

The Board of Trustees, Arkansas State Teachers College, met in the President's office Tuesday, November 8, 1949, pursuant to legal call of the meeting by Chairman Cox. The following members were present: Vice-Chairman Amls Guthridge; Secretary Pauline Johnston; Dr. J.H. Flanagan; Silas D. Snow; O.H. Parham; and James S. Colvert. Absent: R.A.Cox. President Irby, Business Manager Harold Eidson; Attorney J. Wendell Henry; Architect Bruce Anderson, and Clint Vilven, representing Emersnn, Roche & Company, met with the Board.

Vice-Chairman Guthridge presided and noted that only Chairman Cox was absent.

The minutes of the previous meeting were read and approved.

The Vice-Chairman declared the meeting to be in legal session and asked for the presentation of such items of business as might legally be passed upon at the meeting.

President Irby presented a new scale of salaries of certain staff members affected by a recent decision of the Attorney General of the State and asked that the salaries be changed. Trustee Johnston made the motion that action of the Board of Trustees as recorded in the Minutes of the Board of Trustees of the April 4, 1949 meeting, and the August 12, 1949 meeting respecting salaries of certain staff members be amended as follows: "The salaries of the following listed staff members shall be, as of October 15, 1949:"

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NAME	MINIMUM SALARY	MAXIMUM SALARY
Irby, Nolen M.	\$600.00	\$600.00
Ferguson, W. C.	500.00	500.00
Eidson, Harold	416.66	416.66
Sixbey, George L.	416.66	483.32
Minton, H. L.	416.66	483.32
Adams, Horace	416.66	416.66
Harvey, Ada Jane	356.25	364.58
Carmichael, Maude	356.25	422.91
Hughes, O. L.	375.00	441.66
Lewis, B. A.	375.00	441.66
Burdick, A.E.	375.00	441.66
Robinette, C. V.	375.00	441.66
Farris, Jeff	375.00	441.66
Packard, E. W.	354.16	420.82
Trusler, M. S.	354.16	420.82
Cordrey, E. E.	364.16	430.82
Schichtl, Marie	312.50	379.16
Higgins, E. L.	352.08	418.74
Nelson, Russell	312.50	375.00
Shaver, Jessa	312.50	379.16 (as of Jan. 30 1950)
White, O.F.	312.50	379.16
Worley, Ted	312.50	379.16
Sands, John	312.50	379.16
Bolling, N. F.	312.50	375.00
Henry, J. D.	312.50	379.16
Montgomery, Howard	333.33	400.00
Ainsworth, C. B.	312.50	375.00
Garrison, Cecil	312.50	375.00
Grigsby, R. W.	312.50	379.16
Mosley, R. W.	312.50	375.00
Bradfield, L. E.	312.50	364.50
Shaw, Joe	312.50	379.16
Nixon, Graham	312.50	379.16
Burrough, Rudolph	312.50	379.16
Hopkins, E. R.	281.25 312.50 ngs	379.16
Clay, Roberta	281.25	312.50
Fisher, Ophelia	281.25	347.91
Long, Dorothy	281.25	347.91
Scott, Leona	281.25	312.50
Terry, Frances	281.25	347.91
Hileman, Mary	281.25	347.91
Hukill, V. N.	302.91	369.57
Moore, Jewell	281.25	347.91
DeSalvo, R. J.	275.00	275.00
Segers, Winifred	270.83	337.49
Chrisler, Verna	281.25	347.91
Plant, Dura	281.25	312.50
Webb, Frances	312.50	312.50
Collier, Helen	281.25	312.50

Turner, Mrs. Delma	250.00	312.50
Canaday, Helen	291.66	312.41
Mitchell, Constance	300.00	312.50
Short, G.Y.	312.50	312.50
Parker, R. W.	250.00	250.00
Calhoun, C. C.	250.00	312.50
Hatfield, Gene	250.00	312.50
Savage, Lucy	250.00	312.50
Shaw, Evie	229.17	295.83
Sachse, Gladys	229.17	295.83
Dunaway, Mrs. Ruth	204.16	204.16
Scott, Lane	250.00	312.50
Foresberg, Carl	270.00	312.50
Young, Jerry	200.00	250.00
Summers, Mrs. Hazel	200.00	200.00
White, Mrs. O. F.	62.00	128.66
Cathcart, Fred	275.00	312.50
Radley, Ed	250.00	302.75
Burgess, T. J.	150.00	216.66
Lockhart, John	312.50	354.00
Cromwell, Billy	250.00	312.50
Robinson, Mary	100.00	166.66
Scott, Mary Jane	354.12	402.78
Basco, Frederick	275.00	312.50
Foote, Chas.	275.00	312.50
Maloy, Wayne	300.00	354.00
Bultmann, Wm.	333.33	400.00
DeCamp, Jacqueline	250.00	312.50
Nolte, Eugene	275.00	312.50
DeSalvo, Josephine	150.00	250.00
Sands, Mark K.	387.50	454.16
Swift, Betty M	250.00	312.50
Dickinson, S. D.	250.00	312.50
Bruce, Imon E	350.00	416.66
Phelps, Sue	250.00	302.00
Melton, Ruby	250.00	312.50
Wachtendorf, Ona Marie	133.33	200.00
Donovan, Francis		
Smith, Othar		
Bradfield, Mrs. L. E.	200.00	266.66
Robins, Hal	50.00	50.00
Petersen, Keith	333.33	400.00
Ferguson, Mrs. Olive		66.67

Trustee Snow seconded the motion which carried unanimously.

Attorney J. Wendell Henry read the brief prepared for the Board of Fiscal Control which presented the claims of M. E. Newbern against Arkansas State Teachers College and the claims of Arkansas State Teachers College against M. E. Newbern. Trustee Flanagan made the motion that the brief be incorporated in the minutes of the meeting. Trustee Parham seconded the motion which carried unanimously. The copy of the Brief follows:

BEFORE THE ARKANSAS BOARD OF FISCAL CONTROL

M. E. Newbern, Jr.,	Claimant
vs	
Arkansas State Teachers College	RESPONDENT

BRIEF OF RESPONDENT

The Claimant hereinabove named filed a claim against respondent, asking the State Board of Fiscal Control to allow claimant the sum of \$5,827.44, representing such sum to be due under the terms of a lease entered into between claimant and respondent.

