MINUTES OF THE BOARD OF TRUSTEES OF
STATE INSTITUTIONS OF HIGHER LEARNING

January 17, 1985

BE IT REMEMBERED, That the Board of Trustees of State Institutions of Higher Learning of the State of Mississippi met in regular session in Jackson, Mississippi, on Thursday, January 17, 1985, and pursuant to notice in writing mailed by certified letter with return receipt requested on January 4, 1985, to each and every member of said Board, said date being at least five days prior to this January 17, 1985.

At the above named place there were present the following members to wit: William H. Austin, Jr., Thomas D. Bourdeaux, Frank O. Crosthwait, Jr., Martha H. Gill, Bryce Griffis, Will A. Hickman, Charles C. Jacobs, Jr., William M. Jones, Denton Rogers, Jr., Sidney L. Rushing, George T. Watson, and Betty A. Williams. John R. Lovelace was absent.

The meeting was called to order by President Charles C. Jacobs, Jr., and opened with prayer by Mr. Rogers.

Executive Sessions

On motion by Mr. Bourdeaux, seconded by Mr. Hickman, the Board voted unanimously on Wednesday, January 16, 1985, that an executive session was necessary to discuss a personnel matter at Mississippi State University.

On motion by Mr. Bourdeaux, seconded by Mr. Griffis, the Board voted unanimously to meet in executive session on Wednesday, January 16, 1985, to discuss the above mentioned personnel matter.

On motion by Mr. Bourdeaux, seconded by Mr. Griffis, the Board voted unanimously on Wednesday, January 16, 1985, that an executive session was necessary to hear a report from Ed D. Noble, Assistant Attorney General, regarding the following legal matters:

a. Bender Shipbuilding & Repair Co., Inc., v. Mississippi Gulf Coast Research Laboratory
b. Dale Lee Blosser v. Paul Lindsey
c. J. B. Van Slyke v. Board of Trustees
d. Charges of Discrimination against Delta State University, Mississippi State University, Mississippi Research and Development Center, and Mississippi University for Women

On motion by Mr. Bourdeaux, seconded by Mr. Jones, the Board voted unanimously to meet in executive session on Wednesday, January 16, 1985, to discuss the above mentioned legal matters.

Reports from Institutional Executive Officers

On motion by Mr. Jacobs and duly seconded, the Board voted to hear reports from institutional executive officers in open meeting on Wednesday, January 16, 1985.

Approval of the December 20, 1984, Minutes

On motion by Mr. Watson, seconded by Mr. Rogers, the minutes of the December 20, 1984, meeting were approved.

Election of Vice President

After voting by secret ballot, Mr. Bryce Griffis was elected as Vice President of the Board for a one-year term beginning May 8, 1985, and ending May 7, 1986.

Report of the Presidents' Council

Dr. Joe L. Boyer, Chairman of the Presidents' Council, reported that the Council is working to organize a higher education support group composed of prominent people throughout the State of Mississippi. This group, called the "Committee of 25," will be asked to represent the needs of all eight institutions to members of the Legislature. The Council has scheduled an organizational meeting with the group for February 6, 1985. Details of the meeting are incomplete at this time. The Chairman of the Council will be happy to provide additional information.

Report of the Agriculture and Forestry Committee

On motion by Mr. Rushing, seconded by Mr. Rogers, the following report of the Agriculture and Forestry Committee was approved:

University of Mississippi:

1. Approve award of the contract to the low bidder, Resource Consulting, Int., in the amount of $61,480.00, as forestry consultants. A comprehensive timber and land appraisal of the University Forest Lands located in Stone, George, Harrison, and Jackson Counties will be done in this study. In addition to the establishment of land and timber valuations, the consultant would be expected to evaluate current and past timber management practices, analyze revenue potential for short-term and long-term expectancies, and to make recommendations for management practices oriented toward maximizing productivity and revenue potential. The contract would be awarded with the stipulation that the firm would be available to provide additional services to the University as needed to assist in more in-depth financial and management analyses.

Report of the Athletics Committee

On motion by Mr. Griffis, seconded by Mr. Rogers, the following report of the Athletics Committee was approved with Mr. Hickman recording a negative vote:

Jackson State University:

1. Approve request to renew the contract of James Marshall, Head Golf Coach and Assistant Football Coach, through May 31, 1985, only.

2. Approve request to establish the following new position:

   Assistant Head Football Coach and Offensive Coordinator, Department of Health, Physical Education and Recreation, School of Education, effective July 1, 1985, with an annual salary of $30,000.00.

Mississippi State University:

1. Approve personnel recommendations for athletic personnel as submitted by Dr. James D. McComas.

University of Mississippi:

1. Approve recommendations for athletic personnel as submitted by Dr. R. Gerald Turner.

2. Approve an increase in salary from $63,000.00 to $68,040.00 for Homer E. Brewer, Head Football Coach, effective February 1, 1985.

University of Southern Mississippi:

1. Approve recommendations for athletic personnel as submitted by Dr. Aubrey K. Lucas.

Report of the Buildings Committee

On motion by Mr. Jones, seconded by Mr. Crosthwait, the following report of the Buildings Committee was approved:

Alcorn State University:

1. Approve the contract documents and request approval and the advertisement for bids of the Bureau of Building, Grounds and Real Property Management for GS 101-111, Revels Hall - Chiller Replacement. Funds are available in the amount of $114,000.00 from Senate Bill 2982, Laws of 1983.

2. Approve the contract documents and the request to advertise for bids for the Poultry Research Facility as submitted by Brumfield and Hopton, architects. Funds are available for the project from funds allocated by the United States Department of Agriculture.

3. Approve the request for Revision No. 2 for Proposed Storage Building and Service Yard, School of Nursing, and request approval of the Bureau of Building, Grounds and Real Property Management for the architect to proceed with the development of contract documents.

Jackson State University:

1. Approve the request for the submission of an application to the Department of Education, College Housing Division, for a $3,500,000.00 loan for construction of student residence housing. The loan would be for thirty years at 3 percent interest. Repayment will come from housing system revenues.

Mississippi State University:

1. Approve the request to purchase approximately one-half acre of land on the northeast side of the campus from The Nelson Company

of Starkville. This purchase is recommended by Mr. Art Richardson of the Olmsted Office in order to ease severe traffic congestion at Coliseum events. The recommended purchase price is $24,745.00, and funds are available from University sources.

2. Approve the request to name the Union building in honor of Dr. Dean W. Colvard and the School of Architecture building in honor of Dr. William L. Giles.

3. Approve Change Order No. 3 deducting $600.59 from the contract of Graham Roofing Company, Inc., for GS 105-184, 1983 Roofing Program. This change order adjusts all allowances to reflect actual expenditures by the contractor and it installs additional insulation necessary for proper drainage on the Harned Annex Roof.

University of Mississippi:

1. Approve the selection of John Clark Hudson and Associates of Sardis as project professionals for Air Conditioning Old Gym (First Floor). This floor has been renovated for use by the Library, but it has now been determined that environmental control will be necessary to utilize properly this renovated space. The estimated cost is $75,000.00, and funds are available from University sources.

2. Approve the plans and specifications and the request to advertise for bids for the 1985 Airport Improvement Project. This project will provide a taxiway turnaround and terminal security fencing for the University-Oxford Airport. The estimated project budget is $143,063.00. A previously allocated federal grant will fund 90 percent of the project, and University funds will be used for the remainder.

3. Approve the request to initiate proceedings to perform limited renovation on Martin Hall (East Twin Tower). Martin Hall will house freshman female students beginning with the fall term in 1985. Male students are currently housed in this facility. Self-generated funds will be used for this project. The Chancellor requests approval of the Frank Hall and Associates firm of Oxford, Mississippi, to prepare plans and specifications. His second recommendation is the firm of Brewer, Godbold, Hansen and Dickson, P.A., of Clarksdale, Mississippi; his third recommendation is McRee, Dardaman, Jones and LaCoste of Grenada, Mississippi.

   It has been determined that the building does contain asbestos material and that the proper determination should be made as to how this should be dealt with prior to the beginning of construction.

University of Mississippi Medical Center:

1. Approve the bid documents as prepared by Canizaro Trigiani, architects, for Exterior Signage, Phase I, and advertise for bids for this project. Funds are available in the amount of $68,000.00 from Medical Center sources.

