneland Hall bonds as provided in Section 503 hereof; the Holmes Hall bonds as provided in Section 505 hereof; the Shawneetown bonds as provided in Section 506 hereof; the Haggin Hall bonds as provided in Section 507 hereof; the Blazer Hall bonds as provided in Section 508 hereof; and the Student Union bonds as provided in Section 509 hereof.

After such dispositions of portions of the proceeds of the Series H Bonds as are hereinbefore provided in this Section 702, the Treasurer shall deposit the entire remaining proceeds of said Series H Bonds in the Series H Construction Fund, and the same shall be disbursed and applied from time to time by the Depository in payment of such portions of the aggregate costs of the First Housing Complex Project as are not eligible or allowable according to Federal Statutes or regulations, all according to such procedures and practices with reference to audit and control as may from time to time be provided according to the laws of the Commonwealth of Kentucky; each such disbursement to be made upon the basis of vouchers approved in writing by the architects or engineers, as the case may be, having supervision of the construction of said First Housing Complex Project.

In the event the said First Housing Complex Project shall be completed and all costs thereof which are hereinabove stated to be chargeable to the Series H Construction Fund are fully paid, then any remaining unexpended balance in said Series H Construction Fund may be applied to other proper costs of the said First Housing Complex Project; and if the total of all costs thereof are shown to the satisfaction of the Depository to have been fully paid, then any yet remaining unexpended balance in said Series H Construction Fund shall be transferred and deposited in the System Sinking Fund, as constituting a credit to the System Debt Service Reserve for accumulation, investment, reinvestment or disposition, as otherwise herein provided in connection therewith.

Section 703. On the Closing Date, and upon the Treasurer's receiving, on behalf of the Board, the cash proceeds of the Series I Bonds, the Treasurer shall deposit in the System Sinking Fund all sums received from the purchaser or purchasers of the Series I Bonds as representing accrued interest to the date of delivery of such Series I Bonds, together with such additional sum from the proceeds of the Series I Bonds as will cause the aggregate amount so deposited from the proceeds of the Series I Bonds into the System Sinking Fund to be equal to the interest which will accrue upon the Series I Bonds during the anticipated period required for the construction and development of the aforesaid First

Housing Complex Project, and until the same shall become revenue-producing, as shown by an estimate of the architects having supervision of the construction of said Project, such estimate to be approved by the Commissioner and filed with the Trustee.

The entire remaining proceeds of the Series I Bonds shall be deposited by the Treasurer with the Depository; and the same shall be disbursed and applied from time to time by the Depository in payment of such portion of the aggregate costs of the First Housing Complex Project as, from time to time, are eligible or allowable as costs of said First Housing Complex Project according to applicable Federal Statutes, rules and regulations, all according to such procedures and practices with reference to audit and control as may from time to time be provided according to the laws of the Commonwealth of Kentucky; each such disbursement to be made upon the basis of vouchers approved in writing (a) by the architects or engineers, as the case may be, having supervision of the construction of said First Housing Complex Project, and (b) by HHFA.

In the event the said First Housing Complex Project shall be completed and all costs thereof which are properly chargeable to the Series I Construction Fund are fully paid, any then remaining unexpended balance in the said Series I Construction Fund shall be applied by the Depository in redemption and retirement of the Series I Bonds, in inverse order of maturity, if and to the extent such Series I Bonds have been purchased and are then held by HHFA, and by reason thereof are subject to redemption and payment at the option of the Board without regard for the redemption provisions otherwise herein provided to be applicable to such Series I Bonds if the same are privately held. In the event that none of the outstanding Series I Bonds are then subject to redemption and payment, any such surplus remaining in the Series I Construction Fund shall be transferred by the Depository and deposited in the System Debt Service Reserve for accumulation, investment, reinvestment or disposition, as otherwise herein provided in connection therewith.

Section 704. For the purposes of this Article the costs of the First Housing Complex, intended to be financed in part through issuance of the Bonds of Series H and in part through the issuance of the Bonds of Series I, 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 (including repayment to the Board, or to others, of any sums which may have been advanced from other sources in anticipation of the issuance of the Bonds, as permitted in Section 707 hereof):

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

- (b) the interest accruing upon the Series I Bonds until such time as such Project is shown to have been completed and to have become revenue-producing; as may be authorized by the Board in appropriate proceedings, and not exceeding three (3) years from June 1, 1965, as permitted by law;
- (c) fees and expenses of engineers and architects for surveys and estimates and other preliminary investigations, preparation of plans, drawings and specifications, and supervising construction, as well as for the performance of all other duties of engineers and architects, professional consultants, or of members of the faculty or business staff of the University, in relation to the planning or construction of the said First Housing Complex Project or in connection with the issuance of the Bonds;
- (d) expense of administration properly chargeable to the said 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 said Project and placing the same in operation, specifically including the agreed fixed fee of HHFA in supervising and inspecting the work appertaining to the development of the said Project and of auditing the books, records and accounts pertaining thereto as set forth in the HHFA Loan Agreement applicable thereto.

Section 705. If, for any reason, the First Housing Complex Project shall become revenue-producing at a time later than as contemplated and provided for in Section 703 hereof, then within thirty (30) days preceding each June 1 and December 1 thereafter and until the First Housing Complex Project becomes revenue-producing, pursuant to the provisions of Section 904 of this Indenture, there shall be transferred and paid into the System Bond and Interest Sinking Fund from the Series H Construction Fund, and/or from the Series I Construction Fund an amount sufficient to pay the interest on the Series H Bonds and the Series I Bonds becoming due on such June 1 and December 1, and the Board covenants and agrees to cause each such transfer and payment to be so made.

Section 706. If it be determined at any time by the Board that the moneys on deposit in the Series H Construction Fund and/or the Series I Construction Fund exceed the estimated current disbursements authorized to be made therefrom on account of said First Housing Complex Project, such excess shall be invested by the Depository 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, according to a schedule of anticipated disbursements, as prepared by the

architects and/or engineers having supervision of construction; and all such investments as well as all income therefrom shall be carried to the credit of said respective Construction Funds.

Section 707. In the event the Board has obtained advances of funds from any source to defray all or any part of the costs of constructing any of the First Housing Complex Project, in anticipation of the receipt of proceeds of the Series H and Series I Bonds, such advances may be repaid from the Bond proceeds after deposit thereof in the respective Series H and Series I Construction Funds (as appropriate in each instance, according to the purposes thereof as hereinabove set forth); and interest on such advances may likewise be so paid if the Board has agreed to pay interest thereon, at whatever rate or rates the Board may have agreed to pay.

Section 708. When the First Housing Complex Project shall have been completed, and audited, any balances remaining in the respective Series H and Series I Construction Funds and not necessary in the opinion of the Board to be reserved for the payment of any remaining part of the costs of the said Project shall be deposited by the Depository with the Trustee to the credit of the System Debt Service Reserve, and, except for any portion of such balance remaining under \$5,000 shall be used for the redemption of Series I Bonds then outstanding under this Indenture, in accordance with the redemption and prepayment provisions set forth in said Bonds and in this Indenture, upon the earliest permissible redemption date.

ARTICLE VIII - REDEMPTION PROVISIONS

Section 301. With respect to Bonds of any Series issued by the Board pursuant to this Indenture, the Board may reserve such options or privileges of redemption prior to stated maturities as the Board may from time to time prescribe, subject to such terms and conditions concerning notice, restrictive dates of redemption, premiums, or otherwise, as the Board may see fit to determine in proceedings duly had and taken prior to the issuance of each respective Series.

Series 802. With respect to the Bonds of Series A to I, inclusive, (the word "Bonds," as used in this connection, being applicable indiscriminately to Bonds in Coupon Form and corresponding installments of principal of Bonds in Fully Registered Form), the Board reserves certain options or privileges of redemption (or prepayment, as applicable), as follows:

- (a) Bonds of Series A to I, inclusive, are subject to redemption from the proceeds of insurance, in the event of damage or destruction of properties constituting parts of the Housing and Dining System, as provided in this Indenture;

(b) Surplus funds in the "Series I Construction Fund," as provided for in this Indenture, will be applied to the redemption of the Bonds of Series I, in the inverse order of their numbering; or shall be deposited in the System Debt Service Reserve under the conditions set forth in Section 703 of this Indenture.

(c) Certain Bonds of each of said Series shall (if and so long as the same may be held by the United States Government, but not otherwise), be subject to redemption at the option of the Board in inverse numerical order at any time subsequent to the date of the Bonds, at par plus accrued interest to the date of redemption, upon notice as hereinafter provided;

(d) The Board reserves the right to call for redemption, subject to the redemption provisions of the respective Bond Series, any and all outstanding Bonds which may be called and redeemed at par or face value, prior to calling for redemption any Bonds that are callable at a premium;

(e) Subject to all of the foregoing, and the provisions for notice as hereinafter set forth, the Bonds of Series A to I, inclusive, shall be subject to redemption at the option of the Board, as follows:

Bonds maturing on and prior to June 1, 1975 shall not be subject to redemption except from the proceeds of insurance as provided in this Indenture.

Bonds maturing on and after June 1, 1976 shall be subject to redemption prior to their stated maturities either

- (1) in part, in inverse order of maturity (less than all of a single maturity to be selected by lot) from Revenues accumulated in the System Sinking Fund properly available for such purpose, on any interest payment date on or after December 1, 1975; or
- (2) in whole (or in whole with respect to any one or more Series as the Board may designate, in its sole discretion without regard to priority of issue, alphabetical designation or otherwise) from any moneys which may be made available from any source for such purpose, at any date not earlier than December 1, 1975,

at the principal amount of the Bonds to be redeemed, together with interest to the designated redemption date at the respective applicable interest rates, plus a redemption premium in accordance with the following schedule, which is expressed in terms of a percentage of the principal amount:

IF REDEEMED
(Both Dates Inclusive)

REDEMPTION PREMIUM

December 1, 1975 through May 31, 1980	3%
June 1, 1980 through May 31, 1985	2-1/2%
June 1, 1985 through May 31, 1990	2%
June 1, 1990 through May 31, 1995	1-1/2%
June 1, 1995 through May 31, 2000	1%
Without premium on and after June 1, 2000, to final maturity.	

Section 803. If the Board at its option undertakes to redeem outstanding Bonds in advance of scheduled maturity, it is agreed and understood that (1) except for the redemption of Series I Bonds through application of surplus moneys in the Series I Construction Fund (and as similar conditions may hereafter be prescribed, in the discretion of the Board, in connection with the issuance of any future Series of Bonds), calls of Bonds from surplus Revenues accumulated in the System Sinking Fund and available for such purpose shall be on a pro rata basis reflecting the relationship between the Bonds of each Series at such time outstanding, and the total amount of Bonds of all Series at such time outstanding, and (2) calls of Bonds of each Series shall be in accordance with the redemption provisions of each Series; provided, however, as aforesaid, that the Board shall have the right to call, in accordance with the redemption provisions of the respective Series, any or all outstanding Bonds which are subject to redemption at par prior to calling any Bonds which are callable at a premium.

Section 804. 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 (30) days prior to the specified redemption date, and a copy of such notice shall be sent by registered mail to the registered holder of each then registered Bond which is to be redeemed, and such notice shall be published at least once not less than thirty (30) 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; provided, however, that such publication of notice of redemption shall not be required in the event that all Bonds then to be redeemed are registered. Any Bonds called for redemption and for the payment of which funds are on deposit with said Trustee on the specified redemption date shall cease to bear interest on said redemption date.

Section 805. 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 in cash sufficient to effect the redemption of the Bonds specified in such notice, and/or direct that the Trustee apply to such purpose moneys theretofore deposited with the Trustee under the provisions of this Indenture 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 of the Bonds so called for redemption, and shall be paid to them, respectively, (a) upon presentation and surrender of Coupon Bonds accompanied by all interest coupons, if any, maturing on or after the date fixed for redemption thereof, or (b) upon presentation of Fully Registered Bonds for endorsement of prepayment of principal installments; provided, however, if any such Coupon Bonds shall be registered, or the whole principal balance of a Bond in Fully Registered Form is prepaid, the same shall be endorsed in blank for transfer if the Trustee shall so require.

Section 806. From and after the date of redemption or prepayment 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 (or principal installments) so to be redeemed, and any coupons for interest pertaining to any such Coupon Bonds and maturing after such date shall be void, and all such Bonds, in so far as such deposit shall have been made or moneys set apart as aforesaid, and all such coupons, shall cease to be entitled to the benefit of the lien of this Indenture, and the Board shall be under no further liability in respect thereof.

Section 807. All Coupon Bonds so redeemed and all Bonds in Fully Registered Form prepaid in their entirety, shall forthwith be cancelled by the Trustee, which shall deliver such cancelled Bonds to the Board.

ARTICLE IX - THE HOUSING AND DINING SYSTEM;
REVENUES; SEGREGATION; SPECIAL FUNDS

Section 901. Effective as of the Closing Date, and upon consummation at that time of the arrangements set forth in ARTICLE V of this Indenture wherein provision is made for the full and complete discharge by the Board of all of its contractual obligations and commitments to the owners and holders of its Previously Issued Bonds, the Board hereby establishes its "Housing and Dining System," comprising and including all of the educational buildings for housing, dining and student union or student center purposes, appurtenant facilities and auxiliary enterprises (other than such buildings as were constructed for, and are under lease to, fraternities and sororities) presently situated at the University's Main Campus at Lexington, Kentucky, specifically including (but not by way of limiting the generality of the foregoing), the aforesaid housing, dining, and student union or student center buildings, appurtenant facilities, and related auxiliary enterprises identified as Bowman Hall, Donovan Hall, Keeneland Hall, Cooperstown, Holmes Hall, Shawneetown, Haggin Hall, Blazer Hall, the Student Union (or Student Center) Building, Patterson Hall, Boyd Hall, Jewell Hall, Kinkead Hall, Bradley Hall, Breckinridge Hall and the First Housing Complex Project (for which the Series H and Series I Bonds are each in part to be issued); and additionally comprising such other new, additional, reconstructed or enlarged educational buildings, appurtenant facilities, and auxiliary enterprises for housing, dining and student union or student center

purposes (and any of such buildings constructed for, and under lease to, fraternities and sororities, or other similar student groups, under the circumstances referred to in Section 1412 hereof), as may hereafter be added thereto and made a part thereof according to the provisions of this Indenture.

Section 902. Effective as of the Closing Date, and thereafter, the Board agrees that it will deposit to the credit of a special fund upon its books, the same to be designated the "University of Kentucky Housing and Dining System Revenue Bonds Revenue Fund Account" (the "System Revenue Fund"), all Revenues of the System, as defined in this Indenture; except that the Net Profits of the dining facilities and other auxiliary enterprises of the Housing and Dining System (as hereinbefore defined), shall be deposited therein not less frequently than quarterly, based upon the operating records and accounts of the Board relating thereto, and subject to adjustment as of the end of each Fiscal Year according to the annual audit for such Fiscal Year. There shall also be deposited in said System Revenue Fund all moneys which on the Closing Date are held in the Previous Revenue Funds (or the equivalent funds or accounts, howsoever designated, which have been established and are maintained in connection with each issue of the Previously Issued Bonds), including moneys on hand or in transit for the credit thereof whether or not actually deposited therein, to the extent that the same are surplus to the provisions hereinbefore or hereafter made for the payment and/or redemption of all of the then outstanding Previously Issued Bonds. When such transfers have been made from the said Previous Revenue Funds, the same may be closed upon the books of record and account of the Board (and of the respective trustees or depositories, if any).

Section 903. The said System Revenue Fund shall be held in the custody of the Treasurer of the Board, separate and apart from all other funds and accounts of the Board and of the University; shall be maintained, so long as any of the Bonds are outstanding, as a trust fund in a bank or banks which are members of FDIC, or in the Treasury of the Commonwealth; and shall be expended and used by the Treasurer only in the manner and order hereinafter specified.

Section 904. Effective on the Closing Date, there is hereby created a separate account upon the books of the Trustee to the credit of the Board, to be designated "University of Kentucky Housing and Dining System Revenue Bond and Interest Sinking Fund Account," (the "System Sinking Fund"). So long as any of the Bonds are outstanding the said System Sinking Fund shall be maintained and deposited with 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, and to accumulate a reserve therefor as hereinafter provided.

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

- (1) That upon the Closing Date, and upon surrender by HHFA to the Board of the outstanding HHFA Bonds, in exchange for the issuance by the Board to HHFA of the Bonds, Series A to G, inclusive, a computation shall be made reflecting any adjustment of interest which may be proper as an incident to such exchange (and in order to avoid duplication of interest with respect thereto). The net amount shown by such computation to be due to the Board, if any, shall be deposited by the Board in the System Sinking Fund; and the net amount shown by such computation to be due from the Board, if any, (including the amounts necessary to retire portions of principal of certain outstanding HHFA Bonds as authorized and provided for in Sections 505, 506, 507 and 508 hereof), shall be paid over to HHFA from moneys recovered from Previous Revenue Funds or Previous Sinking Funds hereunder, or from other resources of the Board, if necessary.
- (2) That upon the Closing Date there shall be deposited in the System Sinking Fund the accrued interest, if any, received from the purchasers at the time of the delivery of the Series H and Series I Bonds, together with such further sums from said sources or from other sources as will cause the total so deposited to be equal to all interest maturing on said Series I Bonds until the First Housing Complex becomes revenue-producing (for not exceeding, however, a period of three (3) years from June 1, 1965).
- (3) That upon the Closing Date the Board will cause to be deposited in the System Sinking Fund any balances which may be then recovered from the Previous Sinking Funds; and thereafter from time to time any moneys in the Previous Sinking Funds (and any Debt Service Reserves therein) as may be determined to be surplus to the requirements of ARTICLE V of this Indenture in connection with the Board's discharge of its contractual obligations to the holders of its outstanding Previously Issued Bonds.
- (4) Thereafter the Board will transfer from the Revenues (whether from the balances recovered from Previous Revenue Funds, or from the Board's other resources, if necessary), and deposit with the Trustee in the System Sinking Fund a sum which, together with such sums as may be transferred from the Previous Sinking Funds, shall be equal to the maximum amount which will become due in any Fiscal Year thereafter for the principal of and interest on all then outstanding Bonds of Series A to Series H, inclusive, as computed when the Series H Bonds have been publicly sold and the interest rate or rates applicable thereto have been determined by the Board and certified to the Trustee.

- (5) Commencing with the May 1 or November 1 next following the Closing Date, the Board shall transfer from the System Revenue Fund, as the first charge thereon, and deposit to the credit of the System Sinking Fund created in and by this Indenture on or before each succeeding May 1 and November 1, the following amounts:
- (a) An amount which, together with such sums as may then be available in said System Sinking Fund, shall be equal to the next succeeding interest payment to become due on all then outstanding Bonds (including capitalized interest provided for that purpose, but excluding capitalized interest provided from Bond proceeds for the payment of interest thereafter maturing);
 - (b) On or before May 1, 1966, an amount which, together with such sums as may then be available for such purpose in the System Sinking Fund (whether by reason of transfers from Previous Sinking Funds, or otherwise), shall be equal to the principal payments of the Bonds, becoming due on June 1, 1966;
 - (c) On each subsequent May 1 and November 1 (commencing November 1, 1966), an amount which shall be equal to one-half (1/2) of the principal payment to become due during the next succeeding twelve (12) months on all then outstanding Bonds; and
 - (d) Provided, however, that the combined amounts of the semi-annual transfers, beginning on the May 1 or November 1, as the case may be, next following the issuance of the Series I Bonds, and of any additional Series of parity Bonds which may be issued according to the conditions and restrictions hereinafter provided in that connection, shall be increased in each year to equal twenty-five per cent (25%) of the average annual debt service requirements for principal thereof and interest thereon, and shall be continued (in that amount, or so much thereof as may be necessary), so long as the funds and/or investments in the System Debt Service Reserve shall be less than an amount sufficient to pay the maximum amount which will become due in any Fiscal Year thereafter for the principal of and interest on all then outstanding Bonds.

Section 905. The amount by which the aforesaid payments into the System Sinking Fund exceeds the aggregate amount of interest on and principal of said Bonds then currently becoming due shall be held as the System Debt Service Reserve; provided, however, that no further payments need be made into said System 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, or funds provided from any source, is sufficient to accomplish retirement of all

the Bonds then outstanding and pay all interest that is to be paid on all of such Bonds at or prior to such retirement.

If, for any reason, there shall be a failure to make any payments into said System Sinking Fund as aforesaid, any sums then held as the System Debt Service Reserve shall be used for the payment of any portion of the interest or principal as to which there would otherwise be default.

All moneys held in the System Sinking Fund shall be held, secured and invested by the Trustee, as provided in and by this Indenture. Said System 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 System Sinking Fund in excess of an amount sufficient to pay the principal and interest due on and prior to the next June 1, and the maximum amount thereafter to become due for principal of and interest on all outstanding Bonds in any future Fiscal Year may be used at any time for the redemption of Bonds in advance of maturity.

Section 906. During the thirty (30) days preceding each June 1 and December 1, the Trustee shall transfer from the System Sinking Fund, to a special account, funds sufficient to pay all interest, or principal and interest, maturing on such June 1 or December 1, together with Paying Agents' fees, and the Trustee shall make such arrangements with each Paying Agent as to assure the prompt payment of maturing principal and interest as may there be presented. The Trustee shall make similar arrangements in the event of redemption of any Coupon Bonds or prepayment of principal of Bonds in Fully Registered Form, pursuant to ARTICLE VIII of this Indenture.

Section 907. Upon the Closing Date there shall be and there is hereby created a special account upon the books of the Trustee to the credit of the Board, separate and apart from all other accounts and funds, the same to be designated "University of Kentucky Housing and Dining System Repair and Maintenance Reserve" (the "System Repair and Maintenance Reserve").

On the Closing Date, the Board shall cause to be deposited in the System Repair and Maintenance Reserve a sum equal to the aggregate of all amounts then on deposit in all Previous Repair and Maintenance Reserves, whether then represented by cash or by investments.