On the 19th day of September, 1949, said claim was presented to the Fiscal Control Board and after hearing evidence, the Board referred the claim to the Board of Trustees of respondent, requesting the respondent and claimant to endeavor to adjudicate the claim.

Complying with the instructions of the Fiscal Control Board a meeting of the Board of Trustees was held on October 23, 1949, and at that time both claimant and respondent were represented by counsel.

The Board of Trustees, after hearing testimony of witness for claimant and respondent, and after due consideration of said testimony, could not adjudicate said claim satisfactorily to claimant. Therefore, this claim is again presented to the Fiscal Control Board for adjudication.

Briefly, the evidence was that this claim originated under the provisions of a lease entered into by claimant and respondent, the provisions of the lease being as follows

1. The Arkansas State Teachers College will provide quarters, electricity, water and heat for normal usages of the store.
2. That janitor services will be provided by the Store ownership.
3. That the college furniture now in the Store will be left there for use of the Store.
4. That the terms of the contract are for five (5) years from the date below, but can be dissolved by either party to the contract by written notice to the other party after ninety (90) days from date of written notice; if differences arise as to disposition of goods in the Store, at the close of the contract period, such differences shall be adjusted by three arbiters, one selected by the college, one by the Store and the third by the other two appointed arbiters. Actual cost of currently used material shall be a minimum payment.
5. Except for cushions and programs, the Store will have concession rights at all college inter-collegiate athletic events.
6. The proprietor of the Store will exercise necessary steps to assure that textbooks, supplies, and such other articles as appear necessary to the use of the faculty and students be kept for sale at the Store.
7. Rent will be paid by the Store to the college monthly to the amount of ten (10) per cent of gross sales for the preceding thirty (30) days period.

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Date: July 1, 1944

Meeting in executive session, the Board approved the above cited lease in its entirety, and at no time authorized any agent of the school to abrogate any of the provisions of said contract, except that the Board of Trustees duly authorized a reduction of the rental for the year 1945-46 from 10% to 7 1/2% of gross sales.

Electing to terminate the contract under the provisions of section four (4) of the above lease, ninety days prior to August 15, 1947, the College officially notified the claimant that the lease entered into between the contracting parties would be terminated on August 15, 1947.

Subsequent to the date of cancellation of said lease, claimant filed with the State Board of Fiscal Control a claim as follows:

1. Books and supplies for 7 veterans in the amount of	\$76.14
2. Books and supplies for 460 veterans for second semester of Summer of 1947 in the amount of	3,897.05
3. Books and supplies for 34 veterans for three weeks summer term of 1947 in the amount of	146.15
4. A die for the making of Senior Class rings for senior students at request of College officials at a cost of	300.00
5. Sales tax on merchandise sold to Arkansas State Teachers College paid in the amount of	994.42
6. Profit on books issued to Veteran Students by Arkansas State Teachers College in violation of contract with claimant	195.20
7. Merchandise delivered to extension department	183.06
8. Merchandise delivered to Administration Department	35.42
TOTAL - - - - -	\$5,827.44

As of the date of the termination of said contract, claimant admits liability on unpaid rents in the sum of \$2,655.69, which represents rents on sales to non-veterans for the period from January 1, 1947 to August 15, 1947.

As of the date of termination of said contract the College admits legal liability on items one, two, three, seven and eight, or a total of \$4,337.82. However, the College denies any legal liability on items four, five and six in the total sum of \$1,489.62.

During the period of time said lease was in effect sales made to Veteran students through the College Book Store amounted to the sum of \$50,212.32. In making remittances to the College for rent on the Book Store, the claimant at no time paid to the College any sum or sums of money due under the provisions of Section Seven of said contract on sales made to the Veteran students, notwithstanding the claimant made sales to the Veterans on the same terms and under the same conditions as sales made to non-veterans.

Item number four in the sum of \$300.00 which purports to have been expended by the lessee to purchase a die for class rings, was a transaction between the lessee and the vendor furnishing the die. The College did not authorize lessee to make the purchase, and, therefore, disclaims any legal liability to lessee on this item.

Item number five in the sum of \$994.42, which amount claimant represents he paid the State of Arkansas as sales tax on sale of books made to Veteran students is a transaction between claimant and the State of Arkansas, and therefore the College denies any legal liability on this item.

Item number six in the sum of \$195.20, which amount claimant represents as being due for sale of books issued by the College to Veteran students is not a legal claim against the College. The books were donated to the College by the Veterans' Administration and were distributed by the College to the Veteran students without cost to the students. Therefore, claimant could have no legal claim to profits he might have earned had the books been sold through the book store.

In conclusion, may we submit the following summary of the transactions involved in this controversy:

SUMMARY

- (a) The claimant owes the College rentals on \$50,212.32 in sales made to Veteran students as follows:

YEAR	SALES	% GROSS SALES	AMOUNT
1944-45	\$ 251.78	10%	\$ 25.17
1945-46	11,293.59	7 $\frac{1}{2}$ %	847.01
1946-47	38,666.95	10%	3,866.69
			\$ 4,738.87

- (b) The claimant owes the College on sales to non-veterans for period from January 1st, 1947 to August 15, 1947

\$ 2,655.69

Total due College by claimant

\$ 7,394.56

- (c) The College owes Claimant:

Item No. 1 as shown on claim	\$ 76.14
Item No. 2 as shown on claim	3,897.05
Item No. 3 as shown on claim	146.15
Item No. 7 as shown on claim	183.06
Item No. 8 as shown on claim	35.42
<i>Total due Claimant by College</i>	\$4,337.82

Net amount due College by Claimant

\$3,056.74

WHEREFORE, respondent respectfully submits that the claimant is indebted to it in the sum of \$3,056.74, and that the claim of the claimant should be disallowed in full

Respectfully submitted,
 ARKANSAS STATE TEACHERS COLLEGE
 By: Nolen M. Irby, President
 R. A. Cox, Chairman of the Board
 Amis R. Guthridge, Vice-Chairman of the Board
 Pauline Johnston, Secretary of the Board
 J. S. Colvert, Board Member
 J. H. Flanagan, Board Member
 Otis L. Parham, Board Member

President Irby advised the Board of Trustees of a tentative offer to sell to Arkansas State Teachers College all the holdings of Central College in the city of Conway. After general discussion, Vice-Chairman Guthridge appointed a committee as listed following to investigate thoroughly the advisability of the purchase and to recommend action to the Board of Trustees at the next meeting. The committee members are:

Trustee O. ^L Parham, Chairman
Trustee J. H. Flanagan
Trustee Pauline Johnston
President Nolen M. Irby
Bursar Harold D. Eidson

Vice-Chairman Guthridge presented Mr. O. W. Wells, representing the U.S.F and G Company, Mr. Joe Williams, Attorney and Mr. Harold Rees.