2. Approve the request and request approval of the Bureau of Building, Grounds and Real Property Management to award the contract to the low bidder, Primeco, Inc., for SBC 109-117, 1983 Safety Code Renovations. The low bid is in the amount of $79,100.00. It is also requested that after the award of the contract the balance of funds, $80,578.00, be transferred to the 1985 Safety Code Renovations.

University of Southern Mississippi:

1. Approve the appropriate resolution to be written authorizing the President and Executive Secretary and Director of the Board of Trustees to sign the loan agreement with the U. S. Department of Education, College Housing Division, for funds for renovation of several dormitories. (SEE EXHIBIT A)

2. Approve the award of the contract in the amount of $40,000.00 to the low bidder, L. E. Norman Construction Company, for Food Service Storage Facility. Funds for the project are available from Food Service Reserve Accounts.

All Institutions:

1. Approve the recommendation of the Presidents' Council to request the 1985 session of the Legislature to pass a bill authorizing the Bureau of Building, Grounds and Real Property Management to issue bonds for the purpose of financing needed new construction and major renovation of present facilities as follows:

New Construction and Major Renovations	$42,000,000.00
Renovation and Repair of Buildings and Upgrading of Mechanical, Electrical and Water Facilities.	18,000,000.00

This legislation should authorize the Bureau of Building, Grounds and Real Property Management to issue bonds, when needed, not to exceed a total of $60,000,000.00. The final approval of projects to be included in the $60,000,000.00 request will be submitted to the Board of Trustees at its February meeting.

Report of the Finance Committee

On motion by Mr. Bourdeaux, seconded by Mr. Watson, the following report of the Finance Committee was approved:

University of Mississippi Medical Center:

1. Approve request to change the fees for challenge examinations offered to registered nurses for advanced standing in the undergraduate program as listed below to reflect more accurately the School of Nursing's cost of offering the challenge examinations. It seems significant to note that if students pass an examination, they receive full credit for the course challenged. Regular tuition per credit hour is $45.20. The requested tuition per credit hour for validation examinations is $25.00.

Course Number	Course Title	Semester Credit Hours	Current Test Fee	Requested Test Fee
A308	Basic and Clinical Human Anatomy	4	$ 40.00	$ 40.00
P309	Basic and Clinical Human Physiology	4		
N308	Nursing as a Process I	2	15.00	50.00
PH301	Introduction to Pharmacology	4	25.00	100.00
N336	Client as a System I	4	30.00	100.00
N337	Nursing as a Process II	3	15.00	75.00
N339	Nursing I	4	60.00	100.00
NUTR303	Principles of Nutrition and Diet Therapy	3	20.00	75.00

N340	Client as a System II	4	30.00	100.00
N341	Nursing as a Process III	2	15.00	50.00
N343	Nursing II	6	60.00	150.00
		40	$310.00	$840.00

2. Approve request to make the following changes in fees and expenses in the School of Nursing:

   A. The addition of a National League for Nursing Achievement Test fee for undergraduate senior students to cover costs of a comprehensive achievement test.

   B. An increase in malpractice insurance fee from approximately $16.00 to approximately $17.00 per year.

   C. An increase in uniform expense and equipment fee from approximately $350.00 to approximately $425.00.

University of Southern Mississippi:

1. Approve request to purchase $1,200,000.00 in equipment needed for instructional purposes. The University will devote approximately $300,000.00 of its budget to repay this purchase over a five-year period. Two hundred thousand of the $300,000.00 is derived from a $10.00 per student charge for the purchase of computer equipment. The other $100,000.00 has been set aside in the University's budget. Proposals will be sought from outside financial institutions and the best proposal will be selected.

2. Approve request to seek funds to finance the sale of personal computers to students, faculty, and staff through the Bookstore. This program has been worked out with IBM, and other vendors are now seeking the same rights. The magnitude of the program is undetermined at this time.

On motion by Mr. Bourdeaux, seconded by Mr. Watson, the following recommendation of the Finance Committee was approved:

All Institutions:

1. Authorize the Finance Committee to continue to use Dr. Joseph Johnson in possible revisions of the funding and allocation formula during the current fiscal year and to give guidance to the Executive Secretary and Director as to the formation of an advisory committee representing the institutions.

On motion by Mr. Rogers, seconded by Mr. Hickman, the following was approved:

2. Mr. Jacobs will appoint members of the advisory committee to work on possible revisions of the funding and allocation formula as follows: one representative from each institution, all members of the Finance Committee, and appropriate members of the professional staff. All Board members will be welcomed to attend all meetings of this advisory committee.

Executive Office:

1. Approve monthly expenditures as submitted by Dr. E. E. Thrash.

2. Approve expenditures for the Graduate and Professional Degree Scholarship Program.

Report of the Legal Committee

On motion by Mr. Bourdeaux, seconded by Mr. Rogers, the following report of the Legal Committee was approved:

Filing of Legal Action:

1. Approve taking appropriate action to bring suit against the Northeast Mississippi Daily Journal for the payment of fees for services rendered by the Board of Trustees in providing information requested by the newspaper. Official and advertised procedures were followed by the Board in submitting the invoice for services rendered.

On motion by Mr. Bourdeaux, seconded by Mr. Hickman, the following was approved:

University of Mississippi Medical Center:

1. Approve request for authorization for Mr. Carl Andre' to continue to provide legal assistance on current litigation. Threatened or potential litigation must have further consideration by the Board.

Report of the Medical Affairs Committee

On motion by Mrs. Williams, seconded by Mr. Watson, the following report of the Medical Affairs Committee was approved:

University of Mississippi Medical Center:

1. Approve personnel recommendations as submitted by Dr. R. Gerald Turner.

2. Approve a change in status for Dr. Ames F. Tryon, Professor and Chairman, Department of Community and Oral Health, School of Dentistry, Associate Professor of Family Medicine, School of Medicine and Attending Dentist, University Hospital, to Professor and Chairman, Department of Community and Oral Health, School of Dentistry, Associate Professor of Family Medicine, Assistant Professor of Medicine, School of Medicine and Attending Dentist, University Hospital, effective Febrary 1, 1985, with no change in funds.

3. Approve request to terminate the position of Assistant Dean for Anesthesia Affairs in the University of Mississippi School of Health Related Professions.

4. Approve request to establish the following new position:

   Instructor and Fellow, Department of Surgery, School of Medicine, effective January 1, 1985, with a 12-month contract at $40,000.00.

5. Approve requests for foreign travel for Dr. Owen B. Evans and Dr. Connie McCaa.

Medical Education Loan Program:

1. Declare Rodney R. Moore, M.D., in breach of his contract, effective January 1, 1985. Dr. Moore is practicing medicine outside the State of Mississippi.

2. Approve the request of Gary D. Holdiness, M.D., to change his three-year medical residency training location from the University

of Mississippi Medical Center, which he began July 1, 1984, to the Selma Family Practice Center in Selma, Alabama. The Board had approved Dr. Holdiness' request to change his residency training location from Selma to the University of Mississippi Medical Center at its meeting on May 17, 1984.

Report of the Research Committee

On motion by Mr. Watson, seconded by Mr. Jones, the following report of the Research Committee was approved:

Mississippi Research and Development Center:

1. Approve changes in staffing plan as submitted by Dr. Jim W. Meredith.

2. Approve the following contracts and agreements:

   85-33E, Cooperative Extension, $10,000.00.
   85-34E, Lindley McKellar, $2,000.00.

Report of the Student Advisory Committee

On motion by Mrs. Gill, seconded by Mrs. Williams, the following report of the Student Advisory Committee was approved:

Report from Student Representative:

1. The Board heard a report from Mr. Steve Sheppard, Associated Student Body President at the University of Southern Mississippi and Student Advisor to the Board of Trustees.

Report of the Instruction, Administration, and Policy Committee

On motion by Mr. Griffis, seconded by Mr. Jones, the following report of the Instruction, Administration, and Policy Committee was approved:

Alcorn State University:

1. Approve personnel recommendations as submitted by Dr. Walter Washington.

2. Approve request for foreign travel for Dr. Franklin D. Jackson.

Delta State University:

1. Approve personnel recommendations as submitted by Dr. Kent Wyatt.

Jackson State University:

1. Approve personnel recommendations as submitted by Dr. James A. Hefner.

2. Approve a change in status for Robert Leflore from Professor and Head, Department of Computer Science, to Dean of Computer Services and Professor of Computer Science, effective January 21, 1985, with an increase in salary from $46,857.00 to $47,000.00.