After first observing from time to time the priority of payments from the System Revenue Fund for the account of the System Sinking Fund and the System Debt Service Reserve, the Board covenants and agrees that as of the close of each Fiscal Year ensuing after the Closing Date it will transfer from the System Revenue Fund and deposit in the System Repair and Maintenance Reserve the sum of Sixty Thousand Dollars (\$60,000), or so much thereof as may be available for transfer, until the funds and/or investments therein aggregate Seven Hundred Fifty Thousand Dollars (750,000), and thereafter

such sums in the maximum amount which may be available for transfer at the close of each Fiscal Year, to maintain the balance of Seven Hundred Fifty Thousand Dollars (\$750,000); provided, however, that beginning with the Fiscal Year during which any additional Series of parity Bonds is issued according to the conditions and restrictions hereinafter provided in that connection, the annual transfer shall be increased by one-fourth of one per cent ($\frac{1}{4}$ of 1%) (or such portion thereof as may be available for transfer) of the original principal amount of any such additional Series of parity Bonds and shall be continued so long as the additional reserve shall be less than an amount equal to five per cent (5%) of the original principal amount of said additional Series of parity Bonds; and provided further, that in the event of any withdrawal from the System Repair and Maintenance Reserve having the result of reducing the balance therein below the maximum balance required to be accumulated therein after said balance has been accumulated (initially \$750,000, but subject to increase upon the issuance of each additional Series of parity Bonds) as represented by cash and/or the market value of permissible investments, the Board covenants and agrees that it will make up the deficiency by providing for transfers from the System Revenue Fund Account to the System Repair and Maintenance Reserve in the maximum amount which may be available for transfer at the close of each Fiscal Year, until such maximum balance shall have been restored. Additional funds in excess of the maximum amounts required to be accumulated may, at the discretion of the Board be deposited in the System Repair and Maintenance Reserve.

Moneys and investments accumulated and held in the System Repair and Maintenance Reserve in accordance with this Section 907 may be drawn upon by the Board for the purpose of paying unusual or extraordinary costs of maintenance of, repairs and replacements to, and operation of the System; but only in the event that withdrawals from the System Repair and Maintenance Reserve are deemed necessary by reason of unanticipated deficiencies in the available budgeted resources of the Board for such purposes, as determined in each instance by a resolution duly adopted by the Board, an authenticated copy of which shall be delivered to the Trustee, and which shall constitute authority to the Trustee to permit the withdrawal or withdrawals authorized thereby; provided, however, that no such withdrawal from the System Repair and Maintenance Reserve shall be authorized by the Board, or permitted by the Trustee, if the result thereof is to reduce the balance of the moneys and investments accumulated and held in the System Repair and Maintenance Reserve below the sum of Seven Hundred Fifty Thousand Dollars (\$750,000), (which sum shall constitute a permanent minimum balance as opposed to the maximum balance required to be accumulated, which shall be increased, as hereinabove set forth, with the issuance of each additional Series of parity Bonds), unless it shall be determined by the Board, by a resolution duly adopted and provided to the Trustee, that an emergency exists, requiring the expenditure of moneys in order to preserve the tenantability and revenue-producing capacity of the System. Anything herein to the contrary notwithstanding, the Trustee, with or without specific prior authorization of the Board, may make withdrawals from the System Repair and Maintenance Reserve if and to any extent the same may be required to prevent

default in the payment of maturing principal of or interest on the Bonds, in the event the moneys available in the System Sinking Fund and the System Debt Service Reserve shall at such time be insufficient for such purpose; and, if necessary, investments held for the credit of the System Repair and Maintenance Reserve may be converted into cash by the Trustee for such purpose.

Balances from time to time accumulated and held by the Trustee in the System Repair and Maintenance Reserve may be invested and re-invested by the Trustee, upon order of the Board, in interest-bearing obligations of the United States Government, or interest-bearing obligations the principal of and interest on which are guaranteed by the United States Government; and the same shall be held by the Trustee for the account of said System Repair and Maintenance Reserve. Income received from such investments, and any gain resulting from enforced sale thereof under authorized circumstances, shall be credited to said System Repair and Maintenance Reserve; and any commissions, expenses or losses which may be occasioned by the conversion of such investments into cash for necessary and authorized purposes shall be debited thereto. The Trustee, upon order of the Board, shall, whenever necessary for proper withdrawals from the System Repair and Maintenance Reserve, convert into cash such amount of such investments as may be required, and shall not be answerable in its capacity as Trustee for any loss which may be occasioned thereby.

Section 908. Current Expenses of the System shall be payable from the System Revenue Fund, but only from such amounts as may remain therein after compliance with the preceding provisions of this ARTICLE IX, as the same become due and payable.

Section 909. The Board hereby irrevocably covenants and agrees with and for the benefit of the owners and holders of any and all Bonds issued and outstanding under this Indenture, and until full payment and retirement thereof, that in the event the Revenues of the System shall at any time, or from time to time, be or become inadequate to provide for the payments required to be made into the System Sinking Fund, including the System Debt Service Reserve, and the System Repair and Maintenance Reserve, as provided in this ARTICLE IX, the Board will authorize, impose and collect additional and increased rentals, rates and charges for use and occupancy of the facilities of the aforesaid "Housing and Dining System," in such manner and to such extent as may be required to make all of said payments promptly when due.

The Board hereby further irrevocably covenants and agrees (with the sanction, concurrence and approval of the Commissioner of Finance and the Commission, as herein shown), that if the Revenues of the System shall at any time, or from time to time, be or become inadequate to provide for payment of the costs of operating and maintaining the System (after first making provision for the payments required to be made into the System Sinking Fund, including the System Debt Service Reserve, and the System Repair and

Maintenance Reserve, as agreed shall be done hereunder), said Board will (a) authorize, impose and collect additional and increased rentals, rates and other charges for use and occupancy of the facilities of the aforesaid "Housing and Dining System," if and to such extent as the Board may, in its discretion, determine to be economically feasible and consistent with the sound and proper exercise of the educational functions and duties of the Board according to the Constitution and Statutes of the Commonwealth, and (b) in any event, with the sanction, authorization and approval of the Commissioner of Finance, and the Commission, as permitted by law, contract and agree according to law (and the Board does hereby so contract and agree), that to such extent as the Revenues of the said Housing and Dining System shall be or become deficient for such purposes, the Board (acting pursuant to legal authority, and in such manner as contractually to bind the Commonwealth of Kentucky), will undertake to provide from other resources, and to pay when due, all costs of operating and maintaining the System as shall be required from time to time to maintain and keep all educational buildings, appurtenant facilities and related auxiliary enterprises of the aforesaid Housing and Dining System in a current and tenantable state of repair.

The Board covenants and agrees that it will not hereafter issue any additional Series of Bonds on a basis of parity and equality as to security and source of payment with the Bonds of Series A to I, inclusive, except with the prior sanction, concurrence and approval of the Commissioner of Finance and the Commission, as to be evidenced by an authenticated copy of one or more instruments to that effect duly filed with the Trustee, and as further to be evidenced by a recitation to that effect upon the face of each such Bond, and the manual signature, or an authorized reproduced facsimile of the signature, of the Commissioner of Finance, appearing upon each such Bond.

Section 910. After the annual deposit requirements of Section 904 hereof, and the annual deposit requirements of Section 907 hereof, and payment of Current Expenses as provided in Section 908 hereof, shall have been fully met, the Board may use any balance of excess funds remaining on deposit in the System Revenue Fund at the close of each Fiscal Year:

- (1) to redeem outstanding Coupon Bonds or to prepay principal of Fully Registered Bonds, on the next interest payment date in inverse numerical order and in amounts of not less than Five Thousand Dollars (\$5,000) par value at any one time, subject to the applicable redemption provisions;
- (2) for any expenditures, including the payment of debt service, in improving or restoring any existing housing and dining facilities or related auxiliary enterprises, or providing any such additional facilities; or
- (3) for any other lawful purpose.

Section 911. 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 912. Moneys held for the credit of the System Repair and Maintenance Reserve, and any amount in the System Sinking Fund in excess of all Bond principal and interest requirements for the ensuing twelve (12) months' period, shall be invested and reinvested 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, maturing or subject to redemption at the option of the holders not more than ten (10) years from the date the investment is made. Obligations so purchased shall be deemed at all times to be a part of the System Repair and Maintenance Reserve, and of the System Sinking Fund, respectively, and the interest accruing thereon and the proceeds of the sale or retirement thereof shall be credited to said respective funds. 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 necessary payment from the System Repair and Maintenance Reserve, or from the System Sinking Fund. Neither the Trustee nor the Board shall be liable or responsible for any loss resulting from any such investment. Income from investments shall be credited to the respective Funds for the account of which the same are carried; and expenses incurred in making and liquidating investments, and any losses arising from forced sale of investments, shall be chargeable thereto.

Section 913. Moneys from time to time deposited with the Trustee in the System Sinking Fund for current principal and interest requirements (as distinguished from deposits for the System Debt Service Reserve), may, upon order of the Board, be invested and reinvested by the Trustee in direct or fully guaranteed obligations of the United States, maturing or subject to redemption at the option of the holder not later than the time or times when such deposited funds are required by the provisions of this Indenture to be disbursed.

ARTICLE X - FORMS: COUPON BONDS, AND COUPONS; BONDS
IN FULLY REGISTERED FORM; CERTIFICATION
OF COMMISSIONER OF FINANCE; TRUSTEE'S
AUTHENTICATION CERTIFICATE; REGISTRATION;
ASSIGNMENT; ETC.

Section 1001. The Bonds, whether issued in Coupon Form or in Fully Registered Form, the Certificate of the Commissioner of Finance to appear thereon, the Trustee's Authentication Certificate, and where appropriate, the interest coupons, provisions for registration, provision for assignment, and Payment Records, shall be in substantially the forms respectively set forth in this ARTICLE X, with appropriate insertions, omissions and variations

as in this Indenture provided or permitted.

Section 1002. Bonds issued in Coupon Form, the coupons appurtenant thereto, the Certificate of the Commissioner of Finance to appear thereon, the form of the Trustee's Authentication Certificate, and provisions for registration as to principal, shall be substantially, as follows:

(FORM OF COUPON BOND)

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
UNIVERSITY OF KENTUCKY
HOUSING AND DINING SYSTEM REVENUE BOND
SERIES ____

Number _____ \$ _____

The Board of Trustees of the University of Kentucky, a public body corporate, and an Educational Institution and Agency of the Commonwealth of Kentucky, at Lexington, Fayette County, 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 _____ Dollars (\$ _____) on the first day of June, _____, and to pay, solely from said special fund, interest thereon from the date hereof until payment of principal at the rate of _____ per centum (_____ %) per annum, such interest being payable semiannually on June 1 and December 1 of each year, beginning _____ 1, _____, except as the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto, such interest as may accrue on and prior to the maturity date of this Bond to be paid only upon presentation and surrender of the annexed coupons as they severally mature, both principal and interest being payable in any coin or currency which on the respective dates of payment of such principal and interest is legal tender for the payment of debts due the United States of America, at the principal office of the Trustee, Farmers Bank & Capital Trust Company, in the City of Frankfort, County of Franklin, Commonwealth of Kentucky, or, at the option of the holder hereof or of the interest coupons hereunto appertaining, at the principal office of _____.

This Bond is one of a duly authorized issue of Bonds in the initial aggregate principal amount of \$ _____, consisting of

Series A Bonds in the aggregate principal amount of \$1,000,000.00,

Series B Bonds in the aggregate principal amount of \$275,000.00,

Series C Bonds in the aggregate principal amount of \$955,000.00.

Series D Bonds in the aggregate principal amount of \$1,835,000.00,

Series E Bonds in the aggregate principal amount of \$1,580,000.00,

Series F Bonds in the aggregate principal amount of \$1,155,000.00,

Series G Bonds in the aggregate principal amount of \$1,375,000.00,

Series H Bonds in the aggregate principal amount of \$_____, and

Series I Bonds in the aggregate principal amount of \$_____, all of said Bonds being of the same form, tenor and effect (except for numbers, denominations, maturity dates, series designation, and permissible variation in interest rates), issued for financing or refinancing the costs, not otherwise provided, of buildings and appurtenant facilities for educational purposes on the Main Campus of said University (as defined in the Trust Indenture, hereinafter referred to), comprising parts of the Housing and Dining System of said University of Kentucky, consisting of (a) initially, certain identified student housing and dining facilities and related auxiliary enterprises existing on the Main Campus of said University, in Lexington, Fayette County, Kentucky, as of June 1, 1965, (b) the University's First Housing Complex Project, as to be constructed through application in part of the proceeds of the Series H Bonds and Series I Bonds, (c) any other housing and dining facilities or related auxiliary enterprises such as may be added to the said Housing and Dining System at future dates in accordance with the conditions and restrictions provided in connection with the permissive issuance of parity Bonds, and (d) any such facilities as may be added to the Housing and Dining System as additional security for the Bonds (hereinafter sometimes referred to in the aggregate as the "Housing and Dining System," or the "System"), 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 herein called the "Indenture"), dated as of June 1, 1965, executed by and between said Board of Trustees and said Farmers Bank & Capital Trust Company, as Trustee (said Trustee and any successor Trustee under said Indenture being herein called the "Trustee"), an executed counterpart of which is on file at the office of said Trustee in the City of Frankfort, Kentucky. Reference is hereby made to the Indenture for a more specific identification of the Housing and Dining System and the described additions thereto 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 the System, the fund charged with and pledged to the payment of the interest on and the principal of said Bonds, the nature and extent of the security, the reserved right of the Board to issue in the future

certain additional Bonds which will rank on a basis of parity with the Bonds initially authorized, subject to conditions and restrictions which are specifically set forth in the Indenture, the rights, duties and obligations of said Board of Trustees and of the Trustee, and the rights of the holders of the Bonds; and, by the acceptance of this Bond, the holder hereof assents to all of the provisions of said Indenture. Under authority of the Statutes pursuant to which this Bond is issued, this Bond shall have all the qualities and incidents of a negotiable instrument, and, subject to the provisions for registration endorsed hereon and contained in the Indenture, nothing contained in this Bond or in said Indenture shall affect or impair the negotiability of this Bond.

The holder of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. The Indenture provides for fixing, charging and collecting rentals and other charges for the use of said System, 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 System, to the extent not otherwise provided. The Indenture provides for the creation of a special fund designated "University of Kentucky Housing and Dining System Revenue Bond and Interest Sinking Fund Account" (herein called the "Bond and Interest Sinking Fund"), and for the deposit to the credit of said Bond and Interest Sinking Fund of a fixed amount of the defined Revenues of said Housing and Dining System sufficient 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 Bond and Interest Sinking Fund is pledged to and charged with the payment of said principal and interest.

This Bond and the issue of which it is one and Bonds which may hereafter be issued and outstanding under the conditions and restrictions set forth in the Indenture are secured equally and are payable on a parity only from and as the first charge upon a fixed amount of the defined Revenues of said Housing and Dining System, which will be set aside in said Bond and Interest Sinking Fund, and this Bond does not constitute an indebtedness of the University of Kentucky or of its Board of Trustees or of the Commonwealth of Kentucky within the meaning of any provisions or limitations of the Constitution of the Commonwealth of Kentucky.

REDEMPTION PROVISIONS

(To be inserted, as appropriate, in conformity with the Indenture.)

If the Board at its option undertakes to redeem outstanding Bonds in advance of scheduled maturity, it is agreed and understood that (1) except

for the redemption of Series I Bonds through application of surplus moneys in the Series I Construction Fund (and as similar conditions may be prescribed, in the discretion of the Board, in connection with the issuance of any future Series of Bonds), calls of Bonds from surplus Revenues accumulated in the Bond and Interest Sinking Fund and available for such purpose shall be on a pro rata basis reflecting the relationship between the Bonds of each Series at such time outstanding, and (2) calls of Bonds of each Series shall be in accordance with the redemption provisions of each Series; provided, however, as aforesaid, that the Board shall have the right to call, in accordance with the redemption provisions of the respective Series, any or all outstanding Bonds which are subject to redemption at par prior to calling any Bonds which are callable at a premium.

Notice of such intended redemption, identifying the Bonds to be redeemed, will be on file at the office of the Trustee at least thirty (30) days prior to the specified redemption date, and a copy of such notice shall be sent by registered mail to the registered holder of each then registered Bond which is to be redeemed, and such notice shall be published at least once not less than thirty (30) 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; provided, however, if all Bonds to be redeemed are then registered, such publication shall not be required. Any Bonds called for redemption and for the payment of which funds are on deposit with said Trustee on the specified redemption date shall cease to bear interest on said redemption date.

This Bond shall pass by delivery unless registered as to principal on the books of said Board of Trustees at the office of the Trustee under the Indenture, and such registration noted hereon, after which no valid transfer hereof shall be effective unless made on said books and similarly endorsed hereon at the written request of the registered holder or his duly authorized representative, but this Bond may be discharged from registration by being in like manner registered to bearer, whereupon full negotiability and transferability by delivery shall be restored, but may again from time to time be registered as aforesaid. Such registration shall not affect the negotiability of the interest coupons which shall always remain payable to bearer and transferable by delivery merely. The Board of Trustees and the Trustee may deem and treat the bearer of this Bond, if not registered as to principal, and the bearer of any coupon hereto appertaining, whether or not this Bond be so registered, or if this Bond be registered as herein authorized, the person in whose name the same is registered, as the absolute owner for the purpose of receiving payment and for all other purposes.

A statutory mortgage lien, which is hereby recognized as valid and binding on the buildings and appurtenant facilities of said Housing and Dining System, those portions of the sites physically occupied thereby, and all necessary appurtenances, including adequate provision for ingress, egress, and the rendering of necessary services, is created and granted to and in favor of the holder or holders of this Bond and the issue of which it is a part,

and in favor of the holder or holders of the coupons attached thereto, and said Housing and Dining System, including such housing and dining buildings, appurtenant facilities, and related auxiliary enterprises as may hereafter be added to and made parts of said System according to the provisions of the Indenture, shall remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on this Bond and the issue of which it is a part; provided, however, that with respect to (a) the dormitory known as Bowman Hall which was financed in whole or in part by certain "Dormitory Revenue Bonds of 1946," previously issued and outstanding pursuant to a certain resolution adopted by the Board of Trustees on April 2, 1946, and (b) certain apartment buildings known in the aggregate as "Cooperstown" which were financed in whole or in part by certain "Dormitory Revenue Bonds of 1955," previously issued and outstanding pursuant to a certain resolution adopted by the Board of Trustees on April 5, 1955, said statutory mortgage lien and all other liens, pledges and security rights created in and by the Indenture for the benefit and protection of the owners and holders of the aforesaid Housing and Dining System Revenue Bonds are subordinate and inferior to the similar liens, pledges and other security rights created and existing for the benefit and protection of the owners and holders of outstanding bonds of said respective identified issues, until such time as all of said respective identified bonds shall have been fully paid, both principal and interest; but pursuant to the Indenture there have been set aside from the proceeds of the aforesaid "Housing and Dining System Revenue Bonds, Series H," and deposited and secured for the account of the respective special funds created and established as the source of payment of said identified bonds, in strict conformity with the provisions of the aforesaid respective resolutions authorizing the issuance thereof, amounts sufficient to assure payment in full thereof, both principal and interest, as and when the respective bonds and appurtenant interest coupons are scheduled to become due and payable.

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 that the amount of this Bond, together with all other obligations of said Board of Trustees and of said University of Kentucky, does not violate any provision or exceed any limit prescribed by the Constitution or Statutes of Kentucky; that said Housing and Dining System will be continuously operated, and that a sufficient portion of the defined Revenues therefrom has been pledged to and will be set aside into said Bond and Interest Sinking Fund, as the first charge upon such Revenues, for the payment of the principal of and interest on this Bond and the issue of which it is a part and any other Bonds which may hereafter be issued and outstanding, which by their terms are payable from said identified special fund, at or prior to maturity.

It is further certified, recited and declared that as permitted by the Constitution, applicable statutory laws, and controlling decisions of the Highest Court of the Commonwealth, the said Board of Trustees of the University of Kentucky has irrevocably covenanted and agreed, and hereby irrevocably covenants and agrees, with the owner and holder of this Bond, with the sanction, approval and authorization of the State Property and Buildings Commission of Kentucky, and the Commissioner of Finance of the Commonwealth, as evidenced by proper authorizations and proceedings duly filed with the Trustee, and as further evidenced by the authorized reproduced facsimile of the signature of said Commissioner of Finance hereon appearing, that if and to the extent that the defined Revenues of said Housing and Dining System shall at any time be or become insufficient (after first meeting all requirements of the special fund hereinabove identified), to pay all costs of operating and maintaining said System, and of keeping the same in a good and tenantable state of repair, said Board of Trustees and the Commonwealth of Kentucky will supply from other sources any deficiencies in such respects as a binding and continuing contractual commitment of the Commonwealth, so long as any Bonds are outstanding and unpaid under the terms and provisions of the Indenture.

IN TESTIMONY WHEREOF, the Board of Trustees of University of Kentucky, at Lexington, Kentucky, has caused this Bond to be executed in its name and behalf by the authorized facsimile of the signature of its Chairman, and has caused the authorized facsimile of its corporate seal to be imprinted hereon, attested by the manual signature of its Secretary; and has caused the coupons hereto attached to be executed with the authorized facsimile signatures of said Chairman and Secretary; all being done as of the first day of _____, _____.

BOARD OF TRUSTEES OF
UNIVERSITY OF KENTUCKY

By _____ (Facsimile Signature)
Chairman

It is certified that issuance of this Bond, in form as above set forth, has been duly approved and authorized by the State Property and Buildings Commission, and by the undersigned.

(Facsimile of
Seal)

Attest:

(Manual Signature)
Secretary

(Facsimile Signature)
Commissioner of Finance of
Kentucky

TRUSTEE'S AUTHENTICATION CERTIFICATE

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

FARMERS BANK & CAPITAL TRUST
COMPANY,
Frankfort, Kentucky, TRUSTEE

By _____ (Manual Signature)
Authorized Officer

(FORM OF COUPON)

Number _____ \$ _____

*Unless the Bond to which this coupon is appurtenant shall have been called for redemption and funds for the payment thereof are duly provided, * on the first day of _____, _____, the Board of Trustees of University of Kentucky, at Lexington, Kentucky, will pay to bearer _____ Dollars (\$ _____) in any coin or currency which at said date of payment is legal tender for the payment of debts due the United States of America, out of its "University of Kentucky Housing and Dining System Revenue Bond and Interest Sinking Fund Account," at the principal office of Farmers Bank & Capital Trust Company, in the City of Frankfort, Kentucky, or, at the option of the holder hereof, at the principal office of _____, as provided in and for interest then due on its Housing and Dining System Revenue Bond, Series _____, dated as of _____, _____, Number _____.

BOARD OF TRUSTEES OF
UNIVERSITY OF KENTUCKY

By _____ (Facsimile Signature)
Chairman

ATTEST:

(Facsimile Signature)
Secretary

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

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

*(This redemption legend to appear
only on such interest coupons as
are affected thereby.)