Mr. Williams as attorney for Rees, a sub-contractor under Seth E. Glem and Associates, general contractors on the Irby School Building, requested that the college pay Rees all or in part for his work as sub-contractor, securing a release from Glem at the same time. Attorney Henry read the contract between Arkansas State Teachers College and Seth E. Glem and Associates and pointed out that under the terms of the contract Glem must show evidence of settlement with all sub-contractors before final payment of the college to Glem. A lengthy and general discussion followed involving legal interpretations of the contract. Mr. Wells requested that any amount the college now owes Glem and Associates, not including any amount now withheld as liquidated damages, be paid to Glem to enable him to pay his sub-contractors.

Vice Chairman Guthridge advised that a motion be made to dispose of the question at issue. Trustee Flanagan made the motion that when Seth E. Glem and Associates submitted proof to Architect Bruce Anderson that all claims of the sub-contractors were satisfied Arkansas State Teachers College would immediately comply with the terms of the contract. Trustee Colvert seconded the motion which carried unanimously.

Trustee Flanagan invited a discussion of the scholarship plan of the college as affecting athletes and other students. Informal comparisons were made with scholarship programs on other campuses in the State. Trustee Flanagan requested that consideration be given scholarships to students not classed as athletes. President Irby explained that only high school valedictorians were granted scholarships and that in no case did the total scholarship value exceed \$20.50. He also told of Mr. Trusler's generosity in granting students in the music department financial aid. Vice-Chairman Guthridge advised that the question was too involved for immediate action and appointed a committee to study the problem and to make recommendations at the next meeting of the Board. The committee is composed of:

President Nolen M. Irby, Chairman
Trustee J. H. Flanagan
Trustee O. H. Parham
Vice-Chairman Amis R. Guthridge

Trustee Snow presented to the Board of Trustees a verbal request from a group of public school teachers in South Arkansas that Arkansas State Teachers College act as soon as possible to add a year of graduate work to the college curriculum. President Irby estimated the additional cost of the graduate program and other problems which would be faced. Vice-Chairman Guthridge appointed a committee to give thorough investigation of the needs of such graduate work on the campus, the probable costs involved and other conditions necessary to secure accreditation from accrediting agencies. The following persons were named to the committee:

Trustee Silas D. Snow, Chairman
Trustee J. S. Colvert
Trustee Pauline Johnston
Dean W. C. Fergueon
Professor C. V. Robinette

Vice-Chairman Guthridge presented Mr. Vilven, Representative of Emersnn, Roche and Company, and explained his purpose in meeting with the Board of Trustees. Mr. Vilven asked that resolutions necessary to complete the sale of \$900,000.00 worth of bonds to the Connecticut Mutual Life Insurance Company be passed by the Board of Trustees.

Trustee Snow made the motion that the bond order passed by the Board, September 23, 1949, as shown in the minutes of the Board, Page 267, Vol. II be repealed. Trustee Parham seconded the motion which carried unanimously.

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Vice-Chairman Guthridge then presented a resolution authorizing the issuance of \$900,000.00 Arkansas State Teachers College Improvement and Refunding Bonds, Series 1949, dated October 1, 1949

R E S O L U T I O N

BY THE BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE AUTHORIZING THE ISSUANCE OF IMPROVEMENT AND REFUNDING BONDS, SERIES 1949, IN THE AMOUNT OF \$900,000 FOR THE PURPOSE OF RECONSTRUCTING, ENLARGING, REPAIRING AND EQUIPPING CERTAIN BUILDINGS ON THE CAMPUS OF SAID COLLEGE AND REFINANCING VALID OUTSTANDING BONDS HERETOFORE ISSUED IN THE AMOUNT OF \$285,000; MAKING PLEDGES OF REVENUES AND COVENANTS TO INSURE THE PAYMENT OF PRINCIPAL AND INTEREST ON SAID BONDS, AND PRESCRIBING OTHER MATTERS RELATING THERETO.

* * * * *

WHEREAS the Board of Trustees of Arkansas State Teachers College, as a body politic and corporate, for and on behalf of Arkansas State Teachers College, a state supported educational institution, has heretofore acquired and is now operating dormitory, dining hall and student commons facilities on the campus of Arkansas State Teachers College at Conway, Arkansas, and in that connection has outstanding under the provisions of the Constitution and Laws of the State of Arkansas, including particularly Act No. 317 of the Acts of the General Assembly of Arkansas 1939, its bonds to the aggregate amount of \$285,000 which by law are general obligations of said Board of Trustees but in no event are they to be considered a debt for which the faith and credit of the State of Arkansas or any of its revenues are pledged, but are secured by a specific pledge of the income from said facilities as follows:

1. \$63,000 principal amount of 4% Dormitory Bonds - 1934, dated April 1, 1934, maturing serially on April 1 of each of the years 1950 to 1964, inclusive, which are secured by a specific pledge of the gross income from the operation of Wingo Hall;
2. \$131,000 principal amount of 4% General Obligation Building Bonds, Series 1939, dated January 1, 1939, maturing serially on January 1 of each of the years 1950 to 1968, inclusive, which are secured by a specific pledge of the net income from the operation of Bernard Hall, the dining hall and student commons building; and
3. \$91,000 principal amount of 4% Dormitory Refunding Bonds dated January 1, 1939, maturing serially on January 1 of each of the years 1950 to 1964, inclusive, which are secured by a specific pledge of the gross income from the operation of Doyme Hall and McAlister Hall;

and

WHEREAS said Board of Trustees for and on behalf of said College also has outstanding under the laws aforesaid its 4% Building Bonds to the aggregate amount of \$176,000 dated December 1, 1935, which by law are general obligations of said Board of Trustees but in no event are they to be considered a debt which the faith and credit of the State of Arkansas or any of its revenues are pledged, but are secured by a specific pledge of the gross income from certain educational buildings and also from Doyme Hall Annex; and