3. Approve request to establish the following new positions:

   a. Assistant Professor of Finance and General Business, Department of Economics, Finance and General Business, School of Business, effective January 7, 1985, with a salary of $15,000.00 for the period of January 7, 1985, through May 13, 1985.

b. Associate Director of Student Financial Aid, Office of Student Financial Aid, effective February 1, 1985, with an annual salary of $24,428.00.

4. Approve request for foreign travel for Dr. James Perkins.

5. Approve request to offer the following off-campus courses during the 1985 spring semester at the Jackson Public Schools:

ELED 466C	The Effective School
ELED 566C	The Effective School
EDSE 496C	The Effective School
EDSE 596C	The Effective School
EDSE 696C	The Effective School
EDAD 686C	The Effective School

Mississippi State University:

1. Approve personnel recommendations as submitted by Dr. James D. McComas.

2. Approve a change in status for Dr. Harvey Lewis from Vice President for Development to Vice President for Administration and Development, effective January 1, 1985, with an increase in salary from $62,720.00 to $65,720.00.

3. Approve a change in status for Dr. Theodore K. Martin from Vice President to Special Consultant to the President, effective January 3, 1985 - April 3, 1985, with a salary of $16,021.00.

4. Approve an increase in salary from $58,824.00 to $60,824.00 for Dr. George L. Verrall, Vice President for Business Affairs, effective January 1, 1985.

5. Approve requests for foreign travel for Dr. Robert E. Wolverton, Dr. Paul K. McConnaughey, and Dr. James C. Delouche.

6. Approve request that Dr. James G. Miller be approved as the first chairholder of the Schofield Chair of Veterinary Medicine, effective January 1, 1985, with a salary increase of $40,000.00 to be funded from a recurring grant from the Sterling Drug Company.

Mississippi University for Women:

1. Approve personnel recommendations as submitted by Dr. James W. Strobel.

Mississippi Valley State University:

1. Approve personnel recommendation as submitted by Dr. Joe L. Boyer.

University of Mississippi:

1. Approve personnel recommendations as submitted by Dr. R. Gerald Turner.

2. Approve requests for foreign travel for Dr. A. Eugene Lee, Dr. James J. Reidy, Dr. Dan Landis, Dr. Ronald W. Bailey, and Dr. Winthrop Jordan.

University of Southern Mississippi:

1. Approve personnel recommendations as submitted by Dr. Aubrey K. Lucas.

2. Approve requests for foreign travel for Peter E. Durkee, Robert J. Walden, and James H. Wolfe.

3. Item of Information: The American Psychological Association has renewed full accreditation for the doctoral training programs in counseling psychology and in clinical psychology.

On motion by Mr. Griffis, seconded by Mr. Rogers, the following was approved:

Executive Office:

1. Approve personnel recommendations as submitted by Dr. E. E. Thrash.

On motion by Mr. Griffis, seconded by Mr. Rogers, the following was approved with Mrs. Williams and Mr. Watson recording negative votes:

2. Deny the request of Ms. Sondra Fleming, a 21 year-old student attending the Meridian Branch of Mississippi State University, to take 15 hours during the 1985 spring semester rather than 12 hours, which is the maximum for students under 25 years of age according to the By-Laws and Policies.

On motion by Mr. Griffis, seconded by Mr. Rogers, the following was approved with Mrs. Williams and Mr. Watson recording negative votes:

3. Deny the request of Ms. Doris Thompson, a Delta State University student, to allow her to enter the Teacher Education Program at Delta State University with a score of 169 on the College Outcome Measures Program (COMP) test. Her score is one point below the required 170 as established by the Board at its February 17, 1983, meeting.

On motion by Mr. Griffis, seconded by Mrs. Williams, the following statement to be submitted to the Legislature was approved with Mr. Austin, Mr. Crosthwait, Mr. Hickman, and Mr. Watson recording negative votes:

The Mississippi School for Math and Science:

1. The Board thanks committee chairman Denton Rogers, Jr., Dr. Di Ann Lewis, and the other members of the Committee to Plan the Mississippi School for Math and Science for the many hours of work devoted to the study, and compliments them for compiling such a thorough report. The report clearly indicates both the need for and the value of a School for Math and Science.

   The Board acknowledges the far-reaching benefits that such a school would hold for the state by providing an additional opportunity to improve the overall quality of education in Mississippi.

   Should the Legislature determine that the state's financial situation is such that a School for Math and Science may be established and funded adequately by separate appropriation, the Board of Trustees would welcome the responsibility of operating the School on the campus of Mississippi University for Women.

   The Board feels the need to point out and emphasize that its present institutions are badly underfunded at this time.

On motion by Mr. Griffis, seconded by Mrs. Williams, the following was approved:

Report on a Review of the Funding and Allocation Formula:

1. Dr. Joseph Johnson, Executive Vice President at the University of Tennessee, presented the "Report on a Review of the Funding and Allocation Formula for Operating Appropriations for Mississippi's Public Universities" to the Board.

Reports from the Professional Staff:

1. Reports were given by members of the professional staff concerning the following:

   a. The Senate Appropriations Committee hearing held on Tuesday, January 15, 1985.
   b. Legislative bills concerning higher education.
   c. Out-of-state tuition
   d. Management Information System
   e. Overview of staff financial monitoring
   f. Status of audits
   g. Financial operations of institutions
   h. Analysis of Crawford study
   i. Summary of National Institute of Education Study: Involvement in Education
   j. Status of Programs Reviews
   k. Mississippi Guarantee Student Loan Agency

Report from State Auditor's Office:

1. Mr. Ray Mabus, State Auditor, and Mr. Steve Duncan, Director of the Division of Education Audits, met with the Board in open meeting on Wednesday, January 16, 1985, concerning the audit report at Mississippi Valley State University for the fiscal year 1983. Mr. Mabus indicated that the 1984 audit is anticipated to be ready by May 1985.

Resolution

The Board authorized the appropriate resolution to be written commending Mr. Davey L. Whitney, Head Men's Basketball Coach at Alcorn State University, for coaching his team to its 400th win during his tenure as Head Coach. (SEE EXHIBIT B)

There being no further business, adjournment was ordered.

Executive Secretary and Director

Approved:

President

EXHIBIT A

PROJECT NO. CH-MS-801(D)

RESOLUTION APPROVING LOAN AGREEMENT

WHEREAS, there has been filed with the U. S. Secretary of Education by the Board of Trustees of State Institutions of Higher Learning acting for and in behalf of the University of Southern Mississippi, Hattiesburg, Mississippi (hereinafter called the "Applicant"), an application for a loan under title IV of the Housing Act of 1950, for the renovation of eight dormitories and the U. S. Secretary of Education has tentatively offered to make the requested loan and has transmitted for consideration a proposed Loan Agreement, dated as of December 17, 1984; and

WHEREAS, the proposed Loan Agreement has been duly examined and considered in accordance with all applicable rules of procedure and legal requirements, and made a part of the records of the Board of Trustees of State Institutions of Higher Learning (herein called the "Board") of the Applicant; and

WHEREAS, it is deemed advisable and in the interests of the Application that the proposed Loan Agreement be accepted and its execution authorized;

NOW, THEREFORE, be it resolved by the Board of the Applicant that the proposed Loan Agreement be and the same hereby is accepted without reservation or qualification;

BE IT FURTHER RESOLVED THAT Charles C. Jacobs, Jr., President of the Board of the Applicant be and he is hereby authorized to execute the Loan Agreement, on behalf of the Applicant, and E. E. Thrash, the Executive Secretary and Director of the Board of the Applicant and the proper officials of the Applicant are hereby authorized to take such further action as is necessary to provide for the construction of the project, and to consummate the loan.

Adopted and Approved by the Board of the Applicant on the 17th day of January, 19 85.