Section 1003. Bonds issued in Fully Registered Form, the certification of the Commissioner of Finance to appear thereon, the Trustee's Authentication Certificate, the form of assignment, and the Payment Record to be attached thereto, shall be in substantially the following forms:

(FORM OF FULLY REGISTERED BOND)

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
UNIVERSITY OF KENTUCKY
HOUSING AND DINING SYSTEM REVENUE BOND
SERIES ____

No. ____

\$ ____

The Board of Trustees of the University of Kentucky, at Lexington, Kentucky, a public body corporate and an Educational Institution and Agency of the Commonwealth of Kentucky (hereinafter called the "Board"), for value received, hereby promises to pay, solely from the special fund provided therefor, as hereinafter set forth, to / the UNITED STATES OF AMERICA, HOUSING AND FINANCE ADMINISTRATOR, or his successor (herein sometimes called the "Payee"), or his registered assigns (herein sometimes called the "Alternate Payee") / 1/ the principal sum of _____ Dollars (\$ _____), on the first day of June in years and installments, as follows:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>
-------------	-------------------------	-------------	-------------------------

1/ This designation 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 in like manner solely from said special fund 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 _____ per centum (_____%) per annum, semiannually, on June 1 and December 1 in each year, commencing _____, _____, 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 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

Farmers Bank & Capital Trust Company,

the Trustee under the Indenture, herein-
after mentioned, pursuant to which this Bond is issued, in the City of Frankfort,

Kentucky, or its successor as such Trustee, or, at the option of the Alternate Payee, at the principal office of _____,

_____, (herein called the "Alternate Paying Agent"). Payments of principal and interest, including prepayments 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 the making of such notations shall promptly be 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 is one of a duly authorized issue of Bonds in the initial aggregate principal amount of \$ _____, consisting of

Series A Bonds in the aggregate principal amount of \$1,000,000.00,

Series B Bonds in the aggregate principal amount of \$275,000.00,

Series C Bonds in the aggregate principal amount of \$955,000.00,

Series D Bonds in the aggregate principal amount of \$1,835,000.00,

Series E Bonds in the aggregate principal amount of \$1,580,000.00,

Series F Bonds in the aggregate principal amount of \$1,155,000.00,

Series G Bonds in the aggregate principal amount of \$1,375,000.00,

Series H Bonds in the aggregate principal amount of \$ _____, and

Series I Bonds in the aggregate principal amount of \$ _____, all of said Bonds being of the same tenor and effect (except for numbers, denominations, maturity dates, series designations, and variations in interest rates), issued for financing or refinancing the costs, not otherwise provided, of the Housing and Dining System of said University of Kentucky, consisting of (a) initially certain identified student housing and dining facilities and related auxiliary enterprises existing on the Main Campus of said University (as defined in the Trust Indenture, hereinafter referred to), in Lexington, Fayette County, Kentucky, as of June 1, 1965, (b) the University's First Housing Complex Project as to be constructed through application in part of the proceeds of the Series H Bonds and the Series I Bonds, (c) any other housing and dining facilities or related auxiliary enterprises, such as may be added to the said Housing and Dining System at future dates in accordance with the conditions and restrictions provided in connection with the permissive issuance of parity Bonds, and (d) any such facilities as may be added to the Housing and Dining System as additional security for the Bonds (hereinafter sometimes

referred to as the "Housing and Dining System," or the "System"), 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 called the "Indenture"), dated as of June 1, 1965, executed by and between said Board of Trustees and said Farmers Bank & Capital Trust Company,

Frankfort, Kentucky, as Trustee, (said Trustee and any successor Trustee under said Indenture being herein called the "Trustee"), an executed counterpart of which is on file at the office of said Trustee in the City of Frankfort, Kentucky. Reference is hereby made to the Indenture for a more specific identification of the Housing and Dining System 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 defined Revenues; the fund charged with and pledged to the payment of the interest on and the principal of said Bonds; the nature and extent of the security; the reserved right of the Board to issue in the future certain additional Bonds which will rank on a basis of parity as to security and source of payment with the Bonds initially authorized, subject to conditions and restrictions which are specifically set forth in the Indenture; the rights, duties and obligations of said Board of Trustees and of the Trustee; and the rights and limitation of rights of the holders of the Bonds; and, by the acceptance of this Bond, the holder hereof assents to all of the provisions of said Indenture.

The holder of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. The Indenture provides for fixing, charging and collecting rentals and other charges for the use of said Housing and Dining System, 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 said Housing and Dining System, to the extent not otherwise provided. The Indenture provides for the creation of a special fund designated "University of Kentucky Housing and Dining System Revenue Bond and Interest Sinking Fund Account," (herein called the "Bond and Interest Sinking Fund"), and for the deposit to the credit of said Bond and Interest Sinking Fund of a fixed amount of the defined Revenues of said Housing and Dining System sufficient 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 Bond and Interest Sinking Fund is pledged to and charged with the payment of said principal and interest.

As provided in the Indenture, this Bond is exchangeable at the sole expense of the Board at any time, upon ninety (90) 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 Frankfort, Kentucky, for negotiable Coupon Bonds, payable to bearer, registrable as to principal only, of the denomination of _____ Thousand Dollars (\$ _____) each, in an aggregate principal amount equal to the unpaid principal amount of this Bond, in the form of such Coupon Bonds as provided for in the Indenture, numbered, bearing interest, and maturing as set forth in the Indenture, corresponding to the unpaid principal installments hereof.

PREPAYMENT PROVISIONS

(To be inserted, as appropriate, in conformity
with the Indenture.)

If the Board at its option undertakes to prepay outstanding Bonds in advance of scheduled maturity, it is agreed and understood that (1) except for the prepayment of Series I Bonds through application of surplus moneys in the Series I Construction Fund (and as similar conditions may be prescribed, in the discretion of the Board, in connection with the issuance of any future Series of Bonds), calls of Bonds from surplus Revenues accumulated in the Bond and Interest Sinking Fund and available for such purpose shall be on a pro rata basis reflecting the relationship between the Bonds of each Series at such time outstanding, and (2) calls of Bonds of each Series shall be in accordance with the prepayment provisions of each Series; provided, however, as aforesaid, that the Board shall have the right to call, in accordance with the prepayment provisions of the respective Series, any or all outstanding Bonds which are subject to prepayment at par prior to calling Bonds which are callable at a premium.

Notice of any such optional prepayment shall be given at least thirty (30) days prior to the prepayment date by mailing to the registered owner of this Bond, by registered mail, a notice fixing such prepayment date, the amount of principal to be prepaid, and the premium, if any, to be prepaid.

A statutory mortgage lien, which is hereby recognized as valid and binding on the buildings and appurtenant facilities of said Housing and Dining System, those portions of the sites physically occupied thereby, and all necessary appurtenances, including adequate provision for ingress, egress and the rendering of necessary services, is created and granted to and in favor of the holder of this Bond and the issue of which it is a part, and in favor of the holder or holders of coupons attached to Bonds issued in coupon form, and said Housing and Dining System, including such housing and dining buildings, appurtenant facilities, and related auxiliary enterprises, as may hereafter be added to and made a part of said System according to the provisions of the Indenture, shall remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on this Bond and the issue of which it is a part; provided, however, that with respect to (a) the

dormitory known as Bowman Hall which was financed in whole or in part by certain "Dormitory Revenue Bonds of 1946," previously issued and outstanding pursuant to a certain resolution adopted by the Board of Trustees on April 2, 1946, and (b) certain apartment buildings known in the aggregate as "Cooperstown" which were financed in whole or in part by certain "Dormitory Revenue Bonds of 1955," previously issued and outstanding pursuant to a certain resolution adopted by the Board of Trustees on April 5, 1955, said statutory mortgage lien and all other liens, pledges and security rights created in and by the Indenture for the benefit and protection of the owners and holders of the aforesaid Housing and Dining System Revenue Bonds are subordinate and inferior to the similar liens, pledges and other security rights created and existing for the benefit and protection of the owners and holders of outstanding bonds of said respective identified issues, until such time as all of said respective identified bonds shall have been fully paid, both principal and interest; but pursuant to the Indenture there have been set aside from the proceeds of the aforesaid "Housing and Dining System Revenue Bonds, Series H," and deposited and secured for the account of the respective special funds created and established as the source of payment of said identified bonds, in strict conformity with the provisions of the aforesaid respective resolutions authorizing the issuance thereof, amounts sufficient to assure payment in full thereof, both principal and interest, as and when the respective bonds and appurtenant interest coupons are scheduled to become due and payable.

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 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.

In case any event of default, as defined in the Indenture, shall occur, the principal of this Bond may be declared or may become due and payable 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, director, Trustee, or member of the Board, 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 entitled to any benefit under the Indenture or be valid or become obligatory unless it shall have been authenticated by the Trustee, or its successor in the trust, by completing the Trustee's Authentication Certificate appearing hereon.

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 that the amount of this Bond, together with all other obligations of said Board of Trustees and of said University of Kentucky, does not violate any provision or exceed any limit prescribed by the Constitution or Statutes of Kentucky; that said Housing and Dining System will be continuously operated, and that a sufficient portion of the defined Revenues therefrom has been pledged to and will be set aside into said Bond and Interest Sinking Fund, as the first charge upon such Revenues, for the payment of the principal of and interest on this Bond and the issue of which it is a part and any other Bonds which may hereafter be issued and outstanding, which by their terms are payable from said identified special fund, at or prior to maturity.

It is further certified, recited and declared that as permitted by the Constitution, applicable statutory laws, and controlling decisions of the Highest Court of the Commonwealth, the said Board of Trustees of the University of Kentucky has irrevocably covenanted and agreed, and hereby irrevocably covenants and agrees with the owner and holder of this Bond, with the sanction, approval and authorization of the State Property and Buildings Commission of Kentucky, and the Commissioner of Finance of the Commonwealth, as evidenced by proper authorizations and proceedings duly filed with the Trustee, and as further evidenced by the authorized reproduced facsimile of the signature of said Commissioner of Finance hereon appearing, that if and to the extent that the defined Revenues of said Housing and Dining System shall at any time be or become insufficient (after first meeting all requirements of the special fund hereinabove identified), to pay all costs of operating and maintaining said System, and of keeping the same in a good and tenantable state of repair, said Board of Trustees and the Commonwealth of Kentucky will apply from other sources any deficiencies in such respects as a binding and continuing contractual commitment of the Commonwealth, as long as any Bonds are outstanding and unpaid under the terms and provisions of the Indenture.

IN WITNESS WHEREOF, the Board has caused this Bond to be executed in its name by the authorized signature of its Chairman, and has caused its corporate seal to be impressed hereon, attested by the authorized signature of its Secretary, all as of the first day of _____, _____.

BOARD OF TRUSTEES OF
UNIVERSITY OF KENTUCKY

It is certified that issuance of this Bond, in form as above set forth, has been duly approved and authorized by the State Property and Buildings Commission, and by the undersigned.

By _____ (Manual Signature)
Chairman

(SEAL)

ATTEST:

(Manual Signature)
Secretary

This Bond is a Fully Registered Bond as described in the within-mentioned Indenture.

By _____ (Manual Signature)
Authorized Officer

Without representation, warranty or recourse, the within Bond is hereby assigned unto _____, this _____ day of _____, _____.

Witness

<u>Due Date</u>	<u>Principal Payment</u>	<u>Principal Balance Due</u>	<u>Interest Payment (____%)</u>	<u>Date Paid</u>	<u>Name of Paying Agent--Authorized Official & Title</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
(enter dates for prin- cipal and interest)	(enter amounts)	(leave blank)	(leave blank)	(leave blank)	

(In the cases of Series H and I Bonds - 80 due dates:

(In the cases of Series H and I Bonds - 80 due dates; in the cases of Series A to G Bonds--fewer, by reason of shorter final maturities of principal. 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 a separate sheet)

Principal installments on which payments have been made prior to maturity

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

Section 1004. Provisions are made in ARTICLE XI of this Indenture for the permissive future issuance by the Board of additional Series of Bonds which will rank on a basis of parity and equality as to security and source of payment with the Bonds of Series A to I, inclusive, subject to compliance with certain prescribed terms, provisions, conditions and limitations which are set forth with particularity in said ARTICLE XI. Provision is further made in said ARTICLE XI for the permissive future issuance by the Board of additional bonds or other obligations payable as to principal and interest from the defined Revenues of the System, and not ranking on a basis of parity and equality as to security and source of payment with the Bonds, but only in the event there shall be full recognition and acknowledgment, in the proceedings authorizing the issuance thereof, and in the text of each such bond or other obligation that the same, and all security rights related thereto, are expressly subordinate and inferior to the liens, pledges and other security rights otherwise herein provided for the Bonds.

In the event that the Board shall hereafter determine that it is necessary or desirable to issue for purposes of the Housing and Dining System, other bonds or other obligations with respect to which compliance has not been made, or for any reason cannot be made, with the aforesaid terms, provisions, conditions and limitations controlling the issuance of Series of parity Bonds, the respective forms and texts of such bonds or other obligations, and of the coupons, Certifications, Trustee's Authentication Certificates, and otherwise, may be such as are prescribed in the proceedings preliminary and incident to the authorization and issuance thereof, so long as the same are not inconsistent with the provisions of this Indenture.

ARTICLE XI - ISSUANCE OF PARITY BONDS; ISSUANCE OF BONDS
OR OTHER OBLIGATIONS OF SUBORDINATE AND
INFERIOR STATUS; ISSUANCE OF REFUNDING BONDS;
PROVISION FOR ADVANCE REFUNDING

Section 1101. The Board reserves the right, exercisable pursuant to the provisions of one or more Supplemental Trust Indentures as hereinafter

provided, to issue additional Series of Bonds to be secured by a parity lien on and ratably payable from the Revenues of the System, for the purpose of financing, in whole or in part, any housing and dining buildings, appurtenant facilities, and related auxiliary enterprises for educational purposes (for convenience sometimes collectively referred to simply as "buildings"), provided, in each instance, that:

(a) The building, buildings, or appurtenant facilities erected and financed in whole or in part from the proceeds of such additional parity Bonds is or are made a part or parts of the Housing and Dining System, and the Revenues thereof are pledged as additional security for the additional parity Bonds and the Bonds then outstanding; and

(b) The Board is in full compliance with all covenants and undertakings in connection with all of its Bonds then outstanding and payable from the Revenues of said System or any part thereof;

(c) The Board shall cause to be filed with the Trustee a Certificate signed by an officer, agent or employee of the Board who may at the time be principally charged with responsibility for the maintenance and repair of the housing and dining buildings and appurtenant facilities comprising the then existing facilities of the System (or by an independent licensed architect or engineer, in the discretion of the Board), approved by the President of the University and by Resolution of the Board, showing that a physical inspection of the said housing and dining buildings and appurtenant facilities of the System has been made and that the same are represented to be in a good and current state of tenantability and repair, subject only to such exceptions as are shown to be duly scheduled and budgeted, at the time or times reasonably anticipated to be required in each instance; and

(d) The aggregate amount of

(1) the average of the audited annual Revenues of said System for the two Fiscal Years immediately preceding the issuance of said additional parity Bonds, (subject to special provisions applicable in the case of parity Bonds issued before the System has been in existence for two full Fiscal Years, as hereinafter set forth); and

(2) the estimated annual Revenues to be derived from the building, buildings, or appurtenant facilities to be erected in whole or in part through application of the proceeds of such additional parity Bonds; and

(3) the estimated annual Revenues to be derived from any buildings currently under construction; and

(4) the estimated annual Revenues to be derived from buildings in operation for less than a full Fiscal Year (provided that in such case the actual Revenues collected from such buildings shall be excluded in the computation of (1) above, in order to avoid duplication of actual Revenues and estimated Revenues in such cases),

each of the factors stated in the foregoing (1) to (4), inclusive, to be adjusted to reflect any increase or decrease in rates charged for services rendered by said System (i) imposed and made effective at any time during such period, or (ii) imposed and to become effective in the academic year next succeeding the issuance of such additional parity Bonds; all as indicated in a statement by the Treasurer, approved by the Commissioner of Finance, to be filed with the Trustee, is equal to not less than one and thirty hundredths (1.30) times the maximum amount which will be required in any future Fiscal Year for payment of the principal of and interest on the Bonds then outstanding and the additional parity Bonds then proposed to be issued; PROVIDED, that the estimate of annual Revenues as used in the above computations shall be based upon (i) an assumed occupancy of not more than ninety-five per cent (95%) of design capacity of student dormitories and married student family or faculty apartments of said System, (ii) not more than ninety per cent (90%) of the estimated Net Profits of dining facilities and other related auxiliary enterprises of said System; and (iii) with respect to any general student fees presently or hereafter pledged as constituting defined Revenues of the System, imposed or hereafter imposed for the use of the services and facilities of the System as herein permitted, the amount thereof as shown by the most recent applicable enrollment records, plus the aggregate amount of the fee collectible from the number of students which the Board may additionally accommodate in housing facilities of the System which are scheduled to be available for occupancy at or before the commencement of the next ensuing academic year; AND PROVIDED, ALSO, that the Board reserves the right, exercisable in any such Supplemental Trust Indenture, to pledge irrevocably as additional Revenues of the System, and as constituting an additional source of payment of the principal of and interest on all Bonds issued pursuant hereto (including Bonds initially issued and outstanding pursuant to this Indenture, as well as those authorized and issued according to the Supplemental Trust Indenture in which such pledge shall be made, and Bonds which may be issued according to any subsequent Supplemental Trust Indenture), identified Revenues thereafter to be derived by the Board from (a) any educational buildings and appurtenances for housing, dining, student union or auxiliary enterprises added to the System otherwise than through the issuance of Bonds or parity Bonds, and (b) any increased or additional student fee or fees then charged and imposed (or which has or have irrevocably been established and will be charged and made effective in the academic year next succeeding the issuance of such additional parity Bonds), upon each full-time student enrolled at the Main Campus of the University for use or availability of the services and facilities of the System; and, in the event the Board shall exercise either or both of such reserved rights and make such irrevocable pledge or pledges, (i) the Revenues derived therefrom shall be deposited as received into the System Revenue Fund for disposition as in the case of other Revenues of the Housing and Dining

System, and (ii) a sum equal to the amount of Revenues which would have been derived from said sources in the two Fiscal Years immediately preceding the issuance of said additional parity Bonds (had such buildings then been parts of the System, or the fee had been imposed and in effect during said two Fiscal Years), may be taken into account as Revenues of the Housing and Dining System in making the computation prescribed in this sub-paragraph (c) as indicated in the statement by the Treasurer (approved by the Commissioner of Finance) to be so filed with the Trustee.

In the event it shall be proposed that one or more Series of parity Bonds be issued before the System has been in existence for two full Fiscal Years, the determination of the average of the audited annual Revenues of the System for two full Fiscal Years immediately preceding issuance of such parity Bonds shall not be applicable; and in lieu thereof the statement required to be made by the Treasurer, approved by the Commissioner, and filed with the Trustee, as hereinabove provided, may show a computation of what the amount of the average of the annual Revenues for the two preceding Fiscal Years would have been, based upon a pro forma extension of the financial records relating to the System for such period of time as shall have elapsed to a date not more than sixty (60) days before the issuance and delivery of the parity Bonds; all other computations and adjustments to remain unchanged.

In the event of the issuance of one or more Series of parity Bonds in accordance with the terms, provisions, conditions and restrictions herein set forth governing the issuance thereof, interest payments thereon shall be scheduled to become due on June 1 and December 1 of each year, and the principal thereof shall be scheduled to become due on June 1 in any year in which principal is scheduled to become due.

The Board does, however, covenant and agree that whether by reason of its inability to comply with the terms, provisions, conditions and restrictions herein set forth governing the future issuance of parity Bonds, or otherwise, it will not

(a) undertake to erect or finance additional educational buildings for housing and dining purposes (including appurtenant facilities and related auxiliary enterprises), except in the case of buildings leased to fraternities, sororities, or other similar student groups, otherwise than as constituting a part or parts of the Housing and Dining System, as herein created, or

(b) undertake such construction or financing (subject to the exceptions stated in (a) above), otherwise than with a covenant on the part of the Board, (duly sanctioned, authorized and approved by proper action of the Commission and of the Commissioner of Finance binding the Board and the Commonwealth of Kentucky on a continuing contractual basis), that if there be any deficiency of the Revenues of the System, after first making provision from such Revenues for the orderly payment of the principal of and interest on all Bonds and such

other bonds or other obligations, the amount of such deficiency will be supplied by the Board and the Commonwealth, so as to provide on a continuing contractual basis for the maintenance, ~~operation~~ and repair of all educational buildings, appurtenant facilities, and related auxiliary enterprises for housing and dining purposes at any time constituting parts of said System.

Section 1102. In the event that the Board shall be unable at any time to show compliance with the terms, provisions, conditions and restrictions set forth in Section 1101 hereof in connection with the issuance of future Series of parity Bonds, but shall nevertheless determine (with the sanction, approval and authorization of the Commission and of the Commissioner of Finance, as aforesaid), that it is necessary to provide additional educational buildings, appurtenant facilities and/or related auxiliary enterprises for housing and dining purposes, the Board reserves the right, exercisable pursuant to the provisions of one or more Supplemental Trust Indentures, as hereinafter provided, to issue additional bonds or other obligations payable as to principal and interest from the Revenues of the System, but only if it shall be specifically provided and shown in all of the proceedings authorizing and providing for the issuance thereof, and in the text of each such bond or other obligation so issued, that (a) the statutory mortgage lien provided for the security of such bonds or other obligations is recognized and acknowledged to be subordinate and inferior to the similar lien granted by statute and herein recognized and acknowledged as constituting a prior and superior lien for the security of the holders of the Bonds, and parity Bonds, (b) any pledge of or lien upon the Revenues of the System, given or recognized for the security and source of payment of such bonds or other obligations shall similarly be recognized and acknowledged in all proceedings incident to the issuance thereof, and in the text of each such bond or other obligation, to be subordinate and inferior to the first and paramount lien upon and pledge of such Revenues, provided for by statute and herein recognized and acknowledged for the security and source of payment of the Bonds and parity Bonds, (c) the principal of any such subordinate and inferior bonds or other obligations shall be payable on June 1 of any year in which such principal is scheduled to become due, and (d) interest upon such subordinate and inferior bonds or other obligations shall be payable on June 1 and December 1 of any year in which such interest is scheduled to be due and payable; PROVIDED, HOWEVER, the Board further expressly reserves the right, after issuance of any such subordinate and inferior bonds or other obligations, to issue parity Bonds for the purpose of refunding the same in the event that prior to the issuance of such refunding parity Bonds the Board is able to show, and does show by a statement of the Treasurer, approved by the Commissioner of Finance, and filed with the Trustee, that upon issuance thereof the Board will then be in compliance with all of the terms, provisions, conditions and limitations set forth in Section 1101 of this Indenture relating to the issuance of parity Bonds at that time.