WHEREAS there is a necessity for reconstructing, enlarging, repairing and equipping dormitory buildings on the campus of said College, for which purpose it will be necessary to borrow funds in order to finance the cost thereof, and the holders of said bonds in the aggregate principal amount of \$285,000, consisting of \$63,000 principal amount of 4% Dormitory Bonds - 1934, dated April 1, 1934; \$131,000 principal amount of 4% General Obligation Building Bonds, Series 1939, dated January 1, 1939; and \$91,000 principal amount of 4% Dormitory Refunding Bonds dated January 1, 1939, have agreed to voluntarily surrender the same for refinancing purposes, all as hereinafter provided; and

WHEREAS it is to the best interests of said College that all of the dormitory, dining hall and student commons facilities be combined in order to effect substantial savings in the cost of operation, clerical hire, collection of bills for services and facilities, and in the issuance of bonds as hereinafter provided, and under the provisions of Act No. 62 of the Acts of the General Assembly of Arkansas 1947, as amended by Act No. 320 of the Acts of the General Assembly of Arkansas 1949, this Board of Trustees for and on behalf of said College is authorized, as hereinafter provided, to issue its bonds for the purpose of providing funds for reconstructing, enlarging, repairing and equipping said dormitory facilities on the campus of said College and to refinance said presently outstanding bonds in the aggregate amount of \$285,000, all in the manner as hereinafter provided;

Special Assembly of Arkansas 1939

THEREFORE, BE IT RESOLVED by the Board of Trustees of Arkansas State Teachers College for and in behalf of said College;

Section 1. That the dormitory, dining hall and student commons facilities on the campus of Arkansas State Teachers College at Conway, Arkansas, be combined for the purposes hereinafter recited and that to provide funds for reconstructing, enlarging, repairing and equipping dormitory buildings on the campus of Arkansas State Teachers College at Conway, Arkansas and for refinancing \$285,000 outstanding bonds, all as hereinafter recited, there are hereby authorized and order issued bonds of the Board of Trustees of Arkansas State Teachers College, acting for and on behalf of said College, to be known as "Improvement and Refunding Bonds, Series 1949," - in the aggregate principal amount of Nine Hundred Thousand Dollars (\$900,000). Said bonds shall be numbered consecutively from 1 to 900, inclusive; in the denomination of \$1,000 each; shall be dated October 1, 1949, and shall bear interest from their date until paid at the rate of three and one-half per cent (3½) per annum, payable semi-annually on April 1 and October 1 of each year, such interest to be evidenced by interest coupons attached to each of said bonds, which interest coupons and the bonds themselves shall be payable in lawful money of the United States of America upon presentation and surrender of bond or proper coupon at The Chase National Bank of the City of New York, in the City of New York, New York.

Section 2. That said bonds shall mature as follows:

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Bonds Numbers	Maturity Date October 1	Amounts
1-10	1950	\$10,000
11-21	1951	11,000
22-33	1952	12,000
34-45	1953	12,000
46-58	1954	13,000
59-71	1955	13,000
72-85	1956	14,000
86-100	1957	15,000
101-115	1958	15,000
116-131	1959	16,000
132-148	1960	17,000
149-166	1961	18,000
167-185	1962	19,000
186-204	1963	19,000
205-224	1964	20,000
225-245	1965	21,000
246-267	1966	22,000 -
268-303	1967	36,000 -
304-340	1968	37,000
341-378	1969	38,000
379-417	1970	39,000
418-458	1971	41,000
459-500	1972	42,000
501-544	1973	44,000
545-589	1974	45,000
590-636	1975	47,000
637-684	1976	48,000
685-734	1977	50,000
735-786	1978	52,000
787-900	1979	114,000

provided that the Board of Trustees of Arkansas State Teachers College reserves the right to call and redeem any and all of said bonds numbered 59 to 900, inclusive, prior to maturity in their inverse numerical order on any interest payment date on or after October 1, 1954, and in the event of the redemption of any of said redeemable bonds it is hereby agreed that there shall be paid to the holder or holders of the respective bonds upon surrender thereof interest in addition to that evidenced by interest coupons the accrued in an amount equal to three per cent of the principal amount thereof if called for redemption on or prior to April 1, 1959; two and one-half per cent of the principal amount if called for redemption thereafter and on or prior to April 1, 1964; two per cent of the principal amount if called for redemption thereafter and on or prior to April 1, 1969; one and one-half per cent of the principal amount if called for redemption thereafter and on or prior to April 1, 1974, and one per cent of the principal amount thereof if called for redemption thereafter and prior to maturity. In the event any of said redeemable bonds are called for redemption aforesaid notice thereof identifying the bonds to be redeemed shall be given in writing by the Secretary of the Board of Trustees of Arkansas State Teachers College, Conway, Arkansas, to the bank whereat the principal and interest are then payable at least thirty (30) days prior to the date fixed for the redemption of said bonds. Notice shall also be given by publication of such notice at least one in a financial journal of general circulation published in the City of New York, New York, at least thirty (30) days prior to the date fixed for the

redemption of said bonds. All of such bonds thus called for redemption and for the retirement of which funds are duly provided shall cease to bear interest from and after the redemption date.

Section 3. That said bonds shall be executed on behalf of the Board of Trustees by the Chairman and Secretary of said Board, and shall have impressed thereon the corporate seal of said Board. Interest coupons attached to each of said bonds may have the facsimile signature of the Chairman and Secretary of said Board lithographed or printed thereon, which signatures shall have the same force and effect as if they had personally signed each of said coupons.