(SEAL)

Charles C. Jacobs
President

Attest:

E. E. Thrash
Executive Secretary and Director

Project No. CH-MS-801(D)

CERTIFICATE OF RECORDING OFFICER

I, the undersigned, the duly qualified and acting Executive Secretary and Director of the Board of Trustees of State Institutions of Higher Learning (herein called the "Applicant"), and the keeper of the records of the Applicant, including the journal of proceedings of the Board of Trustees of State Institutions of Higher Learning (herein called the "Board"), do hereby certify:

1. That the attached resolution is a true and correct copy of the resolution as finally adopted at a meeting of the Board held on the 17th day of January, 1985, and duly recorded in my office:

2. That said meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; that quorum was present throughout the meeting, and a sufficient number of members of the Board voted in the proper manner and for the adoption of said resolution; and that all other requirements and proceedings under the law incident to the proper passage or adoption of said resolution, including publication, if required, have been duly fulfilled, carried out, and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of January, 19 85.

Executive Secretary and Director

U.S. DEPARTMENT OF EDUCATION

COLLEGE HOUSING PROGRAM

LOAN AGREEMENT

Project NO. CH-MS-801(D)

Name of Borrower: University of Southern Mississippi

Address and Zip Code:
P.O. Box 10007, Southern Station
Hattiesburg, Mississippi 39406

THIS LOAN AGREEMENT, Dated as of December 17, 1984, by and between the Board of Trustees of State Institutions of Higher Learning of the State of Mississippi acting for and on behalf of the University of Southern Mississippi (herein called the "Borrower") and the United States of America (herein called the "Government"),
WITNESSETH:

Section 1. Description of Bonds, Security and Purpose. Subject to the Terms and Conditions (Form HUD-4520), attached hereto and made a part hereof as Exhibit A, and the provisions of this Agreement, the Borrower will sell and the Government acting by and through the Secretary of the Department of Education (herein called the "Secretary") will purchase the obligations of the Borrower described below (herein called the "Bonds"); or such lesser amount as the Secretary estimates will be required, together with Borrower's funds provided from other sources (estimated to be $183,000), to pay the development cost of the Project hereinafter described, the proceeds of the sale of such bonds to be used solely for the development of the said Project:

(a) Bond Description: See Exhibit C

(b) Principal Amount: See Exhibit C

(c) Interest Rates: See Exhibit C

(d) Terms of Loan: See Exhibit C

(e) Loan Security: A Special Obligation of the Borrower secured by a first lien on and pledge of the net revenues derived from the operation of the Bookstore and the Commons Cafeteria.

Section 2. Preparation of Bond Details. Any bonds to be purchased by the Government shall be prepared in accordance with this Agreement and shall include such details as to date, designation, type, denomination, maturity schedules, place and medium of payment, bond numbers, and redemption provisions as are acceptable to the Secretary.

Section 3. Sale of Bonds. Unless there is outstanding at the time the bonds are to be advertised for sale, a finding by the Secretary that other loan funds are not available on equally favorable terms as those set forth herein, the bonds will be sold by the borrower at public sale in the manner and pursuant to the conditions as shall be prescribed by the Secretary. The call for bids will be for consecutive full annual maturities at not less than par and accrued interest covering the first maturity and , as a minimum, all maturities within ten years after the date of the bonds.

The Government will submit its bid which will cover all the bonds and such bid will be for each individual full annual maturity following the date of the bonds at their par value (plus accrued interest, if applicable) at the rate of interest provided above. In the event any other bidder or bidders offer to purchase any of the bonds as advertised, at an average net interest cost of not more than the interest rate specified herein, the bonds or any such portion thereof shall be sold to such bidder or bidders. In the event of a sale of all the bonds to a purchaser or purchasers other than the Government, this Agreement shall terminate except with respect to obligations hereunder between the Borrower and the Government as of the date of such sale of the bonds. In the event any of the bonds are awarded to the Government, it is agreed that the obligations hereunder shall continue in the same manner as if all the bonds were sold to the Government.

In the event no bid is received from a bidder or bidders other than the Government within the terms herein specified, all the bonds shall be sold to the Government. In the event any of the bonds are awarded to the Government: (1) the Borrower shall, when they are ready, deliver all such bonds to the Government at such times as it may designate, and shall, at the option of the purchasers, issue single bonds with face values in the amount of the respective purchases in lieu of individual denomination bonds, registered as to principal and interest and payable as directed by the purchasers; (2) the bonds awarded to the Government shall mature annually in the years designated by the Government in written notification to the borrower subsequent to the award of bonds.

The Borrower covenants that upon request of the holder of the single bond, it shall issue and deliver at its own expense, at the place specified by the holder of a single bond and within 90 days from the date of such request, bonds in denominations of $1,000 and/or $5,000 registered as to principal and interest, as designated by the holder of the bond, in aggregate amount equal to the amount of the single bond still outstanding. The printing of all bonds shall conform to such specifications and standards as the Government may from time to time prescribe.

Section 4. Description of the Project: The Project shall consist of the renovation of eight existing residence halls

(herein called the "Project").

Section 5. Government Field Expense. The amount of the fixed fee for Government field expense referred to in Section 31 of the attached Terms and Conditions, shall be $ 1,500 .

Section 6. Special Conditions. The Government's obligation to purchase the Bonds of the Borrower is also subject to the Special Conditions attached hereto and made a part hereof as Exhibit B.

Section 7. Notwithstanding the provisions of Section 3 above, the Borrower shall be under no obligation to offer the Bonds at public sale unless requested to do so by the Government.

IN WITNESS WHEREOF this Agreement has been executed in the name of the Board of Trustees of State Institutions of Higher Learning of the State of Mississippi for and on behalf of the University of Southern Mississippi by the undersigned official, and under its official seal, attested by its , and in the name and on behalf of the United States of America, Secretary, Department of Education by the undersigned official.

By _____ Charles C. Jacobs, Jr.
(signature)
President of the Board of Trustees of
State Institutions of Higher Learning
(Type Name and Title

(SEAL)

ATTEST:

_____ E. E. Thrash
(Signature)
Executive Secretary and Director of the
Board of Trustees of State Institutions of Higher Learning
(Type Name and Title

UNITED STATES OF AMERICA
Secretary, Department of Education

By_____

Title_____

Date_____
(Date of Execution by Government)

HUD-4520 (3-66)
(FORMERLY CFA-520)

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COLLEGE HOUSING LOAN PROGRAM

TERMS AND CONDITIONS

Constituting Part of the Loan Agreement Providing for the Financing and Construction of College Housing and Service Facilities Under Title IV of the Housing Act of 1950 (Public Law 475, 81st Congress, as amended)

:ction 1. Definitions. As used in these Terms and Conditions:

"Government" means the United States of America or the Department of Housing and Urban Development.

"Project" means the structure or structures which the Government has agreed to aid in financing under the Loan Agreement.

"Loan Agreement" means the contract between the Government and the Borrower covering the Project and includes both these Terms and Conditions and other contract instruments.

"Borrower" means the educational institution designated in the Loan Agreement.

"Bonds" mean the obligations which the Government has agreed to purchase under the Loan Agreement.

"Project Costs" mean the cost of construction work for the Project including fixed equipment, cost of necessary architectural/engineering services, legal, administrative and clerical costs, cost of land acquisition, necessary travel expenses, costs imposed by the Government to reimburse it for its field expenses, interest during construction, and other necessary miscellaneous expenses, all as determined by the Government.

Section 2. Prerequisites to Government's Obligations. The Government shall be under no obligation to advance funds or to purchase any Bonds under the Loan 'greement if:

(a) Representatives. Any representation made by the Borrower to the Government in connection with the application or loan shall be incorrect or incomplete in any material respect, or the Government determines that the Borrower has failed to proceed promptly with Project financing or construction;

(b) Financial Condition. The financial condition of the Borrower shall have changed unfavorably in a material degree from its condition as theretofore represented to the Government;

(c) Concurrence by Government. The Borrower, having submitted to the Government the documents mentioned in Section 17 hereof, shall have proceeded without having been advised by the Government that the same are satisfactory; it being the purpose of this provision to insure that no action will be taken in the development of the Project which would result in a legal or contractual violation rendering it impossible for the Government to make the loan hereunder or for the parties to accomplish the objects of the Loan Agreement.

Section 3. Furnishings and Movable Equipment. The Borrower shall, on or before substantial completion of the Project, provide from sources other than the loan hereunder, and from sources and in a manner which will not jeopardize the security of the Bonds, the furnishings and movable equipment necessary to the full enjoyment of the use, occupancy and operation of the Project.

Section 4. Project Site. The Project shall be located on lands of the Borrower, at a site to be approved by the Government.