Section 1103. The Board further reserves the right, exercisable pursuant to the provisions of one or more Supplemental Trust Indentures, as hereinafter provided, to issue additional parity Bonds (a) to refund, in whole or in part, one or more Series of Bonds or parity Bonds previously issued and outstanding, or (b) to refund any bonds or other obligations previously issued by the Board otherwise than under the provisions of this Indenture or of any Supplemental Trust Indenture, for the financing, in whole or in part, of housing and dining educational buildings, appurtenant facilities, or related auxiliary enterprises, (or to purchase and acquire such buildings, facilities and appurtenances, if then permitted by law), if the purpose of issuing such refunding Bonds under this sub-paragraph (b) is to make it possible to combine such existing and independently financed buildings, appurtenant facilities and related auxiliary enterprises with, and make the same a part or parts of the System, and the Revenues thereof are thereafter irrevocably pledged as Revenues of the System; and prior to the issuance thereof the Board is able to comply, and does comply, with the terms, provisions, conditions and limitations relative to the issuance of parity Bonds as set forth in Section 1101 of this Indenture, as shown by a statement of the Treasurer, approved by the Commissioner, and filed with the Trustee, as in said Section 1101 provided. In any such event the rentals, rates and other charges derived by the Board from the operation of such previously independently financed housing and dining buildings, appurtenant facilities and related auxiliary enterprises shall constitute Revenues of the Housing and Dining System and may be taken into account by the Treasurer in any statement filed with the Trustee in accordance with Section 1101 hereof with respect to the issuance of parity Bonds.

Section 1104. Anything in this ARTICLE XI to the contrary notwithstanding, the Board further reserves the right, exercisable pursuant to the provisions of one or more Supplemental Trust Indentures as hereinafter provided, to issue Bonds on a parity with Bonds and parity Bonds previously issued and outstanding under this Indenture, for the purpose of refunding all or any part of the Bonds of one or more Series which are not at the time subject to call for redemption, as well as Bonds of any one or more Series which are callable for redemption at a future date, if proper proceedings are had, taken, and duly filed with the Trustee showing that provision has been duly made for the payment thereof, whether at maturity or by redemption (generally referred to as "advance refunding"), if:

- (a) the then existing Debt Service Reserve is not diminished;
- (b) provision is made from the proceeds of such refunding Bonds or from other sources, for the segregation and deposit of moneys sufficient for payment and/or redemption of the outstanding Bonds so to be refunded;
- (c) the moneys so provided for the payment, whether at maturity or upon call for redemption, of the outstanding Bonds which are to be refunded (including principal, interest and redemption premium, if any), shall be deposited with the Trustee, at the time of delivery of such

refunding Bonds in a "Special Bond and Interest Payment and Redemption Account," hereby permitted to be created to the credit of the Board upon the books of the Trustee, which by all proceedings incident to the issuance of such refunding Bonds, shall be pledged irrevocably and exclusively to the payment of the Bonds to be refunded;

(d) the moneys deposited in such "Special Bond and Interest Payment and Redemption Account" are immediately **invested in securities, or one or more combinations thereof, such as are described in paragraphs (a), (b) and (c) of Section 501 of this Indenture;**

(e) in any event, either (i) the maximum amount required in any future Fiscal Year for payment of the principal of and interest on all Bonds remaining outstanding, together with the refunding Bonds, shall not exceed in any such Fiscal Year the amount corresponding thereto if there had been no refunding, or (ii) there shall first be procured and filed with the Trustee a certificate of the Treasurer conforming to all provisions of Section 1101 hereof, showing that the average of the Revenues for the two preceding Fiscal Years (with permitted exceptions and adjustments) will not be less than one and thirty hundredths (1.30) times the maximum amount required in any such future Fiscal Year with respect to Bonds which will remain outstanding and the refunding Bonds;

whereupon the Bonds to be refunded shall be payable exclusively from the "Special Bond and Interest Payment and Redemption Account" in the same manner as is provided in this Indenture with respect to Bonds which are payable from the System Sinking Fund; the owners and holders of the Bonds for the payment of which such funds are so provided shall look exclusively to the Trustee for the payment thereof, and the Trustee, at the request and at the expense of the Board, shall execute and deliver any and all instruments appropriate to evidence the release of this Indenture as to the security and source of payment of such Bonds to be refunded.

ARTICLE XII - SUPPLEMENTAL TRUST INDENTURES

Section 1201. The Board and the Trustee, from time to time and at any time, subject to the conditions and restrictions in this Indenture contained, may, and when so required by this Indenture shall, enter into such indentures supplemental hereto ("Supplemental Trust Indentures"), 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 issuance of each future Series of Bonds, to provide for the maturities, redemption provisions and other details thereof, and to provide for such adjustments thereafter to be made in the various special funds or accounts herein created, in order to conform to the conditions relating to the

issuance of such Series of Bonds;

- (2) To evidence the succession of another public corporation or state agency or officer to the Board, the Commission, or the Commissioner of Finance, and the assumption by such successor or successors of the respective covenants and obligations with reference to the Bonds;
- (3) 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;
- (4) For the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any Supplemental Trust Indenture; or
- (5) For any other purpose not inconsistent with the terms of this Indenture, and which shall not impair the security of the same.

Section 1202. The Trustee is authorized to join with the Board in the execution of any Supplemental Trust Indenture, and to make the further agreements and stipulations which may be therein contained.

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

ARTICLE XIII - REMEDIES

Section 1301. That for the protection of the holders of the Bonds secured by this Indenture and the interest coupons, if any, thereto attached, a statutory mortgage lien upon the buildings and appurtenant facilities of said Housing and Dining System, such portion of the respective sites as are physically occupied thereby, and all necessary appurtenances, including provision for adequate ingress, egress and the rendering of necessary services, 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, shall take effect immediately upon the delivery of any of said Bonds, and shall continue so long as any of the Bonds (and parity Bonds), shall be outstanding and unpaid; provided, however, that with respect to (a) the dormitory known as Bowman Hall which was financed in whole or in part by certain "Dormitory Revenue Bonds of 1946," previously issued and outstanding pursuant to a certain resolution adopted by the Board of Trustees on April 2, 1946, and (b) certain apartment buildings known in the aggregate as "Cooperstown" which were financed in whole or in part by certain "Dormitory

Revenue Bonds of 1955," previously issued and outstanding pursuant to a certain resolution adopted by the Board of Trustees on April 5, 1955, said statutory mortgage lien and all other liens, pledges and security rights created in and by this Indenture for the benefit and protection of the owners and holders of the aforesaid Housing and Dining System Revenue Bonds are subordinate, and inferior to the similar liens, pledges and other security rights created and existing for the benefit and protection of the owners and holders of outstanding bonds of said respective identified issues, until such time as all of said respective identified bonds shall have been fully paid, both principal and interest; but pursuant to this Indenture there shall be set aside from the proceeds of the aforesaid "Housing and Dining System Revenue Bonds, Series H," and deposited and secured for the account of the respective special funds created and established as the source of payment of said identified bonds, in strict conformity with the provisions of the aforesaid respective resolutions authorizing the issuance thereof, amounts sufficient to assure payment in full thereof, both principal and interest, as and when the respective bonds and appurtenant interest coupons are scheduled to become due and payable.

The Trustee may, and upon the written request of the holders of not less than twenty-five per cent (25%) 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 and the provisions of this Indenture, including the exaction, collection and accounting for sufficient rents, fees and charges, and the segregation and application of the Revenues to the special funds as provided by this Indenture.

Section 1302. 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 prepayment 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 any undertaking for the erection, completion, furnishing and placing in operation of any educational buildings, appurtenant facilities, and/or related auxiliary enterprises for housing and dining purposes, or related auxiliary enterprises, for which Bonds or parity Bonds are issued; or
- (d) the Board shall for any reason be rendered incapable of fulfilling its obligations hereunder; or
- (e) the Housing and Dining System 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 Housing and Dining System 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 1303. Upon the happening and continuance of any event of default specified in Section 1302 of this Article, then and in every such case the Trustee may, and upon the written request of the holders of not less than twenty-five per cent (25%) in principal amount of the Bonds then outstanding shall, by a notice in writing to the Board, declare the principal of all the Bonds then outstanding to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or in this Indenture to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Indenture, moneys shall have been accumulated or deposited in the System Sinking Fund sufficient to pay all arrears of interest, if any, upon all the Bonds then outstanding (except the interest accrued on such Bonds since the last interest payment date); and the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and all other amounts then payable by the Board hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Bonds or in this Indenture (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this Section) shall have been remedied to the satisfaction of the Trustee; then and in every such case the Trustee may, and upon the written request of the holders of not less than twenty-five per 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 1304. Upon the happening and continuance of any event of default specified in Section 1302 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 System Sinking Fund, the System Debt Service Reserve, the System Repair and Maintenance Reserve, and the Revenues of the System pledged to the payment of the Bonds by this Indenture) in any manner provided by law, and moneys adjudged or decreed to be payable.

Section 1305. 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 1306. 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 thereon on the trial or other proceeding relative thereto. Any such suit, action, or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the holders of such Bonds and coupons, subject to the provisions of this Indenture. 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, or an acquiescence therein, shall constitute or be deemed or construed to be a waiver of or acquiescence in any future default on the part of the Board, whether of the same character or of a different character; and every power and remedy given by this Article to the Trustee and the holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

ARTICLE XIV - PARTICULAR COVENANTS OF THE BOARD

Section 1401. The Board covenants and agrees that it has the lawful control of the sites of all the buildings and appurtenances of the Housing and Dining System; that said properties are (or will be, upon the Closing Date), free from any and all liens and encumbrances, except as herein specifically noted; and that the Board will warrant and defend the title thereto against all claims and demands whatsoever.

Section 1402. 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 1403. The Board has heretofore pledged as a part of the security and source of payment of the Previously Issued Student Union bonds referred to in Section 203 of ARTICLE II hereof, and which are provided to be refinanced according to Section 509 of ARTICLE V hereof, the gross amount generated to the Board and the University from the exaction and collection of the "Student Center Fee" (identified as a part of the "Student Activity Fee") in the sum of Twelve Dollars (\$12.00) per full-time student enrolled at the Main Campus of the University for each of the two semesters of the regular academic year and Six Dollars (\$6.00) per full-time student for the regular summer session; and the Board hereby pledges as a part of the Revenues of the System, and as a part of the security and source of payment thereof said "Student Center Fee" in not less than such stated amounts; and the Board reserves the right, exercisable in one or more Supplemental Trust Indentures (whether in connection with the authorization and issuance of a Series of Bonds, or independently thereof) to increase the amount or amounts so pledged, and if any such increased pledge is irrevocably made in terms of irreducible rates, the amounts realized from time to time from the exaction and collection thereof shall constitute continuing Revenues of the System, and may be taken into account in making the computations and certifications relating to the permissible issuance of parity Bonds as provided in ARTICLE XI of this Indenture.

Section 1404. The Board covenants and agrees that, so long as any of the Bonds are outstanding, it will not sell or otherwise dispose of any of the System facilities or any part thereof, and, except as provided for in ARTICLE XI relating to the issuance of parity Bonds, it will not create or permit to be

created any charge or lien on the Revenues thereof ranking equal or prior to the charge or lien of these Bonds. Notwithstanding the foregoing, the Board may at any time permanently abandon the use of, or sell at fair market value, any of its System facilities, provided that:

- (a) It is in full compliance with all covenants and undertakings in connection with all of its Bonds then outstanding and payable from the Revenues of the System and the System Debt Service Reserve for such Bonds has been fully established, or is being accumulated in the prescribed manner;
- (b) It will, in the event of sale, apply the proceeds to either (i) redemption of outstanding Bonds in accordance with the provisions governing repayment of Bonds in advance of maturity, or (ii) replacement of the facility so disposed of by another facility the revenues of which shall be incorporated into the System as hereinbefore provided;
- (c) It certifies, prior to the abandonment of use, that the facility to be abandoned is no longer economically feasible of producing Revenues or Net Profits, as the case may be; and
- (d) It certifies that the estimated Revenues of the remaining System facilities for the then next succeeding Fiscal Year, plus the estimated Revenues of the facility, if any, to be added to the System satisfy the earnings test provided in ARTICLE XI hereof governing issuance of additional parity Bonds.

Section 1405. The Board covenants and agrees that, effective at the Closing Date, the Board will procure, and maintain so long as any of the Bonds are outstanding, fire and extended coverage insurance on all insurable facilities of the Housing and Dining System in amounts sufficient to provide for not less than full recovery whenever the loss from causes covered by such insurance does not exceed eighty per centum (80%) of the full insurable value of the properties which are insured; and also boiler explosion insurance in a minimum amount of \$50,000 covering any steam boilers serving the Housing and Dining System.* Such insurance shall be in the State Fire and Tornado Insurance Fund of the Commonwealth of Kentucky, or in reputable insurance companies and by policies in form satisfactory to the Trustee; loss, if any, to be made payable to the Trustee as its interest may appear. The Board will within a reasonable time after the execution hereof and within four (4) months after the close of each Fiscal Year thereafter, furnish to the Trustee a statement in writing, signed by an officer of the Board, setting forth the full insurable value of the Housing and Dining System, 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, or certificates or copies thereof, and shall require such deposit in the event of occurrence of any event of default, as herein defined.

*(See qualification, ARTICLE XIV, Section 1407 hereof.)

Section 1406. 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; and 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 applied by the Trustee as hereinafter in this Section provided. In the event total or substantially total destruction of all revenue-producing facilities of the Housing and Dining System shall occur, and the Trustee shall recover sufficient insurance proceeds (net after reasonable expenses incident to recovery) to permit, by using such insurance proceeds and moneys then accumulated in the System Revenue Fund, the System Sinking Fund, the System Debt Service Reserve, and the System Repair and Maintenance Reserve, the full payment and retirement of all outstanding Bonds, the Trustee may in its discretion and shall upon written demand of the holders of twenty-five per cent (25%) or more of the outstanding Bonds, apply all of such moneys or so much thereof as may be necessary to such payment and retirement. In such event the Bonds which are stated to be non-callable except through application of the proceeds of insurance, shall be and become subject to redemption upon notice given at the time and in the manner herein provided with respect to redemption of Bonds which are stated to be subject to redemption; and the redemption terms applicable to such otherwise non-callable Bonds shall be the same as the highest terms at that time applicable to any outstanding Bonds of the same Series; and in the event of full retirement of all outstanding Bonds under such circumstances this Indenture shall be of no further effect, and if there be any moneys remaining in the custody of the Trustee under the provisions hereof (after payment of all reasonable expenses and proper charges of the Trustee), the Trustee shall remit the same to the Board and shall provide to the Board acceptable record evidence of all of the foregoing. In the event of any damage to, or the destruction of, the Housing and Dining System, 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 hereafter in this Section provided.

Effective as of the Closing Date, as hereinabove provided, and so long thereafter as the funds and investments of the System Sinking Fund are insufficient to provide current debt service plus the required System Debt Service Reserve, the Board will procure and maintain use and occupancy insurance, or loss of rentals insurance, on the Housing and Dining System, in an amount sufficient to enable the Board to deposit in the System 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 System Sinking Fund from the Revenues of the damaged building, or buildings, and/or other facilities, during the time the same is or are non-revenue-producing as a result of loss of use caused by hazards covered by fire and extended coverage insurance.

All insurance moneys received by the Trustee under the provisions of this Section (except the proceeds of use and occupancy insurance, or loss of rentals insurance, which shall be deposited in the System 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), shall be held by the Trustee as substituted security, and the same shall be by the Trustee paid out from time to time upon written order of the Board, signed by the Treasurer and Secretary, and accompanied by an approving certificate of an Architect or Engineer, for the purpose of paying the reasonable cost of repairing or replacing part or all of the property damaged or destroyed; provided, however, that the Board shall have furnished, in addition to the proceeds of such insurance, such moneys as may be required to complete such repairs or replacements, and said insurance moneys shall be paid out by the Trustee only when the same (together with other moneys provided by the Board, if necessary), shall be fully sufficient to complete such repairs or replacements, as shown by the said certificate of an Architect or Engineer. Every such order of the Board for the payment of insurance moneys shall state that the Board is not in default under any of the terms and provisions of this Indenture. The Trustee shall be fully protected in paying any such cash to or upon the order of the Board upon receipt of the showings above specified, but the Trustee shall have the right, but shall not be obliged, to require the Board to furnish such additional evidence in the premises as the Trustee may deem necessary in order to establish the right of the Board to the withdrawal of any such insurance moneys. In the event insurance proceeds shall remain after the completion of such repairs or replacements, then the Trustee shall deposit such moneys in the System Sinking Fund provided for by ARTICLE IX hereof, and such moneys shall be either (a) used for the redemption of outstanding Bonds, or (b) added to the System Debt Service Reserve, as the Board may direct.

Section 1407. 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 (including vehicular liability insurance) with limits of not less than One Hundred Thousand Dollars (\$100,000) for one person and Three Hundred Thousand Dollars (\$300,000) for more than one person involved in one accident, to protect the Board from claims for bodily injury and/or death which may arise from the operations of the Board including any use or occupancy of its grounds, structures and vehicles; and vehicle property damage insurance with limits of not less than Ten Thousand Dollars (\$10,000); provided, however, such public liability insurance and the boiler explosion insurance referred to in Section 1405 hereof, need not be procured and maintained so long as provision is otherwise made by law for disposition of claims against the Board and/or the University, of such character as would be covered thereby.

Section 1408. The Board covenants and agrees that it will at all times maintain, preserve and keep the Housing and Dining System and every part thereof in good condition, repair and working order and will from time to time make all needful and proper repairs, replacements, additions, betterments and improvements so that the operations and business of and pertaining to the Housing and Dining System and every part thereof shall at all times be conducted properly and

advantageously; and whenever any portion of the said System 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 said System shall at all times be fully maintained.

Section 1409. 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 XV 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; otherwise, a qualified trustee elsewhere.

Section 1410. The Board covenants and represents 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 Revenues of the Housing and Dining System, as herein provided; that all corporate and/or other actions on its part for the creation and issue of said Bonds and the execution of this Indenture have 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; 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 own, construct, maintain and operate all of the buildings and facilities of the Housing and Dining System.

Section 1411. The Board covenants and agrees that it will not issue, or permit to be issued, any Bonds or other obligations 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 hereto.

Section 1412. With respect to any educational buildings and appurtenant facilities for housing and dining purposes, and/or related auxiliary enterprises, which the Board has heretofore erected or may hereafter erect for and finance under lease to fraternities, sororities, or other similar student groups (and which do not constitute parts of the System, as defined in this Indenture), the Board covenants and agrees that in the event the same, or any of them, shall at any time cease to be subject to such lease-financing agreements (whether by reason of default on the part of the lessee, mutual agreement, or otherwise), and shall thereby become facilities of the Board of such nature as to become revenue-producing on an adjustable and continuing basis as in the case of housing and dining facilities or auxiliary enterprises which are otherwise defined and included in the aforesaid "Housing and Dining System," -- then the Board shall, and it hereby covenants and agrees that it will, by proper action on its part, and as evidenced by one or more "Supplemental Trust Indentures," as herein provided, constitute the same as a part or parts of said System, whereupon, and thereafter,

the same (but subject, nevertheless, to all liens and other security rights previously created and existing for the security and source of payment of any bonds or other obligations outstanding in connection therewith) shall (a) be and become subject to the statutory mortgage lien herein recognized as a part of the security for the Bonds and parity Bonds, and (b) the Revenues thereof, as that term is herein defined, shall be subject to the pledge of Revenues of the System as herein otherwise provided. In any such event, the Board may, as determined in the applicable Supplemental Trust Indenture, provide either (i) that the bonds or other obligations previously issued and outstanding for the financing thereof shall remain outstanding with full recognition of all liens and other security rights previously provided in connection therewith, or (ii) that such previously issued bonds or other obligations shall be refinanced through the issuance of parity Bonds according to the Board's reservation of right in that connection, as set forth and otherwise applicable in ARTICLE XI hereof.

Section 1413. The Board covenants that it will keep accurate financial records and proper books relating to the System, other facilities the Revenues of which are pledged to secure the Bonds, and other pledged revenue sources, and such records and books shall be open to inspection by the Bondholders and their agents and representatives. The Board further covenants that not later than one hundred twenty (120) days after the close of each fiscal year it will furnish to the Trustee and to any Bondholder who shall request same in writing, copies of audit reports prepared by an independent public accountant, or where appropriate, by the State auditing official, reflecting in reasonable detail the financial condition and record of operation of the Board, the System, other pledged facilities, and other pledged revenue sources, including particularly the student enrollment, the occupancy or degree of use of and rates charged for the use of, and the insurance on, the System and any other facilities the Revenues of which are pledged in this Trust Indenture, and the status of the several accounts and funds required by this Trust Indenture.

Section 1414. The Board covenants and agrees that it will establish and maintain so long as any of the Bonds are outstanding, such parietal rules, rental rates and charges for the use of the System facilities and such other facilities the Revenues of which are pledged to the payment of the Bonds as may be necessary to (1) assure maximum occupancy and use of said facilities and (2) provide together with any other funds herein pledged to payment of the Bonds (a) the operating and maintenance expenses of said facilities not provided from other resources, (b) the debt service on the Bonds, (c) the required reserve therefor, and (d) the System Repair and Maintenance Reserve for which provision is herein made.

ARTICLE XV - CONCERNING THE TRUSTEE

Section 1501. 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 trusts 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 terms of 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 any of the buildings or facilities of the Housing and Dining System, or for collecting any insurance moneys, or for the execution of this Indenture or of any Supplemental Trust Indentures, or instruments of further assurance of 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 Housing and Dining System, 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 Housing and Dining System.
- (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 and by the provisions of this Indenture. 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 or 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 Bonds 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.

- (é) 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 deem 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 Housing and Dining System including all books, papers and contracts, the records and accounts of the Board and University, 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 1502. 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 hereafter in this Article provided, and in such event such resignation shall take effect immediately on the appointment of such successor Trustee.

Section 1503. 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 1504. 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 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); or if no successor Trustee shall be available and willing to assume the obligations and responsibilities of a successor Trustee hereunder, then a similarly qualified successor Trustee elsewhere in the continental United States.