Section 4. That said bonds and coupons shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF ARKANSAS

BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE
IMPROVEMENT AND REFUNDING BOND
SERIES 1949

No. _____ \$1,000

KNOW ALL MEN BY THESE PRESENTS That the Board of Trustees of Arkansas State Teachers College at Conway, Arkansas, a body politic and corporate, for and on behalf of said Arkansas State Teachers College, a state educational institution, for value received promises to pay to bearer the sum of One Thousand Dollars (\$1,000) on the first day of October, 19___, and to pay interest thereon at the rate of three and one-half per cent ($3\frac{1}{2}\%$) per annum from the date hereof until this bond shall be paid, interest payable on the first day of April and the first day of October in each year upon presentation and surrender of the annexed interest coupons as the same severally mature except as the provisions hereinafter set forth with respect to redemption of bonds prior to maturity may be and become applicable hereto. Both principal of and interest on this bond are payable in lawful money of the United States of America at The Chase National Bank of the City of New York, in the City of New York, New York.

This bond is one of a series of 900 bonds numbered consecutively from 1 to 900 inclusive, in the denomination of one thousand dollars (\$1,000) each, aggregating nine hundred thousand dollars (\$900,000), authorized pursuant to a resolution duly adopted by the Board of Trustees and issued pursuant to the Constitution and laws of the State of Arkansas, including particularly Act No. 62 of the Acts of the General Assembly of the State of Arkansas, 1947, as amended by Act No. 320 of the Acts of the General Assembly of the State of Arkansas, 1949, for the purpose of providing funds for reconstructing, enlarging, repairing and equipping dormitory buildings on the campus of said College and refinancing \$285,000 principal amount of valid outstanding bonds heretofore issued.

The Board of Trustees of Arkansas State Teachers College reserves the right to call and redeem any and all of said bonds numbered 59 to 900, inclusive, prior to maturity in their inverse numerical order on any interest payment date on or after October 1, 1954, and in the event of the redemption of any of said redeemable bonds it is hereby agreed that there shall be paid to the holder or holders of the respective bonds upon surrender thereof interest in addition to that evidenced by interest coupons then accrued in an amount equal to three per cent of the principal amount thereof if called for redemption on or prior to April 1, 1959; two and one-half per cent of the principal amount if called for redemption thereafter and on or prior to April 1, 1964; two per cent of the principal amount if called for redemption thereafter and on or prior to April 1, 1969; one and one-half per cent of the principal amount if called for redemption thereafter and on or prior to April 1, 1974; and one per cent of the principal amount if called for redemption thereafter and prior to maturity. In the event any or all of said redeemable bonds are called for redemption notice thereof identifying the bonds to be redeemed shall be given in writing by the Secretary of the Board of Trustees of Arkansas State Teachers College to the bank whereat principal and interest are then payable at least thirty (30) days prior to the date fixed for such redemption and such notice shall also be given by publication at least once in a financial journal of general circulation published in the City of New York, New York, at least thirty (30) days prior to the date fixed for the redemption of said bonds. All of such bonds thus called for redemption and for the retirement of which funds are duly provided shall cease to bear interest from and after the redemption date.

This bond constitutes a general obligation of said Board of Trustees, but shall not be considered a debt for which the faith and credit of the State of Arkansas or any of its revenues are pledged. The series of bonds of which this bond is one is specially secured by a specific pledge of gross revenues derived from the operation of three dormitories on the campus of said College known as Doyme, McAlister and Wingo Halls, together with any additions thereto or replacements thereof, subject, however, to an existing pledge of revenues from Doyme Hall in favor of other outstanding bonds of said Board of Trustees, and further of the gross revenues derived from the operation of a dormitory known as Bernard Hall and a dining hall and commons building, less only the reasonable expenses of operation and maintenance of such dormitory and dining hall and commons building, together with any additions thereto or replacements thereof, all of which buildings were constructed, enlarged, repaired or equipped from the proceeds of this series of bonds and the bonds refinanced by this series. The Board of Trustees hereby covenants and warrants that for the payment of this bond and the series of which it is one and interest thereon when due it will create and maintain a special fund to be known as Bond and Interest Fund, into which shall be deposited sufficient moneys to pay the principal of and interest on this bond and the series of which it is one, and to establish and maintain a reserve therefor, all as provided in the resolution authorizing the issuance of this bond and the series of which it is one. This bond shall be a negotiable instrument for all purposes and shall be transferable by delivery.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of the series of which this bond is one and precedent to and in the issuance of the bonds refinanced hereby were and have been properly done and performed and happened in regular and due time, form and manner as required by law, that the above described revenues have been irrevocably specifically pledged to the payment of principal of and interest on the series of bonds of which this bond is one, and that the amount of this bond, together with all obligations of said Board of Trustees, does not exceed any limit prescribed by the Constitution or laws of the State of Arkansas.

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IN TESTIMONY WHEREOF said Board of Trustees of Arkansas State Teachers College has caused this bond to be executed in its name by its Chairman, thereunto duly authorized and its corporate seal to be affixed and attested by its Secretary, and the interest coupons hereto attached to be executed by the facsimile signatures of its Chairman and Secretary, all as of the first day of October, 1949.

Chairman, Board of Trustees
Arkansas State Teachers College

Attest:

Secretary, Board of Trustees
Arkansas State Teachers College

(Form of Coupon)

Number _____ \$17.50

On _____ 1, 19 __, the Board of Trustees of Arkansas State Teachers College at Conway, Arkansas, will pay to bearer at The Chase National Bank of the City of New York, in the City of New York, New York, the sum of Seventeen and 50/100 Dollars (\$17.50) in lawful money of the United States of America, being six months' interest then due on its Improvement and Refunding Bond, Series 1949, dated October 1, 1949, Number ____ *(unless the bond to which this coupon appertains is sooner called for payment and payment is provided therefor.)