Section 5. Title Evidence. The Borrower shall furnish the Government satisfactory evidence of its ownership of the Project site.

Section 6. Purchase of Bonds. The Borrower shall initiate and prosecute to completion all proceedings necessary to the authorization, issuance, and sale of the Bonds and to the security thereof. When the said proceedings have been completed to the point of but not including the delivery of the Bonds to the Government, the Borrower may file a requisition requesting the Government to purchase the Bonds. The requisition shall be supported by such data as the Government shall require to determine whether the Government is obligated under the provisions of the applicable Loan Agreement to honor such requisition. If the Government is so obligated, it will purchase the Bonds covered by such requisition, within the limitations, however, specified in the Loan Agreement.

Section 7. Legal Matters. The Borrower shall furnish the Government a transcript of proceedings for the authorization, issuance, sale and security of the Bonds evidencing that the Bonds, when delivered and paid for, will constitute binding and legal obligations, payable and secured in accordance with their tenor, and that all proceedings for the financing and the acquisition, construction and development of the Project preliminary to the delivery of the Bonds to the Government have been had and adopted in due time, form, and manner as required by law.

Section 8. Security. The Borrower shall include in the proceedings for the authorization, issuance, sale, and security of the Bonds, provisions for the payment of the principal of and interest on the Bonds and for the security thereof of the nature required to assure such payment and to safeguard the loan hereunder, including, in case the Bonds are payable in whole or in part from any special sources of revenues, provisions designed to assure the production of such revenues and the application thereof to the extent required for the payment and security of the Bonds and interest thereon, including the maintenance of reasonable reserves.

Section 9. Opinion of Bond Counsel. Simultaneously with the delivery of any of the Bonds to the Government, the Borrower shall furnish to the Government the approving opinion of bond counsel who shall be satisfactory to the Government, and covering generally all of the Bonds and, specifically and unqualifiedly, the Bonds then being delivered to the Government.

Section 10. Construction Financing. The Borrower shall make every effort to obtain interim financing from private sources. Prior to entering into formal agreements for such financing, the Borrower shall furnish the Government with (1) a satisfactory preliminary opinion of bond counsel; (2) evidence of its ability to finance on reasonable terms the cost of the Project up to the time the Bonds are [illegible] and (3) evidence of the receipt of firm bids establishing that the Project can be constructed within the approved estimated cost thereof.

In the event any loan under temporary financing should become due prior to the time when the Bonds are ready for delivery, the Borrower may apply to and, provided that the Borrower is in compliance with the Terms and Conditions of this Loan Agreement, receive from the Government an advance against the Bonds in an amount sufficient to liquidate such temporary loan.

Should the Borrower be able to demonstrate to the Government's satisfaction that interim financing on reasonable terms is not available, the Government will consider requests for advances in anticipation of the issuance of the Bonds. Requisitions for construction advances shall be accompanied by such supporting data as the Government may require. The Government will honor such requisitions in amounts and at times deemed by it to be proper.

Any funds made available to the Borrower by the Government pursuant to this Section shall be repaid in full from the first proceeds derived from the sale of the Bonds, and shall bear interest at the rate specified for the Bonds in the Loan Agreement from the data made available to the date of repayment.

Section 11. Prerequisites to Loan Disbursements. Prior to the Government disbursing any portion of the loan proceeds, the Borrower shall present satisfactory evidence that:

(a) It is able to provide the furnishings and movable equipment required for the operation of the Project, as specified in Section 3 hereof;

(b) It has deposited in the Construction Account such funds as are necessary with the loan proceeds to assure completion of the Project; and

(c) It is able to provide the Project site or sites free from all encumbrances.

Section 12. Construction Account. The Borrower shall set up in a bank or banks which are members of the Federal Deposit Insurance Corporation, or with the fiscal agency of the Borrower fixed by law, a separate account or accounts (herein collectively called the "Construction Account") into which shall be deposited any temporary loans, Government advances, and proceeds from the sale of the Bonds (except accrued interest payments), and the additional funds, if any, required by the provisions of the Loan Agreement to be furnished by the Borrower in order to assure the payment of all Project Costs. Moneys in the Construction Account shall be expended only for such purposes as shall have been previously specified in the project cost estimates approved by the Government.

Where the moneys on deposit in the Construction Account exceed the estimated disbursements on account of the Project for the next 90 days, the Borrower may deposit such excess funds in time deposits in banks that are members of the Federal Deposit Insurance Corporation or may invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government, which shall mature not later than 18 months after the date of such investment and which shall be subject to redemption at any time by the holder thereof. The earnings from any such deposits or investments shall be deposited in the Construction Account by the Borrower.

Any moneys remaining in the Construction Account after all costs of the Project have been paid shall be promptly used to the extent possible for the redemption of

Bonds, and any residue shall be deposited in the Bond and Interest Sinking Fund provided for in the Agreement: Provided, however, the Borrower shall have the right to withdraw any such moneys representing additional funds deposited into the Construction Account pursuant to Section 13 hereof to finance the total project cost, which are found to be unnecessary for such purpose.

Section 13. Payment of Costs—Additional Funds. The Borrower shall pay all Project Costs and furnish from sources other than the proceeds of the loan, and from sources and in a manner which will not jeopardize the security of the Bonds, the additional funds, if any, which will be sufficient to finance the total Project Costs.

Section 14. Patents. The Borrower shall hold and save the Government and its officers, agents, and employees harmless from liability of any nature or kind, including costs and expenses for, or on account of, any patented or unpatented invention, process, article or appliance manufactured or used in connection with construction or operation of the Project.

If the Borrower uses or causes to be used any design, device or materials covered by letters, patent or copyright, it shall provide or cause to be provided for such use by suitable agreement with the owner of such patented or copyrighted design, device, or material. The Borrower, its contractors, and/or sureties shall indemnify and save harmless the Government from any and all claims for infringement by reason of the use of such patented or copyrighted design, device or materials or any trademark or copyright in connection with the construction or operation of the Project and shall indemnify and save harmless the Government for any cost, expense, or damage which it may suffer by reason of such infringement or claim of infringement.

Section 15. Prompt Procedure—Economic Construction. The Borrower covenants and agrees that it will proceed promptly with all matters necessary to the financing and the development of the Project; and that the Project will be undertaken and developed in such a manner that economy will be promoted in such development and in the construction work; and that the Project will not be of elaborate or extravagant design or materials.

Section 16. Approvals and Permits. The Borrower shall obtain all approvals and permits required by law as a condition precedent to the acquisition, construction, development, and operation of the Project.

Section 17. Submission of Proceedings, Contract and Other Documents. The Borrower shall submit to the Government such data, reports, records, and documents relating to the financing, construction, and operation of the Project and financial condition of the Borrower as the Government may require. Approval of the Government must be obtained prior to the assignment of any interest in or part of any contract relating to the Project.

Section 18. Construction by Contract. All work on the Project shall be done under contract and every opportunity shall be given for free, open, and competitive bidding for each and every construction, material, and equipment contract. The Borrower shall give such publicity by advertisements or calls for bids by it for the furnishing [illegible] of work, labor, materials, and equipment as required by applicable law and as [illegible] adequate competition; and the award of each contract therefor shall be made after approval by the Government, to the lowest responsible bidder as soon as practicable: Provided, that in the selection of equipment or materials the

Borrower may, in the interest of standardization or ultimate economy, if the advantage of such standardization or such ultimate economy is clearly evident, award a contract to a responsible bidder other than the lowest in price. The Borrower shall obtain the concurrence of the Government before approving subcontracts relating to the Project.

Section 19. Changes in Construction Contract. Any change in a construction contract shall be submitted to the Government for approval. Construction contracts shall include a provision specifying that the above requirement will be met.

Section 20. Contract Security. The Borrower shall require that each construction contractor shall furnish a performance bond in an amount at least equal to 100 percent of his contract price as security for the faithful performance of his contract and also a payment bond in amount not less than 50 percent of his contract price or in a penal sum not less than that prescribed by State, territorial, or local law, as security for the payment of all persons performing labor on the Project under his contract and furnishing materials in connection with his contract. The performance bond and the payment bond may be in one or in separate instruments in accordance with local law.