Section 1505. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Board, an instrument in writing accepting such appointment hereunder, and thereupon such

successor Trustee without any further act, deed or conveyance, shall become fully vested with all the 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 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 XVI - AMENDMENTS AND MODIFICATIONS
OF THIS INDENTURE

Section 1601. The provisions of this Indenture shall constitute a contract between the Board, the Trustee, and the holders of the Bonds as may be outstanding from time to time under this Indenture; provided that modifications, alterations and amendments of this Indenture and of the rights and obligations of the Board and of the Trustee and of the holders of said Bonds as may be outstanding may be made as in this Section provided.

In the event that it shall appear desirable and to the advantage of the Board, the Trustee and the holders of said Bonds, the Board may adopt a resolution modifying, altering, or amending this Indenture, and the Trustee may concur therein, as evidenced by a Supplemental Trust Indenture, according to the provisions hereof, but providing therein that the same shall not become effective unless and until it has had the approval of the holders of the Bonds as hereinafter set out. Immediately upon the adoption of such resolution, the Board shall set a time and place for and call a meeting of the holders of the Bonds to be held at a designated place in the City of Lexington, Kentucky, or in the City of Louisville, Kentucky. Written notice of any such meeting, stating the place and time thereof and in general terms the matter to be submitted, shall be mailed not less than thirty (30) days before such meeting:

- (a) to each owner of Bonds registered as to principal then outstanding, addressed to him at his address appearing on the registration books;
- (b) to each known holder of all other Bonds then outstanding, addressed to him as his name and address appear from the most recent information; and
- (c) to the Trustee;

and shall be published at least once in each of two successive calendar weeks immediately preceding the week which includes the date fixed for such meeting

in a newspaper or financial journal of general circulation in each of the Cities of Lexington and Louisville, Kentucky, and New York, New York. All holders of Bonds outstanding at the time of such meeting shall be entitled to vote thereat, and such attendance may be in person or by proxy. Each person seeking to attend or vote at any such meeting must, if required, produce such proof of ownership of Bonds or of personal identity as shall be satisfactory to the inspectors of votes. Every proxy shall be signed by the holder of the Bonds or by his duly authorized attorney and shall be witnessed, and its genuineness if questioned shall be established to the satisfaction of the inspectors of votes. The holders of the Bonds and the holders of proxies present, shall by a majority vote, irrespective of the amount of their holdings, select two persons from those present to act as chairman and secretary, respectively, of the meeting, and also select two other persons from those present to act as inspectors of votes, who shall count all votes cast at such meeting and who shall make and file with the secretary of the meeting their verified written report in duplicate of all such votes so cast at said meeting.

The holders (or persons entitled to vote the same) of not less than sixty-five per cent (65%) in principal amount of Bonds entitled to be voted at such meeting must be present at such meeting in person or by proxy in order to constitute a quorum for the transaction of business; less than a quorum, however, having the power to adjourn.

At such meeting, or any proper adjournment thereof, there shall be submitted to the holders of the Bonds for their approval the resolution theretofore adopted proposing the modification, alteration or amendment, and the text of the proposed Supplemental Trust Indenture intended to effectuate the same.

Any such modification or alteration or amendment of this Indenture or of any rights and obligations of the Board, or of the Trustee, or of the holders of the Bonds in any particular may be approved at a meeting duly convened and held in accordance with the provisions of this Section, but only by a resolution duly adopted by the affirmative vote, in person or by proxy, of the holders (or persons entitled to vote the same) of sixty-five per cent (65%) or more in aggregate principal amount of the Bonds outstanding when such meeting is held; provided, however, that no such modification, alteration, or amendment shall be made which will permit (a) an extension of time of payment at maturity of the principal of or payment of the interest on any Bond, or a reduction in the rate of interest thereon without written consent of the holder of such Bond, or (b) reduce the percentage of holders of Bonds required by the provisions of this Section for the taking of any action under this Section; and provided, further, that no such modification, alteration, or amendment herein authorized which in the opinion of the Trustee, affects the rights, duties, or immunities of the Trustee under this Indenture may be made without the consent of the Trustee.

A record of the proceedings of each such meeting shall be prepared by the secretary of the meeting and shall have attached thereto the original counterparts

of the reports of the inspectors of votes and affidavits by one or more persons having knowledge of the facts, setting forth a copy of the notice of the meeting and a copy of the record of any adjournment thereof, and showing that said notices were duly given as herein provided. Such records shall be signed and verified and one copy thereof shall be filed with the Secretary of the Board, and another shall be filed with the Trustee for preservation by the Trustee, and thereupon the proposed modifications, alterations and amendments, aforesaid, shall become effective, but otherwise shall be null and void.

Section 1602. When proper evidence is filed with the Trustee of due compliance with all of the provisions of Section 1601 of this Indenture, the Trustee shall be authorized to execute and deliver to the Board such Supplemental Trust Indenture as may be shown to have been approved and authorized thereby.

ARTICLE XVII - RELEASE AND DISCHARGE OF INDENTURE; PARTIAL RELEASES

Section 1701. Whenever the Board shall pay, or cause to be paid, the full amount due and to become due upon all the Bonds and other obligations 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, if any), the entire amount due and to become due thereon, in any manner herein permitted, 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, then and in that event these presents and the trust hereby created shall cease and terminate, and further payments from the Revenues hereby pledged shall thereupon cease, terminate and become void, except as to payment of the moneys held by the Trustee, in trust, which shall be applied by said Trustee to the payment of such Bonds and/or coupons upon the presentation and surrender thereof. Any deposit of money or of securities, or one or more combinations thereof, such as are described in paragraphs (a), (b) and (c) of Section 501 of ARTICLE V of this Indenture, 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 with respect to the Bonds and/or coupons for payment of which such deposit shall be made, and thereafter such Bonds and interest thereon, whether or not represented by 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 the case of the deposit and security of a sufficient sum of money for the full payment of the Bonds and interest thereon, 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, or as related to the Bonds with respect to which the Board shall have complied with the foregoing conditions.

Section 1702. In the event that the Board shall elect, according to the provisions of ARTICLE XI hereof, to issue Bonds hereunder in order to provide for the refunding (whether by "advance refunding" or otherwise) of Bonds previously issued and outstanding pursuant to this Indenture or any Supplemental Trust Indenture and shall cause to be deposited with the Trustee in a "Special Bond and Interest Payment Redemption Account," as provided in ARTICLE XI, Section 1104 hereof, an amount sufficient (invested or secured as therein provided), to provide for the payment at maturity of the principal of and interest on the Bonds affected thereby, including any redemption premium incident to the call for redemption of any of such Bonds in the event provision is made for the redemption thereof, then all sums so provided for such payment at maturity and/or redemption shall be segregated and set apart by the Trustee into a similar "Special Bond and Interest Payment Redemption Account," and shall be then and thereafter reserved and held by the Trustee in such "Special Bond and Interest Payment Redemption Account" and invested and reinvested to the credit thereof as provided in this Indenture, and held in trust solely for the payment of the principal of and interest on the Bonds so identified and referred to; whereupon the Trustee shall be authorized to, and at the request and expense of the Board shall, execute and deliver to the Board such appropriate instruments as may be necessary or desirable to evidence that the obligations of the Board with reference to such identified Bonds have been fully discharged; and thereafter the owners and holders of the Bonds so identified shall look exclusively to the amounts so paid to and held in trust by the Trustee for the payment thereof. From and after such payment to the Trustee, and such release by the Trustee, as herein provided, such identified Bonds shall no longer be entitled to the securities provided by this Indenture, nor to the pledge of the Revenues of the Housing and Dining System, as otherwise provided herein.

Section 1703. The satisfaction and discharge of this Indenture, in whole or in part, 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, including counsel fees, at any time incurred by the Trustee hereunder or connected with any Bond issued hereunder, and the Board hereby covenants to protect and save the Trustee harmless from any and all such losses, liabilities, costs and expenses incurred in acting under this Indenture, except such as may be caused by the gross negligence or willful default of the Trustee.

ARTICLE XVIII - MISCELLANEOUS PROVISIONS

Section 1801. 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 or prepayment of some or all of the principal 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 Bond, together with all interest due thereon to the date of the maturity of such Bond or to the date fixed

for the redemption thereof, or to pay such coupon, as the case may be), then and in every such case, interest on said Bond or on said unpaid coupon, if any, and all liability of the Board to the holder of said Bond for the payment of the principal thereof and interest thereon, or to the holder of said unpaid coupon for the payment thereof and interest thereon, as the case may be, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold the funds, so deposited, in trust for the benefit of the holder of such Bond or unpaid coupon, as the case may be, who shall thereafter be restricted exclusively to said funds for any claim of whatsoever nature on the part of such holder under this Indenture or in said Bond or any coupons appertaining thereto, or in said unpaid coupon.

Section 1802. Whenever in this Indenture any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, and all the covenants, promises and agreements in this Indenture contained by or on behalf of the Board, or by or on behalf of the Trustee, shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

Section 1803. 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, if any), any right, remedy, or claim under or by reason of this Indenture, or any covenant, condition or stipulation hereof, and all the covenants, stipulations, promises, agreements and conditions in this Indenture contained, by or on behalf of the Board, shall be for the sole and exclusive benefit of the parties hereto, their successors and assigns, and of the holders of the Bonds and of coupons appurtenant thereto.

Section 1804. 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, banker, 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 depositary 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 1805. This Indenture may be simultaneously executed in any number of counterparts, and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument. The date of actual execution of this Indenture shall be the date of execution by the Trustee; but nevertheless the effective date hereof shall be the year and day first hereinabove written.

IN TESTIMONY WHEREOF, the BOARD OF TRUSTEES OF UNIVERSITY OF KENTUCKY has caused its corporate name to be hereunto subscribed by its Chairman, or its Vice Chairman, and its corporate seal to be hereto affixed, and said signature and seal to be attested by its Secretary, and said FARMERS BANK & CAPITAL TRUST COMPANY, Frankfort, Kentucky, 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, or by its Trust Officer, and its corporate seal to be hereto affixed and said signature and seal to be attested by its Secretary, Cashier, or Trust Officer, or a duly authorized Assistant, all as of the day and year first above written.

BOARD OF TRUSTEES OF
UNIVERSITY OF KENTUCKY
Lexington, Kentucky

(SEAL)

ATTEST:

By _____
(Signature)

(Title of Officer)

Secretary

FARMERS BANK & CAPITAL TRUST COMPANY
Frankfort, Kentucky

(SEAL)

By _____
(Signature)

ATTEST:

(Title of Officer)_____
(Signature)_____
(Title of Officer)STATE OF KENTUCKY)
 : SS
COUNTY OF)

On this _____ day of _____, 1965, before me, the undersigned, a Notary Public in and for said County, in the State aforesaid, appeared _____ and J.A. Sutherland, to me personally known and to me known to be the _____ and Secretary, respectively, of the BOARD OF TRUSTEES OF UNIVERSITY OF KENTUCKY, one of the corporations described in and which executed the within and foregoing instrument and who being by me severally duly sworn, did say that he, the said _____, is the _____ of said Board of Trustees, and he, the said J. A. Sutherland, is the Secretary of said Board of Trustees; that the seal affixed to the within and foregoing instrument is the corporate seal of said Corporation; that said instrument was executed, signed and sealed in behalf of said Corporation by authority of its Board of Trustees; and said _____ and J.A. Sutherland, 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 through them as its duly authorized officers.

WITNESS my hand and Notarial seal, this _____ day of _____, 1965. My Commission expires _____.

(SEAL)

Notary Public
in and for the County and State
aforesaid

STATE OF KENTUCKY)
 : SS
 COUNTY OF FRANKLIN)

On this _____ day of _____, 1965, before me, the undersigned, a Notary Public in and for said County, in the State aforesaid, appeared _____ and _____, to me personally known and to me known to be the _____ and _____, respectively, of FARMERS BANK & CAPITAL TRUST COMPANY, Frankfort, Kentucky, one of the corporations described in and which executed the within and foregoing instrument, and who being by me severally duly sworn each for himself did say that he, the said _____ is the _____ of said Corporation, and he, the said _____, is the _____ 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 named officers 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 through them as its duly authorized officers.

Witness my hand and Notarial seal, this _____ day of _____, 1965.
 My Commission expires _____.

(SEAL)

 Notary Republic
 in and for the County and State
 aforesaid

(SEAL)

Section 4. The Board hereby recognizes and acknowledges that the form of Trust Indenture which is incorporated in this Resolution is an instrument which is necessarily couched in terms of a multitude of complex details and phraseology; that notwithstanding the care with which the same has been prepared it is not unreasonable to anticipate that upon further review it may be determined and agreed that minor revisions and refinements thereof are desirable and in order for the proper accomplishment of the intended purposes thereof, and that by reason of such considerations the form of such Trust Indenture, as herein approved, should not be so rigidly limited and controlled by the Board's present approval thereof as to foreclose such minor revisions and refinements thereof as may be necessary or desirable. Accordingly, the Board hereby delegates to and vests in the Executive Committee of this Board all proper and necessary authority to authorize, approve or consent to such revisions, modifications and refinements thereof as in the opinion and judgment of said Executive Committee do not have the effect of altering the intended material substance thereof; and action on the part of the Executive Committee in such areas may be taken without further consideration by the

Board of Trustees, and shall be fully binding upon the Board in all respects as if specifically considered, approved and authorized by the Board in the first instance.

Section 5. Full power and authority is hereby further delegated to and vested in the Executive Committee of this Board, at such time as it may deem appropriate in consultation or upon the recommendation of the Commissioner of Finance of the Commonwealth, the Business Staff of the University, and the Financial Advisors, to advertise at public sale, and to sell and to issue the aforesaid Housing and Dining System Revenue Bonds, Series H and Series I, at public sale after due advertisement as provided by law. Such Series H and Series I Bonds shall be offered and sold at not less than face amount and accrued interest, according to such terms and conditions as the said Executive Committee may establish prior to the public offering thereof; and in the case of the public offering of the Series I Bonds, according to such terms and conditions as may be consistent with the Board's Loan Agreement with HHFA identified as HHFA Project No. CH-Ky-72(D) Rev., and such policies, practices and requirements of HHFA as may prevail at that time. Said Executive Committee is further specifically authorized to receive, consider and take action upon purchase proposals for said Series H and Series I Bonds, to award the same to one or more purchasers thereof submitting bids in conformity with the terms and conditions of the public offering thereof, to establish the interest rate or rates which shall be applicable thereto, to make all appropriate certifications to the Trustee with regard thereto, to designate one or more Alternate Paying Agents in connection therewith, and to authorize the delivery of such Bonds to the purchaser or purchasers thereof in accordance with the terms and provisions set forth in the Trust Indenture regarding the same.

Section 6. Upon the "Closing Date" (as that term is defined in the said form of Trust Indenture), the proper officers of the Board, the University, and the Trustee, are authorized (a) to effect the authorized delivery of the aforesaid Bonds of Series A to G, inclusive, to HHFA, upon HHFA's simultaneous surrender for cancellation of the Board's previously issued revenue bonds intended to be surrendered and exchanged therefor, (b) to make payment to HHFA of the various amounts hereinbefore authorized (and as set forth in said Trust Indenture) for the purpose of reducing the principal amounts of various Series to multiples of \$5,000, (c) to make all prescribed adjustments with HHFA to prevent duplication of the payment of interest on the part of this Board and to avoid loss of interest to HHFA by reason of such exchanges, (d) otherwise to make disposition of the proceeds of the Series H and Series I Bonds according to the provisions of the Trust Indenture, (e) wherever appropriate, to make settlement with the respective trustees heretofore designated and acting for the benefit and protection of the owners and holders of various issues of the Board's previously issued and outstanding revenue bonds, for the proper fees, charges and expenses of said respective trustees, (f) to comply with the provisions of the Trust Indenture concerning the surrender for cancellation of the outstanding HHFA Bonds of the various previously issued revenue bond issues and concerning deposit and

security of moneys sufficient to provide for the payment in full of all of such bonds otherwise than those which are owned and held by HHFA, and (g) except in the case of the Bowman Hall Bonds and the Cooperstown Bonds (where no trustee is involved and no provisions made for release), to demand and receive from each such trustee a full and complete release of the respective trust indentures in accordance with the terms thereof, and transfer to the Treasurer of the Board of all surplus balances at such time remaining in any and all special funds established and maintained according to the terms and provisions of such respective trust indentures.

Section 7. The Treasurer of the Commonwealth, as the designated Depository of the moneys provided to be deposited in the "Series H Construction Fund" and in the "Series I Construction Fund"; the Treasurer of the Board as the designated custodian of the balances from time to time segregated and accumulated in the "University of Kentucky Housing and Dining System Revenue Bonds Revenue Fund Account"; and said Farmers Bank & Capital Trust Company, as Trustee, as the designated custodian of the "University of Kentucky Housing and Dining System Revenue Bond and Interest Sinking Fund Account," the "Debt Service Reserve" provided to be established and maintained therein, and the "System Repair and Maintenance Reserve" (all as provided in the Trust Indenture); are hereby authorized, directed and requested to invest and reinvest from time to time such moneys as may be deposited in said various funds and accounts, in the securities and in the times and manners which are set forth with particularity in the Trust Indenture, to the ends and for the purposes respectively set forth in the Trust Indenture with regard thereto.

Section 8. This Resolution shall be in full force and effect from and after its adoption.

(End of Resolution)

* * * * *

The motion for the adoption of said Resolution was seconded by Dr. Harry Sparks. After full discussion the Vice Chairman put the question and upon call of the roll the vote thereon was recorded as follows:

Voting "Aye": Dr. Ralph Angelucci, Dr. Harry Denham, Dr. Harry Sparks,
Mr. Sam Ezelle, Mr. W. F. Foster, Dr. H. B. Murray,
Mr. Smith Broadbent, Dr. R. W. Bushart, Mr. Gilbert Kingsbury,
Mr. Robert Hillenmeyer, Judge J. A. Sutherland.

Voting "Nay": None.

The Vice Chairman thereupon announced that said Resolution had been duly adopted and that the same was in full force and effect.

* * * * *

K. Authorization to Provide Funds Necessary to Retire "University of Kentucky Building Revenue Bonds of 1938"

Mr. Kerley indicated it would be necessary to retire "University of Kentucky Building Revenue Bonds of 1938" and read the following recommendation and background statements to the Board:

Recommendation: In addition to the things authorized and directed to be done in connection with the payment of outstanding housing bonds of the Board, the Treasurer of the University is hereby authorized and directed, prior to the issuance of any of the bonds authorized by the resolution of the Board, adopted on September 21, 1965, to pay from the University debt service appropriation, previously authorized by the Board, a sum not to exceed \$45,000.00 to the Chemical Bank and Trust Company, New York, New York. The said sum of \$45,000.00 is the amount necessary to pay both the principal and the interest to maturity of certain bonds previously authorized and issued by the Board and known as the "University of Kentucky Building Revenue Bonds of 1938", it being the desire of the Board to deposit with the Chemical Bank and Trust Company, the paying agent for the said University of Kentucky Building Revenue Bonds of 1938, a sum sufficient to provide for the retirement of the interest and principal thereof so that the said bonds shall in no way constitute a prior pledge of the "University of Kentucky Housing and Dining System" known as Jewell Hall.

Background: Provision is not made in the Trust Indenture for the deposit and security of moneys sufficient to provide for the payment of these bonds from the proceeds of the sale of the Series H Bonds as in the case of all other outstanding bonds for the reason that only a part of the proceeds of the said University of Kentucky Building Revenue Bonds of 1938 were used for the construction of the housing facility known as Jewell Hall, the remainder of the proceeds, in accordance with the resolution authorizing the issuance of the bonds, having been used for the construction of other educational buildings of the University and not constituting housing and dining facilities.

On motion by Dr. Denham, seconded by Dr. Murray, the recommendation as stated above was approved unanimously.

L. Appreciation Expressed to Those Responsible for Establishment of Housing and Dining System

Dr. Angelucci thanked Mr. Kerley for the time and effort which had been put into the establishment of the University of Kentucky Housing and Dining System. Mr. Kerley, in turn, said he would like for the Board of Trustees to know that it could not have been accomplished without the help and cooperation of the Governor and his staff, particularly Mr. Felix Joyner and Mr. Don Bradshaw, of Mr. Cornelius W. Grafton and Mr. Tom Dupree, and their associates, and the

members of his own staff--Mr. Maupin, Mr. Darsie, Mr. Sellers, and Mr. Ruschell.

M. Amendments to Retirement Resolution

Dr. Oswald requested approval of certain amendments to the Retirement Resolution as outlined in PR 6, a copy of which is appended. He explained the proposed changes briefly and, on motion by Mr. Ezelle, seconded by Judge Sutherland, the proposed amendments were adopted without objection. (See PR 6 at the end of the Minutes.)

N. Authorization of Veterans Administration Hospital

Attention was called to PR 7, a copy of which is appended, which authorizes and consents to the construction of a Veterans Administration Hospital immediately south of the Medical Science wing of the University Medical Center. Mr. Kerley pointed out the approximate location of the proposed hospital on a map of the area involved and indicated that it would require approximately 4.6 acres of land with the building probably consisting of a two or three story structure with a center section of the building being seven or eight stories high. The hospital would provide approximately 360 beds, 270 for general patients and approximately 90 beds for psychiatric patients.

Dr. Willard said that the affiliation of Veterans Administration Hospitals with Medical Schools in order to upgrade facilities and patient care is quite common and exists in most places where a Veterans Hospital is authorized in an area with a Medical School. The advantages of such affiliation to the Medical Schools come from the increased patient and clinical resources thus provided.

Mr. Ezelle questioned whether the authorization and consent to permit construction of the Veterans Administration Hospital might not in time involve the need for more land than the 4.6 acres presently requested and might not this possibility create a problem in the future in the carrying out of the University's Development Plan. Mr. Kerley assured him that the proposed hospital would be more in the nature of a "wing" to the present facility on the Leestown Road and that there would be no necessity for additional space. Dr. Oswald commented that the University will need to provide additional facilities for the Medical School in the foreseeable future and that it would cost the state and the University in the neighborhood of five or six million dollars to provide facilities equal to those proposed by the Veterans Administration.

A brief discussion followed on the relationship between the University Medical School personnel and the Veterans Administration Hospital, the effect the location of such a facility might have on salaries of clerical personnel, and the problems involved in providing adequate parking.