Chairman

Secretary

*(This last phrase will appear only in interest coupons due on and after April 1, 1955)

Section 5. That by reason of the bonds hereby provided to be refinanced being general obligations of said Board of Trustees and also by virtue of Act No. 320 of the Acts of the General Assembly of Arkansas, 1949, it is hereby declared that the bonds hereby authorized shall be and are hereby recognized to constitute general obligations of the Board of Trustees of Arkansas State Teachers College, Conway, Arkansas, but shall not in any event ever be considered debts for which the faith and credit of the State of Arkansas or any of its revenues are pledged. These bonds shall be specifically secured by a specific pledge only of the gross revenues derived from the operation of three dormitories on the campus of said College known as Doyme, McAlister and Wingo Halls, together with any additions thereto or replacements thereof, and further of the gross revenues derived from the operation of a dormitory known as Bernard Hall and a dining hall and commons building, together with any additions thereto and replacements thereof, less only the reasonable expenses of operation and maintenance of said last named dormitory, dining hall and commons building, which gross revenues shall include, in addition to and separate from all other fees and charges, the income derived from a fee to be charged each student attending Arkansas State Teachers College for the right to use the dining hall or commons building during each of not less than two semesters and summer sessions if such fee shall be necessary; provided, however, the pledge of revenues from the annex to Doyme Hall as part of the revenues pledged in favor of the presently outstanding Building Bonds, Series 1935, is hereby recognized, and so long as any

200 of said Building B nds remain outstanding the pledge of revenues from said annex to Doyme Hall in favor thereof is hereby recognized, and shall not be construed as impaired by the pledge of revenues in favor of the bonds hereby authorized. Said pledge in favor of the bonds hereby authorized is hereby irrevocably made according to the terms of this resolution, and said Board of Trustees, its officers and employees, shall execute, perform and carry out the terms thereof in strict conformity with the provisions of this resolution. So long as any of these bonds remain outstanding and unpaid the Board of Trustees covenants that it will not issue additional bonds payable from any of the revenues specifically pledged to this series of bonds. None of the bonds herein authorized shall be entitled to priority one over the other in the application of the revenues herein pledged to the payment of principal and interest. In no event while any of these bonds remain outstanding will the Board of Trustees sell, mortgage, lease or otherwise dispose of any of said dormitories or the dining hall or commons building, nor otherwise pledge or encumber any of the revenues therefrom. These bonds shall constitute fully negotiable instruments for all purposes and shall be transferable by delivery.

Section 6. That there is hereby created and established a separate fund to be known as the "Bond and Interest Fund", into which there shall be paid from revenues herein pledged, on or before the respective dates stated, the following sums:

<u>Dates</u>	<u>Amounts</u>
October 1, 1950	\$25,750.00
April 1, 1951	15,575.00
October 1, 1951	26,575.00
April 1, 1952	15,382.50
October 1, 1952	27,382.50
April 1, 1953	15,172.50
October 1, 1953	27,172.50
April 1, 1954	14,962.50
October 1, 1954	27,962.50
April 1, 1955	14,735.00
October 1, 1955	27,735.00
April 1, 1956	14,507.50
October 1, 1956	28,507.50
April 1, 1957	14,262.50
October 1, 1957	29,262.50
April 1, 1958	14,000.00
October 1, 1958	29,000.00
April 1, 1959	13,737.50
October 1, 1959	29,737.50
April 1, 1960	13,457.50
October 1, 1960	30,457.50
April 1, 1961	13,160.00
October 1, 1961	31,160.00
April 1, 1962	12,845.00
October 1, 1962	31,845.00
April 1, 1963	12,512.50
October 1, 1963	31,512.50
April 1, 1964	12,180.00
October 1, 1964	32,180.00
April 1, 1965	11,830.00
October 1, 1965	32,830.00
April 1, 1966	11,462.50
October 1, 1966	33,462.50
April 1, 1967	11,077.50
October 1, 1967	47,077.50
April 1, 1968	10,447.50
October 1, 1968	47,447.50
April 1, 1969	9,800.00
October 1, 1969	47,800.00
April 1, 1970	9,135.00
October 1, 1970	48,135.00
April 1, 1971	8,452.50
October 1, 1971	49,452.50
April 1, 1972	7,735.00
October 1, 1972	49,735.00
April 1, 1973	7,000.00
October 1, 1973	51,000.00
April 1, 1974	6,230.00
October 1, 1974	51,230.00
April 1, 1975	5,442.50
October 1, 1975	52,442.50
April 1, 1976	4,620.00
October 1, 1976	52,620.00
April 1, 1977	3,780.00
October 1, 1977	53,780.00
April 1, 1978	2,905.00
October 1, 1978	54,905.00
April 1, 1979	1,995.00
October 1, 1979	115,995.00

There shall also be paid into said Bond and Interest Fund from the proceeds of these bonds promptly when said bonds are delivered and payment therefor received, the sum of \$15,750.00 to pay interest due April 1, 1950. Sums to the credit of the Bond and Interest Fund shall be used only to pay the principal of and interest on these bonds at maturity and for no other purpose. Charges made by the paying agent for the payment of the principal of and interest on these bonds at maturity shall be paid by the Board of Trustees from other funds at their disposal and not from the Bond and Interest Fund. 289

Section 7. That there is hereby created and established a separate account known as the "Bond Reserve Account", within the said separate Bond and Interest Fund, into which Fund there shall be paid and to which Account there shall be credited any and all sums remaining to the credit of the bonds refunded hereby, upon the issuance of these bonds and the cancellation of the outstanding bonds refunded thereby. There shall also be paid into said Fund and credited to said Account on or before April 1, 1966, an additional sum of \$15,000.00 from any surplus of the revenues herein pledged. Sums to the credit of the Bond Reserve Account shall be maintained intact in cash or may be invested in United States Bonds and used only to avert a default in payment of the principal of and interest on these bonds at maturity. If so used they shall be restored from any funds of the Board of Trustees available for the purpose as soon as so available. The Board of Trustees further hereby covenants and obligates itself to pay from other available funds at its disposal any deficiency in revenues pledged which may be required to pay the principal of and interest on these bonds at maturity and maintain the Bond Reserve Account intact. Incomes from investments held to the credit of the Bond Reserve Account may be used to retire bonds in advance of maturity in accordance with the option of redemption contained in said bonds, and when the balance in the Bond and Interest Fund, including the Bond Reserve Account, is sufficient to pay all bonds of this issue and the interest thereon outstanding and unpaid, the sums to the credit of said Fund may be so used. When sufficient moneys are at hand to pay the principal of and interest to maturity on all of these bonds remaining outstanding no further sums need be paid into the said Bond and Interest Fund. Bonds may be retired in advance of maturity in accordance with the option of redemption from any other funds available to the Board of Trustees and the amounts herein provided to be thereafter paid into the Bond and Interest Fund may then be decreased by the amount of the semi-annual interest on such retired bonds. Anything in this resolution to the contrary notwithstanding, so long as the Board of Trustees maintains all payments into said separate Bond and Interest Fund herein required to be made, the balance of the revenues specifically pledged to this issue may be used for any lawful purpose.