Section 21. Insurance During Construction. The Borrower shall require that each of its contractors and all subcontractors shall maintain during the life of his contract Workmen's Compensation Insurance, Public Liability, Property Damage, and Vehicle Liability Insurance in amounts and on terms satisfactory to the Government. Until the project is completed and accepted by the Borrower, the Borrower is required to maintain, or to require the contractor to maintain Builder's Risk Insurance (fire and extended coverage) on a 100 percent completed value basis on the insurable portion of the project for the benefit of the Borrower, the prime contractor, and all subcontractors, as their interests may appear.

Section 22. Wage Rates and Work Hours.

(a) Wage Rates. Upon receipt of the list of wage rates determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (Davis-Bacon Act, as amended), the Borrower shall include such list in all contracts calling for work on the Project and require adherence thereto. The Borrower shall also require of each of its contractors that such list shall be posted at appropriate conspicuous points on the site of the Project. Unless otherwise required by law, wage rates need not be listed for non-manual workers, including executive, supervisory, administrative and clerical employees.

If, after the award of the contract, it becomes necessary to employ any person in a trade or occupation not classified in the above list, such person shall be paid at not less than a rate to be determined by the Secretary of Labor. Such approved minimum rate shall be retroactive to the time of the initial employment of such person in such trade or occupation. The contractor shall notify the Borrower of his intention to employ persons in trades or occupations not classified in sufficient time for the Borrower to obtain approved rates for such trades or occupations.

(b) Contract Work Hours. The Borrower shall comply with the provisions of the Contract Work Hours Standards Act (40 U.S.C. 327-332) and the applicable rules and regulations issued by the Secretary of Labor thereunder which are incorporated herein by reference. The Borrower shall cause to be inserted in each contract or subcontract subject to the Work Hours Standards Act the specific provisions required by the above regulations.

(c) Donation of Services. The Government may waive the application of subsections (a) and (b) in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of the project, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Government determines that any amounts saved thereby are fully credited to the Borrower.

Section 23. Payment of Employees. The Borrower shall require of its contractors that all employees engaged in work on the Project be paid in full (less deductions made mandatory by law) not less often than once each week.

Section 24. Wage Underpayments and Adjustments. The Borrower shall require of each of its contractors that, in cases of underpayment of wages by the contractor, the Borrower may withhold from such contractor out of payments due, an amount sufficient to pay workers employed on the work covered by his contract the difference between the wages required to be paid under the contract and the wages actually paid such workers for the total number of hours worked and may disburse such amounts so withheld by it for and on account of the contractor to the respective employees to whom they are due.

Section 25. Copeland Act. The Borrower shall comply with the provisions of the Copeland Act (Anti-Kickback) 48 Stat. 1948, as amended, and the applicable rules and regulations issued by the Secretary of Labor thereunder which are incorporated herein by reference. The Borrower shall cause to be inserted in each contract or subcontract subject to the Copeland Act the specific provisions required by the above regulations in the construction, prosecution, or completion of the Project to comply therewith, and to cause his subcontractors to do likewise.

Section 26. Accident Prevention. The Borrower shall require of its contractors that precaution shall be exercised at all times for the protection of persons (including employees) and property, and that hazardous conditions be guarded against or eliminated.

Section 27. Supervision and Inspection. The Borrower shall provide and maintain on its own behalf competent and adequate architectural or engineering services covering the supervision and inspection of the development and construction of the Project.

Section 28. Nondiscrimination.

a. Civil Rights Act of 1964. The Borrower covenants and agrees that it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352), and with the rules and regulations (24CFR, Subtitle A, Part 1) issued by the Department of Housing and Urban Development pursuant thereto.

b. Equal Opportunity in Housing. The Borrower covenants and agrees that it will comply with the provisions of Executive Order 11063, dated November 20, 1962, and with the requirements issued by the Department of Housing and Urban Development pursuant thereto.

c. Equal Employment Opportunity. The Borrower hereby agrees to incorporate or cause to be incorporated into any contract for construction work or modification thereof, paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant,

contract, loan, insurance or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance or guarantee, the following equal opportunity clause:

"During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Department of Housing and Urban Development and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or Federally-assisted construction contracts, in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations,

or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Department of Housing and Urban Development may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Department of Housing and Urban Development, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

The Borrower further agrees that it will be bound by the above equal opportunity clause in any Federally-assisted construction work which it performs itself other than through the permanent work force directly employed by an agency of government.

The Borrower agrees that it will cooperate actively with the Department of Housing and Urban Development and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations and relevant orders of the Secretary of Labor, that it will furnish the Department of Housing and Urban Development and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the Department of Housing and Urban Development in the discharge of the Department's primary responsibility for securing compliance. The Borrower further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and Federally-assisted construction contracts pursuant to Part II, Subpart D, of Executive Order 11246 and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the Department of Housing and Urban Development or the Secretary of Labor pursuant to Part II, Subpart D, of Executive Order 11246. In addition, the Borrower agrees that if it fails or refuses to comply with these undertakings, the Department of Housing and Urban Development may cancel, terminate or suspend in whole or in part this loan, may refrain from extending any further assistance to the Borrower under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from such Borrower, or may refer the case to the Department of Justice for appropriate legal proceedings.

Section 29. Payments to Contractors. Not later than the fifteenth day of each calendar month the Borrower shall make a partial payment to each construction contractor on the basis of a duly certified and approved estimate of the work performed during the preceding calendar month by the particular contractor, but shall retain until final completion and acceptance of all work covered by the particular contract a reasonable amount, specified in the contract, sufficient to insure the proper performance of the contract.

Section 30. Audit and Inspection. The Borrower shall require of its contractors that the Government's authorized representatives be permitted, and it will itself permit them, to inspect all work, materials, payrolls, records of personnel, invoices of materials and other relevant data and records appertaining to the development of the Project; and shall permit the Government's authorized representatives to inspect the books, records, and accounts of the Borrower appertaining to the loan and the development of the Project.

Section 31. Government Field Expense. The Government will bill the Borrower for payment of the fee specified in the Loan Agreement to cover audit and inspection costs and payment will be due from the first funds deposited in the Construction Account. In the event of termination of the Loan Agreement through the sale of all of the Bonds to private purchasers, the Borrower shall be entitled to a refund of all or a proportionate part of the fee. The refund shall be in such an amount as the Government determines to be equitable under the circumstances.

Section 32. Signs. The Borrower shall cause to be erected at the site of the Project, and maintained during construction, signs satisfactory to the Government identifying the Project and indicating the fact that the Government is participating in the development of the Project.

Section 33. Retention of Title. So long as the Government holds any of the Bonds, the Borrower shall not dispose of its title to the Project or to any facility the revenues of which are pledged as security for the Bonds, or to any useful part thereof, including any facility necessary to the operation and use thereof, and the lands and interests in lands comprising their sites, except as permitted in the Loan Agreement and the bond authorizing proceedings.

Section 34. Insurance on Completed Project.

(a) Fire and Extended Coverage. Upon acceptance of the Project from the contractor, the Borrower shall, if such insurance is not already in force, procure Fire and Extended Coverage Insurance on the Project and, upon receipt of funds acquired pursuant to the Loan Agreement, the Borrower shall, if such insurance is not already in force, procure Fire and Extended Coverage Insurance on any other of its buildings the revenues of which are pledged to the security of the loan. The foregoing Fire and Extended Coverage Insurance shall be maintained so long as any of the Bonds are outstanding and shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed 80 percent of the full insurable value of the damaged building.

Where a Trustee is to be or has been designated in connection with the Bonds, each such insurance policy shall be acceptable to the Trustee and shall contain a clause making all losses payable to the Trustee as its interest may appear.

In the event of any damage to or destruction of any of said building or buildings, the Borrower shall promptly arrange for the application of the insurance proceeds for the repair or reconstruction of the damaged or destroyed portion thereof, or retire the outstanding bonds.

(b) Boiler Insurance. Upon acceptance of the Project from the contractor, the Borrower shall, if such insurance is not already in force, procure and maintain, so long as any of the Bonds are outstanding, Boiler Insurance covering any steam boilers servicing the Project, in a minimum amount of $50,000.00.

(c) Liability Insurance. Upon receipt of any funds acquired pursuant to the Loan Agreement, the borrower shall, if such insurance is not already in force, procure and maintain, so long as any of the Bonds are outstanding, Public Liability Insurance with limits of not less than $100,000 for one person and $300,000 for more than one person involved in one accident to protect the borrower from claims for bodily injury and/or death which may arise from the borrower's operations, including any use or occupancy of its grounds, structures and vehicles, and including

any nonowned vehicles operated for the benefit of the borrower. The borrower shall also maintain Vehicle Property Damage Insurance with limits of not less than $10,000.