On motion by Dr. Denham, seconded by Dr. Murray, and carried the Board of Trustees authorized and consented to the construction of a Veterans Administration Hospital immediately south of the Medical Science wing of the University Medical Center in accordance with the site plan submitted to the University by the Veterans Administration bearing a date of July 22, 1965. In addition, Vice President Kerley was given authority to implement the details of the project. (See PR 7 at the end of the Minutes.)

O. Student Centers at Community Colleges

Dr. Oswald called attention to PR 8 (see copy appended). He said that Student Center facilities are badly needed in the Community Colleges. Presently, all academic and non-academic activities at the colleges are housed in a single building. This means that classroom space and study areas are adjacent to lounge areas and vending machines, which are disrupting to the academic program. Since the majority of the students in the Community Colleges commute and since class schedules vary widely, a considerable amount of time is spent outside the classroom. In addition to the need to provide adequate lounges, recreation areas, and dining facilities, it is a further obligation of the Community Colleges to serve as a cultural center for the community they serve. Several communities, Elizabethtown and Henderson in particular, indicated an interest in providing support toward construction of a facility which would serve both as a Student Center and a Community Center. In order to provide these badly needed facilities, the Board was requested to authorize the President to cause the design and construction of Student Centers at each of the present or future Community College sites and to encourage communities to enrich these by supporting the addition of community facilities.

The Board expressed an interest in encouraging the dual Student Center-Community Center facilities and suggested that further explorations be made with the communities, probably through the Community Center Advisory Boards.

On motion by Mr. Ezelle, duly seconded and carried the recommendation as set forth in PR 8 was adopted. (See PR 8 at the end of the Minutes.)

P. Analysis of Enrollment Figures for 1965

Copies of the following enrollment tables were distributed:

Enrollments for 1964 and 1965 by Entrance Classification

	<u>1964</u>	<u>1965</u>	<u>% Change</u>
New Freshmen	2,528	2,741	+ 8
New Transfer	712	842	+18

	<u>1964</u>	<u>1965</u>	<u>% Change</u>
Former Undergraduates	5,537	6,785	+23
New Graduate	391	432	+10
New U. K. Graduate	100	104	+ 4
Special, Transient, Aud.	109	88	-19
Former Graduate	877	1,092	+25
Transfers from Community Colleges	117	180	+54
Non-degree	84	106	+26
Former Special, Aud., etc.	<u>96</u>	<u>53</u>	-45
Totals	10,654	12,423	

COMMUNITY COLLEGE ENROLLMENTS FOR YEARS 1964 and 1965

	<u>1964</u>	<u>1965</u>
Ashland	509	736
Elizabethtown	353	540
Ft. Knox	250	280
Henderson	325	414
Hopkinsville	---	333
Covington	862	1,216
Prestonsburg	342	560
Somerset	---	510
Cumberland	<u>360</u>	<u>368</u>
Totals	3,003	4,957

Percent of increase--65.2

Percentage increase in the seven community colleges operating in 1964--37.1

Number full-time students--3,305 80% increase

Percent of enrollment full-time students--67

Dr. Albright was asked to give an analysis of the figures as shown in the tables. He opened his remarks by saying, "Assuming a policy is sound, it is good when the results bear out the policy." He added that the figures in the tables were very near to the predictions which had been made relative to increases in enrollment at the University of Kentucky. The overall increase in enrollment on the main campus was 15.6, which was slightly higher than predicted.

The increase of 200 in new freshmen enrolled is composed almost entirely of Kentucky residents. Another interesting fact is that the persistence factor as shown by the 23% increase in former undergraduates indicates that more students are remaining in the University, while the same persistence factor is indicated in the 25% increase shown in former graduate students now enrolled. The total enrollment figure, broken down, indicated 60% in the lower division, 25% in the upper division, and 15% at the graduate level. Of the total graduate enrollment 60% are in-state students and 40% out-of-state students. There are 50% more graduate students registered for graduate residence which means an increase in the potential for Ph.D. degrees. In the entering Medical School class this year 17.5% are out-of-state students while the total Medical School enrollment was approximately 20% out-of-state, normal percentage in most institutions.

The Community Colleges show an overall increase of 65.2%, partly due to the opening of two new colleges this year. The figure for the already established Community Colleges shows an increase of 37.1%. One important factor in the Community College enrollments is the number of full-time students which has increased by 83%.

Q. Long-Range Campus Plan

Dr. Oswald distributed copies of the brochure, University of Kentucky Central Campus Plan. While this was being done he said he would like to refresh the memories of the Board relative to the status of the plan by reading an excerpt from the Minutes of the meeting of the Board of Trustees on May 4, 1965, as follows:

Mr. Smith made the following motion: that the President be authorized (1) to designate sites for three residence halls and a dining facility to be located in the area bounded by Huguelet Drive, Boone Alley, Clifton Avenue, and the proposed University Drive in order to accommodate 2,000 to 2,500 single students; (2) that formal action on the overall plan be deferred until there is more time to review it; and (3) that Crane and Gorwic be directed to re-study the plan for the area east of Rose Street and north of Columbia Avenue. The motion was duly seconded and carried without dissent.

Dr. Oswald explained that the brochures were being placed in the hands of the Board at this time so that they might have an opportunity to study the development plan in detail prior to its presentation for action at a subsequent meeting.

R. Board Members Asked to Attend Association of Governing Boards Meeting

Dr. Angelucci called attention to the annual meeting of the Association of Governing Boards in Terre Haute, Indiana, on October 13-15. He strongly urged all members who could possibly do so to plan to attend the sessions on October 14 and asked Dr. Murray to work with him in making arrangements for transportation and hotel accommodations for those who indicated they would be able to go. It was further suggested that on October 15 the Board members visit the campus of Indiana University, if the date proved convenient for President Stahr. Viewing the recent developments in campus planning at the institution would be helpful to the Trustees as they consider the long-range University of Kentucky development plan.

S. Meeting Recessed

Dr. Oswald said that the budget request for the biennium 1966-68 was currently being prepared and would be ready for Board approval in early November. He, therefore, suggested that the meeting be recessed in order that they might reconvene on a date to be determined later.

Dr. Angelucci, having first determined that there was no further business, called for a motion to recess which was duly made, seconded, and carried.

Respectfully submitted,

J. A. Sutherland, Secretary
Board of Trustees

PR 2, PR 3, PR 5, PR 6, PR 7, and PR 8, which follow, are official parts of the Minutes of the meeting of the Board of Trustees on Tuesday, September 21, 1965.

PR 1

PRESIDENT'S REPORT TO THE TRUSTEES

September 21, 1965

1. FALL ENROLLMENT BREAKS ALL RECORDS

The University's enrollment in all divisions of study for the current semester surpasses all previous registration tabulations. When extension class enrollment is complete, the approximate total will be 18,597. Enrollment on the Lexington campus is reported as 12,383.

Last fall, the total was approximately 15,000. The main campus enrollment was 10,736.

This fall's main campus breakdown by colleges and schools: Arts & Sciences, 4,526; Agriculture & Home Economics, 715; Commerce, 1,108; Education, 1,698; Engineering, 1,388; Law, 388; Pharmacy, 130; Medicine, 281; Nursing, 174; Dentistry, 152; School of Architecture, 211; Graduate School, 1,557. In addition, at last report there were 15 students who had not registered in a particular college. The number of freshmen on the Lexington campus this fall is 3,209, as compared to 2,607 a year ago.

Community college enrollment totals 4,960, an increase of 1,988 over last year's figure. The new colleges established at Hopkinsville and at Somerset account for 843 of the increase and all seven previously instituted colleges report a greater number of students.

Enrollment for the separate colleges: Ashland, 739; Fort Knox, 280; Henderson, 414; Covington, 1,216; Cumberland, 368; Elizabethtown, 540; Prestonsburg, 560; Hopkinsville, 333; Somerset, 510.

The evening class for credit program has 654 enrollees. Registration in extension classes, when complete, will have approximately 600 students participating in study sites throughout the state.

2. GROUND BROKEN FOR HOUSING COMPLEX

Excavation work is well underway for the University's \$17 million dormitory complex, which when completed two years hence will house 2,172 students.

Formal groundbreaking ceremonies were held at the construction site behind the Medical Center on Sept. 10 with shovels being manned and addresses being made by President Oswald, state Finance Commissioner Felix Joyner and the president of the Student Congress, Winston Miller. Mike Fields of the Student Centennial Committee presided.

The project will be the largest of its kind ever undertaken in the state, essentially construction of housing and eating facilities of a town nearly 3,000 in size. The complex will include eight low-rise dormitories of three stories each, two 23-story towers and a central dining facility. The first five of the low-rise buildings, which will provide quarters for 176 students each, are scheduled for completion next September. The dining facility is to be in service by December, 1966, and the towers, housing 656 students each, and the three remaining three-story dormitories in 1967.

3. HOPKINSVILLE, SOMERSET COLLEGES DEDICATED

University community colleges were opened this fall at Hopkinsville and Somerset and were formally dedicated Sept. 9 and Sept. 14, respectively.

Gov. Edward T. Breathitt delivered the principal address at the Hopkinsville convocation-dedication and serving in this capacity at Somerset was Louis Ware, Winnetka, Ill., chairman of the board of International Minerals & Chemical Corporation. Both received UK Distinguished Centennial Alumni awards earlier this year.

President Oswald, other UK officials and faculty members and various dignitaries attended both events.

The two colleges were the eighth and ninth in UK's expanding community college system. The new building housing the college at Hopkinsville is surrounded by a 75-acre campus. Enrollment numbers 333. Somerset's newly constructed college is located on a 70-acre tract and has an enrollment of 510.

4. NEW FACULTY MEMBERS TOTAL 238

During this calendar year, 174 new faculty members have arrived on the Lexington campus and 64 have joined community college teaching staffs. The 238 newcomers were honored with a reception in the Student Center on Sept. 11 with President and Mrs. Oswald as hosts.

New faculty by colleges: Arts & Sciences, 66; Commerce, 6; Agriculture & Home Economics, 21; Engineering, 6; Medicine, 25; Dentistry, 13; Nursing, 4; Pharmacy, 2; Law, 2; Education, 20; School of Architecture, 3; other divisions, 6.

New faculty members at community colleges: Hopkinsville, 10; Prestonsburg, 8; Covington, 9; Henderson, 6; Ashland, 3; Somerset, 14; Cumberland, 3; Elizabethtown, 11. No new full-time faculty members have been added at the Fort Knox facility.

5. 789 MEN IN ROTC TRAINING THIS FALL

With the ROTC program in its second year on a voluntary basis, a total of 789 men are in training--409 in the Army courses and 380 in the Air Force wing.

The Army breakdown: First year, 226; second year, 89; third year, 35; fourth year, 59. The Air Force distribution: First year, 220; second year, 89; third year, 35; fourth year, 36.

Last fall, the Army ROTC program had a 307 enrollment. The Air Force listed 281 men in the first and second year or basic courses and had approximately 10 per cent more men in second and third year or advanced courses than this year. However, with enrollment of more Air Force cadets in the basic courses it is predicted that advanced course participation will climb steadily. This also is believed true for Army advanced training.

Under authority granted in the ROTC Vitalization Act of 1964, the Air Force unit has nine advanced course cadets studying under scholarships. The Army has one four-year scholarship participant and two two-year scholarship cadets.

The Flight Instruction Program offered by the Air Force ROTC unit has shown a steady increase in enrollment and includes 17 cadets this fall. This program culminates in the student receiving 35 hours of flight training at Blue Grass Airport and the receipt of a Federal Aviation Agency flight license. The program leads to full Air Force pilot training after commissioning.

6. WBKY-FM RESUMES BROADCASTING

The UK radio station, WBKY-FM, resumed broadcasting on Sept. 13 after being off the air since early August. Regular operation was interrupted for installation of new equipment and for making technical improvements. The station is now broadcasting from 2:00 p.m. until 11:00 p.m. seven days a week. Stuart Hallock, chairman of the Department of Radio-TV-Films, said a new fall program guide will be available in October. Several new programs are planned.

7. BUILDING COMPLETION DATE APRIL 1

Completion date for the engineering tower rising in the central part of the campus has been booked as April 1.

The ground, second and third levels will be ready for occupancy for some classes and offices at the beginning of the spring semester. The tower, seven stories plus basement, will cost approximately \$5.75 million when completed and equipped. Dedication will be sometime in the spring.

The University was recently notified that it will receive \$292,688 toward the engineering project. This is in addition to a \$508,755 allocation made earlier under the Higher Education Facilities Act of 1963, and an \$81,550 grant from the National Science Foundation.

8. WORK ON NEW AUDITORIUM PROGRESSING

Construction began this summer on an auditorium building, being linked with the Agricultural Science Center structure. Costing a little less than \$400,000, the building is expected to be completed by mid-winter. The annex will contain a main auditorium with a 502-seating capacity, plus a large conference area which will provide 300 seats and which can be used in its entirety or divided into four rooms.

9. CONFERENCES ON AGING SET OCT. 6

The University's Centennial Conference on Aging is being programmed as a corresponding event with the Governor's Conference on Aging. The joint program is scheduled at the Student Center Oct. 6. Gov. Breathitt will be speaker for a luncheon expected to be attended by approximately 500 persons from throughout the state. Men and women who are recognized as international authorities on matters concerning aging will serve as consultants for workshop and panel sessions.

10. CONFERENCE PLANNED FOR WOMEN

Hundreds of women from throughout Kentucky and surrounding states will convene at UK Oct. 24-26 for a special Centennial conference.

Entitled "Women: Equal But Different," the two-day program will be designed to highlight the unique role of the American woman in today's changing society. One of the featured sessions will be a panel discussion by 11 Kentucky women chosen because their lives are successful examples of adapting to a multi-role existence. A number of out-of-state lecturers who are specialists in fields involving women have been invited to participate in the conference.

Conference chairman is Dr. John Green, professor and chairman of the Department of Obstetrics and Gynecology. Co-chairman is Mrs. John W. Oswald.

11. DONOVAN STUDY PROGRAM ENROLLS 54

The Herman L. Donovan Senior Citizen Fellowship Program has an enrollment of 54 on the main campus this semester, according to Dr. Earl Kauffman, director of the Council on Aging. He added that the total senior citizen enrollment in all the community colleges is about 20.

Last year, when the program was activated to provide tuition-free course work for persons 65 or older, 35 persons were enrolled.

12. SCHOOL OF ARCHITECTURE IN PENCE HALL

Pence Hall, long-time headquarters for the Department of Physics, has undergone a complete "face-lifting" and this month became the home of the School of Architecture.

All four levels of the 56-year-old building have been renovated and redecorated to suit the needs of the youngest of UK schools. Administrative offices and a library are among facilities on the main floor. Located on other levels are a 175-seat lecture hall, two 35-seat classrooms, multiple design studios and faculty offices. A large gallery for architectural exhibits is being readied for guest showings. When all plans are carried out the building will have student and faculty lounges, a photography laboratory and basement shops for model and display construction.

Architecture, which became departmentalized in the College of Engineering five years ago and which was given autonomy as a school last year, has been housed in the Reynolds Building since 1960.

Kastle Hall, which originally housed the Department of Chemistry, is being renovated and will provide quarters for the departments of Political Science and Psychology.

13. DENTAL CLINICS FULLY ACTIVATED

Clinics in the College of Dentistry have become fully activated with the registration of the fourth year class, reports Dr. Raymond G. Luebke, director of clinics.

All phases of treatment for all age groups now are available to the public. Dr. Luebke describes the clinical program as an integral part of the college curriculum, one in which patients are cared for in a professional environment under the supervision of the faculty.

More than 500 emergencies have been treated since the dental clinics were opened to the public on June 1, 1964, and patients, ages three weeks to 87, have been treated for all aspects of dental disease. The college now has clinics staffed by four classes of dental students, and Dr. Luebke believes this will enable the college to make clinical services readily available to everyone seeking care.

14. 'PEOPLE, FOOD' SYMPOSIUM SET

"People and Food" is the subject for a symposium scheduled on the campus Oct. 14-15. This will be one of the major Centennial events of the College of Agriculture and Home Economics and is planned to include topics of interest to food producers, processors, distributors and consumers.

Speakers will discuss the world food situation and its implications for the United States food industry and agriculture, food and nutritional standards of the future and interests of food shoppers.

15. SCOPE OF FILM SERVICE BROADENED

Once limited to handling UK assignments, the Film Service is now equipped to fill motion picture orders from other state institutions, agencies and departments.

Allen E. MacLeod, director, reports that the Service is completely prepared to carry out all production procedures from the time a motion picture is planned until it is placed in the storage can.

A renovated frame house, a former dwelling behind the Funkhouser Building, is the new home of the Service, formerly located in a single room in the Journalism Building. Equipment, much of it new, provides rapid processing, printing, editing and splicing of film. Besides being a production facility, the Service ties in with students' participation in a course of motion picture production techniques.

Recently joining the Service staff were Grant Erikson, chief editor and assistant cameraman, and Floyd Kron, chief cinematographer and laboratory technician.

16. EXTENSION DIVISION OFFERING COURSE

A course in radiological monitoring, to be taught at Richmond in September and October by the UK Extension Division, is designed to train Civil Defense instructors for Fayette and six other Central and Eastern Kentucky counties.

Persons completing the series of 10 lessons will be qualified to instruct individuals who will assume duties in their home communities as radiological monitors. Enrollees will gain a knowledge of nuclear weapons and their effects, the operation and use of radiological defense equipment, and techniques and practice in handling radioactive materials. The first meeting of the class is scheduled at Madison High School tonight.

17. SCHOOL COUNSELORS BEGIN YEAR'S STUDY

A year of specialized study in the College of Education has begun for 30 secondary school counselors from Kentucky and 11 other states. Enrolled in the NDEA Counseling and Guidance Institute financed by a federal grant, participants are to receive practical experience in counseling high school students as well as an academic background in educational procedures, psychology and sociology.

Nationally known consultants in counseling, including Dr. Sidney Jourard and Dr. Robert Stripling from the University of Florida, and Dr. Daniel W. Fullmer from the Oregon State System of Higher Education, will visit the institute during the year. Dr. Donald L. Clark is serving as director.

18. HOMEcoming EVENTS ARE ANNOUNCED

Dr. J. W. Patterson, Centennial coordinator and director for the Centennial Homecoming, reports that 11 separate events are set for the Oct. 29-30 weekend. Plans are being formulated by a 33-member committee composed of faculty, staff, students, alumni and townspeople.

Highlighting the annual observance will be the gridiron contest at 2 p.m. Saturday, Oct. 30, with the Wildcats meeting the Mountaineers of West Virginia University. Top social event will be the Homecoming dance, beginning at 9 p.m. Saturday in Memorial Coliseum. Music for the dance, expected to attract nearly 5,000 persons, will be provided by the famous Sammy Kaye Orchestra.

Other Saturday activities include alumni registration during the morning at the Helen G. King Alumni House; open houses at the colleges of Agriculture and Home Economics, Law, Education and Commerce, and at the Chemistry-Physics Building, and an 11 a.m. brunch near Stoll Field. President and Mrs. Oswald will be hosts for a reception in the Alumni House following the football game.

The weekend activities will open at 6:30 p.m., Friday, Oct. 29, with a parade through downtown Lexington. Following will be a pep rally where the Centennial Homecoming Queen will be crowned. She and her court will reign over the entirety of other Homecoming events.

19. TWO CENTENNIAL PROFESSORS ARRIVE

Dr. Hugo Theorell, holder of a Nobel Prize in Medicine, and Dr. Louis Gordon, internationally known analytical chemist, are on campus as this semester's visiting Centennial professors.

Dr. Theorell, who won the Nobel Prize in 1955 for his research in the mechanism of the action of oxidative enzymes, is lecturing in the area of biological sciences at the Medical Center. He is chairman of the Nobel Institute in Stockholm and is chairman of the Nobel nominating committee which selects candidates for the prizes.

Dr. Gordon, a 1937 alumnus of UK, is teaching analytical chemistry, a graduate-level course. He has served as dean of graduate studies at Case Institute of Technology, Cleveland, Ohio, since 1961. One of his outstanding contributions to science was the implementation of a successful method of extracting thorium, a metal potentially useful in the atomic research field.

20. WORKS OF SAULS ON EXHIBITION

Sculptures and drawings by Fred Sauls, UK instructor in art, were placed on display in the Fine Arts Gallery earlier this month and may be viewed until Oct. 6.

The sculptures are of cast aluminum and the drawings have aluminum paint as the primary color. Most of the exhibit items were executed by Sauls during the summer under a creative research grant awarded by UK.

21. LAW GRADUATES ELECTED TO ORDER

The Kentucky Chapter of the Order of the Coif has inducted seven 1965 graduates of the UK College of Law. Dean W. L. Matthews, Jr., listed them as Tommy W. Chandler, Providence; Larry D. Garmon, Glasgow; Mark E. Gormley, formerly of Versailles, now of Denver, Col.; Paul Edward Hieronymus, Barbourville; Sidney Clay Kinhead, Jr., Lexington; William G. Kohlhepp, formerly of Covington, now of Washington, D.C., and Donald Streeter Muir, Paducah. The order is the national society for the recognition of scholastic achievement in law schools.

22. EXPERIMENTAL FILMS BEING SHOWN

The Experimental Film Society opened its fall series Sept. 13 with Kenneth Anger's "Fireworks" and has booked the Student Center Theatre for other movies on Sept. 27, Oct. 11, Oct. 25, Nov. 15 and Dec. 6. The society was formed on the campus last spring.

23. THREE-PART PROGRAM FEATURE OF MEETING

Cultural change, mental health and poverty were subjects discussed during a meeting sponsored Aug. 30-Sept. 1 by the departments of Psychiatry, Behavioral Science, Anthropology, Community Medicine and the Center for the Study of Developmental Change.

Guest lecturers from 11 institutions besides UK addressed general and workshop sessions held in the Student Center and Medical Center. Attendance at each session was between 50 and 60. Serving as general chairman was Dr. Joseph Finney, associate professor of psychiatry.

24. PUBLISHERS, BROADCASTERS INTERVIEWED

Dr. Robert K. Thorp, assistant professor of journalism, has concluded from a study he conducted recently that a "media gatekeeper," such as a newspaper publisher or broadcasting executive, need not voluntarily surrender independence when dealing with community projects.

The project, involving personal interviews in three Midwestern cities, was discussed by Dr. Thorp at the annual meeting of the Association for Education in Journalism, held at Syracuse University. General aim of his research was to describe the roles each of the communications media play in, or in relation to, the community power structure.