Section 8. That it is hereby covenanted and agreed by the Board of Trustees of Arkansas State Teachers College that, notwithstanding other facilities now or hereafter available for the housing and boarding of students, said Board will require a sufficient number of students to occupy the dormitories so that they shall at all times be occupied as nearly as possible to one hundred per cent capacity, and said Board will require all students to make use of and pay for the facilities of the dining hall and commons building. The Board of Trustees further covenants and agrees that the rates, fees and charges to be made for room and dining facilities shall be so fixed and revised from time to time that the proceeds thereof, including the proceeds of a fee to be charged each student attending the College for the right to use the dining hall and commons building during each of not less than two semesters and summer sessions if such fee shall be necessary, will be fully sufficient to pay the cost of operating and maintaining the dormitories and dining hall and commons buildings and to make all payments herein required to be made under the terms hereof into the separate Bond and Interest Fund and Bond Reserve Account herein created and established. The Board of Trustees further covenants and agrees that it will at all times exert its best efforts to enforce the prompt collection and proper application of the revenues herein pledged, that while any of these bonds remain outstanding and unpaid it will efficiently maintain and operate the dormitories and dining hall and commons buildings, and keep them in good repair, and not permit or afford any free use of the facilities and services thereof.

Section 9. That the Board of Trustees agrees to keep the said dormitories and dining hall and commons buildings, including their furniture and equipment, continuously insured against fire, windstorm, and other hazards, in an aggregate amount at least equal to the face value of all bonds of this issue outstanding provided, however, that in case the amount of such bonds shall be greater than the insurable value, then the Board of Trustees shall insure to their insurable value. In case of loss the proceeds of insurance shall be applied to the repair or restoration of the building or buildings and contents thereof to their former condition, or in such manner as will make the buildings tenantable. If the funds received from said insurance policies or otherwise on account of any loss, together with any other available funds to be used for the purpose, are insufficient to make the building or buildings suffering such loss tenantable, then and in that event the Board of Trustees shall hold the insurance funds paid to it by reason of such loss for the benefit of the holders of the outstanding bonds as their interests may appear. The Board of Trustees also agrees to carry on the buildings use and occupancy insurance in an aggregate amount equal at all times to the highest annual amount due for principal of and interest on all the outstanding bonds in any year covered by the term of such policies. All proceeds derived from such use and occupancy policies shall be treated as revenues derived from the buildings and shall be applied as other revenues are required to be applied under the provisions of this resolution.

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Section 10. That the Board of Trustees further covenants and agrees to keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the operation and revenues of the dormitories, dining hall or commons buildings, and the allocation and application of such revenues, and that such books shall be available for inspection by the holder of any of the bonds at reasonable times and under reasonable conditions. The said Board of Trustees shall furnish to the original purchasers so long as such purchasers hold any of the bonds and to any holder of any of the bonds, at the written request of such holder, not more than six months after the close of each fiscal year, complete operating and income statements of the buildings in reasonable detail covering such period, certified by public auditors or auditors employed by the State of Arkansas for the auditing of accounts of state institutions.

Section 11. That upon the surrender of the \$285,000 principal amount of bonds herein provided to be refinanced the Chairman and Secretary of said Board of Trustees is hereby authorized and directed to deliver in exchange therefor a like principal amount of the bonds hereby authorized, and to make appropriate adjustments of accrued interest in each case. Simultaneously therewith said Chairman and Secretary are authorized and directed to sell and deliver the balance of the bonds hereby authorized to Emerson, Roche and Company of San Antonio, Texas, upon payment for same at the price heretofore agreed upon, which price is hereby found and declared to be such as will represent a cost to said Board of Trustees over the life of said bonds of less than four percent per annum. So much of the proceeds of the sale as is not hereinabove required to be paid into the Bond and Interest Fund and is not disbursed or to be disbursed for expenses incident to the issuance of the bonds hereby authorized shall upon delivery of the bonds be paid equally into two separate funds to be used solely for the reconstructing, enlarging, repairing, and equipping of the dormitory buildings on the campus of Arkansas State Teachers College. Said respective separate funds shall be escrowed in the First National Bank and First State Bank, Conway, Arkansas, pursuant to such agreement designed to assure the proper application of said money as may hereafter be entered into by the Chairman and Secretary of the Board of Trustees of Arkansas State Teachers College, in behalf of the Board, the original purchasers of the bonds, and a national bank or trust company located in Little Rock, Arkansas. The accrued interest received upon delivery of these bonds and any money remaining in said escrowed funds after the payment of the total cost of the constructing, enlarging, repairing and equipping of said dormitories and dining hall and commons buildings shall be paid into the Bond and Interest Fund.

Section 12. The Chairman and Secretary of the Board of Trustees shall take and have charge of these bonds pending delivery to the purchasers, which delivery shall take place simultaneously with the payment of the purchase price by the purchasers and the surrender and cancellation of \$285,000 bonds herein provided to be refinanced. The Chairman and Secretary shall thereafter cause the said \$285,000 surrendered bonds to be destroyed by burning and the Board of Trustees shall furnish the purchasers hereof with a duly certified statement of such destruction.

Section 13. That this resolution shall be in full force and effect immediately upon its adoption and shall supersede and control with respect to the issuance of the bonds hereby authorized notwithstanding the provisions of any other resolution heretofore adopted in that regard.

Passed and adopted this 8th day of November 1949.

R. A. Cox, Chairman
Amis R. Guthridge, Vice-Chairman
Silas D. Snow
Dr. J. H. Flanagan
James S. Colvert
O. H. Parham

Mrs. Pauline Johnston, Secretary

Trustee Johnston made the motion that this resolution be accepted. The motion was seconded by Trustee Snow, which carried unanimously.