(d) Use and Occupancy Insurance. Immediately upon occupancy of any portion of the Project and so long thereafter as the funds and investments of the Bond and Interest Sinking Fund Account or Collateral Account, if any (as provided in the Loan Agreement) are less than the maximum debt service reserve required by said provisions of the Loan Agreement, the Borrower shall procure and maintain Use and Occupancy Insurance on each building, the revenues of which are pledged to payment of the Bonds, in an amount sufficient to enable the Borrower to deposit in the Bond and Interest Sinking Fund Account, out of the proceeds of such insurance, an amount equal to the sum that would normally have been available for deposit in such Account from the revenues of the damaged building during the time the damaged building is non-revenue producing as a result of loss of use caused by the perils covered by Fire and Extended Coverage Insurance. Where a Trustee is to be or has been designated in connection with the Bonds, each such insurance policy shall be acceptable to the Trustee and shall contain a loss payable clause making any loss thereunder payable to the Trustee as its interest may appear.

Section 35. Parietal Rules. The Borrower shall establish and maintain so long as any of the Bonds are outstanding, such parietal rules, rental rates and charges for the use of the Project 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, (b) the debt service on the Bonds, (c) the required reserve therefor, and (d) the Repair and Replacement Reserve where such reserves are required.

Section 36. Proper Records and Books. The Borrower covenants that it will keep accurate financial records and proper books relating to the Project, 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 Borrower further covenants that not later than 90 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 Borrower, the Project, other pledged facilities, and other pledged revenue sources, including particularly the Borrower's enrollment, the occupancy or degree of use of and rates charged for the use of, and the insurance on, the Project and any other facilities the revenues of which are pledged in the Loan Agreement, and the status of the several accounts and funds required by the Loan Agreement.

Section 37. Investment of Funds. Moneys on deposit to the credit of the Bond and Interest Sinking Fund Account and/or the Repair and Replacement Reserve Account shall, upon request by the Borrower, be invested by the Trustee or other designated depository, in direct obligations of, or obligations the principal of and the interest on which are guaranteed by, the United States Government. Where the Borrower is required to maintain fixed amounts in such accounts, the investments of such funds shall be valued in terms of current market value as of June 30 and December 31 of each year.

Section 38. Bond Redemption. So long as the Government holds any of the Bonds, it will waive the non-callable provisions, redemption premiums, and publication of notice of call applicable thereto.

Section 39. Interest of Third Parties. The Loan Agreement is not for the benefit of third parties, including the holders from time to time of any of the Bonds, and the Government shall be under no obligation to any such parties, whether or not indirectly interested in said Agreement, to pay any charges or expenses incident to compliance by the Borrower with any of its duties or obligations thereunder.

Section 40. Interest of Members of or Delegates to Congress. No member of or delegate to the Congress of the United States shall be admitted to any share or part of this Agreement or to any benefit arising therefrom.

Section 41. Bonus or Commission. By execution of the Loan Agreement the Borrower represents that it has not paid and, also, agrees not to pay, any bonus, commission, or fee for the purpose of obtaining an approval of its application for the loan hereunder.

Section 42. Termination Rights. Prior to disbursement of any Government loan moneys under the Loan Agreement, the Borrower shall have the right to terminate such Agreement effective thirty days after giving notice of termination to the Government, and upon reimbursement by Borrower of any Government field expenses which have been incurred.

The Government shall have the right to terminate the Loan Agreement, effective upon thirty days notice thereof to the Borrower, whenever the Government determines that the Borrower has failed to proceed promptly with the construction and financing of the project.

Section 43. State or Territorial Law. Anything in the Loan Agreement to the contrary notwithstanding, nothing in the Loan Agreement shall require the Borrower to observe or enforce compliance with any provision thereof, perform any other act or do any other thing in contravention of any applicable State or territorial law: Provided, That if any of the provisions of the Loan Agreement violate any applicable State or territorial law, or if compliance with the provisions of the Loan Agreement would require the Borrower to violate any applicable State or territorial law, the Borrower will at once notify the Government in writing in order that appropriate changes and modifications may be made by the Government and the Borrower to the end that the Borrower may proceed as soon as possible with the construction of the Project.

★ U.S.GOVERNMENT PRINTING OFFICE:1974— 650-102/502

EXHIBIT B

1. Prior to filing any requisition for loan funds, the Borrower shall present satisfactory evidence that it has either deposited or committed to deposit in the Construction Account the sum of $183,000 being the difference between the amount of the loan and the estimated development cost of the Project.

2. The Borrower covenants and agrees that as soon as the Project is substantially completed, all rentals, charges, income, and revenue arising from the operation or ownership of the Bookstore and the Commons Cafeteria shall be deposited to the credit of a special fund, to be known as the "1985 Revenue Fund Account" and held in the custody of the Borrower, separate and apart from all other funds. Such 1985 Revenue Fund Account shall be maintained, so long as any of the Bonds are outstanding, in a bank which is a member of the Federal Deposit Insurance Corporation and shall be expended and used by the Borrower only in the manner and order specified below.

3. Current expenses of the Bookstore and the Commons Cafeteria shall be payable, as a first charge from the 1985 Revenue Fund Account as the same become due and payable. Current expenses shall include all necessary operating expenses, current maintenance charges, cost of food served, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance and all other expenses incident to the operation of the Bookstore and the Common Cafeteria, but shall exclude depreciation, all general administrative expenses of the Borrower and the payment into the "1985 Repair and Replacement Reserve" hereinafter provided for.

4. The Borrower shall establish in a bank which is a member of the Federal Deposit Insurance Corporation and maintain so long as any of the Bonds are outstanding, a separate Bond and Interest Sinking Fund Account, which may be designated as the "1985 Bond Fund," into which shall be deposited any accrued interest received from the sale of the Bonds, which sum shall be credited against the amount to be deposited into the Account on the next interest payment date. As soon as the Project is substantially completed, and after providing for the payment of Current Expenses, the Borrower shall transfer from the 1985 Revenue Fund Account and deposit to the credit of the 1985 Bond Fund on or before each March 15 and September 15 a sum which, together with the interest for the current interest period chargeable as a project development cost shall be sufficient to pay the interest on the outstanding Bonds as the same becomes due. Provided, however, that beginning March 15, 1988, and thereafter the Borrower shall, after providing for the payment of Current Expenses, transfer from the 1985 Revenue Fund Account and deposit to the credit of the 1985 Bond Fund, on or before each March 15 and September 15, the sum of at least $89,300 until the funds and/or investments therein are sufficient to meet the interest on the outstanding Bonds due on the next interest payment date and one-half of the principal due within the succeeding twelve months, plus a debt service reserve in the sum of $142,900 and, thereafter, on or before each March 15 and September 15, and sums from said source as may be necessary to meet the interest on the Bonds due on the next interest payment date, and one-half of the principal due within the succeeding twelve months, and maintain the debt service reserve in the sum of $142,900.

5. As soon as the required reserve is accumulated in the 1985 Bond Fund, the Borrower shall establish in a bank which is a member of the Federal Deposit Insurance Corporation a separate account called the "1985 Repair and Replacement Reserve Account" into which shall be deposited from the 1985 Revenue Fund Account on or before the close of each fiscal year the sum of $25,000 or such portion thereof as is available for transfer annually until the funds and/or investments in the account shall aggregate $250,000 and thereafter such sums, but not more than $25,000 annually as may be required to restore and maintain the balance of $250,000. All moneys in the 1985 Repair and Replacement Reserve Account may be drawn on and used by the Borrower for the purpose of paying the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and the renovating or replacement of the furniture and equipment not paid as part of the ordinary and normal expense of Bookstore and Commons Cafeteria operations. However, in the event the funds in the 1985 Bond Fund should be reduced below the debt service reserve of $142,900 funds on deposit in the 1985 Repair and Replacement Reserve Account shall be transferred to the 1985 Bond Fund to the extent required to eliminate the deficiency in that Account.