"There was no indication that businessmen-leaders would 'punish' the publisher or the broadcaster who failed to cooperate," Dr. Thorp reported. He cited a broadcaster who opposed and prospered and who "might also serve as a guide for the timid broadcaster who hesitates to editorialize."

25. PROGRAM STRESSES SAFETY EDUCATION

Twenty-one college teachers and safety education supervisors were on campus three weeks in August for an advanced study program co-sponsored by the College of Education and the National Commission on Safety Education of the NEA, in cooperation with the Chrysler Corporation.

One of the guest speakers, Dr. Robert Marshall, assistant executive secretary of the American Driver and Traffic Safety Education Association, explained that proposals for driver education programs must originate in local school districts to obtain federal funds under the Elementary and Secondary Education Act of 1965. He also said these funds can be used for fire safety, civil defense, school transportation and laboratory safety.

Lawton K. Smith, driver education administrator for the Chrysler firm, described a program in which his company will provide fully-equipped driver education cars to schools and colleges on a no-cost basis.

26. HUMANITIES SEMINAR UNDERWAY

A Centennial Humanities Seminar opened Sept. 7 with Miss Eudora Welty, a novelist, painter and photographer, serving as first guest lecturer for students' sessions. She delivered a public lecture Sept. 9.

Five other noted scholars and artists are booked to conduct the seminar and give public lectures during the remainder of the semester. They are Louis Zukofsky, author and recently retired from the faculty of the Polytechnic Institute of Brooklyn; R. B. Fuller, mathematician, engineer, writer, philosopher and inventor and professor of architecture at Southern Illinois University; Hugh Kenner, writer of literary criticism and chairman of the English Department at the University of California, Santa Barbara; Eugene Ionesco, acclaimed as one of Europe's most renowned playwrights, and Robert Palmer, composer and professor of music at Cornell University.

27. KELLYS HOST COMMUNITY-FOREIGN STUDENT ORIENTATION

William Kelly of the Lexington Rotary Club and Mrs. Kelly, Lakewood Drive, were hosts Sept. 5 for the annual University and Community International Orientation and Homecoming outing. International students and new faculty members were welcomed by approximately 500 UK students and members of the Rotary Club. President Oswald and Dr. Kenneth Harper, dean of men, were principal speakers in behalf of the University.

28. ALPHA CHI OMEGA COLONY ESTABLISHED

Alpha Chi Omega sorority has begun colonization at UK. Open house events for women interested in becoming part of the colony have been held and three national officers of the sorority are on campus to remain during the Alpha Chi rush.

29. RESEARCH SUPPORTED BY NIH GRANT

Dr. Loren D. Carlson, chairman of the Department of Physiology and Biophysics, has received a \$13,813 grant from the National Institutes of Health to continue research on "calorimetric studies of transition states" or heat transference. His primary research interest is temperature regulation.

Dr. Carlson has been conducting investigations related to space travel under NIH and Air Force grants for the past four years. This is the fifth and final NIH allocation for his research project. Total support has amounted to \$70,722.

30. CIRCLE K CLUB RECEIVES AWARD

The Circle K Club, a student organization sponsored by the Lexington Kiwanis Club, has received the Single Service Project award. It has been designated as the outstanding Circle K chapter in Kiwanis International and was cited for voluntary work in Appalachia.

31. LARGER GRANT FOR TRAINING PROGRAM

The College of Education will have a federal grant of \$81,131 this year to train rehabilitation counselors, the amount being almost twice as that allocated last year.

The 1964-65 grant totaled \$42,220, according to Dr. Charles D. Auvenshine, coordinator for rehabilitation counseling in the college's Division of Counseling and Guidance. The new grant by the Vocational Rehabilitation Administration includes \$46,000 for stipends for 24 traineeships. Twelve stipends were awarded last year.

Dr. Auvenshine reports that 16 graduate students are enrolled under stipends in the two-year program during the current semester, and that eight additional stipends will be available next semester. The 16 students include nine second-year enrollees and seven new ones. The grant is administered by the University of Kentucky Research Foundation.

32. SKULL COLLECTION FIGURES IN RESEARCH

A large collection of Kentucky Indian skulls in the custody of the Department of Anthropology is serving as source material for a research project linked with the University of Nebraska Dental School.

Through data gleaned from a study of 150 of the skulls, investigators in the orthodontics department at Nebraska hope to gain more knowledge on how to straighten children's teeth.

Miss Louise Robbins, UK anthropology instructor and a Ph.D. candidate at Indiana University, has been directing the skull-teeth study at UK and will carry on a phase of the research at IU where the skulls of Illinois Indians will be examined. Data gathered is sent to the Nebraska Dental School for compilation on computers.

33. CANDYSTRIPEERS WORK TOTAL 2,500 HOURS

A group of teen-age volunteers known as Candystripers went on duty at University Hospital in June and completed their work at the end of August after devoting more than 2,500 hours to eight projects. This group included 44 girls, from 15 to 18 years of age, who volunteered for the hospital program, aimed at teaching girls to succeed in volunteer work and to promote health careers for young people.

The Hospital Auxiliary chose a number of already established projects which it felt best typified the aims of the Candystripers program. These included the bookcart, clinics, escort and messenger service, gift shop, magazine cart, mail delivery to patients, and pediatrics. The group received high praise from Mrs. Ferrell Wellman, chairman of the junior volunteer program.

34. LAW COLLEGE IN NEW BUILDING

The College of Law occupied its new \$1.3 million building off Limestone Street in late August and had all facilities ready when it enrolled 385 students this fall. The three-story edifice was designed carefully to accommodate the law school program and the law student's comfort.

The building's courtroom, styled after faculty inspection trips to 10 of the newer law colleges in the nation and to federal courtrooms, has two judicial benches so that it can be used for a trial court seating one judge, or an appellate court institution seating seven judges. Seating capacity for students is 220. Judges' chambers, robing rooms and a jury room are located behind the courtroom.

A three-story, 85,000-volume library serves law students as a "working laboratory."

35. FOUNDATION REPORTS ON CONTRACTS

During the month of August, the University of Kentucky Research Foundation received for administration a total of five contracts and grants amounting to \$100,251, according to Dr. Raymond C. Bard, executive director.

By departments they are as follows:

Microbiology - Dr. Ralph F. Wiseman, \$17,760, "Intestinal Bacteria - Uric Acid Interrelationships," National Institutes of Health.

Animal Science - Dr. W. P. Garrigus, \$250 meats research, Field Foundation of Owensboro.

Horticulture - Dr. H. C. Mohr, \$3,600, research on orchids, Blue Grass Orchid Society.

Civil Engineering - Dr. Bobby Ott Hardin, \$31,900, "Frozen Soils and Soils Subjected to Freeze-Thaw," National Science Foundation.

Electrical Engineering - Dr. Donald Callahan, \$46,741, research studies in generation equivalent networks, Air Force Office of Scientific Research.

36. MARCHING BAND 96 STRONG THIS YEAR

The Marching Band, under the direction of Phil Miller, includes 96 members this year. There are four additional members who make a roster of an even 100 for concert performances. The band has the largest freshman group in the history of the UK musical aggregation. The total Athletics Association appropriation is \$10,000, and is used only for scholarships which number 20 more than last year.

Miller reports that while it is difficult to maintain a marching band not made up of music majors, he would like to have 50 to 60 per cent of the unit composed of non-majors so that the band will be "all-campus." Also, he hopes to keep as many upper-classmen in participation as possible, explaining that this has been the secret of the Big 10 university bands. He is anticipating the founding of a freshman band in about two years.

37. SIGNIFICANT ACTIVITIES OF FACUTLY AND STAFF

Dr. Kurt W. Deuschle, chairman of the Department of Community Medicine, has been named a member of the Research Advisory Committee of the Agency of International Development, Department of State, and will share in duties of evaluating research proposals from academic and research organizations in various fields for the U.S. Foreign Aid programs.

Donald L. Sproull, director of personnel, has been appointed membership chairman of the 11-state southern region of the College and University Personnel Association.

Mrs. Doris A. Tichenor, researcher in the School of Home Economics, has been elected to a one-year term as secretary of the Bluegrass Section, Institute of Food Technologists.

Dr. Isaac Ruchman, professor of virology in the Department of Microbiology, has been named a diplomate of the American Board of Microbiology.

Dr. Donald J. Cotter, horticulturist, and Dr. John N. Walker, agricultural engineer, both staff members of the Agricultural Experiment Station, were two of three Americans participating in a recent international symposium on horticultural engineering, held at Bedfordshire, England.

Dr. Louis Donohew, assistant professor of journalism, is author of an article, "PM: An Anniversary Assessment," which appears in the current issue of "Columbia Journalism Review," and is co-author of another article recently published in "Journalism Quarterly."

Dr. William J. Chambliss, assistant professor of history, is author of a newly published book concerning Japan, "Chiaraijima Village Land Tenure, Taxation and Local Trade, 1818-1884."

The University of Georgia Press has released "Three Paths to the Modern South," a book written by Dr. Thomas D. Clark, distinguished professor of history.

Dr. W. H. Stroube, acting chairman of the Department of Agronomy, has been named chairman of the S-9 Regional Technical Committee involved in coordinating plant production in the southern region, and also has been appointed to the National Coordinating Committee for regional plant introduction projects.

Office of the President
September 21, 1965

PR 2

Members, Board of Trustees:

RECOMMENDATIONS

I. Graduate Faculty Appointments

Recommendation: that approval be given to the following persons for membership in the Graduate Faculty.

Background: The persons whose names appear below have been approved by the area committees and the Board of Trustees and are now eligible for membership in the Graduate Faculty:

Gerald Garb, Associate Professor, Department of Economics
John Mack, Associate Professor, Department of Mathematics & Astronomy
Ivan Russell, Associate Professor, Division of Administration and Supervision,
College of Education

II. Gifts and/or Grants

Recommendation: that the gifts and/or grants listed below be ordered accepted and proper letter of appreciation sent to the donors.

Background: the names of donors, the amounts given, and the purposes for which the money is to be used are given below:

<u>Donor</u>	<u>Amount</u>	<u>Purpose</u>
Louis E. & Robert H. Hillenmeyer	\$ 250.00	Memorial Scholarship in Horticulture
Brown-Forman Distillers, Corp	10.00	Matching Grant
J. Stephen Watkins	2,400.00	Foundation Fellowship in Civil Engineering
General Electric Foundation	125.00	Matching Grants
Joseph P. Kennedy	435.00	Scholarship
Fayette County Council of PTA	450.00	Scholarship
The S & H Foundation, Inc.	500.00	Scholarship
Kentucky Federation of Women's Clubs	500.00	Scholarship
Genevieve Dyer	100.00	Statie E. Erikson Scholarship Fund
Armco Steel Corp.	200.00	Scholarship
University of Kentucky Women's Club	10.00	Frances Jewell McVey Scholarship Fund

The Allen Company, Inc.	\$ 800.00	Scholarship
Schlumberger Foundation	1,000.00	Schlumberger Collegiate Award
Metropolitan Woman's Club	1,000.00	Scholarship
Moorman Manufacturing Co.	1,500.00	Scholarship
Carrier Corporation	1,000.00	J. Irvine Lyle Memorial Scholarship
Square D Foundation	360.00	Scholarship
Kiwanis Club of Lexington	100.00	Matching Fund-Nursing Student Loan Program
Total	<u>\$10,740.00</u>	

III. Appointments and Other Staff Changes

Recommendation: that approval be given to the appointments and/or other changes which require Board action and that the report relative to appointments and/or changes already approved by the administration be accepted.

Background: Approval of the Board of Trustees is required for all appointments to positions with the rank of Associate Professor and above, to promotions, and to the granting of tenure, and to salary changes above \$12,000 for non-academic personnel and \$15,000 for academic personnel. All other appointments and/or changes may be made by the President and reported to the Board.

BOARD ACTION REQUIRED

New Appointments

James A. Prestridge, Associate Professor, School of Architecture
Harry Robinson, Visiting Associate Professor, Administration and Supervision,
College of Education

Joint Appointment

Raymond E. Hampton, Associate Professor, Plant Pathology Department to have joint appointment as Associate Professor, Department of Botany

ADMINISTRATIVE REPORT

New Appointments

Martha Doris Bain, Instructor, Elizabethtown Community College
Michael John Barthel, Instructor, Henderson Community College
Martin Joseph Brown, Instructor, Northern Community College
Charles W. Campbell, Instructor, Economics, College of Commerce
Floyd W. Coleman, Instructor (part-time), Foundations, College of Education
Sandra Wilhoite Easton, Instructor, Northern Community College
Car M. Foster, Visiting Assistant Professor, College of Education
Thomas Paul Grimes, Instructor, Department of Geography

Edwin Richard Grzesnikowski, Resident Artist, Department of Music
Benjamin Taylor Harrison, Instructor in History, Hopkinsville Community College
Robert Edward Knight, Visiting Assistant Professor, Department of Physics
Martha A. T. Knudson, Instructor, Associate Degree Nursing, Elizabethtown
Community College
Regina Anne Lancaster, Instructor, Elizabethtown Community College
Fern D. Letnes, Instructor, School of Home Economics
Richard S. Levine, Assistant Professor, School of Architecture
Evelyn Sue Loyd, Instructor, Northern Community College
Samuel Francis Orth, Jr., Instructor, Modern Foreign Languages Department
Charles C. Peck, Assistant Professor (Adjunct Series), Department of Physiology
and Biophysics, College of Medicine
Jane L. Pfingston, Instructor, Henderson Community College
William Thomas Rechten, Instructor, Elizabethtown Community College
Clara H. Richards, Instructor, Northern Community College
Sue Ellen Riddell, Instructor, Northern Community College
Terence G. Robbins, Instructor, Northern Community College
C. Tom Roll, Counselor-Instructor, Henderson Community College
Stanley Herbert Schulman, Instructor, Elizabethtown Community College
Tae Kun Seo, Assistant Professor, Department of Mathematics & Astronomy
Walter Stepp, Instructor, Prestonsburg Community College
Louis R. Thomas, Instructor, Northern Community College
Carolyn Clay Turner, Instructor, Prestonsburg Community College
Larry D. White, Instructor, Prestonsburg Community College
Matthew P. Young, Instructor, Prestonsburg Community College
William O. Hall, Jr., Instructor, Division of Vocational Education, College of
of Education
Charles Wethington, Instructor, Division of Foundations, College of Education
Jettie Crisp, Instructor, Division of Foundations, College of Education
Opal L. Reynolds, Instructor, Division of Foundations, College of Education
Louise W. Worthington, Instructor, Division of Foundation, College of Education
James Peyton, Instructor, Bureau of School Service, College of Education

Department Chairmen:

Roy F. Gabbard, Professor, Department of Physics, appointed Acting Chairman,
Department of Physics, effective September 1, 1965
W. H. Stroube, Associate Professor, Department of Agronomy, appointed Acting
Chairman of the Department of Agronomy, effective August 1, 1965

Office of the President
September 21, 1965

PR 3

Members, Board of Trustees:

SUPPLEMENTAL RECOMMENDATIONS

I. Contracts and/or Agreements

Agreement with the Department of the Army

Recommendation: that the proper University officials be authorized to execute the basic agreement for off-duty academic instruction between the Department of the Army and the University of Kentucky.

Background: The agreement authorizes the University of Kentucky to provide instruction to members of the military personnel of the Department of the Army for the period September 1, 1965 through August 31, 1966 including the Community Colleges at Henderson, Covington, Ashland, Cumberland, and Fort Knox, and sets forth the conditions covering reimbursement for service rendered. The agreement also includes the agreement that the University of Kentucky will continue to operate a Center at Fort Knox and that the Department of the Army will continue to provide the necessary facilities as formerly contracted.

II. Waiver of Nepotism Rule

Recommendation: that the nepotism rule be waived in order to permit the temporary employment of Mrs. Ruth Silberstein and Dr. Braunstein.

Background: the Governing Regulations of the University provide that no relative by blood or marriage of a member of the University staff holding the rank of associate professor or higher may be appointed to any position in the University unless it is impossible to fill the position with a qualified person. Exceptions may be made when the employment is temporary or part-time and the term of employment does not exceed six months in any calendar year. The conditions allowing for an exception are met in the following two cases:

Mrs. Ruth Grun Silberstein, part-time teaching assignment in the Department of History for the period September 1, 1965 and ending January 31, 1966. (Dr. Silberstein is a full-time member of the Department of History faculty.)

Dr. Frances Toomey Braunstein, Assistant Professor of Radiology (part-time), effective September 1, 1965 through June 30, 1966. (Dr. Herbert Braunstein is a full-time member of the Department of Pathology.)

III. Renovation and Purchase of Furniture and Equipment for University Housing-Dining Facilities and the Student Center

Recommendation: that the President be authorized to appropriate and expend \$558,300 from fund balances in Auxiliary Services for the purpose of renovation and replacement of furniture and equipment in University Housing-Dining facilities and the Student Center.

Background: A survey has been conducted of the dining-residence halls facilities and the Student Center. Expenditures of the following amounts are necessary to bring these facilities up to standard:

I. Renovation of and Furniture for Residence Halls

A. Painting and re-tiling floors	\$100,000
B. Redecorating and refurnishing public areas:	
Patterson and Boyd Halls	50,000
Jewell, Bowman, and Donovan Halls	50,000
C. Furniture replacement:	
Jewell Hall	18,900
Kinkead Hall	15,800
Bowman Hall	18,500
Bradley Hall	2,400
Breckinridge Hall	2,700
	<u>\$258,300</u>

II. Equipment for Dining Facilities

A. Blazer Hall Cafeteria	\$ 10,000
B. Donovan Hall Cafeteria	135,000
C. Student Center Cafeteria	23,000
D. Food Storage Center	66,000
E. K-Lair Grill	2,000
F. Wildcat Grill	2,000
G. Dormitory Grill	2,000
	<u>\$ 240,000</u>

III. Relocation, Renovation, and Equipment for Student Center Grill

A. Relocation and Renovation	\$ 40,000
B. Equipment	10,000
C. Patio Furniture	10,000
	<u>\$ 60,000</u>
	\$ 558,300

IV. Relinquishment of Right, Title and Interest in and to the Small Frame Doctor's Office Located at Perryville, Kentucky

Recommendation: that the Board of Trustees relinquish all right, title and interest in and to the small frame doctor's office located at Perryville, Kentucky at the residence presently owned by Mr. Leon Parks.

Background: On November 23, 1959, certain members of the Kern family of Perryville, Kentucky executed a document giving a small frame doctor's office to the University's Kentucky Life Museum. The gift was accepted by the Board at its meeting held on December 15, 1959. Since that time the building has been examined by Dr. Hambleton Tapp who has determined that it cannot be used by the Museum. Mr. Leon Parks, the son of the original donor, Mrs. Margaret Kern Crooker, has requested that the University relinquish its title so that he may proceed with the restoration of the building in his own name as he inherited Mrs. Crooker's residence at her death. The original donors, all members of the Kern family, have joined in Mr. Park's request.

V. Injuries Report (see attachment 1)

Recommendation: that authorization be given to pay the charges for treatment of on-the-job injuries to employees of the University as shown in the listing attached, with the usual understanding that the University does not admit negligence or set a precedent by favorable action on these claims.

Background: the report covers injuries to seventy-six (76) employees, all reported as requiring no further medical treatment. Treatment was given in sixty-five (65) cases at the University Hospital, and eleven (11) cases involved treatment by outside medical services. The total charges to be paid by the University is \$2,068.04.

VI. Gifts and/or Grants

Recommendation: that the gifts and/or grants listed below be ordered accepted and proper letters of appreciation sent to the donors.

Background: the names of donors, the amounts given, and the purposes for which the money is to be used are given below:

<u>Donor</u>	<u>Amount</u>	<u>Purpose</u>
Bella Katz	\$ 10.00	Memorial to Sidney Beck
George W. Hard	20.00	Louis E. Hillenmeyer Fund
Leroy Miles	10.00	Louis E. Hillenmeyer Fund
E. S. Dabney	25.00	Louis E. Hillenmeyer Fund
N. L. Bosworth	10.00	Louis E. Hillenmeyer Fund
First Security Bank	100.00	Louis E. Hillenmeyer Fund
W. R. Milward	25.00	Louis E. Hillenmeyer Fund
	<u>\$ 200.00</u>	

Miscellaneous Gifts

Donor

Gift

Mrs. Arthur G. Prather
Eugene Gosser

Howard Grand Piano - Somerset Community College
Flagpole - Somerset Community College

VII. Appointments and Other Staff Changes

Recommendation: that approval be given to the appointments and/or other changes which require Board action and that the report relative to appointments and/or changes already approved by the administration be accepted.

Background: Approval of the Board of Trustees is required for all appointments to positions with the rank of Associate Professor and above, to promotions, and to the granting of tenure, and to salary changes above \$12,000 for non-academic personnel and \$15,000 for academic personnel. All other appointments and/or changes may be made by the President and reported to the Board.

BOARD ACTION REQUIRED

New Appointments

Praxitelis Argyropoulos, Visiting Professor, Department of Civil Engineering
Richard Mark, Associate Professor, Department of Forestry

ADMINISTRATIVE REPORT

New Appointments

Norman L. Snider, Director of Publications-University Editor, Public Relations Dept.
Alvin Magid, Assistant Professor, Department of Political Science
Paul B. Solnick, Instructor, Department of Medicine
Norman Cooper, Instructor, Prestonsburg Community College
Larry L. Felkner, Instructor, Department of Prosthodontics
Charlotte McCalla Bennett, Instructor, School of Home Economics

Change in Assignment

Raymond G. Luebke, Assistant Professor, Department of Periodontics and Endodontics, College of Dentistry, to be Assistant Professor, Department of Periodontics and Endodontics and Director of Clinics, College of Dentistry beginning September 1, 1965 through June 30, 1966

R. W. Wild, half-time Associate Professor, School of Journalism and half-time University Editor, Public Relations Department, to be full-time Associate Professor, School of Journalism, beginning September 1, 1965

VIII. Consultative Services

Recommendation: that the report on consultative services approved be accepted as presented.

Background: Approval has been given for the persons listed below to perform the services indicated with the usual understanding that such service will in no way interfere with the performance of regularly scheduled University duties.

Robert H. Stroup, Associate Professor, College of Commerce, to serve as a consultant to the Agency for International Development.

IX. Officials Designated to Represent Board in Acquiring Federal Surplus Property

Recommendation: that the Board of Trustees designated H. D. Pratt, Seth Taylor, A. P. Nestor, E. B. Farris, and Milton Noble, all of whom are employees of the University of Kentucky, as authorized representatives of the University to act for the Board in acquiring Federal Surplus Property.