Mr. Vilven explained the necessity for an escrow agreement with the Conway Banks, whereupon Vice-Chairman Guthridge presented a resolution authorizing the Chairman of the Board of Trustees and the Secretary to enter into such agreement as follows:

R E S O L U T I O N

WHEREAS, the Board of Trustees of the Arkansas State Teachers College, Conway, Arkansas, has authorized the issuance of \$900,000 BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE IMPROVEMENT AND REFUNDING BONDS, SERIES 1949, dated October 1, 1949; and,

WHEREAS, it is desirable that \$480,053.00 of the proceeds from the sale of said bonds be deposited in escrow so that said funds shall be expended for the purpose contemplated in the resolution authorizing the issuance of the aforementioned bonds and that said proceeds be adequately secured;

THEREFORE, BE IT RESOLVED by the Board of Trustees of the Arkansas State Teachers College;

That the Chairman and Secretary of the Board of Trustees be and they are hereby authorized and instructed to enter into an agreement, in behalf of the Board, with Emerson, Roche & Company, San Antonio, Texas, the purchasers of \$900,000.00 BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE IMPROVEMENT AND REFUNDING BONDS, SERIES 1949, dated October 1, 1949, the FIRST NATIONAL BANK, Conway, Arkansas, and the FIRST STATE BANK, Conway, Arkansas, providing for the deposit in escrow and the securing and expenditure of \$480,053.00 of the proceeds from the sale of said bonds.

ADOPTED AND APPROVED this 8th day of November, 1949.

Amis R. Guthridge, Vice-Chairman

ATTEST:
Mrs. Pauline Johnston, Secretary

Trustee Snow made the motion that this resolution be accepted. The motion was seconded by Trustee Colvert, and carried unanimously.

The Escrow Agreement ^{is} as follows:

THE STATE OF ARKANSAS
COUNTY OF FAULKNER

THIS AGREEMENT entered into as of the 10th day of November 1949, by and between the BOARD OF TRUSTEES OF THE ARKANSAS STATE TEACHERS COLLEGE, CONWAY, ARKANSAS, acting herein by and through its duly authorized Chairman and Secretary, herein referred to as the "Board of Trustees", EMERSON, ROCHE & COMPANY, San Antonio, Texas, acting herein by and through E. S. Emerson, sole owner, hereinafter referred to as the "Company" being the purchaser of the hereinafter mentioned bonds, and the FIRST STATE BANK, CONWAY, ARKANSAS, AND THE FIRST NATIONAL BANK, CONWAY, ARKANSAS, corporations duly incorporated under the laws of Arkansas, acting herein by and through its duly authorized Presidents and Cashiers, hereinafter referred to as the "Bank"

W I T N E S S E T H:

I

That Company agrees to purchase from the Board of Trustees of Arkansas State Teachers College, Conway, Arkansas, Nine Hundred Thousand (\$900,000.00) Dollars BOARD OF TRUSTEES OF ARKANSAS STATE TEACHERS COLLEGE IMPROVEMENT AND REFUNDING BONDS, SERIES 1949, dated October 1, 1949, in accordance with a contract heretofore made and entered into between Company and the Board of Trustees.

II

That the Board of Trustees will cause the sum of \$240,053.00 to be deposited in the FIRST STATE BANK, CONWAY, ARKANSAS and \$240,000.00 to be deposited in the FIRST NATIONAL BANK, CONWAY, ARKANSAS in a special fund to be designated "Building Fund of 1949" to be held, secured and paid out as hereinafter provided.

III

That the Bank agrees to accept the aforementioned deposit and agrees to pledge direct obligations of the United States Government in an amount always in market value to the amount of the funds on deposit in the Bank, and further agrees that insofar as the "Building Fund of 1949" is concerned, it will deliver said securities to The Commercial National Bank, Little Rock, Arkansas (The First State Bank), and to the Union National Bank, Little Rock, Arkansas (The First National Bank) to be held by it subject to the order of and for the account of the Bank and the Board of Trustees in accordance with the terms and conditions of this agreement.

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It is further stipulated and agreed that the Bank shall from time to time, if and when occasion arises so to do, have the right to withdraw such amount or amounts of the securities pledged to the extent that the market value of said securities exceeds the amount of funds on deposit in said Bank, and it is further understood that no interest is to be paid by said Bank on funds which may be deposited with or come into the possession of said Bank.

IV

That the Bank agrees to safely keep the aforementioned "Building Fund of 1949" and to pay out same only upon checks and vouchers drawn against said fund and signed by the President and Disbursing Officer of Arkansas State Teachers College, Conway, Arkansas, which officials shall execute such checks and vouchers in payment of the contracts heretofore entered into by and between the Board of Trustees and the several contractors for the reconstructing, enlarging, repairing and equipping of dormitory buildings on the campus of, and for, Arkansas State Teachers College, upon verified claims of said contractors duly approved ~~in~~ by the architect in charge and shall execute such additional checks and vouchers only in such amounts as will be necessary to pay the fee of the architect, and such other expenses as may be necessary in connection with the project. Any balance remaining in said "Building Fund of 1949" after the aforementioned expenditures have been made shall be transferred to the Bond and Interest Fund of the Improvement and Refunding Bonds, Series 1949.

ATTEST:

Mrs. Pauline Johnston, Secretary

BOARD OF TRUSTEES OF THE ARKANSAS STATE
TEACHERS COLLEGE

By R. A. Cox, Chairman

EMERSON, ROCHE & COMPANY, San Antonio, Texas
By C. W. Vilven, Authorized Representative

ATTEST:

Wm. V. Wilson, Cashier

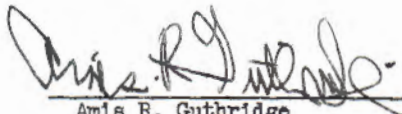
FIRST STATE BANK, Conway, Arkansas
By W. D. Ketcherside, President


ATTEST:

Ernest Halter, Cashier

FIRST NATIONAL BANK, Conway, Arkansas
By Sam R. Adkisson, President

There being no further business, the Board adjourned until legally called into session again.


Amls R. Guthridge
Vice-Chairman


Mrs. Pauline Johnston
Secretary