6. Subject to making the foregoing maximum deposits, the Borrower may use the balance of excess funds in the 1985 Revenue Fund Account at the close of each fiscal year (1) to redeem outstanding Bonds on the next interest payment date, in inverse numerical order and in amount of not less than $5,000 par value at one time, or (2) for any expenditures, including the payment of debt service, in improving or restoring any existing housing and dining facilities or providing any such additional facilities, or (3) for any other lawful purpose.

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U.S. Department of Education
Office of Postsecondary Education
College Housing
PROJECT SUMMARY
Title IV of the Housing Act of 1950

NAME OF INSTITUTION OR BRANCH CAMPUS	FACILITY NUMBER	STATE CODE
University of Southern Mississippi	CH-MS-801(D)	34

FACILITIES DESCRIPTION	PURPOSE OF REVISION
Renovation of eight existing residence halls	[X] N/A

A	col 13-14	PROJECT(S) INFORMATION	[ ] (3) OR [ ] (4) TITLE VII-A	[ ] (2) TITLE VII-B	[X] (5) TITLE IV
	26	ELIGIBLE PROJECT DEVELOPMENT COST	$	$	$ 2,806,464
	35	NET ASSIGNABLE AREA IN PROJECT	SF	SF	218,039 SF
	35 a	INSTRUCTIONAL AND LIBRARY FACILITIES	SF	SF	SF
	35 b	INSTRUCTION-RELATED FACILITIES	SF	SF	SF
	36	% OF TOTAL ASSIGNABLE AREA IN PROJECT	%	%	97.99 %

B		FACILITIES INFORMATION	PREVIOUS APPROVAL	REVISIONS (+ OR -)	CURRENT APPROVAL
		FINANCING			
	01	GRANT-TITLE VII-A – SECTION 702	$	$	$
	02	GRANT-TITLE VII-A – SECTION 703			
	03	GRANT-TITLE VII-B			
	04	LOAN/ College Housing			2,681,000
	05	APPALACHIAN GRANT			
	06	OTHER FEDERAL FUNDS			
	07	OTHER BORROWED FUNDS			
	08	APPLICANT'S CASH FUNDS			183,000
	09	TOTAL FINANCING TOTAL	$	$	$ 2,864,000
		BUDGET			
	10	PURCHASE OF LANDS	$	$	$
	11	PURCHASE OF BUILDINGS			
	12	PRELIMINARY SITE CLEARANCE			
	13	SURVEYS AND TESTING			3,000
	14	ARCHITECTURAL - ENGINEERING FEES			150,000
	15	RESIDENT INSPECTION OF CONSTRUCTION			
	16	CONSTRUCTION			2,450,000
	17	BUILT-IN EQUIPMENT			
	18	SITE IMPROVEMENTS AND UTILITY CONNECTION			6,000
	19	CONSTRUCTION CONTINGENCY			245,500
	20	LEGAL AND ADMINISTRATIVE EXPENSES			8,000
	21	CAPITALIZED INTEREST			
	22	MOVABLE INITIAL EQUIPMENT			(a)
	23	Government Field Expense			1,500
	24	CENTRAL UTILITY FACILITY			
	25	TOTAL FACILITIES DEVELOPMENT COST TOTAL	$	$	$ 2,864,000

		ANALYTICAL DATA	NEW	REHABILITATION
	30	BUILDING COST	$	$ 2,695,000
	31	GROSS AREA	SF	336,950 SF
	32	BUILDING COST PER SQUARE FOOT	$	$ 8.00
				NEW AND REHAB.
	33	TOTAL ASSIGNABLE AREA IN FACILITIES		222,507 SF
	34	DEVELOPMENT COST PER ASSIGNABLE SQUARE FOOT IN FACILITIES		$ 12.87
	37	PRECENTAGE OF GROSS AREA WHICH IS ASSIGNABLE		66.04 %

C	CONSTRUCTION SCHEDULE:	BID ADVERTISING DATE	CONTRACT AWARD DATE	OCCUPANCY DATE
		April 1985	May 1985	June 1987

D COMMENTS:

(a) Moveable equipment estimated to cost $150,000 to be provided outside the scope of the project.

RECOMMENDATION OF APPROVAL	APPROVAL
William S. Bomhill Jr.	Joyce P. Hyman 1/3/85
DATE:	DATE:

COPY 1 - APPLICANT

DATA FOR LOAN AGREEMENT

EXHIBIT C

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A. Loan Specifications

1. Bond Detail

Designation: University of Southern Mississippi Dormitory Revenue Bonds of 1985

Date: October 1, 1985

Amount of Loan $ 2,681,000

Denomination: No. 1 $1,000; Nos 2 - 537 - $5,000

Type: Registered bonds without coupons

Interest Rate: 3 % per annum

payable semi-annually on April 1 and October 1 in each year,

first interest payable April 1, 1986

2. Bond Retirement Schedule: Maturities as of October 1

Year(s)	Principal Payment	Year(s)	Principal Payment	Year(s)	Principal Payment
1988-	$61,000	2000 - 2001	$90,000	2010-	$120,000
1989-1990	65,000	2002 - 2003	95,000	2011-2012	125,000
1991-1992	70,000	2004 -	100,000	2013-	130,000
1993-1995	75,000	2005 - 2006	105,000	2014-	135,000
1996-1997	80,000	2007 -	110,000	2015-	140,000
1998-1999	85,000	2008 - 2009	115,000		

3. Bond numbers (1 and upwards in order of maturity):

1 to 537, inclusive

4. Place of Payment: At the principal office of a bank or trust company in the State of Mississippi, or at the option of the holder, at a bank or trust company in the Borough of Manhattan, City and State of New York.

5. Registration Privileges: Fully registered as to principal and interest

6. Redemption Features: Bonds maturing on or before October 1, 1995, shall not be subject to prior redemption. Bonds maturing October 1, 1996 through October 1, 2015 inclusive, shall be callable for redemption at the option of the Borrower in whole or in part in inverse numerical order on any interest payment date beginning April 1, 1996, upon at least 30 days prior notice, at the principal amount thereof, plus accrued interest to the date of redemption and a premium for each bond as follows:

3% if redeemed	April 1, 1996	through	October 1, 2000,	inclusive
2½% " "		"		"
2% " "	April 1, 2001,	"	October 1, 2005,	"
1½% " "		"		"
1% " "	April 1, 2006	"	October 1, 2010,	"
0% " "	April 1, 2011,	or thereafter		

The Loan Agreement will provide that if the Government purchases any of the bonds, and so long as any of such bonds remain in its possession, it will waive the non-callable provisions, publication notice and premiums for call applicable thereto.

7. Bids will be accepted for consecutive full annual maturities covering the first maturity and all maturities thereafter through at least October 1, 1995.

E. Financial Conditions to be Included in Loan Agreement

(Cut and attach printed standard special conditions to separate sheet. If variations, or non-standard special conditions must be used, explain in Part 2. Use extra sheets as required to show all special conditions.)

EXHIBIT B

R E S O L U T I O N

WHEREAS, Alcorn State University Head Basketball Coach Davey L. Whitney on January 7, 1985, experienced his four hundredth career win as college coach when Alcorn State University Braves defeated Dillard University; and

WHEREAS, since becoming head basketball coach at Alcorn State University in 1969, Coach Whitney has compiled a record of success with 346 wins and 116 losses; and

WHEREAS, Coach Whitney has achieved distinction with his teams winning five NAIA district titles, seven Southwestern Athletic Conference (SWAC) regular season championships, and six SWAC tournament crowns and participating in four NCAA tournaments and in one NIT play-off; and

WHEREAS, Coach Whitney has distinguished himself not only as a coach but also as a college athlete named as Kentucky State University's only athlete to letter in four sports, elected to Kentucky State University's Athletic Hall of Fame, and selected to the Pittsburgh Courier All-American team and to the All-Midwest Conference team; and

WHEREAS, Dr. Walter Washington, his administration, and the Athletic Director of the University have encouraged and supported Coach Whitney and his teams;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of State Institutions of Higher Learning of the State of Mississippi does hereby commend Alcorn State University Head Basketball Coach Davey L. Whitney for his winning record, his athletic accomplishments, and for representing his university and the State of Mississippi so admirably;

BE IT FURTHER RESOLVED, that this resolution be spread upon the official minutes of the Board of Trustees and that a copy of this resolution be forwarded to Coach Davey L. Whitney.

Adopted this seventeenth day of January, 1985.