Background: The Division of Surplus Property of the Kentucky Department of Education requires that persons acquiring surplus property for the use of an institution be designated as authorized representatives of the Governing Board of the institution and that the designation be reflected in the official minutes of the Board.

X. Patent Assignment

Recommendation: that authorization be given to the proper officials of the University of Kentucky Board of Trustees to execute an assignment on behalf of the Board to the University of Kentucky Research Foundation of the following application for Letters Patent of the United States and the invention represented thereby: Bobby O. Hardin and James G. Music - Serial No. 478,964 - Filed August 11, 1965.

Background: Bobby O. Hardin, Associate Professor, and James G. Music, Research Assistant, both of the Department of Civil Engineering, have invented certain improvements in Apparatus for Testing Effects of Torsional Vibration for which they executed on August 9, 1965 an application for Letters Patent of the United States, filed on August 11, 1965 as Serial No. 478,964. Under date of Sept. 20, 1965, Mr. Hardin and Mr. Music executed an assignment of their entire right, title and interest in and to the said application and the invention represented thereby to the Board of Trustees of the University of Kentucky. The Patent Committee of the University has reviewed the assignment and agreement made between the University and the Patentees and recommends that such assignment be transferred to the University of Kentucky Research Foundation for administration.

INJURY REPORT (All charges made by University Hospital
unless otherwise indicated)

1

I. AGRICULTURAL EXPERIMENT STATION

1. Bingham, William - Veterinary Science, Laboratory Aide
Date of accident February 4, 1965
Kicked on left ankle by a horse. \$ 10.00
2. Wilson, James W. - Western Kentucky Substation, Foreman
Date of accident February 16, 1965
Unexpected movement of grain auger caused Mr. Wilson
to fall into bottom of bin, landing on his back.

F. P. Giannini, M.D., Princeton, Kentucky 176.00
Morgan's Funeral Home, Princeton, Kentucky 12.00
Princeton Drug Company, Princeton, Kentucky 64.80
Caldwell County War Memorial Hospital, Princeton, Kentucky 303.95
3. Hall, Garrett - Agricultural Services, Farm Laborer
Date of accident March 26, 1965
Helping to unload chairs when a chair fell on finger
of left hand. 8.00
4. O'Banion, Willie - Eden Shale Farm, Farm Laborer
Date of accident March 30, 1965
Painting stumps in same area where trees were being cut down
when a tree fell and top branches fell across legs.

Maurice Bowling, M.D. Owenton, Kentucky 40.00
Lexington Clinic, Lexington, Kentucky 55.00
Kemper & Arnold Funeral Directors, Owenton, Kentucky 20.00
Owen County Memorial Hospital, Owenton, Kentucky 114.20
5. Morris, William F. - Coldstream Farm, Farm Laborer
Date of accident April 6, 1965
Dynamiting dirt off stumps when rock from explosion
hit on hand. 35.06
6. McCord, Adren - Coldstream Farm, Farm Laborer
Date of accident April 23, 1965
Sharp pain in side while lifting bags of fertilizer. 39.50

University Hospital 2.86
(This bill has been paid by the employee,
and he is requesting reimbursement.)
7. Riddle, Jackey G. - Eden Shale Farm, Laborer
Date of accident April 30, 1965
Radiator cap blew off bulldozer spurting hot water and steam
into face.

O. A. Cull, M.D., Owenton, Kentucky 40.00
Owen County Memorial Hospital, Owenton, Kentucky 153.30

8. Millikan, Jack - Coldstream Farm, Farm Manager
Date of accident May 7, 1965
Sharpening mower blades and sparks from grinder flew into his eye.

M. H. Moseley, M.D., Eddyville, Kentucky \$ 5.00
(This bill has been paid by the employee,
and he is requesting reimbursement.)
9. Brookshire, Robert - Veterinary Science, Laborer
Date of accident May 16, 1965
Holding horse for experimental work when horse jerked
and threw Mr. Brookshire into door, bruising left side. 15.00
10. Dyer, Tommy (T.L.) - Coldstream Farm, Technician
Date of accident May 18, 1965
Attempting to start motor on hi-boy when machine jumped into gear
pinning hand between fence and machine. Badly bruised thumb. 23.55
11. Lancaster, R. T. - Agricultural Services, Carpenter
Date of accident May 20, 1965
Was using saw when saw through out block of wood which struck
Mr. Lancaster on right arm. 8.30
12. Byrd, Felix - Mercer County Farm, Farm Laborer
Date of accident May 22, 1965
Using rotary mower when mower became hung; thought mower was out
of gear and reached down to lift up mower but mower was still
running and cut finger on right hand.

Drs. Meredith, Keightley, Moore, Harrodsburg, Kentucky 23.00
13. Funcheon, Donald - Agricultural Experiment Station, Machine Operator
Date of accident June 8, 1965
Cut on left forefinger while cleaning multilith machine. 8.30
- II. COMMUNITY COLLEGE SYSTEM
1. Brown, Timothy S. - Ashland Community College, Lab Assistant
Date of accident March 15, 1965
First and second degree burns on palm and top of right hand.

W. Rex Duff, M.D., Ashland, Kentucky 4.00

The King's Daughters' Hospital, Ashland, Kentucky 8.40
2. Cornett, Ellis - Southeast Community College, Custodian
Date of accident March 20, 1965
Injury to right thumb.

Benham Physicians, Benham, Kentucky 4.00
(This bill has been paid by the employee,
and he is requesting reimbursement.)

Valley View Community Hospital, Benham, Kentucky 5.00
- III. ENGINEERING
1. Herron, Glenn E. - Mechanical Engineering, Machinist
Date of accident February 1, 1965
Metal splinter in finger became infected.

Drs. Robert and William Burkhart, Lexington, Kentucky 16.00

IV. FOOD SERVICE

1. Jones, Callie - Student Center Cafeteria, Counter worker
Date of accident June 26, 1965
Injured hand in elevator door. \$ 11.80
2. Tillman, Harold - Student Center Cafeteria, Baker
Date of accident July 1, 1965
Grease burn on left hand.

Drs. Robert and William Burkhardt, Lexington, Kentucky 15.00
St. Joseph Hospital, Lexington, Kentucky 3.80

V. KENTUCKY GEOLOGICAL SURVEY

1. Smith, M. O. - Kentucky Geological Survey, Areal Geologist
Date of accident April 16, 1965
Stung on left hand by hornet while sitting at desk in the
Mines and Minerals Building. Became slightly sick at stomach. 7.50

VI. MEDICAL CENTER

1. Arvin, Joseph R. - Housekeeping, Supervisor
Date of accident November 12, 1964
Slipped disc in lower part of back while lifting end of bed to get
bed out of room. 23.92
2. Love, George - Pharmacy Central Supply, Aide
Date of accident December 7, 1964
Cut left forefinger while picking up broken glass. 8.30
3. Lewis, Norma Jean - Nursing Services, Unit Aide
Date of accident December 26, 1964
Mashed right hand and fingers in ice machine. 17.50
4. White, Alice E. - Housekeeping, Maid
Date of accident December 30, 1964
Cleaning venetian blind and cut third finger on right hand. 8.30
5. Farris, Naomi - Nursing Services, Nurse Aide
Date of accident January 4, 1965
Separating instruments when pin punctured finger. 8.30
6. Ross, Mary Bell - Dietetics & Nutrition, Kitchen & Cafe. Helper
Date of accident January 6, 1965
Cut on left heel while pulling food cart. 30.90
7. Jackson, Mary E. - Nursing Services, Nurse Aide
Date of accident January 17, 1965
Slipped and fell on wet floor injuring lower back and right hip. 34.50
8. Wallace, Edgar - Housekeeping, Houseman
Date of accident January 19, 1965
Splashed xylene in right eye. 7.50
9. Underwood Juanita S. - Housekeeping, Maid
Date of accident January 25, 1965
Raised head and struck temple on cabinet door. 30.39

10.	Beasley, Effie - Dietetics & Nutrition, Food Service Asst. Date of accident January 29, 1965 Cut in thumb by metal.	\$ 8.30
11.	Bachman, Judy - Nursing Services, Team Leader Date of accident February 2, 1965 IV needle stuck finger.	8.30
12.	Grimes, Mable M. - Nursing Services, LPN Date of accident February 3, 1965 Slipped on floor and turned left ankle.	22.06
13.	Adams, Cornelia - Housekeeping, Maid Date of accident February 5, 1965 Cut on head.	8.30
14.	Allen, Thelma - Dietetics & Nutrition, Supervisor Date of accident February 7, 1965 Tripped over electric outlet sharp edge, cutting right ankle.	32.21
15.	Crow, Janice - Clinical Pathology, Clerk Typist Date of accident February 10, 1965 Turned from desk and hit ankle on open drawer causing bruise which became inflamed.	17.50
16.	Reed, Nannie - Housekeeping, Maid Date of accident February 11, 1965 Stuck needle in right arm.	8.30
17.	Spencer, Louis - Dietetics & Nutrition, Supervisor Date of accident February 15, 1965 Struck right foot on corner of Dolly while walking by.	8.15
18.	Brewster, Betty Jo - Dietetics & Nutrition, Supervisor Date of accident February 16, 1965 Lifting trays of dishes and pulled muscle in shoulder.	9.35
19.	Mann, Ruth - Dietetics & Nutrition, Counter worker Date of accident February 23, 1965 Slipped on water on floor hurting ankle.	18.35
20.	Woods, John T. - Nursing Services, Nurse Aide Date of accident March 8, 1965 Slipped on wet floor hitting chin and right elbow.	8.30
21.	Wellman, Phoebe - Medical Records, Medical Record Clerk Date of accident March 16, 1965 Cut on foot from broken ashtray.	8.30
22.	Wilson, Rose Lee - Housekeeping, Housewoman Date of accident March 19, 1965 Ankle was sprained by fall in drain.	57.35
23.	Ewing, Robert - Housekeeping, Houseman Date of accident March 25, 1965 Mashed knuckle while attempting to climb out of stuck elevator. Holding cable on top of elevator when #1 elevator came up and caught hand.	16.02

24.	Holman, Rose - Housekeeping, Housewoman Date of accident March 26, 1965 Small piece of glass in end of finger.	\$ 8.30
25.	Canada, Martha - Housekeeping, Maid Date of accident March 29, 1965 Stuck by needle in trash bag.	7.50
26.	McGoodwin, Thomas - Pharmacy Central Supply, Aide Date of accident March 31, 1965 Laceration of right middle finger.	11.00
27.	Taylor, Georgia E. - Housekeeping, Housewoman Date of accident March 31, 1965 Turned ankle.	18.60
28.	Sellers, Raymond - Housekeeping, Houseman Date of accident April 1, 1965 Replacing cap on Staphene can and spray hit left eye.	12.18
29.	Moshier, Bonnie - Nursing Services, Unit Clerk Date of accident April 2, 1965 Door closed on linen chute bruising fingers.	17.50
30.	Schell, Paul - Housekeeping, Houseman Date of accident April 5, 1965 Needle from microstat hose stuck in finger.	8.30
31.	Owens, Cora - Nursing Services, LPN Date of accident April 13, 1965 Strained back while helping patient back to bed.	7.50
32.	Jones, Phillip - Housekeeping, Houseman Date of accident April 14, 1965 Needle stuck in arm.	8.30
33.	Warden, Delores - Nursing Services, Nurse Aide Date of accident April 17, 1965 Hit ankle against bedside table.	18.35
34.	Sandidge, Glenn - Nursing Services, Nurse Aide Date of accident April 21, 1965 Cut ball of thumb on glass.	8.30
35.	Howard, Mary - Nursing Services, LPN Date of accident May 6, 1965 Strained back while lifting patient from bed to stretcher.	7.50
36.	Sellers, Raymond - Housekeeping, Houseman Date of accident May 6, 1965 Needle stuck left arm while removing trash from cart.	7.50
37.	Spurlock, Maude - Nursing Services, LPN Date of accident May 7, 1965 Slipped and fell on wet floor hitting her left arm at elbow.	17.50
38.	White, Danny - Dietetics & Nutrition, Porter Date of accident May 24, 1965 Cut on left hand by glass.	13.66

39.	Goodlet, Elwood - Nursing Services, Nurse Aide Date of accident May 26, 1965 Left hand and wrist of right arm caught between stretcher and elevator door.	\$ 20.00
40.	Miller, Carrie - Nursing Services, Unit Clerk Date of accident May 28, 1965 Fell backward in chair.	7.50
41.	Schell, Paul - Housekeeping, Houseman Date of accident June 2, 1965 Skin puncture by needle.	8.30
42.	Prada, Jose A. - Nursing Services, Nurse Aide Date of accident June 4, 1965 Patient bit aide on arm without breaking skin.	7.50
43.	Beauchamp, Lucille - Nursing Services, O.R. Technician Date of accident June 11, 1965 Cut by contaminated scapel.	8.30
44.	Jackson, Ruth - Nursing Services, Nurse Aide Date of accident June 12, 1965 Cut index finger on razor blade.	8.30
45.	Wheat, Amanda Mae - Housekeeping, Maid Date of accident June 14, 1965 Hit head on hooks in X-ray room. Hit head on toilet tissue rack.	7.50
46.	Morrow, Thomas - Housekeeping, Houseman Date of accident June 27, 1965 Needle puncture.	7.50
47.	Flannery, Thelma - Dietetics & Nutrition, Sr. Kitchen Helper Date of accident July 4, 1965 Cut left forefinger while preparing food.	14.00
48.	Lucas, Sallie E. - Dietetics & Nutrition, Tray Girl Date of accident July 13, 1965 Cut hand and arm.	13.00
VII.	PHYSICAL PLANT DIVISION	
1.	Lockard, Lloyd - Physical Plant Division, Painter Date of accident March 17, 1964 Right thumb cut on a bucket.	11.80
2.	Manning, Lyle - Physical Plant Division, Electrician Date of accident January 4, 1965 Piece of steel in finger became infected.	8.00
3.	Johnson, Cletus - Physical Plant Division, Painter Date of accident January 28, 1965 Injury to right hand - back of little finger.	38.03
4.	Smith, Joseph - Physical Plant Division, Custodian Date of accident June 14, 1965 Fell backward against pipe causing deep cut.	31.80

5. Marcus, William E. - Physical Plant Division, Electrician Helper
Date of accident June 21, 1965
Piece of steel in right eye.

Claude W. Trapp, M.D., Lexington, Kentucky \$ 17.00
 6. Johnson, John - Physical Plant Division, Grounds
Date of accident July 28, 1965
Cut on right cheek by rake. 4.30
 7. Hornsby, Frank C. - Physical Plant Division, Plumbers Helper
Date of accident August 6, 1965
Broken finger, ring finger of left hand.

Thomson R. Bryan, Jr., M.D., Lexington, Kentucky 21.00

Good Samaritan Hospital, Lexington, Kentucky 12.50
- VIII. PRINTING
1. Brooking, Thomas - Printing, Apprentice Printer
Date of accident June 8, 1965
Mashed big toe on left foot. 8.00
- IX. STUDENT CENTER
1. Stoudemire, Robert - Student Center, Custodian
Date of accident April 19, 1965
Crushed index toe and broke it. 8.00

Members, Board of Trustees

PR 5

Summary of the Creation of the University of
Kentucky Housing and Dining System

Among the actions recommended to you at this meeting is the creation of the University of Kentucky Housing and Dining System. Because this action of great importance to the University and the legal and financial steps are necessarily complicated and voluminous, this summary of the substantive elements of the action is provided to assist each member in reaching a conclusion on the recommendation made.

1. The proposed System would be financial and legal in its form. The present form of management and organization of these facilities would be unchanged.
2. The major effect of creating the System is to bring all housing, dining and student center activities operated by the Trustees at Lexington under a single financial and legal structure giving new and great financial strength to the present and future operations.
3. At the present each of the housing, dining and student recreation facilities are individually financed and therefore many carry individual debt and provide no source to help finance future construction. Those which do not carry any debt are not available to help defray future construction cost.
4. What is proposed would result in bringing in to the System at Lexington the gross revenues of all housing operations, student fees for the Student Center and realized net income from dining operations and other operations such as the University Bookstore.
5. Because income from certain of these operations is presently pledged to existing debt the action recommended must "neutralize" the existing debt and the interest due and to become due on such debt. Total existing debt is \$11,907,000. Of this amount \$8,185,000 is held by the federal government which has agreed to accept new System bonds, interest rate for interest rate, maturity for maturity in exchange for individual project bonds now in its possession. The remainder of existing debt, \$3,722,000, is held by private investors. Future interest cost on this privately-held debt is calculated at \$1,677,062.12. It is proposed that we sell new System bonds in an amount equal to the sum of these two figures or \$5,399,062.12. Proceeds from the sale of new System bonds in this amount will be invested by the Treasurer in sequentially maturing certificates of deposits, fully secured by government bonds. These investments will be placed in the hands of the banks acting as trustees on existing debt. The investments will mature and be liquidated on a schedule matching the principle and interest requirements of existing privately-held debt. Interest earned on the investments would be used for the reduction of debt and interest cost. By these actions the Board of Trustees will have met fully their obligations to holders of existing debt, both federal and private, and the income from these operations will become available to the System. Furthermore and very importantly the refunding process just described will result in a total reduction of debt cost conservatively estimated at \$378,000 over the period of indebtedness.
6. Income from debt-free facilities also would be pledged to the System.

7. The proposed action would also authorize the sale of bonds for the new student residence complex, part of which is now under construction. Part of series H and all of series I of the System Trust Indenture are for this purpose. You will note that the dollar value of these two series are left in the blank. Firm cost figures will not be known until about November 10, 1965. The action proposed would authorize the Executive Committee of the Board to insert these figures when known.

Office of the President
September 21, 1965

PR 6

Members, Board of Trustees:

AMENDMENTS TO RETIREMENT RESOLUTION

1. Group I Eligibility for Tenure Appointees

Recommendation: that the last sentence of Section III of the University's retirement resolution be amended to read as follows; (Effective July 1, 1965)

The preliminary service period will be waived for employees with tenure and an employee otherwise eligible who already owns a retirement annuity contract issued by Teachers Insurance and Annuity Association.

Background: Section III of the retirement resolution imposes a requirement of one year of service with the University before participation in contributions on annuity contracts under the Group I plan. This is designed to allow for the fact that newly employed staff members are in effect on probation and may be making tentative decisions regarding their career and the type of employer they wish to work for. Since these factors are not applicable to persons employed with tenure it is recommended that this preliminary service period be waived for this type of new appointee as it now is for those who own TIAA contracts when employed. This is accomplished by addition of the underlined words to the last sentence of Section III as above indicated.

2. Additional Categories Eligible for Group I Plan

Recommendation: that the University retirement resolution be amended as follows effective October 1, 1965:

(a) Change the second sentence of Section III to read:

Employees eligible for participation under this plan are regular full-time persons in the categories listed in appendix A.

(b) Add the following Appendix A to the resolution:

APPENDIX A

(Categories eligible for Group I participation)

Assistant and Associate Deans of Academic Units
Assistant and Associate Professors
Assistant Treasurer and Controller
Assistant Vice Presidents
Associate Administrator of University Hospital
Budget Director
Deans
Division Heads (Library)
Directors of specific units as itemized below ⁽¹⁾
Hospital Administrator
Instructors
Legal Counsel
Medical Librarian
Professors

(1) Eligible Directors

Athletics
Auxiliary Enterprises Division
Admissions and Student Services (Medical Center)
Alumni Affairs
Business Services Division
Development
Bureau of Business Research
Chaplain Services
Community College
Computing Center
Continuing Education (Medical Center)
Counseling and Testing
Center for Developmental Change
Dental Clinics
Engineering Experiment Station
Evening Class Program
Extension Class Program
Finance Division
Geological Surveys
Health Service
Home Study
Institutional Studies
Internal Audit Division
Library (University)
Local Services (Medical Center)
Personnel Division
Physical Development Division
Physical Plant Division
Reading Center

Staff Services (Medical Center)
School Relations
University Press
Public Relations

Background: Several new categories of employees in the upper management levels are recommended for addition to the categories listed as eligible for participation in the funded retirement plan for Group I. Since the total list has become quite lengthy it is considered advisable that an appendix be added to the resolution in which to show the eligible categories and thus remove the listing from the body of Section III. This amendment eliminates the listing of eligible categories from Section III and adds Appendix A to the resolution setting forth the eligible categories for Group I participation with a reference thereto in Section III. The new categories, which are those underlined in the recommended Appendix listing are among major positions with direct responsibility to the Vice Presidents plus the seven Division Heads of library units who are not now eligible on other grounds.

Office of the President
September 21, 1965

PR 7

Members, Board of Trustees:

AUTHORIZATION OF VETERANS ADMINISTRATION HOSPITAL

Recommendation: that the Board of Trustees authorize and consent to the construction of a Veterans Administration Hospital immediately south of the Medical Sciences wing of the University Medical Center in accordance with the site plan submitted to the University by the Veterans Administration bearing a date of July 22, 1965. In addition, it is recommended that Vice President Kerley be given authority to implement the details of the project.

Background: The Veterans Administration proposes to construct a hospital immediately adjacent to the University Medical Center on land presently owned by the University. It is felt that the presence of such a hospital will materially enhance the University's medical education, research, and service programs by providing a significant increase in hospital facilities. The Veterans Administration has requested that the Board of Trustees approve the site so that they may proceed with detailed plans for this facility.

Office of the President
September 21, 1965

PR 8

Members, Board of Trustees:

STUDENT CENTERS AT COMMUNITY COLLEGES

Recommendation: that the President be authorized to cause the design and construction of Student-Community Centers at each of the present or future Community College sites with the understanding that the University-financed portion of each facility be determined by the amortization capacity of Student Center Fees generated by the enrollment at each Community College, giving due consideration for the operation and maintenance costs, and with the further understanding that the President may cause the design and construction of larger facilities to the extent that the citizens in each Community College area wish to participate in the provision of a larger facility for joint use by the College and the Community by making donations to the Trustees for that purpose.

Background: Student Center facilities are badly needed at each Community College. Needed are separate facilities providing space for students to gather for meetings or relaxation, for food service facilities on a modest scale and for space to perform the student-life programs essential to a well rounded educational experience. Existing space for such purposes is now located in academic areas and would be released for academic purposes when the proposed new facilities were provided. At several Community Colleges, particularly Elizabethtown and Henderson, the people of the community have clearly indicated a desire to participate, by donation, in providing a facility which could double as both a Student Center and a Community Center.